ANNEXURE A

CITY OF CAPE TOWN

BUDGET

For the financial period
2014/15 to 2016/17

MAY 2014

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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 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 month end cash and short-term investment balances.

CGD – Capital Grants and Donations

CCT – City of Cape Town

City - City of Cape Town

CPI – Headline Consumer Price Index

CRR – Capital Replacement Reserve

DMTN – Domestic Medium Term Note

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

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

Executive Management Team (EMT) - A team comprising the City Manager and the Executive Directors and Chief Audit Executive. It reports 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. Measures of service output and/or outcome.

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.

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 such as general expenses, salaries & wages and repairs & maintenance.

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

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

TMA – Total Municipal Account

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

SFA – Strategic Focus Areas. The main priorities of a municipality as set out in the IDP. Budgeted spending must contribute towards achievement of these Strategic Focus Areas.

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

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

Part 1 - Annual Budget

1.1 Council Resolutions

The 2014/15 MTREF Budget Resolutions recommend that:

1. The City's annual budget for the financial year 2014/15; and indicative allocations for the two projected outer years 2015/16 and 2016/17 and related policies, as tabled, be approved and adopted, as set out in the following schedules and annexures:

a. Operating expenditure by standard classification reflected in table 21.
b. Operating expenditure by vote reflected in table 22.
c. Operating revenue by source reflected in table 24.
d. Multi-year capital appropriations by vote reflected in annexure 1 and table 87.
e. Capital expenditure by standard classification reflected in table 25.
f. Capital funding by source reflected in table 25.
g. Budgeted Cash Flow statement as reflected in table 27.
h. Salaries and benefits of political office bearers, councillors and senior officials as reflected in table 51 and table 52.
i. Performance indicators and benchmarks for 2014/15 as set out in table 34.
j. Consolidated budget tables for the City and the municipal entity (CTICC) as reflected in table 94 to table 97.
k. Property (Tax) Rates as set out in annexure 2.
l. Special Rating Areas (SRA) Policy and SRA Additional Rates (including City Improvement Districts) as set out in annexure 3.
m. Revised consumptive tariffs, rates and basic charges for Electricity Services, Water and Sanitation Services and Solid Waste Management Services as set out in annexure 4.
n. Rates Policy as set out in annexure 5.
o. Tariffs, fees and charges book incorporating miscellaneous tariffs, charges, rates and levies for 2014/15 and Special Rating Areas Additional Rates as set out in annexure 6.
p. Tariff Policies as set out in annexure 7.
q. Credit Control and Debt Collection Policy as set out in annexure 8 (with effect from 01 June 2014).
r. Grants Policy as set out in annexure 9.
s. Reviewed 2012/13 – 2016/17 Integrated Development Plan (IDP) as set out in annexure 10.
t. Grants, Subsidies and Contributions to external organisations as set out in annexure 11.
u. Operating and Capital ward allocation projects supported by sub councils as set out in annexure 12.
v. Virement Policy as set out in annexure 13.
w. Municipal entity – schedule D (annual budgets and supporting documents) as set out in annexure 14.
x. Municipal entity – business plan as set out in annexure 15.
y. MTREF IDP chapter for 2014/15, as set out in annexure 16, be used to update the current chapter in annexure 10 (Integrated Development Plan).
z. Iconic and other events to be hosted by the City in the 2014/15 financial year as set out in annexure 17.
aa. Policy on Accounts Payable as set out in annexure 18.

bb. Fare Policy for contracted, road-based public transport as set out in annexure 19.
cc. Individual projects with a total project cost in excess of R50 million (to give effect to section 19(1)(b) of the MFMA) as reflected in table 82 and annexure 20.

2. National Treasury circulars 70 and 72 ("Municipal Budget Circulars for the 2014/15 MTREF") as set out in annexure 21 be noted.

3. Service delivery plans or business plans with measurable targets be approved by the Executive Mayor within 28 days after the approval of the budget.

4. Unspent conditional grant allocations (national) as at the end of the 2013/14 financial year, and appropriated or voted to 2014/15 and future years, not be committed to expenditure until approval thereof is obtained from the National Treasury, in accordance with directive of Budget Circular 48 (2009), Circular 51 (2010), Circular 55 (2011), Circular 59 (2012) and Circular 67 (2013).

5. The Capital Replacement Reserve: Ward Allocations be funded from savings identified in the 2014/15 financial year to fund the Ward Allocation projects in the amount of R44 million for the 2014/15 financial year.

6. Budgetary input received during the public participation process during March and April 2014, reported under cover of separate report, be noted.

7. The high level summary of changes between the tabled 2014/15 - 2016/17 Budget (February 2014) and the 2014/15- 2016/17 Budget (May 2014) as reported in annexure B, be noted.

8. The built environment performance plans, reported under cover of separate report, be noted.

1.2 Executive Summary

a. General

The total budget quantum for the 2014/15 year is R34 854 million, of which R R28 643 million (82%) is allocated to the operating budget and R6 211 million (18%) to the capital budget.

b. Operating Budget

Expenditure

Total operating expenditure has increased from R26 144 million in 2013/14 (original approved budget) to R28 643 million in 2014/15. This 9.56% rise is primarily the result of increases in several City expenditure components, examples of which are noted in the table below:

Table 1 Year-on-year growth of expenditure components

Category R Thousand	Budget 2013/14	Budget 2014/15	Year on year
Employee related costs	8 253 458	8 931 593	8.22%
Remuneration of councillors	123 721	133 619	8.00%
Debt impairment	866 192	950 533	9.74%
Depreciation & asset impairment	1 934 741	2 154 335	11.35%
Finance charges	863 894	919 232	6.41%
Bulk purchases	6 898 881	7 050 011	2.19%
Other materials	358 681	387 117	7.93%
Contracted services	3 192 182	4 205 036	31.73%
Transfers and grants	39 544	125 354	217.00%
Other expenditure	3 612 788	3 786 538	4.81%
Loss on disposal of PPE	–	–	-
Total Expenditure	26 144 082	28 643 369	9.56%

Reasons for significant increases/decreases

Employee Related Costs – The increase is due to additional staff requirements to accommodate organisational restructuring within Social Development & Early Childhood, Transport for Cape Town and to fund critical staff requirements in other functional areas.

Depreciation – The higher than CPI increase is mainly due to the revised calculation, which is now based on a 100% spend as opposed to 95% as well as the impact of the increased capital spend over the last few years.

Contracted Services – This allocation includes provision for repairs and maintenance and allocations for IRT vehicle operator contracts.
Transfers and Grants – the schedule includes a number of applications from various beneficiaries that have been identified or received by line departments for consideration.

Other Materials – Reduced allocation due to budgetary alignment of repairs and maintenance from this category to contracted services in various directorates.

Table 2 Year-on-year growth on Staff Cost

Category R Thousand	Budget 2013/14	Budget 2014/15	Year on year
Vote 1 - City Health	567 519	622 491	9.69%
Vote 2 - City Manager	51 612	51 425	-0.36%
Vote 3 - Community Services	831 761	913 536	9.83%
Vote 4 - Compliance and Auxiliary Services	292 414	312 077	6.72%
Vote 5 - Corporate Services	644 222	687 931	6.78%
Vote 6 - Economic, Environment & Spatial Planning	368 219	387 570	5.26%
Vote 7 - Finance	573 033	616 160	7.53%
Vote 8 - Human Settlements	305 653	335 268	9.69%
Vote 9 - Rates & Other	109 340	119 967	9.72%
Vote 10 - Safety & Security	1 276 366	1 318 641	3.31%
Vote 11 - Social Dev & Early Childhood Development	38 681	71 031	83.63%
Vote 12 - Tourism, Events and Marketing	88 316	93 402	5.76%
Vote 13 - Transport for Cape Town	532 192	576 190	8.27%
Vote 14 - Utility Services	2 574 131	2 825 904	9.78%
Total staff costs	**8 253 458**	**8 931 593**	**8.22%**

Staff cost growth:

Staff costs increased from R8 253 million in 2013/14 to R8 932 million in 2014/15. The City's staff budget is reviewed annually for budgetary purposes and provides for an intense scrutiny of HR needs and assessment of all vacancies. Additional funds were allocated to accommodate organisational restructuring within Social Development & Early Childhood and Transport for Cape Town directorates and to fund sundry staff requirements in other functional areas.

The 2014/15 cost of living increase used when calculating the 2014/15 staff budget was 8.79% (2% notch increment + 6.79% per salary/wage award formula calculation), while the year-on-year growth is 8.22%.

The reduction within the Office of the City Manager is due to restructuring within this directorate, where staff members were assigned to other functional areas.

Revenue

Operating revenue increases from R25 895 million to R28 359 million in 2014/15.

This 9.51% growth in revenue is mainly as a result of:

- An increase on Transfers Recognised, due to an increased allocation of R567.4 million on Human Settlements Development Grant for top structures and the creation of sustainable human settlements.
- An increase of R50 million on Gains on disposal of PPE related to the finalisation of sale of the Bellville Velodrome.
- An increase of Rental of Facilities & Equipment from R336 million to R358 million, resulting from the increased marketing of facilities which in turn resulted in a higher rate of facilities usage such as halls, stadiums, museums etc.
- Agency Services Revenue increases from R121 million to R150 million, due to increased tariffs on Motor Vehicle Registration Licences.
- Projected organic growth and tariff increases on property rates and services charges (water, electricity and refuse).

Table 3 Year-on-year growth on Revenue categories

Category R Thousand	Budget 2013/14	Budget 2014/15	Year on year
Revenue By Source			
Property rates	5 427 388	5 930 513	9.27%
Property rates - penalties & collection charges	–	–	-
Service charges - electricity revenue	9 668 405	10 072 265	4.18%
Service charges - water revenue	2 343 850	2 540 080	8.37%
Service charges - sanitation revenue	1 243 019	1 338 202	7.66%
Service charges - refuse revenue	947 126	989 912	4.52%
Service charges - other	239 991	321 805	34.09%
Rental of facilities and equipment	336 471	358 711	6.61%
Interest earned - external investments	284 618	275 762	-3.11%
Interest earned - outstanding debtors	218 525	208 262	-4.70%
Dividends received	–	–	-
Fines	183 257	175 648	-4.15%
Licences and permits	35 601	40 388	13.45%
Agency services	121 993	150 439	23.32%
Transfers recognised - operational	2 595 904	3 498 169	34.76%
Other revenue	2 179 942	2 338 330	7.27%
Gains on disposal of PPE	69 000	120 500	74.64%
Total Revenue (excluding capital transfers and contributions)	**25 895 089**	**28 358 984**	**9.51%**

Individual service tariffs / Rates

The proposed tariff increases in the table below are averages; i.e. some clients may pay more and others less than the average.

Table 4 Average Tariff increases for 2014/15, 2015/16 and 2016/17

Category	Base Budget 2013/14	Budget Year 2014/15	Budget Year+1 2015/16	Budget Year +2 2016/17
Property Rates	6.10%	6.00%	6.00%	6.00%
Electricity	7.86%	7.63%	8.50%	8.75%
Water	9.53%	8.00%	10.35%	10.92%
Sanitation	9.53%	8.00%	10.35%	10.92%
Refuse	6.32%	5.87%	6.07%	5.75%
Disposal	7.06%	8.56%	13.87%	10.27%

Rates

Property rates are based on values of the new General Valuation Roll 2012 (GV) with the date of valuation being 1 July 2012. The Roll will be updated for properties affected by land sub-divisions, alterations to buildings, demolitions and new buildings (improvements), through Supplemental Valuation Rolls.

Accordingly the rates levied per individual property will depend on that property's value compared with the valuation of all the rateable properties in the municipal area. The total amount of rates included in the budget is 6.5% more than for the 2013/14 financial year and takes into account natural growth.

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

Water and Sanitation

There is a proposed 8% increase in consumptive water and sanitation tariffs. The Bulk Water tariff has been increased by 2%. The tariff increases are necessary to address essential operational requirements, maintenance of existing infrastructure, new infrastructure provision and to ensure the financial sustainability of the service. Such increases are also in accordance with guidelines established in the Medium Term Revenue and Expenditure Framework. The details are reflected in Annexure 4.

Solid Waste

The Solid Waste Tariffs are levied to recover costs of services provided directly to customers and include refuse collection fees, disposal fees, compost sales, weighbridge fees and other ad hoc services. It is proposed that the tariffs for collections increase with 5.87%, disposal with 8.56% and miscellaneous services with 5.8%. The details are reflected in Annexure 4.

Electricity

On 20 November 2013, NERSA issued a guideline for municipal increases of 7.39%, based on a projected bulk increase to municipalities of 8.06%. The projected bulk increase is an average value; the City has determined that the likely increase specifically for the City is likely to be 8.5%. Based on the above, the proposed average tariff increase is 7.63%. The details are reflected in Annexure 4.

c. Capital Budget

The capital budget increases from R5 451 million in 2013/14 (original budget) to R6 221 million in 2014/15 or an overall increase of 14%.

Table 5 Year-on-year increase in capital funding sources

Category R Thousand	Budget 2013/14	Budget 2014/15	Increase / (Decrease)
Capital Grants & Donations	2 583 308	2 882 853	299 545
Capital Replacement Reserve	700 820	798 892	98 072
External Financing Fund	2 149 497	2 350 301	200 804
Revenue	16 968	179 270	162 301
Total	**5 450 592**	**6 211 315**	**760 723**

The table above reflects an increase on all funding sources. The main contributors to the increase in EFF provisions relate to the re-phasing of projects from 2013/14 to 2014/15. Additional initiatives aligned to the IDP were also highlighted by directorates across the City during the budget process i.e. accelerated Broadband project spend and a wireless mesh for Khayelitsha and Mitchells Plain.

Major capital expenditure is planned in the following areas during 2014/15:

- Utility Services → R2 857 million
- Transport for Cape Town → R1 660 million
- Human Settlements → R700 million

The most significant projects are in:
Cape Town Electricity

- Athlone- Philippi: Overhead Line Undergrounding → R43 million
- Backyarders → R60 million
- Bloemhof Network Control Centre → R23 million
- Bofors Main Substation Upgrade → R39 million
- City Depot - Relocation → R65 million
- Electrification → R91 million
- Facilities Alterations & Upgrading → R70 million
- Koeberg Rd Switching Station Phase 2 → R24 million
- MV Switchgear Refurbishment → R66 million
- Plattekloof - N1 Reinforcement → R46 million
- Retreat Depot - Replacement for Muizenberg → R45 million
- Service Connections → R68 million
- Street Lighting: City Wide → R48 million
- System Equipment Replacement → R134 million
- System Infrastructure → R109 million
- Noordhoek LV Depot → R26 million

Community Services

- New Regional Library Kuyasa Khayelitsha → R45 million

Corporate Services
- Broadband → R150 million
- Facilities Management Structural Rehabilitation → R40 million
- Khayelitsha/Mitchells Plain Mesh Network → R61 million

Finance
- Basement Parking & Access → R90 million

Human Settlements
- Brick Skin Walls - Housing Flats → R36 million
- Hangberg CRU 70 Units → R23 million
- Hanover Park CRU Project → R42 million
- Land Acquisition (USDG) → R34 million
- Manenberg CRU Project → R72 million
- Marble Flats CRU Upgrade → R40 million
- Urbanisation: Backyards/Informal Settlements Upgrade → R80 million

Safety & Security
- Integrated Emergency Contact Centre → R30 million

Solid Waste Management
- Bellville Transfer Station → R180 million
- Rehab of Vissershok North Landfill → R108 million
- Replacement: Plant & Vehicles → R84 million
- Upgrading Depot facilities → R20 million
- Upgrading of Drop-off facilities → R17 million

Transport for Cape Town
- Bulk Roads & Stormwater for Housing Projects → R50 million
- Infrastructure Management: Reconstruct Roads Metro → R28 million
- IRT → R841 million
- Main Roads: Northern Corridor → R27 million
- Non-Motorised Transport Network & Universal Access → R80 million
- Pedestrianisation - Low Income Areas → R30 million
- Pelican Park: Strandfontein Rd Upgrade → R25 million
- Public Transport Systems Management Project → R43 million
- Rail based Park & Ride Facilities → R40 million
- Roads & Stormwater Rehabilitation → R139 million
- Transport Management Centre Extension → R40 million
- Transport Infrastructure - poverty hotspots → R20 million

Water & Sanitation
- Bulk Water Infrastructure Replacement → R20 million
- Infrastructure Replace/Refurbish - Wastewater Treatment Works → R85 million
- Meter Replacement Program → R163 million
- Mitchells Plain Wastewater Treatment Works → R40 million
- Northern Area Sewer Thornton → R55 million
- OSEC (Electrolytic Chlorination Infrastructure) → R23 million
- Pressure Management → R20 million
- Treated Effluent : Re-use and Upgrades → R25 million
- Zandvliet Wastewater Treatment Works - Extension → R49 million
- Rehabilitation of Outfall Sewers Pentz Sandrift → R32 million
- Completion of Cape Flats III Bulk Sewer → R90 million

- Replace & Upgrade Sewer Network (Citywide) → R54 million
- Replace & Upgrade Water Network (Citywide) → R52 million
- Somerset West Bus Park Main Sewer (lower leg) → R40 million
- Vehicles, Plant Equip: Additional Fleet Management → R25 million

Table 6 New projects (extract) in the 2014/15 Capital Budget

Project Description R Thousand	Budget 2014/15
Asset Management and Maintenance	1,200
Athlone Gas Turbine Combustion Chamber	14,500
Athlone Gas Turbine Netw ork Rearrange	2,356
Basement Parking & Access	89,500
Bofors Main Substation Upgrade	39,492
Bottelary Area Main Roads	9,000
Broad Rd Main Substation Upgrade - Phase 3	20,465
Contermanskloof Reservoir	20,000
Fisantekraal Garden Cities Phase 2	20,800
Glencairn Rail & Road Stabilisation	3,000
Imizamo Yethu Housing Project - Phase 3	6,500
Installation of street lights- Nyanda St	800
Khayelitsha/Mitchells Plain Mesh Netw ork	61,000
Kommetjie Road Upgrade	1,000
Langa Hostels CRU Project (868 units)	5,500
M/Plain / Steenbras Fibre Optic Replace	5,792
Maitland Crematorium - Install Cremators	1,700
Masiphumelele Housing Project - Phase 4	5,000
Noordhoek LV Depot	25,500
Oakdale Sw itch. Station Upgrade - Phase 2	10,000
OSEC (Electrolytic Chlorination Infrastructure)	22,876
Pampoenkraal Heritage site	2,439
Public Access Centre: ICAN Project	2,350
Radio Trunking Infrastructure Upgrade	6,000
Rehab of Vissershok North Landfill	108,044
Rietvlei Pump Station and Rising Main Bottelary	700
Sir Low ry's Pass River Upgrade	2,092
Spatial transformation/Integrated zones	57,171
Telemetry Automation (Reticulation)	2,500
Transport Management Centre Extension	40,000
Upgrade of Sea Point Promenade	3,000
Woodstock Sw itch Station Sw itchgear Refurbishment	10,000
Woodstock Sw itch Station Sw itchgear Upgrade	3,500

1.3 Operating Revenue Framework

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

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

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

The following table is a summary of the 2014/15 MTREF (classified by main revenue source):

Table 7 Summary of Revenue classified by main revenue sources

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source									
Property rates	4 435 764	4 622 441	5 076 445	5 427 388	5 427 388	5 427 388	5 930 513	6 288 572	6 735 054
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	6 578 085	8 061 684	8 852 928	9 668 405	9 483 473	9 483 473	10 072 265	10 827 685	11 661 417
Service charges - water revenue	1 649 307	1 817 183	2 053 577	2 343 850	2 333 850	2 333 850	2 540 080	2 824 821	3 158 769
Service charges - sanitation revenue	903 204	1 002 897	1 091 897	1 243 019	1 243 019	1 243 019	1 338 202	1 489 197	1 666 350
Service charges - refuse revenue	754 178	813 287	869 210	947 126	950 808	950 808	989 912	1 067 418	1 146 988
Service charges - other	474 953	291 714	232 192	239 991	243 397	243 397	321 805	353 181	414 253
Rental of facilities and equipment	250 316	289 736	306 605	336 471	336 823	336 823	358 711	376 887	400 591
Interest earned - external investments	284 813	331 749	363 937	284 618	282 078	282 078	275 762	315 281	351 283
Interest earned - outstanding debtors	324 558	318 083	268 249	218 525	221 338	221 338	208 262	239 426	253 599
Fines	166 476	144 394	100 524	183 257	168 710	168 710	175 648	185 484	195 500
Licences and permits	37 645	41 471	41 843	35 601	39 281	39 281	40 388	52 650	69 953
Agency services	115 991	123 651	132 469	121 993	134 993	134 993	150 439	167 284	187 442
Transfers recognised - operational	1 400 627	1 639 075	1 985 809	2 595 904	2 603 947	2 603 947	3 498 169	4 005 459	4 446 242
Other revenue	1 764 144	1 963 175	2 449 771	2 179 942	2 187 009	2 187 009	2 338 330	2 436 694	2 573 032
Gains on disposal of PPE	20 580	44 144	86 747	69 000	69 000	69 000	120 500	74 448	78 468
Total Revenue (excluding capital transfers and contributions)	**19 160 643**	**21 504 683**	**23 912 206**	**25 895 089**	**25 725 114**	**25 725 114**	**28 358 984**	**30 704 486**	**33 338 941**

Table 8 Revenue by source as a percentage of total budget

Description	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Budget Year 2014/15	%	Budget Year +1 2015/16	%	Budget Year +2 2016/17	%
Revenue By Source								
Property rates	5 427 388	21.1%	5 930 513	20.9%	6 288 572	20.5%	6 735 054	20.2%
Property rates - penalties & collection charges	–	0.0%	–	0.0%	–	0.0%	–	0.0%
Service charges - electricity revenue	9 483 473	36.9%	10 072 265	35.5%	10 827 685	35.3%	11 661 417	35.0%
Service charges - water revenue	2 333 850	9.1%	2 540 080	9.0%	2 824 821	9.2%	3 158 769	9.5%
Service charges - sanitation revenue	1 243 019	4.8%	1 338 202	4.7%	1 489 197	4.9%	1 666 350	5.0%
Service charges - refuse revenue	950 808	3.7%	989 912	3.5%	1 067 418	3.5%	1 146 988	3.4%
Service charges - other	243 397	0.9%	321 805	1.1%	353 181	1.2%	414 253	1.2%
Rental of facilities and equipment	336 823	1.3%	358 711	1.3%	376 887	1.2%	400 591	1.2%
Interest earned - external investments	282 078	1.1%	275 762	1.0%	315 281	1.0%	351 283	1.1%
Interest earned - outstanding debtors	221 338	0.9%	208 262	0.7%	239 426	0.8%	253 599	0.8%
Fines	168 710	0.7%	175 648	0.6%	185 484	0.6%	195 500	0.6%
Licences and permits	39 281	0.2%	40 388	0.1%	52 650	0.2%	69 953	0.2%
Agency services	134 993	0.5%	150 439	0.5%	167 284	0.5%	187 442	0.6%
Transfers recognised - operational	2 603 947	10.1%	3 498 169	12.3%	4 005 459	13.0%	4 446 242	13.3%
Other revenue	2 187 009	8.5%	2 338 330	8.2%	2 436 694	7.9%	2 573 032	7.7%
Gains on disposal of PPE	69 000	0.3%	120 500	0.4%	74 448	0.2%	78 468	0.2%
Total Revenue (excluding capital transfers and contributions)	**25 725 114**	**100%**	**28 358 984**	**100%**	**30 704 486**	**100%**	**33 338 941**	**100%**
Total Revenue from Rates & Service Charges	**19 681 935**	**76.5%**	**21 192 776**	**74.7%**	**22 850 873**	**74.4%**	**24 782 831**	**74.3%**

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

Rates and Service Charges revenues comprise 74.7% of the City's total revenue mix for 2014/15. In 2013/14, revenue from Rates and Services Charges totalled R19 681 million. This increases to R21 193 million, R22 851 million and R24 783 million in the respective financial years of the 2014/15 MTREF. The MTREF indicates a notable percentage reduction in the revenue generated from Rates and Services Charges, which reduces from 74.7% in 2014/15 to 74.3% in 2016/17.

Property rates is the second largest revenue source in 2014/15, totalling R5 930 million (21% of revenue) and increasing to R6 735 million (20%) of the total revenue in 2016/17.

Operating grants and transfers totals R3 498 million in 2014/15 and increases to R4 446 million by 2016/17. This revenue component reflects a significant increase over the MTREF period, due to the increased allocations from Provincial and National Government.

Table 9 Operating Transfers and Grant Receipts

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
National Government:	**418 367**	**444 973**	**928 386**	**2 612 934**	**2 602 241**	**2 602 241**	**3 492 390**	**4 019 174**	**4 480 095**
Restructuring	1 911	–	–	3 379	3 379	3 379	1 191	–	–
Finance Management grant	832	1 160	1 250	1 250	530	530	1 250	1 250	1 300
Equitable share	7 528	–	–	1 248 993	1 245 785	1 245 785	1 503 173	1 796 324	2 025 823
Urban Settlements Development Grant	2 479	23 244	–	113 705	76 174	76 174	114 142	70 000	185 773
Public Transport Network Operations Grant	–	–	–	272 521	272 521	272 521	217 498	224 256	221 614
Energy Efficiency and Demand Side Management Grant	27 780	995	–	1 980	1 980	1 980	900	1 200	1 200
Dept. of Environ Affairs and Tourism	13 426	270	155	200	5 258	5 258	200	–	–
Housing Accreditation	227	–	–	200	200	200	200	–	–
Expanded Public Works Programme	–	9 279	29 484	31 980	40 947	40 947	20 804	–	–
Integrated City Development Grant	–	–	–	10 364	10 364	10 364	–	–	–
2014 African Nations Championship Host City Operating Grant	–	–	–	59 000	59 000	59 000	–	–	–
Public Transport Infrastructure & Systems Grant	31 885	87 809	–	–	4 452	4 452	7 726	3 244	–
LGSETA: Post Graduate Internship Programme	–	–	522	–	–	–	–	–	–
Natural Resource Management	–	–	7 895	–	–	–	–	–	–
Infrastructure Skills Development	–	–	–	–	900	900	2 300	4 226	6 700
LGSETA	250	–	–	–	536	536	–	–	–
National Treasury: Neighbourhood Development Partnership Grant	–	1 199	–	–	–	–	–	–	–
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	3 227	–	–	–	–	–	–	–	–
Municipal Human Settlements Capacity Grant	–	–	–	–	–	–	49 871	50 371	50 371
Provincial Government:	**314 628**	**305 180**	**865 610**	**844 953**	**858 207**	**858 207**	**1 542 400**	**1 835 966**	**1 952 261**
Cultural Affairs and Sport - Provincial Library Services	14 194	15 836	23 470	24 409	22 009	22 009	30 735	32 337	35 053
Human Settlements - Human Settlement Development Grant	148 491	114 597	641 612	436 831	440 663	440 663	1 097 130	1 369 164	1 490 936
Human Settlements - Municipal Accreditation Assistance	251	–	10 000	10 000	10 000	10 000	–	–	–
Human Settlement - Settlement Assistance	676	–	1 000	1 000	1 000	1 000	1 000	1 000	1 000
Health - TB	12 431	11 893	12 408	11 207	11 207	11 207	17 206	18 438	19 525
Health - Global Fund	19 031	18 582	3 722	34 753	36 323	36 323	37 555	34 408	–
Health - ARV	52 362	62 075	22 606	77 627	88 729	88 729	109 589	118 089	128 089
Health - Nutrition	3 454	3 754	4 056	4 400	4 400	4 400	4 636	4 920	5 212
Health - Vaccines	56 974	68 443	67 811	79 995	74 264	74 264	70 956	75 295	79 734
Comprehensive Health	–	–	67 569	147 132	147 132	147 132	155 960	165 318	175 062
Transport and Public Works - Provision for persons with special needs	4 182	10 000	10 000	10 000	11 896	11 896	10 000	10 000	10 000
Municipal Land Transport Fund	–	–	–	5 600	5 600	5 600	–	–	–
Transport Safety and Compliance - Rail Safety	–	–	–	2 000	2 000	2 000	500	–	–
ABET adult Education	–	–	4	–	–	–	–	–	–
Transport Vehicle Impound Facility	–	–	1 352	–	–	–	–	–	–
Community Development Workers	2 000	–	–	–	984	984	732	797	850
Dept. of Environ Affairs and Tourism	–	–	–	–	2 000	2 000	–	–	–
Fire Fighting Assistance	434	–	–	–	–	–	–	–	–
Other	149	–	–	–	–	–	–	–	–
City of Cape Town - Public access centres	–	–	–	–	–	–	500	–	–
Planning, Maintenance and Rehabilitation of Transport Systems and Infrastructure	–	–	–	–	–	–	5 900	6 200	6 800
Other grant providers:	**17 249**	**15 217**	**6 314**	**7 379**	**23 715**	**23 715**	**35 826**	**18 216**	**1 200**
Tourism	2 083	–	–	2 000	2 000	2 000	2 190	2 000	1 000
Carnegie	8 444	3 732	–	1 258	1 664	1 664	3 057	–	–
CMTF	2 513	–	–	170	9 140	9 140	9 777	190	200
Other	824	3 244	–	15	–	–	–	–	–
Mamre Trust	–	12	12	150	–	–	–	–	–
CID	1 992	3 249	2 271	2 905	3 006	3 006	2 969	–	–
Century City Property Owners Association	–	285	409	196	196	196	468	–	–
NGK Ceramic Company	–	–	–	686	686	686	–	–	–
Traffic Free Flow (Pty) Ltd	–	896	1 116	–	1 746	1 746	–	–	–
Finnish Government	–	–	–	–	201	201	–	–	–
City for Climate Protection	–	–	–	–	144	144	–	–	–
ICLEI Carbon Taxes	–	–	–	–	111	111	–	–	–
Mamre Fencing	68	–	–	–	63	63	–	–	–
Disaster Management Fund	–	–	256	–	–	–	–	–	–
Mayoress Charity Fund	–	–	651	–	–	–	–	–	–
Give Responsibly Campaign	–	–	8	–	–	–	–	–	–
South African National Biodiversity Institute	85	2 733	1 591	–	3 047	3 047	482	–	–
Afrikaanse Taal en Kultuur Vereniging	–	–	–	–	5	5	–	–	–
DBSA - Green Fund	–	–	–	–	–	–	10 000	15 000	–
Stellenbosch University	–	–	–	–	1 283	1 283	1 781	1 026	–
Sustainable Energy Africa	–	–	–	–	424	424	424	–	–
MSF Funding	454	–	–	–	–	–	–	–	–
Baboon Management	300	–	–	–	–	–	–	–	–
University of Columbia	100	–	–	–	–	–	–	–	–
Neil DESAI Skills Development Project	37	–	–	–	–	–	–	–	–
Sunwest International	350	–	–	–	–	–	–	–	–
National Lottery	–	400	–	–	–	–	–	–	–
Glocal Forum	–	510	–	–	–	–	–	–	–
Lourens River Flood Alleviation	–	156	–	–	–	–	–	–	–
Agency Francaise de Development (AFD)	–	–	–	–	–	–	4 679	–	–
Total Operating Transfers and Grants	**421 422**	**444 354**	**911 230**	**2 595 904**	**2 603 947**	**2 603 947**	**3 497 481**	**4 005 052**	**4 446 242**

1.3.1 Property (Tax) Rates (Refer Annexure 2)

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

The Rates Policy was compiled taking into account feedback received from the Finance Portfolio Committee, Councillors, ratepayers and clients since the adoption of the 2013/14 Property Rates Policy in May 2013. In addition, it was informed by the Public Participation Process following the tabling of the Draft 2014/15 Budget on 26 February 2014 and subsequent workshops held with the Finance Portfolio Committee and relevant staff during the period March to April 2014. The Total Municipal Account (TMA) was modelled to assess the impact of all the billed Council charges on households spread over fourteen valuation brackets to determine the affordability of the package of tariff increases.

Property rates are based on values indicated in the General Valuation Roll 2012 (GV) with the date of valuation being 1 July 2012. The Roll is being updated for properties affected by land sub-divisions, alterations to buildings, demolitions and new buildings (improvements) through Supplemental Valuation Rolls.

Accordingly the rates levied per individual property will depend on that property's value compared with the valuation of all the rateable properties in the municipal area. The total amount of rates included in the budget is 6.5% more than for the 2013/14 financial year and takes into account natural growth.

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

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

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

The proposed Water and Sanitation Tariffs for the 2014/15 financial year are consistent with National Policy on the provision of free basic services, the National Strategic Framework for Water and Sanitation and with Council's Indigent relief measures, Rates and Tariff Policies and Equitable Service Framework.

The progressive nature of the existing domestic stepped tariff structure both for water and sanitation allows for the needs of the indigent. It is also designed to discourage high water consumption levels, which have an impact on the size of both the water and sanitation portions of a consumer's bill. It enables all consumers to adjust their consumption levels to ensure affordability.

As a result of possible shifts in water usage patterns experienced during periods of restrictions and the stepped-up implementation of water demand management initiatives, the three sets of tariffs have been retained to make allowance for these uncertainties in case restrictions have to be imposed for 10%, 20% and 30% reduction levels respectively.

The normal tariff set relates to a level at least 10% below the Low Water Demand Curve, as previous restrictions and water demand initiatives have been successful in reducing the normal water demand to this level and the Level 1 restriction measures have been incorporated into the promulgated Water and Sanitation By-Law as permanent good water demand practice. The tariff levels of reduction or restriction imposed by the City on its consumers is therefore not only linked to the level of restriction imposed by the Department of Water Affairs on the City, but also to the level of demand from its consumers.

There is a proposed 8% increase in consumptive water and sanitation tariffs. The Bulk Water tariff has been increased by 2%. The tariff increases are necessary to address essential operational requirements, maintenance of existing infrastructure, new infrastructure provision and to ensure the financial sustainability of the service. Such increases are also in accordance with guidelines established in the Medium Term Revenue and Expenditure Framework.

In addition to the standard consumptive tariff increases, it is again recommended that the price applied to step 2 of the Domestic Full category be adjusted upwards to reduce the level of subsidisation currently applied to this step for water tariffs. Such alignment is necessary due to the usage patterns and water demand strategy.

Stepped tariffs (1 – 6) for the Domestic Cluster category was implemented from 1 July 2013 based on previous consultation with customers. Further steps to refine alignment with the Domestic Full category have been taken.

The miscellaneous tariffs are levied by Water and Sanitation for the provision of various services by the Department. Examples of these services are the installation of water connections and the testing of meters. The aim of these tariffs is to recover the cost of the provision of a particular service to each customer. There is a proposed 5.8% increase on miscellaneous tariffs.

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

Table 10 Proposed Water Tariffs

Category	Current Tariff 2013/14	Proposed Tariff 2014/15
	Rand per Kl (excl. VAT)	Rand per Kl (excl. VAT)
DOMESTIC Full		
Step 1 (0 ≤ 6kl)	0	0
Step 2 (>6 ≤ 10.5kl)	7.60	8.75
Step 3 (>10.5 ≤ 20kl)	11.61	12.54
Step 4 (>20 ≤ 35kl)	17.20	18.58
Step 5 (>35 ≤ 50kl)	21.24	22.94
Step 6 (>50kl)	28.02	30.97
DOMESTIC Cluster		
Step 1 (0 < 6kl)	0.00	0.00
Step 2 (>6 kl)	n/a	n/a
Step 2 (>6 < 20kl)	n/a	n/a
Step 2 (>6 < 10.5kl)	9.93	10.72
Step 3 (>10.5 < 20kl)	11.61	12.54
Step 3 (>20kl)	n/a	n/a
Step 4 (>20 < 35kl)	17.20	18.58
Step 5 (>35 < 50kl)	21.24	22.94
Step 6 (>50kl)	28.02	30.97
COMMERCIAL	12.51	13.51
INDUSTRIAL	12.51	13.51

Table 11 Proposed Sanitation Tariffs

Category	Current Tariff 2013/14	Proposed Tariff 2014/15
	Rand per Kl (excl VAT)	Rand per Kl (excl VAT)
DOMESTIC Full - Standard	Single residential properties - 70% of water consumption to a maximum of 35 kl of sewerage per month (70% of 50 kl water = 35 kl of sewerage)	
Step 1 (0 < 4,2 kl)	0	0
Step 2 (>4.2 < 7.35 kl)	7.20	8.25
Step 3 (>7.35 < 14 kl)	13.56	14.64
Step 4 (>14 < 24.5 kl)	14.82	16.01
Step 5 (>24.5 < 35 kl)	15.56	16.81
DOMESTIC Cluster		
Step 1 (0 < 4.2kl)	0.00	0.00
Step 1 (0 < 4.2kl)	n/a	n/a
Step 2 (> 4.2kl)	n/a	n/a
Step 2 (>4.2 < 7.35 kl)	9.05	9.05
Step 3 (>7.35 < 14 kl)	13.56	14.64
Step 3 (> 4.2 < 35 kl)	n/a	n/a
Step 4 (>14 < 24.5 kl)	14.82	16.01
Step 5 (>28 < 35 kl)	15.56	16.81
COMMERCIAL	9.62	10.39
INDUSTRIAL	9.62	10.39

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

Table 12 Comparison between current water charges and proposed increases (domestic consumption)

Monthly Consumption kl	Current amount Payable 2013/14 R	Proposed amount Payable 2014/15 R	Difference (Increase)	Percentage change
6	0.00	0.00	0.00	-
10.5	34.20	39.38	5.18	15.15%
20	144.50	158.49	13.99	9.68%
35	402.50	437.13	34.63	8.60%
50	721.10	781.22	60.12	8.34%
80	1 561.70	1 689.32	127.62	8.17%

Table 13 Comparison between current sanitation charges and proposed increases (domestic consumption):

Monthly Consumption kl	Current amount Payable 2013/14 R	Proposed amount Payable 2014/15 R	Difference (Increase)	Percentage change
4.2	0.00	0.00	0.00	-
7.35	22.68	25.99	3.31	14.59%
14	112.85	123.38	10.53	9.33%
24.5	268.46	291.43	22.97	8.56%
35	431.84	467.88	36.04	8.35%

1.3.3 Waste removal and impact of Tariff Increases (Refer Annexure 4)

The Solid Waste Tariffs are levied to recover costs of services provided directly to customers and include refuse collection fees, disposal fees, compost sales, weighbridge fees and other ad hoc services. An increase has been approved on the Consumptive Tariffs for Collections of 5.87% & Disposal of 8.56%. An increase has been approved on the Miscellaneous Tariffs for Cleaning of 5.8%.

Table 14 Comparison between current waste removal fees and increases

SERVICES RENDERED	UNIT	REMARKS To be read in conjunction with Definitions (refer annexures)	2013/14 R excl. VAT	VAT Yes/No	2014/15 R excl. VAT
Black lid 240L container service (R/blacklid)					
Basic container service: Residential collection based on a once-per week 240 L 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.).	90.60	y	95.92
Subsidised : Black lid 240L container service (R/blacklid)					
Property owner with property value up to and including R100 000	Rebate per month on First Container only	Account to property owner. Basic container service (Weekly service is 1x 240L Black lid container per week.).	100% rebate (-90.60)	y	100% rebate (-95.92)
Property value between R100 001 up to and including R150 000	Rebate per month on First Container only	Account to property owner. Basic container service (Weekly service is 1x 240L Black lid container per week.).	75% rebate (-67.95)	y	75% rebate (-71.94)
Property value between R150 001 up to and including R350 000	Rebate per month on First Container only	Account to property owner. Basic container service (Weekly service is 1x 240L Black lid container per week.).	50% rebate (-45.30)	y	50% rebate (-47.96)
Property value between R350 001 up to and including R400 000	Rebate per month on First Container only	Account to property owner. Basic container service (Weekly service is 1x 240L Black lid container per week.).	25% rebate (-22.65)	y	25% rebate (-23.98)
Additional once-per-week 240 L 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)	90.60	y	95.92
Providing a lockable 240L container service	Per month	Account to property owner. Basic container service (Weekly service is 1x 240L Black lid container per week). Subject to Availability.	90.60	y	95.92
Subsidised service to Homeless People Shelters as per the Tariff Policy	Rebate per 240L container per month (limited to a Maximum of 15 containers per shelter)	Account rendered to the registered & Approved NGO organisations and organisations accredited by HOMAC. Enhanced service level (240L black lid containers) serviced once a week	50% rebate (-45.30)	y	50% rebate (-47.96)
Providing a Single lockable 240L container service	Per month	Account to property owner. Basic container service (Weekly service is 1x 240L Black lid container per week). Subject to Availability.	Delete	y	Delete
Indigent relief on a 240L container	Rebate per month on First Container only	In terms of the of Section 27 of the Credit Control & Debt Collection Policy. Basic container service (Weekly service is 1x 240L Black lid container per week.).	100% rebate (-90.60)	y	100% rebate (-95.92)
Additional Recycling Container service: Residential dry recyclable collection based on a once-per week service per participating household.	Per month	Account to property owner participating in the dry recyclable project. Container service.	free		free

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

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

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

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

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

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

On 20 November 2013, NERSA issued a guideline for municipal increases of 7.39%, based on a projected bulk increase to municipalities of 8.06%. The NERSA guideline does not take into account the effect on the overall increase of the Contributions to Rates (10% of budgeted sales). Furthermore, the projected bulk increase is an average value, and the City has determined that the likely increase specifically for the City is likely to be 8.5%. CPI was projected at being 5.8%.

Further additional increases are required for Eskom National Maximum Demand Upgrades, additional staff costs as a result of accommodating bursary graduates into operations where a critical shortage of skills exists, and an increase in capital charges.

As a result of the above, the average revenue increase requirement (and therefore the average tariff increase) is 7.63%.

Present electricity tariffs were approved by Council on 29 May 2013 and by NERSA on 13 June 2013, and were implemented with effect from 1 July 2013.

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

Category	Unit	Steps	VAT yes/no	2013/14 c/kWh excl VAT	2014/15 c/kWh excl VAT
Lifeline INCLUDES the FBE portion	Energy Charge (c/kWh)	0-350kWh	y	79.70	84.32
		350.1+ kWh	y	185.00	204.65
Domestic	Energy Charge (c/kWh)	0-600kWh	y	125.00	134.76
		600.1+ kWh	y	152.00	163.87

1.3.5 Overall impact of tariff increases on households

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

Table 16 MBRR Table SA14 - Household bills

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
Rand/cent	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15 % incr.	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	652.78	233.88	247.91	250.75	250.75	250.75	6.0%	265.80	281.74	301.46
Electricity: Basic levy	–	–	–	–	–	–	–	–	–	–
Electricity: Consumption	933.10	1 271.98	1 383.56	1 441.34	1 441.34	1 250.00	9.9%	1 374.00	1 501.23	1 655.26
Water: Basic levy	–	–	–	–	–	–	–	–	–	–
Water: Consumption	227.31	274.63	299.35	312.67	312.67	312.67	9.6%	342.62	376.89	418.34
Sanitation	157.88	192.19	213.96	214.78	214.78	214.78	9.6%	235.36	258.89	287.37
Refuse removal	75.44	90.73	83.96	90.60	90.60	90.60	5.5%	95.58	100.84	107.39
Other	–	–	–	–	–	–	–	–	–	–
sub-total	**2 046.51**	**2 063.41**	**2 228.74**	**2 310.14**	**2 310.14**	**2 118.80**	**0.1%**	**2 313.36**	**2 519.59**	**2 769.83**
VAT on Services	195.12	256.13	277.32	288.31	288.31	261.53	–	286.66	313.30	345.57
Total large household bill:	**2 241.63**	**2 319.54**	**2 506.06**	**2 598.45**	**2 598.45**	**2 380.33**	**0.1%**	**2 600.02**	**2 832.89**	**3 115.40**
% increase/-decrease		**3.5%**	**8.0%**	**3.7%**	**–**	**(8.4%)**		**9.2%**	**9.0%**	**10.0%**
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	184.21	140.35	178.49	172.08	172.08	150.56	6.0%	159.59	169.17	181.01
Electricity: Basic levy	–	–	–	–	–	–	–	–	–	–
Electricity: Consumption	464.68	612.35	601.50	665.10	665.10	625.00	9.9%	687.00	750.62	827.63
Water: Basic levy	–	–	–	–	–	–	–	–	–	–
Water: Consumption	163.95	196.77	187.69	226.67	226.67	226.67	9.6%	248.38	273.22	303.28
Sanitation	119.83	145.22	138.85	162.91	162.91	162.91	9.6%	178.52	196.37	217.97
Refuse removal	75.44	–	83.96	90.60	90.60	90.60	5.5%	95.58	100.84	107.39
Other	–	–	–	–	–	–	–	–	–	–
sub-total	**1 008.11**	**1 094.69**	**1 190.49**	**1 317.36**	**1 317.36**	**1 255.74**	**3.9%**	**1 369.08**	**1 490.22**	**1 637.28**
VAT on Services	115.35	133.61	141.68	160.34	160.34	154.73	–	169.33	184.95	203.88
Total small household bill:	**1 123.46**	**1 228.30**	**1 332.17**	**1 477.70**	**1 477.70**	**1 410.47**	**4.1%**	**1 538.41**	**1 675.16**	**1 841.16**
% increase/-decrease		**9.3%**	**8.5%**	**10.9%**	**–**	**(4.5%)**		**9.1%**	**8.9%**	**9.9%**
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates	224.65	44.16	46.81	54.08	54.08	54.08	6.0%	57.32	60.76	65.02
Electricity: Basic levy	-	-	-	-	-	-	-	-	-	-
Electricity: Consumption	43.01	253.87	276.14	272.60	272.60	258.64	9.9%	284.30	310.62	342.49
Water: Basic levy	-	-	-	-	-	-	-	-	-	-
Water: Consumption	–	120.57	131.42	142.81	142.81	142.81	9.6%	156.49	172.14	191.08
Sanitation	–	98.53	107.40	111.38	111.38	111.38	9.6%	122.05	134.26	149.02
Refuse removal	86.00	68.05	83.96	45.28	45.28	45.28	5.5%	47.77	50.40	53.67
Other	-	-	-	-	-	-	-	-	-	-
sub-total	**353.66**	**585.18**	**645.73**	**626.15**	**626.15**	**612.19**	**6.7%**	**667.93**	**728.18**	**801.28**
VAT on Services	18.06	75.74	83.85	80.09	80.09	78.14	–	85.49	93.44	103.08
Total small household bill:	**371.72**	**660.92**	**729.58**	**706.24**	**706.24**	**690.33**	**6.7%**	**753.42**	**821.62**	**904.36**
% increase/-decrease		**77.8%**	**10.4%**	**(3.2%)**	**–**	**(2.3%)**		**9.1%**	**9.1%**	**10.1%**

1.4 Operating Expenditure Framework

The City's expenditure for the 2014/15 budget and MTREF is informed by the following:

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

The following table is a high level summary of the 2014/15 budget and MTREF (classified by main type of operating expenditure):

Table 17 Summary of operating expenditure by standard classification

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Expenditure By Type									
Employee related costs	6 123 768	6 916 012	7 446 199	8 253 458	8 219 948	8 199 952	8 931 593	9 676 821	10 450 808
Remuneration of councillors	88 621	97 772	111 673	123 721	123 721	123 721	133 619	142 438	151 554
Debt impairment	773 226	818 450	926 812	866 192	881 192	881 192	950 533	1 064 031	1 160 370
Depreciation & asset impairment	1 271 965	1 399 490	1 627 385	1 934 741	1 957 724	1 957 724	2 154 335	2 304 813	2 445 758
Finance charges	717 476	681 533	728 669	863 894	863 894	863 894	919 232	1 150 593	1 383 509
Bulk purchases	4 620 105	5 705 263	6 391 186	6 898 881	6 607 911	6 607 911	7 050 011	7 610 228	8 225 878
Other materials	279 273	273 402	284 193	358 681	332 973	332 944	387 117	361 765	387 945
Contracted services	2 010 269	2 193 662	2 825 946	3 192 182	3 342 889	3 368 407	4 205 036	4 643 095	5 134 994
Transfers and grants	93 382	103 492	103 144	39 544	116 409	117 815	125 354	119 229	121 503
Other expenditure	2 666 893	2 988 712	3 473 078	3 612 788	3 521 062	3 514 163	3 786 538	3 953 609	4 219 656
Loss on disposal of PPE	3 529	1 724	1 443	–	–	–	–	–	–
Total Expenditure	**18 648 506**	**21 179 513**	**23 919 727**	**26 144 082**	**25 967 723**	**25 967 723**	**28 643 369**	**31 026 623**	**33 681 975**

Staff costs for 2014/15 is R8 932 million equating to 31.2% of total operating expenditure. The 2014/15 cost of living increase is 8.79% (2% notch increment + 6.79% per salary/wage award formula calculation), while the year-on-year growth is 8.8%. Similar, inflation-linked increases are estimated for the outer years of the City's MTREF. Furthermore, additional funds were allocated to accommodate organisational restructuring within Social Development & Early Childhood, Transport for Cape Town and to fund critical staff requirements in other functional areas.

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

The provision for debt impairment was based on collection rates achieved to date and projected over the MTREF period, as well as the City's arrears and debt recovery policies. For 2014/15 this equates to R951 million and escalates to R1 160 million by 2016/17. While this expenditure is considered to

be a non-cash flow item, it informs the total cost associated with rendering the services of the municipality as well as the municipality's realistically anticipated revenues.
Budgeted appropriations for depreciation and asset impairment total R2 154 million for 2014/15. The higher than CPI increase is mainly due to the revised calculation, which is now based on a 100% spend as opposed to 95% as well as the impact of the increased capital spend over the last few years. In addition, multi-year projects, which were previously capitalised in the final year of the budget is now capitalised when the asset is commissioned.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges equates to 3.2% (R919 million) of 2014/15 operating expenditure, excluding redemption costs and increases to R1 384 million by 2016/17.
Budgetary provision for bulk purchases are largely informed by the purchase of electricity and water from suppliers, i.e. Eskom and DWAF. In this regard, annual price increases have been factored into the budget appropriations, which in turn impacts on tariff requirements for these tariff-based services.

Other materials provision caters for sundry items such as the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. Growth is projected for this expenditure component over the MTREF period (R387 million in 2014/15; estimated to increase to R388 million by 2016/17).

Contracted services expenditure component now includes provisions for repairs and maintenance. Expenditure levels of R4 205 million in 2014/15 escalating to R5 135 million in 2016/17 are projected.

The following graph gives a breakdown of the main expenditure categories for 2014/15.

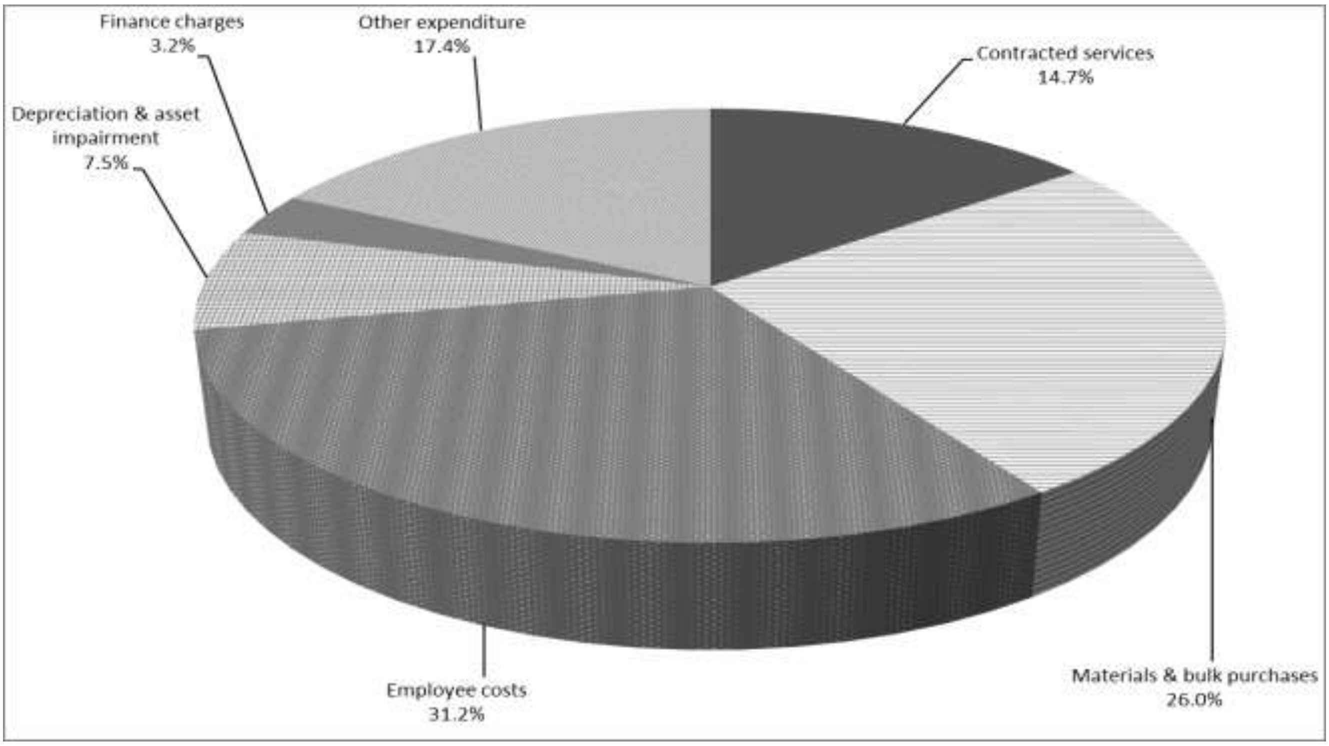


Figure 1 Main operational expenditure categories for the 2014/15 financial year

1.4.1 Priority given to Repairs and Maintenance

The City has acknowledged its obligation to optimally preserve its extended asset base and recognises current inherent backlogs in this regard. In line with the approach of recent financial years, 2014/15 appropriations again provide for significant and above-CPI level increases to this cost component.

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

Table 18 Operational repairs and maintenance

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Repairs & Maintenance by Expenditure Item									
Employee related costs	406 268	446 891	1 030 137	1 165 808	1 038 287	1 037 768	1 248 847	1 356 288	1 470 189
Other materials	200 892	180 350	202 646	263 900	245 101	245 195	237 074	257 462	279 089
Contracted Services	995 374	1 088 586	1 314 473	1 360 489	1 407 563	1 407 542	1 506 011	1 639 382	1 819 279
Other Expenditure	106 746	167 226	203 129	140 087	151 479	151 700	157 424	170 952	185 321
Total Repairs and Maintenance Expenditure	**1 709 280**	**1 883 053**	**2 750 384**	**2 930 285**	**2 842 430**	**2 842 206**	**3 149 355**	**3 424 085**	**3 753 877**

The total repairs and maintenance allocation for 2014/15 is R3 149 million, which represents a growth of 11% from 2013/14 financial year. The significant increase is notable on Repairs & Maintenance (labour to operating) resulting from the full cost absorption method applied in 2013/14 to calculate labour unit price and the increases in activity prices based on total cost of employment (TCOE) of direct labour workers influenced by the TASK outcome/job grading system, where jobs and positions were graded based on the content of approved job description. This trend continues over the MTREF and increases to R3 754 million in 2016/17.

1.4.2 Free Basic Services: Basic Social Services Package

The City provides free basic services (electricity, refuse removal, water, sanitation and rates) to residential properties via two procedures, i.e. the municipal value of the property or on application by those with limited income whose property values exceed the set valuation levels.

The valuation method is utilized to prevent the creation of a bloated and costly administration to deal with the expected 250 000 to 280 000 applications if all had to apply on a periodic basis. Via the billing system criteria the City provides assistance to those residents assumed to be in need, although some with the ability to pay would also receive that benefit. However, the costs of preventing those few unintended cases being assisted would far outweigh the benefits of not providing free services to them. A further benefit of the valuation based approach is that it provides certainty and reduces the risks of fraud. The benefits vary based on the valuation of the properties at R400 000 or below and the recipients vary between 85 000 and 250 000.

The second procedure allows any resident who is required to pay for the mentioned services and whose gross monthly household income is R3 500 or below, to register as indigent to receive the same benefits as if their property values were below R100 000. To date 2 238 residents registered as such, showing clearly that the valuation driven measures are reaching the less fortunate residents as envisaged.

As from 2013/14 new categories of indigent support were created by granting a 75% rebate on rates to all residents where the gross monthly household income is between R3 501 and R4 000. To date 20 households have registered. Households with gross monthly income between R4 001 and R4 500 receive a 50% rebate on rates and 25 applications have been approved. Applications from households with gross monthly incomes between R4 501 and R5 000 receive a 25% rebate on their rates accounts and to date 11 have been approved.

Senior citizens and disabled persons' rates rebate is granted to qualifying applicants where the gross monthly household income is below R12 000. For such income up to R3 500 the rates rebate is 100%, reducing gradually to 10% for income between R11 001 and R12 000.

Lifeline tariff customers receiving less than 250kWh per month will receive a free basic supply 60kWh, with those receiving between 250kWh and 450kWh per month receiving a free basic supply of 25kWh per month. In total there are approximately 420 000 residents receiving this benefit in the City and Eskom area of supply.

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

The costs for the indigent support on charges for refuse removal, the R77.23 for water and sanitation and the 60kWh of free electricity are partially financed by National Government through the local government equitable share received in terms of the annual Division of Revenue Act. However, the City allocates R90.4 million from rates income to balance this expenditure whilst the costs of the free 6 kilolitres of water (and concomitant sanitation) and the R200 000 valuation rebate on rates for those residents within the valuation brackets deemed to be indigent are paid for by those remaining residents.

1.5 Capital Expenditure

Table 19 2014/15 Medium-term capital budget per vote

Vote Description	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Budget Year 2014/15	%	Budget Year +1 2015/16	%	Budget Year +2 2016/17	%
Vote 1 - City Health	30 096	0.5%	21 966	0.4%	25 466	0.4%	28 466	0.5%
Vote 2 - City Manager	14 095	0.3%	6 771	0.1%	954	0.0%	954	0.0%
Vote 3 - Community Services	209 126	3.7%	242 283	3.9%	163 920	2.9%	207 737	3.8%
Vote 4 - Compliance and Auxiliary Services	31 343	0.6%	13 126	0.2%	36 897	0.7%	69 900	1.3%
Vote 5 - Corporate Services	294 109	5.2%	359 474	5.8%	349 019	6.2%	322 411	5.9%
Vote 6 - Economic, Environment & Spatial Planning	64 469	1.1%	119 215	1.9%	56 427	1.0%	55 927	1.0%
Vote 7 - Finance	44 135	0.8%	105 509	1.7%	33 912	0.6%	10 112	0.2%
Vote 8 - Human Settlements	772 109	13.8%	699 783	11.3%	574 777	10.1%	509 428	9.3%
Vote 10 - Safety & Security	64 080	1.1%	70 559	1.1%	40 127	0.7%	35 127	0.6%
Vote 11 - Social Dev & Early Childhood Development	7 838	0.1%	18 010	0.3%	10 860	0.2%	10 860	0.2%
Vote 12 - Tourism, Events and Marketing	26 530	0.5%	37 781	0.6%	30 200	0.5%	30 200	0.6%
Vote 13 - Transport for Cape Town	1 612 231	28.8%	1 660 185	26.7%	1 406 390	24.8%	1 399 414	25.6%
Vote 14 - Utility Services	2 436 227	43.5%	2 856 654	46.0%	2 936 658	51.8%	2 793 929	51.0%
Total Capital Expenditure - Vote	**5 606 388**	**100%**	**6 211 315**	**100%**	**5 665 607**	**100%**	**5 474 467**	**100%**

The capital budget increased from R5 606 million in 2013/14 (January 2014 adjustments budget) to R6 211 million in 2014/15. This is an overall increase of 10.8% when measured against the latest 2013/14 budgetary provision.

The above table clearly indicates that expenditure emphasis is still on those votes responsible for infrastructure development e.g. Utility Services and Transport for Cape Town. This allocation in 2014/15 represents just over R4 517 million or 72.7% of the total budgetary allocation for the year. Utility Services receives the largest allocation of R2 857 million in 2014/15, which represents 46% of the budget. Utility Services includes the services responsible for the provision of electricity, solid waste, water and sanitation. The second highest allocation amounting to R1 660 million or 26.7% is made to Transport for Cape Town, which is followed by Human Settlements at R700 million, Corporate Services at R359 million and Community Services at R242 million.

In the outer years the majority of the allocations were also made to infrastructure development; R4 343 million (76.6%) in 2015/16 and R4 193 million (76.6%) in 2016/17.

National Treasury, in its MFMA circulars, has indicated that a minimum of 40% of the capital budget should be for renewal as opposed to new infrastructure. In the City's proposed capital budget the renewal of existing assets equates to R2 638 million or 42.5% of the total 2014/15 capital budget, while new assets represents R3 573 million or 57.5%. It is important to note that asset renewal represents the upgrading or replacement of existing City owned assets, while new assets will result in an increase in the asset base of this City. Additional details regarding asset classes and proposed capital expenditure is contained in Table 30 MBRR Table A9 - Asset Management on page 41, while MBRR Tables A9, SA34a and SA34b provides a detailed breakdown of the capital budget with regards to new asset construction and capital asset renewal (refer pages 165 and 166). A detailed breakdown of the capital budget per project over the medium term is available on page 169.

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

- Bloemhof: Stores Upgrade → R54 million
- New Switching Station Atlantis Industrial → R85 million
- Oakdale Switch. Station Upgrade - Ph. 2 → R82 million
- Observatory Main Substation Upgrade → R97 million
- Tamboerskloof Transformer Replacement → R36 million
- Prepayment Meter Replacement → R63 million
- Prepayment Vending System Upgrading → R14 million
- Optic Fibre Installations → R28 million
- Broad Rd Main Substation Upgrade - Ph. 3 → R50 million
- Grassy Park Main Substation Upgrade → R45 million
- Hout Bay New Low Voltage Depot → R38 million
- Sarepta New Main Substation → R30 million
- Steenbras Power Station Rehabilitation/Upgrade → R111 million
- Mzamomhle clinic upgrade & ext. TB/ARV → R5 million
- New Pelican Park Clinic → R15 million
- Tafelsig Clinic Extensions and Upgrade → R4 million
- Replacement Clinic Zakhele → R6 million
- New Fisantekraal Clinic → R5 million
- Extensions for ARV and TB Masincedane → R4 million
- Atlantis Cemetery Upgrade → R5 million
- Atlantis Synthetic Soccer Pitch → R7 million
- Delft Cemetery Development → R6 million
- Develop Metro South-East Cemetery → R13 million
- District Park Atlantis → R4 million
- Library Upgrades and Extensions → R32 million
- Vaalfontein Cemetery Development → R12 million
- Welmoed Cemetery Development → R4 million
- Construction new library at Imizamo Yethu → R14 million
- Upgrade of Sea Point Promenade → R10 million
- Klip Road Cemetery Extension → R5 million
- Development of Mandela Peace Park → R5 million
- Recreation Hubs Equipment → R9 million
- Sport, Recreation & Amenities: Spray Parks → R10 million
- Sport, Recreation & Amenities: Synthetic Pitches → R78 million
- Local Area Priority Initiatives [LAPIs] → R22 million
- Quality Public Spaces - Citywide → R27 million
- Strand Pavillion Precinct Upgrade → R10 million
- Pampoenkraal Heritage site → R11 million
- Local Environment and Heritage Projects → R4 million
- Development Applications Management System Enhancements → R10 million
- E - Procurement system → R14 million
- Imizamo Yethu Housing Project (Phase 3) → R55 million
- Langa Hostels CRU Project → R306 million
- Wallacedene Housing Project → R44 million

- Fisantekraal Garden Cities Housing Project → R105 million
- Morkel's Cottage Strand Housing Project → R24 million
- Replacement of Fire Vehicles → R9 million
- Traffic Services - Vehicles → R17 million
- CCTV roll out Bellville → R3 million
- Law Enforcement and Security Services - Vehicles → R9 million
- Metro Police Services - Replacement of Vehicles → R3 million
- Construction of ECD - Nantes → R4 million
- Wallacedene Social Dev Hub → R3 million
- Construction of ECD Centres - Delft → R5 million
- Construction of ECD Centres - Du Noon → R5 million
- Construction of ECD Centres - Strand (Erjaville) → R3 million
- Construction of Heideveld ECD → R5 million
- New Landfill Site Infrastructure → R77 million
- New Transfer Station Infrastructure → R24 million
- Development of the Regional Landfill Site → R190 million
- Upgrade of Athlone Stadium → R6 million
- Upgrade to Grand Parade → R5 million
- Upgrade of City Hall → R12 million
- Film & Events Permitting System → R8 million
- Provision of lifts for empty shafts: Cape Town Stadium → R8 million
- Upgrade of Good Hope Centre → R5 million
- Inner City: Public Transport Hub → R85 million
- Retreat Public Transport Interchange → R36 million
- Sir Lowry's Pass River Upgrade → R191 million
- Wynberg: Public Transport Hub → R14 million
- Bellville: Public Transport Hub → R10 million
- Nolungile (Site C) Public Transport Interchange → R45 million
- Athlone Wastewater Treatment Works -Capacity Extension → R21 million
- Bulk Water Augmentation Scheme → R156 million
- Informal Settlements Sanitation Installation → R60 million
- Mitchells Plain Wastewater Treatment Works - Improvements → R49 million
- Northern Regional Sludge Facility → R112 million
- Philippi Collector Sewer → R84 million
- Potsdam Wastewater Treatment Works - Extension → R169 million
- TMS Aquifer Deep Borehole → R36 million
- Trappies Sewerage System → R41 million
- Hout Bay Outfall-Refurbish equipment → R25 million
- Melkbos Wastewater Treatment Works - Effluent Disinfection → R22 million
- Upgrade Bellville Wastewater Treatment Works → R39 million
- Water Meters New Connections → R28 million
- Refurbishment of Cape Flats Wastewater Treatment Works → R31 million
- New Contermanskloof Reservoir → R87 million
- Development of Additional Bulk Water Infrastructure → R49 million
- Main Rd upgrade of water and sewer network - Muizenberg to Clovelly → R29 million

- New Head Office for Water & Sanitation → R181 million
- Water & Sanitation: Regional resources (depots) development → R24 million
- Rietvlei Pump Station and Rising Main, Bottelary → R33 million
- New Spes Bona Reservoir → R45 million
- New Steenbras Reservoir → R46 million

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

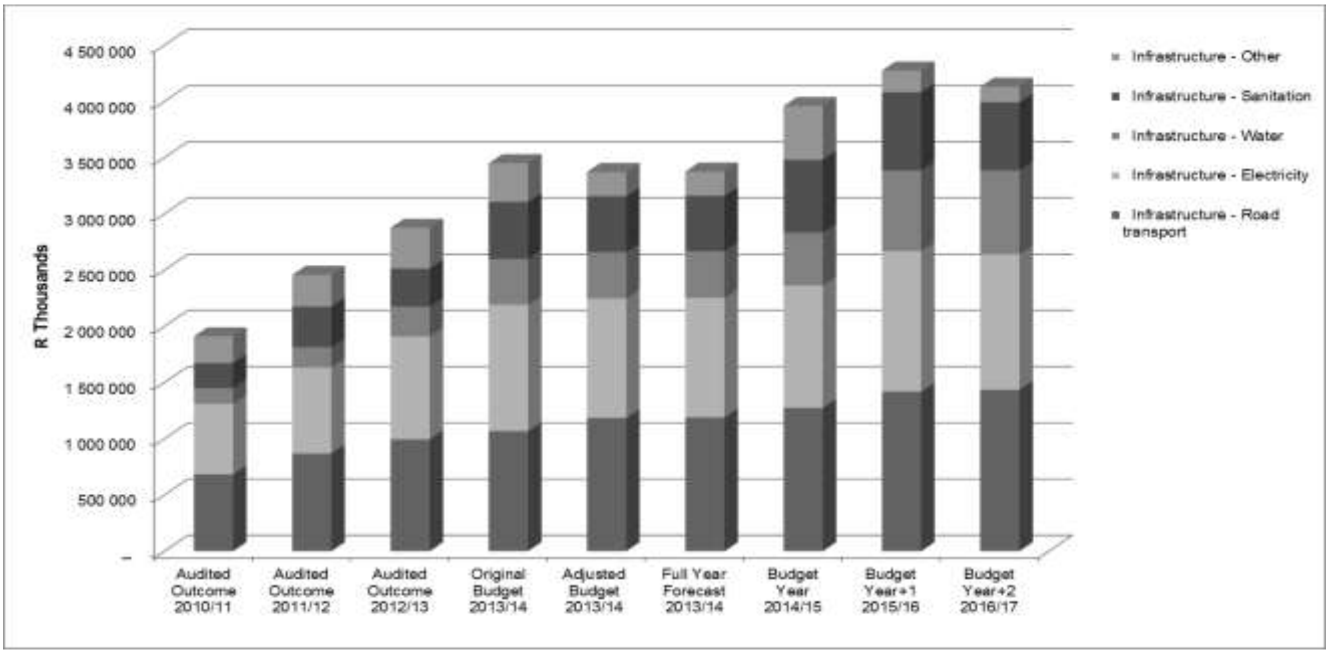


Figure 2 Capital Infrastructure Programme

1.5.1 Future operational cost of new infrastructure

Table SA35, on page 168, represents the future operational costs resulting from the capital investment program. The table shows that the costs estimated over the MTREF are expected to grow from R1 081 million in 2014/15 to R1 375 million in 2016/17. No additional budgetary provision was made for these costs as it is expected to be absorbed through efficiency gains and the prioritisation of existing operational resources.

1.6 Annual Budget Tables

The ten primary budget tables, as required in terms of section 8 of the Municipal Budget and Reporting Regulations, are presented on page 26 to page 44. These tables reflect the City's 2014/15 budget and MTREF to be supported by Council and made public for comment. Each table is accompanied by explanatory notes.

Table 20 MBRR Table A1 - Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Financial Performance									
Property rates	4 435 764	4 622 441	5 076 445	5 427 388	5 427 388	5 427 388	5 930 513	6 288 572	6 735 054
Service charges	10 359 727	11 986 765	13 099 805	14 442 391	14 254 547	14 254 547	15 262 264	16 562 301	18 047 777
Investment revenue	284 813	331 749	363 937	284 618	282 078	282 078	275 762	315 281	351 283
Transfers recognised - operational	1 400 627	1 639 075	1 985 809	2 595 904	2 603 947	2 603 947	3 498 169	4 005 459	4 446 242
Other own revenue	2 679 711	2 924 654	3 386 210	3 144 788	3 157 153	3 157 153	3 392 277	3 532 872	3 758 586
Total Revenue (excluding capital transfers and contributions)	19 160 643	21 504 683	23 912 206	25 895 089	25 725 114	25 725 114	28 358 984	30 704 486	33 338 941
Employee costs	6 123 768	6 916 012	7 446 199	8 253 458	8 219 948	8 199 952	8 931 593	9 676 821	10 450 808
Remuneration of councillors	88 621	97 772	111 673	123 721	123 721	123 721	133 619	142 438	151 554
Depreciation & asset impairment	1 271 965	1 399 490	1 627 385	1 934 741	1 957 724	1 957 724	2 154 335	2 304 813	2 445 758
Finance charges	717 476	681 533	728 669	863 894	863 894	863 894	919 232	1 150 593	1 383 509
Materials and bulk purchases	4 899 378	5 978 665	6 675 379	7 257 562	6 940 884	6 940 855	7 437 129	7 971 994	8 613 823
Transfers and grants	93 382	103 492	103 144	39 544	116 409	117 815	125 354	119 229	121 503
Other expenditure	5 453 917	6 002 548	7 227 278	7 671 163	7 745 143	7 763 762	8 942 108	9 660 735	10 515 020
Total Expenditure	18 648 506	21 179 513	23 919 727	26 144 082	25 967 723	25 967 723	28 643 369	31 026 623	33 681 975
Surplus/(Deficit)	512 137	325 171	(7 521)	(248 993)	(242 610)	(242 610)	(284 384)	(322 138)	(343 033)
Transfers recognised - capital	1 173 315	2 061 755	3 414 645	2 535 058	2 868 417	2 868 417	2 817 627	2 359 922	2 356 611
Contributions recognised - capital & contributed assets	46 728	120 358	36 603	48 250	75 302	75 302	65 226	96 300	100 300
Surplus/(Deficit) after capital transfers & contributions	1 732 180	2 507 284	3 443 726	2 334 315	2 701 109	2 701 109	2 598 469	2 134 084	2 113 878
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1 732 180	2 507 284	3 443 726	2 334 315	2 701 109	2 701 109	2 598 469	2 134 084	2 113 878
Capital expenditure & funds sources									
Capital expenditure	2 857 761	4 233 245	5 868 810	5 450 592	5 606 388	5 611 642	6 211 315	5 665 607	5 474 467
Transfers recognised - capital	1 173 329	2 061 778	3 414 645	2 537 158	2 860 517	2 865 771	2 809 834	2 359 922	2 356 611
Public contributions & donations	46 715	44 208	35 076	46 150	52 025	52 025	73 019	96 300	100 300
Borrowing	992 283	1 374 791	1 753 425	2 149 497	2 036 433	2 036 433	2 350 301	2 555 179	2 387 773
Internally generated funds	645 435	752 469	665 664	717 788	657 413	657 413	978 161	654 206	629 783
Total sources of capital funds	2 857 761	4 233 245	5 868 810	5 450 592	5 606 388	5 611 642	6 211 315	5 665 607	5 474 467
Financial position									
Total current assets	9 455 665	10 735 982	12 900 815	11 085 280	11 425 726	11 425 726	10 530 544	11 314 425	11 860 877
Total non current assets	21 882 485	24 772 540	29 033 825	33 525 814	33 418 774	33 418 774	37 639 154	41 011 805	43 960 939
Total current liabilities	5 801 721	7 242 430	7 988 695	8 556 365	8 166 244	8 166 244	7 321 815	7 932 377	8 239 169
Total non current liabilities	8 856 173	9 252 622	11 488 749	11 249 547	11 436 827	11 436 827	13 001 051	14 407 767	15 476 889
Community wealth/Equity	16 680 256	19 013 470	22 457 196	24 805 183	25 241 429	25 241 429	27 846 832	29 986 085	32 105 759
Cash flows									
Net cash from (used) operating	3 644 517	5 241 829	5 506 919	4 447 103	4 639 183	4 639 183	5 618 991	4 833 841	4 984 431
Net cash from (used) investing	(4 755 444)	(4 173 468)	(5 820 775)	(5 109 063)	(5 536 736)	(5 536 736)	(6 478 138)	(5 601 719)	(5 391 259)
Net cash from (used) financing	(248 995)	(156 536)	2 252 382	(598 143)	(598 143)	(598 143)	1 224 051	1 251 697	633 142
Cash/cash equivalents at the year end	5 249 381	6 161 206	8 099 732	6 278 994	6 603 670	6 603 670	6 968 574	7 452 393	7 678 706
Cash backing/surplus reconciliation									
Cash and investments available	5 448 098	6 361 479	8 334 415	7 404 228	7 729 520	7 729 520	7 045 003	7 823 377	8 242 402
Application of cash and investments	1 179 073	1 958 187	3 642 878	7 148 363	7 481 289	7 481 289	4 379 813	4 866 733	5 127 784
Balance - surplus (shortfall)	4 269 025	4 403 292	4 691 537	255 865	248 231	248 231	2 665 190	2 956 644	3 114 618
Asset management									
Asset register summary (WDV)	21 616 714	24 522 952	28 758 735	32 232 897	32 118 918	32 118 918	35 741 244	39 330 844	42 518 974
Depreciation & asset impairment	1 271 965	1 399 490	1 627 385	1 934 741	1 957 724	1 957 724	2 154 335	2 304 813	2 445 758
Renewal of Existing Assets	1 340 998	2 196 471	2 143 416	2 308 326	2 307 114	2 312 421	2 637 875	2 187 908	2 140 552
Repairs and Maintenance	1 709 280	1 883 053	2 750 384	2 930 285	2 842 430	2 842 206	3 149 355	3 424 085	3 753 877
Free services									
Cost of Free Basic Services provided	1 091 076	1 299 409	1 452 596	1 670 616	1 670 616	1 700 693	1 839 369	1 995 136	2 231 252
Revenue cost of free services provided	1 775 173	1 932 597	2 155 382	2 473 098	2 473 098	2 469 084	2 528 743	2 790 896	3 056 668
Households below minimum service level									
Water:	-	-	12 000	8 000	8 000	8 000	-	-	-
Sanitation/sewerage:	24 000	24 000	60 800	40600	40600	40600	600	-	-
Energy:	86 000	40 012	39 316	37 863	37 863	37 816	36 316	34 816	33 316
Refuse:	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 – Budget Summary

1. Table A1 represents a high-level summation of the City's budget, providing a view that includes all major components, i.e. operating, capital, financial position, cash flow and MFMA funding compliance.

