



REPORT TO: URBAN WASTE MANAGEMENT PORTFOLIO COMMITTEE

1. ITEM NUMBER UWM 16/09/24

2. SUBJECT

DEMAND PLAN FOR 2024/25 AND 2025/26 AND BUDGET INFORMATION FOR THE 2024/25 FINANCIAL YEAR

AANVRAGPLAN VIR 2024/25 EN 2025/26 EN DIE BEGROTING INLIGTING VIR DIE 2024/25 BOEKJAAR

ISICWANGCISO SEEMFUNO SIKA 2024/25 NO 2025/26 NEENKCUKACHA ZOHLAHLOMALI ZONYAKAMALI KA 2024/25

3. DELEGATED AUTHORITY

In terms of delegation

This report is FOR NOTING BY

- Committee name** : Urban Waste Management
- The Executive Mayor together with the Mayoral Committee (MAYCO)
- Council

4. DISCUSSION

This report seeks to provide insight on the Urban Waste Management Demand Plan as well as financial information covering the Capital Expenditure (CAPEX) Budget as at 12 August 2024 and the and Operating Expenditure (OPEX) Budget for the period ending 31 January 2024. However, this will be supplemented with the most current information closer to the actual meeting of the Portfolio Committee.

4.1 Urban Waste Management – Demand Plan

The implementation of the 2024/25 demand plan is proceeding well as 10 out of 18 tenders have been successfully awarded. It must be noted that four (4) tenders have been cancelled for the 2024/25 financial year. Four (4) tenders are still under evaluation. Tender processes are progressing, taking into consideration the challenges experienced.

The progress on the implementation of the demand plan(s) is discussed by role-players monthly at the Collaboration meeting, which the Directorate has with the Chief Financial Officer (CFO), Supply Chain Management (SCM) and the Contract Management Unit (CMU).

Financial Year	2024/25	Completion Rate %	2025/26	Completion Rate %	2026/27	Completion Rate %
Total No. Tenders on Approved Plan	18		30		13	
No. of Tenders successfully Awarded	10	56%	1	2%	0	0
No. of Tenders Cancelled	4	22%	0	0	0	0
No. of Tenders still in process	4	22%	29	98%	13	100%

Table 1: Summary of the Demand Plan 2023/24 and 2024/25

Tender Progress Stage	2024/25	2025/26	2026/27
Awarded – Active Contract	3	0	0
- Appeal Stage	2	0	0
- Finalising Contract	5	1	0
Subtotal	10	1	0
In progress - Awaiting BIF and 100% Specifications	0	5	9
- BIF Complete	0	1	2
- Compiling Documents	0	4	2
- Advertised	0	2	0
- Scheduling	1	3	0
- Evaluation	4	8	0
- Drafting Report	1	6	0
- Preferred Bidder (Negotiate Price)	1	0	0
- Report Ready (to go to BAC)	1	0	0
Subtotal	8	29	13

Table 2: Summary of progress post award

4.2 Capital Expenditure (CAPEX) Budget – 15 August 2024

Top Projects	Budget (Full Year)	Contingencies	Actual (15 Aug 24)	% Spent
Plant & Vehicles	180 000 000	-	24 637 452	13.69%
Vissershok North: Design & Develop Airspace	6 150 303	-	3 076 047	50.01%
ARTS Material Recovery Facility	9 357 042	-	2 815 937	30.09%
Coastal Park: LFG Infrastructure to Flaring	5 000 000	-	0	0%
Minor Upgrading Works	55 000 000	-	788 973	1.43%
IT Equipment	10 437 500	-	2 257 575	21.63%
Vissershok: LFG Infrastructure to Flaring	5 000 000	-	204 605	4.09%
KWMF: MRF Refurbishment	1 523 003	-	-	0%
Shipping Container Replacement	3 204 846	-	-	0%
Sum of Smaller Projects	9 946 413	-	164 948	1.65%
Contingencies (Insurance)	15 000 000	15 000 000	0	0.00%
Totals	300 619 107	15 000 000	33 740 932	11.22%

