



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE A

2025/26 – 2027/28 BUDGET

26 JUNE 2025

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GLOSSARY OF TERMS AND ABBREVIATIONS

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

Allocations – Money received from Provincial- and National Treasury.

Budget – The financial plan of a municipality.

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

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

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

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

CGD – Capital Grants and Donations

CCT/City – City of Cape Town

CPI – Headline Consumer Price Index

CRR – Capital Replacement Reserve

CTICC – Cape Town International Convention Centre

CTS – Cape Town Stadium

DMTN – Domestic Medium Term Note

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

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

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

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

GDFI – Gross Domestic Fixed Investment

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

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

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

MayCo – Mayoral Committee

MBRR – Municipal Budget Reporting Regulations

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

MPC – Monetary Policy Committee

MPP – Mayoral Priority Projects

mSCOA – municipal Standard Chart of Accounts

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

MYPD – Multi Year Price Determination

NT – National Treasury

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

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

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

TMA – Total Municipal Account

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

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

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

Part 1 – Annual Budget

1.1 Mayor's Report

The 'Invested in Hope' Budget 2025/26

Our mission, our passion, in Cape Town is to grow the economy faster so that we can lift more people out of poverty and into employment. We encapsulate this in the vision of being the City of Hope for All.

That is the golden thread that runs through all we do. It has underpinned all of our three previous budgets, and it underpins this budget too.

The first 'Doing More' budget of this administration (2022/23) raised the City's ambitions for infrastructure investment and funding sustainable basic service delivery to a growing metro.

Our second and third budgets - 'Building Hope' (2023/24), and 'Building for Jobs' (2024/25) - stepped up infrastructure investment even further, setting a South African-record investment to drive job-creating economic growth.

Now with the fourth budget of this administration for 2025/26, we are fully 'Invested in Hope' towards our long-term vision of building a city of hope for all.

Cape Town's planned infrastructure investment over three years is comparable to all three Gauteng metros combined, and will create over 130 000 construction-related jobs. Crucially, a full 75% of this investment directly benefits lower income households.

In fact, counting only our investment in water and sanitation (R5 billion in this budget and R16,5 billion over the next three financial years), this is still more than the entire capital budgets of the Cities of Tshwane and Ekurhuleni combined.

This year's R12,6 billion capital budget is a 63% increase on 2022/23, the first financial year of this term (R7,8 billion). The MTREF investment of R39,97 billion forms part of our overall R120 billion infrastructure portfolio of planned projects in the next decade.

Importantly, this investment is matched with South Africa's most comprehensive social package for struggling households, and with the utmost care and respect for the City's ratepayers, affordability, and value for money.

A comparison of total monthly bills for metros for 2025/26 shows Cape Town to have the lowest bills across a range of the most common household scenarios.

Key structural reforms to tariffs in 2025/26 will also result in noticeable relief for lower income households and ensure sustainable services and infrastructure into the future. The City has further taken into account public participation feedback, expanding the relief net even wider to more homes. This includes:

- Extending the 'first R450 000 rates-free' benefit to all homes up to R7 million.
- More pensioners to benefit by raising qualifying threshold to R27 000 monthly income per household (up from R22 000), regardless of property value, SA's widest criteria for pensioner support.
- Reducing City-Wide Cleaning charges for households.

- A further lowering of water fixed charges for more homes. Around 200 000 households valued under R2,5 million will pay less water and sanitation fixed charges than they otherwise would have in 2025/26. Following public participation, the water fixed charge has also been further lowered compared to the tabled budget for homes from R1 million to R250 000.

The above is alongside existing relief in the tabled budget, including major electricity price relief for all households.

Regarding commercial tariffs, the City has also taken into account public participation feedback and will allow this customer base more time to adapt to the envisaged phased-introduction of a ring-fenced charge for city-wide cleaning. As such, city-wide cleaning service funding contributions via a percentage of electricity sales revenue will continue for commercial customers for 2025/26.

The **Invested in Hope** Budget highlights, across our key pledges, include:

Making Cape Town Safer

- All-time record R7 billion safety and security budget in 2025/26.
- Over 500 new metro police officers to be deployed to communities across the city, with these officers spreading across every ward. This is the largest single-year investment in safety in more than a decade.
- Over 200 new officers will also be dedicated to protecting service delivery teams from attack, so that services can be better and more reliably delivered. These new officers will also help protect infrastructure construction sites.
- Over R600 million safety tech investment over the MTREF, with over R800 million total investment spanning the term of office for smarter policing, including CCTV, dash- and bodycams, aerial surveillance, drones, gunshot detection, and EPIC digital coordination across safety operations.

Energy Security

- Over R5 billion in electrical grid upgrades and maintenance over the MTREF to prepare Cape Town's infrastructure for a dynamic, decentralised energy future.
- Over R1,2 billion for energy-secure service delivery, including:
 - R296 million for more solar and battery systems to secure service delivery;
 - R332 million Steenbras upgrade for load-shedding protection;
 - R163 million for Waste-to-Energy initiatives;
 - R164 million for efficient LED street-lighting installations;
 - R40 million for UPS at more traffic lights and sewer pump stations; and
 - R307 million for energy efficient municipal operations.

Dignified Water and Sanitation and Cleaner waterways

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

- Overall R5 billion investment in 2025/26, more than double the first budget of this term (R2,3 billion in 2022/23).
- Total R16,5 billion MTREF water and sanitation capital budget, over 40% of the total capital budget.
- Sewer pipe replacement has quadrupled from 25km to 100km per year, and water pipe pipes doubled from 25 - 50km, with R2 billion going to this over the MTREF.
- Over R6 billion for wastewater treatment works infrastructure over the MTREF, including R645 million in maintenance and R5,4 billion in upgrades, extensions and refurbishments.
- Over R2,5 billion to build water security in Cape Town, including new water projects, water re-use and bulk water augmentation over the MTREF.

Doing the Basics Better

Investing in getting the service delivery basics right for Capetonians, including:

- R2,6 billion in road maintenance and pothole repairs, R687 million in road upgrades, and R294 million in congestion relief projects over the MTREF.
- R1 billion street light investment over the MTREF, including R757 million for repairs and maintenance, and R250 million for upgrades and LED refurbishment.
- R1,1 billion over 3 years to purchase refuse removal vehicles and plant to ensure a reliable service.
- R88 million annually for the new Main Arterial & CBD Cleaning initiative for cleaner highways and business districts.
- Upgrades to community facilities over three years, including:
 - R123 million for sports facilities capital upgrades, and repairs and maintenance;
 - R662 million for recreation hubs and community hall capital upgrades, and repairs and maintenance;
 - R182 million for parks and public spaces capital upgrades;
 - Over R191 million in library upgrades, equipment, books and subscriptions; and
 - Over R120,6 million for community swimming pool operations and upgrades.

Affordable Housing, Land Release & Dignified Transitional Shelter

- Estimated R3,4 billion for informal settlement upgrades over the MTREF:
 - R310 million for new water, sanitation, and waste installations;
 - R39 million for electrifications;
 - R1,1 billion in upgrades to bulk services, in-situ upgrades, serviced sites, roads, super-blocking and emergency interventions; and
 - R2,1 billion for BNG housing.
- 12 000 affordable housing unit pipelines on municipal land released for development by social housing developers and the private sector.
- Close to R2 billion for City affordable rental units over the MTREF, R550 million in capital upgrades, and R1,4 billion in maintenance and repairs.
- Over R200 million over the MTREF to operate and expand Safe Space transitional shelter and support programmes to help the homeless off the streets.

Improving Public Transport

- R4,5 billion for the major MyCiTi south-east expansion over the MTREF, as part of this estimated R10 billion multi-year project, the biggest of its kind in South Africa.
- R647 million for more MyCiTi buses and refurbishment of fleet.
- R397 million in Public Transport Interchange capital upgrades over the MTREF.

Ease of Doing Business

Ongoing measures to position Cape Town as the easiest place to do business in Africa, including over the MTREF:

- R273 million in informal trading infrastructure upgrades.
- R443 million in broadband infrastructure.
- R16 million for vehicle licensing and cash office improvements and equipment,
- R5,5 million in direct SMME support via the Business helpdesk.
- R5,5 million Jobs Connect workforce development programme in 2025/26.

Rates rebates and indigent relief

- R5,1 billion social package in 2025/26, up from R3,75 billion in 2022/23, with R2,4 billion in rates rebates and R2,7 billion in indigent relief.

- The rates increase of 7.96% will enable the City’s major investments in public safety, infrastructure investment, and more. Cape Town’s property rates for residential, commercial, and industrial remain the lowest of all metros based on a “rate-in-the-rand” comparison – the statutory formula cities use to calculate rates. Even with the 2025/26 increase applied, Cape Town’s residential rate-in-rand remains below current 2024/25 levels in all other cities.
- Extending the “first R450 000 of property value Rates-free” benefit to all homes under R7 million property value, up from R5 million.
- As at 2024/25, Cape Town has the highest free water and sanitation services allocation of South African cities (15kl water; 10.5kl sanitation), and the widest criteria for 100% rates rebate (property value <R450 000, or household income <R7 500).
- More pensioners and social grant recipients will benefit from rates rebates, from the raised upper qualifying limit (from R22 000 to R27 000 total monthly household income).

Water and Sanitation

For 2025/26, two key changes have been made to the fixed portion of the Water and Sanitation tariff:

- The water fixed charge will now be based on property values rather than connection size, providing noticeable relief for as many as 200 000 households at the lower end of the income spectrum who will pay less fixed charges for Water and Sanitation this year, compared to what they would have paid on the pipe size system. Previously, a well-off household and a low-income household who had the same connection size (usually 15mm or 20mm) paid the same fixed charge. This fixed charge will now be determined by the respective property value, resulting in a saving for the lower income household. This change applies to all residential customers. Non-residential customers will still be billed according to connection size.
- The sanitation charge, which used to only be an estimated volumetric charge, will now also include a fixed portion. This fixed portion will be offset by a reduction in the volumetric tariff. So the overall cost to the household remains the same, only the structure of the tariff changes.

Electricity

- NERSA approved an increase of 12.74% for Eskom, which resulted in a corresponding municipal tariff increase of 11.32%.
- However, in Cape Town the per unit cost for electricity is going down from 1 July 2025 for residents on the Home User Tariff. Domestic Tariff users will also pay less per unit on Energy Block 2, and relatively the same on Energy Block 1 as 2024/25.
- This is made possible by discontinuing the practice of including a contribution to rates-funded services in the cost of each electricity unit.
- The relief will be felt especially by lower income households where there are often large families staying together (or multi-family homes) and so consumption is high.
- Some homes will actually see their monthly municipal bills going down driven by this electricity price relief. For example, a R2,5 million home using 750 electricity units a month will see a 4% decrease in total municipal bills – including all rates, water, electricity etc.
- Special protection for Lifeline electricity customers continues in the coming financial year. In 2023/24, the City raised the number of units that Lifeline customers can buy at a cheaper, subsidised rate, from 350 to 600 units per month. In 2024/25, the City went further, to allow purchases over 600 units at the same cheaper rate.
- Thanks to these changes, Lifeline customers using 600 units in a month will still pay relatively the same in 2025/26 as they did three years ago in 2022/23. Noting also that customers need to stay within the 450-unit monthly average over 12 months to remain on the Lifeline tariff.
- For Lifeline electricity, as at 2024/25 Cape Town has South Africa’s highest:
 - Property value qualifying threshold: R500 000;
 - Monthly household income threshold: R7 500 (if property value >R500k); and
 - Pensioner and grant recipient criteria: <R27 000 monthly income.

Waste collection and cleaning

For 2025/26, city-wide area cleansing services will be partially funded by a City-wide Cleaning Tariff alongside property rates.

Previously, 10% of electricity sales went towards services such as city-wide cleaning of communities and public places. This practice has been discontinued for residential customers, with the draft budget proposing that city-wide cleaning be charged as a standalone item on the bill, and removed from electricity costs.

The City-wide Cleaning tariff will therefore not be a new charge, but rather a change in the method of how City customers contribute to the funding of this service.

Following public participation feedback, the City also developed further means of reducing the impact of the city-wide cleaning charge for residential customers.

Regarding commercial tariffs, the City has also taken into account public participation feedback and will allow this customer base more time to adapt to the envisaged phased-introduction of a ring-fenced charge for city-wide cleaning. As such, city-wide cleaning service funding contributions via a percentage of electricity sales revenue will continue for commercial customers for 2025/26.

Waste collection continues to be funded by its own tariff, which increases by 7,36% for 2025/26 as the City continues to invest in more trucks and human resources to sustainably service households and informal settlements in a fast-growing city.

This budget and 2025/26 MTREF is hereby tabled for adoption.

1.2 Preamble

In a communication dated 21 May 2025, National Treasury provided further guidance in assisting municipalities to finalise adopting their budgets for the 2025/26 MTREF. National Treasury acknowledged that the late promulgation of the 2025 Division of Revenue Bill impeded finalisation of municipalities budgets for approval by 31 May.

It is therefore clear that, whilst the MFMA encourages the consideration and adoption of the annual budget by 31 May of each year, the municipal council has until 30 June to adopt a budget for implementation from 01 July each year, being 2025 in this instance.

1.3 Council Resolutions

The 2025/26 MTREF budget resolutions recommend that:

1. The City's annual budget for the financial year 2025/26; and projected allocations for the two outer years 2026/27 and 2027/28, and related policies as set out in the following tables and annexures, **be adopted.**
 - a. Operating revenue and expenditure by functional classification reflected in Table 27.
 - b. Operating revenue and expenditure by vote reflected in Table 28.
 - c. Operating revenue by source and expenditure by type reflected in Table 30.
 - d. Multi-year capital appropriations by vote reflected in Annexure 1.
 - e. Capital expenditure by standard classification reflected in Table 31.
 - f. Capital funding by source reflected in Table 31.
 - g. Budgeted cash flow statement as reflected in Table 33.
 - h. Salaries and benefits of political office bearers, councillors and senior officials as reflected in Table 57 and Table 58.
 - i. Performance indicators and benchmarks for 2025/26 as set out in Table 40.
 - j. Consolidated budget tables for the City and municipal entities (CTICC and CTS) as reflected in Table 104 to Table 113.
 - k. Property (Tax) Rates as set out in Annexure 2.
 - l. City Improvement Districts (CIDs) – Additional Rates as set out in Annexure 3.
 - m. Revised Consumptive Tariffs, Rates and Basic Charges for Electricity Generation and Distribution, Water and Sanitation, and Urban Waste Management Services as set out in Annexure 4.
 - n. Rates Policy as set out in Annexure 5.
 - o. Tariffs, Fees and Charges Book as set out in Annexure 6.
 - p. Tariff Policies as set out in Annexure 7.
 - q. Credit Control and Debt Collection Policy as set out in Annexure 8 (with effect from 01 June 2025).
 - r. Grants-in-Aid Policy as set out in Annexure 9.
 - s. Accounts Payable Policy as set out in Annexure 10.
 - t. Virement Policy as set out in Annexure 11.
 - u. Cost Containment Policy as set out in Annexure 12.
 - v. Funding and Reserves Policy as set out in Annexure 13.
 - w. Borrowing Policy as set out in Annexure 14.
 - x. Cash Management and Investment Policy as set out in Annexure 15.
 - y. Policy Governing Planning and Approval of Capital Projects as set out in Annexure 16.
 - z. Long Term Financial Plan Policy as set out in Annexure 17.
 - aa. Policy Governing Adjustments Budgets as set out in Annexure 18.
 - bb. Municipal Entities Policy as set out in Annexure 19.
 - cc. Budget Management and Oversight Policy as set out in Annexure 20.
 - dd. Unforeseen and Unavoidable Expenditure Policy as set out in Annexure 21.
 - ee. Integrated Development Plan (IDP) Financial Plan as set out in Annexure 22.
 - ff. Transfers and grants to external organisations as set out in Annexure 23.
 - gg. Schedule of Service Delivery Standards as set out in Annexure 24.
 - hh. Iconic and other events to be hosted by the City in 2025/26 as set out in Annexure 25.
 - ii. Individual projects with a total project cost in excess of R50 million (to give effect to Section 19(1)(b) of the MFMA and Regulation 13(1)(b) of the MBRR) as reflected in Table 91 and as set out in Annexure 26.