2. In essence it provides a synopsis of the amounts to be approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance and the City's commitment to eliminate basic service delivery backlogs.

3. The importance of ensuring that a municipal budget is fully funded is stressed in the financial management reforms. The MFMA through section 18 requires that a budget only be funded by realistically anticipated revenue to be collected and cash-backed accumulated funds from previous years, not committed for other purposes.

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

5. **The City's key outcomes in this regard are as follows:**
   a. **The City's financial performance shows deficit positions over the 2014/15 MTREF. National Treasury Circular 42 states that a deficit on the Financial Performance does not mean that the budget is not funded as long as it is funded from uncommitted previous years' surpluses.**
   b. **The deficit on the Financial Performance is as a result of appropriations, which are included in the financial position and not in the financial performance budget. The appropriations include the depreciation reserves (for capital grants), Housing Development Fund, Insurance Fund and contributions to the Capital Replacement Reserve (CRR).**
   c. **The cash flow budget outcome shows that this deficit is funded from uncommitted, previous years' surpluses. It is consequently viewed as a sustainable position.**
   d. **The capital budget is funded from the following sources:**
      i. **Transfers recognised - capital and public contributions & donations which are shown on the financial performance budget;**
      ii. **Borrowing, which is shown in the cash flow budget as part of the net cash from financing activities; and**
      iii. **Internally generated funds 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 and increasing cash flow outcome over the 2014/15 MTREF.**

6. The City's cash backing/surplus reconciliation over the 2014/15 MTREF shows a positive and increasing trend, which is an indication that the City will be able to afford its commitments over the next three years.

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

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

Standard Classification Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard									
Governance and administration	**7 249 832**	**7 964 359**	**8 899 313**	**9 117 905**	**9 123 306**	**9 123 306**	**10 079 797**	**10 830 644**	**11 660 560**
Executive and council	5 227	626	2 202	2 498	4 482	4 482	3 674	3 878	4 086
Budget and treasury office	7 145 211	7 642 383	8 699 491	8 899 708	8 897 917	8 897 917	9 747 439	10 532 149	11 331 951
Corporate services	99 393	321 350	197 620	215 699	220 907	220 907	328 683	294 617	324 523
Community and public safety	**1 489 699**	**1 660 887**	**1 884 082**	**2 299 263**	**2 435 288**	**2 435 288**	**3 113 187**	**3 309 229**	**3 582 266**
Community and social services	78 695	79 894	74 967	100 274	78 770	78 770	135 471	79 119	86 937
Sport and recreation	199 956	90 515	131 674	197 733	203 580	203 580	123 552	141 872	188 297
Public safety	249 345	247 953	208 010	283 945	279 748	279 748	265 074	275 347	295 266
Housing	641 597	875 782	1 079 234	1 284 802	1 430 707	1 430 707	2 099 018	2 283 810	2 470 547
Health	320 106	366 744	390 196	432 509	442 482	442 482	490 072	529 082	541 219
Economic and environmental services	**949 908**	**1 613 953**	**2 902 638**	**2 010 294**	**2 245 500**	**2 245 500**	**2 284 042**	**1 988 412**	**2 052 292**
Planning and development	154 281	163 261	197 527	219 262	228 068	228 068	283 954	230 643	255 557
Road transport	771 669	1 434 262	2 674 412	1 767 700	1 977 398	1 977 398	1 954 592	1 723 667	1 775 676
Environmental protection	23 958	16 429	30 699	23 332	40 034	40 034	45 496	34 102	21 059
Trading services	**10 689 106**	**12 443 026**	**13 675 771**	**15 046 323**	**14 861 675**	**14 861 675**	**15 761 554**	**17 030 351**	**18 499 659**
Electricity	6 944 632	8 238 997	9 141 319	10 020 983	9 904 328	9 904 328	10 374 795	11 176 790	12 030 433
Water	1 829 212	2 048 752	2 245 107	2 506 465	2 483 050	2 483 050	2 688 261	2 989 419	3 355 638
Waste water management	1 072 839	1 267 953	1 325 054	1 485 615	1 460 110	1 460 110	1 640 954	1 773 106	1 907 602
Waste management	842 423	887 325	964 291	1 033 259	1 014 188	1 014 188	1 057 543	1 091 037	1 205 987
Other	**2 141**	**4 572**	**1 650**	**4 613**	**3 064**	**3 064**	**3 258**	**2 071**	**1 075**
Total Revenue - Standard	**20 380 686**	**23 686 797**	**27 363 454**	**28 478 397**	**28 668 832**	**28 668 832**	**31 241 838**	**33 160 707**	**35 795 853**
Expenditure - Standard									
Governance and administration	**3 697 770**	**4 198 400**	**4 692 783**	**4 947 550**	**4 907 009**	**4 908 167**	**5 301 939**	**5 751 467**	**6 303 787**
Executive and council	224 375	264 157	302 624	354 000	339 462	337 422	351 852	381 859	406 812
Budget and treasury office	1 503 014	1 660 072	1 984 028	2 324 556	2 288 542	2 287 763	2 498 816	2 802 567	3 157 539
Corporate services	1 970 381	2 274 172	2 406 131	2 268 994	2 279 005	2 282 982	2 451 271	2 567 040	2 739 436
Community and public safety	**3 730 298**	**4 036 458**	**4 510 510**	**5 217 765**	**5 248 099**	**5 242 364**	**6 299 154**	**6 873 363**	**7 480 332**
Community and social services	386 212	450 527	499 201	502 666	518 999	518 970	611 126	633 016	682 673
Sport and recreation	1 082 983	1 031 211	1 180 475	1 261 439	1 278 306	1 273 382	1 298 570	1 398 979	1 496 757
Public safety	1 159 891	1 266 462	1 430 306	1 593 632	1 586 283	1 585 501	1 725 651	1 854 636	1 991 926
Housing	561 002	678 251	748 757	1 104 778	1 100 260	1 100 260	1 838 906	2 094 363	2 368 965
Health	540 210	610 007	651 772	755 250	764 252	764 252	824 902	892 369	940 012
Economic and environmental services	**1 617 655**	**1 915 566**	**2 329 216**	**2 723 045**	**2 812 117**	**2 816 713**	**3 055 898**	**3 267 091**	**3 430 505**
Planning and development	408 785	456 782	513 609	589 928	569 124	572 920	603 337	679 274	727 216
Road transport	1 015 514	1 261 436	1 582 628	1 894 433	1 987 816	1 988 616	2 188 376	2 318 208	2 428 934
Environmental protection	193 355	197 349	232 979	238 683	255 178	255 178	264 185	269 608	274 356
Trading services	**9 550 898**	**10 974 644**	**12 311 362**	**13 168 418**	**12 907 060**	**12 907 005**	**13 890 951**	**15 033 039**	**16 360 319**
Electricity	5 612 700	6 891 693	7 649 552	8 315 138	8 024 763	8 024 763	8 624 488	9 302 236	10 036 561
Water	1 784 414	1 826 349	1 998 723	2 145 890	2 150 332	2 150 015	2 289 508	2 544 797	2 790 100
Waste water management	853 242	914 641	1 077 344	1 104 045	1 134 529	1 134 791	1 292 126	1 372 571	1 565 244
Waste management	1 300 542	1 341 961	1 585 743	1 603 345	1 597 435	1 597 435	1 684 829	1 813 436	1 968 414
Other	**51 886**	**54 444**	**75 856**	**87 305**	**93 437**	**93 474**	**95 427**	**101 664**	**107 030**
Total Expenditure - Standard	**18 648 506**	**21 179 513**	**23 919 727**	**26 144 082**	**25 967 723**	**25 967 723**	**28 643 369**	**31 026 623**	**33 681 975**
Surplus/(Deficit) for the year	**1 732 180**	**2 507 284**	**3 443 726**	**2 334 315**	**2 701 109**	**2 701 109**	**2 598 469**	**2 134 084**	**2 113 878**

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 15 functional areas.

2. Major contributing items to the increased operating revenue are additional allocations on the Transfers Recognised – Operational from both National and Provincial Government, the projected organic growth and tariff increases on Property Rates Tax and Service Charges (Water, Sanitation, Electricity and Refuse).

3. A surplus R2 598 million in 2014/15 is reflected in this table as total revenue includes Transfers Recognised - capital (Capital Grants & Donations received) while the expenditure category excludes these transfers.

4. This table highlights that the revenue for Cape Town Electricity, Water & Sanitation and Solid Waste Management, exceed their expenditure, due to the exclusion of internal cost charges/recoveries and other provisions e.g. Contribution from Electricity Services to the Rates Account.

5. Other functions within Rates show a deficit when comparing revenue and expenditure, which is financed from Rates Revenue.

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

Vote Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote									
Vote 1 - City Health	320 113	366 750	390 874	433 136	443 109	443 109	490 743	529 791	541 966
Vote 2 - City Manager	107	51	30	41	1 041	1 041	44	46	49
Vote 3 - Community Services	121 858	152 761	182 524	218 688	198 890	198 890	238 588	202 857	254 192
Vote 4 - Compliance and Auxiliary Services	28 198	18 975	40 231	36 822	35 614	35 614	14 932	4 398	4 634
Vote 5 - Corporate Services	29 877	118 741	60 045	37 936	43 700	43 700	72 689	74 551	93 128
Vote 6 - Economic, Environment & Spatial Planning	87 244	80 525	104 240	100 661	129 961	129 961	191 146	130 120	134 722
Vote 7 - Finance	551 667	779 388	1 130 678	694 205	703 531	703 531	785 016	811 177	886 064
Vote 8 - Human Settlements	644 368	878 583	1 081 270	1 287 635	1 433 546	1 433 546	2 102 760	2 287 776	2 474 754
Vote 9 - Rates & Other	6 847 309	7 258 182	7 923 871	8 605 150	8 605 150	8 605 150	9 445 542	10 191 167	10 953 095
Vote 10 - Safety & Security	230 638	223 891	185 764	261 949	257 475	257 475	254 301	257 439	277 957
Vote 11 - Social Dev & Early Childhood Development	103	2 178	1 027	401	401	401	3 587	442	464
Vote 12 - Tourism, Events and Marketing	159 507	22 817	26 770	87 930	90 521	90 521	24 625	24 536	26 684
Vote 13 - Transport for Cape Town	666 399	1 323 004	2 556 563	1 656 659	1 853 357	1 853 357	1 845 324	1 598 170	1 631 199
Vote 14 - Utility Services	10 693 298	12 460 950	13 679 568	15 057 184	14 872 536	14 872 536	15 772 541	17 048 238	18 516 945
Total Revenue by Vote	**20 380 686**	**23 686 797**	**27 363 454**	**28 478 397**	**28 668 832**	**28 668 832**	**31 241 838**	**33 160 707**	**35 795 853**
Expenditure by Vote ***to be appropriated***									
Vote 1 - City Health	608 889	677 994	727 932	835 227	844 133	844 133	907 929	982 568	1 037 705
Vote 2 - City Manager	69 285	76 901	88 666	109 499	107 033	107 047	132 613	140 269	147 522
Vote 3 - Community Services	1 101 442	1 205 856	1 339 644	1 376 911	1 372 388	1 372 388	1 507 629	1 631 161	1 760 983
Vote 4 - Compliance and Auxiliary Services	327 198	392 826	482 069	591 539	548 678	548 678	592 374	675 179	718 282
Vote 5 - Corporate Services	1 575 758	1 815 516	1 864 105	1 612 797	1 596 337	1 596 337	1 661 637	1 787 077	1 904 983
Vote 6 - Economic, Environment & Spatial Planning	394 710	425 376	465 087	515 983	537 690	537 690	545 065	572 564	600 294
Vote 7 - Finance	1 430 533	1 443 683	1 600 013	1 834 366	1 827 679	1 827 719	2 022 344	2 269 005	2 580 582
Vote 8 - Human Settlements	602 742	723 479	796 924	1 152 006	1 147 065	1 147 010	1 892 239	2 152 245	2 431 504
Vote 9 - Rates & Other	351 317	499 886	744 135	837 495	814 287	814 287	902 820	923 146	991 887
Vote 10 - Safety & Security	1 109 655	1 237 101	1 381 203	1 520 375	1 512 067	1 512 067	1 629 626	1 750 347	1 885 596
Vote 11 - Social Dev & Early Childhood Development	27 225	45 979	73 392	77 095	100 814	100 814	137 782	123 211	132 333
Vote 12 - Tourism, Events and Marketing	429 067	335 559	419 741	530 824	571 001	571 001	482 822	510 662	533 652
Vote 13 - Transport for Cape Town	1 012 927	1 268 816	1 565 311	1 896 136	1 996 348	1 996 348	2 232 622	2 363 576	2 475 039
Vote 14 - Utility Services	9 607 759	11 030 540	12 371 505	13 253 830	12 992 203	12 992 203	13 995 866	15 145 613	16 481 610
Total Expenditure by Vote	**18 648 506**	**21 179 513**	**23 919 727**	**26 144 082**	**25 967 723**	**25 967 723**	**28 643 369**	**31 026 623**	**33 681 975**
Surplus/(Deficit) for the year	**1 732 180**	**2 507 284**	**3 443 726**	**2 334 315**	**2 701 109**	**2 701 109**	**2 598 469**	**2 134 084**	**2 113 878**

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

1. Table A3 shows budgeted financial performance in relation to the revenue and expenditure and the operating surplus or deficit per municipal vote. The table below is an analysis of the surplus or deficit for trading services.

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

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cape Town Electricity									
Total Operating Revenue (including capital transfers and contributions)	6 949 075	8 257 070	9 145 207	10 031 991	9 915 336	9 915 336	10 385 808	11 194 704	12 047 747
Total Operating Expenditure	5 702 653	6 976 807	7 738 950	8 423 335	8 131 285	8 131 285	8 750 685	9 438 536	10 183 494
Operating Surplus/(Deficit) for the year	**1 246 422**	**1 280 263**	**1 406 257**	**1 608 656**	**1 784 051**	**1 784 051**	**1 635 124**	**1 756 168**	**1 864 253**
Percentage Surplus	**18%**	**16%**	**15%**	**16%**	**18%**	**18%**	**16%**	**16%**	**15%**
Water & Sanitation									
Total Operating Revenue including capital transfers and contributions)	2 901 796	3 316 554	3 570 064	3 991 933	3 943 013	3 943 013	4 329 190	4 762 497	5 263 212
Total Operating Expenditure	2 591 098	2 698 172	3 033 128	3 206 985	3 243 326	3 243 326	3 540 789	3 873 112	4 307 514
Operating Surplus/(Deficit) for the year	**310 698**	**618 382**	**536 936**	**784 948**	**699 686**	**699 686**	**788 401**	**889 385**	**955 698**
Percentage Surplus	**11%**	**19%**	**15%**	**20%**	**18%**	**18%**	**18%**	**19%**	**18%**
Solid Waste Management									
Total Operating Revenue including capital transfers and contributions)	842 423	887 325	964 291	1 033 259	1 014 188	1 014 188	1 057 543	1 091 037	1 205 987
Total Operating Expenditure	567 545	533 992	678 801	700 492	675 830	675 830	694 074	750 877	830 988
Operating Surplus/(Deficit) for the year	**274 878**	**353 332**	**285 490**	**332 767**	**338 358**	**338 358**	**363 470**	**340 160**	**374 998**
Percentage Surplus	**33%**	**40%**	**30%**	**32%**	**33%**	**33%**	**34%**	**31%**	**31%**

2. Electricity revenue and expenditure growth remains constant in 2014/15 and 2015/16, resulting in a trading surplus of 16%, which reduces to 15% in 2016/17. This is due to increases in Eskom bulk purchases as well as the impact of City's tariff setting policy.

3. The surplus on the Water Account fluctuates over the 3 years between 18% and 19%.

4. The surplus within Solid Waste Management fluctuates over the 3 years between 31% and 34%.

5. The surplus reflected in the various trading services (Electricity, Water & Sanitation and Solid Waste Management) is mainly based on primary revenue and expenditure elements. This does not include the contribution to Rates (the Rates Account receive a contribution from electricity service reducing the surplus shown above) and the internal cost charges/recoveries. These "secondary elements" are however included in the tariff calculations for the various trading services. Taking the secondary budget into account none of the Trading Services' have deficit/surplus position.

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

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source									
Property rates	4 435 764	4 622 441	5 076 445	5 427 388	5 427 388	5 427 388	5 930 513	6 288 572	6 735 054
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	6 578 085	8 061 684	8 852 928	9 668 405	9 483 473	9 483 473	10 072 265	10 827 685	11 661 417
Service charges - water revenue	1 649 307	1 817 183	2 053 577	2 343 850	2 333 850	2 333 850	2 540 080	2 824 821	3 158 769
Service charges - sanitation revenue	903 204	1 002 897	1 091 897	1 243 019	1 243 019	1 243 019	1 338 202	1 489 197	1 666 350
Service charges - refuse revenue	754 178	813 287	869 210	947 126	950 808	950 808	989 912	1 067 418	1 146 988
Service charges - other	474 953	291 714	232 192	239 991	243 397	243 397	321 805	353 181	414 253
Rental of facilities and equipment	250 316	289 736	306 605	336 471	336 823	336 823	358 711	376 887	400 591
Interest earned - external investments	284 813	331 749	363 937	284 618	282 078	282 078	275 762	315 281	351 283
Interest earned - outstanding debtors	324 558	318 083	268 249	218 525	221 338	221 338	208 262	239 426	253 599
Fines	166 476	144 394	100 524	183 257	168 710	168 710	175 648	185 484	195 500
Licences and permits	37 645	41 471	41 843	35 601	39 281	39 281	40 388	52 650	69 953
Agency services	115 991	123 651	132 469	121 993	134 993	134 993	150 439	167 284	187 442
Transfers recognised - operational	1 400 627	1 639 075	1 985 809	2 595 904	2 603 947	2 603 947	3 498 169	4 005 459	4 446 242
Other revenue	1 764 144	1 963 175	2 449 771	2 179 942	2 187 009	2 187 009	2 338 330	2 436 694	2 573 032
Gains on disposal of PPE	20 580	44 144	86 747	69 000	69 000	69 000	120 500	74 448	78 468
Total Revenue (excluding capital transfers and contributions)	**19 160 643**	**21 504 683**	**23 912 206**	**25 895 089**	**25 725 114**	**25 725 114**	**28 358 984**	**30 704 486**	**33 338 941**
Expenditure By Type									
Employee related costs	6 123 768	6 916 012	7 446 199	8 253 458	8 219 948	8 199 952	8 931 593	9 676 821	10 450 808
Remuneration of councillors	88 621	97 772	111 673	123 721	123 721	123 721	133 619	142 438	151 554
Debt impairment	773 226	818 450	926 812	866 192	881 192	881 192	950 533	1 064 031	1 160 370
Depreciation & asset impairment	1 271 965	1 399 490	1 627 385	1 934 741	1 957 724	1 957 724	2 154 335	2 304 813	2 445 758
Finance charges	717 476	681 533	728 669	863 894	863 894	863 894	919 232	1 150 593	1 383 509
Bulk purchases	4 620 105	5 705 263	6 391 186	6 898 881	6 607 911	6 607 911	7 050 011	7 610 228	8 225 878
Other materials	279 273	273 402	284 193	358 681	332 973	332 944	387 117	361 765	387 945
Contracted services	2 010 269	2 193 662	2 825 946	3 192 182	3 342 889	3 368 407	4 205 036	4 643 095	5 134 994
Transfers and grants	93 382	103 492	103 144	39 544	116 409	117 815	125 354	119 229	121 503
Other expenditure	2 666 893	2 988 712	3 473 078	3 612 788	3 521 062	3 514 163	3 786 538	3 953 609	4 219 656
Loss on disposal of PPE	3 529	1 724	1 443	–	–	–	–	–	–
Total Expenditure	**18 648 506**	**21 179 513**	**23 919 727**	**26 144 082**	**25 967 723**	**25 967 723**	**28 643 369**	**31 026 623**	**33 681 975**
Surplus/(Deficit)	**512 137**	**325 171**	**(7 521)**	**(248 993)**	**(242 610)**	**(242 610)**	**(284 384)**	**(322 138)**	**(343 033)**
Transfers recognised - capital	1 173 315	2 061 755	3 414 645	2 535 058	2 868 417	2 868 417	2 817 627	2 359 922	2 356 611
Contributions recognised - capital	46 728	44 230	34 076	48 250	44 125	44 125	65 226	96 300	100 300
Contributed assets	–	76 128	2 527	–	31 177	31 177	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**1 732 180**	**2 507 284**	**3 443 726**	**2 334 315**	**2 701 109**	**2 701 109**	**2 598 469**	**2 134 084**	**2 113 878**
Taxation									
Surplus/(Deficit) after taxation	**1 732 180**	**2 507 284**	**3 443 726**	**2 334 315**	**2 701 109**	**2 701 109**	**2 598 469**	**2 134 084**	**2 113 878**
Attributable to minorities									
Surplus/(Deficit) attributable to municipality	**1 732 180**	**2 507 284**	**3 443 726**	**2 334 315**	**2 701 109**	**2 701 109**	**2 598 469**	**2 134 084**	**2 113 878**
Share of surplus/ (deficit) of associate									
Surplus/(Deficit) for the year	**1 732 180**	**2 507 284**	**3 443 726**	**2 334 315**	**2 701 109**	**2 701 109**	**2 598 469**	**2 134 084**	**2 113 878**

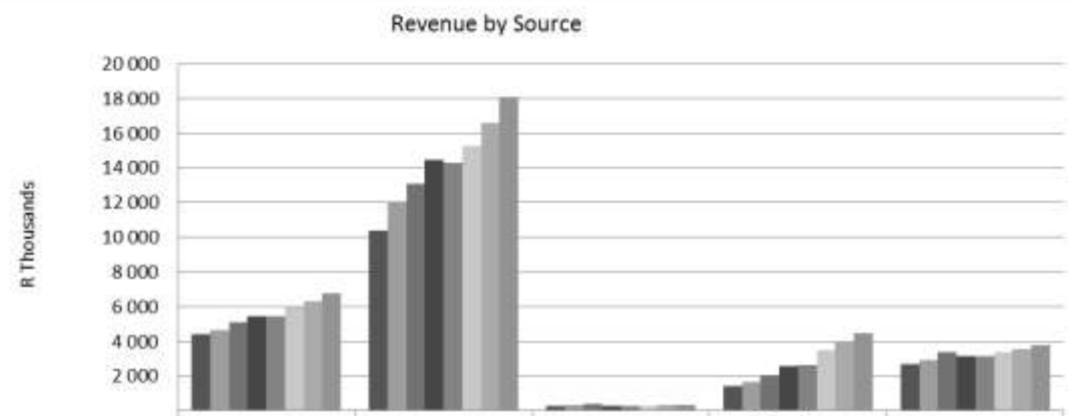
Explanatory notes to MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Table A4 is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type. Total revenue is R28 359 million (excluding appropriations which are disclosed in the financial position statement) in 2014/15 and escalates to R33 338 million by 2016/17. This represents a revenue growth of 9.5%, 8.3% and 8.6% respectively over the 3 years. Major contributing items are the increased allocations from National- and Provincial Government, the projected organic growth and tariff increases on Property Rates Tax and Service Charges.

2. Revenue to be generated from Property Rates amounts to R5 930 million in 2014/15 and increases to R6 735 million by 2016/17, which represents 21.% of the operating revenue base of the City and therefore remain significant funding source for the City.

3. Service charges relating to Electricity, Water, Sanitation and Refuse Removal constitute the biggest component of the revenue basket of the City totalling R15 261 million for the 2014/15 financial year and increasing to R18 499 million in 2016/17. For 2014/15, service charges are 53% of the total revenue base and the average year-on-year growth is approximately 8% over the medium term.

4. Transfers Recognised – Operating includes increased allocation from National- and Provincial government.



	Property rates	Service Charges	Investment Revenue	Transfers recognised - operational	Other revenue
Audited Outcome 2010/11	4 435 764	10 359 727	284 813	1 400 627	2 679 711
Audited Outcome 2011/12	4 622 441	11 986 765	331 749	1 639 075	2 924 654
Audited Outcome 2012/13	5 076 445	13 099 805	363 937	1 985 809	3 386 210
Current Year 2013/14 Original Budget	5 427 388	14 442 391	284 618	2 595 904	3 144 788
Current Year 2013/14 Adjusted Budget	5 427 388	14 254 547	282 078	2 603 947	3 157 153
Budget Year 2014/15	5 930 513	15 262 264	275 762	3 498 169	3 392 277
Budget Year +1 2015/16	6 288 572	16 562 301	315 281	4 005 459	3 532 872
Budget Year +2 2016/17	6 735 054	18 047 777	351 283	4 446 242	3 758 586

Figure 3 Revenue by source

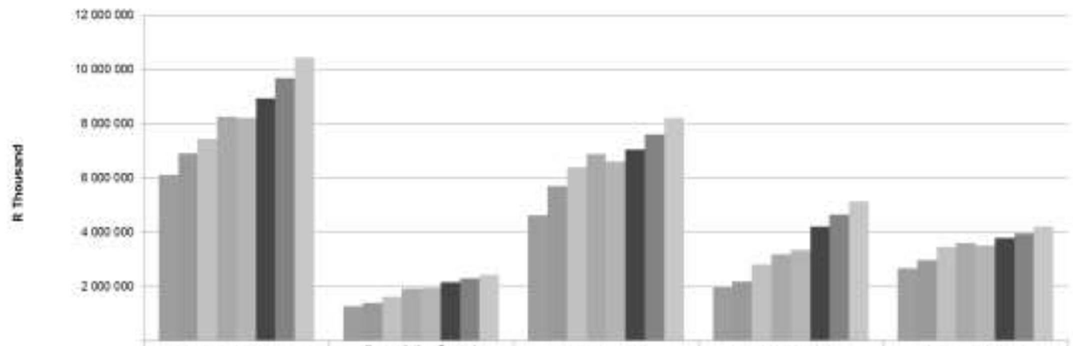
5. Bulk purchases have increased significantly over the 2010/11 to 2016/17 period, escalating from R4 620 million to R8 226 million in 2016/17. These increases can be attributed to substantial

increases in the cost of bulk electricity from Eskom and Water from the Department of Water Affairs.

6. Employee related costs is also the main cost driver within the City's Operating Expenditure, i.e. from R6 124 million in 2010/11 to R10 450 million in 2016/17, as a result of increases on staff costs over and above SALGA Salary Agreement, higher than average CPI as well as the impact of the Task outcome, where jobs and positions were graded based on the content of the job description. The budgeted 2014/15 salary increase was based on the projected average CPI of 6.84% plus 2% notch increment.

7. Depreciation & Asset Impairment increases from R1 272 million in 2010/11 to R2 446 million in 2016/17. This increase is mainly due to the revised calculation, which is now based on 100% spent as opposed to 95% as well as the impact of the increased capital spend over the last few years. In addition, multi-year projects, which were previously capitalised in the final year of the budget is now capitalised when the asset is commissioned.

8. Contracted Services includes budgetary provision for Repairs & Maintenance.



	Employee related costs	Depreciation & asset impairment	Bulk purchases	Contracted services	Other expenditure
Audited Outcome 2010/11	6 123 768	1 271 965	4 620 105	2 010 269	2 666 893
Audited Outcome 2011/12	6 916 012	1 399 490	5 705 263	2 193 662	2 988 712
Audited Outcome 2012/13	7 446 199	1 627 385	6 391 186	2 825 986	3 473 078
Current Year 2013/14 Original Budget	8 253 458	1 934 741	6 898 881	3 192 182	3 612 788
Current Year 2013/14 Adjusted Budget	8 219 948	1 957 724	6 607 911	3 342 889	3 521 062
Budget Year 2014/15	8 931 593	2 154 335	7 050 011	4 205 036	3 786 518
Budget Year +1 2015/16	9 676 821	2 304 813	7 630 228	4 643 095	3 953 609
Budget Year +2 2016/17	10 450 808	2 445 758	8 225 878	5 134 994	4 219 656

Figure 4 Expenditure by type

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

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - City Health	12 355	22 801	22 778	23 716	30 096	30 096	21 966	25 466	28 466
Vote 2 - City Manager	1 959	802	1 169	13 892	14 095	14 095	6 771	954	954
Vote 3 - Community Services	114 653	162 772	178 223	222 027	209 126	209 126	242 283	163 920	207 737
Vote 4 - Compliance and Auxiliary Services	23 935	14 646	30 157	37 865	31 343	31 343	13 126	36 897	69 900
Vote 5 - Corporate Services	142 581	204 091	232 756	258 892	294 109	294 109	359 474	349 019	322 411
Vote 6 - Economic, Environment & Spatial Planning	36 429	36 727	41 429	58 459	64 469	64 469	119 215	56 427	55 927
Vote 7 - Finance	13 703	119 833	21 544	11 715	44 135	44 135	105 509	33 912	10 112
Vote 8 - Human Settlements	322 439	490 110	565 763	626 963	772 109	772 109	699 783	574 777	509 428
Vote 9 - Rates & Other	–	–	–	–	–	–	–	–	–
Vote 10 - Safety & Security	27 377	67 079	55 708	67 927	64 080	64 280	70 559	40 127	35 127
Vote 11 - Social Dev & Early Childhood Development	6 909	9 446	6 791	5 460	7 838	7 838	18 010	10 860	10 860
Vote 12 - Tourism, Events and Marketing	108 834	62 875	179 084	28 661	26 530	26 530	37 781	30 200	30 200
Vote 13 - Transport for Cape Town	723 893	1 280 796	2 493 517	1 415 743	1 612 231	1 617 285	1 660 185	1 406 390	1 399 414
Vote 14 - Utility Services	1 322 695	1 761 268	2 039 890	2 679 272	2 436 227	2 436 227	2 856 654	2 936 658	2 793 929
Total Capital Expenditure - Vote	**2 857 761**	**4 233 245**	**5 868 810**	**5 450 592**	**5 606 388**	**5 611 642**	**6 211 315**	**5 665 607**	**5 474 467**
Capital Expenditure - Standard									
Governance and administration	**170 475**	**359 545**	**276 777**	**294 502**	**356 991**	**356 978**	**490 232**	**430 688**	**417 884**
Executive and council	7 960	3 555	4 266	9 250	2 256	2 334	11 608	35 842	68 899
Budget and treasury office	11 787	17 593	10 471	5 349	6 286	7 252	5 183	3 803	3 603
Corporate services	150 728	338 397	262 041	279 903	348 449	347 392	473 441	391 043	345 382
Community and public safety	**630 866**	**834 941**	**1 049 984**	**1 024 512**	**1 157 013**	**1 157 241**	**1 127 049**	**896 941**	**867 959**
Community and social services	59 321	56 068	37 716	82 045	67 522	65 969	127 752	52 448	68 315
Sport and recreation	169 973	166 051	321 193	169 422	172 451	174 037	167 602	149 132	173 832
Public safety	67 251	101 232	103 000	122 934	115 404	115 599	110 015	95 186	89 586
Housing	321 970	489 925	565 694	626 894	772 040	772 040	699 714	574 708	509 359
Health	12 352	21 665	22 382	23 216	29 596	29 596	21 966	25 466	26 866
Economic and environmental services	**752 299**	**1 311 540**	**2 528 595**	**1 499 604**	**1 694 056**	**1 699 118**	**1 785 006**	**1 462 460**	**1 456 584**
Planning and development	31 338	25 960	31 631	65 452	62 479	58 834	106 600	39 995	39 995
Road transport	713 944	1 272 448	2 482 101	1 411 768	1 601 282	1 606 344	1 659 441	1 405 690	1 398 714
Environmental protection	7 017	13 132	14 864	22 384	30 296	33 940	18 965	16 775	17 875
Trading services	**1 303 710**	**1 723 002**	**2 010 593**	**2 629 125**	**2 396 662**	**2 396 653**	**2 807 828**	**2 874 318**	**2 731 389**
Electricity	704 757	880 178	1 194 512	1 404 107	1 313 311	1 313 311	1 255 722	1 242 592	1 207 410
Water	184 957	258 890	303 326	479 365	477 801	481 851	515 312	696 376	837 240
Waste water management	215 623	354 031	304 581	480 715	466 044	461 986	599 919	626 344	468 360
Waste management	198 374	229 904	208 174	264 938	139 505	139 505	436 875	309 006	218 379
Other	**410**	**4 218**	**2 860**	**2 849**	**1 666**	**1 652**	**1 200**	**1 200**	**650**
Total Capital Expenditure - Standard	**2 857 761**	**4 233 245**	**5 868 810**	**5 450 592**	**5 606 388**	**5 611 642**	**6 211 315**	**5 665 607**	**5 474 467**
Funded by:									
National Government	865 987	1 717 564	3 056 018	2 191 297	2 501 455	2 506 510	2 515 669	2 272 682	2 236 316
Provincial Government	304 847	335 474	354 954	343 761	357 962	358 162	292 065	87 240	120 295
District Municipality	–	–	–	–	–	–	–	–	–
Other transfers and grants	2 495	8 740	3 673	2 100	1 100	1 100	2 100	–	–
Transfers recognised - capital	**1 173 329**	**2 061 778**	**3 414 645**	**2 537 158**	**2 860 517**	**2 865 771**	**2 809 834**	**2 359 922**	**2 356 611**
Public contributions & donations	46 715	44 208	35 076	46 150	52 025	52 025	73 019	96 300	100 300
Borrowing	992 283	1 374 791	1 753 425	2 149 497	2 036 433	2 036 433	2 350 301	2 555 179	2 387 773
Internally generated funds	645 435	752 469	665 664	717 788	657 413	657 413	978 161	654 206	629 783
Total Capital Funding	**2 857 761**	**4 233 245**	**5 868 810**	**5 450 592**	**5 606 388**	**5 611 642**	**6 211 315**	**5 665 607**	**5 474 467**

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

1. Table A5 reflects the City's capital programme in relation to capital expenditure by municipal vote (directorate); capital expenditure by standard classification; and funding sources required to fund the capital budget, including information on capital transfers from National and Provincial Departments.

2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. The City has allocated multi-year appropriations amounting to R6 211 million for 2014/15, to R5 666 million in 2015/16 and decreasing further to R5 474 million in 2016/17.

3. The capital budget is funded by allocations made to the City by National and Provincial government in the form of grants, as well as public contributions and donations, borrowings and internally generated funds. Capital transfers from National Government, the Provincial Government Western Cape and other transfers and grants amount to R2 810 million (45.2%) in 2014/15 and decreases to R2 360 million and R2 357 for 2015/16 and 2016/17 respectively. Borrowings amounts to R2 350 million, R2 555 million and R 2 388 million over the MTREF and has been provided for in terms of affordability levels as determined during MTREF modelling. Internally generated funds have been provided for over the MTREF amounting to R978 million, R654 million and R630 million for each of the respective financial years.

Table 26 MBRR Table A6 - Budgeted Financial Position

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS									
Current assets									
Cash	146 095	133 505	187 429	–	–	–	–	–	–
Call investment deposits	5 151 758	6 077 714	7 973 561	6 200 954	6 526 246	6 526 246	5 362 934	5 841 583	6 062 101
Consumer debtors	3 709 111	3 979 256	4 172 233	4 217 354	4 291 038	4 291 038	4 499 300	4 738 725	4 992 324
Other debtors	194 259	272 741	290 496	370 198	319 546	319 546	351 500	386 650	425 315
Current portion of long-term receivables	19 193	19 758	20 546	17 832	19 519	19 519	20 495	21 519	22 595
Inventory	235 249	253 008	256 550	278 941	269 378	269 378	296 315	325 947	358 541
Total current assets	**9 455 665**	**10 735 982**	**12 900 815**	**11 085 280**	**11 425 726**	**11 425 726**	**10 530 544**	**11 314 425**	**11 860 877**
Non current assets									
Long-term receivables	115 526	99 328	101 665	89 644	96 582	96 582	91 753	87 165	82 807
Investments	150 245	150 260	173 425	1 203 274	1 203 274	1 203 274	1 682 069	1 981 794	2 180 301
Investment property	–	–	–	–	–	–	–	–	–
Investment in Associate	–	–	–	–	–	–	–	–	–
Property, plant and equipment	21 616 714	24 522 952	28 758 735	32 232 897	32 118 918	32 118 918	35 865 333	38 942 846	41 697 831
Agricultural	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–
Intangible	–	–	–	–	–	–	–	–	–
Other non-current assets	–	–	–	–	–	–	–	–	–
Total non current assets	**21 882 485**	**24 772 540**	**29 033 825**	**33 525 814**	**33 418 774**	**33 418 774**	**37 639 154**	**41 011 805**	**43 960 939**
TOTAL ASSETS	**31 338 150**	**35 508 522**	**41 934 640**	**44 611 094**	**44 844 500**	**44 844 500**	**48 169 698**	**52 326 230**	**55 821 816**
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Borrowing	305 353	294 186	418 166	478 860	387 991	387 991	378 885	515 863	396 555
Consumer deposits	233 492	274 944	308 217	332 682	339 039	339 039	372 943	410 237	451 261
Trade and other payables	4 487 965	5 647 523	5 445 077	6 592 362	5 494 773	5 494 773	5 125 323	5 417 147	5 643 309
Provisions	774 911	1 025 777	1 817 235	1 152 460	1 944 441	1 944 441	1 444 665	1 589 131	1 748 044
Total current liabilities	**5 801 721**	**7 242 430**	**7 988 695**	**8 556 365**	**8 166 244**	**8 166 244**	**7 321 815**	**7 932 377**	**8 239 169**
Non current liabilities									
Borrowing	5 343 836	5 176 421	6 936 236	6 493 327	6 646 477	6 646 477	7 902 043	9 032 745	9 789 614
Provisions	3 512 337	4 076 201	4 552 513	4 756 220	4 790 350	4 790 350	5 099 008	5 375 022	5 687 275
Total non current liabilities	**8 856 173**	**9 252 622**	**11 488 749**	**11 249 547**	**11 436 827**	**11 436 827**	**13 001 051**	**14 407 767**	**15 476 889**
TOTAL LIABILITIES	**14 657 894**	**16 495 052**	**19 477 444**	**19 805 911**	**19 603 071**	**19 603 071**	**20 322 866**	**22 340 145**	**23 716 057**
NET ASSETS	**16 680 256**	**19 013 470**	**22 457 196**	**24 805 183**	**25 241 429**	**25 241 429**	**27 846 832**	**29 986 085**	**32 105 759**
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	14 369 652	16 721 752	20 159 376	22 790 759	23 100 680	23 100 680	25 806 310	27 895 066	30 114 221
Reserves	2 310 604	2 291 718	2 297 820	2 014 424	2 140 749	2 140 749	2 040 522	2 091 019	1 991 538
Minorities' interests	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	**16 680 256**	**19 013 470**	**22 457 196**	**24 805 183**	**25 241 429**	**25 241 429**	**27 846 832**	**29 986 085**	**32 105 759**

*Restated 2011/12 figures.

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 GRAP 1 and international accounting standards and as such makes it comparable with the present Statement of Financial Position and those of previous years. This will enable all stakeholders to interpret the impact of the budget as such on the Statement of Financial Position.

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 182) are provided with details of the major components of items, such as:
   - Call Investment Deposits
   - Consumer Debtors
   - Property, Plant and Equipment
   - Trade and Other Payables
   - Non-Current Provisions
   - Changes in Net Assets
   - Reserves

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.

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Table 27 MBRR Table A7 - Budgeted Cash Flow Statement

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	16 463 076	18 601 603	18 963 843	21 960 571	21 767 279	21 767 279	23 306 935	25 026 203	27 071 687
Government - operating	1 385 536	1 626 991	1 979 795	2 595 904	2 603 047	2 603 047	3 498 169	4 005 459	4 446 242
Government - capital	1 173 315	2 130 844	3 414 645	2 583 308	2 889 753	2 889 753	2 882 853	2 456 222	2 456 911
Interest	503 857	563 873	592 319	403 422	282 078	282 078	275 762	315 281	351 283
Dividends	–	–	–	–	–	–	–	–	–
Payments									
Suppliers and employees	(15 163 792)	(17 019 721)	(18 797 472)	(22 346 653)	(22 153 411)	(22 153 411)	(23 514 982)	(25 907 036)	(28 040 446)
Finance charges	(717 475)	(661 761)	(646 211)	(749 449)	(749 563)	(749 563)	(829 746)	(1 062 289)	(1 301 246)
Transfers and Grants	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**3 644 517**	**5 241 829**	**5 506 919**	**4 447 103**	**4 639 183**	**4 639 183**	**5 618 991**	**4 833 841**	**4 984 431**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	63 278	45 983	93 472	69 000	0	0	40 167	24 816	26 156
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	1 819	15 633	(3 125)	–	–	–	(4 829)	(4 588)	(4 358)
Decrease (increase) in non-current investments	(1 962 720)	(1 922)	(42 313)	–	–	–	(379 999)	(19 999)	–
Payments									
Capital assets	(2 857 821)	(4 233 162)	(5 868 809)	(5 178 063)	(5 536 736)	(5 536 736)	(6 133 477)	(5 601 948)	(5 413 057)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(4 755 444)**	**(4 173 468)**	**(5 820 775)**	**(5 109 063)**	**(5 536 736)**	**(5 536 736)**	**(6 478 138)**	**(5 601 719)**	**(5 391 259)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	2 384 420	–	–	–	1 500 000	1 500 000	1 000 000
Increase (decrease) in consumer deposits	4 332	41 818	33 273	–	–	–	33 904	37 294	41 024
Payments									
Repayment of borrowing	(253 327)	(198 354)	(165 311)	(598 143)	(598 143)	(598 143)	(309 853)	(285 598)	(407 882)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(248 995)**	**(156 536)**	**2 252 382**	**(598 143)**	**(598 143)**	**(598 143)**	**1 224 051**	**1 251 697**	**633 142**
NET INCREASE/ (DECREASE) IN CASH HELD	**(1 359 922)**	**911 825**	**1 938 526**	**(1 260 103)**	**(1 495 696)**	**(1 495 696)**	**364 904**	**483 819**	**226 313**
Cash/cash equivalents at the year begin:	**6 609 303**	**5 249 381**	**6 161 206**	**7 539 097**	**8 099 366**	**8 099 366**	**6 603 670**	**6 968 574**	**7 452 393**
Cash/cash equivalents at the year end:	**5 249 381**	**6 161 206**	**8 099 732**	**6 278 994**	**6 603 670**	**6 603 670**	**6 968 574**	**7 452 393**	**7 678 706**

Explanatory notes to Table A7 – Budgeted Cash Flow Statement

1. The table shows the cash and cash equivalents of the City during the 2014/15 MTREF.

2. For the 2014/15 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 R6 968 million by 2014/15 and steadily increasing to R7 678 million by 2016/17.

3. Interest earned on outstanding debtors relates to arrear debtors accounts and was considered prudent to be excluded from the interest income line item for cash-flow purposes as a result of the uncertainty of its collectability.

4. Transfers and grants are included in the suppliers and employees totals.

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

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash and investments available									
Cash/cash equivalents at the year end	5 249 381	6 161 206	8 099 732	6 278 994	6 603 670	6 603 670	6 968 574	7 452 393	7 678 706
Other current investments > 90 days	48 472	50 013	61 258	(78 040)	(77 424)	(77 424)	(1 605 640)	(1 610 810)	(1 616 605)
Non current assets - Investments	150 245	150 260	173 425	1 203 274	1 203 274	1 203 274	1 682 069	1 981 794	2 180 301
Cash and investments available:	**5 448 098**	**6 361 479**	**8 334 415**	**7 404 228**	**7 729 520**	**7 729 520**	**7 045 003**	**7 823 377**	**8 242 402**
Application of cash and investments									
Unspent conditional transfers	1 108 680	1 665 752	858 556	1 826 081	1 820 627	1 820 627	996 885	1 057 081	1 129 619
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	426 030	350 575	350 575	(70 930)	(78 023)	(85 825)
Other working capital requirements	(468 677)	(229 028)	486 502	219 980	(902 152)	(902 152)	(660 504)	(682 537)	(806 384)
Other provisions	–	–	–	2 741 800	4 006 969	4 006 969	444 665	489 132	538 045
Long term investments committed	–	–	–	1 203 274	1 203 274	1 203 274	1 682 069	1 941 794	2 180 301
Reserves to be backed by cash/investments	539 070	521 463	2 297 820	731 198	1 001 996	1 001 996	1 987 628	2 139 286	2 172 028
Total Application of cash and investments:	**1 179 073**	**1 958 187**	**3 642 878**	**7 148 363**	**7 481 289**	**7 481 289**	**4 379 813**	**4 866 733**	**5 127 784**
Surplus(shortfall)	**4 269 025**	**4 403 292**	**4 691 537**	**255 865**	**248 231**	**248 231**	**2 665 190**	**2 956 644**	**3 114 618**

*Restated 2011/12 figures.

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

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.

2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

3. The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

4. From the above table it can be seen that the City remains in a surplus net cash position for the period 2014/15 to 2016/17.

5. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2014/15 MTREF is fully funded.

6. As part of the budgeting and planning guidelines that informed the compilation of the 2014/15 MTREF, the end objective of the medium-term framework was to ensure the budget is funded/aligned to section 18 of the MFMA.

7. Table A8 reflects an inclining/positive term trend; i.e. moving progressively from a surplus of R2 665 million in 2014/15 to a surplus of R3 115 million by 2016/17.

Table 29 MBRR Table A9 - Asset Management

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CAPITAL EXPENDITURE									
Total New Assets	**1 516 763**	**2 036 774**	**3 725 393**	**3 142 267**	**3 299 274**	**3 299 221**	**3 573 441**	**3 477 699**	**3 333 914**
Infrastructure - Road transport	509 108	650 661	700 386	813 479	922 565	922 565	901 418	1 125 630	1 194 057
Infrastructure - Electricity	404 244	341 321	478 236	780 590	730 219	730 219	609 204	665 051	619 180
Infrastructure - Water	58 983	79 633	142 846	209 650	201 822	200 846	218 739	338 263	292 810
Infrastructure - Sanitation	68 268	47 159	88 619	258 160	225 553	220 153	284 012	299 471	348 970
Infrastructure - Other	90 987	173 158	259 214	251 026	118 331	118 481	408 500	173 252	122 074
Infrastructure	*1 131 591*	*1 291 933*	*1 669 301*	*2 312 905*	*2 198 489*	*2 192 263*	*2 421 872*	*2 601 667*	*2 577 091*
Community	148 781	106 850	251 490	94 152	118 375	116 661	129 068	114 801	215 900
Heritage assets	761	10 842	7 586	9 598	8 638	8 638	11 729	6 797	7 164
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	235 630	627 149	1 797 016	725 611	973 773	981 659	1 010 772	754 434	533 759
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–
Total Renewal of Existing Assets	**1 340 998**	**2 196 471**	**2 143 416**	**2 308 326**	**2 307 114**	**2 312 421**	**2 637 875**	**2 187 908**	**2 140 552**
Infrastructure - Road transport	174 995	218 798	294 266	253 722	261 824	266 879	373 551	294 126	241 587
Infrastructure - Electricity	222 302	423 720	436 439	343 578	333 032	332 518	477 451	584 466	585 310
Infrastructure - Water	80 754	99 671	121 610	199 112	209 821	215 221	253 971	378 000	454 250
Infrastructure - Sanitation	154 068	314 290	250 774	247 590	271 684	271 661	362 420	395 460	256 110
Infrastructure - Other	146 542	108 660	103 628	93 507	97 121	97 121	70 040	19 450	16 350
Infrastructure	*778 662*	*1 165 138*	*1 206 717*	*1 137 508*	*1 173 482*	*1 183 399*	*1 537 433*	*1 671 502*	*1 553 606*
Community	288 797	478 711	487 413	575 451	558 161	561 996	514 926	200 280	217 947
Heritage assets	–	342	646	1 930	989	989	2 223	2 230	2 230
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	273 539	552 279	448 640	593 437	574 481	566 036	583 292	313 896	366 769
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–
Total Capital Expenditure									
Infrastructure - Road transport	684 103	869 459	994 652	1 067 201	1 184 389	1 189 443	1 274 969	1 419 756	1 435 644
Infrastructure - Electricity	626 546	765 041	914 675	1 124 168	1 063 251	1 062 737	1 086 655	1 249 517	1 204 490
Infrastructure - Water	139 738	179 304	264 456	408 761	411 643	416 067	472 710	716 263	747 060
Infrastructure - Sanitation	222 337	361 449	339 392	505 750	497 238	491 814	646 432	694 931	605 080
Infrastructure - Other	237 530	281 818	362 842	344 533	215 451	215 601	478 539	192 702	138 424
Infrastructure	*1 910 253*	*2 457 071*	*2 876 018*	*3 450 413*	*3 371 972*	*3 375 662*	*3 959 306*	*4 273 169*	*4 130 698*
Community	437 578	585 561	738 903	669 603	676 535	678 658	643 994	315 081	433 847
Heritage assets	761	11 184	8 233	11 528	9 627	9 627	13 952	9 027	9 394
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	509 169	1 179 428	2 245 656	1 319 048	1 548 254	1 547 695	1 594 064	1 068 331	900 528
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–
TOTAL CAPITAL EXPENDITURE - Asset class	**2 857 761**	**4 233 245**	**5 868 810**	**5 450 592**	**5 606 388**	**5 611 642**	**6 211 315**	**5 665 607**	**5 474 467**

Continues on next page.

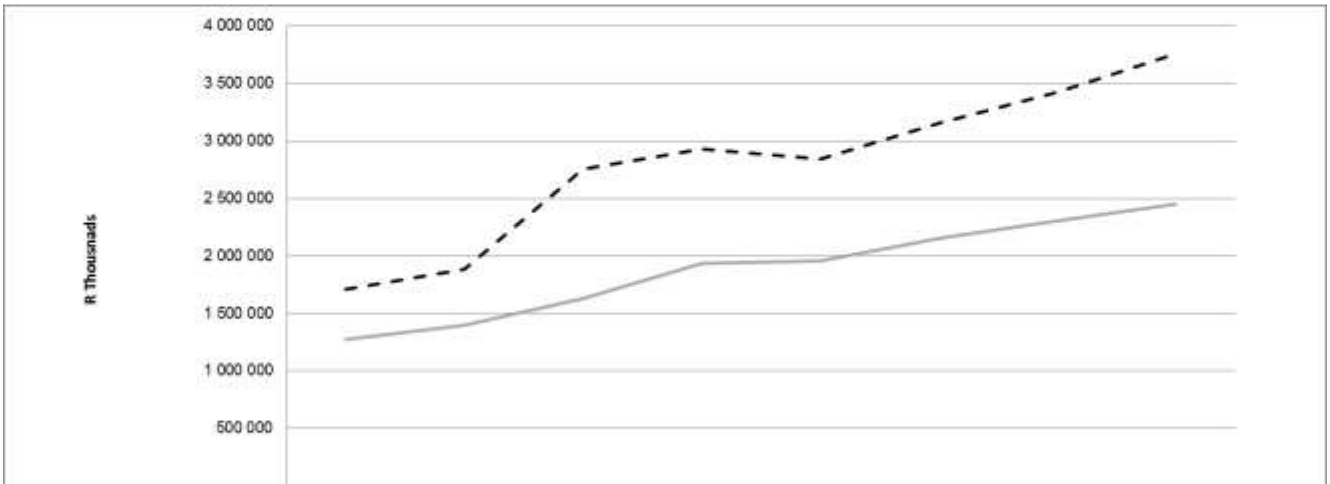
Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSET REGISTER SUMMARY - PPE (WDV)									
Infrastructure - Road transport	3 738 721	4 348 581	5 640 550	6 415 227	6 473 196	6 473 196	7 084 550	8 104 822	9 250 190
Infrastructure - Electricity	3 039 822	3 406 010	4 090 969	4 745 964	4 631 884	4 631 884	5 226 214	5 985 623	6 597 054
Infrastructure - Water	1 268 425	1 403 332	1 572 381	1 545 722	1 528 022	1 528 022	1 793 260	2 264 756	2 753 622
Infrastructure - Sanitation	1 516 478	1 770 031	1 857 803	2 540 802	2 507 428	2 507 428	2 953 566	3 413 290	3 777 047
Infrastructure - Other	2 381 008	2 811 170	2 398 435	3 979 522	3 839 549	3 839 549	4 179 300	4 213 143	4 215 110
Infrastructure	*11 944 454*	*13 739 123*	*15 560 138*	*19 227 237*	*18 980 077*	*18 980 077*	*21 236 890*	*23 981 633*	*26 593 023*
Community	5 072 369	5 676 043	5 955 915	6 229 741	6 213 881	6 213 881	6 295 271	6 014 746	5 794 399
Heritage assets	11 914	12 742	9 411	31 158	28 776	28 776	42 026	50 601	59 525
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	4 587 977	5 095 044	7 233 271	6 744 761	6 896 184	6 896 184	8 167 057	9 283 865	10 072 027
Agricultural Assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangibles	–	–	–	–	–	–	–	–	–
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	**21 616 714**	**24 522 952**	**28 758 735**	**32 232 897**	**32 118 918**	**32 118 918**	**35 741 244**	**39 330 844**	**42 518 974**
EXPENDITURE OTHER ITEMS									
Depreciation & asset impairment	1 271 965	1 399 490	1 627 385	1 934 741	1 957 724	1 957 724	2 154 335	2 304 813	2 445 758
Repairs and Maintenance by Asset Class	1 709 280	1 883 053	2 750 384	2 930 285	2 842 430	2 842 206	3 149 355	3 424 085	3 753 877
Infrastructure - Road transport	265 915	303 234	445 720	618 603	501 361	501 047	617 412	670 625	726 956
Infrastructure - Electricity	269 194	202 472	312 055	335 843	335 843	335 843	354 430	384 945	417 282
Infrastructure - Water	22 544	23 998	50 474	65 993	68 293	68 293	59 414	64 523	69 944
Infrastructure - Sanitation	27 556	39 518	95 636	69 926	82 426	82 426	88 138	95 717	107 592
Infrastructure - Other	22 128	11 675	22 603	65 077	71 858	71 858	38 094	41 370	44 844
Infrastructure	*607 337*	*580 896*	*926 488*	*1 155 442*	*1 059 781*	*1 059 467*	*1 157 488*	*1 257 180*	*1 366 618*
Community	64 418	59 347	83 278	68 657	69 057	69 057	82 389	97 705	105 913
Heritage assets	7 104	7 236	15 707	12 608	12 317	12 317	15 199	16 507	17 893
Investment properties	–	–	–	–	–	–	–	–	–
Other assets	1 030 420	1 235 574	1 724 910	1 693 578	1 701 275	1 701 365	1 894 279	2 052 692	2 263 452
TOTAL EXPENDITURE OTHER ITEMS	**2 981 244**	**3 282 542**	**4 377 770**	**4 865 025**	**4 800 154**	**4 799 930**	**5 303 690**	**5 728 898**	**6 199 636**
Renewal of Existing Assets as % of total capex	*46.9%*	*51.9%*	*36.5%*	*42.3%*	*41.2%*	*41.2%*	*42.5%*	*38.6%*	*39.1%*
Renewal of Existing Assets as % of deprecn"	*105.4%*	*156.9%*	*131.7%*	*119.3%*	*117.8%*	*118.1%*	*122.4%*	*94.9%*	*87.5%*
R&M as a % of PPE	*7.9%*	*7.7%*	*9.6%*	*9.1%*	*8.8%*	*8.8%*	*8.8%*	*8.8%*	*9.0%*
Renewal and R&M as a % of PPE	*14.0%*	*17.0%*	*17.0%*	*16.0%*	*16.0%*	*16.0%*	*16.0%*	*14.0%*	*14.0%*

Explanatory notes to Table A9 – Asset Management

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

2. At this stage spending on depreciation by asset class information is not available.

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



	Audited Outcome 2010/11	Audited Outcome 2011/12	Audited Outcome 2012/13	Current Year 2013/14 Original Budget	Current Year 2013/14 Adjusted Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Depreciation & asset impairment	1 271 965	1 399 490	1 627 385	1 934 741	1 957 724	2 154 335	2 304 813	2 445 758
Repairs and Maintenance	1 709 280	1 883 053	2 750 384	2 930 285	2 842 430	3 149 355	3 424 085	3 753 877

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

Table 30 MBRR Table A10 - Basic Service Delivery Measurement

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets									
Water:									
Piped water inside dwelling	714 000	728 000	943 000	978 000	978 000	978 000	989 239	1 023 862	1 059 698
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	190 000	194 000	187 000	196 000	196 000	196 000	153 853	159 238	164 811
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	904 000	922 000	1 130 000	1 174 000	1 174 000	1 174 000	1 143 092	1 183 100	1 224 509
Using public tap (< min.service level)	–	–	12	8 000	8 000	8 000	–	–	–
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	12 000	8 000	8 000	8 000	–	–	–
Total number of households	**904 000**	**922 000**	**1 142 000**	**1 182 000**	**1 182 000**	**1 182 000**	**1 143 092**	**1 183 100**	**1 224 509**
Sanitation/sewerage:									
Flush toilet (connected to sewerage)	812 000	828 000	999 000	1 045 000	1 045 000	1 045 000	1 043 129	1 077 752	1 113 588
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	16 000	17 000	23 000	24 000	24 000	24 000	31 740	31 740	31 740
Pit toilet (ventilated)	2 000	2 000	1 560	1 560	1 560	1 560	–	–	–
Other toilet provisions (> min.service level)	50 000	51 000	58 000	71 000	71 000	71 000	67 623	73 608	79 181
Minimum Service Level and Above sub-total	880 000	898 000	1 081 560	1 141 560	1 141 560	1 141 560	1 142 492	1 183 100	1 224 509
Bucket toilet	4 000	4 000	800	600	600	600	600	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	20 000	20 000	60 000	40 000	40 000	40 000	–	–	–
Below Minimum Service Level sub-total	24 000	24 000	60 800	40 600	40 600	40 600	600	–	–
Total number of households	**904 000**	**922 000**	**1 142 360**	**1 182 160**	**1 182 160**	**1 182 160**	**1 143 092**	**1 183 100**	**1 224 509**
Energy:									
Electricity (at least min.service level)	738 000	807 138	822 870	822 175	822 175	824 370	825 870	827 370	828 870
Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	738 000	807 138	822 870	822 175	822 175	824 370	825 870	827 370	828 870
Electricity (< min.service level)	86 000	40 012	39 316	37 863	37 863	37 816	36 316	34 816	33 316
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	86 000	40 012	39 316	37 863	37 863	37 816	36 316	34 816	33 316
Total number of households	**824 000**	**847 150**	**862 186**	**860 038**	**860 038**	**862 186**	**862 186**	**862 186**	**862 186**
Refuse:									
Removed at least once a week	926 000	945 000	963 000	936 893	936 893	936 893	938 280	957 046	976 187
Minimum Service Level and Above sub-total	926 000	945 000	963 000	936 893	936 893	936 893	938 280	957 046	976 187
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	**926 000**	**945 000**	**963 000**	**936 893**	**936 893**	**936 893**	**938 280**	**957 046**	**976 187**
Households receiving Free Basic Service									
Water (6 kilolitres per household per month)	904 000	992 000	1 130 000	1 174 000	1 174 000	1 174 000	1 143 092	1 183 100	1 224 509
Sanitation (free minimum level service)	881 000	898 000	1 081 000	1 141 000	1 141 000	1 141 000	1 143 092	1 183 100	1 224 509
Electricity/other energy (50kwh per household per month)	449 000	429 000	402 410	373 966	373 966	401 156	401 156	401 156	401 156
Refuse (removed at least once a week)	481 000	484 000	494 000	503 880	503 880	503 880	428 569	437 140	445 883
Cost of Free Basic Services provided (R'000)	–	–	–	–	–	–	–	–	–
Water (6 kilolitres per household per month)	407 102	498 367	544 359	667 256	667 256	667 256	674 724	749 618	896 970
Sanitation (free sanitation service)	219 000	314 203	384 410	440 786	440 786	440 786	554 040	606 861	665 024
Electricity/other energy (50kwh per household per month)	189 955	206 319	237 697	215 243	215 243	245 320	263 256	284 362	307 877
Refuse (removed once a week)	275 019	280 520	286 130	347 331	347 331	347 331	347 348	354 295	361 381
Total cost of FBS provided (minimum social package)	**1 091 076**	**1 299 409**	**1 452 596**	**1 670 616**	**1 670 616**	**1 700 693**	**1 839 369**	**1 995 136**	**2 231 252**

Continues on next page.

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Highest level of free service provided									
Property rates (R value threshold)	–	–	–	–	–	–	–	–	–
Water (kilolitres per household per month)	6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)	4	4	4	4	4	4	4	4	4
Sanitation (Rand per household per month)	38	41	53	59	59	59	65	71	–
Electricity (kwh per household per month)	50	50	50	60	60	60	60	60	60
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
Revenue cost of free services provided (R'000)									
Property rates (R15 000 threshold rebate)	50 039	53 551	62 468	64 876	64 876	64 876	62 904	73 584	78 367
Property rates (other exemptions, reductions and rebates)	791 904	843 709	966 776	1 065 000	1 065 000	1 065 000	1 072 720	1 174 934	1 251 305
Water	382 073	426 662	467 090	547 393	547 393	547 393	551 078	612 248	732 598
Sanitation	182 890	208 198	263 221	312 326	312 326	312 326	383 889	426 501	473 843
Electricity/other energy	96 947	105 847	96 044	115 316	115 316	115 316	105 750	143 102	151 688
Refuse	240 813	262 648	267 901	331 973	331 973	331 973	316 532	322 863	329 320
Municipal Housing - rental rebates	30 507	31 982	31 882	36 214	36 214	32 200	35 870	37 664	39 547
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total revenue cost of free services provided (total social package)	**1 775 173**	**1 932 597**	**2 155 382**	**2 473 098**	**2 473 098**	**2 469 084**	**2 528 743**	**2 790 896**	**3 056 668**

❖ **The following should be noted in respect of the highest level of free services provided for Electricity and Water:**

Electricity

- Average monthly consumptions up to 250 kWh per month receive the first 60 kWh free
- Average monthly consumptions between 250 kWh and 450 kWh per month receive the first 25 kWh free

Water

- "Free" 6 kiloliters per month for all
- Additional "free" 4.5 kiloliters per month for properties valued R300 000 and below

Explanatory notes to Table A10 – Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

2. The City is persistently striving to eradicate backlogs. The City's backlog status are as follows:
   a. Water services – Cape Town's population, both formal and informal settlements, receives potable water in accordance with the National minimum standards as required by the Water Services Act 108 (1997). Backlogs reflected in the 2013/14 financial year were based on the City's standards and not national standards.
   b. Sanitation services – Cape Town's population, both formal and informal settlements, receives sanitation services in accordance with the National minimum standards. Funding has still been provided to further improve the service levels in Informal Settlements in line with the City's strategy. The bucket toilet system (600 households) reflected in the '*below minimum standards'* category is not seen as a backlog as these households declined alternative available and accessible sanitation services.
   c. Electricity services – The electrification strategy is to reduce the backlog by 1 500 annually. The electricity backlog is expected to reduce from 36 316 in 2014/15 to 33 316 in 2016/17.
   d. Refuse services – This service does not have any backlogs.

3. Households receiving free basic services in respect of Water, Sanitation and Refuse are showing a reducing trend from 2013/14 to 2014/15 due to alignment with the 2011 census figures. Total households receiving free basic services are expected to increase by an average of 3% over the two outer years of the 2014/15 MTREF.

4. The annual increase in households receiving free basic services consequently increases the cost for providing the services. The associated cost of providing the free basic services is projected to escalate from R1 839 million in 2014/15, R1 995 million in 2015/16 and R2 231 million in 2016/17. The City's cost of free basic services as a ratio of the equitable share equals 123%, 111% and 110%, respectively, over the 2014 MTREF, which shows that the equitable share does not compensate for the full cost of free basic services.

Part 2 – Supporting Documentation

2.1 Overview of annual budget process

2.1.1 Mayoral oversight and responsibility

Section 24 of the MFMA requires the municipal council to, at least 30 days before the start of the financial year; consider the annual budget for approval. Section 53 requires the Mayor of a municipality to provide general political guidance over the budget process and the priorities that must guide the preparation of the budget. In addition, Chapter 2 of the Municipal Budget and Reporting Regulations, gazetted on 17 April 2009, states that:

(1) The mayor of a municipality must establish a budget steering committee (BSC) 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

Changes to recent years' structures, protocols and processes envisage three separate budget committees with different focus of attention and responsibilities. This was implemented to ensure further improved strategic alignment of the budget to the IDP. The two additional budget committees namely, the Budget Strategy Committee (BSM) and the Budget Oversight Committee (BOC) were established for the 2014/15 budget process. The purpose of the BSM is to ensure that the budget is aligned to the City's strategies whereas the BOC has an oversight role ensuring that the overall strategic alignment is being met.

The 2014/15 financial year signifies the 3rd year of the current 5-year IDP cycle. Re-allocation of resources was considered in terms of the IDP review, budget realities and sundry strategic considerations.

The principles applied to the MTREF, presented to the BSC, BSM and the BOC informed a number of financial scenarios over the short, medium term and long term. These scenarios are based on revenue and expenditure parameters applied to current financial plans and are utilised to calculate the affordability and sustainability of the City's budget over the medium to long term.

2.1.2 Budget process overview

Section 21 of the MFMA requires the Mayor to table a time schedule that sets out the process to draft the IDP and prepare the budget, 10 months before the start of the new financial year. The IDP- and budget cycle time schedule was tabled at Council on 19 September 2013.

In compliance to the above requirements, the budget process for the 2014/15 MTREF period proceeded according to the following timeline:

August - September 2013
Submission of IDP/Budget timetable to Council for approval; Outline of budget process to EMT; Strategic session with EMT / MayCo / BSC re budget strategy, process and guidance.
Service departments' workshop their 2014/15 budget proposals with Portfolio Committees, for input to BSC.

October 2013
Executive Directors and relevant Mayco members made budget submissions to BSC.

Key parameters considered by BSC including, drivers, financial and economic assumptions to be applied to the MTREF-modelled forecasting.

November 2013
Review of strategic alignment of budget by BSM.

December 2013
Reiterative interaction with BSM. Refinements of the MTREF model to ensure a credible, affordable and sustainable budget over the medium term.

January / February 2014
Drafting of detailed operating and capital budgets.

February 2014
The draft 2014/15 operating and capital budgets, based on the parameters and assumptions set out in the MTREF model and as influenced by the IDP and aligned strategic considerations was tabled at Council on 26 February 2014.

March/April 2014
The budget, IDP and tariff proposals were published for comment and consultation as part of the public participation process.

May 2014
Comments received as a result of the public participation process was submitted to Mayco for consideration. The 2014/15 MTREF budget is scheduled for consideration and adoption by Council on 28 May 2014.

2.1.3 IDP and Service Delivery and Budget Implementation Plan

The City's Integrated Development Plan (IDP) is its principal strategic planning instrument, which guides and informs its on-going planning, management and development actions. The IDP represents the city administration's commitment to exercise its executive authority (except in cases where it is in conflict with national or provincial legislation, in which case such legislation prevails), 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.

However, while the IDP represents the strategic intent of the City, it is also compiled with the understanding that a number of challenges will need to be overcome in order to achieve the strategic objectives it sets out. Some of these challenges are known, while others are as yet unknown and may arise at any time due to any number of national and international economic, political or social events.

The 5-Year term of office IDP (2012/13-2016/17) for the City was developed in line with the Term of Office IDP Process Plan (2011/12 -2015/16), approved by Council and the 2013/14 IDP and Budget Time-Schedule of Events approved by the Executive Mayor and noted by Council.

The 2013/2014 Time Schedule applicable to the IDP (2012/13-2016/17) review for the City included the following key IDP processes and deliverables:

- Advertisement of time-schedule on website, local newspapers and notice boards.
- A member or committee of a municipal council propose amendments to the IDP.
- The proposals were advertised for public comment.
- Table draft Annual Report to Mayco.
- Table draft IDP and Budget Report to Mayco and Council.
- Publication of 2012/13 oversight report.
- Conduct IDP/Corporate Scorecard/Budget Public Hearings to obtain public comment from communities, provincial government and other relevant stakeholders on the draft IDP.
- Final approval of the IDP/Corporate Scorecard and Budget document by Council resolution, setting taxes and tariffs, approving changes to the IDP and budget related policies, approval of measurable performance objectives for revenue by source and expenditure by vote before the start of the financial year.
- Notification of approved 2012/13-2016/17 reviewed IDP and Budget to public.
- Response to public comment in respect of Budget, tariffs and policies.

2.1.4 Community Consultation

In accordance with the Local Government Municipal Systems Act No. 32 of 2000, the Local Government Municipal Finance Management Act No. 56 of 2003 and the Local Government Municipal Property Rates Act 6 of 2004, Council has to call for public comments / objections on the 2014/2015 Draft Budget including the proposed amendments to the budget related policies.

The documents were advertised and available at various venues including the Subcouncil offices and libraries, from 3 March 2014 up to and including 7 April 2014. In total 38 responses were received and these have been categorized according to the issues raised. Each comment / objection received will be responded to and will include appropriate departmental responses subsequent to Council's consideration thereof.

The public participation process was complemented with a request to all relevant departments for comments/proposals regarding the budget related policies. Two workshops were held on the Rates Policy, Credit Control and Debt Collection Policy, various other budget related policies and the Tariff Policy as well as proposed tariff structures for the Utility Services. An initial workshop was held to inform proposals to the relevant policies prior to them being subject to the public participation process. A follow up workshop was held to refine departmental input and to consider submissions from the public. These were then considered by the Finance Portfolio Committee at its workshops.

In total 3 workshops were held with the Finance Portfolio Committee in respect of the budget related policies on 8 November 2013, 24 January 2014 and 25 April 2014. The initial meeting served to provide political guidance to the process and input for comment received from the public participation process. The workshop on 25 April 2014 served to consider and finalise the comments and proposals received via the Public Participation Process for inclusion in the relevant policies to be included in the IDP/Budget report for Council's consideration and subsequent approval. Grants Workshops were held with all the relevant officials from line departments and Subcouncils. Further workshops were held with the Finance Portfolio Committee for political guidance and support.

Given the comments / objections received and the relevant departmental responses from the departments, the 2014/2015 Draft Budget does not require any significant changes. The budget related policies and the Tariffs and Charges Book have been amended accordingly.

2.2 Overview of alignment of annual budget with IDP

The city's priority objectives are set out in its Integrated Development Plan (IDP) which provides the strategic framework that guides the city's planning and budgeting over the course of the five year political term. Five pillars have been identified to focus delivery and translate the electoral mandate into the organisational structures of the city.

The 5 strategic focus areas (SFA's) or pillars are:
1. The Opportunity City
2. The Safe City
3. The Caring City
4. The Inclusive City
5. The Well Run City

These pillars are unpacked into twenty three objectives, which are broken down into programmes and projects that are underpinned by the budget. This realistic and sound budget supports the credibility of the process. Resources were allocated firstly through budget prioritisation at a corporate level and pulled through to the directorate and department Business plans.