Table 3: CAPEX Budget as at 15 August 2024

Top Projects	Budget (Full Year)	YTD Budget (Period 2)	YTD Actual (15 Aug 24)	% Spent
Plant & Vehicles	180 000 000	21 390 669	24 637 452	115.18%
Vissershok North: Design & Develop Airspace	6 150 303	6 150 303	3 076 047	50.01%
ARTS Material Recovery Facility	9 357 042	-	2 815 937	-
Coastal Park: LFG Infrastructure to Flaring	5 000 000	-	-	0%
Minor Upgrading Works	55 000 000	4 750 000	788 973	16.61%
IT Equipment	10 437 500	620 000	2 257 575	364.12%
Vissershok: LFG Infrastructure to Flaring	5 000 000	-	204 605	-
KWMF: MRF Refurbishment	1 523 003	68 154	-	0%
Shipping Container Replacement	3 204 846	282 024	-	0%
Sum of Smaller Projects	9 946 413	478 546	164 948	34.47%
Contingencies (Insurance)	15 000 000	-	0	0.00%
Totals	300 619 107	33 837 696	33 740 932	99.71%
% of Year to Date Budget Spent	99.71%			
% of Total Budget Spent Excl. Contingencies	11.81%			
% of Total Budget Spent Incl. Contingencies	11.22%			

Table 4: Capex Budget as at 15 August 2024

As at 15 August 2024, Urban Waste Management had spent 99.71% of the Total Capital Expenditure (CAPEX) Budget for the 2024/25 financial year, excluding the contingencies (soft-locked portion of the budget) that can be accessed on request, in writing, only in exceptional or unforeseen circumstances. An account will be given at the end of the month when progress on the implementation of projects is clearer.

4.3 Operating Budget – 12 August 2024

Making progress possible. Together.

Expenditure Item	Budget (Full Year)	YTD Budget (Period 1)	YTD Actual (Period 1)	(%) Spent
Employee Related Cost	1 628 811 747	115 972 225	89 113 396	77%
Contracted Services	1 119 189 237	44 082 420	8 492 361	19%
Debt Impairment	108 322 046	9 026 837	9 026 837	100%
Repairs & Maintenance (Primary)	178 500 299	11 681 242	10 379 699	89%
Repairs & Maintenance (Secondary)	36 329 848	3 494 703	3 274 405	94%
Depreciation & Asset Impairment	245 685 512	20 473 793	19 448 282	95%
Finance Charges	14 661 006			
Bulk Charges	569 487 944	47 457 329	38 135 030	80%
Activity Based Recoveries	3 363 959	175 870	520 559-	-296%
Support Charges	469 745 630	33 505 692	47 985 191	143%
Other Expenditure	943 859 964	66 138 959	57 200 912	86%
Total Expenditure	5 317 957 192	352 009 070	282 535 555	80%

Table 5: Operating Expenditure Budget for the Directorate

Notes

- ✓ *Debt impairment* – bad debt provision (rand value) for those customers that will not pay their refuse accounts for one reason or the other, which is usually January determined at year end
- ✓ *Repairs & Maintenance (Primary)* – payment made to external service providers for repairing and/or maintaining City assets
- ✓ *Repairs & Maintenance (Secondary)* – value of work done internally for repairing and/or maintaining City assets
- ✓ *Depreciation & impairment of assets* – the gradual loss in the value of the assets as they are used and/or the value declines sharply due to damage, vandalism or rendered “useless” by advancement in technology
- ✓ *Finance Charges* – interest on loan (monthly split of the budget is distorted, but the actual expenditure is in line with the Total Budget for the line item)
- ✓ *Bulk Charges* – value of gate fee paid at the Transfer Stations and Landfill Sites by Collections, Cleansing and Drop-offs to dispose of waste
- ✓ *Activity Based Recoveries* – cost of very specific internal services for office rental, fleet hire, printing services, security services etc. based on actual activity
- ✓ *Support Charges* – portion of the cost absorbed by the Directorate for work done by other internal Departments e.g. Corporate Finance, Human Resources Management, Legal Services, Supply Chain Management etc.
- ✓ *Other Expenditure* – sum total of all other expenditure such as Rehabilitation of Landfill Sites, Fuel Costs, Uniform & Protective Clothing, Tools & Equipment, vehicle Tracking etc.