- jj. Projected cost covering all financial years until capital projects are operational as well as future operational costs and revenue on projects/programmes, to give effect to sections 19(2) and 19(3) of all projects and programmes as listed in Annexure 26 and Annexure 1.
 - kk. Detailed capital budget (MBRR Table SA36) as set out in Annexure 27.
 - ll. Details to capital programmes (2025/26 to 2027/28), as set out in Annexure 28.
 - mm. Detailed operational projects (MBRR Table SA38) as set out in Annexure 29.
 - nn. Operating- and capital ward allocation projects supported by subcouncils as set out in Annexure 30.
 - oo. External mechanisms (MBRR Table SA32) as set out in Annexure 31.
 - pp. Cape Town International Convention Centre (CTICC) (Municipal Entity) – Schedule D (annual budget and supporting tables) as set out in Annexure 32.
 - qq. Cape Town International Convention Centre (CTICC) (Municipal Entity) – Business Plan as set out in Annexure 33.
 - rr. Cape Town International Convention Centre (CTICC) (Municipal Entity) – Tariffs as set out in Annexure 34.
 - ss. Cape Town Stadium (CTS) (Municipal Entity) – Schedule D (annual budget and supporting tables) as set out in Annexure 35.
 - tt. Cape Town Stadium (CTS) (Municipal Entity) – Business Plan as set out in Annexure 36.
 - uu. Cape Town Stadium (CTS) (Municipal Entity) – Tariff Policy and Tariffs as set out in Annexure 37.
 - vv. Operating subcouncil allocation projects supported by subcouncils as set out in Annexure 38.
 - ww. 2022-2027 Integrated Development Plan (IDP) – Review and 2025/26 proposed amendments as set out in Annexure 39.
 - xx. Measureable Performance Objectives (MBRR Table SA7) as set out in Annexure 40.
 - yy. Metro Trading Services Reform Programme - Trading Services Reform Strategies and Associated Implementation Road Maps as set out in Annexure 41.
 - zz. Metro Trading Services Reform Programme - Performance Improvement Action Plan (PIAP) as set out in Annexure 42
2. Council notes the intent of the administration to follow MFMA Section 33 processes on items marked with an 'X' as reflected in the Demand (Procurement) Plan as set out in Annexure 43 to the report.
 3. Council notes National Treasury MFMA Circulars 129 and 130 (Municipal Budget Circulars for the 2025/26 MTREF) as set out in Annexure 44 to the report.
 4. Council notes the 2026 Budget and Benchmark Engagement Summary Report issued by National Treasury as set out in Annexure 45 to the report.
 5. Council approves an amount of up to R22 million, to be funded within the Rates account, will be allocated in support of the City's Relief and Charitable Allocations.
 6. Council approves the Capital Replacement Reserve (CRR): Ward Allocations for the 2025/26 financial year amounting to R52 451 633 will be funded from savings identified in the 2024/25 financial year.
 7. An amount of R160 million for 2026/27 be funded from accumulated surpluses and loan funding, if needed, to provisionally (bridge) fund contractually committed IRT Phase 2A projects generally funded from the NT PTNG:BFI grant, until such time that National Treasury amends gazetted allocations. The City will review its funding approach on an annual basis as part of the budget process.

8. Council approves the process, in compliance with Section 46 of the Municipal Finance Management Act (MFMA), to take up funding to support the capital programme included in the MTREF, depending on the City's cash flow requirements, will be undertaken after budget approval in June 2025. Should the cash flow position be sufficient to fund the capital programme either partially or fully, the funding will be adjusted accordingly.
9. An amount of R250 million from accumulated surpluses (VAT Clawback) be set aside at the end of the current financial year, to establish a 'Capital Contingency Fund', which will be used to co-fund the contingency values of grant-funded projects, where appropriate.
10. Council adopts the high-level summary of changes between the tabled (May 2025) and proposed budget as reported in Annexure B. These changes have already been incorporated into Annexure A of this report.
11. Council notes that the tariff approval from National Energy Regulator of South Africa for the City is still outstanding therefore the makeup of the regulated and unregulated components of the tariffs will be adjusted in accordance with the regulator's approval. This change will not impact on the customer experience in terms of the total tariff applied.

1.4 Executive Summary

a. Past performance

The basic function of any city government anywhere is to progressively deliver basic services and the infrastructure which makes those basic services function, so as to incrementally create the preconditions for a successful and prosperous city community.

Under these preconditions of working basic services and functioning city infrastructure, residents can look forward to a virtuous cycle of investment, job creation, rising prosperity and a better quality of life.

Cape Town specifically captures this vision as being the City of Hope, in which residents, especially the poor, experience the hope that comes with knowing that this does work and will continue to work, and that they and their children have a future of opportunity here.

Some of the key achievements and highlights of the City's basic service delivery in 2023/24 are listed below.

- Council approved the City's Energy Strategy in the course of 2023/24. The strategy envisions addressing the current crisis while transitioning to sustainable solutions. It aims to mitigate up to four stages of load-shedding by 2026, reform and ensure the financial sustainability of the municipal electricity utility by 2031, and achieve a carbon-neutral energy system by 2050. The strategy aligns with the IDP and other key City strategies. An internal implementation and performance management plan is being developed.

The City has established its own standards for Small-Scale Embedded Generation (SSEG), which have influenced national legislation. To facilitate SSEG authorisation, the City has implemented several initiatives, including researching cheaper single-phase advanced metering infrastructure, introducing a municipal credit offset for energy exporters (the Cash for Power initiative), and launching an online platform called Energy Service Applications in March 2024. By June 2024, there were 6 460 approved grid-tied system installations (5 765 residential, and 695 commercial and industrial), totalling approximately 144,3 MVA in capacity. The capacity added in 2023/24 was 28,85 MVA.

Energy access in informal settlements has made significant progress, with 1 578 subsidised electricity connections completed in 2023/24. These connections will benefit an estimated 6 300 residents, who will enjoy a better quality of life through reliable power provision and a reduced fire risk.

- Population growth, increasing per-capita waste generation, informal settlements, and limited landfill space complicate solid waste services. The City began developing a new Waste Strategy in 2022/23. Work involved assessing various waste management options and technologies to establish a sustainable and cost-effective service model. The draft Waste Strategy was concluded by the end of 2023/24. Public participation started in the first half of 2024/25.

The administration's commitment to sustainable waste management yielded significant results in 2023/24, with approximately 40,53% of organic waste diverted from landfills. Total waste diversion, including organic waste, equates to approximately 31,53% (over 638 878 tons). These figures reflect the City's commitment to reducing landfill dependence and enhancing resource recovery.

In the past year, the City's cleansing services achieved 99,84% coverage of informal settlements. Peripheral services were extended to newly developed informal settlements throughout the year. Additionally, essential services were provided to backyard dwellers in densely populated areas.

- The City continues to execute its Water Strategy, which Council approved in 2019. The strategy aims to secure new water supplies and enhance resilience, addressing gaps in national infrastructure investment.

The City operates 23 wastewater treatment works (WWTW) throughout the metro, along with three marine outfalls. The R2 billion upgrade to the Zandvliet WWTW was completed in 2023/24, marking one of the City's biggest infrastructure projects yet. Treatment capacity has increased from 72 to 90 million litres per day, which supports both population growth and economic development. The introduction of advanced membrane treatment technology has also improved the quality of the effluent, bringing it closer to drinking-water standards.

In 2023/24, the City installed 811 (target 700) taps and 6 486 (target 3 000) toilets in informal settlements.

- The City's Human Settlements Strategy highlights the administration's role in increasing the supply of affordable housing in non-traditional ways. It allows for multiple stakeholders and partners to collaborate to deliver more housing opportunities, and frames the City's role as not only a provider, but also an enabler and a regulator of housing.

In the past year, the City made notable progress in delivering affordable housing, providing 1 854 top structures and 1 627 serviced sites for formal housing. Using its land assets, the administration is also attracting private-sector investment to transit-oriented development precincts. This strategy boosts economic activity and creates affordable housing opportunities near public transport and job markets.

Informal settlements are a common challenge in many developing countries as well as cities undergoing rapid urbanisation, which often have limited resources to meet the housing needs of citizens, particularly the poor. The number of informal sites serviced was 1 124 for 2023/24.

The number of title deeds registered to beneficiaries was 4 815 for 2023/24, offering households economic and financial security.

b. Tariff reforms – A case for change

As municipalities strive to provide essential services to their communities, it is increasingly clear that sustainable and efficient delivery of services such as energy, water, sanitation and waste management requires a robust, adaptive financial framework.

As widely published in the media across South Africa, the collapse and failure of waste infrastructure and the consequent inability to provide basic services has become a critical national concern. The City is determined that this will not happen in Cape Town. We will lead by making those long term infrastructure investments necessary to ensure the long term success of our City.

Considering the significant population growth, associated rising demand for services, the impact of climate change, fragile national energy reliability, evolving economic landscape, and aging infrastructure, the City is obligated to continuously review its future financial sustainability to safeguard investment in this critical municipal infrastructure.

To ensure these services remain reliable, equitable, and resilient in the face of growing demands and rising costs, it has become necessary to implement a comprehensive tariff reform and restructuring plan for the City as part of this budget, which includes reforms in the application of fixed charges and tariff structures.

This budget outlines a strategy for reforming the tariffs to ensure that all service areas are financially sustainable, while also addressing the need for fairness and inclusivity in the pricing of essential services.

By restructuring tariffs, the City aims to balance the financial viability of municipal services with the need to protect vulnerable residents. This will not only ensure that services are maintained at high standards but also enable the City to reinvest in infrastructure, improve service efficiency, and adapt to emerging challenges in support of progressive economic growth. The proposed changes are designed to support the medium to long-term sustainability of the City's trading services, and to build a foundation for future growth, resilience, and community well-being.

This budget reflects the City's commitment to responsible financial stewardship and the provision of essential services that contribute to the overall quality of life in our community.

The City's social package provisions ensure the protection of the most vulnerable consumers through available rebate offerings. Furthermore, following the public participation process, additional relief measures have been incorporated to alleviate the impact of monthly billing increases on households. These measures comprise of an increased threshold for the Property Rates rebate, expanded eligibility criteria for the pensioner rebate, the introduction of a rebate for the City-wide Cleaning Tariff, as well as reductions in the fixed water charge and the City-wide Cleaning Tariff applicable to selected property value bands. These measures together with the tariff structural modifications are discussed below in detail for each individual service where relevant.

The proposed tariffs are reflected in Annexure 4 (Consumptive Tariffs) and in Annexure 6 (Tariffs, Fees and Charges Book).

- **Energy**

- A change in funding methodology**

Historically, the cost of energy was deemed relatively inexpensive in South Africa. However, due to years of enormous energy cost increases at a national level, which have unavoidably been passed down to municipalities and so to municipal electricity customers. The cost of electricity is now 400% greater than the cost of electricity in 2004.

In response to these challenges, a comprehensive review of the energy funding strategy was conducted. Among the key findings was that the historical practice of contributing a percentage of electricity sales revenue towards Rates (which, amongst other things, funded city-wide cleansing services) was no longer appropriate. This practice will be phased out from 2025/26 to help contain the rising cost of electricity.

It is further mandated that in the event the actual Electricity revenue exceeds the budgeted revenue at year end, the Electricity contribution to Rates, calculated as 7.17% of sales for 2025/26, will increase proportionally based on the higher revenue. However, if the actual Electricity revenue falls below the budgeted amount, the budgeted contribution to Rates will remain unchanged. This practice will remain in place for all future years.

This Rates contribution received from electricity sales meant that electricity customers could not clearly or explicitly see what they were contributing to. Their electricity purchases were also funding city-wide cleaning services, but this contribution was opaque. Continuing this practice is deemed unsustainable for the utility over the medium- to longer term and an overall financial risk for the City. It is also better financial practice to make explicit to residents what their monthly charges are specifically paying for. This improves financial transparency and the correct allocation of costs.

As a result of phasing out this practice, the unregulated energy charge per kWh has been significantly reduced for residential customers. The cost of electricity will still include a contribution to rates-funded services with different values depending on customer category as part of the phasing out process. Residential customers will contribute to city-wide cleaning services via a 'City-wide Cleaning' tariff, which is buffered to a degree by a reduced energy charge, depending on the customers' individual consumption level.

It must be stressed that this is not new income for the City – it is simply phasing out what was an implicit Rates contribution in the electricity tariff, and making it an explicit line item tariff.

This phased approach will allow all trading services to comply with the principles of recovering costs from own tariffs over time.

While the City awaits the approval of its regulated tariffs from the National Energy Regulator of South Africa, the customer experience in terms of the total tariffs applied to customers will not change from the proposed (as adjusted), however the makeup of regulated and unregulated components of the tariffs will be adjusted to fall in line with the Regulator's approval.

As a result of all these factors, while the 2025/26 Eskom municipal increase was approved at 11.32%, the City managed to shield consumers from this excessive increase as the City will implement a lower average energy increase of 7.2%, although the actual increase seen by any customer will depend on that customer's individual consumption level and customer category as demonstrated in table 3 and 4 below (Impact on average tariff increases on Home User and Domestic).

The 7.2% average tariff is as a result of the practice of contributing electricity sales revenue towards the Rates account being revisited for Commercial customers. The shift in funding provided the necessary contribution to the Rates account for funding of city-wide cleaning services, which will therefore not be billed as a standalone charge for commercial customers in 2025/26. This approach aligns with the comments received during public participation and allows this customer base more time to adapt to the envisaged phased-introduction of a ring-fenced charge for city-wide cleaning. The review in the funding methodology will not impact on Residential customers thus residential customers will still experience the tariffs as per the 2025/26 Tabled Budget (March 2025).

Furthermore, there are questions of equity. Eskom-supplied consumers have benefited as they have not contributed towards the Rates account through the sale of electricity, and so have not contributed to the cross subsidisation of these other services as in the case of City supplied customers.

Electricity customers inside Cape Town are supplied either by the City or by Eskom, depending on where they live. Historically, Eskom-supplied customers have not been subject to the electricity contribution to Rates and have effectively been subsidised by City-supplied customers, who funded Rates services through this contribution. Currently, approximately two-thirds of electricity customers are supplied by the City, with the remaining third supplied directly by Eskom.

Looking ahead, Eskom-supplied customers will continue to benefit from certain services, such as the energy installation and repair of street lighting, which are still recovered through a surcharge applied only to City-supplied customers at a much lower rate.

The table below provides a breakdown of the surcharge tariff, expressed in cents per kWh based on consumption, and highlights the annual benefits received by Eskom-supplied customers over the period of 2020/21 to 2024/25, as well as the benefits they will continue to receive in 2025/26.

Table 1 – Continued benefits received by Eskom residential customers

Cents/kWh savings experienced by Eskom customers						
Unregulated tariff cents/kwh	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Contribution to Rates	19.72	22.89	24.75	29.62	31.34	8.68
Street lighting	6.3	6.09	6.67	7.95	9.42	10.35
Total unregulated	26.02	28.98	31.42	37.57	40.76	19.03

Benefit of not contributing to Rates: Monthly (Rand savings experienced by Eskom customers)							
Usage Category	Units: kwh	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Low	300	R78	R87	R94	R113	R122	R57
Medium	475	R124	R138	R149	R178	R194	R90
High	1000	R260	R290	R314	R376	R408	R190

Benefit of not contributing to Rates: Annually (Rand savings experienced by Eskom customers)							
Usage Category	Units: kwh	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Low	300	R937	R1 043	R1 131	R1 353	R1 467	R685
Medium	475	R1 483	R1 652	R1 791	R2 141	R2 323	R1 085
High	1000	R3 122	R3 478	R3 770	R4 508	R4 891	R2 284

NERSA approved an increase of 12.74% for Eskom, which resulted in a corresponding municipal tariff increase of 11.32% from Eskom. However, taking into account the funding adjustments and structural changes outlined above, the average tariff increase for the City will amount to 7.2%, which is 4.12 percentage points lower than the approved Eskom increase to municipalities.

Table 2 – Energy: Average tariff increase

Category	2025/26	2026/27	2027/28
Energy	7.20%	5.36%	6.19%

Reform to tariff structures

To ensure the long-term sustainability of the service, a reform to the tariff structure was implemented for 2025/26. This included the introduction of a Service and Wires Charge for Domestic tariff customers, phased in over 3 years to mitigate the immediate impact on consumers. These changes are being primarily driven by a necessity to make the tariffs more cost reflective, as part of the trading services reform programme to ensure the sustainability of the utility services in general. Customer impacts will depend on the consumption levels of the individual customer, with lower consuming customers seeing a higher increase, as the fixed charges form a larger proportion of their overall bill.

An overview of the residential tariffs as per the 2025/26 Proposed Budget is as follows:

The Home User Tariff is applicable to properties on credit meters and/or the value of the property is more than or equal to R1 million. Customers on the Home User Tariff will see an increase of R94.86 in the Service and Wires Charge, resulting in an overall category average tariff increase of 2.85%. Some examples of the actual increase each customer may experience are shown in the table below.