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

The intergovernmental development agenda for Cape Town

The City engages with the Province and National Government in a structured and functional manner. At a political level, formal engagements between the Provincial Cabinet and the City's Mayoral Committee take place quarterly. At a technical and administrative level, sectoral as well as three formal engagements take place between the Province's Heads of Department as well as the Executive Management Team (EMT) of the City.

These are aimed at ensuring maximum benefit for the City through better planning, coordination and accountability among all spheres of government; enhancing the City's strategic objectives of infrastructure investment for economic growth, service delivery excellence and institutional efficiency; and achieving better and more efficient resource utilisation. In short, all the aforementioned engagements are aimed at ensuring that the City extracts value and benefit from its participation in intergovernmental and international cooperative relations.

The national and provincial priorities, policies and strategies of importance include amongst others:
- National Development Plan,
- Government Programme of Action,
- Development Facilitation Act of 1995,
- Provincial Growth and Development Strategy (GGDS),
- National and Provincial spatial development perspectives,
- Relevant sector plans such as transportation, legislation and policy,
- National Key Performance Indicators (NKPIs),
- Accelerated and Shared Growth Initiative (ASGISA),
- National 2014 Vision,
- National Spatial Development Perspective (NSDP), and
- The National Priority Outcomes.

The vision of the City of Cape Town is threefold:
- To be a prosperous city that creates an enabling environment for shared economic growth and development.
- To achieve effective and equitable service delivery.
- To serve the citizens of Cape Town as a well-governed and effectively run administration.

The budget is allocated against the five strategic focus areas at a corporate level. This visionary framework is rolled out into objectives, key performance indicators (KPIs) and targets for implementation. These are then broken down into Service Delivery and Budget Implementation Plans (SDBIPs) that reflect the detailed projects. Each of these projects is allocated budgetary and other resources. The figure below visually represents the link between the IDP and the Budget and demonstrates how corporate strategy is cascaded through the organisation, and how it influences and shapes the operating and capital budgets of the various directorates and departments within the City.

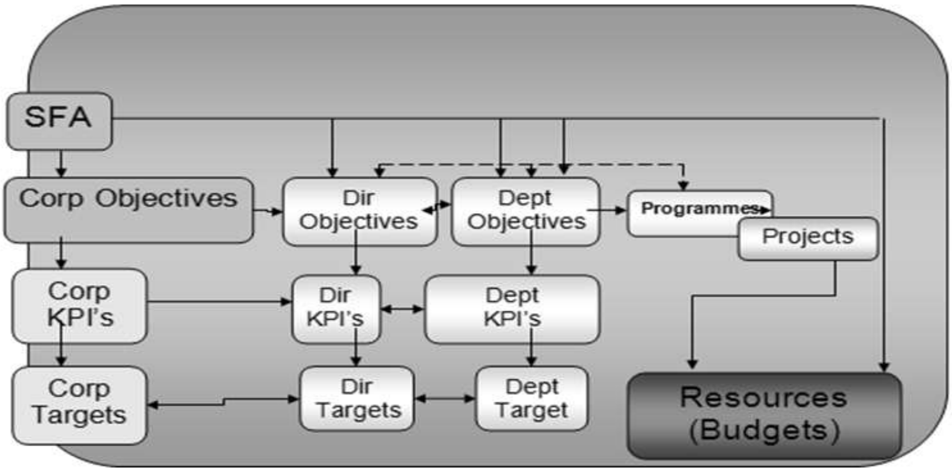


Figure 6 IDP and Budget link

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

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

Strategic Objective	Goal	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
The Opportunity City	Attract investment for econ growth/jobs	59 381	66 201	75 297	77 495	85 845	85 845	86 600	91 450	109 388
The Opportunity City	Prov of economic & social infrastructure	10 499 950	12 129 181	13 297 135	14 512 962	14 336 082	14 336 082	15 286 118	16 563 068	18 026 258
The Opportunity City	Sustainable environment through resource	19 293	10 307	3 826	3 529	6 009	6 009	12 526	17 706	2 788
The Opportunity City	Mobility via effective public transport	57 345	147 436	204 462	348 846	349 605	349 605	349 201	357 480	392 503
The Opportunity City	City Assets for econ growth & developmnt	82 385	92 403	108 400	120 484	119 055	119 055	127 514	134 598	141 866
The Safe City	Expand resources for safety and security	–	439	26	–	–	–	–	–	–
The Safe City	Resource depts for optimum operations	16 539	27 688	31 603	48 797	55 214	55 214	44 448	28 195	21 875
The Safe City	Enhance intelligence-driven policing	207 414	187 602	146 562	211 225	196 225	196 225	204 839	226 310	252 991
The Safe City	Improve emergency staff through training	868	569	646	1 202	1 202	1 202	1 271	1 342	1 415
The Safe City	Safety and security through partnerships	5 285	4 736	4 272	725	2 161	2 161	1 508	1 592	1 677
The Caring City	Human settlements for increased acccess	228 210	396 751	474 680	709 723	675 025	675 025	1 363 234	1 675 515	1 923 049
The Caring City	Assess rental stock to beneficiaries	207 300	207 724	213 069	224 071	235 845	235 845	233 780	245 085	258 866
The Caring City	Innovative human settlements access	571 989	667 063	749 928	796 959	796 959	796 959	844 312	924 967	1 014 658
The Caring City	Effective environmental health services	267	611	685	1 387	1 387	1 387	1 468	1 550	1 634
The Caring City	Provide effective air quality mngt & pol	6	6	678	637	637	637	675	712	751
The Caring City	Effective primary health care services	318 697	354 665	374 825	418 999	427 223	427 223	478 468	514 079	523 215
The Caring City	Substance abuse treatment/rehabilitation	–	–	–	–	–	–	–	–	–
The Inclusive City	Response for citizens to be communicated	12	16	26	–		–	–	–	–
The Inclusive City	Facilities that make citizens feel home	170 566	85 411	111 925	164 646	170 787	170 787	135 677	121 009	132 900
The Well-Run City	Transparent & corruption free government	5 251	712	2 290	2 645	4 429	4 429	3 531	3 752	3 965
The Well-Run City	Efficient & productive administration	29 305	34 473	41 352	29 702	30 233	30 233	143 793	35 994	40 181
The Well-Run City	Ensure unqualified audits by AG	6 680 580	7 090 690	8 070 517	8 221 054	8 231 190	8 231 190	9 040 020	9 760 082	10 488 963
Total Revenue (excluding capital transfers and contributions)		**19 160 643**	**21 504 683**	**23 912 206**	**25 895 089**	**25 725 114**	**25 725 114**	**28 358 984**	**30 704 486**	**33 338 941**

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

Strategic Objective	Goal	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
The Opportunity City	Attract investment for econ growth/jobs	234 104	231 500	283 222	308 988	321 989	321 516	325 279	360 092	387 768
The Opportunity City	Prov of economic & social infrastructure	9 759 165	11 174 925	12 742 652	13 550 126	13 262 808	13 262 360	14 386 764	15 623 845	16 938 940
The Opportunity City	Sustainable environment through resource	437 568	510 642	504 608	570 025	582 472	582 472	649 061	714 064	774 672
The Opportunity City	Mobility via effective public transport	338 366	534 094	662 451	935 771	1 021 072	1 021 072	1 128 026	1 169 442	1 186 529
The Opportunity City	City Assets for econ growth & developmnt	81 960	92 833	112 389	124 519	124 629	124 940	133 815	140 778	148 585
The Safe City	Expand resources for safety and security	1 078	2 437	2 007	1 173	1 807	1 807	1 504	1 635	1 772
The Safe City	Resource depts for optimum operations	768 928	836 935	955 570	1 090 802	1 093 576	1 093 949	1 165 589	1 249 871	1 346 580
The Safe City	Enhance intelligence-driven policing	265 831	315 113	334 624	371 940	357 634	357 201	381 765	411 002	436 312
The Safe City	Improve emergency staff through training	70 208	73 878	84 165	69 791	66 929	66 860	89 023	95 943	103 742
The Safe City	Safety and security through partnerships	41 391	51 300	55 007	67 843	66 453	66 542	73 391	79 396	85 658
The Caring City	Human settlements for increased acccess	336 415	401 156	552 386	894 318	776 972	776 190	1 531 610	1 789 083	2 049 171
The Caring City	Assess rental stock to beneficiaries	299 934	341 195	294 281	319 683	426 567	426 717	419 099	410 990	433 716
The Caring City	Innovative human settlements access	446 439	495 369	613 275	702 050	745 056	745 379	851 900	803 681	903 509
The Caring City	Effective environmental health services	114 501	116 058	129 106	137 439	137 376	137 376	149 821	162 698	176 086
The Caring City	Provide effective air quality mngt & pol	8 747	7 548	8 776	10 161	10 048	10 048	9 830	10 664	11 536
The Caring City	Effective primary health care services	534 123	603 456	644 472	747 624	756 313	755 974	807 598	873 615	919 735
The Caring City	Substance abuse treatment/rehabilitation	–	–	–	–	–	339	6 361	6 889	7 440
The Inclusive City	Response for citizens to be communicated	35 304	39 957	44 470	52 493	53 385	53 153	53 391	56 854	61 302
The Inclusive City	Facilities that make citizens feel home	1 523 877	1 539 898	1 724 586	1 825 561	1 845 313	1 840 213	1 921 259	2 051 004	2 200 316
The Well-Run City	Transparent & corruption free government	276 729	321 615	384 636	474 080	464 407	466 663	481 009	514 038	551 261
The Well-Run City	Efficient & productive administration	1 631 826	1 902 305	1 879 093	1 644 224	1 634 533	1 638 447	1 703 627	1 794 746	1 914 348
The Well-Run City	Ensure unqualified audits by AG	1 442 012	1 587 297	1 907 950	2 245 471	2 218 384	2 218 507	2 373 647	2 706 292	3 042 996
Total Expenditure		**18 648 506**	**21 179 513**	**23 919 727**	**26 144 082**	**25 967 723**	**25 967 723**	**28 643 369**	**31 026 623**	**33 681 975**

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

Strategic Objective R thousand	Goal	Goal Code	2010/11 Audited Outcome	2011/12 Audited Outcome	2012/13 Audited Outcome	Current Year 2013/14 Original Budget	Current Year 2013/14 Adjusted Budget	Current Year 2013/14 Full Year Forecast	2014/15 Medium Term Revenue & Expenditure Framework Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Shared Economic Growth & Development		A	166 745	–	–	–	–	–	–	–	–
Sustainable Urban Infrastr. & Services		B	1 461 179	–	–	–	–	–	–	–	–
Energy effeciency -sustainable future		C	1 000	–	–	–	–	–	–	–	–
Public Transport Systems		D	480 181	–	–	–	–	–	–	–	–
Integrated Human Settlements		E	350 795	–	–	–	–	–	–	–	–
Safety and Security		F	28 972	–	–	–	–	–	–	–	–
Health, social & community develop.		G	76 545	–	–	–	–	–	–	–	–
Good Governance and Regulatory Reform		H	292 345	–	–	–	–	–	–	–	–
An Opportunity City		I	–	3 263 230	–	–	–	–	–	–	–
A Safe City		J	–	85 331	–	–	–	–	–	–	–
A Caring City		K	–	594 778	–	–	–	–	–	–	–
An Inclusive City		L	–	201 885	–	–	–	–	–	–	–
A Well-Run City		M	–	88 021	–	–	–	–	–	–	–
An Opportunity City	Create an enabling environment to attract investment that generates economic growth and job creation	1.1	–	–	11 998	17 363	20 357	20 357	13 850	8 000	15 000
	Provide and maintain economic and social infrastructure to ensure infrastructure-led growth and development	1.2	–	–	3 324 330	3 145 226	2 953 717	2 963 084	3 737 194	3 520 718	3 285 346
	Promote sustainable environment through resources	1.3	–	–	75 317	68 611	73 343	73 601	17 591	17 791	10 645
	Mobility via an effective public transport system	1.4	–	–	1 312 259	909 966	1 064 508	1 064 508	823 451	835 707	887 341
	Leverage the city's assets to drive economic growth and sustainable development	1.5	–	–	4 163	2 659	2 579	3 079	2 826	2 750	1 000
A Safe City	Expanding staff and capital resources in policing departments and emergency services to provide improved services to all, especially the most vulnerable communities	2.1	–	–	7	–	–	–	30	–	4 000
	Resource departments in pursuit of optimum operational functionality	2.2	–	–	38 249	36 330	40 103	–	–	–	–
	Enhance information-driven policing with improved information- gathering capacity and functional specialisation.	2.3	–	–	7 453	50 336	36 759	49 606	59 065	21 857	19 157
	Improve efficiency of policing and emergency staff through effective training	2.4	–	–	1 994	300	528	551	500	300	–
	Improve safety and security through partnerships	2.5	–	–	40 092	18 351	22 103	32 781	7 905	10 311	4 311
	Provide access to social services for those who need it	3.1	–	–	268 396	251 806	398 894	7 681	16 710	13 902	11 156
A Caring City	Ensure increased access to innovative human settlements for those who need it	3.2	–	–	317 375	393 350	355 782	398 894	322 142	283 588	449 109
	Assess the possible sale or transfer of rental stock to identified beneficiaries, using established criteria.	3.3	–	–	74 586	125 736	181 552	355 782	346 672	82 170	107 000
	Provide for the needs of informal settlements and backyard residences through improved services	3.4	–	–	4 854	8 000	14 600	181 711	186 927	387 700	133 700
	Provide effective environmental health services	3.5	–	–	451	500	3 500	14 600	56 800	66 500	52 100
	Provide effective air quality management & pollution (including noise) control programmes	3.6	–	–	21 551	17 646	20 466	3 500	–	–	–
	Provide effective primary health- care services	3.7	–	–	41 497	41 133	61 357	20 468	18 996	24 896	26 296
	Substance abuse treatment/rehabilitation	3.8	–	–	26	4 843	869	–	–	–	–
An Inclusive City	Ensure responsiveness by creating an environment where citizens can be communicated with and responded to	4.1	–	–	191 820	256 349	236 459	59 059	22 342	10 868	7 122
	Provide facilities that make citizens feel home	4.2	–	–	(0)	–	–	233 784	343 205	231 524	313 481
	Establish an efficient and productive administration that prioritises delivery	5.2	–	–	27 668	16 792	18 397	18 611	17 604	18 461	14 811
	Ensure unqualified audits by the Auditor General	5.3	–	–	104 724	85 295	100 515	109 986	217 504	128 563	132 892
Total Capital Expenditure			**2 857 761**	**4 233 245**	**5 868 810**	**5 450 592**	**5 606 388**	**5 611 642**	**6 211 315**	**5 665 607**	**5 474 467**

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 as follows:

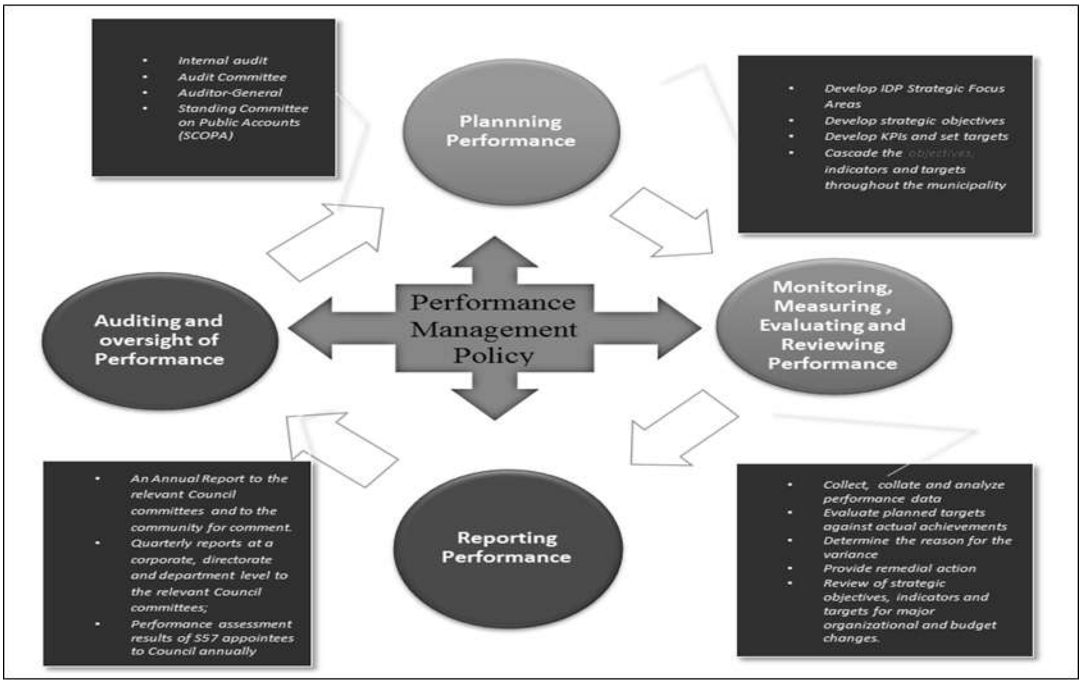


Figure 7 The Cycle and process of the performance objectives and indicators

Planning Performance

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

The planning cycle delivers a five year and annually reviewed IDP (including a Corporate Scorecard with definitions), an annual Corporate SDBIP, Directorate Executive Summaries (including SDBIPs), Departmental Business Plans and SDBIPs, Performance Indicator Measurement Sheets, S57 Performance Plans and Individual Performance Assessments.

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

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

The IDP will be set for the five year term of office of the elected council and reviewed annually. It will include the SFAs, corporate objectives (strategic objectives), corporate indicators and targets. There will be a direct relationship between the SFA, corporate objective, corporate indicator and target. The actual achievements of targets set for the objectives will be reported on quarterly bases where appropriate. They will form the platform for the quarterly and annual reports on performance.

The components will be interlinked to ensure implementation. All the corporate objectives and indicators will cascade into a Directorate and/or a Departmental SDBIP and/or the City Manager's and/or a section 57 appointees scorecards.

Monitoring, measuring, evaluating and reviewing performance

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

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

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

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

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

Auditing and Oversight

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

The measurable performance objective to be accomplished in 2014/15 has been submitted under separate cover to the Council meeting on 26 February 2014. It will be incorporated into the budget document that will be submitted for approval to Council in May 2014.

The following table sets out the main performance objectives and benchmarks for the 2014/15 MTREF:

Table 34 MBRR Table SA8 - Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Borrowing Management										
Credit Rating		Aa2	Aa2	Aa3	Aa3	Aa3	Aa3	-	-	-
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	5.2%	4.2%	3.7%	5.6%	5.6%	5.6%	4.3%	4.6%	5.3%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	5.5%	4.4%	4.1%	6.3%	6.3%	6.3%	4.9%	5.4%	6.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	98.6%	0.0%	0.0%	0.0%	45.1%	46.7%	33.1%
Safety of Capital										
Gearing	Long Term Borrowing/ Funds & Reserves	231.3%	225.9%	301.9%	322.3%	310.5%	310.5%	387.3%	432.0%	491.6%
Liquidity										
Current Ratio	Current assets/current liabilities	1.6	1.5	1.6	1.3	1.4	1.4	1.4	1.4	1.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.6	1.5	1.6	1.3	1.4	1.4	1.4	1.4	1.4
Liquidity Ratio	Monetary Assets/Current Liabilities	0.9	0.9	1.0	0.7	0.8	0.8	0.7	0.7	0.7
Revenue Management										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	94.3%	95.5%	88.3%	95.7%	95.6%	0.0%	95.2%	95.1%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		94.3%	95.4%	88.3%	95.7%	95.6%	95.6%	95.3%	95.1%	95.1%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	21.1%	20.3%	19.2%	18.1%	18.4%	18.4%	17.5%	17.0%	16.6%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management										
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA' s 65(e))	96.3%	95.6%	95.6%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Creditors to Cash and Investments		63.3%	63.7%	55.8%	74.8%	54.5%	54.5%	58.1%	57.4%	57.6%
Other Indicators										
Electricity Distribution Losses	Total Volume Losses (kW)	931 440 224	1 118 030 251	954 803 233	954 803 233	954 803 233	954 803 233	954 803 233	954 803 233	954 803 233
	Total Cost of Losses (Rand '000)	381 890	577 792	567 677	612 296	–	–	659 014	715 044	777 631
	Total Volume Losses (kℓ)	75 979	68 887	50 948	49 929	49 929	49 929	48 800	47 700	46 600
Water Distribution Losses	Total Cost of Losses (Rand '000)	216 540	208 040	164 052	170 756	170 756	170 756	170 312	176 461	182 736
	% Volume (units purchased and generated less units sold)/units purchased and generated	22.59%	20.87%	15.88%	15.13%	15.60%	15.60%	15.25%	14.76%	14.28%
Employee costs	Employee costs/(Total Revenue - capital revenue)	32.0%	32.2%	31.1%	31.9%	32.0%	31.9%	31.5%	31.5%	31.3%
Remuneration	Total remuneration/(Total Revenue - capital	32.4%	32.6%	30.6%	32.4%	32.4%	32.4%	32.0%	32.0%	31.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	8.9%	8.8%	11.5%	11.3%	11.0%	11.0%	11.1%	11.2%	11.3%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	10.4%	9.7%	9.9%	10.8%	11.0%	11.0%	10.8%	11.3%	11.5%
IDP regulation financial viability indicators										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within	23.3	26.2	21.9	26.5	26.5	26.5	41.4	35.2	38.1
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	26.1%	25.3%	24.3%	22.8%	23.1%	23.1%	22.6%	22.2%	21.6%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.7	3.8	4.4	3.2	3.4	3.4	3.2	3.1	3.0

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

The City's capital expenditure is funded from four sources, namely, government grants, public contributions and donations, borrowing and internally generated funds.

The City's borrowing is done in terms of chapter 6 of the MFMA and the City's borrowing policy, where a long term loan will only be entered into if it's affordable and sustainable.

It is further dependent on the City's credit rating, which is rated by Moody's Investor Services. The City needs a credit rating to demonstrate its ability to meet its financial obligation. 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 Investor Services has downgraded the City's credit rating from Aa2.za to Aa3.za in December 2012, due to South Africa's national rating being downgraded from A3.za to Baa1.za. In February 2014 Moody's retained the rating for the City at Aa3.za.

The following financial performance indicators have formed part of the compilation of the 2014/15 MTREF:

- Capital charges to operating expenditure are the measure of the cost of borrowing in relation to the operating expenditure. This ratio averages 4.7% over the 2014/15 MTREF which indicates that the City spends an average of approximately 5% of its operating expenditure budget annually on finance charges, which is considered feasible and sustainable.
- Borrowing funding as a ratio of own capital expenditure reflects the degree to which own capital expenditure (excluding grants and contributions) has been funded by way of borrowing. The ratio shows 45.1% for 2014/15 and averages 39.9% over the two outer years of the 2014/15 MTREF. This ratio shows that the City's borrowing is affordable and sustainable over the medium term.

2.3.1.2 Safety of Capital

The gearing ratio is a measure of the total long term borrowings over funds and reserves. The City does not agree with the methodology applied to calculate this ratio. The calculation preferred should be debt less cash and bank balances divided by community wealth/equity, of which the City's outcome over the 2014/15 MTREF averages 10%.

2.3.1.3 Liquidity

- Current ratio measures the extent which current assets cover current liabilities. It is preferable that the ratio is at least above one. This ratio for the City averages 1.4 over the 2014/15 MTREF.
- The liquidity ratio is a measure of the ability of the City to utilise cash and cash equivalents to extinguish or retire its current liabilities immediately. Ideally a municipality should have the equivalent cash and cash equivalents on hand to meet at least the current liabilities, which should translate into a liquidity ratio of 1. Anything below 1 indicates a shortage in cash to meet creditor obligations. In this instance the City also does not agree with the methodology applied to calculate the ratio. The preferred calculation is current assets less inventory, divided by current liabilities. This ratio for the City averages 1.39 over the 2014/15 MTREF.

2.3.1.4 Revenue Management

- Debt Management actions, including legal actions are carried out against debtors who can pay, but choose not to, with a special focus on the top 1000 debtors, government accounts, staff and councillor arrears, businesses and appropriate action against irrecoverable debt.
- Debtors who are experiencing difficulties in paying their accounts are given options to either enter into affordable payment arrangements or to apply to be registered as indigent or apply for rates rebates offered.
- 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 is paid in full.
- In addition to the above, the City's strategy for the Indigent debtors are as follows:
  - water leaks are fixed on all indigent properties, free of charge
  - water demand management devices (WDM) and prepaid electricity meters are installed free of charge
  - once the water leaks have been repaired and the WDMs and pre-paid electricity meters are installed, a once off write off is done of all outstanding debt.
  - Council has approved the writing off of all interest charges as well as the suspension of interest charges on indigent properties, until the water leaks have been repaired ,the WDMs and the pre-paid electricity meters have been installed and applicable outstanding debt written off.

2.3.1.5 Creditors Management

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

2.3.1.6 Other Indicators

- Performance in 2012/13 has shown that Electricity distribution losses are around 9.3%. The City has strategies to reduce the losses including the appointment of additional revenue protection teams; however there is a limit to what can be done with limited resources in the short term and the extent to which losses can be limited. Historically the losses have remained fairly constant and within benchmarks, so budgeting for a constant loss factor is prudent.

- Water distribution losses are expected to reduce from 49.9 million kl in 2013/14 to 48.8 million kl in 2014/15. High priority is being given to a comprehensive water loss reduction strategy with detail action plans being developed for each of the physical or real losses and apparent losses. Water and Sanitation Services are applying the resources required to implement Water Demand Management interventions, including:
  - Reduction of non-revenue water (Water Demand Management Device)
  - Reduction of high pressure, minimum night flow for residential consumers
  - Leak Detection and repair
  - Education and awareness programmes

- Retrofitting and leak and meter repair programmes
- Pipe replacement, Treated effluent re-use, water restrictions and stepped tariffs

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

The free basic services described in section 1.4.2 Free Basic Services: Basic Social Services Package on page 20 are provided on the basis that as the value of the property increases above R100 000 it is deemed that there should be some funds available to pay a small portion of the costs of the services, gradually increasing till the full costs (less the rebates granted to all residential properties) are billed when the valuation exceeds R400 001. These value driven rebates are allocated automatically by the billing system when the invoices are produced, the administration costs are therefore absolutely minimal.

Residents needing free basic services in addition to that provided via the billing system register with the City on a periodic basis to receive the same benefits as if their property values were below R100 000.

Residential properties valued higher than R400 000 pay the normal municipal rates and tariffs, after allowing the valuation rebate R200 000, 6 kilolitres free water and 4.2 kilolitres free sanitation. Properties valued between R350 001 and R400 000 receive a 25% rebate on refuse removal charges. Properties valued between R300 001 and R350 000 receive a rebate of 50% on refuse removal charges. Properties valued between R200 001 and R300 000 receive a rebate of 50% on refuse removal and an indigent grant of R77.23 per month to provide an additional 4.5 kilolitres of free water (in addition to the 6 kilolitres per month provided free to all residential properties) and free sanitation (based on the water consumption). Properties valued between R150 001 and R200 000 receive a 50% rebate on refuse removal charges, the R77.23 on water and sanitation charges and a 100% rebate on rates. Properties valued between R100 001 and R150 000 receive a 75% rebate on refuse removal charges, the R77.23 on water and sanitation and a 100% rebate on rates. Properties valued at R100 000 or below receive a 100% rebate on refuse removal, the R77.23 on water and sanitation and a 100% rebate on rates.

The free services provided to the households in informal settlements are not included in this document. Such services include water via standpipes, refuse removal via skips or bags and access to rate funded services such as clinics, libraries, etc.

2.3.3 Providing clean water and managing waste water

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

Blue Drop status
The entire water supply system (including the City owned catchments, dams, the 11 water treatment plants, the bulk conveyance system and the whole distribution system) was assessed for the 2009, 2010, 2011 and 2012 Blue Drop performance ratings by the Department of Water Affairs. Subsequent to achieving 100% in the 2009 assessment, the City scored a 98.2%, 97.2 and 98.14% respectively in the more stringent following assessments. Since the inception of the Blue Drop programme, the City has been in the top scores for the country.

The Water Service Provider constantly strives to improve its performance with respect to water quality management and the Water Safety Plan, including Risk Assessments, etc. are integrated into its management processes. No major corrective interventions are currently required in terms of this plan, but provision is made in the normal budget allocations to maintain the set standards already achieved.

Green Drop status

The City has a risk approach in place whereby the strategic risks to the wastewater business have been identified, rated and mitigation measures put in place. The plan is being implemented but there is a significant financial requirement on maintaining, rehabilitating and replacing the ageing assets to mitigate the critical risks in the Wastewater Risk Abatement Plan. This document is reviewed to further refine prioritisation of the risks and resource allocation.

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 risk trend is overall encouraging with 19 of the 26 plants showing improved Cumulative Risk Rating (CRR%) deviation ratios. The remaining 7 plants shows declined risk positions, and the Wastewater Risk Abatement Plan needs expansion to improve upon these systems. The W&S department is satisfied that the City's wastewater treatment plants have improved in performance based on its assessment against the Green Drop assessment criteria. However, as a result of the Minister not awarding the Green Drops for 2012/13, the W&S only has its assessment to base its performance on.

The City displays a strong commitment to wastewater and Green Drop and has a very good understanding of the CRR baseline and its approach, which they use in internal performance reviews. Management continues to impress with their readiness and dedication to participate and strives to continuous improvement.

Areas requiring attention

The primary problems the municipality is experiencing are that of ageing infrastructure, rapid population growth, maintenance of the existing assets and a shortage of relevant skills. These problems are being experienced throughout the Republic and the City of Cape Town is addressing such via recruitment of appropriate staff, training existing staff in an effort to minimise the shortage of trained experienced resources, formulation of comprehensive long term Master Plans, improve business processes, allocating financial resources to create new facilities, expand as well as maintaining existing assets.

2014/15 Budget and MTREF proposed allocations

Capital Budget

The capital budget is allocated for increased treatment capacity, process improvements or improved effluent quality. The proposed 2014/15 capital budget is shown below.

Table 35 Wastewater Treatment Facility Capital Budget

Wastewater Treatment Facility R Thousand	Project	Budget Year 2013/2014	Budget Year 2014/2015
Bellville	20 Ml/d increase in treatment capacity	14 640	4 000
Cape Flats	Disinfection of Effluent	5 000	14 000
Potsdam	Increase in treatment capacity	855	18 000
Zandvliet	18 ML/ d increase in treatment capacity	–	49 050
Borherds Quarry	Replacement of Centifuges with Belt Presses	20 000	15 000
Mitchells Plain	Replacement of Centifuges with Belt Presses	55 500	52 400
Scottsdene	Capacity extension	–	1 500
Philadelphia	Capacity extension	–	1 500
Total for New Infrastructure		**95 995**	**155 450**

Operating Budget
The proposed 2014/15 operating budget is shown below.

Table 36 Wastewater Treatment Facility Operating Budget

Category R Thousand	Original Budget 2013/2014	Adjusted Budget 2013/2014	Budget Year 2014/15
Remuneration	90 683	90 683	101 272
Depreciation	67 118	74 748	84 979
Repairs & Maintenance	67 488	88 338	95 558
Contracted Services	64 473	60 473	61 153
General Expenses	157 102	139 702	167 797
Interest Internal Borrowings	68 245	64 131	64 052
Appropriation Account	85 015	64 177	106 507
Internal Utilities Expenditure	79 542	79 542	82 653
Insurance Departmental	4 684	4 684	5 634
Activity Based Costs	25 608	25 608	27 853
Support Services	33 925	33 925	38 973
Total Income Statement Expense	743 883	726 012	836 430

2.4 Overview of budget related-policies

2.4.1 Approved policies

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

- Mayor's Special Fund – approved May 2010
- Funding and Reserves Policy – approved May 2010
- Supply Chain Management Policy – approved December 2011
- Cash Management and Investment Policy – approved 27 February 2013
- Asset Management Policy - approved 27 February 2013
- Long Term Financial Plan Policy – approved May 2013
- Budget Management and Oversight Policy – approved May 2013
- Unforeseen and Unavoidable Expenditure Policy – approved May 2013

- Policy governing Adjustment Budgets – approved May 2013
- Policy governing Planning and Approval of Capital Projects - approved May 2013

2.4.2 Draft policies and policies reviewed

The following policies have been amended and/or revised and are attached to this document:
- Special Rating Areas (SRA) Policy And SRA Additional Rate (Including City Improvement Districts) – Annexure 3
- Rates Policy – Annexure 5
- Tariff Policies – Annexure 7
- Credit Control And Debt Collection Policy – Annexure 8
- Grants Policy – Annexure 9
- Virement Policy – Annexure 13
- Policy On Accounts Payable – Annexure 18
- Fare Policy for Contracted, Road-Based Public Transport – Annexure 19

Concurrent to this year's budget process the City's Development Charges policy was rewritten. If adopted by Council at the end of May 2014, it should be seen as part of the policies submitted with the 2014/15 Budget approved by Council.

2.4.3 Credit control and debt collection procedures/policies

This Policy has been formulated in terms of section 96 (b) and 98 of the Local Government: Municipal Systems Act, 2000 and the Credit Control and Debt Collection By-Law. The Policy also includes the Indigent Policy as per Annexure 8.

2.4.4 Tariff Policies

The Municipal System Act requires Council to adopt a Tariff Policy. The general financial management functions covered in section 62 of the MFMA include the implementation of a tariff policy. Specific legislation applicable to each service has been taken into consideration when determining this policy. The General Tariff Policy and subsequent Water and Sanitation, Electricity and Waste Management Tariff Policies are attached as Annexure 7.

2.5 Overview of budget assumptions applied to the 2014/15 MTREF

Introduction

The Local Government Municipal Systems Act, Chapter 5, Section 26, prescribes the core components of the 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.

The MBRR (Part 2; Budget-related policies of municipalities), 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 has developed a financial model (Medium Term Revenue and Expenditure Framework - MTREF) that aims to determine the appropriate mix of financial parameters and assumptions within which the City should operate to facilitate budgets which are affordable and sustainable at least 10 years into the future. In addition, it identifies the consequential financial impact of planned capital projects on the municipality's operating budget.

The MTREF model is reviewed annually to determine the most affordable level at which the municipality can operate optimally taking the fiscal overview, economic climate, National and Provincial influences, IDP and other legislative imperatives, internal governance and community consultation into account in its deliberations.

2.5.1 Financial Strategic Approach

The 2014/15 MTREF period represents the 3rd year of the City's 5-year IDP period. The 2014/15 MTREF process commenced with a technical analysis of previous years' performance outcomes, an assessment of the economic outlook and consultation with various role players. The process encompassed the following:

- BSM provided the framework for and strategic direction of the budget
- MTREF model forecasted taking above direction into account
- Continuous MTREF presentations to EMT, BSC and the BSM
- IDP community consultations
- Presentations by directorates at budget hearings on their business improvement measurements, funding the IDP and capital investment plans for 3-year MTREF period
- Presentations by the Trading services with regard to their proposed budgets and tariff increases.

2.5.2 Financial Modelling and Key Planning Drivers

The alignment of the strategy of the City and the budget included alignment to:
- The IDP;
- Resource prioritisation within the IDP objectives according to the City's Economic Growth Strategy (EGS) and the Social Development Strategy (SDS);
- The City's transversal goals as set out by the Economic and Social Clusters;
- Core economic, financial and technical data obtained at local and national level; and
- Other issues deemed important at Mayco.

The outcome of the MTREF modelling performed incorporated the above and the ensuing paragraphs outline the assumptions on which the MTREF was compiled.

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

- Higher than inflation repairs and maintenance provisions to attain nationally benchmarked levels to ensure and enhance preservation of the City's infrastructure;
- Higher increases to selected cost elements subjected to higher than average inflationary pressure, e.g. staff costs;
- A 100% capital expenditure implementation rate assumed;
- Credible collection rates based on collection achievements to date and incorporating improved success anticipated in selected revenue items;
- Reprioritisation of the operating budget to give effect to the MTBPS and National Treasury circular 79 and to ensure strategic alignment of the budget; and
- National and Provincial allocations as per the 2013 DORA and 2013 Western Cape Provincial gazette.

2.5.3 General inflation outlook and its impact on municipal activities

CPI projected for the City is 5.8% for 2014/15, 5.6% and 5.4% for 2015/16 and 2016/17 respectively. These levels are within the South African Reserve Bank (SARB) inflation targeting range of between 3% to 6% range and is depicted in the graph below.

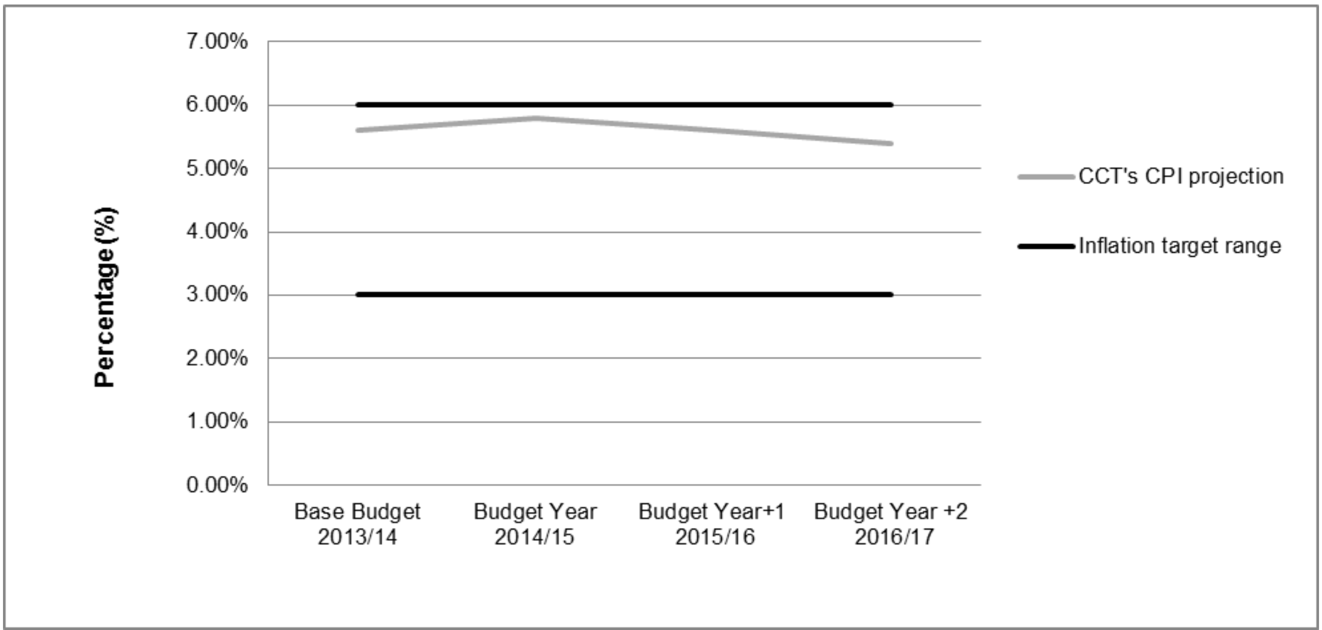


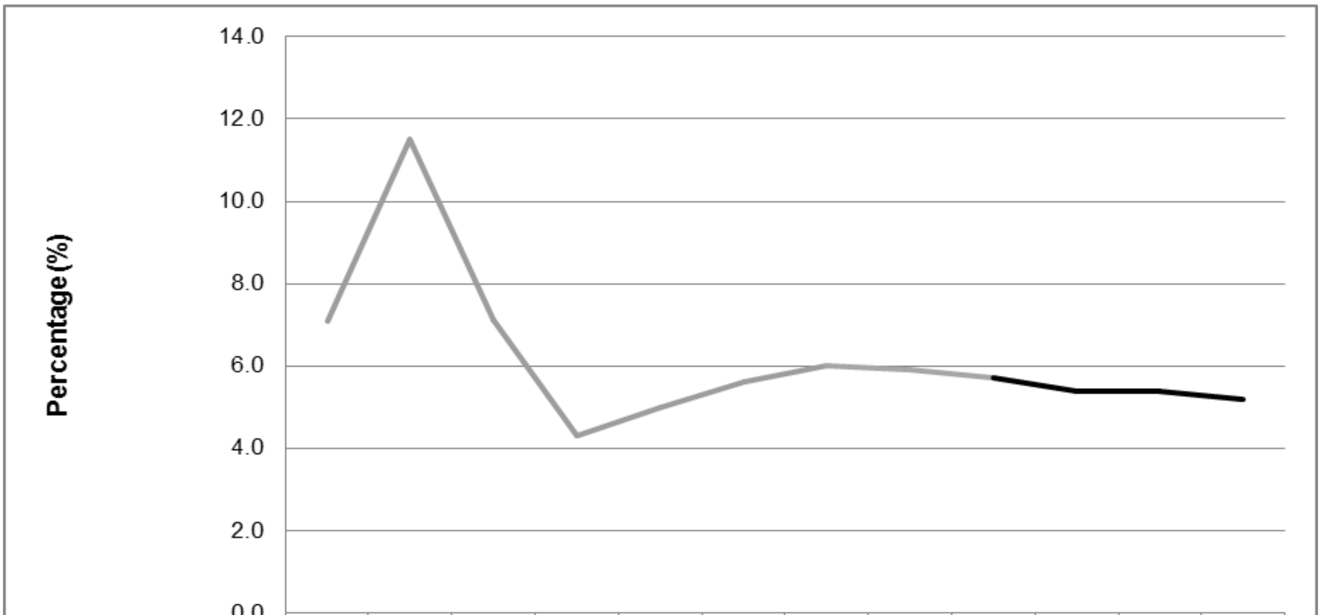
Figure 8 Consumer price index projections adopted in the MTREF

2.5.4 Economic outlook / external factors

According to Bureau of Economic Research (BER), growth performance is expected to revert back to the long term average. This forecast is due to the international financial markets recovering from the European Sovereign Debt crisis and the assumption that positive politics and improved economic policies will be experienced domestically. As a result, GDP is expected to recover in 2015 to 3.0% and increase steadily to 3.6% in 2017.

Oil prices are volatile due to the increasing average international prices and the negative fluctuations of the R/$ exchange rate. Oil prices are projected to remain at the high rate of between $100 to $110 per barrel for 2015. BER further forecasts the Rand to end 2014 at an average of R10.89/$ and is expected to end 2015 at R10.30/$.

CPI is expected to remain within the SARB inflation target range of between 3% and 6%. CPI forecasts for the next 3 years are expected to remain at the upper end of the range due to food, petrol and energy costs. The graph below depicts the CPI for the past years and projections for the next 5 years as per BER.



	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
CPI (headline)	7.1	11.5	7.1	4.3	5.0	5.6	6.0	5.9	5.7	5.4	5.4	5.2

Figure 9 Consumer Price Index over recent and future years (projected)

BER has forecasted CPI as 5.9%, 5.7% and 5.4% for the calendar years 2014 to 2016 respectively. The City's forecasted CPI in municipal financial years is 5.8% for 2014/15, 5.6% for 2015/16 and 5.4% for 2016/17. Years 1 and 2 are higher than the inflation forecasts set out in NT circular 70, which estimated 5.6% and 5.4% respectively for 2014/15 and 2015/16.

National and provincial influences

In drafting the 2014/15 MTREF special attention was given to National and Provincial influences, which included:

a) Medium Term Budget Policy Statement (MTBPS)

The MTBPS outlined strategies and interventions required by local government in achieving economic stability and higher levels of growth. It includes, among others:

i. Expanding public sector investment in infrastructure through ensuring the budgets and MTREF acknowledge that capital programmes needs a balanced funding structure addressing not only backlogs in services but also investment in new infrastructure as well as renewing current infrastructure.
ii. Sustainable job creation - municipalities are to ensure that in drafting their 2014/15 budgets and MTREF, they continue to explore opportunities to promote labour intensive approaches to delivering services, and fully participate in the Expanded Public Works Programme (EPWP).
iii. Municipalities to act as catalysts for economic growth through creating an enabling environment for investment and other activities that foster job creation.

iv. Implementing the National Development Plan (NDP) through expanding electricity, transport, communications capacity and promoting industrial competitiveness.

The MTBPS further highlighted the current financial position of the country and informed amongst other, municipalities to minimise costs and abuse. The following six focus areas were highlighted for the period ahead:

i. Consultant services: Improved contract management, stricter control of consultancy fees and each government entity to develop a consultancy reduction plan over the course of this financial year.
ii. No credit cards.
iii. Travel and related costs: Restricting the type of cars hired and the number of officials travelling.
iv. Advertising: Guidelines to limit non-essential costs and for better use of GCIS facilities will be developed.
v. Catering and event costs: Guidelines to be developed for reducing event costs, including better use of government facilities rather than outside venues for meetings. No public funds to be used for purchase of alcohol. Entertainment allowance to be limited to R2 000.
vi. Steps are under way to reduce long term office accommodation and government housing costs and make further savings from electricity demand management measures in government buildings.

With regard to the issues raised above, the City has already in 2013/14 implemented cost cutting initiatives where provisions for national and international travel was reduced and stricter approving mechanisms applied, further expanded the EPWP for 2014/15 as well as reducing its catering and entertainments budgets. In addition, the City continuously assesses efficiencies in the utilisation of office accommodation.

b) MFMA Circular 70

Cognisance was also taken of MFMA Circular No 70 – Municipal Budget Circular for the 2014/15 MTREF, which amongst other included:

- Municipalities must adopt a conservative approach when projecting their expected revenues and cash receipts.
- Municipalities should carefully consider affordability of tariff increases.
- Municipalities should pay particular attention to managing revenue effectively and carefully evaluate all spending decisions.
- Municipalities must implement cost containing measures as approved by Cabinet to eliminate non-priority spending.
- Strengthening procurement to obtain value for money and fighting against corruption
- Local government budget and financial management reforms, including the regulation of SCOA, the financial implication of SCOA and Management accounting and its impact on tariff setting.
- Guidelines for the 2014/15 MTREF Electricity, Water, Sanitation and Solid Waste tariffs.
- Municipalities are urged to sign service level agreements and recover costs where unfunded/underfunded mandates are performed on behalf of other spheres of government. Unfunded/underfunded mandates pose an institutional and financial risk to the municipality as substantial amounts of own funding is allocated to non-core functions at the expense of service delivery.

2.5.5 Interest rates for borrowing and investment of funds

Borrowing interest rates are factored at a prime rate, stabilising at 11% over the 2014/15 MTREF. The investment interest rate has improved from the previous financial period by 0.5%. An average of 5.50% was forecasted over the 2014/15 MTREF.

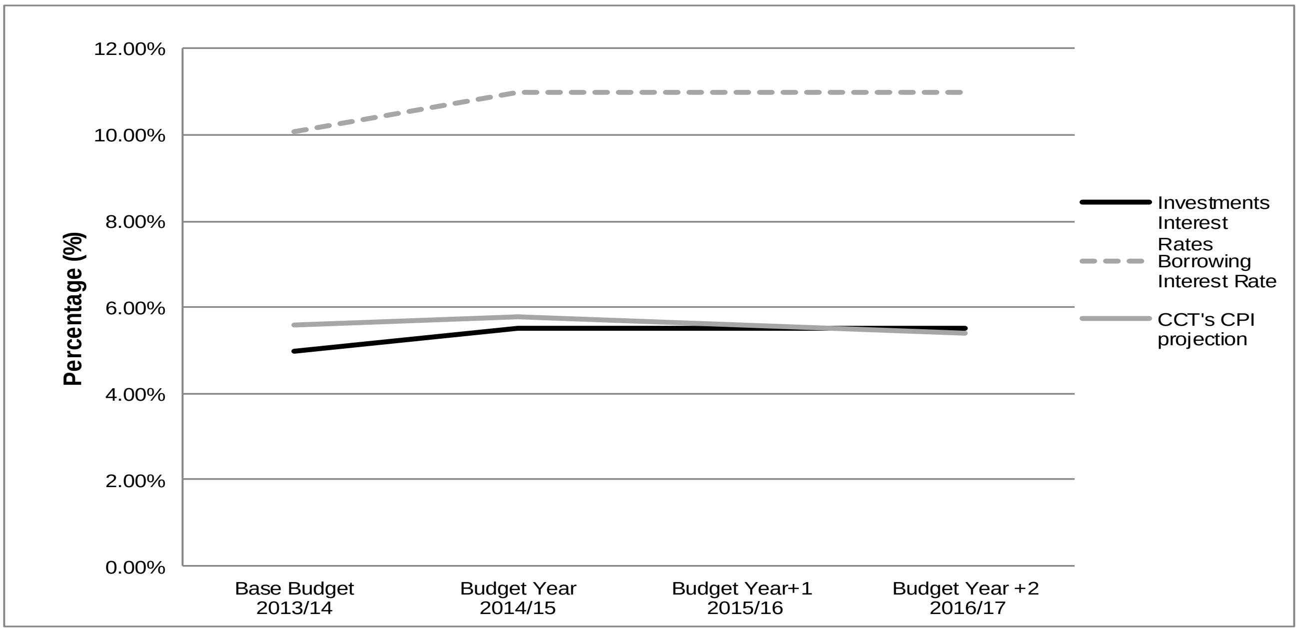


Figure 10 Interest rates over the MTREF

2.5.6 Collection rate for revenue services

In accordance with relevant legislation and national directives, the City's projected revenue recovery rates are based on realistic and sustainable trends. In calculating the working capital reserve, the following collection ratios were applied:

Table 37 Collection Rates

Service	Base Budget 2013/14 %	Budget Year 2014/15 %	Budget Year+1 2015/16 %	Budget Year +2 2016/17 %
Rates	96.00	96.00	96.00	96.00
Electricity	98.00	98.00	98.00	98.00
Water	92.50	90.60	89.50	89.00
Sanitation	92.50	90.60	90.00	90.50
Refuse	93.00	95.00	95.00	95.00
Housing	47.00	50.40	52.00	54.60

Property Rates and Electricity collection ratios are expected to remain constant over the 2014/15 MTREF period. The refuse collection rate is expected to increase from 93% in 2013/14 to 95% in 2014/15, in line with recent years' trends. The year-on-year phased downward alignment of the Water and Sanitation collection ratio is as a result of lower than anticipated actual outcomes. Current debt management initiatives, which are being implemented, are intended to raise the collection ratio to targeted levels.

The housing collection ratio is also expected to increase over the 2014/15 MTREF, due to initiatives that includes amongst other, expanded housing debt management and the Payers Incentive Scheme.
R951 million was provided for debt impairment in the 2014/15 budget and is based on an average collection ratio of 94% (excludes Housing). The graph below shows the debt impairment for the period 2012/13 to 2016/17.

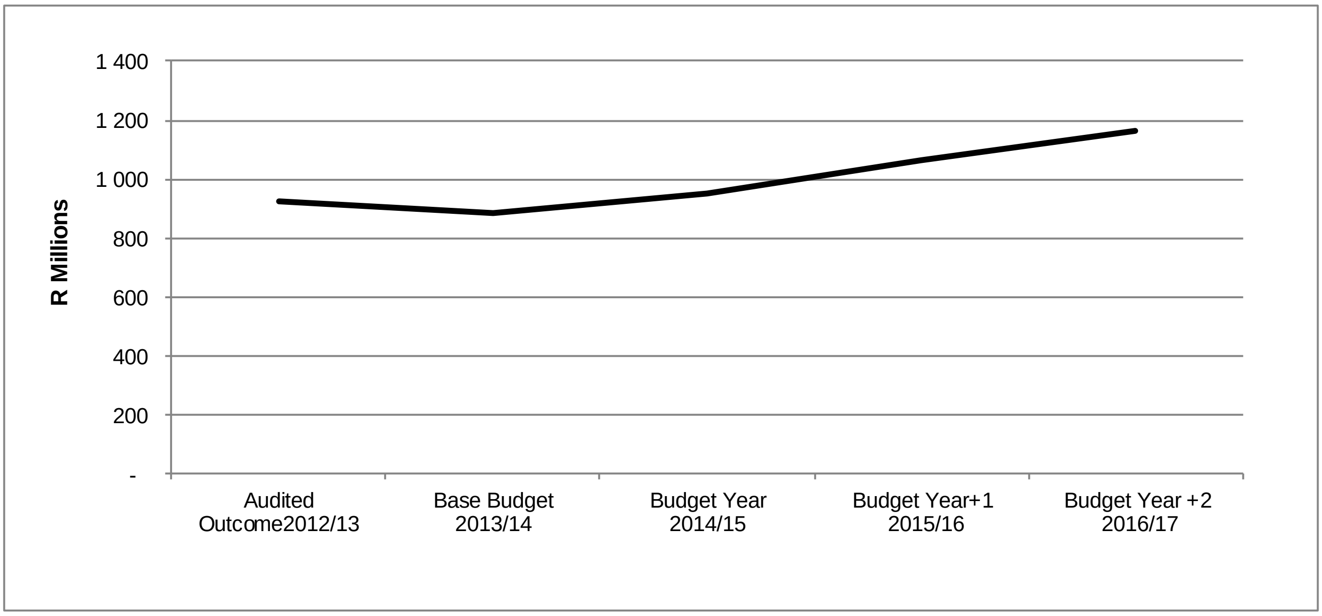


Figure 11 Provision of bad debts – 2012/13 to 2016/17

2.5.7 Salary increases

Salaries, Wages & related staff cost expenses
A three year Salary and Wage collective agreement was entered into in 2012. The term of the agreement covers the 2012/13 to 2014/15 period; in the absence of an agreement for the two outer years of this MTREF period the provisions provided for 2014/15 were also assumed for the two outer years.

In terms of the agreement, the salary and wage increases were annually calculated for all three years using the average CPI for the period 1 February of the previous year to 31 January of the current year.

The agreement further stipulated that, if in any of these years the average CPI percentage, as per the calculation above, is less than 5%, the average CPI will be deemed to be 5% and in the event that the average CPI is above 10% the average CPI will be deemed to be 10%.

The actual CPI for the period 1 February 2013 to 31 January 2014 (ex STATSSA) is 5.79%; the salary provision made for the 2014/15 MTREF is therefore 6.79% (5.79%+1%).

In addition, provision was made for an incremental allowance of 2% to cater for performance- and other notch increases.

The graph below shows the consistent above-CPI salary increases for the last three years and for the projected MTREF period.

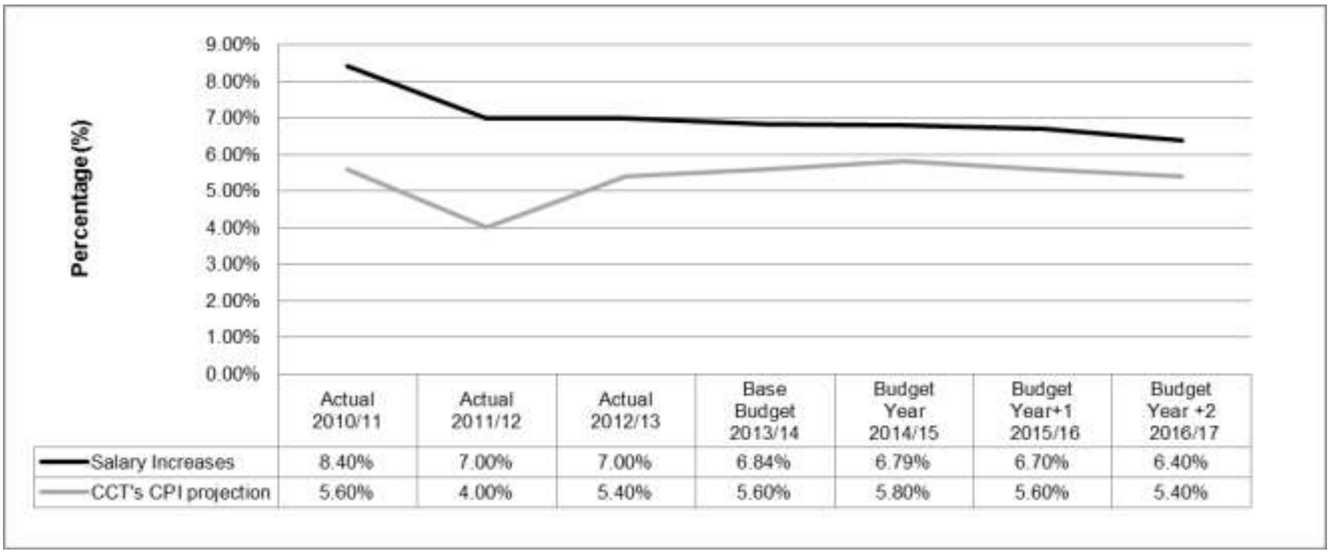


Figure 12 Correlation between the City's CPI and the salary increase over the MTREF

2.5.8 Ensuring maintenance of existing assets

Repairs & Maintenance

NT Circular 70 reminded municipalities to consider the budget management issues discussed in previous circulars. NT Circulars 54, 55 and 58 stressed the importance of securing the health of a municipality's asset base by increased spending on repairs and maintenance. NT Circular 55 further stated that "allocations to repairs and maintenance, and the renewal of existing infrastructure must be prioritised. Municipalities must provide detailed motivations in their budget documentation if allocations do not meet the benchmarks". NT Circulars 55 and 70 set the percentage norm of operational repairs and maintenance to asset value (write down value) of the municipality's Property Plant and Equipment (PPE) at 8%; this ratio outcome for the City averages 8.8% annually over the 2014/15 MTREF.

To give effect to the above directives repairs and maintenance was budgeted at 3% above CPI over the 2014/15 MTREF.

The graph below shows the increasing expenditure trend on repairs and maintenance from 2012/13 and projected to 2016/17.

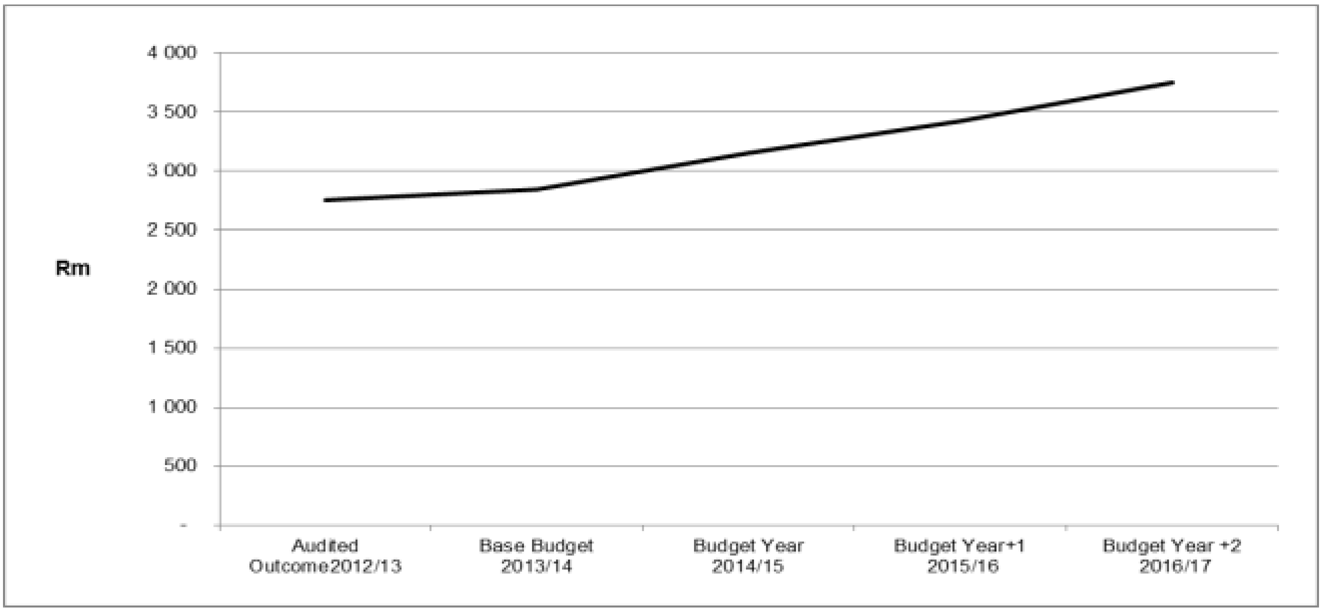


Figure 13 Increasing expenditure trend on repairs and maintenance from 2012/13 and projected to 2016/17

2.5.9 Operating financing of capital

Depreciation

Calculation of depreciation on new capital expenditure is based on variables such as asset class lifespan, ranging between 9 and 50 years, depending on the nature of the asset. An annual capital expenditure implementation rate of 100% was assumed. Depreciation of existing assets is based on simulated SAP data which reflects actual values per annum. Assets under Construction (AUC) are calculated based on asset class lifespan and projected capitalisation dates.

Borrowing and Credit rating outlook

The City's borrowing is done in terms of chapter 6 of the MFMA and the City's borrowing policy, where a long term loan will only be entered into if it's affordable and sustainable. It is influenced by the capital investment / EFF requirement for the 2014/15 MTREF. The City requires a credit rating to demonstrate its ability to meet its financial obligations. Potential lenders also use this rating 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 has rated the City's credit rating as Aa3.za on 10 February 2014, which reflects the City's strong budgetary performance and its good liquidity position. The City is rated at the high end of the range of South African municipalities rated by Moody's and it is expected that the City will maintain this relatively strong financial position in the medium term. The negative outlook on the City's rating mirrors the negative outlook on South Africa's sovereign rating. This position can only be improved by the stabilisation or upgrade of the sovereign rating.

Table 38 Credit rating outlook

Category	Currency	Current Rating 10 February 2014	Previous Rating 02 April 2013	Previous Rating 14 Dec 2012
Outlook	-	Negative	Negative	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

The definitions of the rating categories are:
Negative Outlook - reflects that a credit rating assigned to an issuer which may be lowered.
NSR Issuer Rating – Aa3.za – Issuers or issues rated A.za present above average credit worthiness relative to other domestic issuers.
NSR Issuer Rating – Aa2.za – Issuers or issues rated Aa.za demonstrate very strong creditworthiness relative to other domestic issuers.
NSR ST Issuer Rating – P-1.za – Issuers (or supporting institutions) rated Prime-1 have a superior ability to repay short-term debt obligations.
NSR Senior Unsecured – Issuers demonstrate very strong creditworthiness relative to other domestic issuers.

2.5.10 Growth or decline in tax base and services of the municipality

The current unstable economic climate has restricted material service growth projections. The respective projected growth for the City's services is as follows:

- *Rates*

Service growth applied for Rates has reduced from 1% in 2013/14 to 0.5% over the 2014/15 MTREF.

- *Water and Sanitation*

A service growth of 1% was applied to Water and Sanitation over the 2014/15 MTREF. This is based on the average growth over the past years on the revenue generating portion of water volumes.

- *Electricity*

Electricity shows shrinkage in sales over the 2014/15 MTREF. This is due to the impact of energy saving plans and increasing tariffs which is reducing consumption. The Electricity Sales base is expected to shrink by 1.75% (2014/15) and 1% (2015/16 and 2016/17) over the MTREF period.

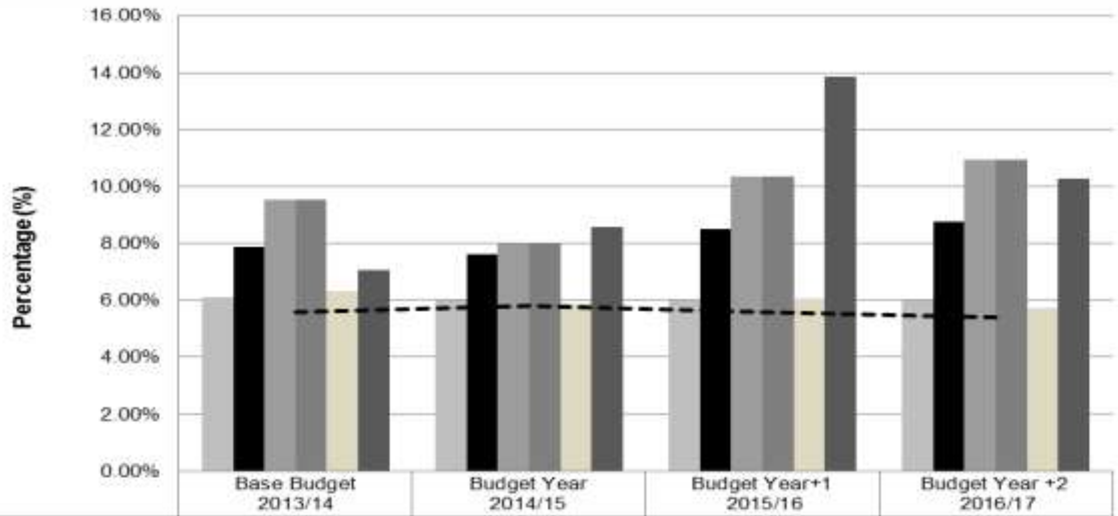
- *Refuse*

A 2% service growth was applied over the 2014/15 MTREF for Refuse. This is as a result of the growth in the requirement for refuse services.

2.5.11 Major tariffs and charges: Rates and Trading Services

The adverse impact of the current economic climate, coupled with the demand for new and upgraded infrastructure, made tariff increases higher than CPI levels inevitable.

NT Circular 70 of December 2013 stated that *"National Treasury also continues to encourage municipalities to keep increases in rates, tariffs and other charges at levels that reflect an appropriate balance between the interests of poor households, other customers and ensuring the financial sustainability of the municipality. For this reason municipalities must justify in their budget documentation all increases in excess of the 6.0 per cent upper boundary of the South African Reserve Bank's inflation target in the budget narratives".* Nevertheless, it further indicates that tariffs should be cost reflective. In this regard the following represents the revenue increases included over the 2014/15 MTREF.



	Base Budget 2013/14	Budget Year 2014/15	Budget Year+1 2015/16	Budget Year +2 2016/17
Property Rates	6.10%	6.00%	6.00%	6.00%
Electricity	7.86%	7.63%	8.50%	8.75%
Water	9.53%	8.00%	10.35%	10.92%
Sanitation	9.53%	8.00%	10.35%	10.92%
Refuse	6.32%	5.87%	6.07%	5.75%
Disposal	7.06%	8.56%	13.87%	10.27%
CCT's CPI projection	5.60%	5.80%	5.60%	5.40%

Figure 14 Revenue parameters for 2014/15 MTREF period

- *Property Rates*

The Rates revenue increase is at 6% over the 2014/15 MTREF, i.e. within the inflation target range. This increase will afford the City to provide for the recurrent operating costs, new budget realities and for the investments in new infrastructure of Rate-funded services.

- *Electricity*

The NERSA approved electricity bulk purchases increase for 2014/15 is 8.06%. Based on this, the City's average revenue increase requirement is 7.63% for 2014/15 and 8.50% and 8.75% for the two outer years respectively. The higher than CPI increase is attributed to various factors, which would include the higher than CPI Eskom increase and salary increases. It furthermore caters for the increased costs of finance charges to the previous financial year, due to increased investments in new infrastructure to ensure continued optimal service delivery and an increase in the number of revenue collection teams to further improve the collection ratio.

- *Water and Sanitation*

According to NT Circular 70 municipalities were previously advised that "*If the water and sanitation tariffs are not fully cost reflective, the municipality should develop a pricing strategy to phase–in the necessary tariff increases in a manner that spreads the impact on consumers over a period of time".*

It was further advised that *"as per the guidance in previous Budget Circulars, municipalities are expected to have cost reflective tariffs for the 2014/15 MTREF for both water and sanitation. Should this not be the case, municipalities will be required to clearly articulate the reasons within the budget document including remedial actions in rectifying this position".*

The average Water and Sanitation revenue increase for 2014/15 is at 8.00% and averages 10.64% over the two outer years. The higher than CPI tariff increase requirement is as a result of the additional cost required to service informal settlement, to keep pace with the demand for maintenance of the current infrastructure, to cater for increased water demand, to ensure compliance to the Waste Water Treatment Works legislation issued by the Department of Water Affairs, the investment in new infrastructure as well as to absorb the cost impact of the lower collection ratio projected for the 2014/15 MTREF.

- *Solid Waste*

According to Circular 70, *"municipalities are once again reminded that in many instances waste tariffs do not cover the cost of providing the different components of the service. Where this is the case, municipalities should aim to have appropriately structured, cost-reflective solid waste tariffs in place by 2015".*

The Disposal average increase for 2014/15 is at 8.56%. This increase, amongst other, is required for the rehabilitation of landfill sites and for the operating costs relating to the new transfer station. The 5.87% average increase for Refuse in 2014/15 is to maintain and improve the current standard of refuse removal service.

- *Housing rental stock*

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

The rates for 2014/15 are as follows:

- Rental (per square meter): R8.20;
- Rental (per square meter including water charge where applicable): R11.58;
- Plus the applicable premiums and deductions associated with the unit.

2.5.12 Impact of national, provincial and local policies on operating revenue

Equitable Share

The reviewed Equitable Share formula provides a subsidy for the provision of free basic water, electricity, sanitation and refuse removal services for every poor household. It also provides funds for the institutional costs of municipalities; a community services component which provides funding towards the provision of core municipal services not included under basic services. To ensure that the funds for institutional costs and non-trading services are targeted at poorer municipalities, the formula applies a revenue-adjustment factor reflecting municipalities' ability to generate their own revenue. The revised formula used data from the 2011 Census which are to be updated annually to reflect estimates of population growth and projected increases in the cost of services such as water and electricity.

Structure of the local government equitable share formula

$$LGES = BS + (I + CS) x RA \pm C$$

where

LGES is the local government equitable share

BS is the basic services component – basic services subsidy x number of poor households

I is the institutional component – base allocation + [allocation per councillor * number of council seats]

CS is the community services component – [municipal health and related services allocation x number of households] + [other services allocation x number of households]

RA is the revenue adjustment factor

C is the correction and stabilisation factor

Figure 15 Structure of the local government equitable share formula

Equitable share provisions included in the budget are based on the 2014 Division of Revenue Bill (DORb). Based on the calculation as set out above the City had a revenue adjustment factor of zero which meant that it did not receive any allocation from the institutional and non-trading services components on which the factor was applied. The following indicative equitable share amounts were allocated to the City as per the 2014 DORb.

2014/15 - R1.497bn
2015/16 - R1.796bn
2016/17 - R2.026bn

Fuel levy

The general fuel levy is legislated by the Taxation Laws Amendment Act (2009) that makes provision that each metro's share be announced through a Government Gazette. The fuel levy sharing amounts for each metro is therefore published annually through a Notice in the Government gazette.

The Fuel levy allocation is based on the latest available fuel sales figures within the jurisdiction of the City as a metro. The following indicative amounts were allocated to the City as per the 2014/15 allocation letter received from NT:

2014/15 - R2.003bn
2015/16 - R2.083bn
2016/17 - R2.180bn

2.5.13 Capital expenditure

The total capital budget included for the 3-year MTREF period is as follows:

Table 39 Capital Budget over MTREF

Capital funding R thousands	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CGD	2 882 853	2 456 222	2 456 911
CRR	798 892	636 740	614 249
Revenue	179 270	17 467	15 534
EFF	2 350 301	2 555 179	2 387 773
TOTAL	**6 211 315**	**5 665 607**	**5 474 467**

Grants received from National and Provincial Government remains a significant funding source over the 2014/15 MTREF. External Financing Fund (EFF) over the 3 years averages R2 431 million.

2.5.14 Major parameters

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

Table 40 Summary of parameters applied to Operating Budget

	2014/15 %	2015/16 %	2016/17 %
CPI	5.80	5.60	5.40
COLLECTION RATES			
Rates	96.00	96.00	96.00
Electricity	98.00	98.00	98.00
Water	90.60	89.50	89.00
Sanitation	90.60	90.00	90.50
Refuse	95.00	95.00	95.00
Housing	50.40	52.00	54.60
REVENUE PARAMETERS (excluding organic growth):			
Rates	6.00	6.00	6.00
Electricity	7.63	8.50	8.75
Water	8.00	10.35	10.92
Sanitation	8.00	10.35	10.92
Refuse	5.87	6.07	5.75
Disposal	8.56	13.87	10.27
REVENUE PARAMETERS (including organic growth):			
Rates	6.50	6.50	6.50
Electricity	5.88	7.50	7.75
Water	9.00	11.35	11.92
Sanitation	9.00	11.35	11.92
Refuse	7.87	8.07	7.75
EXPENDITURE PARAMETERS:			
Salary increase			
Salary increase (SALGA Agreement)	6.79	6.70	6.40
Increment provision	2.00	2.00	2.00
General Expenses	5.80	5.60	5.40
Repairs & Maintenance	8.80	8.60	8.40
Interest Rates			
Interest paid	11.00	11.00	11.00
Interest on investment	5.50	5.50	5.50
OTHER:			
Capital (EFF component) Expenditure	R2.350bn	R2.555bn	R2.388bn
Equitable Share Allocation	R1.497bn	R1.796bn	R2.026bn
Fuel Levy	R2.003bn	R2.083bn	R2.180bn

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

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

Table 41 Breakdown of the operating revenue over the medium-term

Description	2014/15 Medium Term Revenue & Expenditure Framework					
R thousand	Budget Year 2014/15	%	Budget Year +1 2015/16	%	Budget Year +2 2016/17	%
Property Rates	5 930 513	20.9%	6 288 572	20.5%	6 735 054	20.2%
Service Charges	15 262 264	53.8%	16 562 301	53.9%	18 047 777	54.1%
Investment Revenue	275 762	1.0%	315 281	1.0%	351 283	1.1%
Transfers recognised - Operational	3 498 169	12.3%	4 005 459	13.0%	4 446 242	13.3%
Other own revenue	3 392 277	12.0%	3 532 872	11.5%	3 758 586	11.3%
Total Revenue (excluding capital transfers and contributions)	28 358 984	100%	30 704 486	100%	33 338 941	100%

The following graph is a breakdown of the operational revenue per main category for 2014/15.