A further breakdown of the Operating Expenditure Budget per funding source, namely Tariffs (Collections and Disposal) and the major components of Rates, namely Cleansing, Drop-offs and EPWP is included as Annexures A, B and C.

4.4 Urban Waste Management Income

Revenue Item	Budget (Full Year)	YTD Budget (Period 1)	YTD Actual (Period 1)	(%) Spent
Refuse Charges	1 779 628 142	144 823 635	147 901 266	102%
Availability	15 890 133	1 079 711	812 165	75%
Interest Earned on Arrears	39 989 607	3 733 991	3 285 855	88%
Indigent Relief : Refuse	458 150 721-	40 557 295-	42 343 207-	104%
Primary Income (Cash)	1 377 357 161	109 080 042	109 656 080	101%
Refuse Removal	170 760 906	13 028 909	15 104 074	116%
Grants and Subsidies : Equitable Share	379 702 641	158 209 463	158 209 463	100%
Other	3 454 344	186 197	29 202	16%
Total Income - Collections	1 931 275 052	280 504 610	282 998 819	101%
Disposal Coupon Fees	171 827 878	14 131 334	17 077 363	121%
Special Waste Fees	7 278 378	864 164	581 908	67%
Builders' Rubble	26 097	8 954		0%
Primary Income (Cash)	179 132 352	15 004 452	17 659 271	118%
Bulk Refuse	569 487 944	47 457 329	38 135 030	80%
Dumping Cost	43 737 253	3 644 771	5 213 208	143%
Development Contribution	13 123 480			
Other	92 002 172	7 658 074	5 581 360	73%
Total Income - Disposal	897 483 201	73 764 625	66 588 869	90%
Rates Contribution to UWM	2 133 643 272	177 803 606	177 803 606	100%
Grants and Subsidies : Conditional	57 341 548	5 258 617	1 726 990	33%
Grants and Subsidies : Equitable Share	169 314 421	70 547 688	70 547 688	100%
Profit on Sale of Assets	3 332 871	194 406		0%
Contributions Received by R&G	70 209 793	5 850 816	5 850 816	100%
Other	55 357 033	4 528 253	409 692	9%
Total Income - Rates	2 489 198 939	264 183 386	256 338 792	97%
Total	5 317 957 192	618 452 622	605 926 479	98%

Table 6: Income for Urban Waste Management

Financial Implications None Opex Capex
 Capex: New Projects
 Capex: Existing projects requiring additional funding
 Capex: Existing projects with no additional funding requirements

Policy and Strategy Yes No

Legislative Vetting Yes No

Legal Implications Yes No

Staff Implications Yes No

Risk Implications Yes The risks for approving and/or not approving the recommendations are listed below:
 No Report is for decision and has no risk implications.
 No Report is for noting only and has no risk implications.

POPIA Compliance Yes It is confirmed that this report and the content of the annexures have been checked and considered for POPIA compliance.

5. RECOMMENDATIONS

That the contents of the report be noted.

AANBEVELING

Dat die inhoud van die verslag kennis geneem word.

IZINDULULO

Ukuba makuqwalaselwe okuqulathwe kule ngxelo.

ANNEXURES

Annexure A – Urban Waste Management 2024/25 – 2026/27 Approved Demand Plan

Annexure B - Breakdown of the OPEX Budget

Annexure C – Breakdown of the Rates OPEX Budget

FOR FURTHER DETAILS CONTACT

NAME	Mawande Mtyi	CONTACT NUMBER	(021) 400 2905
E-MAIL ADDRESS	Mawande.mtyi@capetown.gov.za		
DIRECTORATE	Urban Waste Management	FILE REF NO	
SIGNATURE : DIRECTOR	<div style="border: 1px solid black; width: 300px; height: 40px;"></div>		

ACTING EXECUTIVE DIRECTOR

NAME	Phila Mayisela	COMMENT:
DATE	<div style="border: 1px solid black; width: 250px; height: 20px;"></div>	<div style="border: 1px solid black; width: 350px; height: 20px;"></div>
SIGNATURE	<div style="border: 1px solid black; width: 250px; height: 40px;"></div>	