Table 3 – Impact of average tariff increase: Home user

	250 kwh		500 kwh		750 kwh		1000 kwh		1500 kwh	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
Service and Wires Charge	R245.03	R339.89	R245.03	R339.89	R245.03	R339.89	R245.03	R339.89	R245.03	R339.89
Energy Block 1	R644.85	R686.48	R1 289.70	R1 372.95	R1 547.64	R1 647.54	R1 547.64	R1 647.54	R1 547.64	R1 647.54
Energy Block 2	R0.00	R0.00	R0.00	R0.00	R558.93	R547.80	R1 490.48	R1 460.80	R3 353.58	R3 286.80
Contributions	R101.90	R47.58	R203.80	R95.15	R305.70	R142.73	R407.60	R190.30	R611.40	R285.45
TOTAL	R991.78	R1 073.94	R1 738.53	R1 807.99	R2 657.30	R2 677.96	R3 690.75	R3 638.53	R5 757.65	R5 559.68
Percentage change	8.3%		4.0%		0.8%		-1.4%		-3.4%	

The Domestic User Tariff is applicable to properties on prepaid meters and the value of the property is more than R500 000 but less than R1 million. Domestic Tariff customers will be subject to the newly-introduced Service and Wires Charge of R59.90, resulting in an overall category average tariff increase of 5.32%.

The table below illustrates examples of the actual impact on electricity accounts for customers at different consumption levels for 2025/26 compared to 2024/25.

Table 4 – Impact of average tariff increase: Domestic

	250 kwh		500 kwh		750 kwh		1000 kwh		1500 kwh	
	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed	Current	Proposed
Service and Wires Charge	R0.00	R59.90	R0.00	R59.90	R0.00	R59.90	R0.00	R59.90	R0.00	R59.90
Energy Block 1	R747.45	R802.30	R1 494.90	R1 604.60	R1 793.88	R1 925.52	R1 793.88	R1 925.52	R1 793.88	R1 925.52
Energy Block 2	R0.00	R0.00	R0.00	R0.00	R558.93	R577.65	R1 490.48	R1 540.40	R3 353.58	R3 465.90
Contributions	R101.90	R47.58	R203.80	R95.15	R305.70	R142.73	R407.60	R190.30	R611.40	R285.45
TOTAL	R849.35	R909.78	R1 698.70	R1 759.65	R2 658.51	R2 705.80	R3 691.96	R3 716.12	R5 758.86	R5 736.77
Percentage change		7.1%		3.6%		1.8%		0.7%		-0.4%

Lifeline customers require subsidisation, and as a result, these network costs are largely recovered from other residential customers. Lifeline customers will not pay the Services and Wires Charge.

Lifeline customers continue to see a benefit in terms of a highly subsidised cost (including a free allocation of electricity), as well as having a simple single energy charge. This single energy charge means that customers purchasing above 600 units (itself a change from 350 units in recent years) in any given month, will not be penalised in any way, and continue to reap the benefit of this subsidised energy charge.

Note though that Lifeline customers remain required to stay below a monthly average of 450 units over 12 months in order to continue to be eligible for the Tariff and associated free basic electricity allocation.

Residents supplied via pre-paid meters on the Home User Tariff should note that only their Service and Wires Charges will reflect on the monthly municipal bill, which may therefore show a noticeable increase. However, the overall customer experience, including their pre-paid purchases, will align with the lower impacts shown in the tables above. Therefore, electricity costs should be assessed holistically – to understand the total year-on-year impact. Prepaid customers should also be aware that given the reduced energy costs, they should be sure that they don't purchase too high a value of electricity, so as to avoid unnecessary purchases at the Block 2 energy rate (thus unnecessarily raising the overall cost of their electricity). The Service and Wires Charge for Domestic Tariff customers will be recovered as a Rand per day value via the Vending System, and not via the monthly municipal bill.

▪ Waste Management

A change in funding methodology

The management of solid waste aims to meaningfully contribute towards a relatively clean and safe urban environment that delivers dignity and protects health. In order to achieve this the Urban Waste Management Directorate consists of four operational components, namely, Collections, Cleansing, Drop-offs and Disposal.

Historically, cleansing services throughout the City were funded from rates and indirectly the contribution towards the rates account from the surcharge on the sale of energy. This funding source has been contrary to the idea of a fully integrated stand-alone trading service that has evolved with time and sufficiently prioritises the necessary investment in infrastructure to improve its service offering. At the heart of a forward looking waste management service is revisiting the existing business model and pricing correctly for such services – the City has one of the lowest refuse collection tariffs. In keeping with a reformed modern utility, it is becoming increasingly urgent to financially ring-fence waste management ensuring it is capable of wholly funding itself in a sustainable manner and without any subsidy from other services or from the rates account. This requires that the City's waste management utility, called Urban Waste Management, to be a financially ring-fenced utility capable of wholly funding itself in a sustainable manner. This is a key requirement for the City to gain a sizeable performance- based incentive grant from National Treasury that will boost the capital programme of the City across all the trading services, including Urban Waste Management.

In an effort to minimise the impact on the end-user, it has since been decided to phase in the tariff reform over a period of time. Accordingly, for 2025/26, city-wide area cleansing services will be funded by a City-wide Cleaning tariff and a contribution from the Rates account via a contribution from Electricity sales. This practice, which is scheduled to be phased out, currently partially enables a reduction in the City-wide cleaning tariff for domestic customers. As mentioned previously, this is not an additional or new expense to customers, savings in electricity costs will buffer the financial impact of the introduction of the new City-wide Cleaning tariff. This is made possible by reducing the Rates contribution included in the cost of each electricity unit. The City-wide Cleaning tariff will therefore not be a new charge, but merely a change in the method of how City customers contribute to the funding of this service.

Table 5 – Waste Management Average tariff increase

Category	2025/26	2026/27	2027/28
City-wide Cleaning	-	4.80%	9.75%
Collections	7.36%	6.00%	6.00%

Reform to structural tariffs

To maintain equity, fairness, and affordability, the City-wide Cleaning Tariff was calculated based on the principle of a customer's economic means as the unit of measure. Additionally, a rebate will be offered to safeguard vulnerable groups from the impact of the tariff. The rebates for residential customers will be as follows:

- R1 - R500 000 receive 100% rebate
- R500 001 - R1 000 000 receive a rebate of R33.57 per month
- R1 000 001 - R1 250 000 million receive a rebate of R16.78 per month

Following public participation, a City-Wide Cleaning Tariff reduction was implemented for properties valued at R20 million and below, aimed at alleviating the financial burden on residential households. This relief was made possible through adjustments to the property value bands and the identification of alternative funding mechanisms.

The table below shows residential tariffs per value band per month.

Property Value Band	UNIT	2025/26 Tariff (Rand excl. Vat)
R1-R500k	Monthly charge per property value band	0.00
R500,001 to R600k		4.09
R600,001 to R750k		7.83
R750,001 to R1m		9.91
R1,000,001 to R1,25m		28.87
R1,250,001 to R1,5m		50.17
R1,500,001m to R1,75m		55.22
R1,750,001 to R2m		60.70
R2,000,001 to R2,25m		66.78
R2,250,001 to R2,5m		73.48
R2,500,001 to R2,75m		80.78
R2,750,001 to R3m		96.96
R3,000,001 to R3,25m		121.22
R3,250,001 to R3,5m		145.48
R3,500,001 to R4m		181.83
R4,000,001 to R4,5m		227.22
R4,500,001 to R5m		272.70
R5,000,001 to R5,5m		360.00
R5,500,001 to R6m		432.00
R6,000,001 to R6,5m		453.57
R6,500,001 to R7m		476.26
R7,000,001 to R7,5m		485.74
R7,500,001 to R8m		553.74
R8,000,001 to R8,5m		614.70
R8,500,001 to R9m		633.13
R9,000,001 to R9,5m		645.83
R9,500,001 to R10m		658.70
R10,000,001 to R12m		955.13
R12,000,001 to R14m		1 098.43
R14,000,001 to R16m		1 263.13
R16,000,001 to R18m		1 894.78
R18,000,001 to R20m		1 989.48
R20,000,001 to R25m		2 188.43
R25,000,001 to R35m		2 735.57
R35,000,001 to R50m		2 872.35
R50,000,001 to R65m		6 031.91
R65,000,001 to R80m		6 212.87
R80,000,001 to R100m		6 399.22
Above R100m		12 158.61

The table below shows the subsidised residential tariff per value band per month.

Property Value Band	UNIT	Proposed 2025/26 (Rand excl. VAT)
R1 up to and including R500 000	Monthly charge per property value band	33.57
R500 001 up to and including R600 000		33.57
R600 001 up to and including R750 000		33.57
R750 001 up to and including R1 000 000		33.57
R1 000 001 up to and including R1 250 000		16.78

Collections

No structural changes to the Collections tariff is proposed for the 2025/26 financial year. The refuse collection tariff is a means of recovering the cost to provide the 240-litre wheelie bin, the fuelled refuse compactor truck, human resources, the servicing of the bin at least once a week (and more often in many informal settlements) and hauling the waste to a properly licensed facility, collection of dry recyclable waste from dedicated areas as well as the door-to-door servicing of informal settlements. The value of the monthly tariff derives from the number of bins issued as well as the frequency of the service with once-a-week collection defined as the basic service while several informal settlements receive collections between three and five times a week, defined as an enhanced service.

▪ **Water and Sanitation**

Two key changes in Water and Sanitation fixed charges

The Water & Sanitation Directorate requires significant major infrastructure investment to continue to provide sustainable services to the City's residents, and to expand the availability of these services for the poor.

As was clear during the Day Zero drought, the cost to deliver the service(s) remains largely the same regardless of the volumes consumed. At that time the Directorate took the first important step towards creating financial stability to drive investment, by introducing a fixed tariff for water based on household meter connection size.

While this was a necessary step, it gave rise to a basic equity problem in that most households have the same meter connection size and so pay the same fixed charge, regardless of their economic means. The water fixed charges is therefore amended in 2025/26.

The Directorate is also now taking the next important step to bringing stability in the tariff structure to enable it to continue its necessary investment drive, and absorb future shocks and uncertainties.

1. The water fixed charge will now be based on property value bands rather than meter connection size, providing noticeable relief for households at the lower end of the income spectrum. Previously, a well-off household and a low-income household who had the same connection size (usually 15mm) paid the same fixed charge. This fixed charge will now be determined by the respective property value bands, resulting in a saving for the lower income household. This change applies to all residential customers. Non-residential customers will still be billed according to connection size.
2. The sanitation charge, which used to only be a 'percentage of water' estimated volumetric charge, will now also include a fixed portion. This fixed portion will be buffered by a reduction in the volumetric tariff.

Structural changes additional information

The reviewed tariff structure still adheres to the required principles of:

- Ensuring equity and access via assistance to the poor (fixed charges are waived for indigent households and vulnerable groups defined);
- Cross-subsidisation is applied to support lower-income households, indigent and vulnerable groups; and
- The variable component of the step-tariff is consumption-based, ensuring higher water users pay more proportionally while promoting water conservation and water-efficient practices.

The two-part tariff structure for both water and sanitation includes a fixed charge (covering base infrastructure costs; reflecting shared cost) and a variable usage charge (linked to consumption) - variable Inclining Block Tariff (IBT) for domestic and flat rate tariff for non-domestic, as indicated in the ensuing tables.

Table 6 – Structural changes: Domestic properties

Type	2024/25 Current Structure	2024/25 Principle	2025/26 Proposed Structure	2025/26 Principle
Water: Fixed	Yes	Tariff defined by meter connection size	Yes	Tariff defined by economic means (property value)
Water: Variable	Yes	Volumes – Step Tariff	Yes	Volumes – Step Tariff
Sanitation: Fixed	No	N/A	Yes	Economic means (property value)
Sanitation: Variable	Yes	Volumes (% of Water) – Step Tariff	Yes	Volumes (% of Water) – Step Tariff

Table 7 – Structural changes: Non-domestic properties

Type	2024/25 Current Structure	2024/25 Principle	2025/26 Proposed Structure	2025/26 Principle
Water: Fixed	Yes	Meter connection to system	Yes	Meter connection to system
Water: Variable	Yes	Volumes – Flat Rate	Yes	Volumes – Flat rate
Sanitation: Fixed	No	N/A	Yes	Meter connection to system
Sanitation: Variable	Yes	Volumes (% of Water) – Flat Rate	Yes	Volumes (% of Water) – Flat Rate

In the proposed new structure, the fixed portion of the tariff has been increased to cover a larger portion of costs, while the volumetric portion of the tariff has been reduced concomitantly. The variable (volumetric) tariffs have been adjusted to buffer the increased portion of the fixed basic charge.

Finally, with due cognisance of future uncertainties, step 3 and 4 tariffs have been adjusted upwards to further promote water conservation and water efficient practices.

Tariff increase

The change in the tariff structure to align the fixed charge with property value bands, and the concomitant reduction in the volumetric charge, means that individual customers will experience variable impacts to their water and sanitation accounts. The table below shows the application of the water and sanitation fixed charge for domestic customers.

Table 8 – Water and sanitation: Fixed basic charge per property value band

Property Value Band R	Unit	Water		Sanitation	
		Tariff (excl VAT) R	Tariff (incl VAT) R	Tariff (excl VAT) R	Tariff (incl VAT) R
0 - 500 000	Monthly charge per property value band	0.00	0.00	0.00	0.00
500 001 - 750 000		54.68	62.88	25.72	29.58
750 001 - 1 000 000		54.68	62.88	25.72	29.58
1 000 001 - 1 250 000		62.88	72.31	30.86	35.49
1 250 001 - 1 500 000		72.18	83.01	34.29	39.44
1 500 001 - 1 750 000		72.18	83.01	34.29	39.44
1 750 001 - 2 000 000		77.10	88.67	37.72	43.38
2 000 001 - 2 250 000		81.47	93.69	41.15	47.32
2 250 001 - 2 500 000		86.12	99.04	44.58	51.27
2 500 001 - 2 750 000		104.17	119.80	54.87	63.10
2 750 001 - 3 000 000		121.94	140.23	65.16	74.93
3 000 001 - 3 250 000		138.34	159.09	82.30	94.65
3 250 001 - 3 500 000		154.74	177.95	100.31	115.35
3 500 001 - 4 000 000		176.62	203.11	118.31	136.06
4 000 001 - 4 500 000		198.49	228.26	136.32	156.76
4 500 001 - 5 000 000		214.89	247.12	154.32	177.47
5 000 001 - 5 500 000		247.70	284.86	172.32	198.17
5 500 001 - 7 500 000		284.34	326.99	187.76	215.92
7 500 001 - 10 000 000		328.08	377.29	205.76	236.62
10 000 001 - 15 000 000		371.82	427.59	226.34	260.29
15 000 001 - 25 000 000		415.57	477.91	246.91	283.95
25 000 001 - 50 000 000		568.67	653.97	267.49	307.61
50 000 001 - 100 000 000		612.42	704.28	288.06	331.27
100 000 001 and above		656.16	754.58	308.64	354.94

The main factors determining the impact on customers include current meter size, level of consumption and the value of the property.

Following the public participation and to provide relief to domestic customers, the fixed basic water charge was reduced for the property value bands ranging from R1 million to R25 million.

The broad trends that will be observed are:

- Indigent customers continue to receive water and sanitation services at no cost;
- Poorer households would be paying slightly less than they are currently paying;
- More affluent households would be paying more;
- Charities, old age homes, homeless shelters, religious institutions etc. would be paying less; and
- Industrial and commercial businesses will be paying more.

The ensuing tables shows the variable water and sanitation impact for residential properties under the Domestic Full category.

Table 9 – Impact of average water and sanitation increases: Domestic Full

20mm Meter	6kl	6kl	10.5kl	10.5kl	15kl	15kl	20kl	20kl	35kl	35kl
PV: R500 001 - R1 000 000	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26
Fixed Basic - Water and Sewer	135.54	80.40	135.54	80.40	135.54	80.40	135.54	80.40	135.54	80.40
Consumption - Water and Sewer	189.82	191.83	385.46	389.51	654.71	688.31	953.88	1 020.31	1 851.39	2 016.31
Total	325.36	272.23	521.00	469.91	790.25	768.71	1 089.42	1 100.71	1 986.93	2 096.71
Percentage change		-16.33%		-9.81%		-2.73%		1.04%		5.52%

25mm Meter	6kl	6kl	10.5kl	10.5kl	15kl	15kl	20kl	20kl	35kl	35kl
PV: R500 001 - R1 000 000	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26
Fixed Basic - Water and Sewer	211.44	80.40	211.44	80.40	211.44	80.40	211.44	80.40	211.44	80.40
Consumption - Water and Sewer	189.82	191.83	385.46	389.51	654.71	688.31	953.88	1 020.31	1 851.39	2 016.31
Total	401.26	272.23	596.90	469.91	866.15	768.71	1 165.32	1 100.71	2 062.83	2 096.71
Percentage change		-32.16%		-21.28%		-11.25%		-5.54%		1.64%

*PV = Property Value

The fixed basic charge shown will significantly reduce (between R55.14 to R131.04) for the bands shown in the tables above.

The fixed basic charge will only increase with R4.50 (or 5.92%) in the bands shown in the table below.