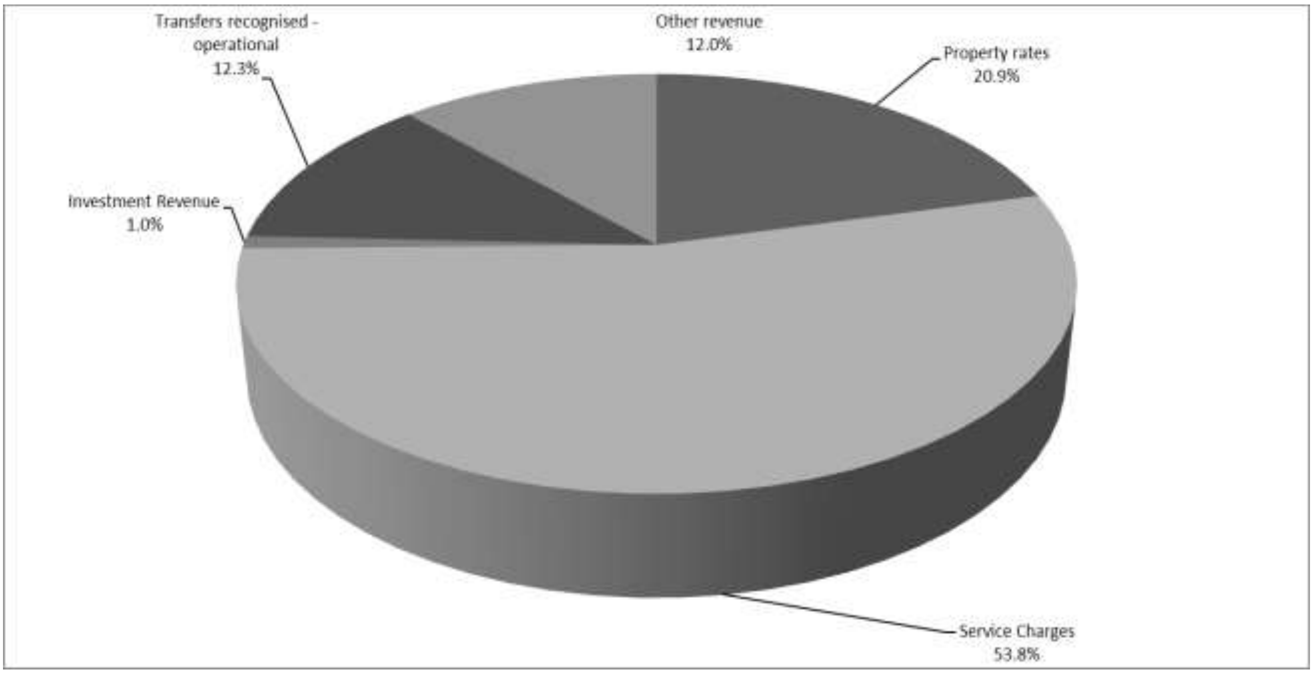


Figure 16 Breakdown of operating revenue over the 2014/15 MTREF

Tariff setting plays a major role in ensuring desired levels of revenue. To ensure an effective, efficient and well-run City, higher tariff increases are inevitable. Getting tariffs right assists in the compilation of a credible and funded budget. The City derives most of its operational revenue from the service charges (53.8% of the total revenue), i.e. provision of services such as water, electricity sanitation and solid waste removal. Property Rates (20.9%), Transfer recognised - operational (12.3%), investment revenue (1%) and Other Minor Charges i.e. building plan fees, licences, permits etc. (12.0%) forms part of the 2014/15 revenue base.

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

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

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

Revenue to be generated from Property Rates in 2014/15 amount to R 5 930 million and represents 20.9% of the operating revenue base of the City. It increases to R6 735 million by 2016/17.

Service Charges relating to electricity, water, sanitation and refuse removal constitute the biggest component of the revenue basket of the City totalling R15 262 million for 2014/15 and increasing to R18 048 million in 2016/17. For 2014/15, Service Charges are 53.8% of the total revenue base and the average year-on-year growth is approximately 9% over the medium term. The growth can be attributed to the increase in the bulk prices of electricity and water.

Transfers recognised – operational increases from R2 595 million in 2013/14 to R3 498 million in 2014/15, mainly due to the increased external allocations received from National- and Provincial Government.

Table 42 MBRR SA15 - Detailed investment information

Investment type	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Securities - National Government	48 900	50 013	60 900	66 900	66 900	66 900	72 900	78 900	84 900
Listed Corporate Bonds	–	–	–	–	–	–	–	–	–
Deposits - Bank	5 195 183	6 106 897	7 185 964	6 184 130	6 509 422	6 509 422	5 362 934	5 841 583	6 062 101
Deposits - Public Investment Commissioners	–	–	–	–	–	–	–	–	–
Deposits - Corporation for Public Deposits	–	–	–	–	–	–	–	–	–
Bankers Acceptance Certificates	–	–	–	–	–	–	–	–	–
Negotiable Certificates of Deposit - Banks	–	–	–	–	–	–	–	–	–
Guaranteed Endowment Policies (sinking)	57 920	71 064	900 122	1 153 198	1 153 198	1 153 198	1 609 169	1 902 894	2 095 401
Repurchase Agreements - Banks	–	–	–	–	–	–	–	–	–
Total	**5 302 003**	**6 227 974**	**8 146 986**	**7 404 228**	**7 729 520**	**7 729 520**	**7 045 003**	**7 823 377**	**8 242 402**

Table 43 MBRR SA16 - Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Period of Investment Yrs/Months	Type of Investment	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
ABSA Bank	50	Fixed Deposit	Fixed	5.69%	n/a	n/a	2014/05/15	75 000	351	no	no	75 351
ABSA Bank	58	Fixed Deposit	Fixed	5.71%	n/a	n/a	2014/05/23	70 000	329	no	no	70 329
ABSA Bank	43	Fixed Deposit	Fixed	5.63%	n/a	n/a	2014/05/23	10 000	32	no	no	10 032
ABSA Bank	39	Fixed Deposit	Fixed	5.68%	n/a	n/a	2014/05/23	115 000	304	no	no	115 304
Firstrand	183	Fixed Deposit	Fixed	6.68%	n/a	n/a	2014/09/30	10 000	55	no	no	10 055
Firstrand	183	Fixed Deposit	Fixed	6.68%	n/a	n/a	2014/09/30	12 000	66	no	no	12 066
Firstrand	183	Fixed Deposit	Fixed	6.68%	n/a	n/a	2014/09/30	9 000	49	no	no	9 049
Firstrand	183	Fixed Deposit	Fixed	6.68%	n/a	n/a	2014/09/30	12 000	66	no	no	12 066
Firstrand	57	Fixed Deposit	Fixed	5.56%	n/a	n/a	2014/05/15	25 000	114	no	no	25 114
Firstrand	56	Fixed Deposit	Fixed	5.56%	n/a	n/a	2014/05/15	150 000	686	no	no	150 686
Firstrand	50	Fixed Deposit	Fixed	5.56%	n/a	n/a	2014/05/15	25 000	114	no	no	25 114
Firstrand	37	Fixed Deposit	Fixed	5.55%	n/a	n/a	2014/05/15	15 000	52	no	no	15 052
Firstrand	44	Fixed Deposit	Fixed	5.58%	n/a	n/a	2014/05/23	10 000	34	no	no	10 034
Firstrand	43	Fixed Deposit	Fixed	5.55%	n/a	n/a	2014/05/23	10 000	32	no	no	10 032
Firstrand	28	Fixed Deposit	Fixed	5.50%	n/a	n/a	2014/05/27	70 000	21	no	no	70 021
Firstrand	6	Fixed Deposit	Fixed	5.30%	n/a	n/a	2014/05/06	10 000	1	no	no	10 001
Investec Bank	57	Fixed Deposit	Fixed	5.75%	n/a	n/a	2014/05/15	10 000	47	no	no	10 047
Investec Bank	50	Fixed Deposit	Fixed	5.70%	n/a	n/a	2014/05/15	35 000	164	no	no	35 164
Investec Bank	37	Fixed Deposit	Fixed	5.70%	n/a	n/a	2014/05/15	10 000	36	no	no	10 036
Investec Bank	44	Fixed Deposit	Fixed	5.70%	n/a	n/a	2014/05/23	10 000	34	no	no	10 034
Investec Bank	33	Fixed Deposit	Fixed	5.70%	n/a	n/a	2014/05/27	30 000	33	no	no	30 033
Nedbank	57	Fixed Deposit	Fixed	5.74%	n/a	n/a	2014/05/15	35 000	165	no	no	35 165
Nedbank	56	Fixed Deposit	Fixed	5.75%	n/a	n/a	2014/05/15	15 000	71	no	no	15 071
Nedbank	50	Fixed Deposit	Fixed	5.70%	n/a	n/a	2014/05/15	65 000	305	no	no	65 305
Nedbank	58	Fixed Deposit	Fixed	5.70%	n/a	n/a	2014/05/23	70 000	328	no	no	70 328
Nedbank	57	Fixed Deposit	Fixed	5.75%	n/a	n/a	2014/05/23	30 000	142	no	no	30 142
Nedbank	57	Fixed Deposit	Fixed	5.75%	n/a	n/a	2014/05/23	35 000	165	no	no	35 165
Nedbank	57	Fixed Deposit	Fixed	5.75%	n/a	n/a	2014/05/23	35 000	165	no	no	35 165
Nedbank	37	Fixed Deposit	Fixed	5.76%	n/a	n/a	2014/05/15	25 000	91	no	no	25 091
Nedbank	44	Fixed Deposit	Fixed	5.77%	n/a	n/a	2014/05/23	15 000	52	no	no	15 052
Nedbank	43	Fixed Deposit	Fixed	5.77%	n/a	n/a	2014/05/23	15 000	50	no	no	15 050
Nedbank	33	Fixed Deposit	Fixed	5.75%	n/a	n/a	2014/05/27	30 000	33	no	no	30 033
Nedbank	6	Fixed Deposit	Fixed	5.30%	n/a	n/a	2014/05/06	10 000	1	no	no	10 001
Standard Bank	57	Fixed Deposit	Fixed	5.59%	n/a	n/a	2014/05/15	20 000	92	no	no	20 092
Standard Bank	50	Fixed Deposit	Fixed	5.69%	n/a	n/a	2014/05/15	50 000	234	no	no	50 234
Standard Bank	37	Fixed Deposit	Fixed	5.64%	n/a	n/a	2014/05/15	40 000	142	no	no	40 142
Standard Bank	44	Fixed Deposit	Fixed	5.60%	n/a	n/a	2014/05/23	30 000	101	no	no	30 101
Standard Bank	43	Fixed Deposit	Fixed	5.69%	n/a	n/a	2014/05/23	15 000	49	no	no	15 049
Standard Bank	38	Fixed Deposit	Fixed	5.68%	n/a	n/a	2014/05/23	60 000	149	no	no	60 149
Standard Bank	41	Fixed Deposit	Fixed	5.67%	n/a	n/a	2014/05/27	75 000	175	no	no	75 175
Standard Bank	28	Fixed Deposit	Fixed	5.54%	n/a	n/a	2014/05/27	100 000	30	no	no	100 030
Standard Bank	6	Fixed Deposit	Fixed	5.23%	n/a	n/a	2014/05/06	40 000	6	no	no	40 006
ABSA Bank call				5.30%			1900/01/00	321 936	31 953			353 889
Investec Call				5.30%			1900/01/00	60 000	335			60 335
ABSA current account				5.10%			1900/01/00	60 000	155			60 155
Fund Managers							1900/01/00	4 929 674	26 353			4 956 027
Municipality sub-total								**6 904 610**				**6 968 574**

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2014/15 medium-term capital programme:

Table 44 Sources of capital revenue over the MTREF

Vote Description	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework					
R thousand	Adjusted Budget	%	Budget Year 2014/15	%	Budget Year +1 2015/16	%	Budget Year +2 2016/17	%
Funded by:								
National Government	2 501 455		2 515 669		2 272 682		2 236 316	
Provincial Government	357 962		292 065		87 240		120 295	
Other transfers and grants	1 100		2 100		–		–	
Transfers recognised - capital	**2 860 517**	**51.0%**	**2 809 834**	**45.2%**	**2 359 922**	**41.7%**	**2 356 611**	**43.0%**
Public contributions & donations	52 025	0.9%	73 019	1.2%	96 300	1.7%	100 300	1.8%
Borrowing	2 036 433	36.3%	2 350 301	37.8%	2 555 179	45.1%	2 387 773	43.6%
Internally generated funds	657 413	11.7%	978 161	15.7%	654 206	11.5%	629 783	11.5%
Total Capital Funding	**5 606 388**	**100.0%**	**6 211 315**	**100.0%**	**5 665 607**	**100.0%**	**5 474 467**	**100.0%**

The above table is graphically represented as follows for the 2014/15 financial year:

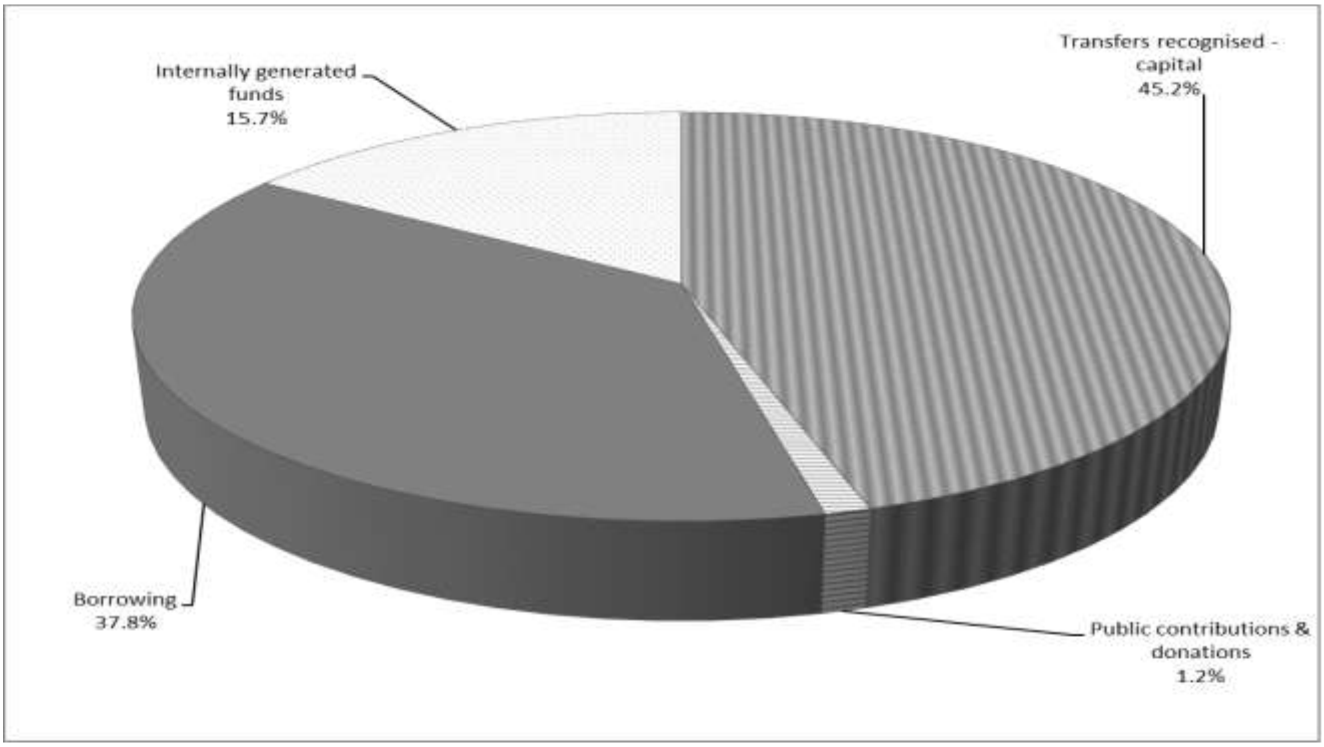


Figure 17 Sources of capital revenue for the 2014/15 financial year

Grants from national and provincial governments as well as other external sources still remain a significant funding source for the 2014/15 - 2016/17 capital budget. Transfers recognised - capital represents R2 810 million in 2014/15, R2 360 million in 2015/16 and R2 357 million in 2016/17, decreases from 45.2% to 43% as a percentage of the total capital budget over the MTREF period. Borrowing continues to be a major source of funding of the 2014/15 - 2016/17 capital budget. The borrowing amount reflected in the table above for the 2014/15 financial year includes certain roll-overs where directorates have already indicated that they will not be able to spend the full 2013/14 budgetary allocation by year-end. The additional amount has however been included during the modelling phase of the MTREF.

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

Table 45 MBRR SA17 - Detail of borrowing

Borrowing - Categorised by type	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Long-Term Loans (annuity/reducing balance)	–	–	–	1 649 960	1 649 960	1 649 960	–	–	–
Long-Term Loans (non-annuity)	1 140 138	972 687	2 736 238	643 366	643 366	643 366	2 202 043	1 832 745	1 589 614
Local registered stock	6 800	6 800	–	–	–	–	–	–	–
Marketable Bonds	4 196 898	4 196 934	4 200 000	4 200 001	4 200 001	4 200 001	6 367 982	8 369 398	10 675 001
Total Borrowing	**5 343 836**	**5 176 421**	**6 936 238**	**6 493 327**	**6 493 327**	**6 493 327**	**7 902 043**	**9 032 745**	**9 789 614**

The following graph illustrates the growth in outstanding borrowing for the 2010/11 to 2016/17 period.

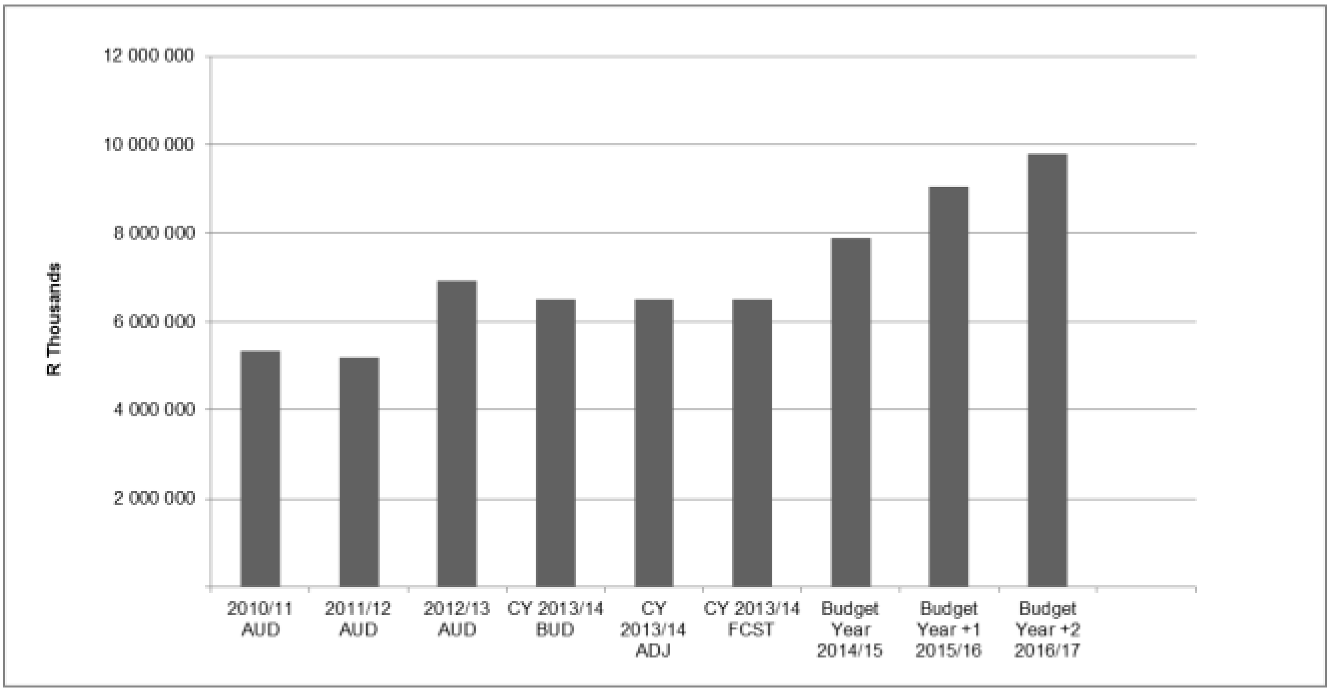


Figure 18 Growth in outstanding borrowings (long-term liabilities)

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

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

- previous years' accumulated surpluses;
- contributions made to a Capital Replacement Reserve (CRR) in the previous year's operating budget; and
- Bulk Infrastructure Contribution Levies already collected.

The levels of contributions made to the CRR on the previous year's operating budget are considered within the MTREF process to determine affordability and sustainability. Internally generated funds amount to R978 million, R654 million and R629 million respectively, over the MTREF.

The percentage of internally generated funds in relation to the total annual budget slightly decreases from 15.7% in 2014/15, 11.5% in 2015/16 and 11.5% in 2016/17.

Table 46 MBRR Table SA18 - Capital transfers and grant receipts

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital Transfers and Grants									
National Government:	**865 986**	**2 432 846**	**2 350 682**	**2 191 297**	**2 501 455**	**2 506 510**	**2 515 669**	**2 272 682**	**2 236 316**
Department of Environmental Affairs & Tourism: Marine & Coastal Management	6	–	–	–	–	–	–	–	–
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	6 577	–	–	–	–	–	–	–	–
Mineral Energy: Energy Efficiency and Demand Side Management Grant	–	–	–	9 020	14 020	14 020	9 100	13 800	13 800
Minerals and Energy: Electricity Demand Side Management (Eskom) Grant	17 010	34 093	–	–	–	–	–	–	–
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	4 434	4 386	–	24 500	24 500	24 500	5 000	8 000	10 000
National Government - Other: Previous years' Dora allocations	64	–	–	200	100	100	200	–	–
National Treasury: Expanded Public Works Programme	–	–	–	100	412	412	400	–	–
National Treasury: Infrastructure Skills Development Grant	–	–	–	–	100	100	–	–	–
National Treasury: Intergrated City Development Grant	–	–	–	–	–	–	57 171	–	–
National Treasury: Local Government Financial Management Grant	1 776	90	–	–	869	869	–	–	–
National Treasury: Local Government Restructuring Grant	6 931	–	–	–	–	–	–	–	–
National Treasury: Municipal Disaster Grant	–	–	–	–	–	5 054	–	–	–
National Treasury: Municipal Human Settlements Capacity Grant	–	–	–	–	–	–	500	–	–
National Treasury: Neighbourhood Development Partnership Grant	47 141	73 001	30 000	30 000	42 435	42 435	35 470	10 000	–
National Treasury: Other	3 980	–	–	17 443	16 052	16 052	1 902	–	–
National Treasury: Urban Settlements Development Grant	–	800 786	971 980	1 079 792	1 183 598	1 183 598	1 244 737	1 336 882	1 295 675
Provincial and Local Government: Municipal Infrastructure Grant (MIG Cities)	247 294	–	–	–	–	–	–	–	–
Sport & Recreation SA: 2010 Fifa Word Cup Stadiums Development Grant	57 997	–	–	–	4 141	4 141	–	–	–
Sport Recreation: 2014 African Nation Championship Host City Operating Grant	–	–	1 348 702	4 000	4 000	4 000	–	–	–
Transport: Public Transport Infrastructure & Systems Grant	472 777	1 520 491	–	–	184 987	184 987	2 000	–	–
Transport: Public Transport Infrastructure Grant	–	–	–	946 241	946 241	946 241	1 159 140	900 000	912 841
Transport: Public Transport Network Operations Grant	–	–	–	80 000	80 000	80 000	50	4 000	4 000
Provincial Government:	**304 847**	**208 457**	**1 415**	**343 761**	**357 962**	**358 162**	**292 065**	**87 240**	**120 295**
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	103	–	–	874	874	874	250	–	–
Cultural Affairs and Sport: Library Services (Conditional Grant)	9 756	5 500	–	1 350	2 787	2 787	10 200	1 000	–
Economic Development and Tourism: False Bay Ecology	–	–	–	–	1 093	1 093	–	–	–
Economic Development and Tourism: Public Access Centres	–	–	–	–	–	–	2 350	–	–
Health: Global Fund	211	300	–	–	–	–	–	–	–
Housing: Integrated Housing and Human Settlement Development Grant	266 745	199 289	–	319 388	315 556	315 556	263 029	73 650	115 000
Housing: Previous' years allocations	–	–	–	5 000	5 000	5 000	–	–	–
Housing: Previous years' Gazetted allocations	194	–	–	–	–	–	–	–	–
Local Government: Multi-Purpose Centres	8	500	–	–	–	–	–	–	–
Other: Other	–	–	–	740	740	740	–	–	–
Provincial Government: Community Development Workers (CDW) Operational Grant Support	–	–	–	–	–	–	300	292	295
Provincial Government: Fibre Optic Broadband Roll Out	–	–	–	10 000	5 000	5 000	10 702	7 298	–
Provincial Government: Western Cape Education Department	–	–	–	–	–	200	–	–	–
Transport: Municipal Land Transport Fund	–	–	–	5 000	–	5 000	–	–	–
Transport and Public Works: Cape Metropolitan Transport Fund	27 830	–	–	1 409	5 000	20 589	–	–	–
Transport and Public Works: Other	–	2 869	–	–	20 589	1 322	234	–	–
Transport and Public Works: Planning, Maintenance and Rehabilitation of Transport System and Infratructure	–	–	–	–	1 322	–	5 000	5 000	5 000
Health: Iuvuyo Clinic Extension	–	–	1 415	–	–	–	–	–	–
Other grant providers:	**49 210**	**36 331**	**32 462**	**48 250**	**53 125**	**53 125**	**75 119**	**96 300**	**100 300**
Other: Other	49 210	36 331	32 462	48 250	53 125	53 125	75 119	96 300	100 300
Total Capital Transfers and Grants	**1 220 043**	**2 677 634**	**2 384 559**	**2 583 308**	**2 912 542**	**2 917 796**	**2 882 853**	**2 456 222**	**2 456 911**

2.6.3 Cash Flow Management

Table 47 MBRR Table A7 - Budgeted cash flow statement

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	16 463 076	18 601 603	18 963 843	21 960 571	21 767 279	21 767 279	23 306 935	25 026 203	27 071 687
Government - operating	1 385 536	1 626 991	1 979 795	2 595 904	2 603 047	2 603 047	3 498 169	4 005 459	4 446 242
Government - capital	1 173 315	2 130 844	3 414 645	2 583 308	2 889 753	2 889 753	2 882 853	2 456 222	2 456 911
Interest	503 857	563 873	592 319	403 422	282 078	282 078	275 762	315 281	351 283
Dividends	–	–	–	–	–	–	–	–	–
Payments									
Suppliers and employees	(15 163 792)	(17 019 721)	(18 797 472)	(22 346 653)	(22 153 411)	(22 153 411)	(23 514 982)	(25 907 036)	(28 040 446)
Finance charges	(717 475)	(661 761)	(646 211)	(749 449)	(749 563)	(749 563)	(829 746)	(1 062 289)	(1 301 246)
Transfers and Grants	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**3 644 517**	**5 241 829**	**5 506 919**	**4 447 103**	**4 639 183**	**4 639 183**	**5 618 991**	**4 833 841**	**4 984 431**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	63 278	45 983	93 472	69 000	0	0	40 167	24 816	26 156
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	1 819	15 633	(3 125)	–	–	–	(4 829)	(4 588)	(4 358)
Decrease (increase) in non-current investments	(1 962 720)	(1 922)	(42 313)	–	–	–	(379 999)	(19 999)	–
Payments									
Capital assets	(2 857 821)	(4 233 162)	(5 868 809)	(5 178 063)	(5 536 736)	(5 536 736)	(6 133 477)	(5 601 948)	(5 413 057)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(4 755 444)**	**(4 173 468)**	**(5 820 775)**	**(5 109 063)**	**(5 536 736)**	**(5 536 736)**	**(6 478 138)**	**(5 601 719)**	**(5 391 259)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	2 384 420	–	–	–	1 500 000	1 500 000	1 000 000
Increase (decrease) in consumer deposits	4 332	41 818	33 273	–	–	–	33 904	37 294	41 024
Payments									
Repayment of borrowing	(253 327)	(198 354)	(165 311)	(598 143)	(598 143)	(598 143)	(309 853)	(285 598)	(407 882)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(248 995)**	**(156 536)**	**2 252 382**	**(598 143)**	**(598 143)**	**(598 143)**	**1 224 051**	**1 251 697**	**633 142**
NET INCREASE/ (DECREASE) IN CASH HELD	**(1 359 922)**	**911 825**	**1 938 526**	**(1 260 103)**	**(1 495 696)**	**(1 495 696)**	**364 904**	**483 819**	**226 313**
Cash/cash equivalents at the year begin:	**6 609 303**	**5 249 381**	**6 161 206**	**7 539 097**	**8 099 366**	**8 099 366**	**6 603 670**	**6 968 574**	**7 452 393**
Cash/cash equivalents at the year end:	**5 249 381**	**6 161 206**	**8 099 732**	**6 278 994**	**6 603 670**	**6 603 670**	**6 968 574**	**7 452 393**	**7 678 706**

The above table shows the cash and cash equivalents of the City with the approved 2014/15 to 2016/17 MTREF. For the 2014/15 MTREF, the budget has been prepared to ensure sufficient levels of cash and cash equivalents over the medium-term with cash levels anticipated to exceed R6 968 million by 2014/15 and steadily increasing to R7 678 million by 2016/17.

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

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

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

A surplus would indicate the cash-backed accumulated surplus that was/is available. A shortfall (applications > cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected.

Table 48 MBRR Table A8 - Cash backed reserves / accumulated surplus reconciliation

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash and investments available									
Cash/cash equivalents at the year end	5 249 381	6 161 206	8 099 732	6 278 994	6 603 670	6 603 670	6 968 574	7 452 393	7 678 706
Other current investments > 90 days	48 472	50 013	61 258	(78 040)	(77 424)	(77 424)	(1 605 640)	(1 610 810)	(1 616 605)
Non current assets - Investments	150 245	150 260	173 425	1 203 274	1 203 274	1 203 274	1 682 069	1 981 794	2 180 301
Cash and investments available:	**5 448 098**	**6 361 479**	**8 334 415**	**7 404 228**	**7 729 520**	**7 729 520**	**7 045 003**	**7 823 377**	**8 242 402**
Application of cash and investments									
Unspent conditional transfers	1 108 680	1 665 752	858 556	1 826 081	1 820 627	1 820 627	996 885	1 057 081	1 129 619
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	426 030	350 575	350 575	(70 930)	(78 023)	(85 825)
Other working capital requirements	(468 677)	(229 028)	486 502	219 980	(902 152)	(902 152)	(660 504)	(682 537)	(806 384)
Other provisions	–	–	–	2 741 800	4 006 969	4 006 969	444 665	489 132	538 045
Long term investments committed	–	–	–	1 203 274	1 203 274	1 203 274	1 682 069	1 941 794	2 180 301
Reserves to be backed by cash/investments	539 070	521 463	2 297 820	731 198	1 001 996	1 001 996	1 987 628	2 139 286	2 172 028
Total Application of cash and investments:	**1 179 073**	**1 958 187**	**3 642 878**	**7 148 363**	**7 481 289**	**7 481 289**	**4 379 813**	**4 866 733**	**5 127 784**
Surplus(shortfall)	**4 269 025**	**4 403 292**	**4 691 537**	**255 865**	**248 231**	**248 231**	**2 665 190**	**2 956 644**	**3 114 618**

From the above table it can be seen that the cash and investments available total R7 045 million in 2014/15 and progressively increases to R8 242 million by 2016/17, including the projected cash and cash equivalents as determined in the cash flow forecast.

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

- Unspent conditional transfers (grants)
  These represent amounts rolled over relating mainly to existing multi-year projects (e.g. IRT).
- Unspent borrowing
  There is no unspent borrowing from previous years. A significant portion of the capital expenditure earmarked to be funded via borrowings has been funded from accumulated surpluses.
- Provisions for statutory requirements
  This is the amount by which input VAT claimable is expected to exceed output VAT payable at year end.
- Other working capital
  This is a formula driven calculation and we are in agreement with the method of calculation.
- Other provisions
  This amount reflects the actual cash outflow component only.
- Long term investments committed
  Long term investments consist primarily of the sinking funds for the repayment of current and future borrowings. This amount is "held to maturity" and is not available for spending.

- Reserves to be backed by cash/investments
  Most reserve fund cash-backing is discretionary in nature, but the reserve funds are not available to support a budget unless they are 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:

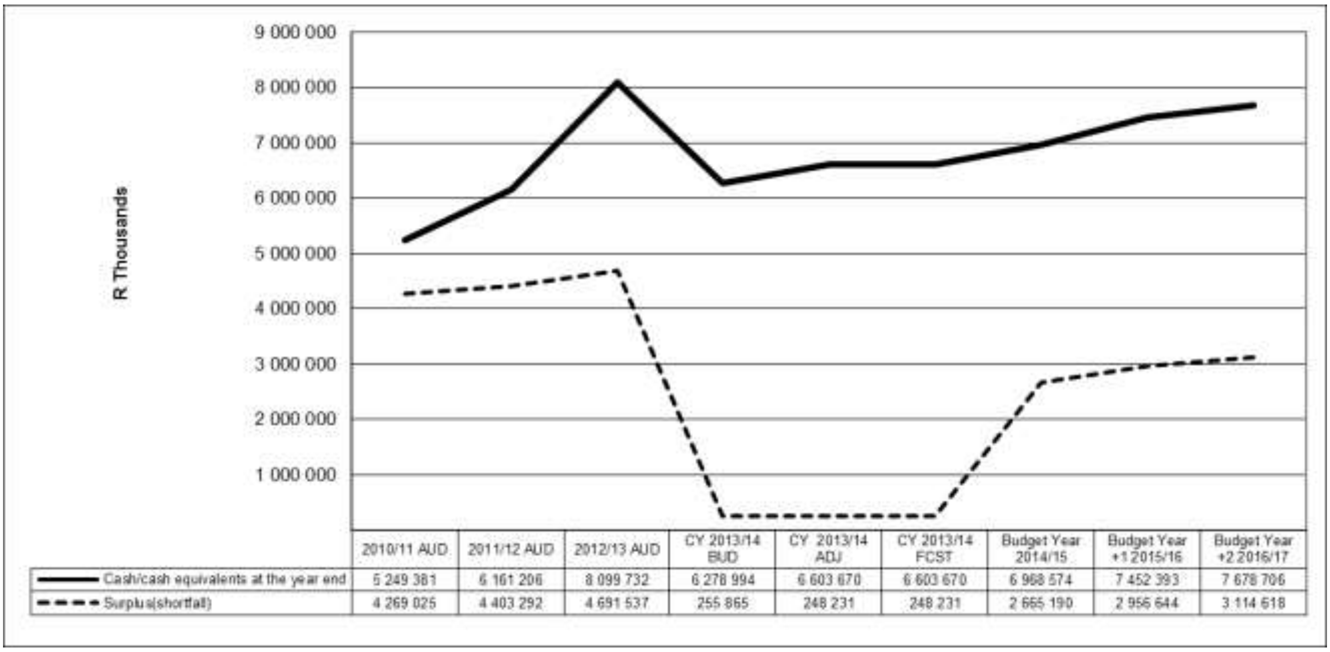


Figure 19 Cash and cash equivalents / cash backed reserves and accumulated funds

2.6.5 Funding Compliance Measurement

Table 49 MBRR Table SA10 - Funding Compliance measurement

Description	MFMA section	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	5 249 381	6 161 206	8 099 732	6 278 994	6 603 670	6 603 670	6 968 574	7 452 393	7 678 706
Cash + investments at the yr end less applications - R'000	18(1)b	4 269 025	4 403 292	4 691 537	255 865	248 231	248 231	2 665 190	2 956 644	3 114 618
Cash year end/monthly employee/supplier payments	18(1)b	3.7	3.8	4.4	3.2	3.4	3.4	3.2	3.1	3.0
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	1 732 180	2 507 284	3 443 726	2 334 315	2 701 109	2 701 109	2 598 469	2 134 084	2 113 878
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	6.3%	3.4%	3.3%	(6.9%)	(6.0%)	1.7%	1.8%	2.5%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	94.3%	95.4%	88.3%	95.7%	95.6%	95.6%	95.3%	95.1%	95.1%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	5.1%	4.8%	5.0%	4.3%	4.4%	4.4%	4.4%	4.6%	4.6%
Capital payments % of capital expenditure	18(1)c;19	100.0%	100.0%	100.0%	95.0%	98.8%	98.7%	98.7%	98.9%	98.9%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	0.0%	97.2%	0.0%	0.0%	0.0%	44.1%	45.4%	32.1%
Grants % of Govt. legislated/gazetted allocations	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	101.0%	99.3%	98.8%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	8.9%	5.0%	2.7%	0.5%	0.0%	5.2%	5.7%	5.7%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(14.0%)	2.4%	(11.8%)	7.7%	0.0%	(5.0%)	(5.0%)	(5.0%)
R&M % of Property Plant & Equipment	20(1)(vi)	7.9%	7.7%	9.6%	9.1%	8.8%	8.8%	8.8%	8.8%	9.0%
Asset renewal % of capital budget	20(1)(vi)	46.9%	51.9%	36.5%	42.3%	41.2%	41.2%	42.5%	38.6%	39.1%

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 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 49 MBRR Table SA10 - Funding Compliance measurement and discussed below:

2.6.5.1 Cash/cash equivalent position

The City reflects a positive increasing cash position over the forecasted 2014/15 MTREF, indicating that the medium term budget is sustainable.

2.6.5.2 Cash plus investment less application of funds

The purpose of this measure is to understand how the 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 2014/15 MTREF which shows that the City is able to afford its commitments over the medium term.

2.6.5.3 Monthly average payments covered by cash or cash equivalents

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 is positive and averages 3.4 over the 2014/15 MTREF which shows that adequate provision in respect of the monthly payment coverage was made. The City's view is that 1.5 month's provision is sufficient, given the City's ability to meet its obligation.

2.6.5.4 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. In respect of this ratio, the City shows a surplus over the 2014/15 MTREF, which means that the forecasted tariffs and taxes are sufficient thereby concluding that the community is making an adequate contribution towards the economic benefits being consumed by the City.

2.6.5.5 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 national inflation targets. This ratio shows 1.7%, 1.8% and 2.5%, for the years 2014/15, 2015/16 and 2016/17 respectively, higher than the NT CPI targets. These higher than CPI increase are due to the various revenue increases applied to service charges and as a result of adjustments to the 2013/14 revenue base of certain services due to in-year performance. The revenue increases applied can be substantiated by motivating the individual services' revenue increase, which is as follows:

- Rates:

In the context of the current environment in which the budget was compiled, the Rates revenue increase was set at 6% plus 0.5% organic growth for 2014/15. Furthermore, the revenue base for Property Rates was increased as a result of the latest projections after the valuation objections were resolved.

- Electricity:

To ensure affordability the electricity revenue parameter was set at 7.63%, 8.50% and 8.75%, respectively, over the 2014/15 MTREF. In addition, 1.75% shrinkage in sales was factored in for 2014/15 and 1% for the two outer years of the MTREF period. The year-on-year increase is lower due to the shrinkage in sales and the revenue base for 2013/14 being adjusted in accordance to actual performance outcome. The higher than CPI increase is mostly attributed to the Eskom increase on bulk purchases, and to accommodate the lower sales income stemming from the current year's performance. It further caters for the continual operating costs of the service and for the investments in new infrastructure.

- Water and Sanitation:

The revenue increase for both water and sanitation is 8% for 2014/15 and averages 10.6% over the two outer years of the MTREF period. In addition an organic growth of 1% was applied over the 2014/15 MTREF. The higher than CPI increase is as a result of the additional cost required to service informal settlements, to keep pace with the demand for maintenance of the current infrastructure, to cater for increased water demand, to ensure compliance to the Waste Water Treatment Works legislation issued by the Department of Water Affairs, the investment in new infrastructure as well as to absorb the cost impact of the lower collection ratio projected for the 2014/15 MTREF.

- Refuse Removal:

A 5.87% revenue parameter was factored in for refuse for 2014/15 and is forecasted to increase by 6.07% and 5.75% respectively for 2015/16 and 2016/17. In addition to the revenue increase a 2% organic growth was factored in over the 2014/15 MTREF. The year on year increase is lower due to the revenue base being adjusted in accordance to actual performance outcome. These higher than CPI increases are required to ensure continued and adequate service delivery and to further improve the standard of refuse removal service.

- Service Charges Other

Other revenue consists of miscellaneous elements and fixed basic charges, which are based on the service charges discussed above that has higher than CPI increases. In addition, contributing to the 32.2% increase from 2013/14 to 2014/15 is the expected increase in IRT revenue, which is as a result of the roll-out of additional routes.

2.6.5.6 Cash receipts as a percentage of ratepayer and other revenue

This is a macro measure of the rate at which funds are 'collected'. The purpose of this measure is to analyse an underlying assumed collection rate. The 2014/15 outcome of this ratio shows 95.3% which is overstated due to certain revenue categories, which are budgeted for at full cost recovery, included in the calculation. The City's forecasted average collection rate for 2014/15 equals 94%. This collection ratio is deemed realistic, due to new initiatives to improve revenue collections.

2.6.5.7 Debt impairment expense as a percentage of billable revenue

To measure 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.

2.6.5.8 Capital payments percentage of capital expenditure

The purpose of this measure is to understand whether the timing of payments is being taken into consideration when forecasting the cash position. A lower than 100% ratio is shown over the forecasted 2014/15 MTREF due to the capital funding source CRR projected at 90% in the cash flow.

2.6.5.9 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 44.1% for 2014/15 and is expected to average 38.7% over the outer years of the MTREF. This ratio shows that the City's borrowing is less than its capital expenditure, therefore sustainable and compliant to the MFMA.

2.6.5.10 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 2014 DORb and 2014 Provincial gazetted allocations.

The outcome of this ratio for the City will not equate to 100%, due to the reasons listed below:

- The budget includes committed unspent grants rolled over from previous years and related interest accrued thereto.
- Funding allocated to the City by the National Department of Environmental Affairs and Tourism, which is not gazetted.

2.6.5.11 Consumer debtors change (current and non-current)

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

2.6.5.12 Long term receivables % change

The purpose of this measure is to ascertain whether budgeted reductions in outstanding debtors are realistic. The actual outcome for this ratio shows a continuous decreasing trend. Furthermore, it remains acceptable and constant over the 2014/15. The continuous decline in this ratio is due to new loans, such as car loans and housing loans, no longer being allowed. Long term receivables are therefore being reduced by an average of 5% annually.

2.6.5.13 *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. It increases by an average of 8.8% over the 2014/15 MTREF and is higher than the National Treasury benchmark of 8%.

2.6.5.14 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. This ratio outcome over the 2014/15 MTREF averages 37.8%. The outcome is distorted and understated, due to the inclusion of mega projects such as IRT and Broadband in the capital budget. Excluding these projects, this ratio exceeds National norm of 40% stated in Circular 55.

2.7 Ward Allocations

In step with previous financial years, it is proposed to allocate budgetary resources for project, programme or other initiatives' application at sub council level. While these resources will be spent by line departments, sub councils identify and recommend Ward Allocations' adoption (following sundry internal line departmental input and liaison) by Mayco and Council.

The total amount available to each ward is R700 000 per year per ward.

A ward allocation project must form part of the core business activities and assets of the lead department and must be aligned with the Service Delivery Business Implementation Plan (SDBIP) of the directorate. The executive directors are responsible for ensuring that all ward allocation projects within their respective directorates are completed during the financial year in respect of which the projects were approved by Council.

2.8 Expenditure on grants and reconciliations of unspent funds

Table 50 MBRR Table SA19 - Expenditure on transfers and grant programmes

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
EXPENDITURE:									
Operating expenditure of Transfers and Grants									
National Government:	**89 546**	**133 238**	**241 703**	**1 743 572**	**1 722 026**	**1 722 026**	**1 919 255**	**2 150 871**	**2 492 781**
Restructuring	1 911	2 244	1 702	3 379	3 379	3 379	1 191	–	–
Finance Management grant	832	1 187	1 075	1 250	530	530	1 250	1 250	1 300
Equitable share	7 528	7 952	8 439	1 248 993	1 245 785	1 245 785	1 503 173	1 796 324	2 025 823
Urban Settlements Development Grant	–	23 244	65 208	113 705	76 174	76 174	114 142	70 000	185 773
Public Transport Network Operations Grant	–	–	128 874	272 521	272 521	272 521	217 498	224 256	221 614
Energy Efficiency and Demand Side Management Grant	27 780	995	1 343	1 980	1 980	1 980	900	1 200	1 200
Dept. of Environ Affairs and Tourism	13 426	193	230	200	5 258	5 258	200	–	–
Housing Accreditation	227	771	123	200	200	200	200	–	–
Epanded Public Works Programme	–	–	29 433	31 980	40 947	40 947	20 804	–	–
Integrated City Development Grant	–	–	–	10 364	10 364	10 364	–	–	–
2014 African Nations Championship Host City Operating Grant	–	–	–	59 000	59 000	59 000	–	–	–
Public Transport Infrastructure & Systems Grant	31 885	87 809	–	–	4 452	4 452	7 726	3 244	–
Natural Resource Management	–	–	5 276	–	–	–	–	–	–
Infrastructure Skills Development	–	–	–	–	900	900	2 300	4 226	6 700
LGSETA	250	237	–	–	536	536	–	–	–
National Treasury: Neighbourhood Development Partnership Grant	–	1 199	–	–	–	–	–	–	–
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	3 227	7 407	–	–	–	–	–	–	–
Municipal Infrastructure grant	2 479	–	–	–	–	–	–	–	–
Municipal Human Settlements Capacity Grant	–	–	–	–	–	–	49 871	50 371	50 371
Provincial Government:	**314 627**	**374 395**	**501 570**	**844 953**	**858 207**	**858 207**	**1 542 400**	**1 835 966**	**1 952 261**
Cultural Affairs and Sport - Provincial library Services	14 194	16 334	22 470	24 409	22 009	22 009	30 735	32 337	35 053
Human Settlements - Human Settlement Development Grant	148 491	179 565	267 244	436 831	440 663	440 663	1 097 130	1 369 164	1 490 936
Human Settlements - Municipal Accreditation Assistance	251	–	3 255	10 000	10 000	10 000	–	–	–
Human Settlement - Settlement Assistance	676	–	529	1 000	1 000	1 000	1 000	1 000	1 000
Health - TB	12 431	9 492	9 934	11 207	11 207	11 207	17 206	18 438	19 525
Health - Global Fund	19 031	17 920	3 791	34 753	36 323	36 323	37 555	34 408	–
Health - ARV	52 362	65 450	24 623	77 627	88 729	88 729	109 589	118 089	128 089
Health - Nutrition	3 454	4 019	4 140	4 400	4 400	4 400	4 636	4 920	5 212
Health - Vaccines	56 974	71 476	65 163	79 995	74 264	74 264	70 956	75 295	79 734
Comprehensive Health	–	–	70 983	147 132	147 132	147 132	155 960	165 318	175 062
Transport and Public Works - Provision for persons with special needs	4 182	–	18 702	10 000	11 896	11 896	10 000	10 000	10 000
Municipal Land Transport Fund	–	–	10 736	5 600	5 600	5 600	–	–	–
Transport Safety and Compliance - Rail Safety	–	–	–	2 000	2 000	2 000	500	–	–
Community Development Workers	2 000	160	–	–	984	984	732	797	850
Dept. of Environ Affairs and Tourism	–	–	–	–	2 000	2 000	–	–	–
Fire Fighting Assistance	434	–	–	–	–	–	–	–	–
Local Government: Multi-Purpose Centres	–	322	–	–	–	–	–	–	–
Comprehensive Integrated Transport Plan	–	9 657	–	–	–	–	–	–	–
Other	149	–	–	–	–	–	–	–	–
City of Cape Town - Public access centres	–	–	–	–	–	–	500	–	–
Planning, Maintenance and Rehabilitation of Transport Systems and Infrastructure	–	–	–	–	–	–	5 900	6 200	6 800

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Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Other grant providers:	**17 252**	**23 448**	**6 014**	**7 379**	**23 715**	**23 715**	**35 826**	**18 216**	**1 200**
Tourism	2 083	1 980	552	2 000	2 000	2 000	2 190	2 000	1 000
Carnegie	8 444	2 486	524	1 258	1 664	1 664	3 057	–	–
CMTF	2 513	11 989	–	170	9 140	9 140	9 777	190	200
Other	824	12	–	15	–	–	–	–	–
Mamre Trust	–	–	–	150	–	–	–	–	–
CID	1 992	2 300	2 271	2 905	3 006	3 006	2 969	–	–
Century City Property Owners Association	–	285	409	196	196	196	468	–	–
NGK Ceranuc Company	–	1 068	686	686	686	686	–	–	–
Traffic Free Flow (Pty) Ltd	–	630	649	–	1 746	1 746	–	–	–
Finnish Government	–	–	406	–	201	201	–	–	–
City for Climate Protection	–	9	176	–	144	144	–	–	–
ICLEI Carbon Taxes	–	35	6	–	111	111	–	–	–
Mamre Fencing	–	278	–	–	63	63	–	–	–
South African National Biodiversity Institute	85	2 248	334	–	3 047	3 047	482	–	–
Afrikaanse Taal en Kultuur Vereniging	–	–	–	–	5	5	–	–	–
DBSA - Green Fund	–	–	–	–	–	–	10 000	15 000	–
Stellenbosch University	–	–	–	–	1 283	1 283	1 781	1 026	–
Sustainable Energy Africa	–	–	–	–	424	424	424	–	–
Table Mountain Biosphere	68	129	–	–	–	–	–	–	–
Sunwest International	350	–	–	–	–	–	–	–	–
MSF Funding	457	–	–	–	–	–	–	–	–
Baboon Management	300	–	–	–	–	–	–	–	–
University of Columbia	100	–	–	–	–	–	–	–	–
Neil DESAI Skills Development Project	37	–	–	–	–	–	–	–	–
Agency Francaise de Development (AFD)	–	–	–	–	–	–	4 679	–	–
Total operating expenditure of Transfers and Grants	**421 425**	**531 082**	**749 287**	**2 595 904**	**2 603 947**	**2 603 947**	**3 497 481**	**4 005 052**	**4 446 242**
Capital expenditure of Transfers and Grants									
National Government:	**865 987**	**1 717 564**	**3 056 018**	**2 191 297**	**2 501 455**	**2 506 510**	**2 515 669**	**2 272 682**	**2 236 316**
Department of Environmental Affairs & Tourism: Marine & Coastal Management	6	–	–	–	–	–	–	–	–
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	6 577	295	(44)	–	–	–	–	–	–
Mineral Energy: Energy Efficiency and Demand Side Management Grant	–	–	–	9 020	14 020	14 020	9 100	13 800	13 800
Minerals and Energy: Electricity Demand Side Management (Eskom) Grant	17 010	28 962	5 287	–	–	–	–	–	–
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	4 434	3 551	–	24 500	24 500	24 500	5 000	8 000	10 000
National Government - Other: Previous years' Dora allocations	64	1 400	609	200	100	100	200	–	–
National Treasury: Expanded Public Works Programme	–	–	–	100	412	412	400	–	–
National Treasury: Infrastructure Skills Development Grant	–	–	–	–	100	100	–	–	–
National Treasury: Intergrated City Development Grant	–	–	–	–	–	–	57 171	–	–
National Treasury: Local Government Financial Management Grant	1 777	90	–	–	869	869	–	–	–
National Treasury: Local Government Restructuring Grant	6 931	962	200	–	–	–	–	–	–
National Treasury: Municipal Disaster Grant	–	–	–	–	–	5 054	–	–	–
National Treasury: Municipal Human Settlements Capacity Grant	–	–	–	–	–	–	500	–	–
National Treasury: Neighbourhood Development Partnership Grant	47 141	88 990	48 361	30 000	42 435	42 435	35 470	10 000	–
National Treasury: Other	3 980	20 026	9 392	17 443	16 052	16 052	1 902	–	–
National Treasury: Urban Settlements Development Grant	–	729 919	911 363	1 079 792	1 183 598	1 183 598	1 244 737	1 336 882	1 295 675
Provincial and Local Government: Municipal Infrastructure Grant (MIG Cities)	247 294	–	–	–	–	–	–	–	–
Sport & Recreation SA: 2010 Fifa Word Cup Stadiums Development Grant	57 997	1 158	2 517	–	4 141	4 141	–	–	–
Sport Recreation: 2014 African Nation Championship Host City Operating Grant	–	–	–	4 000	4 000	4 000	–	–	–
Transport: Public Transport Infrastructure & Systems	472 777	842 211	2 078 333	–	184 987	184 987	2 000	–	–
Transport: Public Transport Infrastructure Grant	–	–	–	946 241	946 241	946 241	1 159 140	900 000	912 841
Transport: Public Transport Network Operations Grant	–	–	–	80 000	80 000	80 000	50	4 000	4 000

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Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Provincial Government:	**304 847**	**335 474**	**358 628**	**343 761**	**357 962**	**358 162**	**292 065**	**87 240**	**120 295**
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	103	–	–	874	874	874	250	–	–
Cultural Affairs and Sport: Library Services (Conditional Grant)	9 756	5 500	2 654	1 350	2 787	2 787	10 200	1 000	–
Economic Development and Tourism: False Bay Ecology	–	–	11	–	1 093	1 093	–	–	–
Economic Development and Tourism: Public Access	–	–	–	–	–	–	2 350	–	–
Health: Global Fund	211	1 297	–	–	–	–	–	–	–
Housing: Integrated Housing and Human Settlement Development Grant	266 745	316 391	321 652	319 388	315 556	315 556	263 029	73 650	115 000
Housing: Previous' years allocations	–	–	–	5 000	5 000	5 000	–	–	–
Housing: Previous years' Gazetted allocations	194	66	–	–	–	–	–	–	–
Local Government: Multi-Purpose Centres	8	8	–	–	–	–	–	–	–
Other: Other	–	–	488	740	740	740	–	–	–
Provincial Government: Community Development Workers (CDW) Operational Grant Support	–	–	–	–	–	–	300	292	295
Provincial Government: Fibre Optic Broadband Roll Out	–	–	–	10 000	5 000	5 000	10 702	7 298	–
Provincial Government: Western Cape Education Department	–	–	–	–	–	200	–	–	–
Transport: Municipal Land Transport Fund	–	–	–	5 000	–	5 000	–	–	–
Transport and Public Works: Cape Metropolitan Transport Fund	27 830	9 343	31 841	1 409	5 000	20 589	–	–	–
Transport and Public Works: Other	–	2 869	277	–	20 589	1 322	234	–	–
Transport and Public Works: Planning, Maintenance and Rehabilitation of Transport System and Infratructure	–	–	–	–	1 322	–	5 000	5 000	5 000
Health: Iuvuyo Clinic Extension	–	–	1 375	–	–	–	–	–	–
Transport and Public Works - Provision for persons with special needs	–	–	261	–	–	–	–	–	–
ABET adult Education	–	–	9	–	–	–	–	–	–
Transport and Public Works: Implementation of Impoundment Facilities	–	–	60	–	–	–	–	–	–
Other grant providers:	**49 210**	**52 947**	**35 074**	**48 250**	**53 125**	**53 125**	**75 119**	**96 300**	**100 300**
Other: Other	49 210	52 947	35 074	48 250	53 125	53 125	75 119	96 300	100 300
Total capital expenditure of Transfers and Grants	**1 220 044**	**2 105 985**	**3 449 720**	**2 583 308**	**2 912 542**	**2 917 796**	**2 882 853**	**2 456 222**	**2 456 911**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**1 641 468**	**2 637 067**	**4 199 007**	**5 179 212**	**5 516 489**	**5 521 744**	**6 380 334**	**6 461 274**	**6 903 153**

2.9 Allocations and grants made by the municipality

Transfers and Grants are allocations of funds, from the City's approved budget, to outside organisations or bodies. These allocations are gratuitous or unrequited transfers by the City to the grantee organisations and are not payments made in compliance with any commercial or other business transaction. All transfers and grants are disbursed in terms of section 67 of the Municipal Finance Management Act. All applications in respect of grant-in-aid funds are approved by the City's Grants Committee or by the Section 80 Special Events Committee.

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

The Section 80 Special Events Committee was established in March 2013 to facilitate the selection of events that the Council wishes to support in terms of the Integrated Development Plan (IDP) and Council's Events Policy. The Committee is chaired by the MAYCO member for Tourism, Events and Marketing and includes the following members: Executive Mayor, Deputy Mayor, MAYCO Member: Safety and Security, MAYCO Member: Transport, Roads and Stormwater.

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

Full disclosure on allocations and grants made by the City can be found in Annexure 11.

2.10 Councillor and employee benefits

Table 51 MBRR Table SA22 – Summary of councillor and staff benefits

Summary of Employee and Councillor remuneration	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	54 299	74 370	98 484	115 515	115 515	115 515	115 624	123 256	131 144
Pension and UIF Contributions	6 908	4 067	4 488		–	–	–	–	–
Medical Aid Contributions	–	–	–		–	–	–	–	–
Motor Vehicle Allowance	–	–	–		–	–	–	–	–
Cellphone Allowance	–	10 427	–		–	–	–	–	–
Housing Allowances	–	–	–		–	–	–	–	–
Other benefits and allowances	27 414	8 908	8 701	8 206	8 206	8 206	17 994	19 182	20 409
Sub Total - Councillors	**88 621**	**97 772**	**111 673**	**123 721**	**123 721**	**123 721**	**133 618**	**142 438**	**151 553**
% increase	**–**	**10.3%**	**14.2%**	**10.8%**	**–**	**–**	**8.0%**	**6.6%**	**6.4%**
Senior Managers of the Municipality						–			
Basic Salaries and Wages	12 083	12 962	17 631	19 060	19 060	19 060	21 182	23 025	24 959
Pension and UIF Contributions	1 670	1 308	1 273	3 729	3 729	3 729	1 392	1 513	1 640
Medical Aid Contributions	–	239	237	265	265	265	234	254	275
Overtime	–	–	–		–	–	–	–	–
Performance Bonus	3 429	1 003	145		–	–	–	–	–
Motor Vehicle Allowance	696	627	431	420	420	420	567	617	669
Cellphone Allowance	–	166	137	102	102	102	179	195	211
Housing Allowances	–	–	–		–	–	–	–	–
Other benefits and allowances	43	978	287	74	74	74	88	95	103
Payments in lieu of leave	–	–	–		–	–	–	–	–
Long service awards	–	–	–		–	–	–	–	–
Post-retirement benefit obligations	–	–	–		–	–	–	–	–
Sub Total - Senior Managers of Municipality	**17 921**	**17 283**	**20 141**	**23 650**	**23 650**	**23 650**	**23 642**	**25 699**	**27 857**
% increase		**(3.6%)**	**16.5%**	**17.4%**	**–**	**–**	**(0.0%)**	**8.7%**	**8.4%**
Other Municipal Staff						–			
Basic Salaries and Wages	3 848 840	4 347 540	4 634 751	5 653 862	5 643 792	5 621 148	6 173 630	6 682 918	7 210 856
Pension and UIF Contributions	617 670	672 305	753 113	996 761	993 703	993 294	1 089 465	1 184 719	1 284 236
Medical Aid Contributions	352 131	397 212	439 337	483 170	483 170	483 170	562 394	611 368	662 723
Overtime	277 175	310 205	328 082	302 073	302 327	305 127	328 224	359 769	389 990
Performance Bonus	–	–	–		–	–	–	–	–
Motor Vehicle Allowance	167 143	176 258	180 012	193 218	193 592	194 062	180 604	195 590	212 020
Cellphone Allowance	12 388	12 682	13 230	13 929	13 938	13 941	13 746	14 790	16 033
Housing Allowances	31 315	31 061	29 266	28 176	28 176	28 176	26 534	28 848	31 272
Other benefits and allowances	131 273	154 056	172 265	222 484	201 484	201 489	194 824	210 825	228 534
Payments in lieu of leave	58 258	84 554	76 816	130 297	130 279	130 079	100 550	108 934	118 084
Long service awards	8 156	436	73 013	49 059	49 059	49 038	66 265	72 030	78 080
Post-retirement benefit obligations	601 498	712 420	495 852	156 778	156 778	156 778	171 715	181 331	191 123
Sub Total - Other Municipal Staff	**6 105 847**	**6 898 729**	**7 195 737**	**8 229 807**	**8 196 298**	**8 176 302**	**8 907 951**	**9 651 122**	**10 422 951**
% increase		**13.0%**	**4.3%**	**14.4%**	**(0.4%)**	**(0.2%)**	**8.9%**	**8.3%**	**8.0%**
TOTAL SALARY, ALLOWANCES & BENEFITS	**6 212 389**	**7 013 784**	**7 327 551**	**8 377 178**	**8 343 669**	**8 323 673**	**9 065 211**	**9 819 259**	**10 602 361**
% increase		**12.9%**	**4.5%**	**14.3%**	**(0.4%)**	**(0.2%)**	**8.9%**	**8.3%**	**8.0%**
TOTAL MANAGERS AND STAFF	**6 123 768**	**6 916 012**	**7 215 878**	**8 253 457**	**8 219 948**	**8 199 952**	**8 931 593**	**9 676 821**	**10 450 808**

Table 52 MBRR Table SA23 - Salaries, allowances and benefits (political office bearers / councillors / senior officials) for 2014/15

Disclosure of Salaries, Allowances & Benefits Rand per annum	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Councillors							
Speaker	1	1 012 309	–	24 045			1 036 354
Chief Whip	1	949 038	–	24 045			973 083
Executive Mayor	1	1 265 385	–	48 192			1 313 577
Deputy Executive Mayor	1	1 033 973	–	24 045			1 058 018
Executive Committee	10	9 490 380	–	240 451			9 730 831
Total for all other councillors	207	101 873 330	–	17 633 515			119 506 845
Total Councillors	**221**	**115 624 415**	**–**	**17 994 293**			**133 618 708**
Senior Managers of the Municipality							
Municipal Manager (MM)	1	1 980 825	315 440	13 800			2 310 065
Chief Finance Officer	1	1 469 350	222 978	94 800			1 787 128
Executive Director: City Health	1	1 490 476	190 595	79 837			1 760 908
Executive Director: Community Services	1	1 467 179	222 149	97 800			1 787 128
Executive Director: Compliance & Auxiliary	1	1 745 201	1 907	13 800			1 760 908
Executive Director: Corporate Services	1	1 745 201	1 907	13 800			1 760 908
Executive Director: Economic, Environment & Spatial Planning	1	1 724 930	48 398	13 800			1 787 128
Executive Director: Human Settlements	1	1 565 251	208 077	13 800			1 787 128
Executive Director: Safety & Security	1	1 469 838	208 077	109 213			1 787 128
Executive Director: Social & Early Childhood Development	1	1 362 613	251 519	146 776			1 760 908
Executive Director: Tourism, Events and Marketing	1	1 771 421	1 907	13 800			1 787 128
Executive Director: Transport for Cape Town	1	1 771 421	1 907	13 800			1 787 128
Executive Director: Utility Services	1	1 618 600	37 904	121 800			1 778 304
Total Senior Managers of the Municipality	**13**	**21 182 306**	**1 712 765**	**746 826**			**23 641 897**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	**234**	**136 806 721**	**1 712 765**	**18 741 119**			**157 260 605**

Table 53 MBRR Table SA24 - Summary of personnel numbers

Summary of Personnel Numbers	2012/13			Current Year 2013/14			Budget Year 2014/15		
Number	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	221	–	221	221	–	221	221	–	221
Board Members of municipal entities	–	–	–	–	–	–	–	–	–
Municipal employees									
Municipal Manager and Senior Managers	13	–	13	13	–	13	13	–	13
Other Managers	753	682	71	745	730	15	816	798	18
Professionals	*2 046*	*1 961*	*85*	*1 341*	*1 230*	*111*	*978*	*967*	*11*
Finance	246	241	5	131	129	2	85	84	1
Spatial/town planning	25	25	–	21	19	2	75	75	–
Information Technology	151	150	1	80	79	1	69	69	–
Roads	88	85	3	60	56	4	42	42	–
Electricity	140	138	2	113	110	3	103	103	–
Water	142	140	2	93	93	–	117	117	–
Sanitation	51	51	–	51	51	–	6	6	–
Refuse	49	48	1	13	12	1	–	–	–
Other	1 154	1 083	71	779	681	98	481	471	10
Technicians	*2 330*	*2 173*	*157*	*2 492*	*2 286*	*206*	*3 143*	*2 889*	*254*
Finance	64	63	1	62	60	2	106	105	1
Spatial/town planning	3	3	–	6	6	–	179	179	–
Information Technology	108	108	–	148	148	–	166	159	7
Roads	44	44	–	43	43	–	52	51	1
Electricity	223	222	1	220	219	1	231	230	1
Water	157	157	–	158	158	–	273	262	11
Sanitation	27	27	–	30	30	–	50	50	–
Refuse	47	47	–	45	45	–	–	–	–
Other	1 657	1 502	155	1 780	1 577	203	2 086	1 853	233
Clerks (Clerical and administrative)	6 063	5 754	309	6 149	5 896	253	6 175	6 035	140
Service and sales workers	2 958	2 773	185	3 093	2 912	181	3 704	3 041	663
Skilled agricultural and fishery workers	–	–	–	–	–	–	–	–	–
Craft and related trades	2 169	2 164	5	2 207	2 201	6	2 469	2 298	171
Plant and Machine Operators	3 170	3 156	14	3 240	3 229	11	3 260	3 235	25
Elementary Occupations	6 159	5 982	177	5 957	5 841	116	5 907	5 791	116
TOTAL PERSONNEL NUMBERS	**25 882**	**24 645**	**1 237**	**25 458**	**24 325**	**1 133**	**26 686**	**25 054**	**1 632**
% increase	**–**	**–**	**–**	**(1.6%)**	**(1.3%)**	**(8.4%)**	**4.8%**	**3.0%**	**44.0%**
Total municipal employees headcount									
Finance personnel headcount	**1 650**	**1 629**	**21**	**1 647**	**1 639**	**8**	**1 704**	**1 698**	**6**
Human Resources personnel headcount	**471**	**459**	**12**	**388**	**378**	**10**	**320**	**311**	**9**

2.11 Monthly targets for revenue, expenditure and cash flow

Table 54 MBRR Table SA25 - Budgeted monthly revenue and expenditure

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source															
Property rates	494 209	494 209	494 209	494 209	494 209	494 209	494 209	494 209	494 209	494 209	494 209	494 209	5 930 513	6 288 572	6 735 054
Property rates - penalties & collection charges	846 503	858 311	883 312	848 852	793 552	780 466	817 203	756 629	871 586	840 491	893 310	(9 190 215)	–	–	–
Service charges - electricity revenue	846 503	858 311	883 312	848 852	793 552	780 466	817 203	756 629	871 586	840 491	893 310	882 049	10 072 265	10 827 685	11 661 417
Service charges - water revenue	211 673	211 673	211 673	211 673	211 673	211 673	211 673	211 673	211 673	211 673	211 673	211 673	2 540 080	2 824 821	3 158 769
Service charges - sanitation revenue	111 517	111 517	111 517	111 517	111 517	111 517	111 517	111 517	111 517	111 517	111 517	111 517	1 338 202	1 489 197	1 666 350
Service charges - refuse revenue	82 493	82 493	82 493	82 493	82 493	82 493	82 493	82 493	82 493	82 493	82 493	82 493	989 912	1 067 418	1 146 988
Service charges - other	26 334	26 773	26 793	26 793	26 793	26 773	27 143	26 793	26 793	26 978	26 813	27 025	321 805	353 181	414 253
Rental of facilities and equipment	29 893	29 893	29 893	29 893	29 893	29 893	29 893	29 893	29 893	29 893	29 893	29 893	358 711	376 887	400 591
Interest earned - external investments	22 980	22 980	22 980	22 980	22 980	22 980	22 980	22 980	22 980	22 980	22 980	22 980	275 762	315 281	351 283
Interest earned - outstanding debtors	17 355	17 355	17 355	17 355	17 355	17 355	17 355	17 355	17 355	17 355	17 355	17 355	208 262	239 426	253 599
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	14 637	14 637	14 637	14 637	14 637	14 637	14 637	14 637	14 637	14 637	14 637	14 637	175 648	185 484	195 500
Licences and permits	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	40 388	52 650	69 953
Agency services	12 537	12 537	12 537	12 537	12 537	12 537	12 537	12 537	12 537	12 537	12 537	12 537	150 439	167 284	187 442
Transfers recognised - operational	695 962	81 219	87 791	96 832	110 149	582 393	82 858	89 710	112 444	169 958	179 416	1 209 436	3 498 169	4 005 459	4 446 242
Other revenue	194 729	194 729	194 729	195 256	194 729	194 729	194 729	195 256	194 729	194 729	194 729	195 256	2 338 330	2 436 694	2 573 032
Gains on disposal of PPE	10 042	10 042	10 042	10 042	10 042	10 042	10 042	10 042	10 042	10 042	10 042	10 042	120 500	74 448	78 468
Total Revenue (excluding capital transfers and contributions)	**3 620 733**	**3 030 044**	**3 086 638**	**3 027 286**	**2 929 477**	**3 375 529**	**2 949 837**	**2 835 719**	**3 087 839**	**3 083 349**	**3 198 281**	**(5 865 747)**	**28 358 984**	**30 704 486**	**33 338 941**

Continues on next page.