LEGAL COMPLIANCE

- REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.
- NON-COMPLIANT

NAME _____

COMMENT: _____

DATE _____

SIGNATURE

Approval Form

Supported for inclusion on the agenda



DEMAND PLAN FOR 2024/25 & 2025/26 & BUDGET INFORMATION 2024/25

Report Reference: 526456
Meeting: Section 79 Portfolio Committee - Urban Waste Management
Meeting Date: 02.09.2024
Meeting Venue: Council Chamber

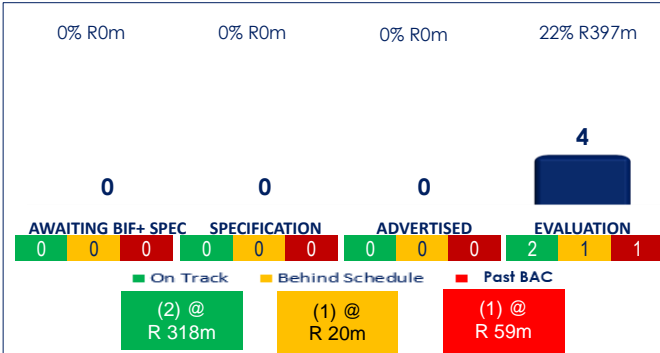
Contact Person: Mawande Mtyi
Contact Telephone: 0214002905
Contact Email: MAWANDE.MTYI@CAPETOWN.GOV.ZA

Item	Section	Approver	Approval	Approved Date	Approver Comments
01	Author	MAWANDE MTYI	Approved	22.08.2024 07:58:20	
02	Director/Directorate Support Manager/Chief	Rustim Keraan	Approved	23.08.2024 09:50:20	
03	Executive Director	Nonqaba Mayisela	Approved	26.08.2024 16:53:43	
04	Legal Compliance	John Laing Smale	Approved with Comments	27.08.2024 12:18:46	For information.
05	Chairperson	Brenda Hansen	Approved	29.08.2024 12:52:31	

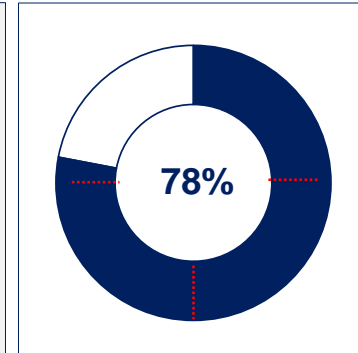
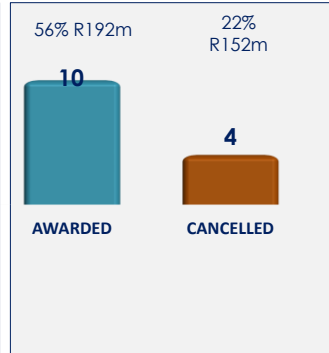
ECS Officer:

2024/25 Approved Demand Plan 4 out of 18 Tenders Still in Process

Overview

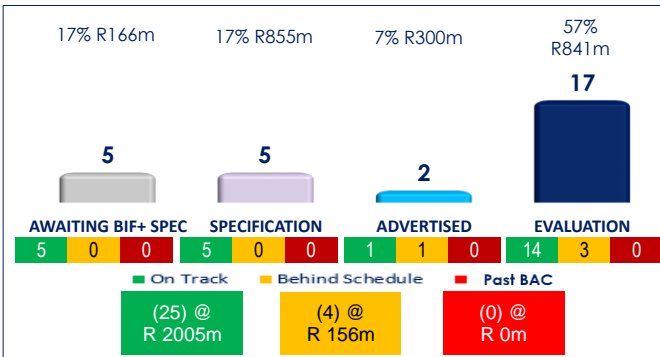


Completion Rate

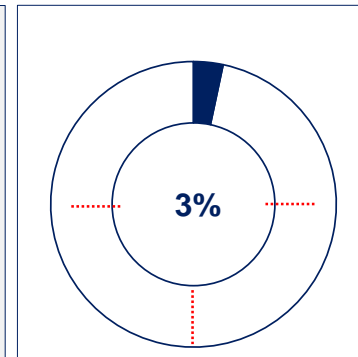
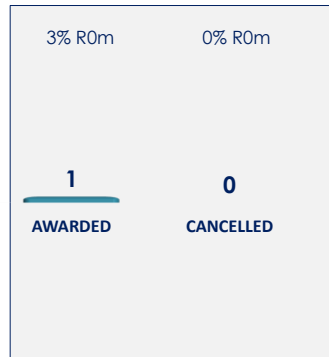