15mm Meter	6kl	6kl	10.5kl	10.5kl	15kl	15kl	20kl	20kl	35kl	35kl
PV: R500 001 - R1 000 000	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26
Fixed Basic - Water and Sewer	75.90	80.40	75.90	80.40	75.90	80.40	75.90	80.40	75.90	80.40
Consumption - Water and Sewer	189.82	191.83	385.46	389.51	654.71	688.31	953.88	1 020.31	1 851.39	2 016.31
Total	265.72	272.23	461.36	469.91	730.61	768.71	1 029.78	1 100.71	1 927.29	2 096.71
Percentage change		2.45%		1.85%		5.21%		6.89%		8.79%

Further scenarios of the impact of average water and sanitation increases for Domestic Full are reflected below.

20 mm Meter	6kl	6kl	10.5kl	10.5kl	15kl	15kl	20kl	20kl	35kl	35kl
PV = R1 250 001 - 1 500 000	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26
Fixed Basic - Water and Sewer	135.54	106.47	135.54	106.47	135.54	106.47	135.54	106.47	135.54	106.47
Consumption - Water and Sewer	189.82	191.83	385.46	389.51	654.71	688.31	953.88	1 020.31	1 851.39	2 016.31
Total	325.36	298.30	521.00	495.98	790.25	794.78	1 089.42	1 126.78	1 986.93	2 122.78
Percentage change		-8.32%		-4.80%		0.57%		3.43%		6.84%

20 mm Meter	6kl	6kl	10.5kl	10.5kl	15kl	15kl	20kl	20kl	35kl	35kl
PV: R2 250 001 - R2 500 000	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26
Fixed Basic - Water and Sewer	135.54	130.70	135.54	130.70	135.54	130.70	135.54	130.70	135.54	130.70
Consumption - Water and Sewer	189.82	191.83	385.46	389.51	654.71	688.31	953.88	1 020.31	1 851.39	2 016.31
Total	325.36	322.53	521.00	520.21	790.25	819.01	1 089.42	1 151.01	1 986.93	2 147.01
Percentage change		-0.87%		-0.15%		3.64%		5.65%		8.06%

20 mm Meter	6kl	6kl	10.5kl	10.5kl	15kl	15kl	20kl	20kl	35kl	35kl
PV: R2 750 001 - R3 000 000	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26	Current 2024/25	Proposed 2025/26
Fixed Basic - Water and Sewer	135.54	187.10	135.54	187.10	135.54	187.10	135.54	187.10	135.54	187.10
Consumption - Water and Sewer	189.82	191.83	385.46	389.51	654.71	688.31	953.88	1 020.31	1 851.39	2 016.31
Total	325.36	378.93	521.00	576.60	790.25	875.40	1 089.42	1 207.40	1 986.93	2 203.40
Percentage change		16.46%		10.67%		10.78%		10.83%		10.89%

The Domestic Cluster category on the other hand will experience different impacts as this category is serviced via bulk meters.

Similar trends will be experienced on the water level 1 to water level 3 restriction tariffs. The highest level of emergency restriction tariffs will be higher still.

It is increasingly clear that maintaining a sustainable water and sanitation service comes at a cost. Failing to invest in infrastructure and fit for purpose resources is not an option, as the consequences of neglect are evident in other cities and towns across the country. The City will not allow that deterioration and infrastructure collapse to happen here.

▪ Rates

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

In terms of the MPRA, the City:

- is required to institute the prescribed property rating categories provided it exists within the municipal jurisdiction;
- may determine additional categories of rateable property, including vacant land; and
- must align its exemptions, reductions and rebates to the legislation.

The City has a total of twenty-three property rating categories. The definition of these categories are reflected in the Rates Policy attached as Annexure 5.

Property rates are based on the values indicated in the General Valuation Roll 2022 (GV2022 – with the date of valuation being 1 July 2022) and any supplementary valuations subsequent to GV2022, and multiplied by the Rate-in-Rand (RiR) as set out in Annexure 2. The residential category is used as the base rate. Exemptions, reductions and rebates are also taken into consideration.

Following public participation, the City extended the R435,000 (excluding the exemption levied on the first R15 000,00 of the market value of a residential property in accordance with National Legislation) Rates reduction that currently applies to all residential properties used as a primary place of residence valued at under R5-million, to R7-million in value.

There is an increase of 7.96% in the residential RiR from 0.006631 (2024/25) to 0.007159 (2025/26).

Overall impact of tariff increases on households

The proposed rates and tariffs adjustments are averages i.e. some ratepayers and service users may pay more and others less than the average as a result of the impact of rebates, usage/consumption, property value and type of consumer. Consumers will have to review their total municipal account and not focus on a particular service i.e. energy increase in isolation of the introduction of new City-wide Cleaning Tariff, introduction and change in the method of fixed charges, and increase in property rates. The average increase on households will be dependent on, *inter alia*, usage and location.

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

Table 10 – Impact of tariff increases on households (MBRR Table SA14)

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26 % incr.	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Rand/cent										
Monthly Account for Household - 'Middle Income Range'										
Rates and services charges:										
Property rates	201.00	211.47	130.69	138.15	138.15	138.15	7.96%	149.15	158.10	167.58
Electricity: Basic levy	–	–	–	–	–	–	–	59.90	63.43	67.81
Electricity: Consumption	2 573.54	2 817.98	3 313.92	3 691.96	3 691.96	3 691.96	(0.97%)	3 656.22	3 871.94	4 139.10
Water: Basic levy	61.45	65.44	71.07	75.90	75.90	75.90	(27.96%)	54.68	58.12	68.09
Water: Consumption	772.22	822.53	893.18	953.98	953.98	953.98	16.09%	1 107.47	1 177.29	1 379.03
Sanitation: Basic Levy	–	–	–	–	–	–	–	25.72	27.34	32.03
Sanitation	486.99	518.65	563.24	601.57	601.57	601.57	(3.41%)	581.05	617.70	723.50
Refuse removal	142.00	149.13	157.30	166.26	166.26	166.26	7.37%	178.52	189.22	200.61
City-wide Cleaning	–	–	–	–	–	–	–	7.79	8.24	9.13
Other	–	–	–	–	–	–	–	–	–	–
sub-total	4 237.20	4 585.20	5 129.39	5 627.82	5 627.82	5 627.82	3.40%	5 820.50	6 171.38	6 786.88
VAT on Services	605.43	656.06	749.81	823.45	823.45	823.45	3.31%	850.70	901.99	992.90
Total large household bill:	4 842.64	5 241.26	5 879.20	6 451.27	6 451.27	6 451.27	3.4%	6 671.20	7 073.38	7 779.78
% increase/-decrease	–	8.2%	12.2%	9.7%	–	–	(65.0%)	3.4%	6.0%	10.0%
Monthly Account for Household - 'Affordable Range'										
Rates and services charges:										
Property rates	100.50	105.73	26.14	27.63	27.63	27.63	7.96%	29.83	31.62	33.52
Electricity: Basic levy	–	–	–	–	–	–	–	59.90	63.43	67.81
Electricity: Consumption	1 184.45	1 296.95	1 525.20	1 698.70	1 698.70	1 698.70	0.06%	1 699.75	1 800.05	1 924.25
Water: Basic levy	61.45	65.44	71.07	75.90	75.90	75.90	(100.00%)	–	–	–
Water: Consumption	624.17	664.83	721.93	771.08	771.08	771.08	15.46%	890.27	946.38	1 108.58
Sanitation	392.89	418.40	454.40	485.30	485.30	485.30	(3.92%)	466.26	495.66	580.56
Refuse removal	142.00	149.13	117.94	124.69	124.69	124.69	7.39%	133.91	141.92	150.46
City-wide Cleaning	–	–	–	–	–	–	–	4.03	4.26	4.72
Other	–	–	–	–	–	–	–	–	–	–
sub-total	2 505.46	2 700.48	2 916.67	3 183.31	3 183.31	3 183.31	3.2%	3 283.95	3 483.33	3 869.90
VAT on Services	360.74	389.21	433.58	473.35	473.35	473.35	3.12%	488.12	517.76	575.46
Total small household bill:	2 866.20	3 089.70	3 350.25	3 656.66	3 656.66	3 656.66	3.2%	3 772.07	4 001.08	4 445.36
% increase/-decrease	–	7.8%	8.4%	9.1%	–	–	(65.5%)	3.2%	6.1%	11.1%
Monthly Account for Household - 'Indigent' Household receiving free basic services										
Rates and services charges:										
Property rates	–	–	–	–	–	–	–	–	–	–
Electricity: Basic levy	–	–	–	–	–	–	–	–	–	–
Electricity: Consumption	464.30	508.40	597.87	670.02	670.02	670.02	9.88%	736.22	779.68	833.46
Water: Basic levy	–	–	–	–	–	–	–	–	–	–
Water: Consumption	–	–	–	–	–	–	–	–	–	–
Sanitation	–	–	–	–	–	–	–	–	–	–
Refuse removal	–	–	–	–	–	–	–	–	–	–
City-wide Cleaning	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
sub-total	464.30	508.40	597.87	670.02	670.02	670.02	9.9%	736.22	779.68	833.46
VAT on Services	69.64	76.26	89.68	100.50	100.50	100.50	9.88%	110.43	116.95	125.02
Total small household bill:	533.94	584.66	687.55	770.52	770.52	770.52	9.9%	846.66	896.63	958.48
% increase/-decrease	–	9.5%	17.6%	12.1%	–	–	(18.1%)	9.9%	5.9%	6.9%

c. Free Basic Services: Basic Social Services Package

The cost of free basic services is partially financed by national government through the Local Government Equitable Share received in terms of the annual DoRB. The City, however, supplements this expenditure from Property Rates and Tariff revenue.

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

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

○ **Blanket Approach: Based on municipal value of the property**

The utilisation of the blanket approach prevents the need to deal with the approximately 200 000 applications that would qualify if all had to apply on a periodic basis.

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

The blanket approach provides for 100% rates rebates for properties valued at R450 000 and below. Varying percentage rebates for refuse removal based on property values for properties between R1 and R650 000 are applied as follows:

Table 11 – Varying percentage rebates for refuse removal

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

Property owners with property values of R450 000 and below are regarded as indigent and are eligible for free water, sanitation services, city-wide cleaning and electricity, subject to the conditions as set out in the respective tariff policies and related prescripts.

○ **Targeted Approach: Based on household income**

This method allows any resident who is required to pay for municipal services and whose gross monthly household income is R7 500 or below to register as indigent in order to receive the same benefits as if their property values were equal to or below R450 000.

Senior citizens' and disabled persons' rates rebates are granted to qualifying applicants where the gross monthly household income is below R27 000, adjusted upwards from R22 000 in the 2025/26 Budget. For household income up to R10 000, the rates rebate is 100%, reducing gradually to 10% for income between R24 001 and R27 000 as shown in the ensuing table.

Household Income	Rebate
R0 – R10 000	100%
R10 001 – R14 000	90%
R14 001 – R16 000	80%
R16 001 – R18 000	70%
R18 001 – R19 000	60%
R19 001 – R20 000	50%
R20 001 – R21 000	40%
R21 001 – R22 000	30%
R22 001 – R24 000	20%
R24 001 – R27 000	10%

○ **Electricity – Based on consumer behaviour**

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

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

Further details relating to the number of households receiving free basic services, the cost of free basic services, highest level of free basic services as well as the revenue cost associated with the free basic services are reflected in Table 36 on page 85.

d. Wheel of value per service

The figures below provide a graphical illustration of how every Rand in Rates and Tariffs is spent.

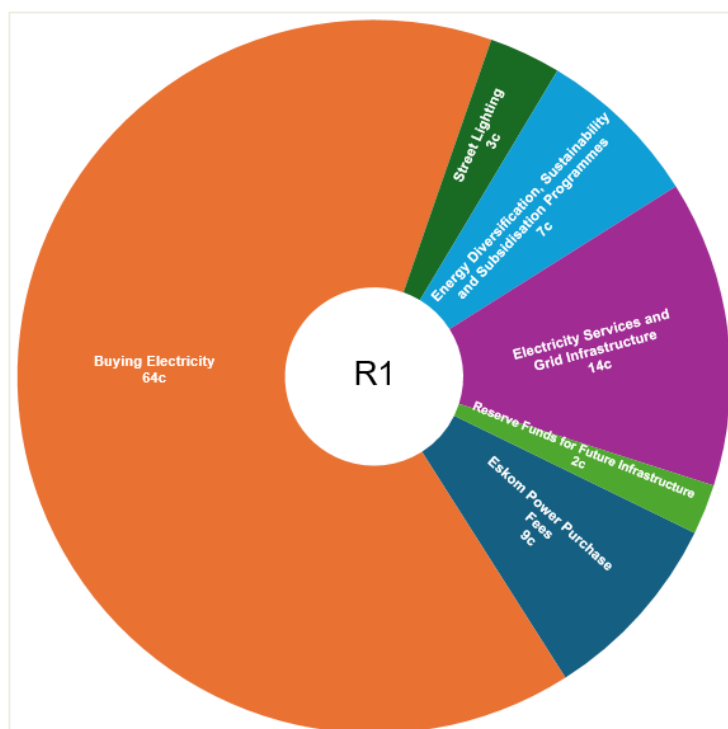


Figure 1: Energy: Wheel of value

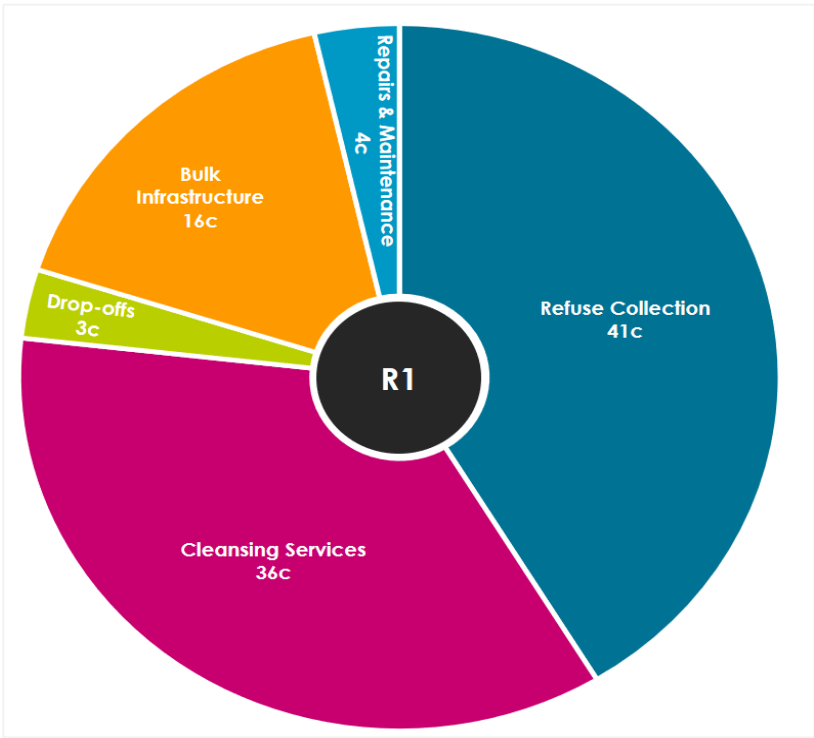


Figure 2: Urban Waste Management: Wheel of value

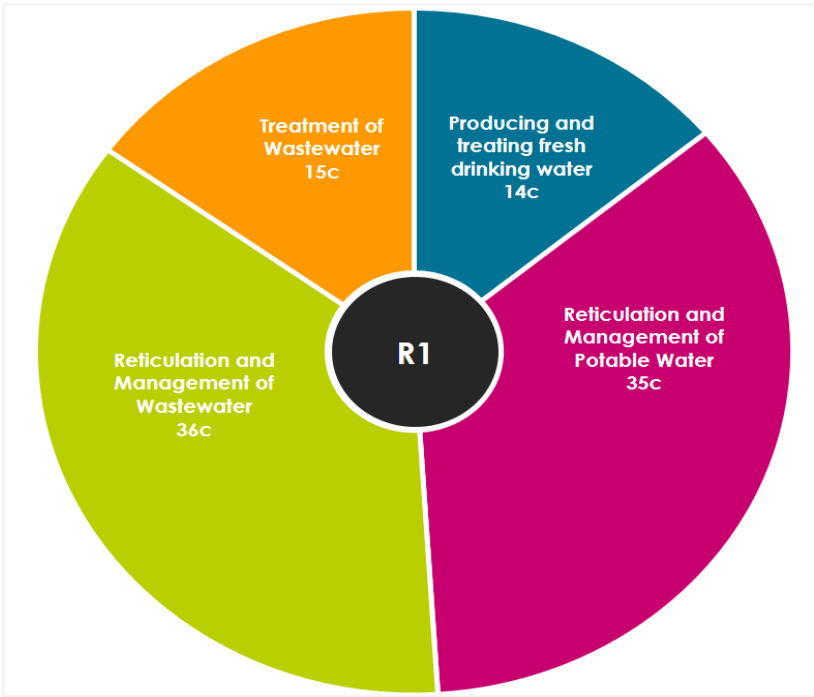


Figure 3: Water and Sanitation: Wheel of value

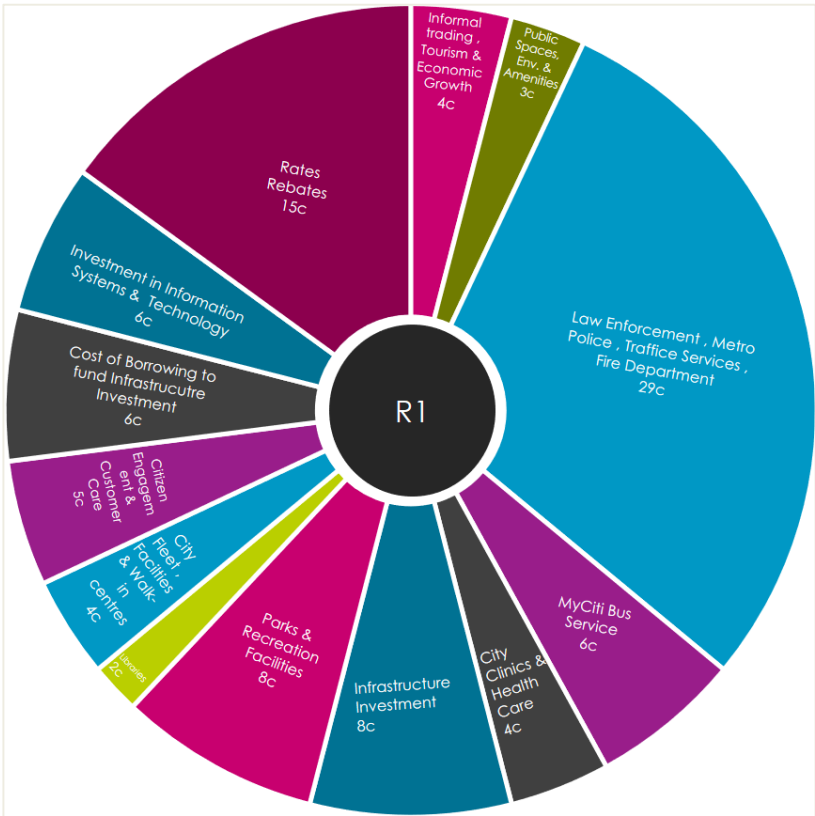


Figure 4: Rates: Wheel of value

e. Total Budget

The total budget quantum for the 2025/26 financial year is R84 140 million, of which R71 277 million (84.7%) is allocated to the operating budget and R12 863 million (15.3%) to the capital budget.