Description	Budget Year 2013/14												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
Expenditure By Type															
Employee related costs	723 982	723 832	715 681	716 438	1 052 597	715 502	715 944	712 312	714 809	713 304	714 261	712 931	8 931 593	9 676 821	10 450 808
Remuneration of councillors	11 135	11 135	11 135	11 135	11 135	11 135	11 135	11 135	11 135	11 135	11 135	11 135	133 619	142 438	151 554
Debt impairment	79 211	79 211	79 211	79 211	79 211	79 211	79 211	79 211	79 211	79 211	79 211	79 211	950 533	1 064 031	1 160 370
Depreciation & asset impairment	177 595	177 595	177 595	177 595	177 595	177 595	177 595	177 595	177 595	177 595	177 595	200 795	2 154 335	2 304 813	2 445 758
Finance charges	73 838	73 838	73 838	73 838	73 838	73 838	73 838	73 838	73 838	73 838	73 838	107 009	919 232	1 150 593	1 383 509
Bulk purchases	59 779	874 447	886 530	500 295	490 866	482 573	468 362	478 811	467 556	509 336	480 352	1 351 104	7 050 011	7 610 228	8 225 878
Other materials	27 342	29 107	28 998	32 058	32 204	34 292	30 510	33 770	32 566	33 249	33 480	39 541	387 117	361 765	387 945
Contracted services	156 314	229 523	242 307	280 750	293 225	324 474	244 071	288 813	309 983	332 627	382 272	1 120 678	4 205 036	4 643 095	5 134 994
Transfers and grants	9 271	10 497	9 065	11 362	15 692	9 065	9 756	9 756	9 756	9 756	9 756	11 621	125 354	119 229	121 503
Other expenditure	289 414	343 217	301 662	296 031	297 879	304 197	289 448	299 682	306 799	313 001	315 648	429 558	3 786 538	3 953 609	4 219 656
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure	**1 607 882**	**2 552 403**	**2 526 023**	**2 178 713**	**2 524 242**	**2 211 883**	**2 099 870**	**2 164 922**	**2 183 248**	**2 253 052**	**2 277 548**	**4 063 582**	**28 643 369**	**31 026 623**	**33 681 975**
Surplus/(Deficit)	**2 012 851**	**477 642**	**560 615**	**848 572**	**405 235**	**1 163 646**	**849 967**	**670 796**	**904 591**	**830 297**	**920 733**	**(9 929 330)**	**(284 384)**	**(322 138)**	**(343 033)**
Transfers recognised - capital	106 353	194 832	280 117	191 143	199 173	188 503	137 351	214 676	228 888	262 153	295 447	518 991	2 817 627	2 359 922	2 356 611
Contributions recognised - capital	1 510	2 850	5 279	5 165	6 483	2 410	2 610	6 814	6 090	8 280	9 380	8 355	65 226	96 300	100 300
Contributed assets	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**2 120 714**	**675 324**	**846 011**	**1 044 880**	**610 891**	**1 354 560**	**989 928**	**892 287**	**1 139 568**	**1 100 730**	**1 225 560**	**(9 401 983)**	**2 598 469**	**2 134 084**	**2 113 878**
Taxation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	**2 120 714**	**675 324**	**846 011**	**1 044 880**	**610 891**	**1 354 560**	**989 928**	**892 287**	**1 139 568**	**1 100 730**	**1 225 560**	**(9 401 983)**	**2 598 469**	**2 134 084**	**2 113 878**

Table 55 MBRR Table SA26 - Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote															
Vote 1 - City Health	38 755	32 455	32 455	32 455	39 811	65 350	32 555	19 558	19 458	58 248	32 655	86 989	490 743	529 791	541 966
Vote 2 - City Manager	4	4	4	4	4	4	4	4	4	4	4	4	44	46	49
Vote 3 - Community Services	17 374	14 642	13 863	12 678	22 350	13 282	14 205	28 518	26 465	23 690	21 930	29 590	238 588	202 857	254 192
Vote 4 - Compliance and Auxiliary Services	761	828	953	1 153	1 278	1 178	1 648	1 428	1 328	1 428	1 328	1 623	14 932	4 398	4 634
Vote 5 - Corporate Services	5 166	5 466	5 966	5 966	5 966	5 366	5 166	5 666	5 366	7 866	7 866	6 868	72 689	74 551	93 128
Vote 6 - Economic, Environment & Spatial Planning	9 275	9 275	67 648	10 665	12 015	11 824	10 325	10 995	11 147	11 253	13 013	13 711	191 146	130 120	134 722
Vote 7 - Finance	65 395	65 395	65 395	65 395	65 450	65 395	65 395	65 395	65 395	65 395	65 395	65 616	785 016	811 177	886 064
Vote 8 - Human Settlements	80 011	104 535	118 566	127 187	114 391	135 007	70 678	100 129	115 695	138 592	177 994	819 975	2 102 760	2 287 776	2 474 754
Vote 9 - Rates & Other	1 304 108	668 538	668 538	668 538	668 538	1 104 024	668 538	668 538	668 538	668 538	668 538	1 020 572	9 445 542	10 191 167	10 953 095
Vote 10 - Safety & Security	21 933	21 849	22 899	21 899	21 849	21 759	21 310	20 160	20 160	20 160	20 160	20 160	254 301	257 439	277 957
Vote 11 - Social Dev & Early Childhood Developmen	35	35	35	1 035	1 885	35	151	135	135	35	35	35	3 587	442	464
Vote 12 - Tourism, Events and Marketing	1 786	1 976	2 286	2 586	2 286	2 586	1 786	2 086	1 786	1 886	1 786	1 786	24 625	24 536	26 684
Vote 13 - Transport for Cape Town	43 791	130 887	142 599	135 776	148 632	137 062	115 757	164 564	171 113	188 098	171 029	296 016	1 845 324	1 598 170	1 631 199
Vote 14 - Utility Services	1 293 698	1 313 532	1 347 517	1 289 406	1 237 127	1 223 106	1 265 077	1 213 405	1 344 641	1 328 098	1 428 066	1 488 869	15 772 541	17 048 238	18 516 945
Total Revenue by Vote	**2 882 093**	**2 369 416**	**2 488 722**	**2 374 742**	**2 341 581**	**2 785 976**	**2 272 595**	**2 300 580**	**2 451 231**	**2 513 290**	**2 609 797**	**3 851 815**	**31 241 838**	**33 160 707**	**35 795 853**
Expenditure by Vote to be appropriated															
Vote 1 - City Health	62 719	73 942	73 795	75 609	100 598	73 193	73 220	72 885	72 103	71 801	71 717	86 347	907 929	982 568	1 037 705
Vote 2 - City Manager	18 241	12 721	11 552	12 725	11 100	8 342	8 528	12 884	7 774	8 758	9 457	10 530	132 613	140 269	147 522
Vote 3 - Community Services	101 288	108 059	114 878	117 181	161 601	127 680	112 999	119 588	129 119	120 815	131 840	162 581	1 507 629	1 631 161	1 760 983
Vote 4 - Compliance and Auxiliary Services	45 406	47 734	48 348	48 339	56 053	49 062	48 567	48 667	48 535	48 431	48 436	54 797	592 374	675 179	718 282
Vote 5 - Corporate Services	133 308	143 955	126 697	127 585	160 489	131 843	128 768	134 643	134 857	136 979	140 476	162 036	1 661 637	1 787 077	1 904 983
Vote 6 - Economic, Environment & Spatial Planning	42 363	42 922	43 002	42 852	57 765	51 711	42 371	43 484	43 916	43 635	45 354	45 690	545 065	572 564	600 294
Vote 7 - Finance	160 291	191 847	165 332	160 383	193 127	161 330	161 916	161 944	161 907	163 301	162 365	178 600	2 022 344	2 269 005	2 580 582
Vote 8 - Human Settlements	63 476	69 509	75 964	86 522	100 706	104 849	71 010	90 372	111 183	132 539	166 398	819 711	1 892 239	2 152 245	2 431 504
Vote 9 - Rates & Other	70 826	74 966	74 966	74 966	74 966	74 966	74 966	74 966	74 966	75 256	75 256	81 756	902 820	923 146	991 887
Vote 10 - Safety & Security	131 187	131 418	131 084	131 470	188 180	131 259	131 283	129 977	131 133	130 750	131 133	130 750	1 629 626	1 750 347	1 885 596
Vote 11 - Social Dev & Early Childhood Developmen	10 149	10 149	10 358	11 233	13 471	11 162	11 941	11 341	11 343	12 232	10 515	13 889	137 782	123 211	132 333
Vote 12 - Tourism, Events and Marketing	33 142	39 868	38 993	40 561	42 484	40 288	40 909	40 852	40 909	41 483	41 652	41 681	482 822	510 662	533 652
Vote 13 - Transport for Cape Town	136 994	164 497	163 887	188 851	201 696	196 098	161 318	182 806	185 902	189 075	189 151	272 346	2 232 622	2 363 576	2 475 039
Vote 14 - Utility Services	598 491	1 440 815	1 447 166	1 060 435	1 162 006	1 050 099	1 032 075	1 040 514	1 029 602	1 077 999	1 053 797	2 002 868	13 995 866	15 145 613	16 481 610
Total Expenditure by Vote	**1 607 882**	**2 552 403**	**2 526 023**	**2 178 713**	**2 524 242**	**2 211 883**	**2 099 870**	**2 164 922**	**2 183 248**	**2 253 052**	**2 277 548**	**4 063 582**	**28 643 369**	**31 026 623**	**33 681 975**
Surplus/(Deficit) before assoc.	**1 274 211**	**(182 987)**	**(37 301)**	**196 029**	**(182 661)**	**574 093**	**172 725**	**135 658**	**267 982**	**260 239**	**332 249**	**(211 768)**	**2 598 469**	**2 134 084**	**2 113 878**
Taxation	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	**1 274 211**	**(182 987)**	**(37 301)**	**196 029**	**(182 661)**	**574 093**	**172 725**	**135 658**	**267 982**	**260 239**	**332 249**	**(211 768)**	**2 598 469**	**2 134 084**	**2 113 878**

Table 56 MBRR Table SA27 - Budgeted monthly revenue and expenditure (standard classification)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue - Standard															
Governance and administration	**1 353 658**	**720 967**	**721 467**	**721 617**	**721 672**	**1 156 354**	**720 667**	**721 167**	**720 867**	**723 367**	**723 367**	**1 074 625**	**10 079 797**	**10 830 644**	**11 660 560**
Executive and council	220	287	287	437	437	287	287	287	287	287	287	287	3 674	3 878	4 086
Budget and treasury office	1 328 392	693 750	693 750	693 750	693 805	1 129 237	693 750	693 750	693 750	693 750	693 750	1 046 005	9 747 439	10 532 149	11 331 951
Corporate services	25 046	26 930	27 430	27 430	27 430	26 830	26 630	27 130	26 830	29 330	29 330	28 333	328 683	294 617	324 523
Community and public safety	**158 911**	**174 553**	**189 054**	**196 691**	**202 023**	**236 769**	**140 237**	**170 737**	**184 151**	**242 962**	**255 811**	**961 286**	**3 113 187**	**3 309 229**	**3 582 266**
Community and social services	8 708	9 075	10 184	11 010	17 418	8 722	7 062	12 046	12 031	13 506	13 720	11 990	135 471	79 119	86 937
Sport and recreation	10 106	7 006	5 118	4 107	8 221	5 998	8 698	18 011	15 973	11 623	9 650	19 039	123 552	141 872	188 297
Public safety	21 700	21 850	23 100	22 300	22 550	22 060	21 611	21 361	21 361	21 361	22 161	23 661	265 074	275 347	295 266
Housing	79 699	104 224	118 254	126 875	114 079	134 695	70 366	99 817	115 383	138 280	177 682	819 664	2 099 018	2 283 810	2 470 547
Health	38 699	32 399	32 399	32 399	39 755	65 294	32 499	19 502	19 402	58 192	32 599	86 933	490 072	529 082	541 219
Economic and environmental services	**75 819**	**160 167**	**230 377**	**166 621**	**180 952**	**169 241**	**146 907**	**196 163**	**202 765**	**219 956**	**204 546**	**330 527**	**2 284 042**	**1 988 412**	**2 052 292**
Planning and development	17 916	17 916	75 912	19 141	19 616	18 546	18 946	19 076	18 626	19 356	19 116	19 784	283 954	230 643	255 557
Road transport	55 415	139 764	151 476	144 653	157 509	145 939	124 634	173 441	179 990	196 975	179 905	304 893	1 954 592	1 723 667	1 775 676
Environmental protection	2 487	2 487	2 989	2 827	3 827	4 756	3 327	3 647	4 149	3 625	5 525	5 851	45 496	34 102	21 059
Trading services	**1 293 699**	**1 313 533**	**1 347 318**	**1 289 007**	**1 236 428**	**1 222 807**	**1 264 778**	**1 212 206**	**1 343 442**	**1 326 899**	**1 426 067**	**1 485 371**	**15 761 554**	**17 030 351**	**18 499 659**
Electricity	857 286	872 320	897 521	864 276	808 176	793 316	830 087	771 878	892 311	873 835	947 155	966 633	10 374 795	11 176 790	12 030 433
Water	219 982	220 782	222 866	221 801	220 821	221 061	222 761	223 201	227 201	228 183	227 682	231 924	2 688 261	2 989 419	3 355 638
Waste water management	117 469	121 469	122 969	118 969	123 469	124 469	127 969	133 166	139 969	140 919	167 269	202 851	1 640 954	1 773 106	1 907 602
Waste management	98 962	98 962	103 962	83 962	83 962	83 962	83 962	83 962	83 962	83 962	83 962	83 962	1 057 543	1 091 037	1 205 987
Other	6	196	506	806	506	806	6	306	6	106	6	**6**	**3 258**	**2 071**	**1 075**
Total Revenue - Standard	**2 882 093**	**2 369 416**	**2 488 722**	**2 374 742**	**2 341 581**	**2 785 976**	**2 272 595**	**2 300 580**	**2 451 231**	**2 513 290**	**2 609 797**	**3 851 815**	**31 241 838**	**33 160 707**	**35 795 853**

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Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Expenditure - Standard															
Governance and administration	**420 863**	**469 350**	**425 564**	**422 891**	**496 777**	**423 721**	**421 250**	**432 520**	**427 656**	**432 320**	**435 671**	**493 356**	**5 301 939**	**5 751 467**	**6 303 787**
Executive and council	39 032	28 084	28 156	28 146	30 589	28 732	28 148	28 082	28 086	28 002	27 968	28 828	351 852	381 859	406 812
Budget and treasury office	197 110	202 902	208 181	203 950	231 061	204 204	204 847	205 923	206 024	207 657	206 799	220 158	2 498 816	2 802 567	3 157 539
Corporate services	184 722	238 364	189 227	190 795	235 127	190 784	188 256	198 515	193 545	196 661	200 904	244 369	2 451 271	2 567 040	2 739 436
Community and public safety	**383 373**	**411 398**	**424 740**	**441 597**	**578 447**	**468 426**	**420 840**	**443 446**	**474 100**	**487 943**	**531 506**	**1 233 338**	**6 299 154**	**6 873 363**	**7 480 332**
Community and social services	45 071	46 534	49 657	48 758	67 105	52 075	50 479	48 487	51 813	50 465	47 704	52 978	611 126	633 016	682 673
Sport and recreation	85 238	93 807	97 071	102 107	130 444	109 971	97 770	104 533	110 785	105 294	117 493	144 057	1 298 570	1 398 979	1 496 757
Public safety	137 786	138 524	139 168	139 519	195 868	139 256	139 281	138 079	139 135	138 761	139 113	141 160	1 725 651	1 854 636	1 991 926
Housing	59 161	65 194	71 650	82 207	94 838	100 534	66 694	86 060	106 866	128 224	162 082	815 396	1 838 906	2 094 363	2 368 965
Health	56 116	67 339	67 194	69 006	90 191	66 590	66 616	66 287	65 501	65 200	65 115	79 746	824 902	892 369	940 012
Economic and environmental services	**210 059**	**231 110**	**229 438**	**254 315**	**288 217**	**270 173**	**226 033**	**248 402**	**251 864**	**254 667**	**256 467**	**335 153**	**3 055 898**	**3 267 091**	**3 430 505**
Planning and development	53 073	49 623	48 486	48 693	59 723	55 471	47 813	47 902	47 858	48 134	47 954	48 607	603 337	679 274	727 216
Road transport	136 496	161 120	160 492	185 095	199 094	192 282	157 971	179 155	182 224	185 315	185 392	263 740	2 188 376	2 318 208	2 428 934
Environmental protection	20 490	20 368	20 460	20 528	29 400	22 420	20 249	21 345	21 782	21 218	23 120	22 805	264 185	269 608	274 356
Trading services	**590 859**	**1 432 828**	**1 438 255**	**1 051 883**	**1 152 255**	**1 041 536**	**1 023 020**	**1 031 831**	**1 020 902**	**1 069 395**	**1 045 178**	**1 993 010**	**13 890 951**	**15 033 039**	**16 360 319**
Electricity	176 776	997 723	1 010 082	623 679	644 033	605 801	591 641	601 639	590 910	632 545	603 671	1 545 988	8 624 488	9 302 236	10 036 561
Water	190 269	191 440	187 491	187 117	221 326	186 955	187 043	186 304	186 896	187 221	188 893	188 552	2 289 508	2 544 797	2 790 100
Waste water management	96 329	105 488	102 540	102 797	118 425	109 512	108 874	108 995	109 311	109 423	109 609	110 823	1 292 126	1 372 571	1 565 244
Waste management	127 485	138 176	138 143	138 290	168 471	139 268	135 462	134 893	133 785	140 206	143 004	147 647	1 684 829	1 813 436	1 968 414
Other	2 728	7 717	8 026	8 027	8 546	8 027	8 727	8 723	8 727	8 726	8 727	**8 726**	**95 427**	**101 664**	**107 030**
Total Expenditure - Standard	**1 607 882**	**2 552 403**	**2 526 023**	**2 178 713**	**2 524 242**	**2 211 883**	**2 099 870**	**2 164 922**	**2 183 248**	**2 253 052**	**2 277 548**	**4 063 582**	**28 643 369**	**31 026 623**	**33 681 975**
Surplus/(Deficit) before assoc.	**1 274 211**	**(182 987)**	**(37 301)**	**196 029**	**(182 661)**	**574 093**	**172 725**	**135 658**	**267 982**	**260 239**	**332 249**	**(211 768)**	**2 598 469**	**2 134 084**	**2 113 878**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	**1 274 211**	**(182 987)**	**(37 301)**	**196 029**	**(182 661)**	**574 093**	**172 725**	**135 658**	**267 982**	**260 239**	**332 249**	**(211 768)**	**2 598 469**	**2 134 084**	**2 113 878**

Table 57 MBRR Table SA28 - Budgeted monthly capital expenditure (municipal vote)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Multi-year expenditure to be appropriated															
Vote 1 - City Health	700	1 100	1 100	996	1 900	1 300	1 000	1 700	2 000	3 100	4 000	3 070	21 966	25 466	28 466
Vote 2 - City Manager	–	30	217	29	582	430	485	91	20	600	17	4 270	6 771	954	954
Vote 3 - Community Services	12 239	9 677	10 289	11 285	23 347	11 476	14 657	36 232	35 310	25 855	23 634	28 281	242 283	163 920	207 737
Vote 4 - Compliance and Auxiliary Services	–	166	431	670	2 160	235	460	415	316	405	–	7 868	13 126	36 897	69 900
Vote 5 - Corporate Services	559	13 080	21 934	33 881	36 910	16 586	2 670	29 361	46 361	51 575	54 083	52 474	359 474	349 019	322 411
Vote 6 - Economic, Environment & Spatial Planning	–	1 750	59 817	4 018	4 315	3 030	3 240	6 034	4 860	5 991	6 155	20 005	119 215	56 427	55 927
Vote 7 - Finance	3 200	7 578	9 517	9 113	10 013	10 295	8 513	8 973	10 313	9 263	9 493	9 237	105 509	33 912	10 112
Vote 8 - Human Settlements	47 259	70 572	79 835	78 151	64 465	73 139	33 232	45 828	42 524	44 971	50 133	69 675	699 783	574 777	509 428
Vote 9 - Rates & Other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Safety & Security	359	965	33 706	2 808	7 314	2 703	4 341	4 337	5 730	2 318	3 776	2 202	70 559	40 127	35 127
Vote 11 - Social Dev & Early Childhood Development	–	–	200	1 100	3 450	500	300	3 500	1 240	3 000	4 171	550	18 010	10 860	10 860
Vote 12 - Tourism, Events and Marketing	2 805	2 625	3 085	3 425	4 925	5 370	2 300	3 688	3 000	2 700	1 960	1 898	37 781	30 200	30 200
Vote 13 - Transport for Cape Town	36 283	108 455	122 890	116 890	132 715	110 100	88 740	147 475	152 040	174 355	157 612	312 629	1 660 185	1 406 390	1 399 414
Vote 14 - Utility Services	43 654	80 090	130 746	132 772	150 035	149 593	102 935	200 165	247 830	303 022	384 351	931 460	2 856 654	2 936 658	2 793 929
Total Capital Expenditure	**147 058**	**296 088**	**473 768**	**395 137**	**442 131**	**384 758**	**262 874**	**487 799**	**551 544**	**627 155**	**699 384**	**1 443 619**	**6 211 315**	**5 665 607**	**5 474 467**

Table 58 MBRR Table SA29 - Budgeted monthly capital expenditure (standard classification)

Description	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital Expenditure - Standard															
Governance and administration	**4 118**	**21 079**	**32 750**	**44 363**	**54 106**	**27 606**	**12 348**	**39 886**	**57 580**	**62 289**	**64 223**	**69 885**	**490 232**	**430 688**	**417 884**
Executive and council	–	85	348	584	1 998	160	90	356	201	181	17	7 588	11 608	35 842	68 899
Budget and treasury office	–	541	929	590	1 260	412	80	640	190	155	155	230	5 183	3 803	3 603
Corporate services	4 118	20 453	31 473	43 189	50 847	27 034	12 178	38 889	57 189	61 952	64 051	62 068	473 441	391 043	345 382
Community and public safety	**63 003**	**85 734**	**129 650**	**100 710**	**104 700**	**95 134**	**56 125**	**99 809**	**95 139**	**88 435**	**94 823**	**113 788**	**1 127 049**	**896 941**	**867 959**
Community and social services	5 018	4 996	6 814	8 356	14 578	7 524	4 893	16 886	17 120	14 841	16 765	9 961	127 752	52 448	68 315
Sport and recreation	10 026	7 226	6 561	6 974	16 764	9 473	12 284	26 083	22 290	16 458	12 844	20 617	167 602	149 132	173 832
Public safety	–	1 840	35 341	6 233	6 994	3 698	4 716	9 312	11 205	9 065	11 080	10 533	110 015	95 186	89 586
Housing	47 259	70 572	79 835	78 151	64 465	73 139	33 232	45 828	42 524	44 971	50 133	69 606	699 714	574 708	509 359
Health	700	1 100	1 100	996	1 900	1 300	1 000	1 700	2 000	3 100	4 000	3 070	21 966	25 466	26 866
Economic and environmental services	**36 283**	**110 205**	**182 812**	**120 903**	**137 510**	**113 575**	**92 765**	**153 459**	**156 925**	**180 481**	**163 667**	**336 421**	**1 785 006**	**1 462 460**	**1 456 584**
Planning and development	–	1 750	59 932	3 630	4 755	1 975	3 075	4 816	4 585	5 580	5 239	11 263	106 600	39 995	39 995
Road transport	36 283	108 455	122 880	116 880	132 705	110 100	88 740	147 375	152 040	174 355	157 512	312 116	1 659 441	1 405 690	1 398 714
Environmental protection	–	–	–	393	50	1 500	950	1 268	300	546	916	13 042	18 965	16 775	17 875
Trading services	**43 654**	**79 070**	**128 556**	**128 862**	**145 815**	**148 093**	**101 635**	**194 345**	**241 900**	**295 850**	**376 672**	**923 375**	**2 807 828**	**2 874 318**	**2 731 389**
Electricity	16 919	27 498	48 031	53 947	69 460	63 815	40 500	93 229	128 068	174 082	192 476	347 697	1 255 722	1 242 592	1 207 410
Water	7 273	14 792	23 855	29 036	30 319	30 894	29 093	36 842	36 217	47 470	77 146	152 375	515 312	696 376	837 240
Waste water management	4 463	16 780	26 620	25 479	24 986	28 333	32 042	33 774	41 350	48 851	97 000	220 240	599 919	626 344	468 360
Waste management	15 000	20 000	30 050	20 400	21 050	25 050	–	30 500	36 265	25 446	10 050	203 063	436 875	309 006	218 379
Other	**–**	**–**	**–**	**300**	**–**	**350**	**–**	**300**	**–**	**100**	**–**	**150**	**1 200**	**1 200**	**650**
Total Capital Expenditure - Standard	**147 058**	**296 088**	**473 768**	**395 137**	**442 131**	**384 758**	**262 874**	**487 799**	**551 544**	**627 155**	**699 384**	**1 443 619**	**6 211 315**	**5 665 607**	**5 474 467**
Funded by:															
National Government	79 213	157 417	239 271	146 998	166 613	164 847	126 001	197 499	216 635	247 230	278 572	495 373	2 515 669	2 272 682	2 236 316
Provincial Government	27 140	37 416	40 846	44 145	32 560	23 657	11 350	17 177	12 253	12 923	14 875	17 725	292 065	87 240	120 295
District Municipality	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other transfers and grants	–	–	–	300	1 000	–	150	150	300	–	200	–	2 100	–	–
Transfers recognised - capital	**106 353**	**194 832**	**280 117**	**191 443**	**200 173**	**188 503**	**137 501**	**214 826**	**229 188**	**260 153**	**293 647**	**513 098**	**2 809 834**	**2 359 922**	**2 356 611**
Public contributions & donations	1 510	2 850	5 279	4 865	5 483	2 410	2 460	6 664	5 790	10 280	11 180	14 249	73 019	96 300	100 300
Borrowing	33 696	77 592	149 302	150 375	183 756	134 030	91 410	192 331	231 121	253 497	309 745	543 446	2 350 301	2 555 179	2 387 773
Internally generated funds	5 499	20 814	39 070	48 454	52 719	59 814	31 502	73 978	85 445	103 226	84 813	372 827	978 161	654 206	629 783
Total Capital Funding	**147 058**	**296 088**	**473 768**	**395 137**	**442 131**	**384 758**	**262 874**	**487 799**	**551 544**	**627 155**	**699 384**	**1 443 619**	**6 211 315**	**5 665 607**	**5 474 467**

Table 59 MBRR Table SA30 - Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Receipts By Source															
Property rates	430 465	505 773	500 104	430 858	520 005	508 716	480 288	496 114	441 165	517 804	482 912	515 203	5 829 406	6 188 871	6 623 437
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	859 232	915 648	873 024	820 114	766 639	754 075	789 661	731 147	842 310	812 259	841 258	1 019 371	10 024 738	10 774 483	11 603 398
Service charges - water revenue	127 865	117 150	145 940	145 843	170 018	202 157	247 697	237 503	215 628	230 672	198 627	168 293	2 207 393	2 452 410	2 752 640
Service charges - sanitation revenue	71 353	69 839	83 096	83 989	95 634	108 812	120 577	119 155	106 372	118 259	102 805	115 731	1 195 622	1 329 592	1 492 294
Service charges - refuse revenue	76 383	78 957	76 399	82 468	75 609	72 189	75 496	73 124	79 448	79 448	79 448	93 415	942 385	1 014 216	1 088 970
Service charges - other	23 361	20 571	18 950	20 426	21 159	19 082	19 964	26 861	24 736	21 144	21 447	84 104	321 805	353 181	414 253
Rental of facilities and equipment	14 400	13 230	15 865	13 258	14 164	15 674	14 519	13 279	14 753	12 753	14 753	11 955	168 605	164 081	168 517
Interest earned - external investments	26 590	20 622	24 682	21 109	23 892	22 584	22 140	25 084	21 899	23 899	21 899	21 362	275 762	315 281	351 283
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines	5 285	5 204	3 884	4 829	4 509	3 534	4 058	4 072	6 980	6 980	6 980	31 510	87 824	92 742	97 750
Licences and permits	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	3 366	40 388	52 650	69 953
Agency services	12 537	13 487	9 359	14 225	17 914	10 141	16 214	9 703	10 277	9 089	12 537	14 956	150 439	167 284	187 442
Transfer receipts - operational	717 415	164 699	173 792	105 751	947 204	116 379	297 822	289 696	555 482	31 949	38 530	59 448	3 498 169	4 005 459	4 446 242
Other revenue	26 313	701 950	31 979	28 868	25 691	702 057	34 103	28 676	700 561	24 786	28 350	4 995	2 338 330	2 436 694	2 573 032
Cash Receipts by Source	**2 394 563**	**2 630 496**	**1 960 440**	**1 775 103**	**2 685 804**	**2 538 765**	**2 125 905**	**2 057 781**	**3 022 977**	**1 892 409**	**1 852 912**	**2 143 709**	**27 080 865**	**29 346 944**	**31 869 211**
Other Cash Flows by Source															
Transfer receipts - capital	107 863	197 682	285 396	196 308	205 656	190 913	139 961	221 490	234 978	270 433	304 827	527 347	2 882 853	2 456 222	2 456 911
Contributions recognised - capital & Contributed assets	–	–	–	–	–	–	–	–	–	–	–	40 167	40 167	24 816	26 156
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–	–	–	1 500 000	1 500 000	1 500 000	1 000 000
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–	–	–	33 904	33 904	37 294	41 024
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–	–	–	–	–	–	–	–	(4 829)	(4 829)	(4 588)	(4 358)
Decrease (increase) in non-current investments	–	–	–	(49 998)	–	(180 003)	–	(49 998)	(50 000)	(50 000)	–	(0)	(379 999)	(19 999)	–
Total Cash Receipts by Source	**2 502 426**	**2 828 178**	**2 245 837**	**1 921 414**	**2 891 460**	**2 549 675**	**2 265 866**	**2 229 274**	**3 207 955**	**2 112 841**	**2 157 739**	**4 240 297**	**31 152 962**	**33 340 689**	**35 388 944**

Continues on next page.

MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Payments by Type															
Employee related costs	550 916	580 710	682 286	623 320	969 363	627 041	656 624	655 858	679 565	679 843	679 570	1 308 517	8 693 613	9 423 461	10 181 605
Remuneration of councillors	10 531	10 470	10 434	10 430	10 537	10 519	10 273	14 369	11 135	11 135	11 135	12 650	133 619	142 438	151 554
Finance charges	–	–	186 624	–	–	171 767	–	–	183 299	–	–	288 056	829 746	1 062 289	1 301 246
Bulk purchases - Electricity	891 300	861 500	839 000	504 100	476 800	462 200	378 400	447 700	434 200	473 900	444 200	465 000	6 678 300	7 205 955	7 781 805
Bulk purchases - Water & Sewer	9 183	41 482	20 593	22 663	50 121	30 569	31 041	–	30 976	30 976	30 976	73 131	371 711	404 273	444 073
Other materials	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and grants - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	650 017	561 946	557 012	552 715	609 374	525 563	541 576	588 256	627 336	648 801	662 068	1 113 073	7 637 738	8 730 909	9 481 409
Cash Payments by Type	**2 111 947**	**2 056 108**	**2 295 950**	**1 713 228**	**2 116 195**	**1 827 660**	**1 617 914**	**1 706 183**	**1 966 511**	**1 844 655**	**1 827 949**	**3 260 428**	**24 344 728**	**26 969 325**	**29 341 692**
Other Cash Flows/Payments by Type															
Capital assets	146 753	294 565	470 565	391 115	437 761	379 614	260 277	481 075	543 847	617 467	691 448	1 418 989	6 133 477	5 601 948	5 413 057
Repayment of borrowing	–	–	89 481	–	–	65 148	–	–	89 481	–	–	65 744	309 853	285 598	407 882
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**2 258 700**	**2 350 673**	**2 855 996**	**2 104 343**	**2 553 956**	**2 272 422**	**1 878 191**	**2 187 258**	**2 599 839**	**2 462 122**	**2 519 397**	**4 745 161**	**30 788 058**	**32 856 870**	**35 162 631**
NET INCREASE/(DECREASE) IN CASH HELD	**243 726**	**477 506**	**(610 159)**	**(182 929)**	**337 503**	**277 253**	**387 675**	**42 016**	**608 116**	**(349 281)**	**(361 658)**	**(504 864)**	**364 904**	**483 819**	**226 313**
Cash/cash equivalents at the month/year begin:	**6 603 670**	6 847 397	7 324 903	6 714 744	6 531 814	6 869 317	7 146 570	7 534 246	7 576 262	8 184 377	7 835 096	7 473 438	6 603 670	6 968 574	7 452 393
Cash/cash equivalents at the month/year end:	6 847 397	7 324 903	6 714 744	6 531 814	6 869 317	7 146 570	7 534 246	7 576 262	8 184 377	7 835 096	7 473 438	6 968 574	6 968 574	7 452 393	7 678 706

*'Other materials', 'Contracted services', 'Transfers and grants – other municipalities' and 'Transfers and grants –other' is included in the 'Other expenditure' category.

2.12 Annual budgets – internal departments

2.12.1 City Health (Vote 1)

The City Health directorate is committed to working with all spheres of government to meet National and Provincial targets so that there is a coordinated and integrated District Health Service to the citizens of Cape Town.

The City Health directorate delivers a comprehensive Primary Health Care service to the people of the City of Cape Town. This includes both Personal Primary Health Care Services (commonly referred to as clinic services) and Municipal Health Services (also referred to as Environmental Health).

Although the National Health Act, No 61 of 2003, allocates the responsibility of provision of personal primary health care services to the Provincial Health Department, the Constitution allows those services to be assigned to Local Government via mutual agreement. The City Health directorate has an excellent partnership with the Provincial Health Department and a long tradition of rendering quality Primary Health Care under a Service Level Agreement.

The core business of the City Health directorate is Municipal (Environmental) Health Services, which is a core function of metropolitan and district municipalities. Municipal Health Services is defined in the National Health Act (No 61 of 2033) as monitoring of water quality; food control; waste management; health surveillance of premises; surveillance of communicable diseases, excluding immunizations; vector control; environmental pollution control; disposal of the dead and chemical safety.

The impact of rapid urbanization places an increased workload on our Environmental Health Practitioners (EHPs). Our current ratio of EHP to population sits at 1:27 000 as opposed to the national norm which proposes a 1 EHP: 15 000 population ratio.

Air and noise pollution are also Local Government functions in terms of Schedule 4B and 5B of the Constitution. The key Act governing air quality is the National Environmental Management Act: Air Quality Act 39 of 2004. Air pollution levels are frequently high and the City has adopted an Air Quality Management Plan, which outlines the strategies to be used to deal with and /or mitigate against the effects of air pollution, especially in informal areas.

The City Health directorate delivers, in partnership with Provincial Government, the Personal Primary Health Care component (clinic services). This is done via an infrastructure of 82 clinics, 5 community day centres, 22 satellite clinics and 4 mobile clinics. The services include promotive and preventive health care to women, men and children (reproductive health, immunization and well-baby clinics), treatment of sick children under 13 years; HIV/AIDS/STI, TB Programs and limited adults curative and chronic care.

The City Health directorate is facing an increasing number of clients accessing the Personal Primary Health Care services, due to the increased burden of diseases (BOD). This places an additional burden on the existing staff as the staff component has not increased to the same extent.

Alcohol abuse and methamphetamine (tik) abuse in the Western Cape is a big concern with regard to drug-related crime. As a result, the City has identified this scourge as a very serious problem and it plays a role in conjunction with other spheres of government and the community in addressing this. The City manages 5 substance abuse outpatient rehabilitation (Matrix) sites at the Tafelsig, Tableview, Delft South, Town 2 and Parkwood clinics, with more sites being envisaged in the near future through the collaborative efforts with other role players.

In conclusion, City Health is faced with an increasing need for health services as shown by the burden of diseases; rapid urbanization; and Customer Satisfaction Survey. However, the resources available to it have not grown proportionally for both Primary Health Care Services - a greater need of human resources, being in those areas with a high BOD; long waiting times at clinics and areas that are densely populated. In addition, National Core Standards requirements; increases in pharmaceutical, laboratory and security services costs, further put more strain on the already stretched resources.

Table 60 City Health - operating revenue by source, expenditure by type and total capital expenditure

Directorate: City Health									
Budgeted Financial Performance (revenue and expenditure)									
Description	**2010/11**	**2011/12**	**2012/13**	**Current Year 2013/14**			**2014/15 Medium Term Revenue & Expenditure Framework**		
R thousand	**Audited Outcome**	**Audited Outcome**	**Audited Outcome**	**Original Budget**	**Adjusted Budget**	**Full Year Forecast**	**Budget Year 2014/15**	**Budget Year +1 2015/16**	**Budget Year +2 2016/17**
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	49	–	–	–	–	–	–	–	–
Service charges - other	49	113	394	223	223	223	4 236	4 473	4 715
Rental of facilities and equipment	–	8	29	–	–	–	–	–	–
Interest earned - external investments	0	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	97	93	75	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines	64	45	36	20	20	20	21	22	23
Licences and permits	35	39	727	671	671	671	710	750	791
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	317 599	353 860	373 995	416 357	424 581	424 581	471 674	506 903	515 653
Other revenue	839	611	609	2 365	2 365	2 365	2 502	2 642	2 784
Gains on disposal of PPE	16	42	25	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	**318 750**	**354 810**	**375 889**	**419 636**	**427 861**	**427 861**	**479 143**	**514 791**	**523 966**
Operating Expenditure By Type									
Employee related costs	376 794	428 242	465 539	567 519	572 630	573 015	622 491	679 155	714 969
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	6 796	7 564	7 420	7 801	8 483	8 483	8 718	9 328	9 981
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	2 683	2 829	3 311	3 086	3 336	3 336	3 637	3 864	4 099
Contracted services	9 636	16 844	23 502	21 637	21 637	21 859	21 554	23 957	25 492
Transfers and grants	4 101	3 494	3 612	2 142	5 426	5 954	3 731	4 759	852
Other expenditure	208 869	219 021	224 546	233 041	232 620	231 486	247 799	261 504	282 312
Loss on disposal of PPE	9	2	3	–	–	–	–	–	–
Total Operating Expenditure	**608 889**	**677 994**	**727 932**	**835 227**	**844 133**	**844 133**	**907 929**	**982 568**	**1 037 705**
Operating Surplus/(Deficit)	**(290 139)**	**(323 184)**	**(352 043)**	**(415 591)**	**(416 272)**	**(416 272)**	**(428 786)**	**(467 777)**	**(513 739)**
Transfers recognised - capital	1 363	9 936	12 868	13 500	15 249	15 249	11 600	15 000	18 000
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Contributed assets	–	2 004	2 118	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	**(288 776)**	**(311 245)**	**(337 058)**	**(402 091)**	**(401 024)**	**(401 024)**	**(417 186)**	**(452 777)**	**(495 739)**
Capital Expenditure	**12 355**	**22 801**	**22 778**	**23 716**	**30 096**	**30 096**	**21 966**	**25 466**	**28 466**

2.12.2 City Manager (Vote 2)

The City Manager heads the administration of the City and chairs the Executive Management Team (EMT) of the City, whose primary responsibility is advising the City Manager on strategy and policy.

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

The administrative responsibility for Integrated Strategic Communications and Branding, Mayoral Administration (includes External Relations) and Strategic Policy, Monitoring and Evaluation Unit and Investment Facilitation and Special Programmes and Fundraising reside in the Office of the City Manager.

- **Mayoral Administration:** Renders administrative support to the Executive Mayor to enable her to fulfil all her executive duties, which include legal and constitutional obligations, adherence to and implementation of all council policies and regulations, administering all Mayoral Committee functions, monitoring and controlling the annual budget, improving service delivery to the community, attracting investments from external investors and to giving political guidance and leadership to the administration of the City.

- **Strategic Policy Unit (SPU):** The primary functions of this unit are strategic policy planning, performance monitoring and evaluation, and transversal and project portfolio management.

  In line with international and national best practice, the unit acts as a strategic coordinating point that ensures that the City's electoral mandate is implemented throughout the City in accordance with the 'five pillars', especially the pillar of being a well-run city. It identifies how that mandate is being delivered on and where there are shortcomings that need to be addressed and in so doing, we improve our level of service delivery to the people of Cape Town.

  It does so by coordinating, advising and developing city-wide strategies and policies and monitoring and evaluating the performance of directorates at a City-wide level.

  It also provides transversal capacity to the City Manager, the EMT, the Social and Economic clusters as well as providing portfolio management services to the clusters. Finally, it works to raise the project management maturity level of the entire organisation.

- **Integrated Strategic Communication and Branding:** Manage the City's brand and reputational profile via the corporate branding architecture and provision of relevant information to the City's target audiences and provides a range of specialist communication services to all departments of the City around all facets pertaining to the communication field.

Initiatives in 2014/15:

- Implementation the City's new corporate identity across all departments and functions.
- Review and refine communication initiatives across the city thereby optimising the effectiveness of city communication.

Table 61 City Manager - operating revenue by source, expenditure by type and total capital expenditure

Directorate: City Manager									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	–	–	0	–	–	–	–	–	–
Rental of facilities and equipment	–	–	–	–	–	–	–	–	–
Interest earned - external investments	–	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines	–	–	–	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	37	–	–	–	900	900	–	–	–
Other revenue	66	35	29	41	41	41	44	46	49
Gains on disposal of PPE	4	16	1	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	**107**	**51**	**30**	**41**	**941**	**941**	**44**	**46**	**49**
Operating Expenditure By Type									
Employee related costs	30 876	34 013	33 070	51 612	47 939	43 454	51 425	55 042	59 665
Remuneration of councillors	981	1 050	1 108	1 219	1 219	1 219	–	–	–
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	1 021	1 356	1 273	950	1 011	1 011	1 057	1 181	1 264
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	65	67	44	94	95	95	101	107	113
Contracted services	5 041	4 319	14 093	6 554	6 346	6 304	6 700	7 079	7 466
Transfers and grants	219	1 625	–	–	–	–	–	–	–
Other expenditure	31 076	34 465	39 068	49 070	50 423	54 965	73 330	76 859	79 014
Loss on disposal of PPE	5	7	9	–	–	–	–	–	–
Total Operating Expenditure	**69 285**	**76 901**	**88 666**	**109 499**	**107 033**	**107 047**	**132 613**	**140 269**	**147 522**
Operating Surplus/(Deficit)	**(69 177)**	**(76 851)**	**(88 636)**	**(109 458)**	**(106 091)**	**(106 106)**	**(132 569)**	**(140 222)**	**(147 473)**
Transfers recognised - capital	–	–	–	–	100	100	–	–	–
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	**(69 177)**	**(76 851)**	**(88 636)**	**(109 458)**	**(105 991)**	**(106 006)**	**(132 569)**	**(140 222)**	**(147 473)**
Capital Expenditure	**1 959**	**802**	**1 169**	**13 892**	**14 095**	**14 095**	**6 771**	**954**	**954**

2.12.3 Community Services (Vote 3)

The Community Services directorate is responsible for the provision of community facilities on an equitable and sustainable basis across the city to support and promote healthy lifestyles and to facilitate programmes and community development in general and to help strengthen the social fibre of households and communities. Often these programmes involve collaboration and partnerships with churches, community organisations, NGOs, the corporate sector, different tiers of government and other stakeholders.

City Parks

The City Parks department is responsible for greening, conserving and managing Cape Town zoned public spaces, including 11 district parks, 3 339 community parks, 38 cemeteries, 1 crematorium, 1862 hectares of road verges, nature sensitive areas and recreational areas alongside rivers and water bodies. Other core functions include the protection of biodiversity, the planting of trees and the implementation of water saving initiatives throughout the City.

To ensure that parks are maintained in an equitable manner across the city, a uniform set of maintenance standards for all maintenance functions have been developed and implemented.

The 3 339 community parks are maintained to a standard that ensures that they are in a condition for communities to utilise at all times. The selected standards focus on mowing, which is set to at least 9 cuts per year and to keep these parks clean by doing litter picking on a weekly basis.

On-going challenges include the level of vandalism and anti-social behaviour at public parks, which increases repair costs and have a negative impact on the ability to adhere to set maintenance standards.

To address the escalating city burial demand resulting from population growth and an earlier death occurrence due to infectious diseases, City Parks has commenced a process to identify, reserve and in due course develop new burial areas to cater for future urban development within the City’s urban edge (i.e. 10-15 year scenario). Strong competition for scarce metropolitan land and the poor environmental performance of certain cemeteries given the high winter water-table characteristic of the Cape Flats has prompted the City to pursue several other interment options to supplement or complement traditional in-ground burial and to extend the viable lifespan of existing cemeteries.

Library and Information Services

The 2 City-wide libraries, 22 regional libraries, 76 community libraries, 3 satellite libraries and 3 mobile libraries provide the citizens of Cape Town with access to services and resources required for their information, education, culture and recreational needs and has a membership in excess of 600 000. In 2009/10, LIS migrated 2 outdated Library Management systems into one Library Management system. A result of the migration was duplicate and dated membership records as the 2 systems functioned independently of each other. In June 2013 an automated membership purification process was launched on the new Library Management System. This led to a drop in membership totals as duplicate and inactive membership records were removed from the system. The current totals are a truer reflection of “active” members making use of the service.

Programmes at the libraries offer a variety of developmental activities ranging from storytelling, school holiday programmes, reading programmes to peer leadership and capacity building programmes.

Three categories of minimum open hour standards are set for libraries:

- City-wide libraries at 63 hours per week
- Regional libraries at 45 hours per week
- Community libraries at 35 hours per week

Properly constituted Friends of the Library Organisations and/or Volunteers assist at 50+ libraries in the City to meet their minimum opening hours through donating funding or in-kind contributions such as assisting with shelving of library materials, etc. and every effort is being made to encourage the establishment of Friends organisations in more libraries.

Being an unfunded mandate the City will continue with efforts in reaching a resolution with Provincial Government on the funding of libraries services to the citizens of Cape Town. Implementation of the new library automated management system make library processes more efficient. With external funding received, one new library is planned and construction should be completed in 2014/15, i.e. Regional Library in Kuyasa, Khayelitsha.

Sport Recreation and Amenities

The Sports Recreation and Amenities department provides, manage and maintains a number of community facilities across the City such as:

- 178 Community Centres (including Halls, Recreation Centres, Multi-Purpose Centres, Civic Centres, Youth and Family Centres). These centres are used by a cross section of local communities ranging from NGOs to ratepayer associations, youth groups, religious groups and sport and recreation clubs.
- 182 Sports Facilities (Consisting of Indoor Facilities [16], Outdoor Facilities [162] and Stadia [4]).
- Outdoor sport facilities that contain 549 individual formal sports fields. Over utilisation and extreme weather patterns, especially in winter, create a challenge in the provision of good playing surfaces for both winter and summer sports played on the grass fields.
- 38 Swimming pools
- 36 Beaches
- 14 resorts

The City has managed to institutionalise the relationship with users through the implementation of an institutional framework that has established Municipal Facility Management Committees (MFMCs) to assist the City with the management of these facilities. It has been observed that where MFMCs are fully operational the associated sports fields tend to be used according to their threshold norms and the standards are maintained on a sustainable basis.

A comprehensive set of uniform maintenance standards has been implemented for these facilities. This is a significant step in making a commitment to our communities on what they can expect when they visit or use these facilities.

In order to maintain and increase the maintenance and service standards the department provides, promotes and facilitates recreation programmes through 40 recreation units in communities and at City facilities. Such programmes can make a measurable impact on the social economic challenges facing our communities.

Budget

Community Services has an operating expenditure budget of R1 508 million for 2014/15, which includes R914 million (or 61%) for staff costs emphasising the labour intensive nature of its operations. By contrast the capital budget amounts to only R242. This capital budget is mainly used to develop and upgrade infrastructure such as multi-purpose centres, community halls, sports fields, swimming pools, cemeteries and parks, which enable the departments to render their services to the public.

Community Services is almost fully funded from the City's Rates and General account since the direct income of R53 million covers only 3.5% of operating expenditure. This direct income is received via subsidised tariffs for the use of facilities which are provided below cost. The directorate also receives conditional operating grants of R34 million for the library service and capital grants of R152 million to finance its capital investment programme.

Table 62 Community Services - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Community Services									
Budgeted Financial Performance (revenue and expenditure)									
Description	**2010/11**	**2011/12**	**2012/13**	**2013/14**			**2014/15 Medium Term Revenue & Expenditure Framework**		
R thousand	**Audited Outcome**	**Audited Outcome**	**Audited Outcome**	**Original Budget**	**Adjusted Budget**	**Full Year Forecast**	**Budget Year 2014/15**	**Budget Year +1 2015/16**	**Budget Year +2 2016/17**
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	21	36	49	–	–	–	36	39	42
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	5	5	5	5	5	6
Service charges - other	14 267	13 574	13 871	17 323	17 323	17 323	18 168	19 185	21 221
Rental of facilities and equipment	16 698	17 066	21 736	27 883	27 883	27 883	27 667	29 051	32 503
Interest earned - external investments	3	0	0	–	–	–	–	–	–
Interest earned - outstanding debtors	3	3	25	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines	2 868	2 994	3 068	3 173	3 173	3 173	2 946	3 111	3 279
Licences and permits	1 297	1 423	1 244	1 248	1 248	1 248	3 047	3 218	3 391
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	23 988	19 066	28 649	25 667	23 678	23 678	33 793	32 337	35 053
Other revenue	2 271	503	392	591	591	591	626	661	697
Gains on disposal of PPE	294	2 147	185	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	**61 711**	**56 811**	**69 218**	**75 889**	**73 901**	**73 901**	**86 288**	**87 607**	**96 192**
Operating Expenditure By Type									
Employee related costs	617 172	696 130	731 897	831 761	828 967	812 149	913 536	1 007 542	1 092 176
Remuneration of councillors	(27)	–	–	–	–	–	–	–	–
Debt impairment	2 577	1 430	–	–	–	–	–	–	–
Depreciation & asset impairment	65 508	69 890	87 681	87 089	83 370	83 370	91 769	98 193	105 066
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	14 489	15 882	16 768	10 857	10 500	10 332	8 631	8 808	9 289
Contracted services	210 183	204 777	234 304	314 002	317 068	334 197	338 748	360 476	389 874
Transfers and grants	(9)	–	–	–	–	–	–	–	–
Other expenditure	191 509	217 575	268 877	133 203	132 482	132 340	154 945	156 143	164 578
Loss on disposal of PPE	40	171	117	–	–	–	–	–	–
Total Operating Expenditure	**1 101 442**	**1 205 856**	**1 339 644**	**1 376 911**	**1 372 388**	**1 372 388**	**1 507 629**	**1 631 161**	**1 760 983**
Operating Surplus/(Deficit)	**(1 039 731)**	**(1 149 044)**	**(1 270 426)**	**(1 301 021)**	**(1 298 487)**	**(1 298 487)**	**(1 421 341)**	**(1 543 555)**	**(1 664 791)**
Transfers recognised - capital	55 156	83 857	111 160	139 798	122 951	122 951	143 474	115 250	158 000
Contributions recognised - capital	4 992	7 224	1 752	3 000	2 005	2 005	8 826	–	–
Contributed assets	–	4 869	394	**–**	**33**	**33**	**–**	**–**	**–**
Operating Surplus/(Deficit) for the year	**(979 583)**	**(1 053 094)**	**(1 157 120)**	**(1 158 223)**	**(1 173 498)**	**(1 173 498)**	**(1 269 042)**	**(1 428 305)**	**(1 506 791)**
Capital Expenditure	**114 653**	**162 772**	**178 223**	**222 027**	**209 126**	**209 126**	**242 283**	**163 920**	**207 737**

2.12.4 Compliance and Auxiliary Services (Vote 4)

The CAS directorate's primary responsibility is to render a transversal compliance service to the City by inter alia:

- Ensuring statutory compliance,
- Promoting and institutionalising good governance practices,
- Promoting a culture of ethics in the workplace,
- Administering performance management throughout the organisation,
- Undertaking forensic investigations into matter of maladministration, fight corruption and fraud,
- Advising on control weaknesses in report of procedure and systems,
- Administering the process flow of all report to council, its committees and the Mayor to deliver timeously on agendas and related secretariat services, and
- Rendering a mediation service between the public and line departments to resolve client queries – to improve accountability.

The core functions and objectives of the Compliance and Auxiliary Services directorate are:

- **Executive Support:** The department is aligned with the ethos of the City Manager's *Centre of Excellence* and the commitment to good corporate governance. It drives the development and maintenance of governance systems, processes and procedures for the City's decision-making structures. The department provides strategic and operational support to the directorate and plays an interface role with corporate service areas. It also drives the implementation of the City's Language Policy as well as the promotion of multilingualism. The department's customers include members of Council and its committees, the Executive Mayor and the Mayoral Committee, the Offices of the Executive Mayor, Speaker and Chief Whip, the City Manager and the Executive Management Team, the Deputy City Manager and the nine departments within the directorate, and the administration as well as members of the public.

- **Ethics, Sub-Councils, Councillor Support and VIP:** Renders strategic, operational and specialist support to the decision-making structures within the City. Establishes institutes and manages the activities of Sub councils and Ward Participatory Mechanisms. Directs and provides oversight for the Councillor Support service including the safety and security of Councillors as provided by the VIP Protection Unit. Provides strategic input into public participation processes. Provides high-level oversight, infrastructure development and assurances to ad-hoc projects. Co-ordinates and assist the Mayor in the progress review of MAYCO members in their respective portfolios. Manages large Corporate EPWP projects and programmes (Special programmes and CWP) such as the Mayor's Special job Creation Programme to accelerate the increase in temporary job creation.

- **Forensic Services:** To add value in the fight against fraud, corruption and serious economic crimes through the application of knowledge and experience for the benefit of the ratepayers, staff and the broader community.

- **Internal Audit:** To provide independent, objective assurance and advisory services designed to add value and improve the City's operations. It helps the City accomplish its objectives by bringing about a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

- **IDP~~,~~ and Organisational Performance Management (IDP.OPM):** Guiding, directing and facilitating the process of developing, implementing, monitoring and reporting on the City's 5 year Integrated Development Plan (IDP), including the Service Delivery and Budget Implementation Plans (SDBIP), quarterly reports, Annual Report, quality assurance of performance indicators and the performance contracts of S57 appointees. Executes special projects like facilitating the annual BBBEE verification for the City as well as national and provincial reporting requirements such as Municipal Economic Review Outlook (MERO), CSP Project (City Support Programme – a National Treasury initiative to measure indicators of municipalities throughout South Africa), Section 47, MGRO and Regional Development profile.

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

- **Ombudsman:** Improving accountability of the City by promoting fair and reasonable public administration and investigating and resolving residents' complaints about the municipality, and facilitating mediation and conciliation between both parties. Awareness campaigns are attended to in order to make the public aware of the services rendered by the office.

- **Integrated Risk Management (IRM)**: Embedding a culture of Risk Management in the City to ensure the optimal use of scarce resources.

- **Urban Regeneration:** Identify, plan, co-ordinate and maintain economic and infrastructural development based on approved nodal points within the Urban Development Zones.

Major activities proposed for 2014/15:

- Oversee and monitor implementation of ward allocations within line departments.
- A major drive towards the implementation of the Organisational Performance Management System in line with the national drive for outcome based performance management.
- Mayoral Special Job Creation Programme (EPWP) to enhance service provision in previously disadvantage areas through the employment of the local unemployed on a temporary basis.
- Improvement of functioning of sub-councils and ward committees.
- Promote and institutionalise culture of ethics in the organisation.
- Develop and coordinate nodal upgrades in identified MURP areas.

Table 63 Compliance and Auxiliary Services - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Compliance and Auxiliary Services									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	4	20	6	5	5	5	5	5	5
Rental of facilities and equipment	741	116	86	–	–	–	–	–	–
Interest earned - external investments	–	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines	(1)	1	1	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	7 406	8 113	11 822	6 959	5 423	5 423	10 747	797	850
Other revenue	4 588	653	1 818	2 958	2 958	2 958	3 130	3 305	3 484
Gains on disposal of PPE	19	31	41	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	**12 757**	**8 934**	**13 775**	**9 922**	**8 386**	**8 386**	**13 882**	**4 107**	**4 339**
Operating Expenditure By Type									
Employee related costs	184 216	208 194	240 158	292 414	291 411	291 757	312 077	331 857	359 733
Remuneration of councillors	87 667	96 722	110 546	122 502	122 502	122 502	133 619	142 438	151 554
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	5 860	7 491	7 427	7 098	7 897	7 897	8 451	9 043	9 676
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	158	118	462	459	457	457	487	517	549
Contracted services	7 152	30 624	43 468	47 982	21 423	18 839	24 102	65 982	69 649
Transfers and grants	5 282	4 186	2 875	281	1 335	1 335	60	–	–
Other expenditure	36 673	45 471	77 046	120 803	103 653	105 891	113 579	125 343	127 122
Loss on disposal of PPE	189	21	87	–	–	–	–	–	–
Total Operating Expenditure	**327 198**	**392 826**	**482 069**	**591 539**	**548 678**	**548 678**	**592 374**	**675 179**	**718 282**
Operating Surplus/(Deficit)	**(314 442)**	**(383 893)**	**(468 294)**	**(581 618)**	**(540 292)**	**(540 292)**	**(578 491)**	**(671 073)**	**(713 943)**
Transfers recognised - capital	15 442	10 042	26 456	26 900	27 229	27 229	1 050	292	295
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	**(299 000)**	**(373 851)**	**(441 838)**	**(554 718)**	**(513 064)**	**(513 064)**	**(577 441)**	**(670 781)**	**(713 648)**
Capital Expenditure	**23 935**	**14 646**	**30 157**	**37 865**	**31 343**	**31 343**	**13 126**	**36 897**	**69 900**

2.12.5 Corporate Services (Vote 5)

Corporate Services directorate by nature is a transversal directorate. Corporate Services' core purpose is to provide multi-disciplinary services and professional partnerships to Directorates, supporting and enabling service delivery for the City, through value adding programmes, systems, processes, policies and knowledge management. As enablers of service delivery Corporate Services contributes and underpins all IDP Strategic Focus Areas.

The core functions and objectives of this directorate are as follows:

- **Human Resources:** Develops, drives and implements Human Resources strategies, programmes and intervention across the City in order to ensure the alignment of staff to business needs. The strategies, programmes and interventions are delivered through partnerships with internal and external stakeholders, with the primary internal stakeholders being Employment Equity, Occupational Health Safety & Wellness and line departments. Provides a centre of transactional excellence across a range of Human Resources functions, including the Employee Interaction Centre, Payroll and Personnel Administration.

- **Information Systems & Technology:** Deploys its Smart City Strategy to maximize the use of information Technology (IT) within the City and thereby improve services to citizens. As a strategic partner to business it aims to be a catalyst for the transformation of public services and it will enable the City to become a more efficient and affective local authority.

- **Employment Equity:** Provides strategic direction and develops corporate guidelines for the implementation of the City's EE Policy and EE Plan that forms the basis of the City's transformation agenda. This includes programmes for gender equity, diversity facilitation, disability management and application of affirmative action measures corporate wide.

- **Customer Relations:** 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.

- **Specialised Technical Services:** Provides a professional and specialised function related to fleet services, facilities management and electronic and radio services to its clients in order that available resources are effectively used, business demands are met, operational systems are maintained, and clients receive these services to effectively perform their work.

- **Development Information & GIS:** At a corporate level, responsible for ensuring that relevant institutional information and knowledge are managed, retained and shared across the organisation, in order to support decision-making regarding service delivery and the future development of Cape Town. The department also provides information and knowledge management related support services to City departments including spatial data management, map production, aerial photography, information analysis and survey and research support.

- **Occupational Health, Safety and Employee Wellness:** Providing an Employee Wellness programme, which is a pivotal partner in promoting and ensuring the emotional and psycho-social wellness of all employees and provides for the development and implementation of programmes and interventions that will ensure that the City complies with all legislation in terms of health and safety in the workplace.

- **Corporate Administration and Support Services:** Provides and co-ordinates efficient and professional corporate administrative services to the organisation and generic support services to the Corporate Services directorate.

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

- Facilities Management Structural Rehabilitation of City Corporate Buildings, which includes: Lift Modernisation, Escalator Replacement, Installation of an additional/mezzanine floor, Electrical Switchgear replacement and various electrical retrofits.
- Construction of a Metro Area Fibre Optic Network
- Provide Broadband Connectivity to the Western Cape Government
- Replacement of Fleet
- Update of aerial photography for municipal area

The following additional Key Programmes and Projects will be undertaken:

- Staff Engagement Survey
- Customer/Community Satisfaction Survey
- Enhancement of the Web-based Knowledge Hub
- Call Centre Programme including 22 Additional Free-call Lines in identified areas
- Records Management Programme including the enabling of Electronic Records Management, as well as a city wide project for the safe-keeping of legal records
- Occupational Health and Safety Management programme
- Improve energy efficiency of IT Equipment
- Enable Mobile Government
- Enable E-Services
- e-HR Programme
- Talent Management Programme
- Internal Management Processes Programme (MAP)
- Service Management Programme (C3)
- Facilities Management Enterprise System
- Rollout of integrated Talent Management Programmes
- External Skills Development programme (including external bursaries, learnerships, in-service training and apprenticeships)
- Audit of Council buildings and facilities for accessibility
- Conclude the EEA1 disability survey
- Promote 16 days into 365 days campaign of no violence against women
- Diversity Management programme

Table 64 Corporate Services - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Corporate Services									
Budgeted Financial Performance (revenue and expenditure)									
Description	**2010/11**	**2011/12**	**2012/13**	**2013/14**			**2014/15 Medium Term Revenue & Expenditure Framework**		
R thousand	**Audited Outcome**	**Audited Outcome**	**Audited Outcome**	**Original Budget**	**Adjusted Budget**	**Full Year Forecast**	**Budget Year 2014/15**	**Budget Year +1 2015/16**	**Budget Year +2 2016/17**
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	368	567	476	416	315	315	440	465	490
Rental of facilities and equipment	739	745	899	465	566	566	488	513	538
Interest earned - external investments	–	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines	–	–	0	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	1 169	–	10 000	–	536	536	2 300	4 226	6 700
Other revenue	24 478	45 453	45 296	25 555	34 995	34 995	57 259	60 465	83 730
Gains on disposal of PPE	1 675	2 879	3 366	1 500	1 500	1 500	1 500	1 584	1 670
Total Operating Revenue (excluding capital transfers and contributions)	**28 430**	**49 644**	**60 036**	**27 936**	**37 913**	**37 913**	**61 987**	**67 253**	**93 128**
Operating Expenditure By Type	–	–	–	–	–	–	–	–	–
Employee related costs	877 950	1 046 721	970 876	644 222	645 279	645 662	687 931	749 392	814 396
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	137 924	140 218	190 875	231 588	196 418	196 418	153 771	164 535	176 053
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	16 414	14 589	14 931	24 544	24 544	24 507	25 147	27 254	29 485
Contracted services	212 732	261 365	264 486	285 351	302 133	303 436	394 587	420 208	449 479
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	330 021	352 419	422 623	427 092	427 963	426 314	400 200	425 688	435 571
Loss on disposal of PPE	717	205	315	–	–	–	–	–	–
Total Operating Expenditure	**1 575 758**	**1 815 516**	**1 864 105**	**1 612 797**	**1 596 337**	**1 596 337**	**1 661 637**	**1 787 077**	**1 904 983**
Operating Surplus/(Deficit)	**(1 547 328)**	**(1 765 872)**	**(1 804 069)**	**(1 584 861)**	**(1 558 425)**	**(1 558 425)**	**(1 599 650)**	**(1 719 824)**	**(1 811 855)**
Transfers recognised - capital	136	8	9	10 000	5 787	5 787	10 702	7 298	–
Contributions recognised - capital	1 312	–	–	–	–	–	–	–	–
Contributed assets	–	69 089	–	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	**(1 545 881)**	**(1 696 776)**	**(1 804 060)**	**(1 574 861)**	**(1 552 638)**	**(1 552 638)**	**(1 588 948)**	**(1 712 526)**	**(1 811 855)**
Capital Expenditure	**142 581**	**204 091**	**232 756**	**258 892**	**294 109**	**294 109**	**359 474**	**349 019**	**322 411**

2.12.6 Economic, Environment & Spatial Planning (Vote 6)

The overall purpose and service mandate of the Economic, Environmental and Spatial Planning directorate is to lead the City's urban spatial, economic and environmental planning functions in support of the developmental duties of municipalities set out in Section 152 and 153 of the Constitution, which requires local government in its planning processes "to give priority to the basic needs of the community, and to promote the social and economic development of the community" and "participate in national and provincial development programmes".

In addition to a number of cross-cutting and support units, the directorate is made up of the following core departments:

- **Economic Development:-**
  This department leads and supports Council's mandate to facilitate economic development in the Cape Town metropolitan area and broader city region. It identifies bottlenecks in the economy that impede inclusive economic growth, and implements programmes within the local government sphere of influence that create a resilient economy where people are provided with opportunities to access and share the benefits of economic growth, and subsequently thrive.
- **Spatial Planning and Urban design:-**
  Spatial Planning and Urban Design is a spatial strategy, policy and planning department that has a unique non-sectoral role to play. The Department is tasked with implementing a spatial vision for Cape Town, facilitating the development of mechanisms to achieve this vision and coordinating and collaborating across different scales and sectors within the City (such as Housing, Transport, Utilities and Economic Development in order to achieve integrated planning amongst internal and external stakeholders impacting on and influencing the spatial organisation, growth, form and performance of Cape Town.
- **Planning and Building development Management:-**
  As a developing city, the City has an obligation, in terms of applicable law and through its urban planning and building development management systems, to create a safe and healthy built environment that addresses the needs of its various communities. The Planning and Building Development Management Department is responsible for delivering the services related to regulating urban planning and building development matters.
- **Environment and Resource Management:-**
  The role of this department is to ensure that the City's natural and heritage assets are optimised to provide a basis for sustainable economic growth and social development, while ensuring long term protection and management of these assets and their associated goods and services for future generations. The department is mandated, through the City's Integrated Metropolitan Environmental Policy (IMEP) to ensure that services are delivered in an environmentally, socially and economically sustainable manner
- **Development Facilitation Unit (DFU):-**
  Whilst the DFU has a number of detailed strategies to facilitate development outcomes, it has two overarching areas of key focus, namely:
  - Addressing infrastructure incapacity which prevents or retards development, and
  - Facilitating major and strategic development proposals requiring intervention mainly with regard to removal of application bottlenecks

The directorate is responding and gearing its activities towards the following objectives:

- Reviewing grant allocations towards addressing Cape Town's economic needs.
- Co-ordinating local development programmes to enhance the informal sector.
- Providing a business advisory service.
- Revising service level agreements to support growth sectors.
- Investigating options for energy diversification and promoting energy efficiency.
- Protecting environmental assets and expanding the eco-tourism sector.
- Supporting entrepreneurship activity in the formal and informal sector through programmes which teaches new entrepreneurs skills in business and planning procedures.
- Enabling the poor to utilise informal trading as a livelihood strategy.
- Providing the poor with the relevant skills they can use to access job opportunities.

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

- Quality Public Spaces Programme, which integrates suitable accommodation of informal trading, where appropriate, and contributes to the upgrading of community facilities including projects such as:
  - Jetty Precinct,
  - Langa Station Southern Forecourt,
  - Imizamo Yethu Entrance, and
  - Durbanville Heritage Square.
- Energy Efficiency Demand Side Management (EEDSM) aimed at developing building managers' capacity to effectively manage energy consumption at City buildings through Behavioural Change interventions.
- The Biodiversity and Terrestrial Ecosystem Management Programme, which focusses on the ongoing management and development of City's nature reserves, will prioritise the development of offices at Westlake and Witsands and finalise the land acquisition for the Dassenberg Coastal Corridor.
- The implementation of DAMS will also be effected in 14/15.

Table 65 Economic, Environment & Spatial Planning - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Economic, Environment & Spatial Planning									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	1	0	(0)	–	–	–	–	–	–
Service charges - other	67 135	72 265	81 370	84 534	90 034	90 034	93 443	98 676	117 004
Rental of facilities and equipment	21	23	41	28	28	28	29	31	32
Interest earned - external investments	7	2	–	–	–	–	–	–	–
Interest earned - outstanding debtors	176	116	659	83	83	83	83	88	92
Dividends received	–	–	–	–	–	–	–	–	–
Fines	731	1 148	1 123	1 269	1 269	1 269	1 343	1 418	1 495
Licences and permits	269	1 067	2 573	1 092	4 092	4 092	1 655	1 748	1 843
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	14 772	4 123	12 747	2 345	19 697	19 697	29 149	16 607	1 200
Other revenue	940	1 374	(86)	750	750	750	50	53	56
Gains on disposal of PPE	20	85	29	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	**84 071**	**80 205**	**98 454**	**90 101**	**115 954**	**115 954**	**125 753**	**118 620**	**121 722**
Operating Expenditure By Type									
Employee related costs	273 429	295 485	315 268	368 219	368 641	368 641	387 570	421 260	456 646
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	17 805	18 821	18 681	19 492	20 261	20 261	20 991	22 460	24 032
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	2 679	1 152	1 097	684	684	684	714	754	795
Contracted services	23 853	30 346	69 622	61 591	92 789	96 393	67 683	79 910	68 390
Transfers and grants	29 122	39 254	24 824	26 655	13 311	9 322	27 838	15 228	16 050
Other expenditure	47 756	40 310	35 587	39 342	42 004	42 389	40 270	32 952	34 381
Loss on disposal of PPE	66	9	9	–	–	–	–	–	–
Total Operating Expenditure	**394 710**	**425 376**	**465 087**	**515 983**	**537 690**	**537 690**	**545 065**	**572 564**	**600 294**
Operating Surplus/(Deficit)	**(310 640)**	**(345 172)**	**(366 633)**	**(425 881)**	**(421 736)**	**(421 736)**	**(419 312)**	**(453 944)**	**(478 573)**
Transfers recognised - capital	3 160	132	5 785	10 560	14 007	14 007	65 393	11 500	13 000
Contributions recognised - capital	14	22	–	–	–	–	–	–	–
Contributed assets	–	166	–	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	**(307 466)**	**(344 851)**	**(360 847)**	**(415 321)**	**(407 729)**	**(407 729)**	**(353 919)**	**(442 444)**	**(465 573)**
Capital Expenditure	**36 429**	**36 727**	**41 429**	**58 459**	**64 469**	**64 469**	**119 215**	**56 427**	**55 927**

2.12.7 Finance (Vote 7)

The Finance directorate provides sound financial services, which are sustained via corporate governance procedures, enabling the City to provide effective, efficient and affordable services to its citizens, in compliance with the MFMA, and other related legislation, policies and procedures.

The top management structure consists of the Chief Finance Officer and 9 directors (Budgets, Expenditure, Property Management, Inter-Services Liaison, Revenue, Shareholding Management, Supply Chain Management, Treasury and Valuations).

The Finance directorate has a capital budget of R105 million for 2014/15. Two of the major projects for the directorate are: E-Procurement (R4 million), Warehouse Equipment (R6.5 million) and Basement and Access Parking (R91 million).

The various Departments in the Finance Directorate are responsible, for inter alia:

- Maintaining accurate and complete financial records to enhance decision-making, thereby sustaining confidence in these records of the City.
- The compilation and implementation of affordable, balanced operating and capital budgets aligned to the Integrated Development Plan of the City.
- Managing the City's banking, investments, borrowings, and cash flow in the most effective, economical and efficient manner.
- Managing the immovable assets of the City' and ensuring that land is used to the greatest benefit of the City's strategic objectives.
- Billing and collecting monies and funds due to the City.
- Monitoring and controlling all expenditure, in order to embed sound financial discipline and ensuring accountability for the use of public funds.
- Fair property valuations in order to equitably levy rates on all properties for the provision of non-tariff funded services.
- Implementation of sound supply chain management policies and procedures.
- Development and reviewing of financial and finance-related policies.
- Ensuring compliance to relevant legislation, and the implementation and maintenance of good governance.
- Modelling the impact of the Total Municipal Account on residents to ensure a fair distribution of the burden.

Table 66 Finance - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Finance									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	16	19	3	–	–	–	–	–	–
Service charges - other	7 910	85 264	10 445	10 852	9 449	9 449	10 488	14 430	16 209
Rental of facilities and equipment	55 567	83 885	81 258	100 544	100 481	100 481	108 182	114 391	120 568
Interest earned - external investments	263 580	313 667	348 801	269 849	269 849	269 849	265 154	304 079	339 475
Interest earned - outstanding debtors	1 015	1 288	1 545	391	1 204	1 204	1 176	1 622	1 710
Dividends received	–	–	–	–	–	–	–	–	–
Fines	(0)	–	0	–	–	–	–	–	–
Licences and permits	3	2	3	–	–	–	–	–	–
Agency services	105 317	111 266	117 849	111 000	124 000	124 000	139 446	155 675	175 207
Transfers recognised - operational	989	3 508	2 480	4 629	3 909	3 909	2 441	1 250	1 300
Other revenue	108 185	151 456	526 155	135 941	133 558	133 558	147 129	155 314	163 701
Gains on disposal of PPE	6 579	28 929	42 139	61 000	61 000	61 000	111 000	64 416	67 894
Total Operating Revenue (excluding capital transfers and contributions)	**549 160**	**779 283**	**1 130 678**	**694 205**	**703 449**	**703 449**	**785 016**	**811 177**	**886 064**
Operating Expenditure By Type									
Employee related costs	417 955	460 872	506 253	573 033	574 457	574 862	616 160	667 387	723 447
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	9 759	(13 488)	7 644	12 373	12 373	12 373	12 806	9 023	9 239
Depreciation & asset impairment	15 632	14 896	12 016	14 163	11 013	11 013	11 538	12 346	13 210
Finance charges	683 871	646 184	697 132	831 894	831 894	831 894	886 062	1 115 565	1 346 590
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	571	503	616	1 474	1 474	1 454	51 498	1 613	1 733
Contracted services	13 698	18 104	25 500	22 209	19 310	19 777	34 238	35 227	37 462
Transfers and grants	5 401	5 580	5 931	6 263	6 263	6 263	6 627	6 998	7 376
Other expenditure	283 467	311 007	344 874	372 956	370 894	370 083	403 415	420 847	441 526
Loss on disposal of PPE	177	23	47	–	–	–	–	–	–
Total Operating Expenditure	**1 430 533**	**1 443 683**	**1 600 013**	**1 834 366**	**1 827 679**	**1 827 719**	**2 022 344**	**2 269 005**	**2 580 582**
Operating Surplus/(Deficit)	**(881 373)**	**(664 399)**	**(469 335)**	**(1 140 161)**	**(1 124 230)**	**(1 124 270)**	**(1 237 329)**	**(1 457 828)**	**(1 694 519)**
Transfers recognised - capital	2 506	105	–	–	82	82	–	–	–
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	**(878 867)**	**(664 294)**	**(469 335)**	**(1 140 161)**	**(1 124 148)**	**(1 124 188)**	**(1 237 329)**	**(1 457 828)**	**(1 694 519)**
Capital Expenditure	**13 703**	**119 833**	**21 544**	**11 715**	**44 135**	**44 135**	**105 509**	**33 912**	**10 112**

2.12.8 Human Settlements (Vote 8)

The 2014/15 to 2016/17 operating and capital budgets of the Human Settlements directorate are indicative of the comprehensive array of delivery programmes, funding streams and projects managed and operated by the City's Human Settlements directorate.

These projects target the key imperative of informal and backyard settlements upgrades and delivery integration to ensure that the City is a caring, opportunity and inclusive city.

In this regard, various additional strategies and delivery formats are being followed with special reference to the informal settlements upgrade elements of the Human Settlements activities.

These programmes include;

- Upgrade of Informal Settlements via, inter alia, re-blocking, Emergency housing and IDAs
- Provision of services to Backyarder units in City rental stock
- Hostels Transformation Programme
- Development of Serviced Sites to promote incremental housing development
- Development of New Human Settlements Projects
- Facilitation of Social Housing Developments
- Major upgrade of City owned Rental Units and Hostels
- Development of New City Rental Units
- Management of City Human Settlements Assets (including rental, hostel and selling scheme properties)
- Acquisition of targeted Human Settlements Land
- Funding of Infrastructure in support of future City Human Settlements projects et al

The provision of services within the backyards of the City of Cape Town rental properties forms a key strategic project for the directorate and was initiated following the launch by the Executive Mayor during the 2011/12 financial year. The further roll-out of this ground breaking project, which includes the provision of additional refuse collection, electrical, wash and bathroom facilities, is currently being expanded to other City rental areas across the City.

With respect to informal settlements upgrade, the City has identified key informal settlements in situ upgrade projects across the City and is currently updating its informal settlements database whilst instigating various delivery opportunities at its various informal areas. A long term development matrix is being developed and first draft in this regard was finalized in February. This will guide and ensure structured upgrading of informal settlements in medium to long term range.

The first project in the Hostels Transformation Project has started in Langa and comprises the development of 463 new family flats. Plans are being developed for this project to be rolled out to other areas such as Gugulethu, Langa etc.

Interactions with the private sector are essential and, as a consequence, the City has engaged with various private sector landowners and financiers with the view to fostering partnerships which support integrated human settlements development.

In this regard specific reference may be had to the City's Pelican Park and Scottsdene Developments where, in conjunction with the private sector, the City Human Settlements directorate is currently constructing large scale integrated, environmentally and financially sustainable developments comprising lower income housing, gap market housing, up-market housing coupled with commercial and community facility opportunities. Other similar major developments are also in the final stage such as the project with Garden Cities in Fisantekraal where Stage 1 of the project is currently underway.

The development of affordable, well located housing opportunities is a key part of the directorate strategy and, as a consequence, the directorate has expanded its programmes associated with the development and funding of Social Housing Projects whilst further expanding its relationships with its housing partners. New and expanded social housing projects form a key element of the 2014/2015 and beyond budget.

The City also allocated significant funding for People Housing Projects to increase delivery of top structures to areas that were previously provided with serviced stands. This delivery approach does not only provide shelter but also builds community cohesion whilst also creating opportunities to small and medium contractors.

The key to future development is the availability and, where required, the acquisition of appropriate land for all formats of housing delivery. In this regard the multi-year budget clearly reflects the City's provision for land acquisition whilst noting that the final outcome is a function of the land that becomes available coupled with the funding available for land purchases.