2025/26 Approved Demand Plan 29 out of 30 Tenders Still in Process

Overview

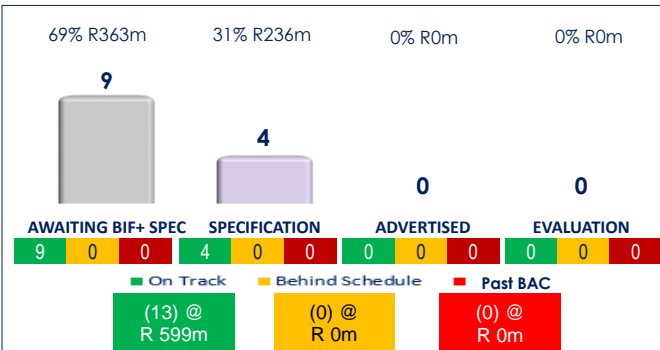


Completion Rate

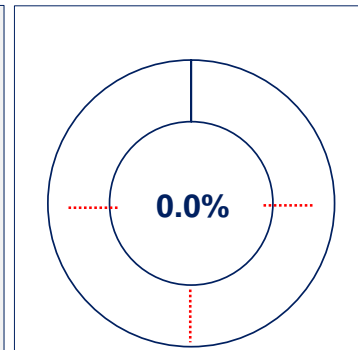
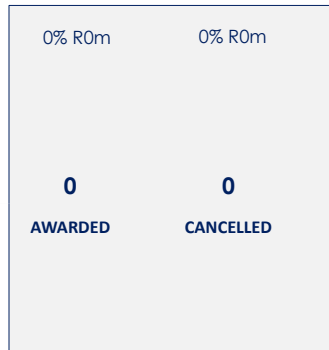


2026/27 Approved Demand Plan 13 out of 13 Tenders Still in Process

Overview



Completion Rate



Rates: Operating Budget Performance - 31 July 2024

Collections

Expenditure Item	Budget (Full Year)	YTD Budget (Period 1)	YTD Actual (Period 1)	(%) Spent
Employee Related Cost	367 521 339	24 964 843	21 621 061	87%
Contracted Services	223 197 431	7 716 768	1 934 331	25%
Debt Impairment	108 322 046	9 026 837	9 026 837	100%
Repairs & Maintenance (Primary)			320	
Repairs & Maintenance (Secondary)	7 008	584	23 235	3979%
Depreciation & Asset impairment	18 153 042	1 512 754	1 542 475	102%
Finance Charges				
Bulk Charges	369 544 764	30 795 397	26 308 152	85%
Activity Based Recoveries	285 715 979	24 176 688	27 052 229	112%
Support Charges	297 682 773	20 756 955	22 114 751	107%
Other expenditure	234 528 823	15 734 445	16 614 566	106%
Total Expenditure	1 904 673 206	134 685 270	126 237 958	94%

Disposal

Budget (Full Year)	YTD Budget (Period 1)	YTD Actual (Period 1)	(%) Spent
149 797 922	10 014 073	7 526 635	75%
236 840 341	4 177 890	481 028	12%
41 912 456	1 588 549	229 712	14%
6 563 254	635 719	947 878	149%
68 846 969	5 737 247	5 596 745	98%
14 661 006			
6 415	535		0%
106 274 118	8 854 304	11 152 539	126%
90 709 003	6 734 567	6 895 811	102%
181 871 717	11 332 789	10 351 907	91%
897 483 201	49 075 674	43 182 255	88%