f. Operating Budget**Expenditure**

Total operating expenditure for the 2025/26 financial year amounts to R71 276 million and is split into the following expenditure components:

Table 12 – Expenditure components of the 2025/26 budget

Category	Budget 2024/25 (Original)	Budget 2025/26	Year-on-year increase/ (decrease)
R Thousand			
Employee related costs	19 311 622	20 889 090	8.17%
Remuneration of councillors	200 324	197 729	-1.30%
Bulk purchases - electricity	15 472 230	17 755 086	14.75%
Inventory consumed	7 077 642	7 899 755	11.62%
Debt impairment	2 856 164	3 217 478	12.65%
Depreciation and amortisation	3 807 669	3 974 164	4.37%
Interest	1 214 301	1 428 206	17.62%
Contracted services	9 767 037	11 100 541	13.65%
Transfers and subsidies	360 208	388 523	7.86%
Irrecoverable debts written off	188 242	123 202	-34.55%
Operational costs	3 520 240	3 768 638	7.06%
Losses on disposal of Assets	2 244	2 500	11.43%
Other Losses	563 907	532 092	-5.64%
Total Expenditure	64 341 831	71 277 006	10.78%

Major components for 2025/26 include:

- Employee related costs – R20 889 million**

Employee related costs amount to R20 889 million in 2025/26, which equates to 29,3% of the total operating expenditure.

- Remuneration of councillors – R198 million**

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). An increase of 5% is provided for in the 2025/26 budget and was calculated on current scales. The above table reflects a negative 1.30% year-on-year increase as the provision for the cost of living increase was 5% in 2024/25 although the final outcome was only 2.5%. The budget base for 2024/25 was therefore less than projected.

- Bulk Purchases – Electricity – R17 755 million**

This provision is for the purchase of electricity from Eskom and is influenced by levels of load-shedding and consumer behaviour. In this regard, annual price increases were factored into the budget appropriations, which in turn influences the tariff requirements for Energy service.

- **Debt Impairment – R3 217 million**

This allocation is influenced by past, current and future projected collection rates largely on services, property rates and traffic fines income. The budgetary treatment of fines, as prescribed in the iGRAP1 Accounting Standard, states that fines should be budgeted for at 100% of fines issued. Prior to iGRAP1 implementation, the City accounted for revenue from fines on the basis of estimated collectable revenue.

- **Interest – R1 428 million**

This category consists primarily of the repayment of interest on long-term borrowing (cost of capital) as part of the 2025/26 operating expenditure. The increase over the 2025/26 MTREF is informed by new loans, which will be taken up to fund the City's capital programme, and related projected interest loan service charges over this period.

- **Contracted services – R11 101 million**

This category includes repairs and maintenance provisions and additional allocations for, *inter alia*, service enhancements related to Road Infrastructure Management (RIM), swimming pool and stadium maintenance as well as clearing/removal of Litter and Sludge to meet residents' demand.

- **Operational costs – R3 769 million, includes provisions for, *inter alia*:**

- Collection costs – R213 million
- Hire of light delivery vehicles, panel vans, buses, special vehicles – R123 million
- Operating leases – R83 million
- Premiums Unicity Insurance Programme – R149 million
- MIDS/CIDS (Special Rating Areas) – R479 million
- Software licences: Upgrade/Protection – R457 million
- Specialised Information Technology services – R281 million
- Electricity costs – R308 million
- Indigent Relief: Electricity (Eskom) – R242 million
- Uniform and protective clothing – R188 million
- Levy: Skills Development – R134 million

The figure below provides a graphical breakdown of the main expenditure categories for 2025/26.



Figure 5: Main operational expenditure categories for 2025/26

Staff cost growth

The year-on-year increase of 8.17% is as a result of the salary increase, staff costs funded from the Operating Grants & Donations, additional allocations for, *inter alia*, further 528 cadets to be employed to improve safety in communities, deployment of 48 law enforcement officers outside the CTIA/N2/Borcherds Quarry, Facility Protection Officers (Escort Service Unit) to assist internal departments with implementation of the City's projects in high risk/crime areas, provision for Special Weapons & Tactics Unit (SWAT) for specialised services and continuous investment in the Law Enforcement Advancement Programme (LEAP).

Table 13 – Staff cost per vote (directorate)

Vote (Directorate) R Thousand	Budget 2024/25 (Original)	Budget 2025/26	Year-on-year
Vote 1 - Community Services & Health	2 824 826	2 960 247	4.79%
Vote 2 - Corporate Services	1 852 374	2 020 757	9.09%
Vote 3 - Economic Growth	314 443	357 146	13.58%
Vote 4 - Energy	1 736 081	1 810 568	4.29%
Vote 5 - Finance	1 349 675	1 460 992	8.25%
Vote 6 - Future Planning & Resilience	367 721	398 035	8.24%
Vote 7 - Human Settlements	552 279	578 834	4.81%
Vote 8 - Office of the City Manager	289 890	320 586	10.59%
Vote 9 - Safety & Security	3 735 605	4 142 750	10.90%
Vote 10 - Spatial Planning & Environment	810 950	857 131	5.69%
Vote 11 - Urban Mobility	1 036 972	1 099 836	6.06%
Vote 12 - Urban Waste Management	1 672 008	1 758 847	5.19%
Vote 13 - Water & Sanitation	2 768 796	3 123 361	12.81%
Total staff costs	19 311 620	20 889 090	8.17%

Revenue

Operating revenue for the 2025/26 financial year amounts to R70 732 million.

Table 14 – Revenue categories of the 2025/26 budget

Description	Budget 2024/25 (Original)	Budget 2025/26	Year-on-year increase/ (decrease)
R thousand			
Revenue			
Exchange Revenue			
Service charges - Electricity	21 328 255	23 663 555	10.9%
Service charges - Water	4 999 113	5 776 241	15.5%
Service charges - Waste Water Management	2 547 558	2 966 006	16.4%
Service charges - Waste Management	1 516 500	1 658 640	9.4%
Sale of Goods and Rendering of Services	677 442	816 579	20.5%
Agency services	295 891	302 874	2.4%
Interest earned from Receivables	317 698	339 731	6.9%
Interest earned from Current and Non Current Assets	1 071 910	758 522	-29.2%
Rental from Fixed Assets	461 984	494 307	7.0%
Licence and permits	196	205	4.5%
Special rating levies	429 894	494 107	14.9%
Operational Revenue	423 646	423 376	-0.1%
Non-Exchange Revenue			
Property rates	12 712 797	13 768 100	8.3%
Surcharges and Taxes	-	-	-
Fines, penalties and forfeits	1 888 192	1 878 556	-0.5%
Licences or permits	56 610	50 301	-11.1%
Transfer and subsidies - Operational	6 919 169	7 329 561	5.9%
Interest	94 426	98 675	4.5%
Fuel Levy	2 749 549	2 851 776	3.7%
Operational Revenue	-	906 078	100.0%
Gains on disposal of Assets	59 079	70 772	19.8%
Other Gains	5 393 297	6 084 343	12.8%
Discontinued Operations	-	-	-
Total Revenue (excluding capital transfers and contributions)	63 943 208	70 732 307	10.6%

Major components for 2025/26 include:

- Service charges – electricity revenue (R23 664 million)**
 NERSA approved an increase of 12.74% for Eskom resulting in a corresponding municipal tariff increase of 11.32%. However, taking into account the funding adjustments and structural changes outlined above, the average tariff increase for the City will amount to 7.2%, which is 4.12% lower than the approved Eskom increase.
- Service Charges – Water (R5 776 million) and Waste Water Management (R2 966 million)**
 The 2025/26 revenue projections are based on Level Water Wise (no restriction) tariffs as from 1 July 2025. When compared to the 2024/25 financial year, revenue generated from water and sanitation will increase by R1 196 million or 15.84%.

- **Property rates (R13 768 million)**

When compared to 2024/25, revenue generated from property rates will increase by R1 055 million or 8.3%. This increase will allow for the continuation of providing Rates-funded services, investment in infrastructure, measures to mitigate the impact of load-shedding, servicing of informal settlements, provision of rebates to the most vulnerable, improved safety and security measures, ongoing investment in repairs and maintenance, and giving effect to the IDP as it relates to Rates-funded services.

- **Transfers and Subsidies – Operational (R7 330 million – National- and Provincial allocations)**

For purposes of the 2025/26 budget compilation, national allocations are based on the Division of Revenue Bill (DoRB) (B15-2025), Government Gazette No. 52626, dated 8 May 2025. Provincial allocations are based on Provincial Gazette Extraordinary 9046, dated 26 March 2025.

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

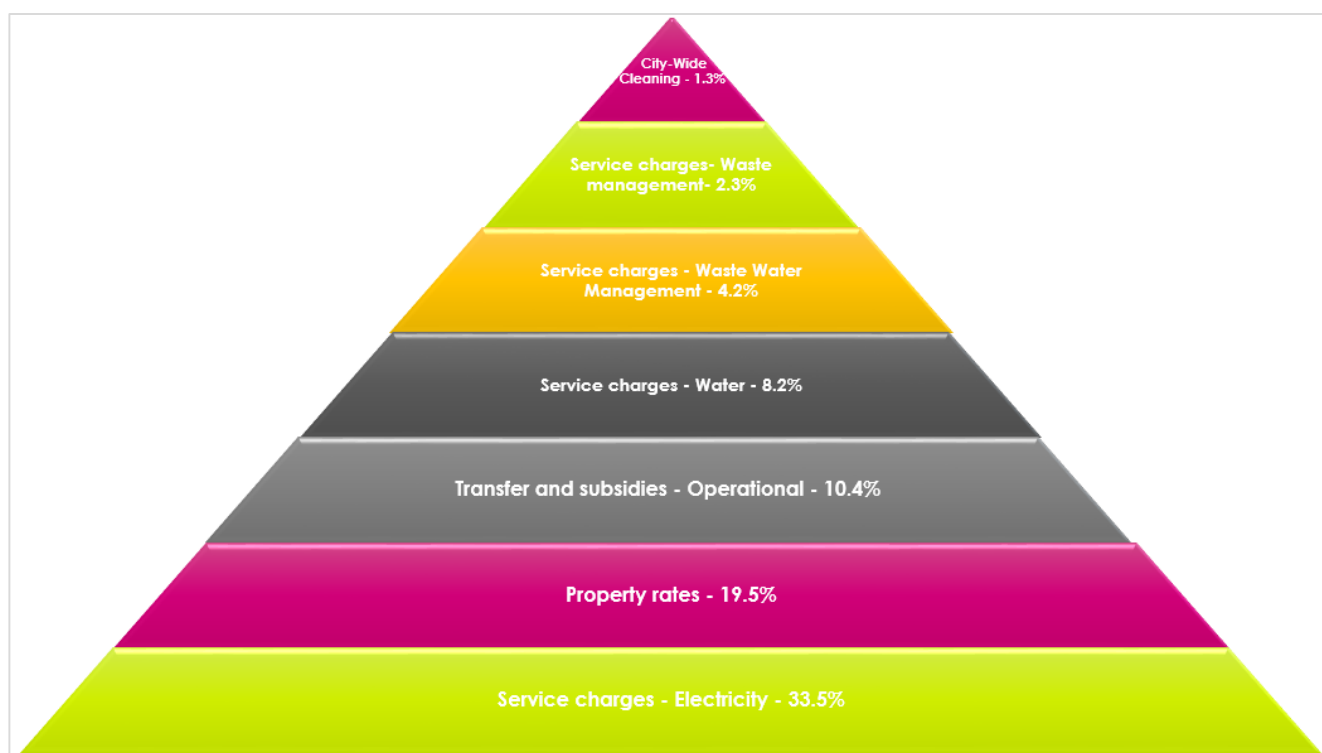


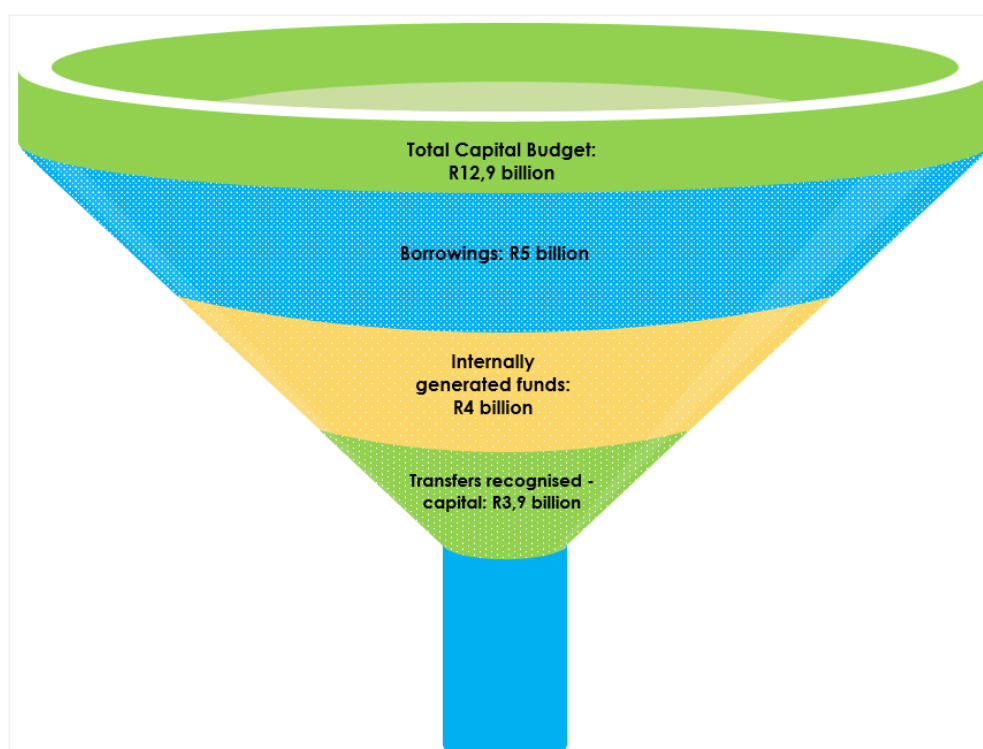
Figure 6: Main revenue categories for 2025/26

g. Capital Budget

The total capital budget amounts to R12 863 million in the 2025/26 financial year and will be funded as shown in the ensuing table.

Table 15 – Major capital funding sources for the 2025/26 budget

Major Capital Funding Sources R Thousand	Budget 2025/26
Borrowings	5 000 000
Transfers recognised - capital	3 855 190
Internally generated funds	4 007 449
Total	12 862 639

**Figure 7: Capital funding sources for 2025/26**

Projects proposed for inclusion in the 2025/26 capital budget were assessed against implementable delivery plans to comply with, *inter alia*, implementation readiness, tender readiness (must be on the City's Demand Plan), strategic alignment and capacity to implement.