The City is also currently engaging with the Housing Development Agency and other public land owners (Public Works, Denel etc) with the view to, particularly, access well located and serviced State land as well as creating partnerships (HDA) aimed, via project management support, at supporting the City of Cape Town in delivering human settlements at scale.

The Urban Settlements Development Grant (City allocation: 2014/15 R1 358 879 000) is a key City human settlements funding source and provides for the State funding of, inter alia, bulk infrastructure, housing development projects (services), land acquisition and community facilities all with the targeted view to upgrading the informal settlements across the City in an affordable manner whilst noting that this intervention cannot only rely on State funding for delivery but requires both private sector and City intervention.

The budget further reflects the grant funding received via the Human Settlements Development Grant (HSDG) used for the top structures associated with subsidy (household income <R3500 per month) housing (City allocation: 2014/15 R1 350 467 000) within the City of Cape Town metropolitan area (including projects operated by the Provincial Human Settlements Department). The planned City Housing Assignment process has further unlocked the Human Settlements Capacity Support Grant in the amount of R50 371 000. These funds are available to support the City's Assignment processes in terms of capacity.

The recently approved Integrated Human Settlements Co-ordination Framework (IHSF) will further directly impact on the delivery patterns of human settlements noting the special reference of the plan to informal settlements upgrade and service delivery.

A 30 year Integrated Human Settlements Plan (IHSP) based on the IHSF is envisaged to be completed by end July 2014. In terms of the IHSF there is now a major shift towards incremental, transversal management, and integrated housing development approach.

From the revenue management perspective, the City Human Settlements and Finance directorates have engaged in a number of additional initiatives aimed specifically at recovering, particularly, monthly rental and selling scheme charges. These initiatives include:

- The Door to Door Collections Campaign is showing positive collections results
- SMS communication technology
- Consistent Payers Incentive Scheme
- Payment – Plus Scheme (aimed at transferring saleable rental stock held by the City)
- Enhanced Debt Collections Project (includes systems enhancements and expanded debt collections actions)

Whilst the City is engaged in ensuring collections, the budget clearly reflects the City's awareness of the economic climate negatively impacting our communities and, in this regard, the Housing Indigent Grant has experienced a significant increase in the volume of applications for the grant thereby impacting on the funding requirement for this grant.

Through further addressing the economic challenges faced by many poorer communities residing in, particularly, the City's rental stock, the average total monthly rental charge associated with these properties has been kept to an affordable level and is based on an annual increase of 5,13% (where the unit has a separate water meter) or 7,02% (for those units which include water in the rental charge) for 2014/15. This is similar to previous annual rental increase percentages, which were aligned to the City's general annual increases. The rental rate (per square meter per month) is R8.20 (where the unit has a separate water meter) or a rental charge (including water charge where applicable) of R11.58 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 in place as follows:

- Discounts on account – Outside toilet (R20 per month); External Water (R30 per month); No ceiling (R15 per month).
- Premiums on account – Saleable unit (R4,50 per month); Well maintained (R5 per month); Local environment (R3,50 per month); Well located (R5 per month); Hot water cylinder (R4 per month)

The annual rental charge increase however, acknowledging the ongoing multi-year implications of inflation on the costs associated with the rental properties, inter alia, maintenance of the properties, administrative costs et al is not directly aligned to the economic cost of operating the rental units and operates on a subsidized basis.

Overall the City Human Settlements directorate budgets are reflective of the array of housing initiatives currently underway whilst also ensuring the maximization of all financial opportunities in pursuit of its Multi Year Integrated Human Settlements Plan.

Table 67 Human Settlements - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Human Settlements									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
Property rates	2	6	2	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	10 181	9 869	10 096	10 724	10 724	10 724	10 120	10 687	12 264
Rental of facilities and equipment	162 646	171 784	179 216	190 776	191 090	191 090	204 461	214 124	225 234
Interest earned - external investments	21 150	18 044	15 117	14 760	12 220	12 220	10 600	11 194	11 798
Interest earned - outstanding debtors	238	113	244	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines	6	0	1	–	–	–	–	–	–
Licences and permits	4	1	1	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	162 911	204 858	329 396	546 835	518 595	518 595	1 252 652	1 490 535	1 728 080
Other revenue	7 597	8 921	6 881	5 812	5 817	5 817	6 605	6 975	7 351
Gains on disposal of PPE	6 747	1 555	20 529	2 000	2 000	2 000	2 000	2 112	2 226
Total Operating Revenue (excluding capital transfers and contributions)	**371 482**	**415 150**	**561 484**	**770 907**	**740 446**	**740 446**	**1 486 437**	**1 735 626**	**1 986 953**
Operating Expenditure By Type									
Employee related costs	196 839	216 720	248 766	305 653	307 743	307 728	335 268	370 737	400 910
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	84 679	92 163	(6 146)	119 820	104 820	104 820	102 389	104 123	103 961
Depreciation & asset impairment	40 461	53 342	58 990	73 479	79 873	79 873	84 424	90 009	95 918
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	0	–	–	–	–	–	–	–
Other materials	18 759	15 030	17 728	15 669	26 669	26 669	30 556	31 444	32 384
Contracted services	133 167	124 330	209 631	265 297	329 949	329 949	1 023 507	1 263 303	1 502 883
Transfers and grants	3 392	–	–	–	–	–	–	–	–
Other expenditure	124 306	221 263	267 703	372 088	298 011	297 971	316 095	292 629	295 448
Loss on disposal of PPE	1 137	630	253	–	–	–	–	–	–
Total Operating Expenditure	**602 742**	**723 479**	**796 924**	**1 152 006**	**1 147 065**	**1 147 010**	**1 892 239**	**2 152 245**	**2 431 504**
Operating Surplus/(Deficit)	**(231 259)**	**(308 329)**	**(235 440)**	**(381 099)**	**(406 619)**	**(406 564)**	**(405 802)**	**(416 619)**	**(444 551)**
Transfers recognised - capital	272 886	463 433	519 786	516 728	693 101	693 101	616 322	552 150	487 801
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	**41 627**	**155 104**	**284 346**	**135 629**	**286 482**	**286 536**	**210 521**	**135 531**	**43 250**
Capital Expenditure	**322 439**	**490 110**	**565 763**	**626 963**	**772 109**	**772 109**	**699 783**	**574 777**	**509 428**

2.12.9 Safety & Security (Vote 10)

The directorate consist of six departments namely, Law Enforcement and Specialised Services, Traffic Services, Metropolitan Police Services, Fire and Rescue Services, Disaster Risk Management and 107 Public Emergency Communication Centre. The directorate is committed to ensure a safe and secure environment for all its residents, by combating crime and disorder, reduce vehicle speed and accidents on our roads, improve response time to emergency fire calls and reduce disasters risks in all communities within the City.

To achieve this, the directorate has identified core objectives and programmes for 2014/15 and beyond:

- Expand staff and capital resources in the policing departments and emergency services, to ensure improved services to all communities. This will be achieved by increasing the operating staff compliment through the volunteer/auxiliary member programmes, externally funded initiatives and by ensuring that all departments are adequately resourced.

- Improved efficiency through information and technology-driven policing by establishing: a SmartCop System and the Integrated Emergency Contact Centre. The directorate intends to further expand its Neighbourhood Safety Officer (NSO) programme as well as to influence urban design in order to improve intelligent crime prevention and reduce crime and disorder.

- Improved efficiency through human resource development will see the directorate continue its efforts to build relationships with both local and international partners and expanding the capacity of all its training colleges.

- Improved safety and security through partnerships with communities; the private sector; other departments and spheres of government. Part of this initiative is to extend the Neighbourhood Watch support programme to more areas; ensure the presence of law enforcement agencies at public transport interchanges in partnership with transport authorities and the SAPS; continues with the School Resource Officer (SRO) programme and increase the disaster risk as well as fire public awareness programmes in all areas.

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

- The Establishment of an Integrated Emergency Contact Centre;
- Upgrading and improving the driving and licencing testing centres;
- The complete phase 2 of the Vehicle Impoundment Facility in Maitland;
- Complete the final phase of the Atlantis Driving Licensing and Testing centre;
- Complete the final phase of the CCTV camera installation in Athlone and Bellville;
- Replacement and acquisition of additional radios and equipment; and
- Acquisition and replacement of vehicles.

Table 68 Safety and Security - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Safety & Security									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	175	175	175	185	196	206
Service charges - other	15 464	22 489	19 700	9 712	10 133	10 133	10 154	10 722	11 301
Rental of facilities and equipment	177	457	439	193	193	193	202	213	223
Interest earned - external investments	27	12	6	5	5	5	7	7	8
Interest earned - outstanding debtors	974	975	1 348	501	501	501	501	529	557
Dividends received	–	–	–	–	–	–	–	–	–
Fines	162 754	140 146	96 180	178 673	164 126	164 126	171 315	180 909	190 678
Licences and permits	35 196	37 409	36 045	31 425	32 105	32 105	33 747	45 637	62 561
Agency services	10 671	12 384	14 621	10 993	10 993	10 993	10 993	11 609	12 236
Transfers recognised - operational	3 519	5 624	12 825	30 222	36 521	36 521	24 794	7 440	–
Other revenue	1 210	1 399	1 763	51	51	51	168	177	187
Gains on disposal of PPE	67	127	164	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	**230 059**	**221 022**	**183 090**	**261 949**	**254 802**	**254 802**	**252 067**	**257 439**	**277 957**
Operating Expenditure By Type									
Employee related costs	912 975	1 028 761	1 160 026	1 276 366	1 265 353	1 264 927	1 318 641	1 412 893	1 531 577
Remuneration of councillors	–	–	20	–	–	–	–	–	–
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	35 766	35 599	36 823	42 736	41 523	41 523	33 799	36 165	38 696
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	2 936	2 542	3 049	4 684	5 089	5 289	4 984	5 057	5 402
Contracted services	17 807	20 580	22 355	33 137	32 263	31 837	47 644	53 626	57 203
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	140 072	149 573	158 916	163 452	167 840	168 492	224 558	242 606	252 718
Loss on disposal of PPE	99	44	15	–	–	–	–	–	–
Total Operating Expenditure	**1 109 655**	**1 237 101**	**1 381 203**	**1 520 375**	**1 512 067**	**1 512 067**	**1 629 626**	**1 750 347**	**1 885 596**
Operating Surplus/(Deficit)	**(879 597)**	**(1 016 079)**	**(1 198 113)**	**(1 258 425)**	**(1 257 265)**	**(1 257 265)**	**(1 377 559)**	**(1 492 909)**	**(1 607 639)**
Transfers recognised - capital	580	2 869	2 659	–	1 672	1 672	2 234	–	–
Contributions recognised - capital	–	–	–	–	1 000	1 000	–	–	–
Contributed assets	–	–	15	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	**(879 017)**	**(1 013 210)**	**(1 195 439)**	**(1 258 425)**	**(1 254 593)**	**(1 254 593)**	**(1 375 325)**	**(1 492 909)**	**(1 607 639)**
Capital Expenditure	**27 377**	**67 079**	**55 708**	**67 927**	**64 080**	**64 280**	**70 559**	**40 127**	**35 127**

2.12.10 Social Development and Early Childhood Development (Vote 11)

Like many other cities in South Africa, Cape Town faces the challenge of social ills such as lack of social cohesion within families, poverty, unemployment, alcohol and drug abuse, HIV/AIDS, TB, gangsterism, increasing cost of living and lack of financial means to access socio-economic services. The extent of the social decay outweighs the supply of such services, which makes it imperative that the services that are indeed rendered, conform to acceptable efficiency and value for money standards, produce measurable outputs and have positive impact on social cohesion.

The South African Constitution mandates local government to "promote social and economic" development. Social Development is understood broadly as the overall improvement of as well as the enhancement in quality of life of all people, especially people who are poor and marginalised.

The Social Development and Early Childhood Development directorate (SDECD), in accordance with its statutory duty determined in Section 4(2)(j) of the Local Government: Municipal Systems Act, 32 of 2000, contributes with other organs of state and private sector partners incrementally (within the constraints of its financial means) to providing social services and early childhood development to those who need it. In giving effect to its mandate, SDECD concluded an Implementation Protocol Agreement with the Western Cape Provincial Department of Social Services, which enables SDECD to collaborate on a number of its programmes with same.

SDECD will be the driver within the Social Cluster of a transversal management system. Greater emphasis will be placed on ensuring inter-directorate coordination when addressing social developmental and early childhood developmental needs of communities.

To enable seamless implementation of programmes, eight service delivery areas (currently at central CBD accommodation) will be established within their designated communities.

SDECD focuses on preventative social developmental and early childhood developmental programmes aimed at strengthening social cohesion by creating awareness and resilience within vulnerable communities in Cape Town. This includes involving communities when SDECD programmes are implemented.

Interventions rely on available resources, and will be prioritized in areas of need, with the focus being on Gang and Substance Abuse Awareness, Youth Development, Street People and Early Childhood Development. To this end, SDECD will work towards establishing a Street People re-integration unit, as well as greater support at Assessment Centres and Early Childhood Development Centres.

Substance Abuse:
Substance abuse is a priority area, given the high incidence of drug and alcohol abuse in Cape Town. The City will collaborate with partners at local and provincial level to offer initiatives that promote awareness of substance abuse and provide support for the substance abuse programme. This includes involving communities when programmes are implemented. The programme entails the following key projects and interventions:

- Manage the "Be Smart, Don't Start" project
- Establish Local Drug Action Committees and capacitate them to carry out preventative projects
- Forge partnerships with PGWC, NGOs and CBOs
- Concentrate on awareness programmes concerning the negative impact of substance abuse
- Collaborate with schools to implement substance abuse awareness sessions via MOD centres
- SDECD will drive implementation of the City's interventions targeting Gang & Substance Abuse through the Social Cluster of the transversal management system

Street People:
The aim is to effectively reduce the number of people living, sleeping and surviving on the streets, as well as ensuring that street people are given the necessary development assistance to achieve reintegration, accommodation and employment. Reduce the number of citizens living on the streets. This is achieved through the implementation of the street people programme.

The programme entails the following key projects and interventions:
- Manage the "Give Responsibly" campaign
- Compile database of street people
- Provide assessment centres (including referral services) access to other services, including physical and mental assessment, referrals for bed space, rehabilitation and reintegration to communities of origin
- Implement the Winter Readiness programme
- Deal with street people matters on a daily basis in conjunction with the Displaced People's Unit
- Establishment of a re-integration unit
- Create employment opportunities through EPWP programmes

Early Childhood Development:
The ECD period, from birth to age six, is the most critical time in a child's development, during which children require the most care and support. The ECD period is when cognitive stimulation, nutrition and emotional attachment all work together to shape the identity, coping skills, intelligence and problem-solving abilities that children will need to grow into positively adjusted adolescents and adults.

The aim of the programme is therefore to offer quality ECD services with a variety of development components, such as the following:
- Assist with ECD centres' registrations in collaboration with relevant departments within the City of Cape Town and Department of Social Development (PGWC)
- Train ECD practitioners, caregivers and parents in capacity building
- Conduct regular surveys/audits on registered and unregistered crèches in conjunction with PGWC
- Construct ECD centres on City-owned land in identified areas of need
- Maintain City-owned ECD centres
- Contribute towards ECD curriculum development
- Assist non-complying ECD centres and act against on-going non-compliance

Youth Development:
The City is committed to the development of its youth, and recognises the important role they play in society. Multifaceted Youth Development interventions, taking into account the many challenges facing the youth, will be implemented across the city, with the aim to deliver the following:
- Life skills and employment skills for youth
- Career planning and referrals for further training within the City and other institutions offering further training aimed at improving employability of youth
- Identifying youth for leadership development programmes
- Collaborating with Department of Social Development (PGWC) to render support to youth at risk
- SDECD will drive implementation of the City’s interventions targeting Gang & Substance Abuse through the Social Cluster of the transversal management system

Poverty Alleviation and Reduction:
Being a caring city requires a targeted effort to care for the marginalised & vulnerable in Cape Town. Given the economic environment of increasing unemployment and number of residents living below the poverty line, indigent programmes and other economic enabling measures require urgent attention. Collaboration with a range of partners is essential. This will require corporate social investment (CSI) as well as social entrepreneurship initiatives to create sustainable opportunities and promote independence over time.

The programme entails the following key projects and interventions:
- Establishment of Community Gardens, including, but not limited to: food gardens; soup kitchens; feeding schemes; recycling projects.
- Receiving food vouchers for jobs at these community gardens.
- Provision of food for the destitute on an ad hoc basis.
- Active participants in the Corporate Social Investment Sector.

Vulnerable Groups:
Despite considerable progress made with regards to the legal status of vulnerable persons being entrenched in the Bill of Rights of the Constitution of South Africa, Act 108 of 1996, vulnerable groups in South Africa still do not enjoy equal rights in practice. There is a lack of an adequate human rights culture of tolerance and acceptance, aggravated by a lack of awareness and knowledge of the different types of disability, and the causes and ways of ensuring acceptance of persons with disabilities within communities. Women are still faced with challenges of unemployment, physical abuse and violence perpetrated by society. Older persons face many challenges, and ageing, which is an inevitable stage of life, requires special needs. Older Persons deserve the assistance they need. An enabling environment needs to be created where older persons can live active, healthy and independent lives for as long as possible.
Initiatives in this programme are aimed at:
- Women and Gender matters
- Senior Citizens
- Persons with disabilities
- Children at Risk

The focus is on awareness raising initiatives concerning gender based violence, abuse against senior citizens, assistance to persons living with disabilities regarding employment opportunities and assisting with care. Children at Risk are addressed in association with the ECD programme and PGWC. This includes involving communities when programmes are implemented.

Expanded Publics Work Programme (EPWP):
Work opportunities are created through the EPWP in alignment to the directorate's six programmes namely;

- Early Childhood Development
- Street People
- Substance Abuse
- Vulnerable Groups
- Youth Development
- Poverty Alleviation and Reduction

Table 69 Social Development and Early Childhood Development - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Social Dev & Early Childhood Development									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	11	8	5	15	15	15	8	9	9
Rental of facilities and equipment	87	86	115	386	386	386	413	433	455
Interest earned - external investments	2	1	0	–	–	–	–	–	–
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines	1	1	1	–	–	–	–	–	–
Licences and permits	1	2	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	–	–	16	–	–	–	816	–	–
Other revenue	1	1	(1)	0	0	0	–	–	–
Gains on disposal of PPE	1	11	1	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	**103**	**109**	**136**	**401**	**401**	**401**	**1 237**	**442**	**464**
Operating Expenditure By Type									
Employee related costs	17 434	21 019	30 336	38 681	40 686	40 686	71 031	77 243	83 732
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	1 622	1 360	1 901	2 106	2 434	2 434	2 597	2 779	2 974
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	53	229	402	408	408	408	332	353	374
Contracted services	1 288	12 597	26 389	22 086	37 086	37 086	42 498	25 590	27 068
Transfers and grants	1 330	2 270	–	–	–	–	–	–	–
Other expenditure	5 497	8 501	14 364	13 814	20 199	20 199	21 323	17 245	18 186
Loss on disposal of PPE	2	3	1	–	–	–	–	–	–
Total Operating Expenditure	**27 225**	**45 979**	**73 392**	**77 095**	**100 814**	**100 814**	**137 782**	**123 211**	**132 333**
Operating Surplus/(Deficit)	**(27 122)**	**(45 869)**	**(73 256)**	**(76 694)**	**(100 413)**	**(100 413)**	**(136 545)**	**(122 769)**	**(131 869)**
Transfers recognised - capital	–	2 069	890	–	–	–	2 350	–	–
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	**(27 122)**	**(43 800)**	**(72 365)**	**(76 694)**	**(100 413)**	**(100 413)**	**(134 195)**	**(122 769)**	**(131 869)**
Capital Expenditure	**6 909**	**9 446**	**6 791**	**5 460**	**7 838**	**7 838**	**18 010**	**10 860**	**10 860**

2.12.11 Tourism, Events and Marketing (Vote 12)

TEaM Cape Town will market and develop its tourism, events, arts and culture and visitor offering through the use of its strategic assets, design-led processes and internal and external partnerships to deliver economic growth, development and an open opportunity city inclusive of all its citizens (residents).

Directorate Strategic Objective
The directorate's primary strategic objective is to stimulate economic growth, development and attract investment through the world Design Capital 2014 programme, events, tourism, arts and culture as well as marketing actions by:

- Increasing visitor numbers, additional iconic events, innovative and creative arts and culture activities;
- maximising operational budgets;
- creating and facilitating partnerships and joint ventures;
- planning, decision-making & coordinated action between role-players (spheres of government, state owned enterprises, promotion and marketing agencies, the private sector and communities);
- facilitating and promoting sector transformation; and
- advocating design-led thinking.

Tourism's Strategic Objective:
To maximise the economic spin-offs and jobs created from the tourism sector by positioning Cape Town as world-class and South Africa's premier tourism destination.

Events Strategic Objective:
To establish Cape Town through improved strategic management, logistical coordination and support as the top events destination locally and regionally, and as one of the premier events destinations globally, with increased numbers of events held annually resulting in benefits to residents, the hospitality industry and the local economy at large.

Marketing Strategic Objective:
To promote Cape Town as a premier travel, events, cultural, trade and investment destination in order to drive economic growth, development in the city's key sectors.

Strategic Assets Strategic Objective:
To ensure the financial sustainability of key City assets and the utilisation of these assets in promoting Cape Town as a premier events destination.

Arts & Culture Strategic Objective:
To market and develop the arts & culture in a manner that celebrates the city's rich diversity to contribute to economic growth, development and an open opportunity city inclusive of all its citizens (residents).

World Design Capital 2014 Strategic Objective
To fulfil the obligations of the Host City Agreement in response to the City of Cape Town's status as World Design Capital 2014. This include the funding of Cape Town Design NPC for the implementation of the World Design Capital 2014 programme in the greater Cape Town as well

as advocating the use of design principles by City line-departments and wards through a process of facilitation, education and collaboration.

Integration and Support Strategic Objective:

To provide the directorate with the necessary Finance, Human Resource and general administrative support in a manner that drives compliance without hampering service delivery and the fulfilment of the primary tasks of the directorate.

Table 70 Tourism, Events and Marketing - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Tourism, Events and Marketing									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	52 617	2 504	1 889	4 379	4 369	4 369	4 719	4 984	5 253
Rental of facilities and equipment	13 259	13 244	20 692	15 764	15 764	15 764	16 576	17 404	20 275
Interest earned - external investments	0	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors	0	0	9	0	0	0	0	0	0
Dividends received	–	–	–	–	–	–	–	–	–
Fines	1	1	78	100	100	100	–	–	–
Licences and permits	21	15	16	15	15	15	10	11	12
Agency services	4	–	–	–	–	–	–	–	–
Transfers recognised - operational	33 785	1 980	552	61 000	61 000	61 000	2 190	2 000	1 000
Other revenue	1 493	1 489	291	123	133	133	130	137	145
Gains on disposal of PPE	4	16	1	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	**101 184**	**19 249**	**23 529**	**81 380**	**81 380**	**81 380**	**23 625**	**24 536**	**26 684**
Operating Expenditure By Type									
Employee related costs	38 509	41 364	63 281	88 316	88 355	88 355	93 402	101 563	110 095
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	203 303	176 662	189 167	193 555	195 653	195 653	200 320	214 342	219 346
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	785	584	662	1 046	1 080	1 081	1 229	1 298	1 369
Contracted services	103 223	28 615	42 346	186 720	114 868	120 928	57 975	61 331	64 364
Transfers and grants	44 157	47 083	65 901	4 202	90 074	94 941	87 098	92 244	97 225
Other expenditure	39 087	41 251	58 382	56 985	80 971	70 044	42 799	39 882	41 253
Loss on disposal of PPE	3	1	3	–	–	–	–	–	–
Total Operating Expenditure	**429 067**	**335 559**	**419 741**	**530 824**	**571 001**	**571 001**	**482 822**	**510 662**	**533 652**
Operating Surplus/(Deficit)	**(327 883)**	**(316 310)**	**(396 213)**	**(449 443)**	**(489 621)**	**(489 621)**	**(459 197)**	**(486 125)**	**(506 969)**
Transfers recognised - capital	58 323	3 568	3 241	6 549	9 141	9 141	1 000	–	–
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	**(269 560)**	**(312 742)**	**(392 972)**	**(442 894)**	**(480 480)**	**(480 480)**	**(458 197)**	**(486 125)**	**(506 969)**
Capital Expenditure	**108 834**	**62 875**	**179 084**	**28 661**	**26 530**	**26 530**	**37 781**	**30 200**	**30 200**

2.12.12 Transport for Cape Town (Vote 13)

The Transport for Cape Town directorate has the responsibility for the provision and maintenance of a sustainable, integrated and intermodal transportation network as well as what happens on this network. It now operates within the parameters of the gazetted TCT Constitution Bylaws, No 7208 of 2013.

Focus areas of Transport for Cape Town are:

- Strategic transportation planning, contract performance and network management across the City.
- The rollout of integrated intermodal transportation across the City under the auspices of TCT, including the MyCiti bus network, Public Transport Interchanges, Transport Information Centre, Transport Management Centre and other related facilities and services.
- Strategic planned management, provision and maintenance of the City's road and storm-water networks.
- Upgrading of the network, especially in previously disadvantaged areas to facilitate the improvement of the quality of life of all communities.
- Access to opportunities through the reduction of overall costs for those using public transport.
- Conservation of natural resources through the management of inland and coastal water quality.
- Compliance with Occupational Health and Safety legislation in the internal and external Transport for Cape Town environments for both capital and operating projects.

Transport for Cape Town follows a three-pronged approach to achieving its objectives and in reaching its performance and investment-based targets, namely:

- *Commuter*
  - Working towards an integrated time-tabling and ticketing system across all scheduled services.
  - Centralised communication and queries across all transportation modes.
  - Improved road, storm water, public transport and railway network management in cooperation with other relevant stakeholders.
- *Infrastructure*
  - Working toward proactive road maintenance across the entire network.
  - Freight management.
  - Overall strategic plan for upgrading of roads in residential areas.
  - Improvement of maintenance depot operational management.
  - Focus on public transport asset management.
- *Governance*
  - Taxi management.
  - Guiding the production of a business plan for Passenger Rail and rollout of a process plan.
  - Rollout, upon assignment, of the Contracting Authority function.
  - Business plan for the assignment of the municipal regulating entity function to the City.

Key Projects currently being undertaken include:

- Roll out and operations of IRT infrastructure in Phase 1A, 1B and N2 Express and plans for Phase 2 and beyond.
- Planning and building of Public Transport Interchanges.
- Implementation of the National Land Transport Act, with the focus on obtaining the assignment of the Contracting Authority function and the Municipal Regulatory Function (MRE) to the City so as to facilitate integrated public transport.
- Upgrading, rehabilitation and maintenance of major roads and storm water facilities.
- Upgrading of the road, pavement and storm water network in previously disadvantaged residential areas to an acceptable and unified standard.

Table 71 Transport for Cape Town - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Transport for Cape Town									
Budgeted Financial Performance (revenue and expenditure)									
Description	**2010/11**	**2011/12**	**2012/13**	**2013/14**			**2014/15 Medium Term Revenue & Expenditure Framework**		
R thousand	**Audited Outcome**	**Audited Outcome**	**Audited Outcome**	**Original Budget**	**Adjusted Budget**	**Full Year Forecast**	**Budget Year 2014/15**	**Budget Year +1 2015/16**	**Budget Year +2 2016/17**
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	15 383	37 721	43 109	41 788	41 788	41 788	108 835	124 930	157 676
Rental of facilities and equipment	172	63	46	11	11	11	240	252	265
Interest earned - external investments	3	1	3	0	0	0	0	0	0
Interest earned - outstanding debtors	5	4	2	0	0	0	2	2	2
Dividends received	–	–	–	–	–	–	–	–	–
Fines	24	23	15	21	21	21	22	24	25
Licences and permits	819	1 513	1 227	1 151	1 151	1 151	1 218	1 286	1 355
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	37 504	109 454	158 855	306 120	304 351	304 351	244 521	236 450	238 614
Other revenue	16 667	22 509	13 358	15 744	15 744	15 744	14 753	15 580	16 421
Gains on disposal of PPE	462	289	250	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	**71 040**	**171 577**	**216 866**	**364 836**	**363 066**	**363 066**	**369 591**	**378 523**	**414 358**
Operating Expenditure By Type									
Employee related costs	343 110	405 702	457 118	532 192	544 530	544 570	576 190	626 557	679 188
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	157 425	192 048	263 918	401 017	472 045	472 045	572 188	612 241	645 098
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	47 512	49 701	47 083	48 466	45 966	45 966	50 670	54 968	59 523
Contracted services	308 040	451 992	594 388	729 597	725 108	725 083	816 892	857 527	882 187
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	156 824	169 320	202 784	184 864	208 700	208 685	216 682	212 283	209 044
Loss on disposal of PPE	16	53	20	–	–	–	–	–	–
Total Operating Expenditure	**1 012 927**	**1 268 816**	**1 565 311**	**1 896 136**	**1 996 348**	**1 996 348**	**2 232 622**	**2 363 576**	**2 475 039**
Operating Surplus/(Deficit)	**(941 887)**	**(1 097 239)**	**(1 348 445)**	**(1 531 301)**	**(1 633 282)**	**(1 633 282)**	**(1 863 031)**	**(1 985 053)**	**(2 060 682)**
Transfers recognised - capital	595 331	1 151 426	2 339 666	1 289 673	1 488 571	1 488 571	1 463 632	1 169 647	1 166 841
Contributions recognised - capital	28	–	30	2 150	1 720	1 720	12 100	50 000	50 000
Contributed assets	–	–	–	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	**(346 528)**	**54 187**	**991 252**	**(239 478)**	**(142 991)**	**(142 991)**	**(387 299)**	**(765 406)**	**(843 841)**
Capital Expenditure	**723 893**	**1 280 796**	**2 493 517**	**1 415 743**	**1 612 231**	**1 617 285**	**1 660 185**	**1 406 390**	**1 399 414**

2.12.13 Utility Services (Vote 14)

Service Mandate: The Constitution stipulates that the City has a responsibility to ensure that citizens of Cape Town have access to basic services. Utility Service's specific functions are contained in Schedule 4B pertaining to electricity reticulation, water and sanitation and schedule 5B pertaining to street lighting, cleansing, refuse removal, refuse dumps and solid waste disposal.

To meet this responsibility Utility Services must ensure the provision of effective and reliable water, sanitation, electricity and solid waste management services through effective management of natural resources and service delivery infrastructure.

The core purpose of the directorate is:

- To ensure sustainable municipal infrastructure and services (Water, Sanitation, Electricity and Solid Waste Management) that will enable economic development.
- To ensure equitable access to basic services for all the citizens of Cape Town.

2.12.13.1 Water and Sanitation department

The Water and Sanitation department has made significant progress in providing water and sanitation services to the City's residents since the formation of one metro administration. The principal challenge for the department is to maintain an existing water and sanitation service for the City while also providing services for an ever-increasing number of households in a sustainable way. This has to be achieved in the context of providing basic needs, ensuring economic growth, maintaining an ageing infrastructure, limiting negative environmental impact, managing water resource scarcity and consolidating a transformed metro administrative infrastructure.

The overall trend is that Cape Town's population will continue to grow each year although at a slower rate than previous years. The number of households living in informal settlements and backyards has been growing due to urbanisation, natural growth and changes in household size. If the trends continue to increase, it will eventually force more and more households into the indigent bracket or even within informal sector. Considering the latter, it means more and more people will fall within the City's subsidised housing programme which creates implications for growth of the City and its infrastructure. Increased city sprawl will increase the cost of infrastructure to new households.

Infrastructure investment also creates an environment for economic growth and is important for sustainable growth. Failure to improve the current state of infrastructure poses a serious threat to the local economy. In order to ensure medium to long-term sustainability of the existing infrastructure, proactive rehabilitation and maintenance of the infrastructure needs to be implemented.

Over the last two years, the department has succeeded in increasing its pipe replacement programme to great success, although it will take several years to reverse the trend.

An estimated minimum of R150 million/annum (2012/13 - 2016/17) and R84 million/annum is required for water pipe replacement and sewer pipe replacement respectively, including for Bulk lines. For reticulation water mains the aim is to achieve an acceptable burst rate of less than 10 bursts/100km/year.

The City has undertaken an accelerated programme to improve the replacement of water distribution network mains, especially in areas that experience a high incidence of bursts, such as the Tygerberg district. More importantly, Water and Sanitation Services is implementing an Asset Management Programme (AMP). This will ensure that

- assets are maintained proactively rather than reactively;
- the total asset lifecycle is managed to maximise life of asset;
- maintenance work is effectively coordinated, and
- operational downtime is significantly reduced.

A very high priority is being given to a comprehensive water loss reduction strategy with detail action plans being developed for each of the technical losses (Pipe bursts, Leakage, Treatment losses, System losses), Apparent losses (illegal connections, metering inefficiencies, unmetered authorised consumption, unauthorised consumption, Billing/accounting, meter reading).

The operating budget will increase in line with the City's MTREF. This reflects the need for increasing demands to repair and maintain current infrastructure and the requirement of resources to operate new infrastructure. Consequently, there is pressure on annual tariffs increases to exceed inflation. The pressure on the operating budget needs to be addressed via above-inflation tariff increases and initiatives to ensure that money due to the City is collected.

Tariff increases implemented have been set higher than inflation during the last number of years due to the escalated focus on repairs and maintenance of current infrastructure as well as the growth in the capacity requirement in the capital infrastructure programme.

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

Key capital infrastructure projects for the next three years are as follows:

- Upgrading / Replacement of the existing water and sewer networks, rising mains and pump stations.
- Additional reservoir storage capacity.
- Augmentation of the water sources and bulk water supply.
- Upgrading and extension of various WWTW.
- Rehabilitation and maintenance of the existing water and sanitation infrastructure.

Table 72 Water & Sanitation - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Utility Services									
Department: Water & Sanitation									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	1 649 307	1 817 183	2 053 577	2 343 850	2 333 850	2 333 850	2 540 080	2 824 821	3 158 769
Service charges - sanitation revenue	903 138	1 002 925	1 091 910	1 243 019	1 243 019	1 243 019	1 338 202	1 489 197	1 666 350
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	37 819	41 291	46 252	54 921	53 921	53 921	56 437	59 597	62 816
Rental of facilities and equipment	10	10	41	50	50	50	53	55	58
Interest earned - external investments	19	9	6	–	–	–	–	–	–
Interest earned - outstanding debtors	185 226	209 068	168 874	81 356	91 356	91 356	92 000	97 152	102 398
Dividends received	–	–	–	–	–	–	–	–	–
Fines	3	5	3	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	2 915	7 360	2 305	–	–	–	–	–	–
Other revenue	11 551	32 576	16 462	12 447	12 447	12 447	14 308	15 109	15 925
Gains on disposal of PPE	2 081	3 939	9 521	2 000	2 000	2 000	3 500	3 696	3 896
Total Operating Revenue (excluding capital transfers and contributions)	**2 792 068**	**3 114 366**	**3 388 950**	**3 737 643**	**3 736 643**	**3 736 643**	**4 044 579**	**4 489 627**	**5 010 212**
Operating Expenditure By Type									
Employee related costs	772 770	865 593	965 912	1 130 178	1 085 913	1 085 913	1 217 531	1 322 944	1 420 021
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	510 256	299 351	368 090	259 930	289 930	289 930	351 433	431 275	492 160
Depreciation & asset impairment	229 972	275 069	312 351	341 403	348 669	348 669	373 928	400 102	428 110
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	293 325	320 262	293 295	353 581	343 581	343 581	371 711	404 273	444 073
Other materials	45 775	63 237	49 999	69 928	55 127	55 124	51 678	55 986	60 153
Contracted services	361 322	417 004	549 133	527 032	605 311	605 311	614 311	620 958	742 961
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	377 231	457 402	494 217	524 934	514 795	514 798	560 197	637 573	720 037
Loss on disposal of PPE	447	254	130	–	–	–	–	–	–
Total Operating Expenditure	**2 591 098**	**2 698 172**	**3 033 128**	**3 206 985**	**3 243 326**	**3 243 326**	**3 540 789**	**3 873 112**	**4 307 514**
Operating Surplus/(Deficit)	**200 970**	**416 193**	**355 822**	**530 658**	**493 317**	**493 317**	**503 790**	**616 516**	**702 698**
Transfers recognised - capital	95 134	192 281	171 251	244 290	196 369	196 369	273 610	261 870	241 000
Contributions recognised - capital	14 594	9 907	9 863	10 000	10 000	10 000	11 000	11 000	12 000
Contributed assets	–	–	–	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	**310 698**	**618 382**	**536 936**	**784 948**	**699 686**	**699 686**	**788 401**	**889 385**	**955 698**
Capital Expenditure	**390 746**	**605 157**	**596 642**	**956 230**	**933 026**	**933 026**	**1 114 512**	**1 322 020**	**1 304 900**

2.12.13.2 Solid Waste Management department

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

- The management and minimisation of waste that will be collected, streamed, diverted, processed, treated or recycled;
- The management of waste that will be disposed of at a licensed, regulated landfill site inside the City's boundaries or any other waste management site under its direct control;
- All individuals residing or visiting the City, and entities doing business or providing any form of private, public or community service requiring waste management services;
- All service providers operating in the waste management industry;
- The management and regulation of all waste that may include liquid or fluid wastes, which are generated in the municipality, with special provisions for the handling, processing, treatment and disposal of hazardous waste, as well as waste generated by the health services industry (including veterinary services);
- The regulation of waste crossing the City's boundaries to ensure proper management, recycling and control of all types of waste.

Principles, service levels and standards for waste management are contained in the City's Integrated Waste Management (IWM) policy. This policy excludes waste originating from sanitation systems of whatever form, for which there are separate national and Council policies, but makes provision for the disposal of treated sewage sludges of an acceptable quality that will minimise impact on the environment, as determined by separate guidelines from time-to-time.

The IWMP aligns with the Integrated Development Plan (IDP), the Western Cape Integrated Waste Management Plan (IWMP), The Western Cape Provincial initiatives regarding Industry Waste Management Planning as required in part 7 of the National Environmental Management: Waste Act (Act 59 of 2008) as well as the Western Cape Provincial Spatial Development Framework (SDF) and the City of Cape Town Spatial Development Framework (CTSDF).

The NWMS aims to redress the past imbalances in waste management. The NWMS has a direct bearing on future waste management strategies of the SWM Department and is structured against a framework of eight goals. An action plan that sets out how the goals and targets will be met forms part of the strategy, and the actions include roles and responsibilities for different spheres of government, industry and the civil society. The eight goals are:

1. Promote waste minimisation, re-use, recycling and recovery of waste.
2. Ensure effective and efficient delivery of waste services.
3. Grow the contribution of the waste sector to the green economy.
4. Ensure that people are aware of the impact of waste on their health, well-being and the environment.
5. Achieve integrated waste management planning.
6. Ensure sound budgeting and financial management for waste services.
7. Provide measures to remediate contaminated land.
8. Establish effective compliance with and enforcement of the Waste Act.

The basis of funding is determined by the nature and the type of service and related resources, fleet, plant, equipment or infrastructure, and whether a fee can be used to recover the cost of the service (as determined by the Council's Tariff Schedule). In both the SWM Integrated Waste Management and the SWM Tariff policies the following funding groups are provided for Council's waste management functions:

Tariffs:

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

Rates:

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

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

- The Operating Costs - defined as those costs expended by the SWM in managing and implementing the day-to-day operations required for solid waste management services rendered by the City of Cape Town. It also includes the cost of external service providers, consultants and contractors employed by the SWM; the costs of repairs and maintenance of existing infrastructure, plant and equipment.
- Capital costs - include, but not limited to technical investigations/studies/consultation fees, land acquisition, infrastructure development, vehicles, plant & equipment acquisition, new buildings and facilities (i.e. liners for landfills, transfer stations, drop-off or recycling centres, composting plants, etc.).

The National Environmental Management Waste Act 59 of 2008 (NEMWA), which came into effect on 1 July 2009, requires that waste minimisation be considered by municipalities in addition to municipal services such as cleaning, collection and disposal to landfill. In developing any alternate service delivery mechanism for waste management, efficiency, effectiveness, sustainability and affordability considerations must also be taken into account within the City's municipal environment.

Having considered legislative changes, the need to give effect to waste minimisation and diversion from landfill as a key focus and the Constitutional vested service authority and responsibility to provide solid waste services, Council resolved that the preferred service delivery mechanism for Solid Waste Management be an Internal department in terms of the MSA S.76 (a) (i).

The City did an assessment in terms of Section 78 (3), Assessment of Alternative Service Delivery (ASD) mechanisms, of the Local Government Municipal Systems Act 32 of 2000 (MSA). This was needed to place the City in a position to make an informed decision as to the most appropriate mechanisms for the Solid Waste Management Department to meet new legislative requirements and to reduce waste and divert waste from landfill.

The long-term vision for the City's waste management services, is to integrate waste management services in such a way that they are able to not only provide basic services, but to augment economic activity and minimise the effects of waste on human and environmental health.

The long-term vision for the CTWM sector is -

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

Table 73 Solid Waste Management - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Utility Services									
Department: Solid Waste Management									
Budgeted Financial Performance (revenue and expenditure)									
Description	2010/11	2011/12	2012/13	2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	754 111	813 268	869 207	946 946	950 629	950 629	989 721	1 067 217	1 146 776
Service charges - other	10 542	195	(459)	442	439	439	90	95	100
Rental of facilities and equipment	2	1 668	1 623	–	–	–	–	–	–
Interest earned - external investments	10	7	2	–	–	–	–	–	–
Interest earned - outstanding debtors	18 779	19 944	18 020	20 000	12 000	12 000	12 000	12 672	13 356
Dividends received	–	–	–	–	–	–	–	–	–
Fines	24	29	17	–	–	–	–	–	–
Licences and permits	–	–	7	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	–	–	11 199	10 721	21 000	21 000	–	–	–
Other revenue	880	1 786	6 211	5 150	5 145	5 145	5 732	6 053	6 380
Gains on disposal of PPE	632	2 804	8 464	–	–	–	–	–	–
Total Operating Revenue (excluding capital transfers and contributions)	**784 981**	**839 701**	**914 291**	**983 259**	**989 213**	**989 213**	**1 007 543**	**1 086 037**	**1 166 613**
Operating Expenditure By Type									
Employee related costs	450 515	496 877	542 713	611 693	612 329	612 459	687 420	730 265	791 229
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	48 619	41 235	46 624	51 219	51 219	51 219	37 291	44 985	48 003
Depreciation & asset impairment	101 548	116 921	115 871	132 871	122 168	122 168	142 896	152 848	163 547
Finance charges	33 604	35 350	31 536	32 000	32 000	32 000	33 170	35 028	36 919
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	27 949	28 662	32 368	50 421	30 682	30 682	40 355	42 781	45 272
Contracted services	473 291	446 346	570 333	525 066	574 707	574 577	560 695	601 876	631 677
Transfers and grants	385	–	–	–	–	–	–	–	–
Other expenditure	164 566	176 527	246 211	200 075	174 330	174 330	183 004	205 653	251 766
Loss on disposal of PPE	65	42	87	–	–	–	–	–	–
Total Operating Expenditure	**1 300 542**	**1 341 961**	**1 585 743**	**1 603 345**	**1 597 435**	**1 597 435**	**1 684 829**	**1 813 436**	**1 968 414**
Operating Surplus/(Deficit)	**(515 561)**	**(502 260)**	**(671 452)**	**(620 086)**	**(608 222)**	**(608 222)**	**(677 286)**	**(727 399)**	**(801 802)**
Transfers recognised - capital	57 442	47 624	50 000	50 000	24 975	24 975	50 000	5 000	39 374
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Contributed assets	–	–	–	–	–	–	–	–	–
Operating Surplus/(Deficit) for the year	**(458 119)**	**(454 636)**	**(621 452)**	**(570 086)**	**(583 247)**	**(583 247)**	**(627 286)**	**(722 399)**	**(762 428)**
Capital Expenditure	**198 374**	**229 904**	**208 174**	**264 938**	**139 505**	**139 505**	**436 875**	**309 006**	**218 379**

2.12.13.3 Cape Town Electricity department

The department's core business is to provide reliable electricity supply to customers in the City's Electricity Services supply area. 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 NRS 048 documents.

In accordance with the City's draft Energy and Climate Change strategy, the department aims to promote the use of renewable energy as follows:

- Market and sell Green Electricity being purchased by the City of Cape Town from the Darling Wind Farm. The Darling Wind Farm, a national demonstration project, is South Africa's first commercial wind farm, situated in Darling in the Western Cape. This four turbine (1.3MW each) wind farm is a partnership between the Central Energy Fund, the Development Bank of South Africa, the Danish Government, the private Darling Independent Power Producer and the City of Cape Town. It comprises four wind turbines of 1.3MW capacity generating 5.2MW (10 GWh annually). The electricity is 'injected' onto the nearby Eskom electrical network and replaces electricity generated by Eskom. The turbines began generating in May 2008.
- Promote and facilitate the implementation of other renewable generation systems where practical.
- Together with the Environmental Resource Management Directorate keep abreast of national and provincial developments regarding renewable energy including the development of feed-in tariffs and Carbon Credits and facilitate the incorporation thereof into City processes.
- In the light of proposed Eskom price increases, investigate the practicality of entering into long term PPA's with IPP's to provide electricity at the same price the City purchases electricity from Eskom.

Promote the finalization of national technical specifications for the connection of small scale renewable generation to utility electrical grids.

In partnership with the Environmental Resource Management Directorate, the Department aims to:

- Establish and implement an Energy Efficiency (EE) programme.
- Promote Eskom's Energy program to the City's electricity consumers.
- Establish and maintain an on-line EE and DSM resource.

The department is in the process of establishing a smart meter pilot and a Utility Load Management (ULM) projects to test and assess the appropriateness, uses and availability of technologies for smart meters and improve service delivery. Once completed, the results will be used to inform the decision on whether to deploy these technologies for use in the business.

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 in electrification in South Africa. Asset management plans need to be consolidated for implementation of programmes in the interim. This plan will feed into and support the operating and capital budgets. Expenses for refurbishment will be funded through internal working capital generation and borrowings.

Access to electricity service is achieved through the demand driven capital programme funded through developer's contributions for non-subsidized housing. Subsidized housing is funded through the electrification plan.

The budget presented is based on a combination of zero as well as parameter based budgetary methods. The planned change is premised on the framework that will allow the Finance function to add value to the business it serves.

Unless otherwise stated, financial modelling is based on the assumptions as listed below:

- Contribution to Rates Account - basis of calculation = 10% of Electricity Sales (excl FBE)
- System energy growth calculation based on recent and current energy consumptive patterns
- CPIX as determined by Corporate Finance for the next three years
- Effective Eskom increase is based on the NERSA approved multi-year pricing determination
- Collection ratio of 98% for the next three years

The capital funded from a number of funding sources with the CRR and CGD being the largest. It is critically important that a benchmark for the investment in refurbishment is established in accordance with international best practice to ensure good quality of supply and excellent customer and delivery service. External Financing Fund (EFF) envelopes are set by Corporate Finance and increases in capital charges related to this funding source have an impact on tariffs. With effect from the 2014/15 financial year, non-generating revenue projects in respect of infrastructure and refurbishment have been moved from EFF (loans) to CRR (revenue) funding. This practise over an extended period will have the effect of reducing tariff increase requirements.

The structure of the current and medium-term future residential tariffs has multiple objectives:

- To provide protection to the poor through a cross-subsidy from the larger consumers;
- To discourage bulk buying;
- To encourage the efficient use of electricity;
- To meet NERSA's regulatory objectives;;
- To safeguard the financial sustainability of the distributor as best possible.

Eskom have recently completed a "Cost to Serve" study, which resulted in the municipal supply tariffs for 2013/14 (i.e. the tariffs at which municipal distributors purchase electricity) increasing at a lower rate than the average Eskom increase. This in turn resulted in a lower than otherwise expected increase for the municipal consumers for the same period.

The City's Electricity department has recently commenced with our own "Cost of Supply" study, with the intention of being able to determine the levels at which the tariffs should be set, as well as being able to then also quantify exactly what subsidies exist and how much these are. The study is expected to be refined over a number of years; with the first basic version being complete in time for the 2015/16 financial year. At that time a migration path will be prepared in order for the relevant adjustments over the medium-term to be made, should any be required.

Table 74 Cape Town Electricity - operating revenue by source, expenditure by type and total capital expenditure

Directorate: Utility Services									
Department: Cape Town Electricity									
Budgeted Financial Performance (revenue and expenditure)									
Description	**2010/11**	**2011/12**	**2012/13**	**2013/14**			**2014/15 Medium Term Revenue & Expenditure Framework**		
R thousand	**Audited Outcome**	**Audited Outcome**	**Audited Outcome**	**Original Budget**	**Adjusted Budget**	**Full Year Forecast**	**Budget Year 2014/15**	**Budget Year +1 2015/16**	**Budget Year +2 2016/17**
Operating Revenue By Source									
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	6 578 063	8 061 648	8 852 879	9 668 405	9 483 473	9 483 473	10 072 229	10 827 646	11 661 375
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	243 204	5 833	5 036	4 658	4 658	4 658	4 662	4 923	5 189
Rental of facilities and equipment	195	580	385	372	372	372	400	420	441
Interest earned - external investments	12	6	2	3	3	3	1	1	1
Interest earned - outstanding debtors	14 416	13 128	15 437	16 474	16 474	16 474	13 500	14 256	15 026
Dividends received	–	–	–	–	–	–	–	–	–
Fines	2	2	–	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	–	–	–	3 000	1 708	1 708	–	–	–
Other revenue	69 559	53 118	76 133	76 420	76 420	76 420	82 956	87 602	92 332
Gains on disposal of PPE	1 978	1 273	2 031	2 500	2 500	2 500	2 500	2 640	2 783
Total Operating Revenue (excluding capital transfers and contributions)	**6 907 428**	**8 135 587**	**8 951 904**	**9 771 832**	**9 585 608**	**9 585 608**	**10 176 248**	**10 937 488**	**11 777 147**
Operating Expenditure By Type									
Employee related costs	600 254	664 526	690 079	816 171	820 379	820 379	905 902	980 558	1 062 437
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Debt impairment	79 120	231 764	190 954	138 747	138 747	138 747	144 263	154 342	166 834
Depreciation & asset impairment	251 080	288 055	322 817	379 233	366 749	366 749	447 724	479 065	512 599
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	4 326 779	5 385 001	6 097 891	6 545 300	6 264 330	6 264 330	6 678 300	7 205 955	7 781 805
Other materials	98 443	78 276	95 675	126 800	126 800	126 800	117 034	126 893	137 334
Contracted services	129 622	125 516	135 466	143 010	141 981	141 981	152 938	165 026	177 765
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	216 809	203 409	205 730	274 073	272 297	272 297	304 524	326 697	344 720
Loss on disposal of PPE	546	260	339	–	–	–	–	–	–
Total Operating Expenditure	**5 702 653**	**6 976 807**	**7 738 950**	**8 423 335**	**8 131 285**	**8 131 285**	**8 750 685**	**9 438 536**	**10 183 494**
Operating Surplus/(Deficit)	**1 204 775**	**1 158 781**	**1 212 954**	**1 348 497**	**1 454 323**	**1 454 323**	**1 425 564**	**1 498 953**	**1 593 653**
Transfers recognised - capital	15 857	94 406	170 873	227 059	269 184	269 184	176 260	221 915	232 300
Contributions recognised - capital	25 790	27 077	22 431	33 100	29 400	29 400	33 300	35 300	38 300
Contributed assets	–	–	–	–	31 144	31 144	–	–	–
Operating Surplus/(Deficit) for the year	**1 246 422**	**1 280 263**	**1 406 257**	**1 608 656**	**1 784 051**	**1 784 051**	**1 635 124**	**1 756 168**	**1 864 253**
Capital Expenditure	**733 508**	**926 127**	**1 235 012**	**1 457 964**	**1 363 543**	**1 363 543**	**1 305 128**	**1 305 492**	**1 270 510**

2.13 Annual budgets and service delivery agreements – entities

2.13.1 Executive Summary

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

The financial plan for 2014/15 reflects that, with the projected hosting of 500 events, the company will be generating both an operating and net profit for the year with growth of 8% year-on-year. The 2014/15 operational plans, which are factored into the budgets, have taken into account growth in primary and secondary revenue streams as well as the continuous drive to save on costs. The business needs in respect of capital expenditure for the existing building, which is also funded from CTICC reserves, have been budgeted at R27 million for the year. This capital expenditure is for new and existing assets, which will result in CTICC remaining a world class facility. Capital expenditure on the expansion of the CTICC is budgeted at R52.1 million for the year, which is funded from the contribution of the parent municipality to the share capital of the company.

The 2014/15 budget reflects positive results showing a net profit before tax of R17.8 million. The budget indicates an increase in total revenues of 8% compared to 2013/14 forecast budget, which is 2% more than current inflation rate and is more or less in line with the average revenue trend increase over the past five years. Total indirect costs have been budgeted at an increase of 5% on total indirect costs, which is also in line with inflation. The operating profit before interest and depreciation reflects a 26% growth compared to 2013/14 forecast budget.

The 2014/15 budget includes 35% (R29 million) "blue sky" revenue as the budget is prepared for the City well in advance of the start date of the 2014/15 financial year where there are few bookings in the system on which the budget can be based. The budgeted operating profit before interest and depreciation for 2014/15 has been budgeted at R27.5 million, which is R5.6 million more than the 2013/14 budget.

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

Furthermore, direct costs have been budgeted on the cost of sales percentage trends of 32% of the catering revenue and direct personnel being 14% of catering revenue. Gross Margins is budgeted to be maintained at an average of 78%. Indirect costs have been budgeted to increase at inflation, which is currently 6% for most of the categories of indirect costs except for maintenance, electricity, water, refuse, personnel costs and building costs, which have been budgeted to increase in line with City's guidelines. The 2014/15 budget reflects a R27.5 million profit before interest and depreciation and a R17.8 million profit before tax.

2.13.2 Service Delivery Agreement between the City and the CTICC

The table below shows the service delivery agreement details.

Table 75 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	n/a
Monetary value	No current operating funding from the City.
Ownership and control (Due to a rights offer, the shareholding will change during the year as shares are taken up in tranches by the City and Province. Anticipated shareholding at 30/6/2014 and 30/6/2015 is shown.)	Shares: City of Cape Town – 63.85% (71.78% - 30/6/2015) Prov. Govt. Western Cape - 23.6% (22.63% - 30/6/2015) SunWest International Pty Ltd – 12.55% (5.59% - 30/6/2015) The City has effective voting rights of 73% (76% - 30/6/2015) based on the above anticipated shareholding.
Oversight processes	The Shareholding Management department in the City is the dedicated unit monitoring performance and ensuring compliance.
Mandate	Provide a world class international conference centre.
Funding over medium term	Expansion of the Convention Centre will result in additional funding being required. Council approved a contribution not exceeding R550 million. Provincial Government Western Cape committed R161 million. The CTICC is to obtain loan funding of R100 million.
Summary of SDA	Sets out the obligations of Convenco and the City in respect of compliance and performance issues.
Link to IDP	SFA 1: Opportunity City
Past performance and future objectives	Has exceeded its targets in the past. Convenco is confident that it will maintain its present levels of bookings despite the world economic downturn.

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

The aggregated annual budget, as required in terms of section 25 of the MBRR, are presented in the five primary budget tables on page 155 to page 159. These tables reflect the CTICC's 2014/15 budget and MTREF to be supported by Council and made public for comment.

Schedule D reflecting the annual budget and supporting documents for the CTICC is attached as Annexure 14 while the business plan is attached as Annexure 15.

Table 76 CTICC - Table D1 Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14			Medium Term Revenue and Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Financial Performance	–	–	–	–	–	–	–	–	–
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Investment revenue	7 599	7 420	7 664	14 074	7 698	7 698	16 988	6 159	5 942
Transfers recognised - operational	–	–	–	–	–	–	–	–	–
Other own revenue	145 795	140 337	158 899	165 826	164 126	164 126	177 785	188 452	199 759
Total Revenue (excluding capital transfers and contributions)	**153 394**	**147 757**	**166 563**	**179 901**	**171 824**	**171 824**	**194 773**	**194 611**	**205 702**
Employee costs	32 342	32 782	36 743	41 657	41 657	41 657	44 324	47 212	50 045
Remuneration of Board Members	237	144	208	265	265	265	289	325	344
Depreciation and debt impairment	36 743	–	–	–	–	–	–	–	–
Finance charges	–	–	–	–	–	–	–	–	–
Materials and bulk purchases	–	–	–	–	–	–	–	–	–
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	79 974	104 042	102 896	124 038	125 670	125 670	132 337	140 301	148 719
Total Expenditure	**149 295**	**136 968**	**139 847**	**165 959**	**167 592**	**167 592**	**176 951**	**187 838**	**199 108**
Surplus/(Deficit)	**4 099**	**10 789**	**26 716**	**13 941**	**4 232**	**4 232**	**17 822**	**6 773**	**6 593**
Transfers recognised - capital	–	–	–	–	–	–	–	–	–
Contributions recognised - capital & contributed assets	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**4 099**	**10 789**	**26 716**	**13 941**	**4 232**	**4 232**	**17 822**	**6 773**	**6 593**
Taxation	6 426	4 114	8 877	3 904	1 185	1 185	4 990	1 896	1 846
Surplus/ (Deficit) for the year	**(2 327)**	**6 675**	**17 839**	**10 038**	**3 047**	**3 047**	**12 832**	**4 877**	**4 747**
Capital expenditure & funds sources	–	–	–	–	–	–	–	–	–
Capital expenditure	**35 332**	**17 326**	**29 327**	**245 665**	**41 941**	**41 941**	**78 779**	**384 254**	**399 600**
Transfers recognised - capital	–	–	–	219 800	–	–	52 100	356 900	301 000
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	71 400
Internally generated funds	35 332	17 326	29 327	25 865	41 941	41 941	26 679	27 354	27 200
Total sources of capital funds	**35 332**	**17 326**	**29 327**	**245 665**	**41 941**	**41 941**	**78 779**	**384 254**	**399 600**
Financial position	–	–	–	–	–	–	–	–	–
Total current assets	143 086	139 932	168 644	301 118	369 020	369 020	565 951	464 551	202 537
Total non current assets	180 417	176 273	185 429	268 857	202 047	202 047	254 119	610 064	979 655
Total current liabilities	49 014	36 443	58 748	45 585	42 695	42 695	48 865	48 534	51 364
Total non current liabilities	8 318	6 915	4 640	6 915	4 640	4 640	4 640	4 640	104 640
Community wealth/Equity	266 171	272 846	290 686	517 474	523 733	523 733	766 565	1 021 441	1 026 189
Cash flows	–	–	–	–	–	–	–	–	–
Net cash from (used) operating	45 277	15 925	51 652	39 379	11 710	11 710	44 512	31 919	36 593
Net cash from (used) investing	(35 007)	(17 417)	(29 737)	(94 665)	(41 941)	(41 941)	(78 779)	(384 254)	(399 600)
Net cash from (used) financing	–	–	–	230 000	230 000	230 000	230 000	250 000	100 000
Cash/cash equivalents at the year end	**134 425**	**132 933**	**154 848**	**329 562**	**354 617**	**354 617**	**550 351**	**448 015**	**185 009**

Table 77 CTICC - Table D2 Budgeted Financial Performance (revenue and expenditure)

Description	2010/11	2011/12	2012/13	Current Year 2013/14			Medium Term Revenue and Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Source	–	–	–	–	–	–	–	–	–
Property rates	–	–	–	–	–	–	–	–	–
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	–	–	–	–	–	–	–	–	–
Service charges - water revenue	–	–	–	–	–	–	–	–	–
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–
Service charges - refuse revenue	–	–	–	–	–	–	–	–	–
Service charges - other	–	–	–	–	–	–	–	–	–
Rental of facilities and equipment	62 834	64 952	74 158	78 511	78 511	78 511	84 247	89 302	94 660
Interest earned - external investments	7 599	7 420	7 664	14 074	7 698	7 698	16 988	6 159	5 942
Interest earned - outstanding debtors	–	–	–	–	–	–	–	–	–
Dividends received	–	–	–	–	–	–	–	–	–
Fines	–	–	–	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	–	–	–	–	–	–	–	–	–
Other revenue	82 961	75 385	84 741	87 315	85 615	85 615	93 538	99 150	105 099
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	**153 394**	**147 757**	**166 563**	**179 901**	**171 824**	**171 824**	**194 773**	**194 611**	**205 702**
Expenditure By Type	–	–	–	–	–	–	–	–	–
Employee related costs	32 342	32 782	36 743	41 657	41 657	41 657	44 324	47 212	50 045
Remuneration of Directors	237	144	208	265	265	265	289	325	344
Debt impairment	–	–	–	–	–	–	–	–	–
Collection costs	–	–	–	–	–	–	–	–	–
Depreciation & asset impairment	36 743	21 537	20 443	25 323	25 323	25 323	26 707	28 310	30 008
Finance charges	–	–	–	–	–	–	–	–	–
Bulk purchases	–	–	–	–	–	–	–	–	–
Other materials	–	–	–	–	–	–	–	–	–
Contracted services	–	–	–	–	–	–	–	–	–
Transfers and grants	–	–	–	–	–	–	–	–	–
Other expenditure	79 974	82 505	82 452	98 715	100 347	100 347	105 630	111 992	118 711
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–
Total Expenditure	**149 295**	**136 968**	**139 847**	**165 959**	**167 592**	**167 592**	**176 951**	**187 838**	**199 108**
Surplus/(Deficit)	**4 099**	**10 789**	**26 716**	**13 941**	**4 232**	**4 232**	**17 822**	**6 773**	**6 593**
Transfers recognised - capital	–	–	–	–	–	–	–	–	–
Contributions recognised - capital	–	–	–	–	–	–	–	–	–
Contributions of PPE	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**4 099**	**10 789**	**26 716**	**13 941**	**4 232**	**4 232**	**17 822**	**6 773**	**6 593**
Taxation	6 426	4 114	8 877	3 904	1 185	1 185	4 990	1 896	1 846
Surplus/ (Deficit) for the year	**(2 327)**	**6 675**	**17 839**	**10 038**	**3 047**	**3 047**	**12 832**	**4 877**	**4 747**

Table 78 CTICC - Table D3 Capital Budget by vote and funding

Vote Description	2010/11	2011/12	2012/13	Current Year 2013/14			Medium Term Revenue and Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Building enhancements	28 117	11 084	8 311	9 650	13 456	13 456	13 300	11 995	12 834
IT & electronic infrastructure	2 589	3 400	6 363	10 895	13 153	13 153	9 029	10 849	9 661
Kitchen enhancements	2 034	874	1 411	880	880	880	960	1 500	1 027
Catering furniture & equipment	2 593	1 968	1 398	4 440	4 440	4 440	3 390	3 010	3 678
CTICC EAST	–	–	11 844	219 800	10 012	10 012	52 100	356 900	372 400
Capital single-year expenditure sub-total	**35 332**	**17 326**	**29 327**	**245 665**	**41 941**	**41 941**	**78 779**	**384 254**	**399 600**
Total Capital Expenditure	**35 332**	**17 326**	**29 327**	**245 665**	**41 941**	**41 941**	**78 779**	**384 254**	**399 600**
Funded by:									
National Government	–	–	–	–	–	–	–	–	–
Provincial Government	–	–	–	–	–	–	–	108 900	51 100
Parent Municipality	–	–	–	219 800	–	–	52 100	248 000	249 900
District Municipality	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	**–**	**–**	**–**	**219 800**	**–**	**–**	**52 100**	**356 900**	**301 000**
Public contributions & donations	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	71 400
Internally generated funds	35 332	17 326	29 327	25 865	41 941	41 941	26 679	27 354	27 200
Total Capital Funding	**35 332**	**17 326**	**29 327**	**245 665**	**41 941**	**41 941**	**78 779**	**384 254**	**399 600**

Table 79 CTICC - Table D4 Budgeted Financial Position

Description	2010/11	2011/12	2012/13	Current Year 2013/14			Medium Term Revenue and Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS									
Current assets									
Cash	13 567	6 597	3 286	–	–	–	–	–	–
Call investment deposits	120 858	126 336	151 562	286 586	354 617	354 617	550 351	448 016	185 009
Consumer debtors	–	–	–	–	–	–	–	–	–
Other debtors	7 277	5 622	12 676	12 672	12 542	12 542	13 586	14 401	15 265
Current portion of long-term receivables	–	–	–	–	–	–	–	–	–
Inventory	1 385	1 377	1 120	1 860	1 860	1 860	2 014	2 135	2 263
Total current assets	**143 086**	**139 932**	**168 644**	**301 118**	**369 020**	**369 020**	**565 951**	**464 551**	**202 537**
Non current assets									
Long-term receivables	–	–	–	–	–	–	–	–	–
Investments	0	–	0	0	(0)	–	–	–	–
Investment property	–	–	–	–	–	–	–	–	–
Property, plant and equipment	180 417	176 273	185 429	268 856	202 048	202 047	254 119	610 064	979 655
Agricultural assets	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Intangible assets	–	–	–	–	–	–	–	–	–
Total non current assets	**180 417**	**176 273**	**185 429**	**268 857**	**202 047**	**202 047**	**254 119**	**610 064**	**979 655**
TOTAL ASSETS	**323 503**	**316 205**	**354 074**	**569 975**	**571 067**	**571 067**	**820 070**	**1 074 615**	**1 182 192**
LIABILITIES									
Current liabilities	–	–	–	–	–	–	–	–	–
Bank overdraft	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Consumer deposits	11 203	16 497	25 071	9 950	9 848	9 848	10 667	11 307	11 986
Trade and other payables	35 344	16 879	30 988	32 031	29 639	29 639	35 039	33 802	35 666
Provisions	2 468	3 068	2 689	3 605	3 208	3 208	3 159	3 425	3 712
Total current liabilities	**49 014**	**36 443**	**58 748**	**45 585**	**42 695**	**42 695**	**48 865**	**48 534**	**51 364**
Non current liabilities									
Borrowing	–	–	–	–	–	–	–	–	100 000
Provisions	8 318	6 915	4 640	6 915	4 640	4 640	4 640	4 640	4 640
Total non current liabilities	**8 318**	**6 915**	**4 640**	**6 915**	**4 640**	**4 640**	**4 640**	**4 640**	**104 640**
TOTAL LIABILITIES	**57 332**	**43 359**	**63 388**	**52 501**	**47 334**	**47 334**	**53 505**	**53 174**	**156 004**
NET ASSETS	**266 171**	**272 846**	**290 686**	**517 474**	**523 733**	**523 733**	**766 565**	**1 021 441**	**1 026 189**
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	(299 469)	(292 793)	(274 954)	(278 166)	(271 907)	(271 907)	(259 075)	(254 198)	(249 451)
Reserves	–	–	–	–	–	–	–	–	–
Share capital	565 640	565 640	565 640	795 640	795 640	795 640	1 025 640	1 275 640	1 275 640
TOTAL COMMUNITY WEALTH/EQUITY	**266 171**	**272 846**	**290 686**	**517 474**	**523 733**	**523 733**	**766 565**	**1 021 441**	**1 026 189**

Table 80 CTICC – Table D5 Budgeted Cash Flow

Description	2010/11	2011/12	2012/13	Current Year 2013/14			Medium Term Revenue and Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	144 074	149 435	162 147	27 090	4 932	4 932	83 203	88 487	93 796
Government - operating	–	–	–	–	–	–	–	–	–
Government - capital	–	–	–	–	–	–	–	–	–
Interest	7 660	7 466	7 704	14 074	7 698	7 698	16 988	6 159	5 942
Dividends	–	–	–	–	–	–	–	–	–
Payments									
Suppliers and employees	(106 396)	(140 930)	(118 158)	(1 785)	(920)	(920)	(55 679)	(62 727)	(63 145)
Finance charges	(61)	(46)	(40)	–	–	–	–	–	–
Dividends paid	–	–	–	–	–	–	–	–	–
Transfers and Grants	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**45 277**	**15 925**	**51 652**	**39 379**	**11 710**	**11 710**	**44 512**	**31 919**	**36 593**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts	–	–	–	–	–	–	–	–	–
Proceeds on disposal of PPE	325	–	–	0	0	0	–	–	–
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–
Payments	–	–	–	–	–	–	–	–	–
Capital assets	(35 332)	(17 417)	(29 737)	(94 665)	(41 941)	(41 941)	(78 779)	(384 254)	(399 600)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(35 007)**	**(17 417)**	**(29 737)**	**(94 665)**	**(41 941)**	**(41 941)**	**(78 779)**	**(384 254)**	**(399 600)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts	–	–	–	–	–	–	–	–	–
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	230 000	230 000	230 000	230 000	250 000	100 000
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–
Payments									
Repayment of borrowing	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	**–**	**–**	**–**	**230 000**	**230 000**	**230 000**	**230 000**	**250 000**	**100 000**
NET INCREASE/ (DECREASE) IN CASH HELD	**10 270**	**(1 492)**	**21 915**	**174 714**	**199 769**	**199 769**	**195 733**	**(102 335)**	**(263 006)**
Cash/cash equivalents at the year begin:	**124 154**	**134 425**	**132 933**	**154 848**	**154 848**	**154 848**	**354 617**	**550 351**	**448 015**
Cash/cash equivalents at the year end:	**134 425**	**132 933**	**154 848**	**329 562**	**354 617**	**354 617**	**550 351**	**448 015**	**185 009**

2.14 Contracts having future budgetary implications

Table 81 MBRR SA33 - Contracts having future budgetary implications

Description	Preceding Years	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework			Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Total Contract Value
R thousand	Total	Original Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Expenditure Obligation By Contract													
Transnet (waste from Athlone Transfer Station to Vissershok landfill site from 2013/14 to 2023/24)	–	16 800	18 500	20 400	22 400	24 640	27 100	29 810	32 800	36 080	39 680	43 650	**311 860**
AFS (Automated Fuel Systems)	520 164	186 016	196 247	207 040	218 427	230 441	–	–	–	–	–	–	**1 558 336**
CALGROM3 - Scottsdene	22 307	20 095	–	–	–	–	–	–	–	–	–	–	**42 403**
Power Construction - Pelican Park	5 674	84 226	87 000	5 000	–	–	–	–	–	–	–	–	**181 900**
LA Solomons Property Development and Consulting - Kanonkop	558	548	–	–	–	–	250	250	302	–	–	–	**1 908**
Provision of professional services for Kapteinsklip Station precinct and Mnandi coastal node: Development Framework, Environmental and Land Use	80	2 020	1 900	1 000	–	–	–	–	–	–	–	–	**5 000**
ABSA BANK: Main Bank Tender and other services	6 144	4 784	6 563	7 285	8 092	6 956	–	–	–	–	–	–	**39 825**
Total Operating Expenditure Implication	**554 928**	**314 489**	**310 210**	**240 725**	**248 920**	**262 037**	**27 350**	**30 060**	**33 102**	**36 080**	**39 680**	**43 650**	**2 141 231**
Capital Expenditure Obligation By Contract													
Provision of multidisciplinary professional services: new office building for Water & Sanitation	–	500	10 500	70 900	100 000	21 000	–	–	–	–	–	–	**202 900**
Design and contract administration of Muldersvlei Reservoir	265	500	6 734	56 200	56 200	38 500	901	–	–	–	–	–	**159 300**
Provision of professional services: Contermanskloof Reservoir: design, tender documentation, contract administration and construction monitoring of a 100 Mℓ reservoir and associated infrastructure	–	6 000	20 000	49 000	18 438	500	–	–	–	–	–	–	**93 938**
Provision of professional engineering consultancy services: Zandvliet Wastewater Treatment Works,18ML/d capacity extension and associated infrastructure refurbishment	–	–	59 050	67 000	50 000	–	–	–	–	–	–	–	**176 050**
CALGROM3 - Scottsdene	224 677	42 961	25 000	2 000	–	–	–	–	–	–	–	–	**294 638**
Power Construction - Pelican Park	28 934	39 603	–	–	–	–	–	–	–	–	–	–	**68 537**
AECOM (BKS) - CRU	408 568	130 493	71 686	–	–	–	–	–	–	–	–	–	**610 747**
Aurecon - CRU	456 358	150 114	103 619	–	–	–	–	–	–	–	–	–	**710 090**
LA Solomons Property Development and Consulting - Kanonkop	697	500	500	–	–	500	500	500	–	–	–	–	**3 197**
Total Capital Expenditure Implication	**1 119 499**	**370 670**	**297 089**	**245 100**	**224 638**	**60 500**	**1 401**	**500**	**–**	**–**	**–**	**–**	**2 319 398**
Total Parent Expenditure Implication	**1 674 427**	**685 159**	**607 300**	**485 825**	**473 558**	**322 537**	**28 751**	**30 560**	**33 102**	**36 080**	**39 680**	**43 650**	**4 460 629**