Urban Waste Management

Expenditure Item	Budget (Full Year)	YTD Budget (Period 1)	YTD Actual (Period 1)	(%) Spent
Employee Related Cost	1 628 811 747	115 972 225	89 113 396	77%
Contracted Services	1 119 189 237	44 082 420	8 492 361	19%
Debt Impairment	108 322 046	9 026 837	9 026 837	100%
Repairs & Maintenance (Primary)	178 500 299	11 681 242	10 379 699	89%
Repairs & Maintenance (Secondary)	36 329 848	3 494 703	3 274 405	94%
Depreciation & Asset impairment	245 685 512	20 473 793	19 448 282	95%
Finance Charges	14 661 006			
Bulk Charges	569 487 944	47 457 329	38 135 030	80%
Activity Based Recoveries	3 363 959	175 870	520 559	-296%
Support Charges	469 745 630	33 505 692	47 985 191	143%
Other expenditure	943 859 964	66 138 959	57 200 912	86%
Total Expenditure	5 317 957 192	352 009 070	282 535 555	80%

Rates (Total)

Budget (Full Year)	YTD Budget (Period 1)	YTD Actual (Period 1)	(%) Spent
1 111 492 486	80 993 309	59 965 700	74%
659 151 466	32 187 762	6 077 002	19%
136 587 843	10 092 693	10 149 667	101%
29 759 585	2 858 400	2 303 293	81%
158 685 501	13 223 792	12 309 062	93%
199 936 765	16 661 397	11 826 877	71%
388 626 138	32 855 121	38 725 327	118%
81 353 854	6 014 170	18 974 629	315%
527 459 423	39 071 725	30 234 439	77%
2 515 800 785	168 248 126	113 115 342	67%

Rates: Operating Budget Performance - 31 July 2024

Cleansing

Expenditure Item	Budget (Full Year)	YTD Budget (Period 1)	YTD Actual (Period 1)	YTD (%) Spent
Employee Related Cost	677 037 943	48 729 252	38 161 677	78%
Contracted Services	461 386 235	23 779 740	4 344 530	18%
Repairs & Maintenance (Primary)	78 248	3 472	872	25%
Repairs & Maintenance (Secondary)	78 128	6 511	62 606	962%
Depreciation & Asset impairment	2 821 799	235 150	234 522	100%
Bulk Charges	188 792 165	15 732 680	11 826 877	75%
Activity Based Recoveries	179 930 390	14 999 285	18 814 479	125%
Support Charges	211 776 228	15 226 014	18 632 794	122%
Other expenditure	186 772 054	14 125 756	12 659 872	90%
Total Expenditure	1 908 673 190	132 837 860	104 738 229	79%

Drop-Offs

Budget (Full Year)	YTD Budget (Period 1)	YTD Actual (Period 1)	YTD (%) Spent
45 077 893	3 164 169	2 140 079	68%
108 463 019	3 461 736	1 660 424	48%
2 522 482	194 745	108 182	56%
3 181 674	295 948	943 917	319%
3 970 448	330 871	334 726	101%
11 141 851	928 488		0%
246 489	20 435	18 085	88%
37 945 539	2 831 236	2 590 571	91%
6 062 962	489 982	424 192	87%
218 612 358	11 717 611	8 220 177	70%

Rates (Total)

Expenditure Item	Budget (Full Year)	YTD Budget (Period 1)	YTD Actual (Period 1)	YTD (%) Spent
Employee Related Cost	1 111 492 486	80 993 309	59 965 700	74%
Contracted Services	659 151 466	32 187 762	6 077 002	19%
Repairs & Maintenance (Primary)	136 587 843	10 092 693	10 149 667	101%
Repairs & Maintenance (Secondary)	29 759 585	2 858 400	2 303 293	81%
Depreciation & Asset impairment	158 685 501	13 223 792	12 309 062	93%
Bulk Charges	199 936 765	16 661 397	11 826 877	71%
Activity Based Recoveries	388 626 138	32 855 121	38 725 327	118%
Support Charges	81 353 854	6 014 170	18 974 629	315%
Other expenditure	527 459 423	39 071 725	30 234 439	77%
Total Expenditure	2 515 800 785	168 248 126	113 115 342	67%

EPWP & CDW

Budget (Full Year)	YTD Budget (Period 1)	YTD Actual (Period 1)	YTD (%) Spent
58 858 091	4 785 547	1 722 190	36%
8 574 162	28 932	2 993	10%
4 456		127	
1 037 363	86 447	105 174	122%
2 912 484	234 476	317 425	135%
51 874 879	4 260 190	4 051 369	95%
32 408 147	1 678 583	481 489	29%
155 669 581	11 074 175	6 680 768	60%