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

Major capital expenditure planned in 2025/26 for the following directorates:

- Energy – R1 250 million
- Human Settlements – R1 229 million
- Urban Mobility – R3 091 million
- Urban Waste Management – R439 million
- Water & Sanitation – R4 926 million

1.5 Operating Revenue Framework

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

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

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

The ensuing table is a summary of the 2025/26 MTREF (classified by main revenue source):

Table 16 – Summary of Revenue classified by main revenue sources

Description R thousand	2025/26 Medium Term Revenue & Expenditure Framework		
	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Revenue By Source</u>			
Exchange Revenue			
Service charges - Electricity	23 663 555	24 309 320	25 094 791
Service charges - Water	5 776 241	6 257 772	7 434 130
Service charges - Waste Water Management	2 966 006	3 235 545	3 850 787
Service charges - Waste Management	1 658 640	1 764 463	1 869 504
Sale of Goods and Rendering of Services	816 579	814 104	862 368
Agency services	302 874	310 022	337 339
Interest earned from Receivables	339 731	364 128	418 418
Interest earned from Current and Non Current Assets	758 522	648 785	789 055
Rental from Fixed Assets	494 307	530 622	613 594
Licence and permits	205	214	224
Special rating levies	494 107	523 753	555 178
Operational Revenue	423 376	439 920	465 425
Non-Exchange Revenue			
Property rates	13 768 100	14 946 054	15 943 920
Surcharges and Taxes	–	–	–
Fines, penalties and forfeits	1 878 556	1 892 592	1 916 560
Licences or permits	50 301	52 565	54 877
Transfer and subsidies - Operational	7 329 561	7 404 716	7 561 017
Interest	98 675	103 115	107 652
Fuel Levy	2 851 776	2 972 451	3 096 441
Operational Revenue	906 078	980 527	1 089 489
Gains on disposal of Assets	70 772	60 884	110 999
Other Gains	6 084 343	6 600 539	7 562 025
Discontinued Operations	–	–	–
Total Revenue (excluding capital transfers and contributions)	70 732 307	74 212 092	79 733 792

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

Table 17 – Revenue by source as a percentage of total budget

Description	2025/26 Medium Term Revenue & Expenditure Framework					
	Budget Year 2025/26	%	Budget Year +1 2026/27	%	Budget Year +2 2027/28	%
R thousand						
Revenue By Source						
Exchange Revenue						
Service charges - Electricity	23 663 555	33.5%	24 309 320	32.8%	25 094 791	31.5%
Service charges - Water	5 776 241	8.2%	6 257 772	8.4%	7 434 130	9.3%
Service charges - Waste Water Management	2 966 006	4.2%	3 235 545	4.4%	3 850 787	4.8%
Service charges - Waste Management	1 658 640	2.3%	1 764 463	2.4%	1 869 504	2.3%
Sale of Goods and Rendering of Services	816 579	1.2%	814 104	1.1%	862 368	1.1%
Agency services	302 874	0.4%	310 022	0.4%	337 339	0.4%
Interest earned from Receivables	339 731	0.5%	364 128	0.5%	418 418	0.5%
Interest earned from Current and Non Current Assets	758 522	1.1%	648 785	0.9%	789 055	1.0%
Rental from Fixed Assets	494 307	0.7%	530 622	0.7%	613 594	0.8%
Licence and permits	205	0.0%	214	0.0%	224	0.0%
Special rating levies	494 107	0.7%	523 753	0.7%	555 178	0.7%
Operational Revenue	423 376	0.6%	439 920	0.6%	465 425	0.6%
Non-Exchange Revenue						
Property rates	13 768 100	19.5%	14 946 054	20.1%	15 943 920	20.0%
Surcharges and Taxes	–	0.0%	–	0.0%	–	0.0%
Fines, penalties and forfeits	1 878 556	2.7%	1 892 592	2.6%	1 916 560	2.4%
Licences or permits	50 301	0.1%	52 565	0.1%	54 877	0.1%
Transfer and subsidies - Operational	7 329 561	10.4%	7 404 716	10.0%	7 561 017	9.5%
Interest	98 675	0.1%	103 115	0.1%	107 652	0.1%
Operational Revenue	906 078	1.3%	980 527	1.3%	1 089 489	1.4%
Gains on disposal of Assets	70 772	0.1%	60 884	0.1%	110 999	0.1%
Other Gains	6 084 343	8.6%	6 600 539	8.9%	7 562 025	9.5%
Discontinued Operations	–	0.0%	–	0.0%	–	0.0%
Total Revenue (excluding capital transfers and contributions)	70 732 307	100.0%	74 212 092	100.0%	79 733 792	100.0%
Total Revenue from Rates and Service Charges	47 832 543	67.6%	50 513 154	68.1%	54 193 132	68.0%

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

Rates and Service Charges makes up 67.6% of the City's total revenue mix for 2025/26. Services charges – electricity revenue makes up the largest revenue source totalling R23 664 million (33.5% of total revenue). Property rates is the second largest revenue source totalling R13 768 million (19.5% of total revenue). City-Wide Cleaning revenue is deemed/categorised as non-exchange revenue as per mSCOA classification and has not been included in the service charges reflected in the table above.

Transfers and subsidies (operating grants and transfers) total R7 330 million (10.4% of total revenue) and increases to R7 561 million by 2027/28. For purposes of the 2025/26 budget compilation, national allocations are based on the Division of Revenue Bill (DoRB) (B15-2025), Government Gazette No. 52626, dated 8 May 2025, Provincial allocations are based on Provincial Gazette Extraordinary 9046, dated 26 March 2025.

Table 18 – Operating Transfers and Grant Receipts (MBRR Table SA18)

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Operating Transfers and Grants: RECEIPTS									
National Government:	4 300 584	4 528 197	5 097 646	5 381 586	5 492 087	5 492 087	5 774 169	5 829 595	6 040 227
Local Government Equitable Share	3 215 174	3 656 394	4 066 769	4 365 700	4 365 700	4 365 700	4 693 517	4 984 545	5 209 949
Finance Management grant	1 000	1 000	100	1 000	1 000	1 000	1 000	1 200	1 300
Urban Settlements Development Grant	113 551	22 079	37 791	201 714	171 112	171 112	199 548	182 416	206 260
Energy Efficiency and Demand Side Management Grant	1 084	897	925	800	900	900	980	1 100	1 100
Expanded Public Works Programme	49 073	42 406	59 093	26 664	26 664	26 664	14 926	–	–
Infrastructure Skills Development	10 919	10 395	9 321	11 400	13 952	13 952	25 600	26 000	26 500
Public Transport Network Grant	640 853	441 734	639 534	474 839	580 436	580 436	571 325	413 531	390 975
Informal Settlements Upgrading Partnership Grant	6 243	26 506	43 765	99 469	103 458	103 458	97 240	101 515	106 314
National Skills Fund	21 325	25 636	–	–	1 321	1 321	–	–	–
Programme And Project Preparation Support Grant	70 890	65 970	68 877	70 000	80 000	80 000	72 000	54 000	45 000
Public Employment Program (NT PEP)	161 000	230 177	167 021	130 000	130 000	130 000	98 034	65 287	52 829
Municipal Disaster Recovery Grant Flood Intervention	–	–	4 450	–	–	–	–	–	–
Philippi Agri Hub	9 472	–	–	–	–	–	–	–	–
Regional Land Claims Commissioner	–	5 004	–	–	–	–	–	–	–
MDRG Flood Interventions	–	–	–	–	17 544	17 544	–	–	–
Provincial Government:	871 234	1 137 347	1 095 177	1 411 106	1 462 299	1 462 299	1 438 018	1 484 779	1 491 279
Cultural Affairs and Sport - Provincial Library Services	43 116	52 712	53 826	55 339	56 354	56 354	57 473	58 032	59 375
Cultural Affairs and Sport - Library Services: Transfer funding to enable City of Cape Town to procure periodicals and newspapers	5 338	5 338	5 658	1 448	1 469	1 469	–	–	–
Human Settlements - Human Settlement Development Grant	172 930	187 210	271 083	307 920	381 941	381 941	304 420	334 470	292 900
Health - TB	41 026	40 783	43 780	30 774	30 774	30 774	31 602	93 290	102 585
Health - ARV	273 247	297 717	266 639	311 883	264 883	264 883	299 819	313 603	328 020
Health - Nutrition	3 289	6 622	6 140	5 909	5 909	5 909	6 068	6 232	6 400
Health - Vaccines	124 577	94 836	91 424	98 008	98 008	98 008	100 644	78 748	78 748
Comprehensive Health	–	–	–	198 880	198 880	198 880	204 230	173 489	173 489
Law Enforcement Advancement Plan (LEAP)	146 034	395 813	308 088	350 000	353 000	353 000	350 000	365 750	381 112
Transport and Public Works - Provision for persons with special needs	10 000	10 000	10 000	10 000	10 175	10 175	10 000	10 000	10 000
Community Safety - Law Enforcement Auxiliary Services	2 209	500	4 666	1 800	5 400	5 400	1 800	1 800	1 881
Community Development Workers	1 001	1 034	1 018	1 018	1 050	1 050	1 018	1 018	1 018
Tourism Safety Law Enforcement Unit	1 834	–	2 000	2 000	2 000	2 000	2 000	–	–
Municipal accreditation and capacity building grant	7 500	10 000	7 500	5 000	11 897	11 897	18 497	12 000	18 130
Department of Education	–	–	–	22 860	24 078	24 078	35 040	36 347	37 621
Human Settlements - Human Settlement Development Grant TDRG	–	–	–	8 267	10 707	10 707	7 171	–	–
Settlement Assistance	–	–	–	–	398	398	–	–	–
Financial Management Capability Grant	–	–	–	–	150	150	–	–	–
Municipal Service Delivery and Capacity Building Grant	–	–	–	–	650	650	–	–	–
Transport Systems - Public Transport Safety	–	–	–	–	4 577	4 577	8 236	–	–
Municipal Library Support	8 533	–	–	–	–	–	–	–	–
Auxiliary Law Enforcement Officers	–	2 352	–	–	–	–	–	–	–
Finance Management Capacity Building Grant	250	300	1 200	–	–	–	–	–	–
WCED SRT Programme	–	20 000	–	–	–	–	–	–	–
LG Public Employment Support Grant	17 600	–	–	–	–	–	–	–	–
K9 Unit	350	1 000	–	–	–	–	–	–	–
Title Deeds Restoration	12 400	11 129	9 014	–	–	–	–	–	–
Cultural Affairs and Sport: Library Services: Metro Library Grant	–	–	9	–	–	–	–	–	–
Transport and Safety Compliance	–	–	13 132	–	–	–	–	–	–
Other grant providers:	4 775	6 036	8 657	126 477	114 830	114 830	117 374	90 342	29 511
CID	4 555	6 035	8 572	57 279	37 735	37 735	63 230	60 014	23 199
Mayor's Relief fund	–	1	1	–	–	–	–	–	–
KFW- Technical Assistance (GDB)	–	–	–	11 000	8 000	8 000	12 000	3 232	–
State Dept: RLCC	–	–	–	5 463	5 463	5 463	7 900	–	–
National Treasury - Interest	–	–	–	48 254	58 295	58 295	29 586	26 876	6 311
The Cape Academy for MST	–	–	–	16	46	46	–	–	–
Chieta	–	–	84	–	527	527	–	–	–
Law Enforcement Officers for Health Facilities	–	–	–	4 245	4 311	4 311	4 438	–	–
LGSETA Post Grad Intern Programme	–	–	–	–	69	69	–	–	–
Department of Environmental Affairs and Tourism	220	–	–	220	384	384	220	220	–
Total Operating Transfers and Grants	5 176 593	5 671 579	6 201 480	6 919 169	7 069 216	7 069 216	7 329 561	7 404 716	7 561 017

1.6 Operating Expenditure Framework

The City's expenditure for the 2025/26 budget and MTREF is informed by the Long Term Financial Plan (LTFP) strategy of getting to a realistic, deliverable MTREF within a revenue envelope, which is credible and affordable to its ratepayers, consumptive users and stakeholders. This strategy is discussed in detail in the *Overview of budget assumptions applied to the 2025/26 MTREF* section on page 108.

A differentiated budgeting approach, principles of cost containment, elimination of wasteful expenditure and reprioritisation of spending were some of the technical imperatives when preparing the 2025/26 MTREF.

Based on the 2023/24 outcomes/past year's performance the following budget principles were applied:

- No increase was applied to operational costs, contracted services, and inventory consumed (excluding water inventory) for all directorates for the three years of the MTREF;
- No increases on overtime across all directorates; and
- Differentiated parameters were applied to repairs and maintenance based on the nature of expenditure, the nature of service department, and previous performance.

During the Strategic Management Framework (SMF) process various directorates indicated budget gaps to deliver to the City's Strategy and the chart below reflects service enhancements that were included in the 2025/26 operating budget.

Community Services & Health (R13.2m) • Environmental Health – upgrade of business license program: R5m • Street People Programme – Overtime: R2.5m • Surge capacity for mowing (September to November 2024): R4.5m • Maiden's Cove public braai area – (Open until 9pm): R1.2m	Economic Growth (R7.2m) • Three Anchor Bay - Proposed Mixed Use Development: R2.2m • Greater Tygerberg Partnership - Better Bellville Project: R5m	Future Planning & Resilience (R7.9m) • Implement the Data Strategy & respond to complex or urgent challenges across City functions: R7.9m
Spatial Planning & Environment (R22.3m) • Asset Management: Heritage resources: R6.5m • Drive Precinct Development by implementing three local area/precinct developments: R5.5m • Development Management Optimisation Programme – heritage zone audits: R2.8m • Polyphagous Shothole Borer Beetle: R7.5m	Safety & Security (R429.2m) • SWAT Specialised Services: R20.8m • Enhance firefighting initiative: R17.2m • Event and film industry facilitation project: R5m • Project management capacity: R5.9m • Repairs and maintenance: R5m • Digital evidence video analytics: R3m • Ammunition Firearm training: R10m • Scanning and Decryption Software Licenses: R7.2 m • Deployment of 48 LEO outside the CTIA/N2/Borchers Quarry: R20m • Escort Services: R154.1m • Project 1000 (Cadets): R181m	Water & Sanitation (R38 m) • Litter booms : R12m • R&M: Clearing / Removal of Litter and Sludge: R26m

Figure 8: Service enhancements approved for 2025/26

The following table shows operating expenditure, classified by main type, over the 2025/26 MTREF.

Table 19 – Summary of operating expenditure by main type

Description R thousand	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure									
Employee related costs	15 255 905	15 261 344	17 107 614	19 311 622	19 214 080	19 221 343	20 889 090	22 220 571	23 760 020
Remuneration of councillors	165 163	176 064	183 030	200 324	188 313	188 408	197 729	207 615	217 996
Bulk purchases - electricity	11 561 609	11 812 158	13 941 386	15 472 230	15 974 700	15 974 700	17 755 086	18 363 846	19 062 355
Inventory consumed	5 788 277	5 689 936	6 655 014	7 077 642	7 163 350	7 163 350	7 899 755	8 499 592	9 712 278
Debt impairment	703 122	854 246	646 452	2 856 164	2 823 023	2 823 023	3 217 478	3 214 620	3 242 407
Depreciation and amortisation	3 056 503	3 259 524	3 495 788	3 807 669	3 804 737	3 804 737	3 974 164	4 203 400	4 605 312
Interest	776 622	772 433	829 972	1 214 301	1 089 467	1 087 742	1 428 206	1 776 623	2 054 031
Contracted services	7 734 377	8 913 196	9 500 850	9 767 037	10 375 036	10 393 796	11 100 541	11 020 646	11 093 184
Transfers and subsidies	406 842	377 101	359 818	360 208	420 430	420 430	388 523	353 947	345 847
Irrecoverable debts written off	2 139 714	2 167 322	2 222 618	188 242	242 138	242 138	123 202	123 202	123 202
Operational costs	2 439 288	2 756 412	3 115 930	3 520 240	3 693 270	3 668 692	3 768 638	4 277 064	4 387 987
Losses on disposal of Assets	13 948	37 655	11 729	2 244	2 630	2 644	2 500	2 500	2 500
Other Losses	603 290	450 154	380 448	563 907	447 298	447 470	532 092	576 478	681 412
Total Expenditure	50 644 660	52 527 548	58 450 649	64 341 831	65 438 472	65 438 472	71 277 006	74 840 106	79 288 532

Employee related costs amounts to R20 889 million in 2025/26, which equates to 29.3% of the total operating expenditure. The year-on-year increase of 8.7% is as a result of the salary increase, staff costs funded from Operating Grants & Donations, additional allocations for further 528 cadets to be employed to improve safety in communities, deployment of 48 law enforcement officers outside the CTIA/N2/Borcherds Quarry, facility protection officers (Escort Service Unit) to assist internal departments for the implementation of the City's projects in high risk/crime areas, provision for Special Weapons & Tactics Unit (SWAT) for specialised services and continuous investment in the Law Enforcement Advancement Programme (LEAP).