Table 82 Projects having future budgetary implications

Description R thousand	Item	Preceding Years Total	Current Year 2013/14 Adjusted Budget	2014/15 Medium Term Revenue & Expenditure Framework Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Forecast 2017/18 Estimate	Forecast 2018/19 Estimate	Forecast 2019/20 Estimate	Total Project Value Estimate
Capital Expenditure Obligation By Project										
Cape Town Electricity: HV Switchgear Replacement	*C08.84007*	27 146	933	7 190	5 100	5 600	5 900	–	–	51 868
Cape Town Electricity: MV Circuit Breaker Replacement	*C08.84009*	25 489	10 881	6 601	7 237	–	–	–	–	50 208
Cape Town Electricity: Retreat Depot - Replace. for Muizenberg	*C08.84049*	5 927	577	44 545	–	–	–	–	–	51 048
Cape Town Electricity: Plattekloof - N1 Reinforcement	*C10.84032*	100	4 915	45 800	36 069	–	–	–	–	86 884
Cape Town Electricity: Koeberg Rd Switching Station Phase 2	*C10.84050*	8 824	104 500	23 577	–	–	–	–	–	136 901
Cape Town Electricity: City Depot CBD - New	*C13.84076*	15 616	160	64 691	64 522	–	–	–	–	144 989
Cape Town Electricity: Guguletu Main Substation Upgrade	*C13.84080*	6 378	39 869	4 404	–	–	–	–	–	50 651
Cape Town Electricity: Athlone- Philipi: OH Line Undergrounding	*C13.84081*	100	49 980	42 700	1 523	–	–	–	–	94 302
Cape Town Electricity: Steenbras: Refurbishment of Main Plant	*C14.84071*	–	5 000	15 000	40 000	40 000	45 000	45 000	–	190 000
Cape Town Electricity: Bloemhof: Stores Upgrade	*C14.84076*	–	–	5 178	23 478	25 000	–	–	–	53 656
Cape Town Electricity: Broad Road Main Substation Upgrade Ph 3	*C15.84071*	–	–	20 465	29 930	–	–	–	–	50 395
Cape Town Electricity: Bofors Main Substation Upgrade	*C15.84079*	–	–	39 492	68 101	1 006	–	–	–	108 600
Cape Town Electricity: Oakdale Main Substation Upgrade Ph 2	*C15.84081*	–	–	10 000	71 631	–	–	–	–	81 631
Cape Town Electricity: Atlantis Industrial New Main Substation	*C16.84070*	–	–	–	20 359	64 880	–	–	–	85 239
Cape Town Electricity: Observatory Main Substation Upgrade	*C16.84073*	–	–	–	–	97 460	–	–	–	97 460
Cape Town Electricity: Grassy Park HV Network Rearrangement	*CPX.0003622*	–	–	–	–	10 000	75 000	15 000	–	100 000
Cape Town Electricity: Tamboerskloof Transformer Replacement	*CPX.0003623*	–	–	–	–	35 529	17 320	–	–	52 849
Solid Waste Management: Bellville Transfer Station	*CPX.0001616*	–	24 975	180 000	19 000	–	–	–	–	223 975
Solid Waste Management: Dev of the Regional Landfill Site	*CPX.0003137*	–	–	–	1 000	89 374	90 000	40 000	–	220 374
Water & Sanitation: Expansion of WWTW	*C06.01613*	–	6 000	5 700	–	–	–	26 700	50 000	388 400
Water & Sanitation: Kraaifontein Wastewater Treatment Works	*C06.30147*	47 866	–	–	3 000	3 000	–	–	–	53 866
Water & Sanitation: Mitchells Plain Wastewater Treatment Wor	*C06.30148*	3 000	50 000	40 000	50 010	–	–	–	–	143 010

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Description R thousand	Item	Preceding Years Total	Current Year 2013/14 Adjusted Budget	2014/15 Medium Term Revenue & Expenditure Framework Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Forecast 2017/18 Estimate	Forecast 2018/19 Estimate	Forecast 2019/20 Estimate	Total Project Value Estimate
Capital Expenditure Obligation By Project										
Water & Sanitation: Northern Area Sewer Thornton	C07.00407	15 017	80 000	55 000	–	–	–	–	–	150 017
Water & Sanitation: Trappies Sewerage System	C08.11114	5 837	–	500	10 000	30 000	20 000	–	–	66 337
Water & Sanitation: Somerset West Bus. Park Main sewer	C08.86027	1 115	600	40 000	20 000	–	–	–	–	61 715
Water & Sanitation: Main Rd Upgrade M/Berg to Clovelly Rehab	C08.86038	74 970	20 000	12 000	17 000	–	–	–	–	123 970
Water & Sanitation: Rehab Outfall Sewers Pentz Sandrift m/qu	C09.86015	8 300	1 255	31 500	12 000	10 000	10 000	10 000	10 000	143 055
Water & Sanitation: Zandvliet WWTW-Extension	C10.86033	422	–	49 050	67 000	50 000	–	–	–	166 472
Water & Sanitation: Regional resources development	C10.86130	15 548	10 000	10 600	10 000	3 000	3 000	3 000	3 000	70 148
Water & Sanitation: Philippi Collector Sewer	C11.86060	–	200	2 000	7 000	74 500	58 000	45 000	–	186 700
Water & Sanitation: Potsdam WWTW - Extension	C11.86063	10 603	855	18 000	80 300	71 000	40 000	45 000	–	265 758
Water & Sanitation: Bulk Water Augmentation Scheme	C11.86077	1 558	5 300	6 530	64 800	84 200	363 600	405 800	276 450	1 273 488
Water & Sanitation: Macassar WWTW-extension	C12.86059	–	–	–	5 000	5 000	25 000	25 000	–	60 000
Water & Sanitation: Construction of new Head Office	C12.86074	–	500	10 500	70 900	100 000	21 000	–	–	202 900
Water & Sanitation: Northern Regional Sludge Facility	C12.86075	1 973	–	–	25 000	87 000	119 000	159 785	37 000	429 759
Water & Sanitation: EAM Depot Realignment - 5 Nodal System	C12.86079	19 574	39 282	13 500	–	–	–	–	–	72 356
Water & Sanitation: Cape Flats WWTW-Refurbish various struct	C13.86005	–	5 000	14 000	17 000	–	–	25 000	25 000	161 000
Water & Sanitation: Mitchells Plain WWTW-Improvements Phase2	C13.86010	–	5 500	12 400	18 500	18 500	–	–	500	165 400
Water & Sanitation: Completion of Cape Flats III Bulk Sewer	C13.86053	1 728	600	90 000	86 725	26 000	–	–	–	205 053
Water & Sanitation: Athlone WWTW-Capacity Extension-phase 1	C13.86081	–	–	–	500	20 000	40 000	20 000	110 000	300 500
Water & Sanitation: Additional Resources Desalination Reclai	C15.86043	–	–	–	–	20 000	20 000	245 000	245 000	1 305 000
Water & Sanitation: Rietvlei P/Station, R/Main Bottelary	C15.86045	–	–	700	20 000	12 000	15 750	16 000	–	64 450
Water & Sanitation: Contermanskloof Reservoir	CPX.0003851	–	–	20 000	49 000	18 438	500	–	–	87 938
Water & Sanitation: OSEC (Electrolytic Chlorination Infr)	CPX.0003893	–	–	22 876	9 000	24 000	10 000	150	–	66 026
Water & Sanitation: Steenbras Reservoir	CPX.0003895	–	–	5	2 000	44 000	43 000	10 000	–	99 005
Library and Information Services: New Regional Library Kuyasa Khayelitsha	C10.96010	4 754	19 244	40 156	–	–	–	–	–	64 154
Roads and Stormwater: Flood Alleviation - Lourens River	C05.01503	11 090	10 884	1 600	6 000	6 000	10 000	10 000	40 000	295 574
Contract Operations: Mitchell's Plain Station TI	C07.01059	71 399	3 500	14 500	8 000	–	–	–	–	97 399
Contract Operations: IRT: Control Centre	C11.10123	162 256	39 131	27 606	11 456	–	10 000	–	–	250 449

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Description R thousand	Item	Preceding Years Total	Current Year 2013/14 Original Budget	2014/15 Medium Term Revenue & Expenditure Framework Budget Year 2014/15	 Budget Year +1 2015/16	 Budget Year +2 2016/17	Forecast 2017/18 Estimate	Forecast 2018/19 Estimate	Forecast 2019/20 Estimate	Total Project Value Estimate
Contract Operations: IRT: Fare Collection	*C11.10124*	260 856	98 790	122 615	133 411	58 353	75 000	–	–	749 024
Contract Operations: IRT: Acquisition of Rights	*C13.10131*	631 109	80 000	50	4 000	4 000	–	–	–	719 159
Infrastructure: Lentegeur & Mandalay Station PTI's:Dsg	*C06.41752*	33 563	4 000	12 650	2 000	–	–	–	–	52 213
Infrastructure: Intergrated Bus Rapid Transit System	*C09.00313*	225 034	29 110	32 000	–	–	–	–	–	286 144
Infrastructure: IRT:Depot Infrastructure:Inner City	*C10.00126*	91 943	30 751	10 000	–	–	–	–	–	132 694
Infrastructure: IRT: West Coast Corridor	*C10.10327*	758 658	119 593	5 000	–	–	–	–	–	883 251
Infrastructure: IRT: Inner City Feeder Stops	*C11.10501*	147 756	45 000	40 000	–	–	–	–	–	232 756
Infrastructure: IRT: Trunk Stations	*C11.10502*	181 245	43 213	3 813	–	–	–	–	–	228 271
Infrastructure: Inner City:Public Transport Hub	*C13.00016*	1 639	7 700	10 400	30 000	45 000	45 000	45 000	45 000	274 739
Infrastructure: Bellville:Public Transport Hub	*C13.00028*	232	1 500	6 300	2 000	2 000	40 000	–	10 000	87 032
Infrastructure: IRT: Ph 2A Wetton-Lansdowne Corr	*C13.10101*	–	7 874	149 600	416 540	566 388	750 000	850 000	50 000	2 840 403
Infrastructure: IRT: Phase 2 Express City to Mitch Plain	*C13.10102*	5 423	34 881	25 183	–	–	–	–	–	65 487
Infrastructure: IRT: Ph 1B Koeberg-Century City	*C13.10103*	48 729	215 995	110 785	5 000	–	–	–	–	380 510
Infrastructure: Metro South East Public Transport Facili	*CPX.0003806*	–	–	12 000	52 000	52 000	150 000	150 000	150 000	1 316 000
Maintenance: Pelican Park: Strandfontein Road Upgr	*C08.10325*	156 442	13 000	25 000	50 000	–	–	–	–	244 442
Maintenance: Retreat PTI	*C11.10537*	642	1 200	15 000	13 000	8 000	12 000	12 000	–	61 842
Maintenance: Wynberg: Public Transport Hub	*C11.10541*	139	1 500	4 000	5 000	5 000	25 000	25 000	20 000	95 639
Maintenance: Nolungile (Site C) PTI	*C13.00054*	134	4 750	15 000	15 000	15 000	40 000	40 000	20 000	179 884
Maintenance: Sir Lowry's Pass River Upgrade	*C14.10323*	–	–	2 092	87 000	102 100	67 045	–	–	258 237
Maintenance: Nonqubela PTI	*CPX.0003791*	–	–	–	1 000	5 000	–	–	50 000	150 000
Network Management: Transport Management Centre Extension	*CPX.0003783*	–	–	40 000	35 000	5 000	–	–	–	80 000

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Description R thousand	Item	Preceding Years Total	Current Year 2013/14 Original Budget	2014/15 Medium Term Revenue & Expenditure Framework Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Forecast 2017/18 Estimate	Forecast 2018/19 Estimate	Forecast 2019/20 Estimate	Total Project Value Estimate
Property Management: Basement parking & access	*CPX.0004113*	–	–	89 500	19 500	1 500	–	–	–	110 500
Specialised Technical Services: FM Infrastructure	*C10.12501*	19 663	3 800	3 800	2 800	2 800	2 800	2 800	15 600	117 063
Specialised Technical Services: FM Structural Rehabilitation	*C11.12501*	98 288	40 663	40 000	35 000	40 000	30 000	34 853	–	318 804
Information Systems and Technology: Dark Fibre Broadband Infrastructure	*C10.16621*	183 362	104 625	139 475	180 850	180 850	180 850	180 850	220 000	2 470 862
Information Systems and Technology: WCG Broadband Connectivity	*C12.16631*	30 147	5 000	10 702	7 298	–	–	–	–	53 147
Information Systems and Technology: Khayelitsha/Mitchells Plain Mesh Network	*CPX.0003127*	–	–	61 000	32 000	7 000	–	–	–	100 000
Disaster Risk Management: Integrated Contact Centre	*C14.00080*	–	20 952	30 398	8 000	3 000	3 000	3 000	–	68 350
Public Housing and Customer Services: Manenberg CRU Project (1584 units)	*C10.15430*	84 083	117 959	57 361	–	–	–	–	–	259 403
Public Housing and Customer Services: Hanover Park CRU Project (1680 units)	*C10.15433*	157 063	63 813	33 456	–	–	–	–	–	254 333
Public Housing and Customer Services: Heideveld CRU Project (864 units)	*C10.15434*	85 858	27 629	14 437	–	–	–	–	–	127 924
Public Housing and Customer Services: Marble Flats CRU Project (688 units)	*C10.15435*	68 026	24 970	29 679	–	–	–	–	–	122 675
Public Housing and Customer Services: Langa Hostels CRU Project (463 units)	*C11.15418*	–	49 370	124 250	16 170	–	–	–	–	189 790
Public Housing and Customer Services: Langa Hostels CRU Project (868 units)	*CPX.0003149*	–	–	5 500	60 000	100 000	100 000	55 000	–	320 500
HS Development & Delivery: Wallacedene Phase 10A (PLS)	*C06.30881*	2 157	1 000	12 000	12 000	12 000	12 000	–	–	51 157
HS Development & Delivery: Nyanga Upgrading Project(PLF&UISP)	*C06.41502*	26 602	11 500	7 500	11 000	–	–	–	–	56 602
HS Development & Delivery: Bardale / Fairdale:Develop4000Units	*C06.41540*	111 642	28 257	5 152	–	–	–	–	–	145 051
HS Development & Delivery: Hangberg CRU 70 Units	*C10.15509*	186	12 000	22 600	5 700	15 000	8 000	–	–	63 486
HS Development & Delivery: Scottsdene New CRU Project - 350 Units	*C11.15505*	63 520	16 762	10 000	–	–	–	–	–	90 281
HS Development & Delivery: Fisantekraal Garden Cities Phase 2	*CPX.0003134*	–	–	20 800	49 500	17 600	–	–	–	87 900
HS Development & Delivery: Imizamo Yethu Housing Project (Phase 3)	*CPX.0003139*	–	–	6 500	28 000	20 000	35 000	20 500	–	110 000

2.15 Capital expenditure details

Table 83 MBRR Table SA34a - Capital expenditure on new assets by asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	**1 131 591**	**1 291 933**	**1 669 301**	**2 312 905**	**2 198 489**	**2 192 263**	**2 421 872**	**2 601 667**	**2 577 091**
Infrastructure - Road transport	509 108	650 661	700 386	813 479	922 565	922 565	901 418	1 125 630	1 194 057
Roads, Pavements & Bridges	475 033	562 319	629 225	765 929	842 033	842 033	816 364	995 485	1 088 177
Storm water	34 075	88 342	71 161	47 550	80 532	80 532	85 054	130 145	105 880
Infrastructure - Electricity	404 244	341 321	478 236	780 590	730 219	730 219	609 204	665 051	619 180
Generation	–	–	–	–	–	–	–	–	–
Transmission & Reticulation	384 209	304 028	437 225	726 538	679 655	679 655	559 768	609 051	562 380
Street Lighting	20 035	37 294	41 011	54 052	50 564	50 564	49 436	56 000	56 800
Infrastructure - Water	58 983	79 633	142 846	209 650	201 822	200 846	218 739	338 263	292 810
Dams & Reservoirs	4 706	11 195	33 144	56 250	31 700	32 700	77 406	169 800	152 638
Water purification	–	–	–	–	–	1 374	6 000	5 400	4 500
Reticulation	54 277	68 438	109 702	153 400	170 122	166 771	135 333	163 063	135 672
Infrastructure - Sanitation	68 268	47 159	88 619	258 160	225 553	220 153	284 012	299 471	348 970
Reticulation	49 524	46 159	87 645	258 160	225 553	220 153	282 712	255 971	230 970
Sewerage purification	18 744	1 000	973	–	–	–	1 300	43 500	118 000
Infrastructure - Other	90 987	173 158	259 214	251 026	118 331	118 481	408 500	173 252	122 074
Waste Management	32 212	–	–	193 664	65 208	65 208	328 034	126 502	92 374
Transportation	57 926	168 073	256 784	52 471	50 651	50 651	73 849	45 500	28 500
Gas	–	–	–	–	–	–	–	–	–
Other	849	5 085	2 431	4 890	2 471	2 621	6 617	1 250	1 200
Community	**148 781**	**106 850**	**251 490**	**94 152**	**118 375**	**116 661**	**129 068**	**114 801**	**215 900**
Parks & gardens	4 264	574	–	2 112	2 147	2 147	2 231	2 601	700
Sportsfields & stadia	105 530	76 891	174 970	21	10 134	10 134	3 500	4 000	–
Swimming pools	–	–	2 010	435	425	425	–	–	–
Community halls	5 342	6 271	6 443	7 458	5 477	5 264	18 119	12 150	43 700
Libraries	11 379	4 653	885	48 431	32 121	30 621	43 118	16 750	8 500
Recreational facilities	7 091	–	279	–	15	15	–	–	–
Fire, safety & emergency	3 139	179	–	–	–	–	–	–	–
Security and policing	–	–	–	–	–	–	–	–	–
Buses	–	–	–	–	–	–	–	–	–
Clinics	6 249	13 067	5 052	6 000	10 000	10 000	6 700	7 700	10 500
Museums & Art Galleries	–	375	68	–	–	–	–	–	–
Cemeteries	4 924	4 195	414	–	–	–	7 542	2 500	3 000
Social rental housing	863	640	59 164	19 482	23 170	23 170	32 300	65 600	116 200
Other	–	6	2 204	10 213	34 885	34 885	15 558	3 500	33 300
Heritage assets	**761**	**10 842**	**7 586**	**9 598**	**8 638**	**8 638**	**11 729**	**6 797**	**7 164**
Buildings	–	–	–	–	–	–	–	–	–
Other	761	10 842	7 586	9 598	8 638	8 638	11 729	6 797	7 164
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Housing development	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Other assets	**235 630**	**627 149**	**1 797 016**	**725 611**	**973 773**	**981 659**	**1 010 772**	**754 434**	**533 759**
General vehicles	13 939	128 438	1 196 840	285 016	368 841	368 801	347 399	39 953	44 250
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment	96 360	260 578	323 103	178 485	302 929	309 999	400 268	406 517	281 014
Computers - hardware/equipment	26 147	33 821	30 651	60 436	61 588	61 413	71 577	34 742	32 997
Furniture and other office equipment	24 893	56 889	30 816	23 112	23 020	24 009	29 931	30 179	25 522
Abattoirs	–	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–	–	–
Civic Land and Buildings	26 544	64 131	124 492	45 755	31 656	31 656	10 834	70 900	100 000
Other Buildings	8 116	47 473	79 593	104 540	116 941	116 941	116 100	31 500	9 500
Other Land	31 550	35 311	10 864	25 081	68 251	68 251	34 150	140 150	40 150
Surplus Assets - (Investment or Inventory)	–	–	–	–	–	–	–	–	–
Other	8 081	509	658	3 187	547	589	513	494	326
Total Capital Expenditure on new assets	**1 516 763**	**2 036 774**	**3 725 393**	**3 142 267**	**3 299 274**	**3 299 221**	**3 573 441**	**3 477 699**	**3 333 914**
Specialised vehicles	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Refuse	–	–	–	–	–	–	–	–	–
Fire	–	–	–	–	–	–	–	–	–
Conservancy	–	–	–	–	–	–	–	–	–
Ambulances	–	–	–	–	–	–	–	–	–

Table 84 MBRR Table SA34b - Capital expenditure on the renewal of existing assets by asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	**778 662**	**1 165 138**	**1 206 717**	**1 137 508**	**1 173 482**	**1 183 399**	**1 537 433**	**1 671 502**	**1 553 606**
Infrastructure - Road transport	174 995	218 798	294 266	253 722	261 824	266 879	373 551	294 126	241 587
Roads, Pavements & Bridges	172 741	213 766	280 898	218 642	216 914	211 914	362 751	259 326	184 187
Storm water	2 254	5 032	13 368	35 080	44 910	54 964	10 800	34 800	57 400
Infrastructure - Electricity	222 302	423 720	436 439	343 578	333 032	332 518	477 451	584 466	585 310
Generation	–	–	–	164	103	103	–	–	–
Transmission & Reticulation	222 302	423 585	436 367	343 414	332 929	332 415	477 451	584 466	585 310
Street Lighting	–	135	72	–	–	–	–	–	–
Infrastructure - Water	80 754	99 671	121 610	199 112	209 821	215 221	253 971	378 000	454 250
Dams & Reservoirs	16 189	4 191	14 994	–	–	–	2 097	89 000	146 000
Water purification	94	–	–	–	–	–	2 000	–	–
Reticulation	64 471	95 480	106 616	199 112	209 821	215 221	249 874	289 000	308 250
Infrastructure - Sanitation	154 068	314 290	250 774	247 590	271 684	271 661	362 420	395 460	256 110
Reticulation	51 307	92 098	87 045	84 150	101 739	101 716	109 950	84 950	55 500
Sewerage purification	102 761	222 193	163 729	163 440	169 945	169 945	252 470	310 510	200 610
Infrastructure - Other	146 542	108 660	103 628	93 507	97 121	97 121	70 040	19 450	16 350
Waste Management	132 352	93 620	97 562	2 000	2 447	2 447	18 730	–	–
Transportation	6 238	9 205	4 967	88 909	92 448	92 448	48 700	17 800	15 150
Other	7 953	5 835	1 099	2 598	2 226	2 226	2 610	1 650	1 200
Community	**288 797**	**478 711**	**487 413**	**575 451**	**558 161**	**561 996**	**514 926**	**200 280**	**217 947**
Parks & gardens	21 639	34 675	51 458	55 967	57 839	59 339	42 279	51 300	84 324
Sportsfields & stadia	23 251	44 522	53 958	56 733	42 440	42 440	74 960	68 231	74 731
Swimming pools	4 375	1 072	354	–	238	238	–	–	–
Community halls	4 614	7 426	27 486	22 248	34 830	34 830	3 690	–	–
Libraries	–	–	49	–	252	252	6 788	2 245	13 245
Recreational facilities	3 912	8 224	3 332	7 164	6 665	6 965	350	–	100
Fire, safety & emergency	4 609	7 629	5 015	4 316	2 829	2 829	2 763	1 264	3 105
Security and policing	–	–	–	–	–	–	–	–	–
Buses	–	–	–	–	–	–	–	–	–
Clinics	3 443	6 306	14 271	13 928	14 974	14 877	11 625	14 000	12 300
Museums & Art Galleries	34	–	65	220	190	190	–	3 000	6 000
Cemeteries	8 533	14 991	9 916	14 370	14 370	14 370	29 250	4 000	10 797
Social rental housing	203 350	344 469	311 949	398 155	380 696	380 696	342 147	22 170	7 000
Other	11 037	9 397	9 560	2 350	2 837	4 969	1 074	34 070	6 345
Heritage assets	**–**	**342**	**646**	**1 930**	**989**	**989**	**2 223**	**2 230**	**2 230**
Buildings	–	–	646	1 930	989	989	2 080	–	1 800
Other	–	342	–	–	–	–	143	2 230	430
Other assets	**273 539**	**552 279**	**448 640**	**593 437**	**574 481**	**566 036**	**583 292**	**313 896**	**366 769**
General vehicles	91 625	68 805	69 779	90 673	97 481	98 695	41 591	42 066	48 541
Specialised vehicles	–	130 953	100 208	63 600	64 020	64 020	84 000	59 000	80 624
Plant & equipment	43 804	71 250	15 858	22 481	25 232	26 103	30 663	20 728	16 328
Computers - hardware/equipment	36 664	18 906	69 945	123 007	128 114	127 432	103 102	73 156	78 493
Furniture and other office equipment	4 818	7 612	11 248	9 613	12 334	13 367	13 263	10 737	10 175
Markets	–	220	748	1 240	1 140	1 140	350	–	–
Civic Land and Buildings	38 288	62 238	82 310	90 150	65 656	65 654	98 545	48 000	52 100
Other Buildings	49 830	168 594	98 444	188 022	179 254	168 375	209 779	59 710	77 508
Other Land	–	–	–	–	–	–	–	–	–
Other	8 509	23 702	100	4 650	1 250	1 250	2 000	500	3 000
Total Capital Expenditure on renewal of existing assets	**1 340 998**	**2 196 471**	**2 143 416**	**2 308 326**	**2 307 114**	**2 312 421**	**2 637 875**	**2 187 908**	**2 140 552**
Specialised vehicles	**–**	**130 953**	**100 208**	**63 600**	**64 020**	**64 020**	**84 000**	**59 000**	**80 624**
Refuse	–	130 953	100 208	63 600	64 020	64 020	84 000	59 000	80 624
Fire	–	–	–	–	–	–	–	–	–
Conservancy	–	–	–	–	–	–	–	–	–
Ambulances	–	–	–	–	–	–	–	–	–
Renewal of Existing Assets as % of total capex	***46.9%***	***51.9%***	***36.5%***	***42.3%***	***41.2%***	***41.2%***	***42.5%***	***38.6%***	***39.1%***
Renewal of Existing Assets as % of depreciation	***105.4%***	***156.9%***	***131.7%***	***119.3%***	***117.8%***	***118.1%***	***122.4%***	***94.9%***	***87.5%***

Table 85 MBRR Table SA34c - Repairs and maintenance expenditure by asset class

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	**607 337**	**580 896**	**926 488**	**1 155 442**	**1 059 781**	**1 059 467**	**1 157 488**	**1 257 180**	**1 366 618**
Infrastructure - Road transport	265 915	303 234	445 720	618 603	501 361	501 047	617 412	670 625	726 956
Roads, Pavements & Bridges	265 913	303 230	445 713	618 603	501 361	501 047	617 412	670 625	726 956
Storm water	2	4	7	–	–	–	–	–	–
Infrastructure - Electricity	269 194	202 472	312 055	335 843	335 843	335 843	354 430	384 945	417 282
Generation	9 579	11 910	13 880	15 554	15 554	15 554	15 179	16 484	17 869
Transmission & Reticulation	194 212	173 733	273 352	294 872	294 872	294 872	308 924	335 491	363 674
Street Lighting	65 403	16 829	24 824	25 417	25 417	25 417	30 327	32 970	35 740
Infrastructure - Water	22 544	23 998	50 474	65 993	68 293	68 293	59 414	64 523	69 944
Dams & Reservoirs	22 456	23 932	50 458	51 808	54 108	54 108	59 171	64 259	69 657
Water purification	–	–	–	–	–	–	–	–	–
Reticulation	87	65	16	14 185	14 185	14 185	244	264	287
Infrastructure - Sanitation	27 556	39 518	95 636	69 926	82 426	82 426	88 138	95 717	107 592
Reticulation	93	1	22	–	–	–	2	2	2
Sewerage purification	27 463	39 517	95 614	69 926	82 426	82 426	88 136	95 715	107 590
Infrastructure - Other	22 128	11 675	22 603	65 077	71 858	71 858	38 094	41 370	44 844
Waste Management	–	–	–	–	–	–	–	–	–
Transportation	–	–	–	–	–	–	–	–	–
Gas	–	–	–	–	–	–	–	–	–
Other	22 128	11 675	22 603	65 077	71 858	71 858	38 094	41 370	44 844
Community	**64 418**	**59 347**	**83 278**	**68 657**	**69 057**	**69 057**	**82 389**	**97 705**	**105 913**
Parks & gardens	8 599	8 201	11 270	7 121	7 121	7 121	7 287	7 913	8 579
Sportsfields & stadia	1 224	1 553	1 761	–	–	–	–	–	–
Swimming pools	3 474	3 751	5 084	23	23	23	102	111	120
Community halls	8 177	7 072	6 140	2 437	2 437	2 437	2 591	2 815	3 051
Libraries	92	172	251	433	433	433	669	727	788
Recreational facilities	38 673	31 752	50 055	46 928	46 928	46 928	66 213	71 908	77 949
Fire, safety & emergency	161	239	116	669	1 069	1 069	521	566	613
Security and policing	–	–	–	–	–	–	–	–	–
Buses	–	–	–	–	–	–	–	–	–
Clinics	821	1 309	2 012	1 482	1 482	1 482	2 512	2 730	2 960
Museums & Art Galleries	3	25	4	395	395	395	–	–	–
Cemeteries	2 039	4 288	5 466	1 440	1 440	1 440	1 465	1 591	1 725
Social rental housing	–	–	–	–	–	–	–	–	–
Other	1 155	985	1 120	7 728	7 728	7 728	1 029	9 344	10 129
Heritage assets	**7 104**	**7 236**	**15 707**	**12 608**	**12 317**	**12 317**	**15 199**	**16 507**	**17 893**
Buildings	–	–	–	–	–	–	–	–	–
Other	7 104	7 236	15 707	12 608	12 317	12 317	15 199	16 507	17 893
Other assets	**1 030 420**	**1 235 574**	**1 724 910**	**1 693 578**	**1 701 275**	**1 701 365**	**1 894 279**	**2 052 692**	**2 263 452**
General vehicles	104 864	127 688	139 173	128 159	129 395	129 395	137 258	149 062	161 583
Specialised vehicles	–	–	–	–	–	–	–	–	–
Plant & equipment	10 279	10 366	11 618	18 701	18 701	18 701	13 516	14 679	15 910
Computers - hardware/equipment	119 134	151 363	242 214	272 785	288 631	288 647	294 350	319 637	361 822
Furniture and other office equipment	494 737	617 792	936 913	889 022	896 123	896 147	1 021 188	1 110 394	1 226 674
Abattoirs	–	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–	–	–
Civic Land and Buildings	61 351	64 519	67 496	69 441	68 674	68 674	72 965	79 241	85 894
Other Buildings	1 235	1 964	2 509	1 803	1 803	1 803	1 860	2 020	2 190
Other Land	81 421	91 486	103 454	107 346	107 403	107 403	110 197	119 102	129 105
Surplus Assets - (Investment or Inventory)	–	–	–	–	–	–	–	–	–
Other	157 398	170 395	221 533	206 320	190 544	190 595	242 945	258 556	280 273
Total Repairs and Maintenance Expenditure	**1 709 280**	**1 883 053**	**2 750 384**	**2 930 285**	**2 842 430**	**2 842 206**	**3 149 355**	**3 424 085**	**3 753 877**
Specialised vehicles	–	–	–	–	–	–	–	–	–
Refuse	–	–	–	–	–	–	–	–	–
Fire	–	–	–	–	–	–	–	–	–
Conservancy	–	–	–	–	–	–	–	–	–
Ambulances	–	–	–	–	–	–	–	–	–
R&M as a % of PPE	*7.9%*	*7.7%*	*9.6%*	*9.1%*	*8.8%*	*8.8%*	*8.8%*	*8.8%*	*9.0%*
R&M as % Operating Expenditure	*9.2%*	*8.9%*	*11.5%*	*11.2%*	*10.9%*	*10.9%*	*11.0%*	*11.0%*	*11.1%*

Table 86 MBRR Table SA35 - Future financial implication of the capital budget

Vote Description	2014/15 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Present value
Capital expenditure							
Vote 1 - City Health	21 966	25 466	28 466	–	–	–	–
Vote 2 - City Manager	6 771	954	954	–	–	–	–
Vote 3 - Community Services	242 283	163 920	207 737	–	–	–	–
Vote 4 - Compliance and Auxiliary Services	13 126	36 897	69 900	–	–	–	–
Vote 5 - Corporate Services	359 474	349 019	322 411	–	–	–	–
Vote 6 - Economic, Environment & Spatial Planning	119 215	56 427	55 927	–	–	–	–
Vote 7 - Finance	105 509	33 912	10 112	–	–	–	–
Vote 8 - Human Settlements	699 783	574 777	509 428	–	–	–	–
Vote 9 - Rates & Other	–	–	–	–	–	–	–
Vote 10 - Safety & Security	70 559	40 127	35 127	–	–	–	–
Vote 11 - Social Dev & Early Childhood Development	18 010	10 860	10 860	–	–	–	–
Vote 12 - Tourism, Events and Marketing	37 781	30 200	30 200	–	–	–	–
Vote 13 - Transport for Cape Town	1 660 185	1 406 390	1 399 414	–	–	–	–
Vote 14 - Utility Services	2 856 654	2 936 658	2 793 929	–	–	–	–
Total Capital Expenditure	**6 211 315**	**5 665 607**	**5 474 467**	**–**	**–**	**–**	**–**
Future operational costs by vote							
Vote 1 - City Health	9 617	11 157	12 292	13 386	14 261	15 335	–
Vote 2 - City Manager	846	973	1 068	1 163	1 257	1 352	–
Vote 3 - Community Services	38 696	47 242	51 352	57 520	54 748	57 486	–
Vote 4 - Compliance and Auxiliary Services	1 573	1 810	1 986	2 162	2 338	2 514	–
Vote 5 - Corporate Services	85 463	96 348	104 872	113 479	94 925	102 076	–
Vote 6 - Economic, Environment & Spatial Planning	28 837	33 166	36 875	39 623	42 852	46 080	–
Vote 7 - Finance	4 248	4 885	5 361	5 837	6 312	6 788	–
Vote 8 - Human Settlements	11 603	29 006	28 235	35 234	20 682	31 456	–
Vote 9 - Rates & Other	–	–	–	–	–	–	–
Vote 10 - Safety & Security	26 807	30 825	34 586	37 038	36 002	38 210	–
Vote 11 - Social Dev & Early Childhood Development	2 038	2 399	2 650	2 904	3 137	3 371	–
Vote 12 - Tourism, Events and Marketing	85 791	98 940	108 549	119 162	128 829	140 604	–
Vote 13 - Transport for Cape Town	164 032	207 460	214 429	245 785	218 150	232 931	–
Vote 14 - Utility Services	621 826	706 790	772 598	825 395	892 177	957 959	–
Total future operational costs	**1 081 378**	**1 271 001**	**1 374 854**	**1 498 687**	**1 515 669**	**1 636 161**	**–**
Net Financial Implications	**7 292 693**	**6 936 608**	**6 849 320**	**1 498 687**	**1 515 669**	**1 636 161**	**–**

The above figures exclude depreciation.

Table 87 MBRR Table SA36 - Detailed capital budget per municipal vote

Municipal Vote/Capital project R thousand	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
City Manager	*Various*	*Various*					–	*1 169*	*14 095*	*6 771*	*954*	*954*		
Compliance and Auxiliary Services	*Various*	*Various*					–	*30 157*	*31 343*	*13 126*	*36 897*	*69 900*		
Utility Services	Cape Town Electricity: HV Switchgear Replacement	C08.84007	AJ	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	51 868	9 127	933	7 190	5 100	5 600	Multi-ward	Renewal
Utility Services	Cape Town Electricity: MV Circuit Breaker Replacement	C08.84009	AJ	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	50 208	12 225	10 881	6 601	7 237	–	Multi-ward	Renewal
Utility Services	Cape Town Electricity: Retreat Depot - Replace. for Muizenberg	C08.84049	AJ	Yes	*Other assets*	*Civic Land and Buildings*	51 048	4 124	577	44 545	–	–	72	Renewal
Utility Services	Cape Town Electricity: Plattekloof - N1 Reinforcement	C10.84032	AJ	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	86 884	100	4 915	45 800	36 069	–	1	new
Utility Services	Cape Town Electricity: Koeberg Rd Switching Station Phase 2	C10.84050	AJ	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	136 901	8 824	104 500	23 577	–	–	55	new
Utility Services	Cape Town Electricity: City Depot CBD - New	C13.84076	AJ	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	144 989	15 616	160	64 691	64 522	–	77	new
Utility Services	Cape Town Electricity: Guguletu Main Substation Upgrade	C13.84080	AJ	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	50 651	6 378	39 869	4 404	–	–	40	new
Utility Services	Cape Town Electricity: Athlone- Philipi: OH Line Undergrounding	C13.84081	AJ	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	94 302	100	49 980	42 700	1 523	–	Multi-ward	new
Utility Services	Cape Town Electricity: Steenbras: Refurbishment of Main Plant	C14.84071	AI	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	190 000	–	5 000	15 000	40 000	40 000	100	Renewal
Utility Services	Cape Town Electricity: Bloemhof: Stores Upgrade	C14.84076	AJ	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	53 656	–	–	5 178	23 478	25 000	77	new
Utility Services	Cape Town Electricity: Electrification- Formal & Informal	C14.84390	AJ	No	*Infrastructure - Electricity*	*Transmission & Reticulation*	143 893	–	134 000	9 893	–	–	Multi-ward	new
Utility Services	Cape Town Electricity: System Equipment Replacement: North	C15.84005	AJ	No	*Infrastructure - Electricity*	*Transmission & Reticulation*	55 000	–	–	55 000	–	–	Multi-ward	Renewal
Utility Services	Cape Town Electricity: Facilities Alterations & Upgrading	C15.84055	AJ	No	*Other assets*	*Other Buildings*	70 000	–	–	70 000	–	–	Multi-ward	Renewal
Utility Services	Cape Town Electricity: Broad Road Main Substation Upgrade Ph 3	C15.84071	AJ	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	50 395	–	–	20 465	29 930	–	103	Renewal
Utility Services	Cape Town Electricity: Bofors Main Substation Upgrade	C15.84079	AJ	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	108 600	–	–	39 492	68 101	1 006	30	Renewal
Utility Services	Cape Town Electricity: Oakdale Main Substation Upgrade Ph 2	C15.84081	AJ	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	81 631	–	–	10 000	71 631	–	3	Renewal
Utility Services	Cape Town Electricity: Electrification- Formal & Informal	C15.84390	AJ	No	*Infrastructure - Electricity*	*Transmission & Reticulation*	69 383	–	–	69 383	–	–	Multi-ward	new
Utility Services	Cape Town Electricity: System Equipment Replacement: North	C16.84005	AJ	No	*Infrastructure - Electricity*	*Transmission & Reticulation*	60 000	–	–	–	60 000	–	Multi-ward	Renewal
Utility Services	Cape Town Electricity: Atlantis Industrial New Main Substation	C16.84070	AJ	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	85 239	–	–	–	20 359	64 880	32	new
Utility Services	Cape Town Electricity: Observatory Main Substation Upgrade	C16.84073	AJ	Yes	*Infrastructure - Electricity*	*Transmission & Reticulation*	97 460	–	–	–	–	97 460	Subcouncil 15	Renewal
Utility Services	Cape Town Electricity: Electrification- Backyarders	C16.84389	CK	No	*Infrastructure - Electricity*	*Transmission & Reticulation*	75 000	–	–	–	75 000	–	Multi-ward	new
Utility Services	Cape Town Electricity: Electrification- Formal & Informal	C16.84390	AJ	No	*Infrastructure - Electricity*	*Transmission & Reticulation*	119 746	–	–	–	119 746	–	Multi-ward	new
Utility Services	Cape Town Electricity: System Equipment Replacement: North	C17.84005	AJ	No	*Infrastructure - Electricity*	*Transmission & Reticulation*	63 000	–	–	–	–	63 000	Multi-ward	Renewal
Utility Services	Cape Town Electricity: System Equipment Replacement: South	C17.84007	AJ	No	*Infrastructure - Electricity*	*Transmission & Reticulation*	50 000	–	–	–	–	50 000	Multi-ward	Renewal
Utility Services	Cape Town Electricity: Electrification - Backyarders	C17.84389	CK	No	*Infrastructure - Electricity*	*Transmission & Reticulation*	85 000	–	–	–	–	85 000	Multi-ward	new

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Municipal Vote/Capital project R thousand	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes: Audited Outcome 2012/13	Prior year outcomes: Current Year 2013/14 Full Year Forecast	2013/14 Medium Term Revenue & Expenditure Framework: Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Project information: Ward location	New or renewal
Utility Services	Cape Town Electricity: Electrification - Formal &	C17.84390	AJ	No	Infrastructure -	Transmission &	120 000	–	–	–	–	120 000	Multi-ward	new
Utility Services	Cape Town Electricity: Grassy Park HV Network Rearrangement	CPX.0003622	AJ	Yes	Infrastructure - Electricity	Transmission & Reticulation	100 000	–	–	–	–	10 000	Multi-ward	Renewal
Utility Services	Cape Town Electricity: Tamboerskloof Transformer Replacement	CPX.0003623	AI	Yes	Infrastructure - Electricity	Transmission & Reticulation	52 849	–	–	–	–	35 529	Multi-ward	Renewal
Utility Services	Solid Waste Management: Replacement: Plant & Vehicles	C15.85004	AJ	No	Other assets	Specialised vehicles	84 000	–	–	84 000	–	–	Multi-ward	Renewal
Utility Services	Solid Waste Management: Replacement: Plant & Vehicles	C16.85007	AJ	No	Other assets	Specialised vehicles	59 000	–	–	–	59 000	–	Multi-ward	Renewal
Utility Services	Solid Waste Management: New Landfill Site Infrastructure	C16.85014	AJ	No	Infrastructure Other	Waste Management	74 000	–	–	–	74 000	–	Multi-ward	new
Utility Services	Solid Waste Management: Bellville Transfer Station	CPX.0001616	AJ	Yes	Infrastructure Other	Waste Management	223 975	–	24 975	180 000	19 000	–	Multi-ward	new
Utility Services	Solid Waste Management: Purchase of Land Regional L/Fill 2016	CPX.0003136	AJ	No	Other assets	Other Land	100 000	–	–	–	100 000	–	Multi-ward	new
Utility Services	Solid Waste Management: Dev of the Regional Landfill Site	CPX.0003137	AJ	Yes	Infrastructure Other	Waste Management	220 374	–	–	–	1 000	89 374	Multi-ward	new
Utility Services	Solid Waste Management: Rehab of Vissershok North L/Fill 2015	CPX.0003178	AJ	No	Infrastructure Other	Waste Management	108 044	–	–	108 044	–	–	Multi-ward	new
Utility Services	Solid Waste Management: Replacement: Plant & Vehicles 2017	CPX.0003201	AJ	No	Other assets	Specialised vehicles	76 624	–	–	–	–	76 624	Multi-ward	Renewal
Utility Services	Water & Sanitation: Expansion of WWTW	C06.01613	AJ	Yes	Infrastructure - Sanitation	Sewerage purification	388 400	–	6 000	5 700	–	–	Multi-ward	Renewal
Utility Services	Water & Sanitation: Kraaifontein Wastewater Treatment Works	C06.30147	AJ	Yes	Infrastructure - Sanitation	Sewerage purification	53 866	447	–	–	3 000	3 000	103	Renewal
Utility Services	Water & Sanitation: Mitchells Plain Wastewater Treatment Wor	C06.30148	AJ	Yes	Infrastructure - Sanitation	Sewerage purification	143 010	–	50 000	40 000	50 010	–	43	Renewal
Utility Services	Water & Sanitation: Northern Area Sewer Thornton	C07.00407	AJ	Yes	Infrastructure - Sanitation	Reticulation	150 017	10 000	80 000	55 000	–	–	53	new
Utility Services	Water & Sanitation: Trappies Sewerage System	C08.11114	AJ	Yes	Infrastructure - Sanitation	Reticulation	66 337	–	–	500	10 000	30 000	100	new
Utility Services	Water & Sanitation: Somerset West Bus. Park Main sewer	C08.86027	AJ	Yes	Infrastructure - Sanitation	Reticulation	61 715	78	600	40 000	20 000	–	109	new
Utility Services	Water & Sanitation: Main Rd Upgrade M/Berg to Clovelly Rehab	C08.86038	AI	Yes	Infrastructure - Water	Reticulation	123 970	12 588	20 000	12 000	17 000	–	64	Renewal
Utility Services	Water & Sanitation: Rehab Outfall Sewers Pentz Sandrift m/qu	C09.86015	AI	Yes	Infrastructure - Sanitation	Reticulation	143 055	318	1 255	31 500	12 000	10 000	4	Renewal
Utility Services	Water & Sanitation: Zandvliet WWTW-Extension	C10.86033	AJ	Yes	Infrastructure - Sanitation	Sewerage purification	166 472	–	–	49 050	67 000	50 000	109	Renewal
Utility Services	Water & Sanitation: Regional resources development	C10.86130	AJ	Yes	Other assets	Other Buildings	70 148	5 093	10 000	10 600	10 000	3 000	12	new
Utility Services	Water & Sanitation: Philippi Collector Sewer	C11.86060	AJ	Yes	Infrastructure - Sanitation	Reticulation	186 700	–	200	2 000	7 000	74 500	43	new
Utility Services	Water & Sanitation: Potsdam WWTW - Extension	C11.86063	AJ	Yes	Infrastructure - Sanitation	Sewerage purification	265 758	1 720	855	18 000	80 300	71 000	4	Renewal
Utility Services	Water & Sanitation: Bulk Water Augmentation Scheme	C11.86077	AJ	Yes	Infrastructure - Water	Dams & Reservoirs	1 273 488	65	5 300	6 530	64 800	84 200	Multi-ward	new

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Municipal Vote/Capital project R thousand	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2013/14 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
Utility Services	Water & Sanitation: Macassar WWTW-extension	C12.86059	AJ	Yes	*Infrastructure - Sanitation*	*Sewerage purification*	60 000	–	–	–	5 000	5 000	109	Renewal
Utility Services	Water & Sanitation: Construction of new Head Office	C12.86074	AJ	Yes	*Other assets*	*Civic Land and Buildings*	202 900	–	500	10 500	70 900	100 000	Multi-ward	new
Utility Services	Water & Sanitation: Northern Regional Sludge Facility	C12.86075	AJ	Yes	*Infrastructure - Sanitation*	*Sewerage purification*	429 759	973	–	–	25 000	87 000	Multi-ward	new
Utility Services	Water & Sanitation: EAM Depot Realignment - 5 Nodal System	C12.86079	AJ	Yes	*Other assets*	*Other Buildings*	72 356	17 165	39 282	13 500	–	–	Multi-ward	new
Utility Services	Water & Sanitation: Cape Flats WWTW-Refurbish various struct	C13.86005	AJ	Yes	*Infrastructure - Sanitation*	*Sewerage purification*	161 000	–	5 000	14 000	17 000	–	67	Renewal
Utility Services	Water & Sanitation: Mitchells Plain WWTW-Improvements Phase2	C13.86010	AJ	Yes	*Infrastructure - Sanitation*	*Sewerage purification*	165 400	–	5 500	12 400	18 500	18 500	43	Renewal
Utility Services	Water & Sanitation: Completion of Cape Flats III Bulk Sewer	C13.86053	AJ	Yes	*Infrastructure - Sanitation*	*Reticulation*	205 053	1 728	600	90 000	86 725	26 000	49	new
Utility Services	Water & Sanitation: Athlone WWTW-Capacity Extension-phase 1	C13.86081	AJ	Yes	*Infrastructure - Sanitation*	*Sewerage purification*	300 500	–	–	–	500	20 000	49	new
Utility Services	Water & Sanitation: Replace & Upgr Sewer Network (Citywide)	C15.86024	AI	No	*Infrastructure - Sanitation*	*Reticulation*	53 750	–	–	53 750	–	–	Multi-ward	Renewal
Utility Services	Water & Sanitation: Infrastructure Replace/Refurbish - WWTW	C15.86027	AI	No	*Infrastructure - Sanitation*	*Sewerage purification*	85 320	–	–	85 320	–	–	Multi-ward	Renewal
Utility Services	Water & Sanitation: Additional Resources Desalination Reclai	C15.86043	AJ	Yes	*Infrastructure - Water*	*Dams & Reservoirs*	1 305 000	–	–	–	–	20 000	Multi-ward	new
Utility Services	Water & Sanitation: Rietvlei P/Station, R/Main Bottelary	C15.86045	AJ	Yes	*Infrastructure - Sanitation*	*Reticulation*	64 450	–	–	700	20 000	12 000	8	new
Utility Services	Water & Sanitation: Meter Replacement Program	C15.86056	AI	No	*Infrastructure - Water*	*Reticulation*	163 124	–	–	163 124	–	–	Multi-ward	Renewal
Utility Services	Water & Sanitation: Meter Replacement Program	C16.86030	AI	No	*Infrastructure - Water*	*Reticulation*	199 000	–	–	–	199 000	–	Multi-ward	Renewal
Utility Services	Water & Sanitation: Replace & Upgr Water Network (citywide)	C16.86039	AI	No	*Infrastructure - Water*	*Reticulation*	50 000	–	–	–	50 000	–	Multi-ward	Renewal
Utility Services	Water & Sanitation: Meter Replacement Programme	CPX.0001935	AI	Yes	*Infrastructure - Water*	*Reticulation*	235 000	–	–	–	–	235 000	Multi-ward	Renewal
Utility Services	Water & Sanitation: Contermanskloof Reservoir	CPX.0003851	AJ	Yes	*Infrastructure - Water*	*Dams & Reservoirs*	87 938	–	–	20 000	49 000	18 438		
Utility Services	Water & Sanitation: Replace & Upgr Water Network FY2015	CPX.0003866	AJ	No	*Infrastructure - Water*	*Reticulation*	51 750	–	–	51 750	–	–	Multi-ward	Renewal
Utility Services	Water & Sanitation: OSEC (Electrolytic Chlorination Infr)	CPX.0003893	AJ	Yes	*Infrastructure - Water*	*Dams & Reservoirs*	66 026	–	–	22 876	9 000	24 000	Multi-ward	new
Utility Services	Water & Sanitation: Steenbras Reservoir	CPX.0003895	AJ	Yes	*Infrastructure - Water*	*Dams & Reservoirs*	99 005	–	–	5	2 000	44 000	Multi-ward	Renewal
Utility Services	Various	Various			*Various*	*Various*	–	1 933 222	1 835 344	1 141 886	1 167 227	1 094 818		
Community Services	Library and Information Services: New Regional Library Kuyasa Khayelitsha	C10.96010	DC	Yes	*Community*	*Libraries*	64 154	–	19 244	40 156	–	–	97	new
Community Services	Various	Various			*Various*	*Various*	–	178 223	189 882	202 127	163 920	207 737		
Transport for Cape Town	Contract Operations: Mitchell's Plain Station TI	C07.01059	AN	Yes	*Infrastructure Other*	*Transportation*	97 399	10 843	3 500	14 500	8 000	–	79	new

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Municipal Vote/Capital project R thousand	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2013/14 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
Transport for Cape Town	Contract Operations: IRT: Control Centre	C11.10123	AP	Yes	*Other assets*	*Plant & equipment*	250 449	26 800	39 131	27 606	11 456	–	Multi-ward	new
Transport for Cape Town	Contract Operations: IRT: Fare Collection	C11.10124	AP	Yes	*Other assets*	*Plant & equipment*	749 024	188 375	98 790	122 615	133 411	58 353	Multi-ward	new
Transport for Cape Town	Contract Operations: IRT: Acquisition of Rights	C13.10131	AJ	Yes	*Other assets*	*General vehicles*	719 159	631 109	80 000	50	4 000	4 000	Multi-ward	new
Transport for Cape Town	Contract Operations: IRT: Vehicle Acquisition	C15.10122	AJ	No	*Other assets*	*General vehicles*	302 339	–	–	302 339	–	–	Multi-ward	new
Transport for Cape Town	Infrastructure: Lentegeur & Mandalay Station PTI's:Dsg	C06.41752	AN	Yes	*Infrastructure Other*	*Transportation*	52 213	12 495	4 000	12 650	2 000	–	76	new
Transport for Cape Town	Infrastructure: Intergrated Bus Rapid Transit System	C09.00313	AP	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	286 144	13 701	29 110	32 000	–	–	Corp Inf	new
Transport for Cape Town	Infrastructure: IRT:Depot Infrastructure:Inner City	C10.00126	AJ	Yes	*Various*	*Various*	132 694	68 407	30 751	10 000	–	–	Multi-ward	new
Transport for Cape Town	Infrastructure: IRT: West Coast Corridor	C10.10327	AP	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	883 251	238 483	119 593	5 000	–	–	Multi-ward	new
Transport for Cape Town	Infrastructure: IRT: Inner City Feeder Stops	C11.10501	AP	Yes	*Various*	*Various*	232 756	55 760	45 000	40 000	–	–	Multi-ward	new
Transport for Cape Town	Infrastructure: IRT: Trunk Stations	C11.10502	AP	Yes	*Various*	*Various*	228 271	101 770	43 213	3 813	–	–	Multi-ward	new
Transport for Cape Town	Infrastructure: Inner City:Public Transport Hub	C13.00016	AN	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	274 739	1 639	7 700	10 400	30 000	45 000	Multi-ward	new
Transport for Cape Town	Infrastructure: Bellville:Public Transport Hub	C13.00028	AN	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	87 032	232	1 500	6 300	2 000	2 000	Multi-ward	new
Transport for Cape Town	Infrastructure: IRT: Ph 2A Wetton-Lansdowne Corr	C13.10101	AP	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	2 840 403	–	7 874	149 600	416 540	566 388	Multi-ward	new
Transport for Cape Town	Infrastructure: IRT: Phase 2 Express City to Mitch Plain	C13.10102	AP	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	65 487	5 423	34 881	25 183	–	–	Multi-ward	new
Transport for Cape Town	Infrastructure: IRT: Ph 1B Koeberg-Century City	C13.10103	AP	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	380 510	48 729	215 995	110 785	5 000	–	Multi-ward	new
Transport for Cape Town	Infrastructure: Metro South East Public Transport Facili	CPX.0003806	AN	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	1 316 000	–	–	12 000	52 000	52 000	Multi-ward	new
Transport for Cape Town	Maintenance: Flood Alleviation - Lourens River	C05.01503	AJ	Yes	*Infrastructure - Road transport*	*Storm water*	295 574	1 153	5 829	1 600	6 000	6 000	83	Renewal
Transport for Cape Town	Maintenance: Pelican Park: Strandfontein Road Upgr	C08.10325	AJ	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	244 442	50 240	13 000	25 000	50 000	–	66	Renewal
Transport for Cape Town	Maintenance: Retreat PTI	C11.10537	AN	Yes	*Various*	*Various*	61 842	466	1 200	15 000	13 000	8 000	Multi-ward	new
Transport for Cape Town	Maintenance: Wynberg: Public Transport Hub	C11.10541	AN	Yes	*Various*	*Various*	95 639	139	1 500	4 000	5 000	5 000	62	new
Transport for Cape Town	Maintenance: Rail based Park & Ride Facilities	C13.00015	AQ	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	55 882	8 082	7 800	40 000	–	–	Multi-ward	new
Transport for Cape Town	Maintenance: Nolungile (Site C) PTI	C13.00054	AN	Yes	*Various*	*Various*	179 884	134	4 750	15 000	15 000	15 000	87	new
Transport for Cape Town	Maintenance: Main Roads: Northern Corridor	C13.10313	AJ	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	76 405	5 905	10 500	26 500	15 500	2 000	Multi-ward	Renewal
Transport for Cape Town	Maintenance: Public Transport Systems management proj	C14.01601	AN	Yes	*Infrastructure Other*	*Transportation*	158 000	–	85 000	43 000	15 000	15 000	Multi-ward	Renewal

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Municipal Vote/Capital project R thousand	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2013/14 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
Transport for Cape Town	Maintenance: NMT Network & Universal Access:PTIS	C14.10318	AJ	No	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	80 000	–	–	80 000	–	–	Multi-ward	new
Transport for Cape Town	Maintenance: Sir Lowry's Pass River Upgrade	C14.10323	AJ	Yes	*Various*	*Various*	258 237	–	–	2 092	87 000	102 100	100	Renewal
Transport for Cape Town	Maintenance: Bulk Roads & Stormwater Housing Project	C15.10306	CE	No	*Infrastructure - Road transport*	*Various*	50 000	–	–	50 000	–	–	Multi-ward	new
Transport for Cape Town	Maintenance: Roads & Stormwater Rehabilitation	C15.10307	AJ	No	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	139 000	–	–	139 000	–	–	Multi-ward	Renewal
Transport for Cape Town	Maintenance: NMT Network & Universal Access	C16.10307	AJ	No	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	80 000	–	–	–	80 000	–	Multi-ward	new
Transport for Cape Town	Maintenance: Roads & Stormwater Rehabilitation	C16.10315	AJ	No	*Infrastructure - Road transport*	*Various*	96 000	–	–	–	96 000	–	Multi-ward	Renewal
Transport for Cape Town	Maintenance: Bulk Roads & Stormwater Housing Project	C16.10316	CE	No	*Infrastructure - Road transport*	*Various*	50 000	–	–	–	50 000	–	Multi-ward	new
Transport for Cape Town	Maintenance: NMT Network & Universal Access:PTIS	CPX.0002206	AJ	No	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	80 000	–	–	–	–	80 000	Multi-ward	new
Transport for Cape Town	Maintenance: Bulk Roads & Stormwater Housing Project	CPX.0002220	CE	No	*Infrastructure - Road transport*	*Various*	50 000	–	–	–	–	50 000	Multi-ward	new
Transport for Cape Town	Maintenance: Roads & Stormwater Rehabilitation	CPX.0002315	AJ	No	*Infrastructure - Road transport*	*Various*	138 000	–	–	–	–	138 000	Multi-ward	Renewal
Transport for Cape Town	Maintenance: Nonqubela PTI	CPX.0003791	AN	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	150 000	–	–	–	1 000	5 000	87	new
Transport for Cape Town	Network Management: Transport Management Centre Extension	CPX.0003783	AR	Yes	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	80 000	–	–	40 000	35 000	5 000	Multi-ward	Renewal
Transport for Cape Town	Various	Various			*Various*	*Various*	–	1 023 632	726 668	294 151	273 483	240 573		
Finance	Property Management: Basement parking & access	CPX.0004113	EF	yes	*Other assets*	*Other Buildings*	110 500	–	–	89 500	19 500	1 500	77	New
Finance	Various	Various			*Various*	*Various*	–	21 613	44 204	16 009	14 412	8 612		
Corporate Services	Specialised Technical Services: FM Infrastructure	C10.12501	AJ	Yes	*Other assets*	*Civic Land and Buildings*	117 063	7 488	3 800	3 800	2 800	2 800	Corp Inf	Renewal
Corporate Services	Specialised Technical Services: FM Structural Rehabilitation	C11.12501	AJ	Yes	*Other assets*	*Civic Land and Buildings*	318 804	36 781	40 663	40 000	35 000	40 000	77	Renewal
Corporate Services	Information Systems and Technology: Dark Fibre Broadband Infrastructure	C10.16621	AH	Yes	*Other assets*	*Plant & equipment*	2 470 862	44 954	104 625	139 475	180 850	180 850	Corp Inf	new
Corporate Services	Information Systems and Technology: Microsoft Systems: Replacement	C11.16615	AJ	Yes	*Other assets*	*Computers - hardware/equipment*	64 924	4 924	5 000	5 000	5 000	5 000	Corp Inf	Renewal
Corporate Services	Information Systems and Technology: WCG Broadband Connectivity	C12.16631	AH	Yes	*Other assets*	*Plant & equipment*	53 147	27 168	5 000	10 702	7 298	–	Multi-ward	new
Corporate Services	Information Systems and Technology: Khayelitsha/Mitchells Plain Mesh Network	CPX.0003127	AH	Yes	*Other assets*	*Plant & equipment*	100 000	–	–	61 000	32 000	7 000	Multi-ward	new
Corporate Services	Various	Various			*Various*	*Various*	–	111 440	135 022	99 497	86 071	86 761		
City Health	Various	Various			*Various*	*Various*	–	22 778	30 096	21 966	25 466	28 466		
Safety & Security	Disaster Risk Management: Integrated Contact Centre	C14.00080	BC	Yes	*Other assets*	*Computers - hardware/equipment*	68 350	–	20 952	30 398	8 000	3 000	Multi-ward	new
Safety & Security	Various	Various			*Various*	*Various*	–	55 708	43 328	40 161	32 127	32 127		

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Municipal Vote/Capital project R thousand	Program/Project description	Project number	IDP Goal code	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2013/14 Medium Term Revenue & Expenditure Framework			Project information	
								Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
Human Settlements	Public Housing and Customer Services: Manenberg CRU Project (1584 units)	C10.15430	CG	Yes	*Community*	*Social rental housing*	259 403	74 590	117 959	57 361	–	–	42	Renewal
Human Settlements	Public Housing and Customer Services: Hanover Park CRU Project (1680 units)	C10.15433	CG	Yes	*Community*	*Social rental housing*	254 333	74 216	63 813	33 456	–	–	47	Renewal
Human Settlements	Public Housing and Customer Services: Heideveld CRU Project (864 units)	C10.15434	CG	Yes	*Community*	*Social rental housing*	127 924	50 048	27 629	14 437	–	–	44	Renewal
Human Settlements	Public Housing and Customer Services: Marble Flats CRU Project (688 units)	C10.15435	CG	Yes	*Community*	*Social rental housing*	122 675	19 506	24 970	29 679	–	–	66	Renewal
Human Settlements	Public Housing and Customer Services: Langa Hostels CRU Project (463 units)	C11.15418	CG	Yes	*Community*	*Social rental housing*	189 790	–	49 370	124 250	16 170	–	51	Renewal
Human Settlements	Public Housing and Customer Services: Langa Hostels CRU Project (868 units)	CPX.0003149	CG	Yes	*Community*	*Social rental housing*	320 500	–	–	5 500	60 000	100 000	51	new
Human Settlements	HS Development & Delivery: Wallacedene Phase 10A (PLS)	C06.30881	CE	Yes	*Various*	*Various*	51 157	1 554	1 000	12 000	12 000	12 000	6	new
Human Settlements	HS Development & Delivery: Nyanga Upgrading Project(PLF&UISP)	C06.41502	CE	Yes	*Various*	*Various*	56 602	1 440	11 500	7 500	11 000	–	39	new
Human Settlements	HS Development & Delivery: Bardale / Fairdale:Develop4000Units	C06.41540	CE	Yes	*Various*	*Various*	145 051	4 271	28 257	5 152	–	–	108	new
Human Settlements	HS Development & Delivery: Hangberg CRU 70 Units	C10.15509	CE	Yes	*Various*	*Various*	63 486	186	12 000	22 600	5 700	15 000	74	new
Human Settlements	HS Development & Delivery: Scottsdene New CRU Project - 350 Units	C11.15505	CE	Yes	*Various*	*Various*	90 281	59 920	16 762	10 000	–	–	7	new
Human Settlements	HS Development & Delivery: Fisantekraal Garden Cities Phase 2	CPX.0003134	CE	Yes	*Various*	*Various*	87 900	–	–	20 800	49 500	17 600	105	new
Human Settlements	HS Development & Delivery: Imizamo Yethu Housing Project (Phase 3)	CPX.0003139	CE	Yes	*Various*	*Various*	110 000	–	–	6 500	28 000	20 000	16	new
Human Settlements	HS Urbanisation: Urbanisation: Backyards/Infrm Settl Upgr	C15.15101	CJ	No	*Various*	*Various*	80 000	–	–	80 000	–	–	Multi-ward	new
Human Settlements	HS Urbanisation: Urbanisation: Backyards/Infrm Settl Upgr	C15.15102	CJ	No	*Various*	*Various*	260 000	–	–	–	260 000	–	Multi-ward	new
Human Settlements	HS Urbanisation: Urbanisation: Backyards/Infrm Settl Upgr	CPX.0003221	CE	No	*Various*	*Various*	268 000	–	–	–	–	268 000	Multi-ward	new
Human Settlements	Various	Various			*Various*	*Various*	–	279 964	418 781	270 547	132 407	76 828		
Economic, Environment & Spatial Planning	Spatial Planning and Urban Design: Spatial transformation/Integrated zones	CPX.0003639	DC	No	*Other assets*	*Other Buildings*	57 171	–	–	57 171	–	–	Multi-ward	Renewal
Economic, Environment & Spatial Planning	Various	Various			*Various*	*Various*	–	41 429	64 469	62 044	56 427	55 927		
Tourism, Events and Marketing	Various	Various			*Various*	*Various*	–	179 084	26 530	37 781	30 200	30 200		
Social and Early Childhood Development	Various	Various			*Various*	*Various*	–	6 791	7 838	18 010	10 860	10 860		
Parent Capital expenditure							**–**	**5 868 810**	**5 611 642**	**6 211 315**	**5 665 607**	**5 474 467**		

Table 88 MBRR Table SA37 - Projects delayed from previous financial year/s

Municipal Vote/Capital project R thousand	Project name	Project number	Asset Class	Asset Sub-Class	Previous target year to complete Year	Current Year 2013/14 Original Budget	Current Year 2013/14 Full Year Forecast	2014/15 Medium Term Revenue & Expenditure Framework Budget Year 2014/15	2014/15 Medium Term Revenue & Expenditure Framework Budget Year +1 2015/16	2014/15 Medium Term Revenue & Expenditure Framework Budget Year +2 2016/17
Utility Services	Water & Sanitation: Trappies Sewerage System	C08.11114	*Infrastructure - Sanitation*	*Reticulation*	2012/13	3 000	–	500	10 000	30 000
Community Services	Library and Information Services: Extensions to Libraries	C12.96037	*Community*	*Libraries*	2013/14	2 500	2 200	1 802	–	–
Tourism, Events and Marketing	Strategic Assets: Upgrade Generator Exhaust Extract System	C14.00039	*Other assets*	*Furniture and other office equipment*	2012/13	3 000	60	1 040	–	–
Tourism, Events and Marketing	Strategic Assets: Construction Waste Room at CT Stadium	C14.00040	*Infrastructure Other*	*Waste Management*	2012/13	2 000	99	1 701	–	–
Tourism, Events and Marketing	Strategic Assets: Provision of lifts for empty shafts: CTS	C14.00044	*Other assets*	*Other Buildings*	2013/14	3 500	465	7 985	–	–
Tourism, Events and Marketing	Strategic Assets: Temporary Distribution Boards for rental	C14.00046	*Other assets*	*Furniture and other office equipment*	2013/14	1 000	86	1 474	–	–
Tourism, Events and Marketing	Strategic Assets: Completion of change rooms at CT Stadium	C14.00047	*Community*	*Sportsfields & stadia*	2013/14	2 000	252	4 338	–	–
Tourism, Events and Marketing	Arts & Culture: Upgrade Heritage Facility site C	C14.00069	*Heritage Assets*	*Buildings*	2013/14	1 500	650	850	–	–
Safety & Security	Traffic Services: Property Improvement : City Wide	C14.14704	*Other assets*	*Other Buildings*	2012/13	1 800	1 695	29	–	–
Safety & Security	Traffic Services: Acquisition & Upgrade - Atlantis	C14.14717	*Community*	*Fire, safety & emergency*	2013/14	4 000	2 501	1 499	–	–
Economic, Environment & Spatial Planning	Planning and Building Dev. Management: Provision of Filing space and systems	C14.18502	*Other assets*	*Other Buildings*	2013/14	2 000	900	3 100	–	–
Community Services	Sport, Recreation and Amenities: Synthetic Pitch - Steenberg	C14.95022	*Community*	*Sportsfields & stadia*	2013/14	5 000	2 294	2 706	–	–
Community Services	Sport, Recreation and Amenities: Synthetic Pitch - Heideveld	C14.95023	*Community*	*Sportsfields & stadia*	2013/14	5 000	2 294	2 706	–	–
Community Services	Sport, Recreation and Amenities: Synthetic Pitch - Cross Roads	C14.95024	*Community*	*Sportsfields & stadia*	2013/14	5 000	2 294	2 706	–	–
Community Services	Sport, Recreation and Amenities: Synthetic Pitch - Kewtown	C14.95025	*Community*	*Sportsfields & stadia*	2013/14	5 000	2 294	2 706	–	–
Community Services	Sport, Recreation and Amenities: Upgrade of D'Oliviera Sports Facility	C14.95058	*Community*	*Sportsfields & stadia*	2012/13	70	–	40	–	–
Community Services	Sport, Recreation and Amenities: Bonteheuwel Sport Field-Ext. brick wall	C14.95082	*Community*	*Sportsfields & stadia*	2013/14	100	95	100	–	–
Community Services	Sport, Recreation and Amenities: Upgrading of J Nontulo Sports Field	C14.95086	*Community*	*Sportsfields & stadia*	2013/14	1 200	85	1 115	–	–
Community Services	Sport, Recreation and Amenities: Upgrading of NY116 Sports Field	C14.95087	*Community*	*Sportsfields & stadia*	2013/14	1 000	80	920	–	–
Community Services	Sport, Recreation and Amenities: Lwandle Spectator Stand	C13.95018	*Community*	*Sportsfields & stadia*	2013/14	1 000	750	250	–	–
Safety & Security	Metro Police Services: CCTV roll out Bellville	C13.11106	*Infrastructure Other*	*Other*	2013/14	3 400	328	3 072	–	–
Safety & Security	Metro Police Services: CCTV roll out Athlone	C13.11107	*Infrastructure Other*	*Other*	2013/14	1 400	135	1 265	–	–
Social and Early Childhood Development	District Service Delivery: Construction of ECD - Golden Gate	C13.17310	*Community*	*Community halls*	2013/14	3 800	2 000	2 000	500	–

Continues on next page.

Municipal Vote/Capital project	Project name	Project number	Asset Class	Asset Sub-Class	Previous target year to complete	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
R thousand					Year	Original Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Human Settlements	HS Development & Delivery: Wallacedene Ph10B(UISP)	C07.00027	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	2012/13	3 800	–	2 000	3 000	3 000
Community Services	Sport, Recreation and Amenities: Sea Winds Sports Complex Phase 3	C08.95073	*Community*	*Sportsfields & stadia*	2013/14	640	200	440	–	–
Human Settlements	HS Development & Delivery: Edward Street: Grassy Park Development	C12.15506	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	2013/14	2 000	465	2 750	–	–
Human Settlements	HS Development & Delivery: Gugulethu Infill Project Erf 8448/MauMau	C09.15515	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	2012/13	–	3 787	18 617	3 900	–
Human Settlements	HS Development & Delivery: Morningstar Durbanville Housing Project	C12.15510	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	2012/13	–	500	3 000	–	–
Human Settlements	HS Development & Delivery: Belhar/Pentech Housing Proj: 350 Units	C06.41518	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	2013/14	9 280	6 651	4 280	–	–
Human Settlements	HS Development & Delivery: 10 Ha Somerset West Housing Project	C06.42371	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	2012/13	–	3 600	4 035	–	–
Human Settlements	HS Urbanisation: Hazeldean Housing Project Services	C13.15703	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	2013/14	9 500	8 214	8 100	–	–
Human Settlements	HS Development & Delivery: Rondevlei Housing Project	C06.01622	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	2012/13	–	150	120	–	–
Human Settlements	HS Development & Delivery: Philippi East 5 Housing Project	C06.41520	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	2012/13	–	25	100	–	–
Tourism, Events and Marketing	Tourism: URP Upgrade of Lookout Hill Facility	C11.00159	*Community*	*Community halls*	2012/13	2 549	1 000	1 000	–	–
Safety & Security	Traffic Services: Establish the Maitland Impound Facility	C11.14704	*Other assets*	*Civic Land and Buildings*	2012/13	–	1 322	234	–	–
Safety & Security	Traffic Services: Property Improvement : City Wide	C11.14702	*Other assets*	*Other Buildings*	2012/13	–	–	17	–	–
Utility Services	Cape Town Electricity: Milnerton: Sub-Depot - Street Lighting	C13.84082	*Infrastructure - Electricity*	*Transmission & Reticulation*	2012/13	20 000	–	17 951	–	–
Utility Services	Cape Town Electricity: Hout Bay LV Depot	C13.84075	*Infrastructure - Electricity*	*Transmission & Reticulation*	2012/13	22 017	–	12 340	21 704	–
Human Settlements	HS Development & Delivery: Hazendal Housing Project	C07.00437	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	2012/13	–	1 500	250	–	–
Utility Services	Cape Town Electricity: Retreat Depot - Replace. for Muizenberg	C08.84049	*Other assets*	*Civic Land and Buildings*	2013/14	25 793	577	44 545	–	–
Utility Services	Cape Town Electricity: Stikland Main Substation	C09.84043	*Infrastructure - Electricity*	*Transmission & Reticulation*	2012/13	40 134	33 382	5 859	–	–
Human Settlements	HS Development & Delivery: Ocean View - Mountain View Housing Proj	C06.41570	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	2012/13	–	48	32	32	32
Transport for Cape Town	Contract Operations: Mitchell's Plain Station TI	C07.01059	*Infrastructure Other*	*Transportation*	2013/14	9 500	3 500	14 500	8 000	–
Human Settlements	HS Development & Delivery: Heideveld Duinefontein Housing Project	C10.15510	*Infrastructure - Road transport*	*Roads, Pavements & Bridges*	2012/13	–	550	3 800	2 800	–
Transport for Cape Town	Infrastructure: Lentegeur & Mandalay Station PTI's:Dsg	C06.41752	*Infrastructure Other*	*Transportation*	2012/13	–	4 000	12 650	2 000	–
Utility Services	Cape Town Electricity: City Depot CBD - New	C13.84076	*Infrastructure - Electricity*	*Transmission & Reticulation*	2013/14	64 264	160	64 691	64 522	–

2.16 Legislation compliance status

Compliance with the MFMA implementation requirements has been substantially adhered to through the following activities:

1. Budget and Treasury Office - A budget office and Treasury office has been established in accordance with the MFMA.

2. Budgeting - The annual budget is prepared in accordance with the requirements prescribed by National Treasury and the MFMA.

3. In Year Reporting - 100% compliance with regards to reporting to National Treasury in electronic format on a monthly, quarterly and annual basis.

4. Annual Report - The annual report is prepared in accordance with the MFMA and National Treasury requirements.

5. Municipal Entities - The City currently has only one entity viz. the Cape Town International Convention Centre (CTICC).

6. Internship Programme - The City, in participating in the Municipal Finance Management Internship Programme, has employed a number of interns to undergo training in various finance departments. Currently, three of the five interns have been appointed in permanent positions within the City's Finance department, while two are undergoing training.