The cost associated with the remuneration of councillors is determined by the Minister of Co-Operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). A 5% increase is provided in the 2025/26 budget.

Provision for Debt Impairment equates to R3 217 million in 2025/26 and increases to R3 242 million in 2027/28 based on projected collection rates and the management of debt through the City's Credit Control & Debt Collection Policy.

Budgeted appropriations for Depreciation and Amortisation, which is linked to the capitalisation rate of assets, total R3 974 million for 2025/26. The calculation of depreciation on new capital expenditure is based on variables such as asset class and the lifespan of the asset depending on its nature. Depreciation of existing assets is calculated based on simulated financial system (SAP) data, which reflects actual values per annum. Assets under construction (AUC) are calculated based on asset class lifespan and projected capitalisation dates.

Interest consists primarily of the budgeted interest on long-term borrowing (cost of capital) as part of the 2025/26 operating expenditure. The increase over the 2025/26 MTREF is driven by new loans, which will be taken up to fund the City's capital programme, and related projected interest loan service charges over this period.

Budgetary provision for Bulk Purchases – Electricity amounts to R17 755 million. This provision is for the purchase of electricity from Eskom and is influenced by the higher levels of load-shedding and consumer behaviour. In this regard, annual price increases have been factored into the budget appropriations, which in turn impacts on the tariff requirements for these tariff-based services.

Inventory consumed caters for sundry items such as the bulk water, fuel, materials for maintenance, cleaning materials and chemicals. This category is projected at R7 900 million in 2025/26 increasing to R9 712 million by 2027/28.

Contracted services include provisions for repairs and maintenance, and additional allocations for service delivery enhancements. Expenditure levels are projected at R11 101 million in 2025/26 escalating to R11 093 million in 2027/28.

Operational costs of R3 769 million, includes provisions for, *inter alia*:

- Collection costs – R213 million
- Training – R78 million
- Operating leases – R370 million
- Premiums Unicity Insurance Programme – R149 million
- MIDS/CIDS (Special Rating Areas) – R479 million
- Software Licences: Upgrade/Protection – R457 million
- Specialised Information Technology services – R282 million
- Electricity costs – R308 million
- Indigent Relief: Electricity (Eskom) – R242 million
- Uniform and protective clothing – R188 million
- Levy: Skills Development – R134 million

Below is a graphical breakdown of the expenditure categories for 2025/26.

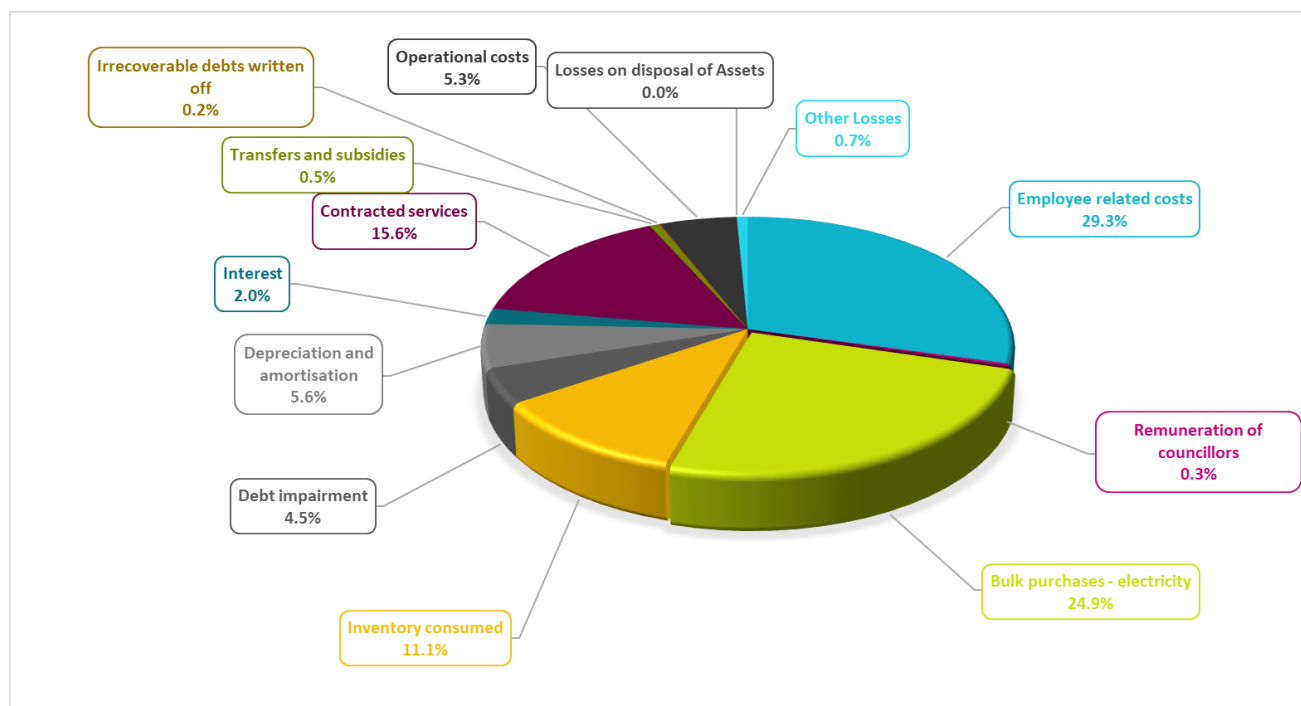


Figure 9: Operational expenditure categories for 2025/26

1.6.1 Priority given to Repairs & Maintenance

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

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

A CPI growth was applied to the following directorates: Economic Growth and Energy.

Zero growth was applied to the following directorates: Finance, Safety & Security, Future Planning & Resilience, Spatial Planning & Environment, and Office of the City Manager. In addition, there was no parameter increase for Urban Mobility, however, an additional allocation of R153 million for, *inter alia*, roads infrastructure management maintenance has been included for this directorate.

A differentiated approach was followed for Urban Waste Management:

- Collections: CPI +1
- Disposal: CPI +1
- Urban Waste Rates (City-wide cleaning): No increase

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

Table 20 – Operational repairs and maintenance

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Repairs and Maintenance by Expenditure Item									
Employee related costs	1 238 355	1 257 716	1 607 829	1 778 136	1 845 037	1 845 037	2 280 782	2 397 946	2 518 762
Inventory Consumed (Project Maintenance)	336 924	429 022	480 841	535 579	550 191	548 702	576 395	606 083	636 727
Contracted Services	2 711 646	3 144 809	3 220 537	3 122 524	3 489 774	3 511 294	3 696 096	4 013 352	4 073 284
Operational Costs	181 354	259 834	304 482	229 304	256 810	255 924	288 745	305 363	319 280
Total Repairs and Maintenance Expenditure	4 468 279	5 091 380	5 613 689	5 665 543	6 141 812	6 160 957	6 842 018	7 322 744	7 548 054

The repairs and maintenance allocation for 2025/26 is R6 842 million. The allocations reflect the differentiated approach to repairs and maintenance of different line functions.

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

Repairs and maintenance by expenditure type for 2025/26 is graphically shown below.

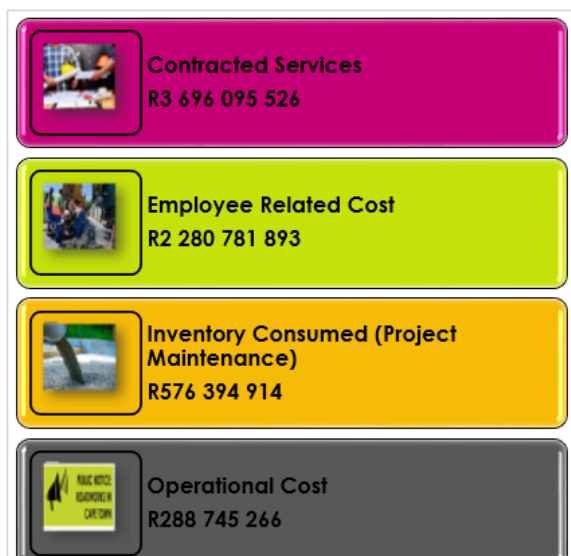


Figure 10: Repairs and maintenance split by expenditure type

Repairs and maintenance by directorate for 2025/26 is graphically shown below.

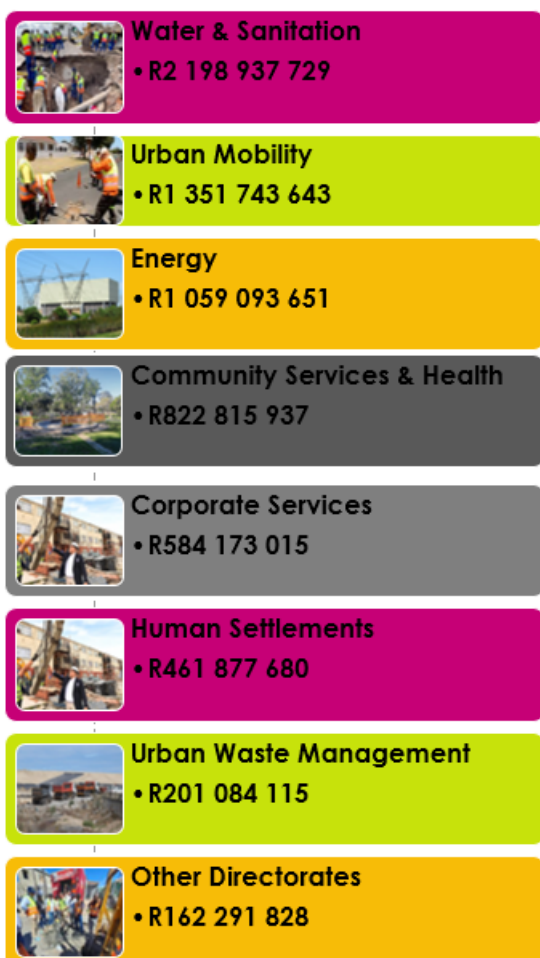


Figure 11: Repairs and maintenance split by directorate

1.7 Capital Expenditure

1.7.1 Capital Funding Sources

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

Table 21 – Capital budget funding sources

Major Capital Funding Sources R Thousand	Budget 2025/26
Capital Grants & Donations (CGD)	3 855 190
Capital Replacement Reserve (CRR)	1 059 482
External Financing Fund (EFF)	7 697 937
Revenue (Internal funding source)	250 031
Total	12 862 639

Capital Grants and Donations (CGD)

Capital Grants & Donations represent R3 855 million or 30.0% of the 2025/26 capital funding and consists largely of national- and provincial allocations. Of the R3 855 million that the City will receive in grants, R3 736 million or 96.91% will be from national government, while R6,7 million or 0.18% will be from provincial government. It should be noted that projects funded from national- and provincial government grants must conform to specific conditions as per the respective grant frameworks.

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

Table 22 – Capital grants and donations expected over the MTREF

Capital Grants and Donations R Thousand	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	6 020	7 400	7 900
National Treasury: Informal Settlements Upgrading Partnership Grant: Municipalities	522 287	546 395	570 895
National Treasury: Infrastructure Skills Development Grant	600	1 000	1 000
National Treasury: Neighbourhood Development Partnership Grant	12 066	9 913	14 362
National Treasury: Public Transport Network: Budget Facility for Infrastructure Grant	1 905 000	1 776 000	766 000
National Treasury: Urban Settlements Development Grant	888 746	955 560	983 176
Transport: Public Transport Network Grant	401 162	752 467	418 356
Cultural Affairs and Sport: Library Services: Metro Library Grant	6 097	6 377	6 664
Provincial Government: Municipal Accreditation and Capacity Building Grant	560	–	270
National Treasury: Interest Other	310	–	–
Private - Orio	56 141	66 553	19 836
Private Sector Finance	56 200	58 472	67 730
Grand Total	3 855 190	4 180 136	2 856 189

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

National Treasury has allocated the PTNG funding withheld in 2024/25 and 2025/26 in the form of additional PTNG in 2026/27 in order for the City to fund the acquisition of electric buses.

For purposes of the 2025/26 budget compilation, national allocations are based on the Division of Revenue Bill (DoRB) (B15-2025), Government Gazette No. 52626, dated 8 May 2025.

Provincial allocations are based on Provincial Gazette Extraordinary 9046, dated 26 March 2025.

Capital Replacement Reserve (CRR)

Funding from the CRR represents R1 059 million or 8.2% of the 2025/26 capital funding.

Currently an amount of R160 million is allocated as bridging funding in 2026/27 ex CRR, in anticipation of the discretionary component of the first year of DoRB, which will be gazetted in February 2026. The City will review its funding approach as part of the budget process on an annual basis, and should the grant funding not materialise as envisaged by the Urban Mobility Directorate, the Directorate would be required to reduce the capital budget in that particular financial year.

In addition to the above, the City will include an additional amount of R250 million funded ex CRR: Contingencies, in order to maximise spending on grant funded projects where construction related contingencies were previously soft-locked and no co-funding source other than grants are available.

The City will continue to make CRR funding available in 2025/26 in support of, *inter alia*, the following priorities:

- Traffic congestion relief programme – R48,5 million
- Ward allocations – R53,8 million
- Electricity generation and distribution equipment, electricity generation and distribution facilities, SCADA master station upgrade and systems, vehicles, street lighting, electrification, LED refurbishment, medium voltage infrastructure refurbishment, meter replacement etc. – R501,3 million
- New Water Plan – R26 million
- Fleet & Plant: Replacement from the proceeds of sale of assets – R33 million
- Replace & Upgrade Sewer Network – R30 million
- Gordons Bay Beach Front Sewer – R2,1 million

External Financing Fund (EFF)

The most significant source of funding of the capital budget is the EFF, which amounts to R7 697 million and represents 59.8% of the total capital funding requirement in 2025/26.

The City will continue to invest substantially in its capital investment programme in order to assist with growing the local economy on a direct and indirect basis. The City reviewed its cash position in relation to its capital investment programme and will take up borrowings amounting to R5 000 million.

Revenue

The smallest source of funding of the capital budget is Revenue. It amounts to R250 million or 1.9% of the total proposed capital budget for 2025/26.

1.7.2 Infrastructure investment in the City

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

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

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

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

Indirect revenue generating assets are the balance of capital expenditure-related assets and are associated with, for example, road infrastructure, halls, parks, ERP systems etc. The below graph shows that in the 2025/26 financial year, just over R6 299 million or 49% of the total proposed capital expenditure will acquire direct revenue generating assets, increasing to R7 845 million or 55.1% in 2026/27, and reducing to just under R7 795 million or 60.5% in 2027/28.