2.17 Other supporting documents

Table 89 MBRR Table SA1 - Supporting detail to budgeted financial position

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
REVENUE ITEMS:									
Property rates									
Total Property Rates	5 277 706	5 519 703	6 105 690	6 557 264	6 557 264	6 557 264	7 066 137	7 537 091	8 064 727
less Revenue Foregone	841 942	897 262	1 029 245	1 129 876	1 129 876	1 129 876	1 135 624	1 248 519	1 329 672
Net Property Rates	**4 435 764**	**4 622 441**	**5 076 445**	**5 427 388**	**5 427 388**	**5 427 388**	**5 930 513**	**6 288 572**	**6 735 054**
Service charges - electricity revenue									
Total Service charges - electricity revenue	6 578 085	8 061 684	8 852 928	9 668 405	9 483 473	9 483 473	10 072 265	10 827 685	11 661 417
less Revenue Foregone									
Net Service charges - electricity revenue	**6 578 085**	**8 061 684**	**8 852 928**	**9 668 405**	**9 483 473**	**9 483 473**	**10 072 265**	**10 827 685**	**11 661 417**
Service charges - water revenue									
Total Service charges - water revenue	**1 649 307**	**1 817 183**	**2 053 577**	**2 343 850**	**2 333 850**	**2 333 850**	**2 540 080**	**2 824 821**	**3 158 769**
less Revenue Foregone									
Net Service charges - water revenue	**1 649 307**	**1 817 183**	**2 053 577**	**2 343 850**	**2 333 850**	**2 333 850**	**2 540 080**	**2 824 821**	**3 158 769**
Service charges - sanitation revenue									
Total Service charges - sanitation revenue	**903 204**	**1 002 897**	**1 091 897**	**1 243 019**	**1 243 019**	**1 243 019**	**1 338 202**	**1 489 197**	**1 666 350**
less Revenue Foregone									
Net Service charges - sanitation revenue	**903 204**	**1 002 897**	**1 091 897**	**1 243 019**	**1 243 019**	**1 243 019**	**1 338 202**	**1 489 197**	**1 666 350**
Service charges - refuse revenue									
Total refuse removal revenue	642 018	710 609	775 144	826 118	829 800	829 800	891 885	963 901	1 037 882
Total landfill revenue	112 160	102 678	94 066	121 008	121 008	121 008	98 027	103 516	109 106
less Revenue Foregone	–	–	–	–	–	–	–	–	–
Net Service charges - refuse revenue	**754 178**	**813 287**	**869 210**	**947 126**	**950 808**	**950 808**	**989 912**	**1 067 418**	**1 146 988**
Other Revenue by source									
List other revenue by source	–	–	–	–	–	–	–	–	–
Fuel Levy	1 510 960	1 637 276	1 706 690	1 895 992	1 895 992	1 895 992	2 002 938	2 082 575	2 179 791
Total 'Other' Revenue	**1 764 144**	**1 963 175**	**2 449 771**	**2 179 942**	**2 187 009**	**2 187 009**	**2 338 330**	**2 436 694**	**2 573 032**
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	3 864 352	4 386 721	4 886 349	5 700 072	5 689 675	5 667 031	6 215 323	6 727 603	7 259 216
Pension and UIF Contributions	619 340	672 305	754 386	996 151	997 432	997 023	1 090 857	1 186 233	1 285 876
Medical Aid Contributions	352 131	397 452	439 574	483 435	483 435	483 435	562 628	611 622	662 999
Overtime	277 175	310 205	335 100	306 086	302 327	305 127	328 224	359 769	389 990
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	167 839	176 258	180 443	193 638	194 012	194 482	181 172	196 207	212 689
Cellphone Allowance	12 388	12 682	13 367	14 031	14 040	14 043	13 925	14 985	16 243
Housing Allowances	31 315	31 061	29 266	28 176	28 176	28 176	26 534	28 848	31 272
Other benefits and allowances	152 445	154 056	172 552	222 558	201 558	201 563	194 912	210 920	228 637
Payments in lieu of leave	58 258	84 554	81 997	130 297	130 279	130 079	100 550	108 934	118 084
Long service awards	8 156	436	73 013	49 059	49 059	49 038	66 265	72 030	78 080
Post-retirement benefit obligations	601 498	712 420	502 763	156 778	156 778	156 778	171 715	181 331	191 123
sub-total	**6 144 897**	**6 938 149**	**7 468 810**	**8 280 281**	**8 246 771**	**8 226 775**	**8 952 104**	**9 698 482**	**10 474 209**
Less: Employees costs capitalised to PPE	21 129	22 137	22 611	26 823	26 823	26 823	20 511	21 660	23 401
Total Employee related costs	**6 123 768**	**6 916 012**	**7 446 199**	**8 253 458**	**8 219 948**	**8 199 952**	**8 931 593**	**9 676 821**	**10 450 808**
Contributions recognised - capital									
Contributions recognised - capital	46 728	44 230	34 076	48 250	44 125	44 125	65 226	96 300	100 300
Total Contributions recognised - capital	**46 728**	**44 230**	**34 076**	**48 250**	**44 125**	**44 125**	**65 226**	**96 300**	**100 300**
Depreciation & asset impairment									
Depreciation of Property, Plant & Equipment	1 262 098	1 372 098	1 620 275	1 914 841	1 937 824	1 937 824	2 131 135	2 280 314	2 419 936
Lease amortisation	–	–	–	–	–	–	–	–	–
Capital asset impairment	9 866	27 392	7 110	19 900	19 900	19 900	23 200	24 499	25 822
Depreciation resulting from revaluation of PPE	–	–	–	–	–	–	–	–	–
Total Depreciation & asset impairment	**1 271 965**	**1 399 490**	**1 627 385**	**1 934 741**	**1 957 724**	**1 957 724**	**2 154 335**	**2 304 813**	**2 445 758**
Bulk purchases									
Electricity Bulk Purchases	4 326 781	5 385 001	6 097 891	6 545 300	6 264 330	6 264 330	6 678 300	7 205 955	7 781 805
Water Bulk Purchases	293 323	320 262	293 295	353 581	343 581	343 581	371 711	404 273	444 073
Total bulk purchases	**4 620 105**	**5 705 263**	**6 391 186**	**6 898 881**	**6 607 911**	**6 607 911**	**7 050 011**	**7 610 228**	**8 225 878**

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Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Transfers and grants									
Cash transfers and grants	93 382	103 492	103 144	39 544	116 409	117 815	125 354	119 229	121 503
Non-cash transfers and grants	–	–	–	–	–	–	–	–	–
Total transfers and grants	**93 382**	**103 492**	**103 144**	**39 544**	**116 409**	**117 815**	**125 354**	**119 229**	**121 503**
Contracted services									
Contracted Services ex Payroll	22 300	73 756	39 899	23 905	13 736	13 545	9 146	21 310	22 461
Labour Brokers	84 765	40 959	81 972	58 546	72 731	74 218	56 177	62 196	65 592
Executive and council	1 110	1 990	11 427	2 718	5 340	2 723	2 260	2 407	2 558
Budget & Treasury Office	2 845	10 032	7 274	31 083	31 158	32 098	54 550	58 812	62 281
Corporate services	183 936	264 531	293 248	329 208	333 209	334 456	421 155	447 648	478 742
Community and social services	39 452	40 187	65 161	48 118	58 924	58 883	70 051	55 512	59 504
Sport & Recreation	259 631	176 782	201 018	351 278	350 905	374 752	317 178	335 876	363 108
Public safety	24 973	27 322	33 667	40 753	39 748	39 196	68 874	76 663	82 156
Housing	130 698	119 791	206 625	264 050	329 784	329 784	1 023 327	1 263 113	1 502 682
Health	4 378	8 458	16 741	15 064	15 064	15 036	14 547	16 538	17 651
Planning and development	8 707	22 471	55 599	80 946	55 545	57 824	36 431	97 547	102 932
Road transport	297 560	439 113	582 910	711 735	710 238	710 183	794 141	834 067	857 676
Environmental protection	17 974	23 897	45 883	34 777	46 618	46 457	47 895	36 135	22 232
Electricity	118 377	115 395	122 941	132 998	132 056	132 056	130 568	140 784	151 540
Water	114 142	138 711	184 798	201 680	217 908	217 908	160 356	181 077	194 356
Waste water management	255 121	282 014	358 836	328 963	390 596	390 550	458 218	444 587	553 787
Waste management	442 024	406 201	512 656	488 573	533 291	533 161	532 836	560 857	588 444
Other	2 275	2 053	5 288	47 787	6 038	5 577	7 327	7 964	7 292
sub-total	**2 010 269**	**2 193 662**	**2 825 946**	**3 192 182**	**3 342 889**	**3 368 407**	**4 205 036**	**4 643 095**	**5 134 994**
Total contracted services	**2 010 269**	**2 193 662**	**2 825 946**	**3 192 182**	**3 342 889**	**3 368 407**	**4 205 036**	**4 643 095**	**5 134 994**
Other Expenditure By Type									
Collection costs	174 754	166 379	183 024	190 733	190 237	190 478	201 630	217 451	229 193
Contributions to 'other' provisions	2 977	(58 822)	31 765	(39 000)	(39 000)	(39 000)	(60 234)	(63 607)	(67 042)
Consultant fees	141 440	147 364	162 459	221 049	220 832	217 275	174 043	170 743	194 898
Audit fees	16 339	15 158	13 660	17 500	17 500	17 500	18 207	19 227	20 265
General expenses	753 948	817 122	935 056	930 690	912 237	916 392	988 677	998 511	1 053 756
Security Services & Charges	269 947	301 800	337 312	225 242	253 024	252 266	242 335	264 626	293 376
Indigent Relief : Refuse	182 629	207 273	229 833	240 842	240 842	240 842	232 261	240 292	258 914
Fuel (Petrol, Diesel and Fuel Oil)	143 066	190 773	219 572	184 097	193 491	193 216	223 465	236 109	246 859
413510 - G&D Housing PHP Payment	40 819	113 072	143 432	200 000	165 756	165 756	170 000	175 000	175 000
Chemicals	91 727	98 711	114 306	145 799	125 154	125 165	143 877	171 593	199 779
Licenses & Permits	70 866	70 303	73 185	98 289	95 935	97 054	123 471	123 679	128 358
MIDS/CIDS	78 967	86 823	103 663	114 884	114 884	114 884	123 058	129 245	136 224
Electricity	70 981	93 563	101 075	99 732	100 378	100 998	105 422	111 326	117 338
Telecommunication Services	56 163	57 112	99 391	96 705	96 705	96 705	94 716	100 020	103 421
Hire of LDV, P/Van, Bus, Special Vehicle	64 290	102 938	94 487	84 036	62 417	61 545	83 437	92 512	95 305
Printing Stationery & Photographic	56 482	61 270	65 715	66 861	71 697	73 130	77 453	82 074	86 581
Training	32 567	42 447	44 010	75 636	62 207	60 659	75 564	85 894	90 444
414410 - G&D Vaccines	56 813	71 205	57 539	79 995	74 264	74 264	70 956	75 295	79 734
Projects	1	–	–	87 752	53 811	41 986	68 349	71 689	63 560
Minor Tools , Equipment & Other	43 063	37 276	44 151	55 191	53 655	52 403	67 288	71 877	80 758
Rental	55 978	55 763	55 857	60 082	61 367	62 126	66 890	68 453	69 991
Service Connections	15 631	3 477	6 554	36 227	35 281	35 331	64 236	67 833	71 496
Uniform & Protective Clothing	36 017	36 878	51 693	44 887	55 735	56 771	63 944	70 530	74 338
Cleaning Costs	38 135	70 186	49 756	48 090	50 246	54 011	60 469	58 155	59 295
Levy: Skills Development	43 499	48 398	56 475	52 590	52 526	52 526	58 947	62 248	65 609
Sewerage Services	35 209	47 450	59 789	47 886	52 886	52 886	57 823	76 061	94 358
Total 'Other' Expenditure	**2 666 893**	**2 988 712**	**3 473 078**	**3 612 788**	**3 521 062**	**3 514 163**	**3 786 538**	**3 953 609**	**4 219 656**

Repairs and Maintenance by Expenditure Item									
Employee related costs	406 268	446 891	1 030 137	1 165 808	1 038 287	1 037 768	1 248 847	1 356 288	1 470 189
Other materials	200 892	180 350	202 646	263 900	245 101	245 195	237 074	257 462	279 089
Contracted Services	995 374	1 088 586	1 314 473	1 360 489	1 407 563	1 407 542	1 506 011	1 639 382	1 819 279
Other Expenditure	106 746	167 226	203 129	140 087	151 479	151 700	157 424	170 952	185 321
Total Repairs and Maintenance Expenditure	1 709 280	1 883 053	2 750 384	2 930 285	2 842 430	2 842 206	3 149 355	3 424 085	3 753 877

Table 90 MBRR Table SA2 - Matrix financial performance budget (revenue source / expenditure type and department)

Description R thousand	Vote 1 - City Health	Vote 2 - City Manager	Vote 3 - Community Services	Vote 4 - Compliance and Auxiliary Services	Vote 5 - Corporate Services	Vote 6 - Economic, Environment & Spatial Planning	Vote 7 - Finance	Vote 8 - Human Settlements	Vote 9 - Rates & Other	Vote 10 - Safety & Security	Vote 11 - Social Dev & Early Childhood Development	Vote 12 - Tourism, Events and Marketing	Vote 13 - Transport for Cape Town	Vote 14 - Utility Services	Total
Revenue By Source															
Property rates	–	–	–	–	–	–	–	–	5 930 513	–	–	–	–	–	**5 930 513**
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Service charges - electricity revenue	–	–	36	–	–	–	–	–	–	–	–	–	–	10 072 229	**10 072 265**
Service charges - water revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	2 540 080	**2 540 080**
Service charges - sanitation revenue	–	–	–	–	–	–	–	–	–	–	–	–	–	1 338 202	**1 338 202**
Service charges - refuse revenue	–	–	5	–	–	–	–	–	–	185	–	–	–	989 721	**989 912**
Service charges - other	4 236	–	18 168	5	440	93 443	10 488	10 120	–	10 154	8	4 719	108 835	61 189	**321 805**
Rental of facilities and equipment	–	–	27 667	–	488	29	108 182	204 461	–	202	413	16 576	240	453	**358 711**
Interest earned - external investments	–	–	–	–	–	–	265 154	10 600	–	7	–	–	0	1	**275 762**
Interest earned - outstanding debtors	–	–	–	–	–	83	1 176	–	89 000	501	–	0	2	117 500	**208 262**
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Fines	21	–	2 946	–	–	1 343	–	–	–	171 315	–	–	22	–	**175 648**
Licences and permits	710	–	3 047	–	–	1 655	–	–	–	33 747	–	10	1 218	–	**40 388**
Agency services	–	–	–	–	–	–	139 446	–	–	10 993	–	–	–	–	**150 439**
Other revenue	2 502	44	626	3 130	57 259	50	147 129	6 605	2 002 938	168	–	130	14 753	102 996	**2 338 330**
Transfers recognised - operational	471 674	–	33 793	10 747	2 300	29 149	2 441	1 252 652	1 423 091	24 794	816	2 190	244 521	–	**3 498 169**
Gains on disposal of PPE	–	–	–	–	1 500	–	111 000	2 000	–	–	–	–	–	6 000	**120 500**
Total Revenue (excluding capital transfers and contributions)	**479 143**	**44**	**86 288**	**13 882**	**61 987**	**125 753**	**785 016**	**1 486 437**	**9 445 542**	**252 067**	**1 237**	**23 625**	**369 591**	**15 228 371**	**28 358 984**

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Description R thousand	Vote 1 - City Health	Vote 2 - City Manager	Vote 3 - Community Services	Vote 4 - Corporate Services	Vote 5 - Deputy City Manager	Vote 6 - Economic, Environment & Spatial Planning	Vote 7 - Finance	Vote 8 - Human Settlements	Vote 9 - Rates & Other	Vote 10 - Safety & Security	Vote 11 - Social Dev & Early Childhood Development	Vote 12 - Tourism, Events and Marketing	Vote 13 - Transport, Roads and Stormwater	Vote 14 - Utility Services	Total
Expenditure By Type															
Employee related costs	622 491	51 425	913 536	312 077	687 931	387 570	616 160	335 268	119 967	1 318 641	71 031	93 402	576 190	2 825 904	**8 931 593**
Remuneration of councillors	–	–	–	133 619	–	–	–	–	–	–	–	–	–	–	**133 619**
Debt impairment	–	–	–	–	–	–	12 806	102 389	302 352	–	–	–	–	532 986	**950 533**
Depreciation & asset impairment	8 718	1 057	91 769	8 451	153 771	20 991	11 538	84 424	–	33 799	2 597	200 320	572 188	964 712	**2 154 335**
Finance charges	–	–	–	–	–	–	886 062	–	–	–	–	–	–	33 170	**919 232**
Bulk purchases	–	–	–	–	–	–	–	–	–	–	–	–	–	7 050 011	**7 050 011**
Other materials	3 637	101	8 631	487	25 147	714	51 498	30 556	–	4 984	332	1 229	50 670	209 131	**387 117**
Contracted services	21 554	6 700	338 748	24 102	394 587	67 683	34 238	1 023 507	–	47 644	42 498	57 975	816 892	1 328 907	**4 205 036**
Transfers and grants	3 731	–	–	60	–	27 838	6 627	–	–	–	–	87 098	–	–	**125 354**
Other expenditure	247 799	73 330	154 945	113 579	400 200	40 270	403 415	316 095	480 501	224 558	21 323	42 799	216 682	1 051 044	**3 786 538**
Loss on disposal of PPE	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Total Expenditure	**907 929**	**132 613**	**1 507 629**	**592 374**	**1 661 637**	**545 065**	**2 022 344**	**1 892 239**	**902 820**	**1 629 626**	**137 782**	**482 822**	**2 232 622**	**13 995 866**	**28 643 369**
Surplus/(Deficit)	**(428 786)**	**(132 569)**	**(1 421 341)**	**(578 491)**	**(1 599 650)**	**(419 312)**	**(1 237 329)**	**(405 802)**	**8 542 723**	**(1 377 559)**	**(136 545)**	**(459 197)**	**(1 863 031)**	**1 232 505**	**(284 384)**
Transfers recognised - capital	11 600	–	143 474	1 050	10 702	65 393	–	616 322	–	2 234	2 350	1 000	1 463 632	**499 870**	**2 817 627**
Contributions recognised - capital	–	–	8 826	–	–	–	–	–	–	–	–	–	12 100	44 300	**65 226**
Contributed assets	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**	**–**
Surplus/(Deficit) after capital transfers & contributions	**(417 186)**	**(132 569)**	**(1 269 042)**	**(577 441)**	**(1 588 948)**	**(353 919)**	**(1 237 329)**	**210 521**	**8 542 723**	**(1 375 325)**	**(134 195)**	**(458 197)**	**(387 299)**	**1 776 675**	**2 598 469**

Table 91 MBRR Table SA3 - Supporting detail to Statement of Financial Position

Description R thousand	2010/11 Audited Outcome	2011/12 Audited Outcome	2012/13 Audited Outcome	Current Year 2013/14 Original Budget	Current Year 2013/14 Adjusted Budget	Current Year 2013/14 Full Year Forecast	2014/15 Medium Term Revenue & Expenditure Framework Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS									
Call investment deposits									
Call deposits < 90 days	3 005 162	3 194 327	4 542 767	6 194 154	6 519 446	6 519 446	5 362 934	5 841 583	6 062 101
Other current investments > 90 days	2 146 596	2 883 387	3 430 794	6 800	6 800	6 800	–	–	–
Total Call investment deposits	**5 151 758**	**6 077 714**	**7 973 561**	**6 200 954**	**6 526 246**	**6 526 246**	**5 362 934**	**5 841 583**	**6 062 101**
Consumer debtors									
Consumer debtors	7 524 644	8 160 512	8 217 315	10 263 828	9 202 312	9 202 312	10 361 107	11 664 564	13 078 533
Less: Provision for debt impairment	(3 815 533)	(4 181 256)	(4 045 082)	(6 046 474)	(4 911 274)	(4 911 274)	(5 861 807)	(6 925 839)	(8 086 209)
Total Consumer debtors	**3 709 111**	**3 979 256**	**4 172 233**	**4 217 354**	**4 291 038**	**4 291 038**	**4 499 300**	**4 738 725**	**4 992 324**
Debt impairment provision									
Balance at the beginning of the year	3 299 430	3 815 533	4 181 256	5 180 282	4 045 082	4 045 082	4 911 274	5 861 807	6 925 839
Contributions to the provision	788 795	802 975	868 296	866 192	866 192	866 192	950 533	1 064 031	1 160 370
Bad debts written off	(272 692)	(437 252)	(1 004 470)	–	–	–	–	–	–
Balance at end of year	**3 815 533**	**4 181 256**	**4 045 082**	**6 046 474**	**4 911 274**	**4 911 274**	**5 861 807**	**6 925 839**	**8 086 209**
Property, plant and equipment (PPE)									
PPE at cost/valuation (excl. finance leases)	32 233 122	36 702 555	42 499 000	47 791 337	47 816 907	47 816 907	53 717 656	59 099 983	64 300 726
Leases recognised as PPE	234 370	–	–	–	–	–	–	–	–
Less: Accumulated depreciation	10 850 778	12 179 603	13 740 265	15 558 440	15 697 989	15 697 989	17 852 324	20 157 137	22 602 895
Total Property, plant and equipment (PPE)	**21 616 714**	**24 522 952**	**28 758 735**	**32 232 897**	**32 118 918**	**32 118 918**	**35 865 333**	**38 942 846**	**41 697 831**
LIABILITIES									
Current liabilities - Borrowing									
Short term loans (other than bank overdraft)	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities	305 353	294 186	418 166	478 860	387 991	387 991	378 885	515 863	396 555
Total Current liabilities - Borrowing	**305 353**	**294 186**	**418 166**	**478 860**	**387 991**	**387 991**	**378 885**	**515 863**	**396 555**
Trade and other payables									
Trade and other creditors	3 321 917	3 924 015	4 517 030	4 696 396	3 597 706	3 597 706	4 048 176	4 275 790	4 425 201
Unspent conditional transfers	1 108 680	1 665 752	858 556	1 826 081	1 820 627	1 820 627	996 885	1 057 081	1 129 619
VAT	57 368	57 756	69 491	69 885	76 440	76 440	80 262	84 275	88 489
Total Trade and other payables	**4 487 965**	**5 647 523**	**5 445 077**	**6 592 362**	**5 494 773**	**5 494 773**	**5 125 323**	**5 417 147**	**5 643 309**
Non current liabilities - Borrowing									
Borrowing	5 343 836	5 176 421	6 936 236	6 493 327	6 646 477	6 646 477	7 902 043	9 032 745	9 789 614
Finance leases (including PPP asset element)	–	–	–	–	–	–	–	–	–
Total Non current liabilities - Borrowing	**5 343 836**	**5 176 421**	**6 936 236**	**6 493 327**	**6 646 477**	**6 646 477**	**7 902 043**	**9 032 745**	**9 789 614**
Provisions - non-current									
Retirement benefits	2 857 172	3 370 547	3 782 902	3 900 326	3 939 680	3 939 680	4 111 395	4 292 725	4 483 848
List other major provision items	–	–	–	–	–	–	–	–	–
Refuse landfill site rehabilitation	342 871	328 839	332 990	393 839	364 991	364 991	435 670	458 324	501 374
Other	312 294	376 815	436 621	462 055	485 679	485 679	551 943	623 973	702 053
Total Provisions - non-current	**3 512 337**	**4 076 201**	**4 552 513**	**4 756 220**	**4 790 350**	**4 790 350**	**5 099 008**	**5 375 022**	**5 687 275**

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Description	2009/10	2010/11	2011/12	Current Year 2012/13			2013/14 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CHANGES IN NET ASSETS									
Accumulated Surplus/(Deficit)									
Accumulated Surplus/(Deficit) - opening balance	12 485 228	14 369 652	16 721 752	20 263 916	20 158 276	20 158 276	23 100 680	25 806 310	27 895 066
GRAP adjustments	92 283	(174 070)	–	–	–	–	–	–	–
Restated balance	12 577 511	14 195 582	16 721 752	20 263 916	20 158 276	20 158 276	23 100 680	25 806 310	27 895 066
Surplus/(Deficit)	1 732 180	2 507 284	3 443 726	2 334 315	2 701 109	2 701 109	2 598 469	2 134 084	2 113 878
Appropriations to Reserves	(527 936)	(720 503)	(639 146)	214 694	263 461	263 461	154 477	6 625	155 048
Transfers from Reserves	587 895	739 389	633 044	(22 166)	(22 166)	(22 166)	(47 315)	(51 953)	(49 772)
Depreciation offsets	–	–	–	–	–	–	–	–	–
Other adjustments	–	–	–	–	–	–	–	–	–
Accumulated Surplus/(Deficit)	**14 369 650**	**16 721 752**	**20 159 376**	**22 790 759**	**23 100 680**	**23 100 680**	**25 806 310**	**27 895 066**	**30 114 221**
Reserves									
Housing Development Fund	539 070	521 463	504 356	557 131	512 591	512 591	545 474	580 198	614 922
Capital replacement	1 186 371	1 274 073	1 281 721	849 298	1 018 260	1 018 260	863 783	857 159	702 110
Self-insurance	585 163	496 182	511 743	523 788	525 674	525 674	540 106	557 335	572 383
Other reserves	–	–	–	84 207	84 224	84 224	91 158	96 327	102 123
Revaluation	–	–	–	–	–	–	–	–	–
Total Reserves	**2 310 604**	**2 291 718**	**2 297 820**	**2 014 424**	**2 140 749**	**2 140 749**	**2 040 522**	**2 091 019**	**1 991 538**
TOTAL COMMUNITY WEALTH/EQUITY	**16 680 254**	**19 013 470**	**22 457 196**	**24 805 183**	**25 241 429**	**25 241 429**	**27 846 832**	**29 986 085**	**32 105 759**

Table 92 MBRR Table SA9 - Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics											
Population	Stats SA Data/Estimate	2 893 246	3 497 097	3 740 025	3 723 769	3 792 089	3 860 589	3 930 079	4 000 821	–	–
Females aged 5 - 14	Stats SA Data/Estimate	260 208	287 307	275 909	323 597	329 690	335 040	341 071	347 210	–	–
Males aged 5 - 14	Stats SA Data/Estimate	257 995	284 101	282 124	333 859	338 524	342 421	348 584	354 859	–	–
Females aged 15 - 34	Stats SA Data/Estimate	571 891	653 762	706 732	629 631	634 589	639 883	651 401	663 126	–	–
Males aged 15 - 34	Stats SA Data/Estimate	539 880	631 811	707 488	640 688	648 963	657 445	669 279	681 326	–	–
Unemployment	Sttats SA Data	29.2%	24.5%	23.9%	24.8%	23.9%	26.3%	25.6%	n/a		–
Monthly household income (no. of households)											
No income	Stats SA Data	101 953	52 446	146 517	145 881	n/a	n/a	n/a	n/a	–	–
R1 - R1 600	Stats SA Data	200 414	144 873	185 068	184 264	n/a	n/a	n/a	n/a	–	–
R1 601 - R3 200	Stats SA Data	130 846	122 611	170 824	170 082	n/a	n/a	n/a	n/a	–	–
R3 201 - R6 400	Stats SA Data	133 588	121 268	154 427	153 756	n/a	n/a	n/a	n/a	–	–
R6 401 - R12 800	Stats SA Data	109 609	103 587	139 348	138 743	n/a	n/a	n/a	n/a	–	–
R12 801 - R25 600	Stats SA Data	67 529	87 974	126 625	126 075	n/a	n/a	n/a	n/a	–	–
R25 601 - R51 200	Stats SA Data	23 091	52 892	92 860	92 457	n/a	n/a	n/a	n/a	–	–
R52 201 - R102 400	Stats SA Data	5 470	18 249	38 018	37 853	n/a	n/a	n/a	n/a	–	–
R102 401 - R204 800	Stats SA Data	3 028	5 355	9 749	9 707	n/a	n/a	n/a	n/a	–	–
> R204 800	Stats SA Data	1 861	3 429	5 066	5 044	n/a	n/a	n/a	n/a	–	–
Unspecified		–	189 593	73	73	n/a	n/a	n/a	n/a	–	–
Household/demographics (000)		–	–	–	–	–	–	–	–	–	–
Number of people in municipal area	Stats SA Data	2 893	3 497	3 740	3 724	3 792	3 861	3 930	4 001	–	–
Number of poor people in municipal area	Estimate	1 125	1 240	1 758	1 751	n/a	n/a	n/a	n/a	–	–
Number of households in municipal area	Stats SA Data/Estimate	777	902	1 069	1 064	1 083	1 103	1 123	1 143	–	–
Number of poor households in municipal area	Stats SA Data	302	320	502	500	n/a	n/a	n/a	n/a	–	–
Definition of poor household (R per month)		Household income < R1601	Household income < R3201	Household income < R3201	Household income < R3201	-	-	-	-	-	-
Housing statistics											
Formal	Stats SA Data/Estimate	599 792	748 631	837 533	833 895	849 195	864 535	880 096	895 938	-	-
Informal	Stats SA Data/Estimate	157 687	144 116	222 549	221 582	225 648	229 724	233 859	238 068	-	-
Total number of households		757 479	892 747	1 060 082	1 055 477	1 074 843	1 094 259	1 113 955	1 134 006	-	-
Dwellings provided by municipality		-	-	-	7 472	7 141	4 300	4 791	8 896	-	-
Dwellings provided by province/s		-	-	-	-	-	-	-	-	-	-
Dwellings provided by private sector		-	-	-	6 349	6 455	9 076	-	-	-	-
Total new housing dwellings		-	-	-	13 821	13 596	13 376	4 791	8 896	-	-
Economic											
Inflation/inflation outlook (CPIX)		-	-	-	5.6%	4.0%	5.40%	5.6%	5.8%	5.6%	5.4%
Interest rate - borrowing		-	-	-	12.1%	11.8%	10.0%	10.1%	11.0%	11.0%	11.0%
Interest rate - investment		-	-	-	7.3%	5.6%	6.0%	5.0%	5.5%	5.5%	5.5%
Remuneration increases		-	-	-	10.4%	12.9%	8.10%	6.8%	6.8%	6.7%	6.4%
Consumption growth (electricity)		-	-	-	0.0%	0.0%	0.00%	0.0%	-1.8%	-1.0%	-1.0%
Consumption growth (water)		-	-	-	0.5%	0.5%	1.00%	1.0%	1.0%	1.0%	1.0%
Collection rates											
Property tax/service charges		-	-	-	95.0%	97.9%	95.2%	96.0%	96.0%	96.0%	96.0%
Rental of facilities & equipment		-	-	-	76.7%	87.5%	87.5%	85.0%	85.0%	85.0%	85.0%
Interest - extern/al investments		-	-	-	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors		-	-	-	96.0%	96.0%	96.2%	96.2%	96.0%	96.0%	96.0%
Revenue from agency services		-	-	-	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%	100.0%

Table 93 MBRR Table SA32 - List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement R thousand
BCA Training (Pty) Ltd	Mths	15	Provision of a service provider: contract management related training for infrastructure projects.	30 June 2014	4 700
Waste-Mart CC	Mths	20	The provision of a refuse collection service in Brown's Farm, Phillipi, Weltevreden and surroundings.	30 June 2016	13 200
Chad Ways Construction CC	Mths	22	Repair and replacement of locks and hinges to council's green litter bins.	30 June 2016	Various rates
Waste-Mart CC (4600005651)	Mths	20	Provision of services for the road transportation of containerised municipal solid waste from the Kraaifontein waste management facility to the Vissershok landfill site.	30 June 2016	12 000
Infancare Personal Products CC t/a VT Med Waste	Mths	12	Clearance, collection, transport and safe disposal/ incineration of illegally dumped medical, hazardous, toxic waste.	30 November 2015	600
Linamandla Business Enterprise CC	Mths	36	Provision of area cleaning services in formal disadvantage sandy areas.	30 June 2015	125 000
World-Wize Waste Solutions CC	Mths	28	Collection, loading, transport and disposal of animal carcasses.	30 June 2015	3 000
Waste-Mart CC	Mths	35	Transportation of containerised solid waste from the Swartklip refuse transfer station to Vissershok landfill site.	30 June 2015	30 000
SA Metal Group (Pty) Ltd t/a Waste Control (4600003168)	Mths	29	Chipping and removal of garden refuse and waste skip container services to Solid Waste Facilities within the City of Cape Town.	30 June 2015	180 000
Mhonko's Waste Removal CC t/a Mhonko's Waste & Security Services (Main Contractor) (4600003179)	Mths	29	Period tender for the provision of a conventional refuse collection service in Kraaifontein, Bloekombos and Wallacedene and surrounding areas.	30 June 2015	35 000
Mhonko's Waste Removal CC t/a Mhonko's Waste & Security Services (Main Contractor) (4600003179)	Mths	28	Period tender for the provision of a conventional refuse collection service in Delft/ Mfuleni and surrounding areas.	30 June 2015	40 500
Akura Manufacturing Engineering Company (Pty) Ltd	Mths	34	Period tender for the refurbish and re-paint bulk waste containers to specification at Athlone refuse transfer station.	30 June 2015	2 000
Masiqhame Trading 729 CC	Mths	32	Provision of community based refuse collection and area cleaning services in Mfuleni.	30 June 2015	2 400
Ntenteni Construction and Maintenance Cleaning CC	Mths	31	Provision of community based refuse collection and area cleaning services in Khayelitsha.	30 June 2015	25 000
Inyameko Trading 675 CC	Mths	32	Provision of community based refuse collection and area cleaning services in Nomzamo Lwandle.	30 June 2015	1 500
OCS-Odour Control Solutions CC t/a OCS	Mths	34	Provision of odour neutralisation service at various Solid Waste facilities	30 June 2015	7 000
Nokwindla Yidlani Trading and Projects CC	Mths	30	Provision of refuse collection and area cleansing services in Doornbach informal settlement.	30 June 2015	2 050
Nokwindla Yindlala Trading and Projects CC	Mths	27	Supply, provision of refuse collection and area cleansing services in Joe Slovo (Langa) informal settlement.	30 June 2015	1 520
Waste-Mart CC	Mths	23	Provision of skips for the removal of animal waste, general waste and disposal thereof at Vissershok (Council owned site).	30 June 2015	1 000
Waste Plan (Pty) Ltd for Item 4.1	Mths	31	Provision of recyclables in the surrounds of Sea Point and Green Point areas.	30 June 2014	9 700
Waste-Mart CC	Mths	36	Provisionof a wet/ dry refuse collection services for various suburbs in the Atlantic Area (Pinelands, Parklands, Melkbos and Blouberg).	30 June 2014	1757 Per month
Ngokholo Construction and Cleaning and Security CC t/a Our Pride Services	Mths	31	Provision of refuse collection and area cleaning services in Hangberg informal settlement.	30 June 2014	2 300
Waste Plan (Pty) Ltd	Mths	35	Provision of services for the operating of the materials recovery facility at the Kraaifontein waste management facility and for the collection of dry refuse and co-mingled recyclabes from the targeted North-Eastern metropolitan areas.	30 June 2014	per unit
Waste-Mart CC	Mths	32	Provision of a wet/ dry refuse collection services for various Helderberg suburbs in the Impuma area (Gordon's Bay, Somerset West, Strand, Sir Lowry's Pass, Nomzamo, Lwandle and surrounding areas).	30 June 2014	3500 Per month
Waste-Mart CC	Mths	32	Provision of a wet/ dry refuse collection services for various suburbs in the Two Oceans area (Masiphumelele, Fishhoek, Simons Town, Muizenberg, Kalkbay, Clovelly & St James).	30 June 2014	698 Per month
S.A. Metal Group t/a Waste Control	Mths	30	Provision of a wet/ dry refuse collection services for various suburbs in the Atlantic area (Camps Bay, Bantry Bay, Clifton, Bakoven, Hout Bay, Llundando).	30 June 2014	1100 Per month
Lolla's Care Giving Agency	Mths	28	Provision of refuse collection and area cleansing services in Witsands informal settlement.	30 June 2014	2 155
Camel Rock Trading 630 CC	Mths	31	Provision of refuse collection and area cleaning services in Du Noon informal settlements.	30 June 2014	4 900
Linamandla Business Enterprise CC	Mths	28	Provision of refuse collection and area cleaning services in Imizamo Yethu informal settlement.	30 June 2014	3 610
Surburban Services (Pty) Ltd (4600002729)	Mths	27	Cleaning of municipal courts.	30 June 2014	1 080

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External mechanism Name of organisation	Yrs/ Mths	Period of agreement Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement R thousand
Imvusa Trading 2361 CC, Ntoenhle Trading Enterprise CC and Southern Ambition 132 CC t/a Sokipa Services	Mths	26	Cleaning and greasing of specialised heavy plant at landfill sites and depot.	30 June 2014	6 000
Spazatainer South Africa CC	Mths	27	Supply, delivery and installation, moving and repair of used marine shipping containers.	30 June 2014	2 000
Teloc Waste Management CC t/a Malume Drain Specialists	Mths	29	The ad hoc hire of heavy duty and small street sweeping machines.	31 January 2014	57 500
Maxal Projects SA (Pty) Ltd	Mths	32	Servicing and repairs of chlorine dosing equipment on various bulk water treatment plants and reservoirs	30 June 2016	400
Harmonious Pools CC	Mths	24	Term tender for the installation and rehabilitation of fire hydrants in District 3, Khayelitsha.	20 August 2015	2 000
Reflect All Compressors CC	Mths	31	Inspection and testing of pressure vessels.	30 June 2015	6 000
Jetvac South Africa (Pty) Ltd	Mths	28	Cleaning of pump station wetwells.	30 June 2015	3 000
Sight Lines Pipe Survey Service (A Division of Wasteman Holdings (Pty) Ltd), Peninsula Pipeline Services CC	Mths	29	Cleaning/ desilting of sewer sandtraps (city wide).	30 June 2015	2 000
Malutsa (Pty) Ltd	Mths	32	Maintenance of ultraviolet disinfection plant and equipment making provision for scheduled services, repairs and spares for Potsdam and Bellville Waste Water Treatment plants.	30 June 2015	3 500
Ikapa Reticulation and Flow CC	Mths	25	Disconnection and reconnection of water supplies.	30 June 2015	6 000
Khaya Gordon Maqabuka Trading CC	Mths	19	Maintenance of sewer manholes in District 3, Khayelitsha.	30 June 2015	Various Rates
Enviroserv Waste Management (Pty) Ltd	Mths	30	Removal, transportation and disposal of grit and screenings from various wastewater treatment works.	30 June 2015	26 800
Biocure CC	Mths	22	Supply, delivery, commissioning, installation and maintenance treatment of odour control systems at selected wastewater treatment works and supply and delivery of odour control agent at various wastewater treatment facilities within the City of Cape Town.	30 April 2015	1 200
Various companies as per resolution	Mths	24	Period tender for trenchless rehabilitation of sewers (works projects: up to R2,0 million). (Please note this tender covers a period of two years)	28 February 2015	Various Rates
Nazima Civils JV	Mths	24	Period tender for the maintenance of pressure reducing valves and chambers.	29 November 2014	Various Rates
CAC Arendse t/a CA Holdings	Mths	24	Construction of new sewer connections in District 3, Khayelitsha.	08 November 2014	Various Rates
JJ Dyers Environmental Services & Contractors CC	Mths	24	Period tender for the repair of sewer lines in District 3, Khayelitsha.	23 October 2014	Various Rates
Quetzel Trading 116CC	Mths	24	Period tender for the construction of new sewer manholes in District 3, Khayelitsha.	22 October 2014	Various Rates
World Focus 226 CC t/a WF Constructions	Mths	9	Construction of water reticulation and property connections in Ruyterwacht Phase 4.	17 July 2014	5 013
Imvusa Trading 700 CC t/a Mshengu Services	Mths	36	Rental, delivering, placement and servicing of portable non-flushing chemical toilet units for informal settlements within the City of Cape Town.	30 June 2014	164 885
Sannicare CC	Mths	30	Servicing of container toilets in informal settlements within the City of Cape Town.	30 June 2014	38 400
Sannicare CC	Mths	30	Servicing and maintenance of portable flush toilets in informal settlements within the City of Cape Town.	30 June 2014	48 000
Masizakhe Garden Services CC	Mths	33	Garden maintenance for the Faure water scheme, Helderberg water scheme and Firlands Pump Station.	30 June 2014	900
Wasteman Holdings (Pty)Ltd	Mths	34	Removal and disposal of water treatment residue form the Faure Water Treatment Plant.	30 June 2014	21 200
Guerrini Marine Construction CC	Mths	34	The inspection, maintenance and minor repairs of submarine pipelines of marine outfalls.	30 June 2014	350
Ikapa Reticulation and Flow CC	Mths	30	Provision of water meter reading service for the City of Cape Town (Water and Sanitation).	30 June 2014	5 200
Nejeni Construction and Project Management CC and MA Nzima Civil Construction CC JV, Amandla GCF Construction CC, CAC Arendse t/a CA Holdings, Triple C Maintenance and Services CC, ATN Roadmarkings CC	Mths	31	Period tender for repairing existing and laying of new sewer mains.	18 May 2014	Various Rates
Quetzal Trading 116 CC	Mths	23	Period tender for the installation and rehabilitation of valves in District 3, Khayelitsha.	27 March 2014	Various Rates
Messrs Mackenzie Ice Investments 105 CC t/a Titan Labour (4600002440)	Mths	31	Periodic tender for trenchless rehabilitation of watermains.	28 February 2014	Various Rates
Frogfoot Networks (Pty) Ltd	Mths	30	Appointment of third party service providers: electricity prepayment vending solution for the City of Cape Town.	30 June 2016	Various Rates

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External mechanism Name of organisation	Yrs/ Mths	Period of agreement Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement R thousand
Vodacom (Pty) Ltd and Telkom SA SOC (Pty) Ltd	Mths	30	Provision of secure GPRS data and related services for machine-to-machine and POS connectivity from a first tier service provider.	30 June 2016	Various Rates
V2 Electrical Contractors CC	Mths	30	First line response: distribution area: east.	30 June 2016	Various Rates
Powerrec (Pty) Ltd	Mths	31	Provision of LV and MV three-phase meter installation services.	30 June 2016	Various Rates
Onlab Specialist Electro Technology CC	Mths	24	Supply of labour for the installation, testing, and maintenance of protection and automation relays.	25 September 2015	600
Light-Be Construction and Maintenance (Pty) Ltd	Mths	24	Provision of works for highmast public lighting installations.	21 August 2015	6 000
Adenco Construction (Pty) Ltd	Mths	25	Low voltage overhead maintenance and repairs on the City of Cape Town electricity distribution network.	30 June 2015	Various Rates
Current Affairs Electrical CC, Adenco Construction (Pty) Ltd, PTTP Projects CC, Light-Be Construction and Maintenance (Pty) Ltd and Jelani Projects CC	Mths	30	Maintenance of public lighting installations.	30 June 2015	85 000
CA Davuds t/a Davids Tool Hire, Lawnmower and Garden Centre	Mths	32	Grounds and horticultural maintenance at Steenbras power station.	30 June 2015	3 000
Main: Sisonke Treefellers CC	Mths	28	Pruning of trees near bare conductor low voltage overhead lines.	30 June 2015	4 000
JV Esri South Africa (Pty) Ltd and Giscoe (Pty) Ltd	Mths	29	Field recording and GIS data capture of electrical plant and reticulation.	30 June 2015	Estimated R27.5 million over 3 years
Die Sonop Trust t/a Seven Eleven Sarepta, OM Mthuze t/a Terminus Kiosk, SR Haider t/a Delmar Superette, Zaihaad Trading CC t/a Duinefontein Service Station,Henque 2465 CC t/a OK Minimark Mitchell's Plain, Nampini Trading CC t/a Oakglen Service Station, The Business Zone 623 CC t/a Wavecrest Motors, Kerogem Investments 14 CC t/a Hout Bay Spar, J Kamrodien t/a New GP Superette, Tradestuff 2225 CC t/a Glencairn Kwikspar,Hillsdon Investments CC t/a Prospur Kwikspar, S. Hendricks t/a Shamiena's Tuck Shop, MA Badroodien t/a Foodland Supermarket, Clarks Garage t/a RK Davids, VP Alpha Retail CC t/a Vierlanden 7 Eleven, Moegamat Luthfi Isaacs, Rothman & Rothman CC t/a Friendly 7 Eleven Vasco, Rothman & Nel CC t/a Foodzone Tygerdal, Sebenzisana Trading 23 CC, Donavon Peter Adriaans t/a Adriaans Tuck Shop, Peter Godsiff Investments CC t/a The Write Shoppe, S P White CC t/a Forest Glade Pharmacy, Paul Theophilus Rass t/a Forest Drive Supermarket, H.A. Trading t/a 7/11 Beehive, Anadon Foods CC t/a Kuilsriver Superspar, A. Mukuddem t/a Las Vegas Café, Stander Office Supplies t/a Oxford Stationery and Books, Mcebisi Witness Mgijima t/a Nozulu Braai, Gratima 146 CC t/a Edgemead Superspar, Hoosain Khan Gaffoor t/a Belvedere Café, Harold S Singer and Associates CC t/a Minikem and Cameraworld, World Focus 2070 CC t/a Mom's Supermarket, Paulloyd Auto Spares CC t/a Solly's Garage, Retha-Marie Superette t/a Friendly Seven Eleven, C & P Campbell CC t/a Guy's Service Centre, S. Butler CC t/a Sawmill Service Station, AR Hassan t/a Rite Price Supermarket, Satar Sayed Ismail t/a Parkers Superette, Ahamed Jawoodien t/a Jawoodiem Supermarket, The Baking Boss t/a Quicktrip Bakery, N.E Msimang t/a Msihla Cash Store, H. Mallach & Associates CC t/a M-Kem Medicine City, JL Fenton t/a Jimmys Café AM Parker t/a S.E. Supermarket, Genetrix Investments CC t/a Rosmead Superspar, Quicko Trading 040 t/a Fuzzy's Mini Market, Sharifa Mohamed-Fakier t/a Kismet Supply Store, Abdulla Kajie Ismail t/a Rezwaans Fast Foods, Gasant Basha t/a GB Cash Count Supermarket, Lucmar Investments CC t/a The Hut Supermarket	Mths	21	Appointment of service provider: electricity prepaid municipal vendors.	30 June 2015	Various Rates
Kuntwela Ezansi Ventures CC t/a Kev Accurate Measuring	Mths	36	Electricity meter reading, delivery of warning notices to disconnect supply, disconnection and reconnection, effective disconnections and special investigations to address data purification and meter reading problems.	30 June 2015	24 000
Elex Umbane (Pty) Ltd t/a Elex Khanyisa	Mths	29	Replacement of prepayment meters.	30 June 2015	Est R10 million p.a.
Shuaib Manjra Medical Consultants	Mths	24	Provision of occupational health care services for Electricity Services.	31 May 2015	Various Rates
Current Affairs Electrical CC	Mths	24	Supply of labour for location and repair of pilot cable faults.	05 May 2015	Various Rates
F & R Catai Transport Solution (Pty) Ltd	Mths	24	The supply and fitment of aluminium swoppable bodies on City of Cape Town vehicles.	16 April 2015	4 000

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External mechanism Name of organisation	Yrs/ Mths	Period of agreement Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement R thousand
Light-Be Construction and Maintenance (Pty) Ltd	Mths	24	Design, manufacture, supply, installation, removal and maintenance of festive lighting for the City of Cape Town.	12 December 2014	5 800
Hazard Bonako Cape (Pty) Ltd	Mths	24	Supply and fitment of light emitting diode (LED) lights onto City of Cape Town vehicles.	08 October 2014	Various Rates
Activate Marketing Procurement Specialists CC t/a Activate Marketing	Mths	24	Supply and installation of GPS navigational units mounted on vehicles and motorcycles (Global Positioning System).	16 September 2014	Various Rates
De Kock and Cronje CC	Mths	24	Medium voltage switchgear maintenance, on the job training and assessment, writing of maintenance manuals and task lists for the City of Cape Town's electricity area of supply.	30 June 2014	30 000
Milford Construction CC	Mths	24	Painting of substation buildings and City of Cape Town facilities.	31 May 2014	3 000
EJ Jacobs t/a EJM Electrical Servicing and Maintenance	Mths	24	Inspection and removal of illegal and unsafe electrical connections - distribution areas: east, north and south.	31 January 2014	2 632
ZT Raya, J Samuels t/a JS Alien Destroyers, VJ Mitchell t/a Indigi Care, N A Kewuti t/a Masonwabe Alien Clearing, N Ngame t/a Phumelela, N C Lombo t/a Akhanani Alien Clearing, B Sopete	Mths	31	Clearing of alien vegetation.	30 June 2016	4500
APT Quantity Surveyors	Yrs	1	Quantity surveying.	30 June 2016	132
Bounce Back Community Development	Yrs	1	Anti bullying and anger management for PR teens.	30 June 2016	64
Cape Heart Community	Yrs	1	Be Smart don't start programme.	30 June 2016	126
Dynamic Flooring	Yrs	1	Upgrade of ECD centre-Scorpio.	30 June 2016	189
Ekapa training	Yrs	1	ECD sector capacity - parenting skills.	30 June 2016	49
EMCE Coaching	Yrs	1	Assessment centres services for Street People.	30 June 2016	175
Grassroots	Yrs	1	ECD: First Aid training.	30 June 2016	90
Haven Night Shelter	Yrs	1	Assessment centres services for Street People.	30 June 2016	175
Industaff Solutions	Yrs	1	Labour Broker services - Contract Staff.	30 June 2016	2936
LJA Construction	Yrs	1	Construction of ECD Centre-Strandfontein.	30 June 2016	1493
Matdoc Outsourcing	Yrs	1	Social home based care.	30 June 2016	177
PTJ Building & Plumbing Suppliers	Yrs	1	Upgrade of ECD centre-Scorpio.	30 June 2016	64
SA Homeless Street	Yrs	1	Assessment centres services for Street People.	30 June 2016	193
Safer Together	Yrs	1	Assessment centres services for Street People.	30 June 2016	193
Somerset West Night Shelter	Yrs	1	Assessment centres services for Street People.	30 June 2016	186
Studio 23	Yrs	1	Architectural services: Nantes ECD centre.	30 June 2016	14
The Business Zone	Yrs	1	Local networks of care integrated Street People services.	30 June 2016	80
Training Force	Yrs	1	ECD: First Aid training.	30 June 2016	42
ZAF Construction	Yrs	1	Construction of ECD centre-Strandfontein.	30 June 2016	439
Safety Protective Clothing CC	Yrs	2	Supply and delivery of reflective vests for metro police officers.	30 June 2016	450
Caddic Security Systems and Integration (Pty) Ltd	Yrs	2	Roll out of CCTV cameras for Claremont.	30 June 2016	3 500
Parow Arms & Ammo (Pty) Ltd	Yrs	2	Acquisition of pump action shotguns.	01 August 2014	450
Caddic Security Systems and Integration (Pty) Ltd	Yrs	2	Supply, installation and commissioning of in-car camera system.	30 June 2016	640
Bernhard Agencies	Yrs	3	Supply and delivery of Glock pistols for the city of Cape Town Metropolitan Police Department.	30 June 2015	443
Public Discipline & Integration of Technology	Yrs	2	Maintenance of CCTV systems and equipment.	30 June 2015	1 500
Melsa Trading (Pty) Ltd & Tra-Col Solutions CC	Yrs	2	Supply and delivery of animal feed and bedding.	30 June 2015	172
Nobelteq Arms and Ammuntition (Pty) Ltd & Quemic South (Pty) Ltd	Yrs	2	Supply and delivery of ammunition.	30 June 2015	1 000
Sirdicks CC	Yrs	3	Supply and delivery of soft body armour vests.	30 June 2016	1 800
Various	Yrs	3	Supply and delivery of uniforms for metro police.	30 June 2016	450
Securitas SA (Pty) Ltd	Yrs	3	Provision of control room operators for a CCTV surveillance service.	30 June 2016	32 789

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External mechanism Name of organisation	Yrs/ Mths	Period of agreement Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement R thousand
Transport Telematics Africa (Pty) Ltd	Yrs	2	Professional services for the design, implementation and project management of urban cctv surveillance in the cape town metro area.	14 October 2015	4 800
EOH Mthombo (Pty) Ltd	Yrs	3	Appointment of a service provider for the implementation of a sap public safety and security solution.	30 June 2016	57 014
Morvest Human Capital Management	Yrs	3	Supply of ICT professional services.	30 June 2016	662
Lifesaving Western Province	Mths	8	Lifesaving services.	01 May 2014	3500
BAU Africa	Mths	11	Appointment of registered professional engineering service provider: civil engineering services for Delft cemetery extension, phase 2, Delft.	30 June 2014	200
Cape Contours Landscapes CC	Mths	30	Supply and delivery of fertilizers.	30 June 2016	3500
Siyphambili Electrical and Industrial Supplies CC	Mths	30	Supply and delivery of herbicides, pesticides and insecticides.	30 June 2016	2500
Conchem-Saligna Bee BK	Mths	20	Horticultural maintenance - northern district.	30 June 2015	580
Mrs M Moosa t/a Western Cape Stationers	Yrs	3	Chemical weed control on roads and hard surfaces throughout the city of Cape Town.	30 June 2015	2600
Gau-Flora CC, Jacobs Maintenance & Services, MPE Garden Services, Pro-Lux Construction and Cleaning Services CC, John Lindsay Industrustrial & Domestic CC, Jared Alexander Erasmus, Grand Landscaping CC, Marindas Projects, Corma Construction and Cleaning CC, Inkwali Cleaning & Construction CC, Anoesjka's, Woman on Board CC, Pegasus Consulting Services, Bohay Construction & Cleaning CC, Silirolile Ihlahla Construction CC, Ngcokoto General Trading CC, Hands on Garden Solutions CC, Skyforce General Services, Women Care Trading	Yrs	2	Mowing of public open spaces, road reserves and cemeteries.	30 June 2015	50000
Henning and Henning BK	Mths	33	Chemical control of broadleaf weeds on public open spaces, road reserves and cemeteries.	30 June 2014	4000
Ululwandle Cleaning and Construction CC, Mkhomazi Investment CC, Lucrative Cleaning and Maitenance CC	Yrs	2	Maintenance of public toilets on public open spaces and cemeteries.	30 June 2014	2500
Wely Construction & Projects CC, Siqalo Gardening and Cleaning CC, Yahwen Construction CC, Waste Rethink, Integer Holdings (Pty) Ltd, Ngcokotho Holdings (Pty) Ltd	Yrs	3	Preparation of graves in city cemeteries.	30 June 2016	22000
King James/Yellow Wood	Mths	24	Brand development, comms. strategies, social media.	01 January 2016	8000
Panel of freelancer photographers	Mths	36	Ad hoc photographic services.	New tender	1000
Panel of freelancer graphic designers	Mths	36	Ad hoc graphic design services.	01 June 2014	3000
HWB Communications	Mths	36	Media support/capacitation.	01 June 2014	3000
J Lloyd	Mths	36	Specialist media space buying.	30 June 2016	500
Panel of small audio-visual companies	Mths	36	Provision of sound, recording and audio systems at meetings/ functions - new tender.	n/a	7000
Panel of freelance creative writers/small agencies	Mths	36	Provision of creative writing services for publications, leaflets, web.	New tender	2000
Creative Store	Mths	36	Development of newsletters.	01 June 2015	2000
Ince	Mths	36	Development of 8 flagship publications.	01 June 2015	2000
Tandym Print	Mths	36	Printing of newsletters.	30 June 2014	4000
Newsclip	Mths	36	Independent monitoring of media coverage received by the city.	01 June 2015	2000
Civair	Mths	36	Provision of helicopter for aerial photography.	01 June 2015	1000
Newsflash	Mths	12	Provision of radio media summaries.	01 April 2014	180
Panel of freelance web writers and designers	Mths	36	Provision of web design and web writing services.	01 June 2014	9000
Panel of freelance videographers and associated services	Mths	36	Provision of professional video writing, filming and post production editing - new tender currently being developed.	New tender	3000
Independent Media and Media24	Mths	36	Print and distribute corporate newsletter to residents.	Approx February 2017	9000
Cape Media Subscriptions	Mths	12	Provide the media office with copies of a range of print media.	01 January 2015	60

2.18 Consolidated budget tables

Table 94 Consolidated Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Financial Performance									
Property rates	4 435 764	4 622 441	5 076 445	5 427 388	5 427 388	5 427 388	5 930 513	6 288 572	6 735 054
Service charges	10 359 727	11 986 765	13 099 805	14 442 391	14 254 547	14 254 547	15 262 264	16 562 301	18 047 777
Investment revenue	292 412	339 169	371 601	298 692	289 776	289 776	292 750	321 440	357 225
Transfers recognised - operational	1 400 627	1 639 075	1 985 809	2 595 904	2 603 947	2 603 947	3 498 169	4 005 459	4 446 242
Other own revenue	2 825 506	3 064 990	3 545 109	3 310 614	3 321 279	3 321 279	3 570 063	3 721 324	3 958 345
Total Revenue (excluding capital transfers and contributions)	**19 314 037**	**21 652 440**	**24 078 769**	**26 074 990**	**25 896 938**	**25 896 938**	**28 553 757**	**30 899 097**	**33 544 643**
Employee costs	6 156 110	6 948 794	7 482 943	8 295 115	8 261 605	8 241 609	8 975 917	9 724 033	10 500 853
Remuneration of councillors	88 621	97 772	111 673	123 721	123 721	123 721	133 619	142 438	151 554
Remuneration of Board Members	237	144	208	265	265	265	289	325	344
Depreciation & asset impairment	1 308 708	1 399 490	1 627 385	1 934 741	1 957 724	1 957 724	2 154 335	2 304 813	2 445 758
Finance charges	717 476	681 533	728 669	863 894	863 894	863 894	919 232	1 150 593	1 383 509
Materials and bulk purchases	4 899 378	5 978 665	6 675 379	7 257 562	6 940 884	6 940 855	7 437 129	7 971 994	8 613 823
Transfers and grants	93 382	103 492	103 144	39 544	116 409	117 815	125 354	119 229	121 503
Other expenditure	5 533 890	6 106 590	7 330 174	7 795 200	7 870 813	7 889 431	9 074 446	9 801 037	10 663 740
Total Expenditure	**18 797 801**	**21 316 481**	**24 059 574**	**26 310 042**	**26 135 315**	**26 135 315**	**28 820 320**	**31 214 461**	**33 881 083**
Surplus/(Deficit)	516 236	335 960	19 195	(235 052)	(238 377)	(238 377)	(266 562)	(315 365)	(336 440)
Transfers recognised - capital	1 173 315	2 061 755	3 414 645	2 535 058	2 868 417	2 868 417	2 817 627	2 359 922	2 356 611
Contributions recognised - capital & contributed assets	46 728	120 358	36 603	48 250	75 302	75 302	65 226	96 300	100 300
Surplus/(Deficit) after capital transfers & contributions	**1 736 279**	**2 518 073**	**3 470 442**	**2 348 256**	**2 705 341**	**2 705 341**	**2 616 291**	**2 140 857**	**2 120 471**
Taxation	6 426	4 114	8 877	3 904	1 185	1 185	4 990	1 896	1 846
Surplus/(Deficit) after taxation	**1 729 854**	**2 513 959**	**3 461 566**	**2 344 353**	**2 704 156**	**2 704 156**	**2 611 301**	**2 138 960**	**2 118 625**
Attributable to minorities	(1 160)	3 326	8 888	5 001	1 518	1 518	3 621	1 427	1 390
Surplus/(Deficit) attributable to municipality	**1 728 694**	**2 517 285**	**3 470 454**	**2 349 353**	**2 705 675**	**2 705 675**	**2 614 922**	**2 140 388**	**2 120 015**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**1 728 694**	**2 517 285**	**3 470 454**	**2 349 353**	**2 705 675**	**2 705 675**	**2 614 922**	**2 140 388**	**2 120 015**
Financial position									
Total current assets	9 598 751	10 875 914	13 069 459	11 232 378	11 640 726	11 640 726	10 605 522	11 121 948	11 406 386
Total non current assets	22 062 902	24 948 813	29 219 254	33 794 671	33 620 821	33 620 821	37 893 274	41 621 869	44 940 594
Total current liabilities	5 850 735	7 278 873	8 047 443	8 601 950	8 208 939	8 208 939	7 370 680	7 980 911	8 290 533
Total non current liabilities	8 864 491	9 259 537	11 493 389	11 256 462	11 441 466	11 441 466	13 005 691	14 412 407	15 581 528
Community wealth/Equity	16 946 427	19 286 316	22 747 882	25 168 637	25 611 142	25 611 142	28 122 425	30 350 498	32 474 919
Cash flows									
Net cash from (used) operating	**3 689 794**	5 257 754	5 558 571	4 486 482	4 650 894	4 650 894	5 663 503	4 865 759	5 021 024
Net cash from (used) investing	**(4 790 451)**	(4 190 884)	(5 850 512)	(5 203 728)	(5 578 677)	(5 578 677)	(6 176 918)	(5 965 974)	(5 790 859)
Net cash from (used) financing	**(248 995)**	(156 536)	2 252 382	(368 143)	(368 143)	(368 143)	1 454 051	1 501 697	733 142
Cash/cash equivalents at the year end	**5 383 805**	6 294 139	8 254 580	6 608 923	6 958 288	6 958 288	7 898 924	8 300 406	8 263 713

Table 95 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source									
Property rates	4 435 764	4 622 441	5 076 445	5 427 388	5 427 388	5 427 388	5 930 513	6 288 572	6 735 054
Property rates - penalties & collection charges	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	6 578 085	8 061 684	8 852 928	9 668 405	9 483 473	9 483 473	10 072 265	10 827 685	11 661 417
Service charges - water revenue	1 649 307	1 817 183	2 053 577	2 343 850	2 333 850	2 333 850	2 540 080	2 824 821	3 158 769
Service charges - sanitation revenue	903 204	1 002 897	1 091 897	1 243 019	1 243 019	1 243 019	1 338 202	1 489 197	1 666 350
Service charges - refuse revenue	754 178	813 287	869 210	947 126	950 808	950 808	989 912	1 067 418	1 146 988
Service charges - other	474 953	291 714	232 192	239 991	243 397	243 397	321 805	353 181	414 253
Rental of facilities and equipment	313 150	354 688	380 762	414 982	415 334	415 334	442 959	466 189	495 251
Interest earned - external investments	292 412	339 169	371 601	298 692	289 776	289 776	292 750	321 440	357 225
Interest earned - outstanding debtors	324 558	318 083	268 249	218 525	221 338	221 338	208 262	239 426	253 599
Dividends received	–	–	–	–	–	–	–	–	–
Fines	166 476	144 394	100 524	183 257	168 710	168 710	175 648	185 484	195 500
Licences and permits	37 645	41 471	41 843	35 601	39 281	39 281	40 388	52 650	69 953
Agency services	115 991	123 651	132 469	121 993	134 993	134 993	150 439	167 284	187 442
Transfers recognised - operational	1 400 627	1 639 075	1 985 809	2 595 904	2 603 947	2 603 947	3 498 169	4 005 459	4 446 242
Other revenue	1 847 105	2 038 559	2 534 512	2 267 256	2 272 624	2 272 624	2 431 868	2 535 844	2 678 132
Gains on disposal of PPE	20 580	44 144	86 747	69 000	69 000	69 000	120 500	74 448	78 468
Total Revenue (excluding capital transfers and contributions)	**19 314 037**	**21 652 440**	**24 078 769**	**26 074 990**	**25 896 938**	**25 896 938**	**28 553 757**	**30 899 097**	**33 544 643**
Expenditure By Type									
Employee related costs	6 156 110	6 948 794	7 482 943	8 295 115	8 261 605	8 241 609	8 975 917	9 724 033	10 500 853
Remuneration of councillors	88 621	97 772	111 673	123 721	123 721	123 721	133 619	142 438	151 554
Remuneration of Directors	237	144	208	265	265	265	289	325	344
Debt impairment	773 226	818 450	926 812	866 192	881 192	881 192	950 533	1 064 031	1 160 370
Depreciation & asset impairment	1 308 708	1 421 026	1 647 829	1 960 063	1 983 047	1 983 047	2 181 042	2 333 123	2 475 767
Finance charges	717 476	681 533	728 669	863 894	863 894	863 894	919 232	1 150 593	1 383 509
Bulk purchases	4 620 105	5 705 263	6 391 186	6 898 881	6 607 911	6 607 911	7 050 011	7 610 228	8 225 878
Other materials	279 273	273 402	284 193	358 681	332 973	332 944	387 117	361 765	387 945
Contracted services	2 010 269	2 193 662	2 825 946	3 192 182	3 342 889	3 368 407	4 205 036	4 643 095	5 134 994
Transfers and grants	93 382	103 492	103 144	39 544	116 409	117 815	125 354	119 229	121 503
Other expenditure	2 746 866	3 071 217	3 555 531	3 711 503	3 621 409	3 614 509	3 892 168	4 065 601	4 338 367
Loss on disposal of PPE	3 529	1 724	1 443	–	–	–	–	–	–
Total Expenditure	**18 797 801**	**21 316 481**	**24 059 574**	**26 310 042**	**26 135 315**	**26 135 315**	**28 820 320**	**31 214 461**	**33 881 083**
Surplus/(Deficit)	**516 236**	**335 960**	**19 195**	**(235 052)**	**(238 377)**	**(238 377)**	**(266 562)**	**(315 365)**	**(336 440)**
Transfers recognised - capital	1 173 315	2 061 755	3 414 645	2 535 058	2 868 417	2 868 417	2 817 627	2 359 922	2 356 611
Contributions recognised - capital	46 728	44 230	34 076	48 250	44 125	44 125	65 226	96 300	100 300
Contributed assets	–	76 128	2 527	–	31 177	31 177	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**1 736 279**	**2 518 073**	**3 470 442**	**2 348 256**	**2 705 341**	**2 705 341**	**2 616 291**	**2 140 857**	**2 120 471**
Taxation	6 426	4 114	8 877	3 904	1 185	1 185	4 990	1 896	1 846
Surplus/(Deficit) after taxation	**1 729 854**	**2 513 959**	**3 461 566**	**2 344 353**	**2 704 156**	**2 704 156**	**2 611 301**	**2 138 960**	**2 118 625**
Attributable to minorities	(1 160)	3 326	8 888	5 001	1 518	1 518	3 621	1 427	1 390
Surplus/(Deficit) attributable to municipality	**1 728 694**	**2 517 285**	**3 470 454**	**2 349 353**	**2 705 675**	**2 705 675**	**2 614 922**	**2 140 388**	**2 120 015**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	**1 728 694**	**2 517 285**	**3 470 454**	**2 349 353**	**2 705 675**	**2 705 675**	**2 614 922**	**2 140 388**	**2 120 015**

Table 96 Consolidated Budgeted Financial Position

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
ASSETS									
Current assets									
Cash	159 662	140 102	190 715	–	–	–	–	–	–
Call investment deposits	5 272 616	6 204 050	8 125 123	6 333 520	6 726 844	6 726 844	5 422 313	5 632 571	5 590 082
Consumer debtors	3 709 111	3 979 256	4 172 233	4 217 354	4 291 038	4 291 038	4 499 300	4 738 725	4 992 324
Other debtors	201 536	278 363	303 172	382 870	332 088	332 088	365 086	401 051	440 580
Current portion of long-term receivables	19 193	19 758	20 546	17 832	19 519	19 519	20 495	21 519	22 595
Inventory	236 634	254 385	257 670	280 802	271 238	271 238	298 329	328 081	360 804
Total current assets	**9 598 751**	**10 875 914**	**13 069 459**	**11 232 378**	**11 640 726**	**11 640 726**	**10 605 522**	**11 121 948**	**11 406 386**
Non current assets									
Long-term receivables	115 526	99 328	101 665	89 644	96 582	96 582	91 753	87 165	82 807
Investments	150 245	150 260	173 425	1 203 274	1 203 274	1 203 274	1 682 069	1 981 794	2 180 301
Investment property	–	–	–	–	–	–	–	–	–
Investment in Associate	180 417	176 273	185 429	–	–	–	–	–	–
Property, plant and equipment	21 616 714	24 522 952	28 758 735	32 501 753	32 320 965	32 320 965	36 119 452	39 552 910	42 677 486
Agricultural	–	–	–	–	–	–	–	–	–
Biological	–	–	–	–	–	–	–	–	–
Intangible	–	–	–	–	–	–	–	–	–
Other non-current assets	–	–	–	–	–	–	–	–	–
Total non current assets	**22 062 902**	**24 948 813**	**29 219 254**	**33 794 671**	**33 620 821**	**33 620 821**	**37 893 274**	**41 621 869**	**44 940 594**
TOTAL ASSETS	**31 661 653**	**35 824 727**	**42 288 714**	**45 027 049**	**45 261 547**	**45 261 547**	**48 498 796**	**52 743 817**	**56 346 980**
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Borrowing	305 353	294 186	418 166	478 860	387 991	387 991	378 885	515 863	396 555
Consumer deposits	244 695	291 441	333 288	342 632	348 886	348 886	383 610	421 544	463 246
Trade and other payables	4 523 309	5 664 402	5 476 065	6 624 393	5 524 412	5 524 412	5 160 362	5 450 949	5 678 975
Provisions	777 379	1 028 845	1 819 924	1 156 065	1 947 650	1 947 650	1 447 824	1 592 556	1 751 756
Total current liabilities	**5 850 735**	**7 278 873**	**8 047 443**	**8 601 950**	**8 208 939**	**8 208 939**	**7 370 680**	**7 980 911**	**8 290 533**
Non current liabilities									
Borrowing	5 343 836	5 176 421	6 936 236	6 493 327	6 646 477	6 646 477	7 902 043	9 032 745	9 889 614
Provisions	3 520 655	4 083 116	4 557 153	4 763 135	4 794 989	4 794 989	5 103 648	5 379 662	5 691 914
Total non current liabilities	**8 864 491**	**9 259 537**	**11 493 389**	**11 256 462**	**11 441 466**	**11 441 466**	**13 005 691**	**14 412 407**	**15 581 528**
TOTAL LIABILITIES	**14 715 226**	**16 538 411**	**19 540 832**	**19 858 412**	**19 650 405**	**19 650 405**	**20 376 371**	**22 393 319**	**23 872 061**
NET ASSETS	**16 946 427**	**19 286 316**	**22 747 882**	**25 168 637**	**25 611 142**	**25 611 142**	**28 122 425**	**30 350 498**	**32 474 919**
COMMUNITY WEALTH/EQUITY									
Accumulated Surplus/(Deficit)	14 070 183	16 428 959	19 884 422	22 896 407	23 212 587	23 212 587	25 865 578	27 960 504	30 183 016
Reserves	2 310 604	2 291 718	2 297 820	2 014 424	2 140 749	2 140 749	2 040 522	2 091 019	1 991 538
Share capital	565 640	565 640	565 640	–	–	–	–	–	–
Non-controlling interest	–	–	–	257 806	257 806	257 806	216 325	298 976	300 365
TOTAL COMMUNITY WEALTH/EQUITY	**16 946 427**	**19 286 316**	**22 747 882**	**25 168 637**	**25 611 142**	**25 611 142**	**28 122 425**	**30 350 498**	**32 474 919**

Table 97 Consolidated Budgeted Cash Flows

Description	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Ratepayers and other	16 607 150	18 751 038	19 125 990	21 987 661	21 772 211	21 772 211	23 390 138	25 114 690	27 165 483
Government - operating	1 385 536	1 626 991	1 979 795	2 595 904	2 603 047	2 603 047	3 498 169	4 005 459	4 446 242
Government - capital	1 173 315	2 130 844	3 414 645	2 583 308	2 889 753	2 889 753	2 882 853	2 456 222	2 456 911
Interest	511 517	571 339	600 023	417 497	289 776	289 776	292 750	321 440	357 225
Dividends	–	–	–	–	–	–	–	–	–
Payments									
Suppliers and employees	(15 270 188)	(17 160 651)	(18 915 630)	(22 348 438)	(22 154 331)	(22 154 331)	(23 570 660)	(25 969 763)	(28 103 591)
Finance charges	(717 536)	(661 807)	(646 251)	(749 449)	(749 563)	(749 563)	(829 746)	(1 062 289)	(1 301 246)
Transfers and Grants	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**3 689 794**	**5 257 754**	**5 558 571**	**4 486 482**	**4 650 894**	**4 650 894**	**5 663 503**	**4 865 759**	**5 021 024**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	63 603	45 983	93 472	69 000	0	0	40 167	24 816	26 156
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	–	–	–
Decrease (increase) other non-current receivables	1 819	15 633	(3 125)	–	–	–	(4 829)	(4 588)	(4 358)
Decrease (increase) in non-current investments	(1 962 720)	(1 922)	(42 313)	–	–	–	–	–	–
Payments									
Capital assets	(2 893 153)	(4 250 579)	(5 898 546)	(5 272 728)	(5 578 677)	(5 578 677)	(6 212 256)	(5 986 202)	(5 812 657)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(4 790 451)**	**(4 190 884)**	**(5 850 512)**	**(5 203 728)**	**(5 578 677)**	**(5 578 677)**	**(6 176 918)**	**(5 965 974)**	**(5 790 859)**
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	2 384 420	230 000	230 000	230 000	1 730 000	1 750 000	1 100 000
Increase (decrease) in consumer deposits	4 332	41 818	33 273	–	–	–	33 904	37 294	41 024
Payments									
Repayment of borrowing	(253 327)	(198 354)	(165 311)	(598 143)	(598 143)	(598 143)	(309 853)	(285 598)	(407 882)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(248 995)**	**(156 536)**	**2 252 382**	**(368 143)**	**(368 143)**	**(368 143)**	**1 454 051**	**1 501 697**	**733 142**
NET INCREASE/ (DECREASE) IN CASH HELD	**(1 349 652)**	**910 334**	**1 960 441**	**(1 085 388)**	**(1 295 926)**	**(1 295 926)**	**940 636**	**401 482**	**(36 693)**
Cash/cash equivalents at the year begin:	**6 733 457**	**5 383 805**	**6 294 139**	**7 694 311**	**8 254 214**	**8 254 214**	**6 958 288**	**7 898 924**	**8 300 406**
Cash/cash equivalents at the year end:	**5 383 805**	**6 294 139**	**8 254 580**	**6 608 923**	**6 958 288**	**6 958 288**	**7 898 924**	**8 300 406**	**8 263 713**

2.19 Municipal manager's quality certificate

I ………………………………………………….., municipal manager of City of Cape Town, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name ______________________________

Municipal Manager of City of Cape Town (WC000)

Signature ______________________________

Date ______________________________