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

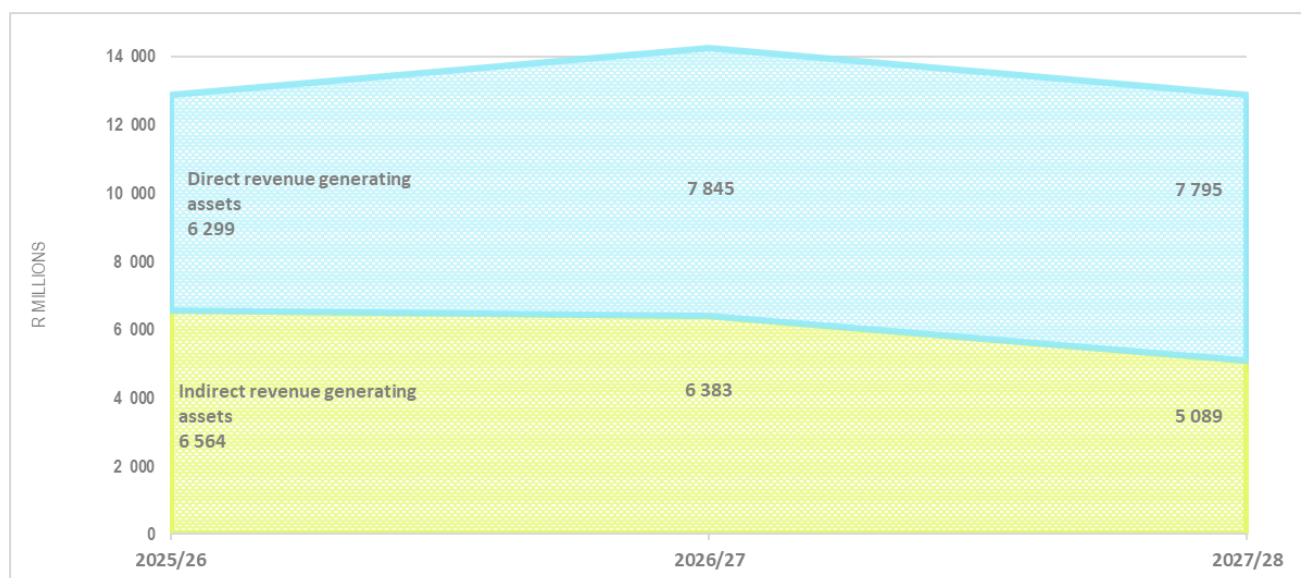


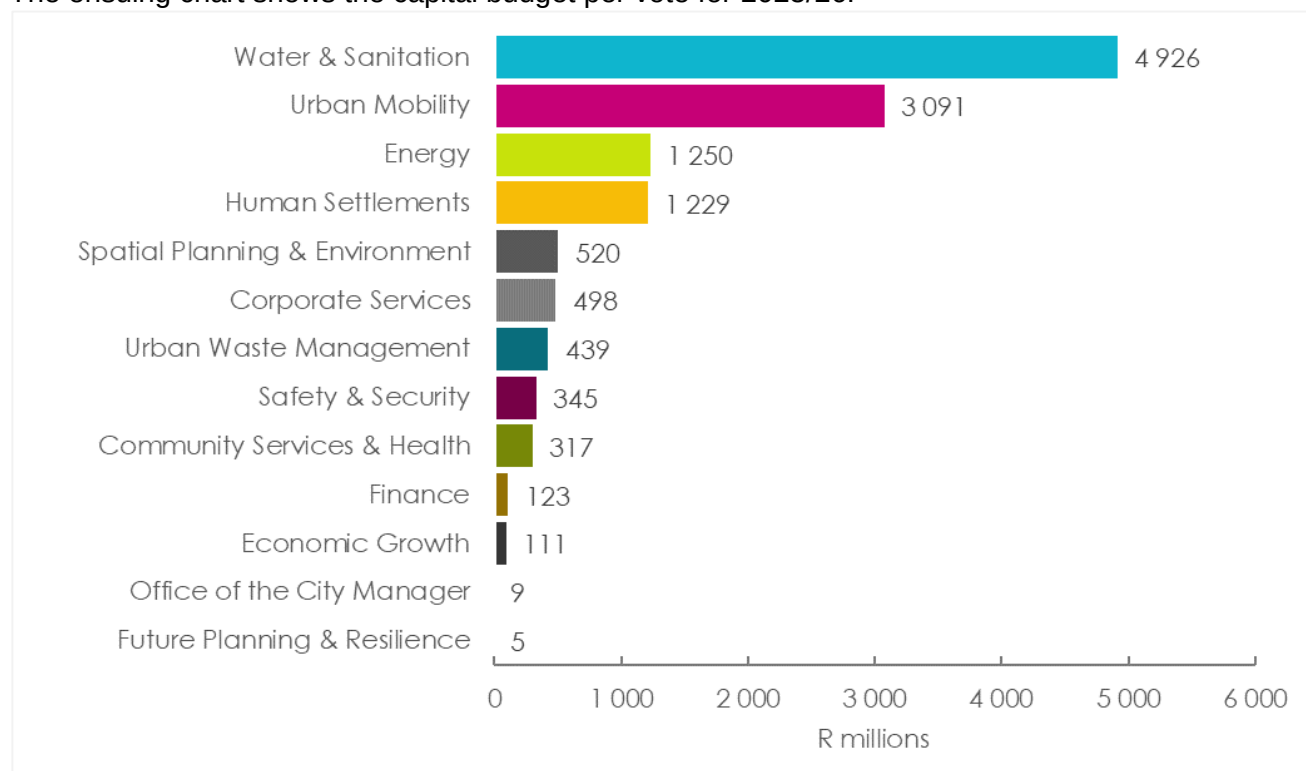
Figure 12: Direct and indirect revenue generating assets over the MTREF

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

Table 23 – Capital budget per vote over the 2025/26 MTREF

Vote Description R thousand	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2025/26	%	Budget Year +1 2026/27	%	Budget Year +2 2027/28	%
Vote 1 - Community Services & Health	347 776	3.1%	317 218	2.5%	237 263	1.7%	273 929	2.1%
Vote 2 - Corporate Services	436 614	3.8%	498 476	3.9%	924 569	6.5%	729 561	5.7%
Vote 3 - Economic Growth	127 449	1.1%	111 099	0.9%	84 703	0.6%	160 256	1.2%
Vote 4 - Energy	1 218 502	10.7%	1 249 640	9.7%	1 676 837	11.8%	1 573 438	12.2%
Vote 5 - Finance	77 873	0.7%	123 163	1.0%	16 314	0.1%	21 040	0.2%
Vote 6 - Future Planning & Resilience	26 405	0.2%	5 414	0.0%	5 388	0.0%	5 810	0.0%
Vote 7 - Human Settlements	1 094 530	9.6%	1 228 699	9.6%	999 921	7.0%	1 072 754	8.3%
Vote 8 - Office of the City Manager	6 211	0.1%	8 675	0.1%	31 636	0.2%	28 492	0.2%
Vote 9 - Safety & Security	472 532	4.1%	344 830	2.7%	214 039	1.5%	500 016	3.9%
Vote 10 - Spatial Planning & Environment	301 989	2.6%	519 567	4.0%	389 889	2.7%	230 364	1.8%
Vote 11 - Urban Mobility	2 156 762	18.9%	3 090 530	24.0%	3 225 345	22.7%	1 788 688	13.9%
Vote 12 - Urban Waste Management	416 696	3.7%	438 953	3.4%	581 984	4.1%	784 018	6.1%
Vote 13 - Water & Sanitation	4 713 051	41.4%	4 926 374	38.3%	5 839 550	41.0%	5 715 926	44.4%
Total Capital Expenditure - Vote	11 396 389	100%	12 862 639	100%	14 227 436	100%	12 884 293	100%

The ensuing chart shows the capital budget per vote for 2025/26.

**Figure 13: 2025/26 Capital budget per vote**

The Water & Sanitation Directorate receives the largest allocation of R4 926 million (38.3%), the second highest allocation of R3 091 million (24.0%) is made to the Urban Mobility Directorate, followed by R1 250 million (9.7%) to the Energy Directorate, R1 229 million (9.6%) to the Human Settlements Directorate, and R520 million (4.0%) to the Spatial Planning & Environment Directorate.

Some of the highlights in the 2025/26 MTREF, as listed per directorate, are:

- **Community Services & Health Directorate**

- Homeless accommodation extensions to address homelessness across the City, including additional bed space at homeless shelters (managed by NGOs):
 - Culemborg 1 Safe Space Extension – R4,5 million in 2025/26
 - Wynberg Homeless Accommodation Extension – R1 million in 2025/26 and R10 million in 2026/27
 - Kuilsriver Safe Space Development – R4,4 million in 2025/26
- Upgrading and enhancement of community halls and integrated recreational facilities:
 - Recreation hubs equipment: Additional FY26 – R525 000 in 2025/26
 - Bonteheuwel Civic Centre – Sports equipment – R50 000 in 2025/26
 - Durbanville Town Hall: AV equipment – R130 000 in 2025/26
 - Durbanville Town Hall: Piano lock – R20 000 in 2025/26
 - Eersteriver MPC: Kitchen equipment – R50 000 in 2025/26
 - Hillcrest Hall: Kitchen equipment – R60 000 in 2025/26
 - KTC Community Hall: Playground upgrade – R200 000 in 2025/26
 - Millers Camp Hall: Upgrade – R100 000 in 2025/26
 - Van Riebeeck Hall: Wall mounted fans – R50 000 in 2025/26
 - Upgrade Princessvlei: Construction of a circulatory trail – R10,2 million in 2025/26 and R175 627 in 2026/27
 - Regional recreation hubs FY26 – R9 million in 2025/26
 - Hanover Park Civic Centre: Recreational equipment – R 150 000 in 2025/26
 - Joe Slovo Park Community Hall: Gym area upgrade – R50 000 in 2025/26
- Library Books, Periodicals & Subscriptions for 102 libraries across the City – R13,9 million in 2025/26, R14,2 million in 2026/27, and R13,1 million in 2027/28.
- Replacement and additional library equipment including IT equipment, furniture, gaming equipment for various libraries across the City – R15,9 million in 2025/26, R11,6 million in 2026/27, and R15,3 million in 2027/28.
- Library upgrades and extensions:
 - Library upgrades and extensions city-wide: R3 million in 2025/26, and R3,2 million in 2026/27 and 2027/28, respectively
 - Lwandle Community Library Upgrade – R11,8 million in 2025/26 and R2 million in 2026/27
 - Rebuild of Suider Strand Library – R2,6 million in 2025/26, R5,2 million in 2026/27 and R19,9 million in 2027/28
- Some parks and public spaces upgrades:
 - Recreation & Parks upgrade city-wide – R9,6 million in 2025/26
 - Lupin Crescent Park upgrade – R1,5 million in 2025/26, and R5,5 million in 2026/27
 - Upgrade community parks city-wide – R4 million in 2025/26
 - Active Road Park: Walking track – R400 000 in 2025/26
 - Betterlife 1 Park: Upgrade – R400 000 in 2025/26
 - Lower Cross Road Park: Upgrade – R500 000 in 2025/26
 - Myrtle Park: Upgrade – R439 000 in 2025/26
 - Rondebosch Park: Upgrade – R415 000 in 2025/26

- Starling & Partridge Way: Walking Track – R419 400 in 2025/26, and R251 556 in 2026/27
- The Hague & Roosendal public open space (POS): Gym equipment – R500 000 in 2025/26
- Ararat POS: Fencing – R500 000 in 2025/26
- Echium Park: Fencing – R550 000 in 2025/26
- Mozart Park: Fencing – R400 000 in 2025/26
- Phillip Crescent Park: Fencing- R475 000 in 2025/26
- Mnandi Beach Upgrade – R4,4 million in 2025/26
- Strandfontein Pavilion refurbishment – R6,8 million in 2025/26, R15,4 million in 2026/27 and R45,2 million in 2027/28
- Enhancement of local community sport facilities:
 - Site C Stadium: Upgrade – R500 000 in 2025/26 and R400 000 in 2026/27
 - Synthetic pitches city-wide – R2 million in 2025/26
 - Ocean View baseball pitch – R1,3 million in 2025/26
 - Facility upgrades: SASREA compliance city-wide – R1 million in 2025/26
 - Strandfontein Clubhouse Development – R3 million in 2025/26, R17,9 million in 2026/27 and R422 113 in 2027/28
- Swimming pool redevelopment, general upgrade of existing swimming pools, and swimming pool equipment across the City:
 - Swimming Pool Redevelopment – R6 million in 2025/26
 - Replacement and additional equipment – R3 million in 2025/26, R1,5 million in 2026/27, and R3 million in 2027/28
 - Long Street pool upgrade - R2,1 million in 2025/26, R500 000 in 2026/27 and R5 million in 2027/28
 - Sea Point Pool upgrade - R2,4 million in 2025/26, R4,2 million in 2026/27 and R10 million in 2027/28
 - Vulindlela Pool upgrade - R2 million in 2025/26 and R1 million in 2026/27
- **Corporate Services Directorate**
 - Broadband Infrastructure Programme (BIP) – R37,3 million in 2025/26, R31,2 million in 2026/27 and R90,7 million in 2027/28. Aims to optimise and maintain the City's broadband network by replacing critical components that are nearing or have reached the end of their lifecycle. The programme also involves rerouting redundant optical fibre pathways and enhancing the overall efficiency of the network.
 - IT: Corporate Application Refresh Infrastructure (CAR) – R115,6 million in 2025/26, R645,2 million in 2026/27 and R260,5 million in 2027/28. The intention for the CAR Programme is to replace the City's ageing IT-assets nearing end-of-life. This includes the Core Applications across the City as follows: Productivity – Microsoft; ERP – SAP and GeoSpatial – ESRI. Ultimately, the CAR Programme, will implement new technologies that will contribute to financial stability and clean financial audits for the City of Cape Town, ensuring that the City remains fully operational and able to deliver services to our residents. With these new technologies, there will be a focus on citizen-centricity, offering our residents multiple digital channels to engage with the City and experience enhanced service delivery. Our Services Providers and Suppliers will enjoy the benefits of new digital platforms to engage with the City enabling the ease of doing business. The City's employees will also enjoy an improved employee value proposition (EVP) through greater automated processes and digital/mobile solutions at their finger-tips. Important to note is that the budgets that have been submitted for the 2025/26 MTREF period are based on a possible deployment option. There are a number of different deployment options that the

City is considering and based on the option selected the budget requirements for this programme may change.

- Corporate Fleet & Plant replacement including specialised fleet - R208 million in 2025/26, R125,5 million in 2026/27 and R195 million in 2027/28.
- Facilities Upgrade: Bellville Theatre - R1,2 million, R135 000, and R28,3 million over the 3-year MTREF to ensure compliance in respect of mechanical, electrical and fire aspects.

- **Economic Growth Directorate**

- Construction of Thembokwezi Market, Khayelitsha – R3,8 million in 2025/26 and R7,9 million in 2026/27: The market will serve twenty-five informal traders. It will feature a triple-storey trading service support centre (TSSC), trading spaces equipped with roller shutter doors, areas for light manufacturing, waste recycling facilities, and a public court, which will transform the informal trading area into a versatile multi-purpose facility that caters to both day- and night-time activities.
- City Hall and Grand Parade Upgrade – R3,3 million in 2025/26, R3,4 million in 2026/27 and R8,8 million in 2027/28, which will include the following:
 - Upgrade: Kiosk operating and dining area, Grand Parade
 - Auditorium enhancements, City Hall
 - Upgrade fire protection system, City Hall
 - Upgrade kitchen, City Hall
- Good Hope Centre Upgrade – R4,7 million in 2025/26, and R500 000 in 2026/27 and 2027/28, respectively for:
 - Refurbishment of the roof and structure of Good Hope Centre
 - Upgrade of Good Hope Centre fencing and making the space accommodative for tenants
- Upgrade and expand trader infrastructure, Green Point Park – R500 000 in 2025/26, R1 million in 2026/27 and R9,6 million in 2027/28: These open-air markets provide significant economic and social benefits by allowing retailers to reach customers directly. These markets can serve as hubs for economic activity, creating employment and fostering entrepreneurship within the local community.
- Construction of trading structures in Gatesville – R3,3 million in 2025/26: This project entails the planning and piloting of trading infrastructure in Gatesville, which will include:
 - Detailed designs for various trading structures to accommodate different commodities
 - Piloting phase 1 of informal trading structures in Gatesville
 - Detailed designs and installation of Trader Support Service Centre (TSSC)
 - Installation of fencing
- Bellville PTI/CBD new built demarcated trading bays & structures – R6,3 million in 2025/26: This will include:
 - Widening of Charl Malan Street to improve pedestrian movement
 - Detailed designs for demarcation of trading bays and structures
 - Hard surfacing and demarcation of trading bays
 - Construction of trading structures

- Goodwood new built informal trading structures – R4,5 million in 2025/26: This project will improve trading conditions in Goodwood in the short- to medium term by providing appropriate informal trading structures and designs suitable for various trading commodities.
- Athlone Stadium Upgrade – R24,3 million in 2025/26, R24,2 million in 2026/27 and R25,3 million in 2027/28, which will include:
 - Installation of a scoreboard screen
 - Refurbishing through waterproofing
 - Replacement of spectator seating
 - Upgrading of electrical and lighting, public address system, ablutions and plumbing, HVAC and extractor system, turnstiles, and signage
- **Energy Directorate**
 - Ground Mounted PV – R12 million in 2025/26: The size of the encumbered land available for a solar farm is approximately 18 hectares, which would nominally support a solar farm of about 7MW. The project will contribute towards increased security of supply by providing alternate energy supply to that of Eskom. This project forms part of the Mayor's Priority Programme, which is to reduce the impact of load-shedding in the City.
 - Battery Energy Storage Systems – R55,3 million in 2025/26 and R2,3 million in 2026/27: This initiative will include the design, construction and operational & set-up for Battery Energy Storage System (BESS) at several locations in the network, which will provide a buffer and improve the capability of the network.
 - Small Scale Embedded Generator Programme and Renewable Energy initiative – R79,2 million in 2025/26, R70,3 million in 2026/27 and R77,2 million in 2027/28: Installation of rooftop and ground-mounted solar PV systems at municipal facilities, which will improve the financial sustainability of the City by reducing electricity purchases from Eskom, thus mitigating Eskom's electricity tariff increases as well as increasing security of supply by providing an alternate energy supply to that of Eskom. Facilities, that will benefit are:
 - Athlone Waste Water Treatment Works (WWTW)
 - Fisantekraal WWTW
 - Ndabeni Electricity Depot & Workshops
 - Wesfleur WWTW
 - Steenbras: Refurbishment of Main Plant – R914 334 in 2025/26, R217,2 million in 2026/27 and R98,5 million in 2027/28: Refurbishment of the Steenbras Pumped Storage Power Station in line with the most economically viable plant refurbishment and optimisation scenario, which will deliver optimum hydraulic behaviour, increased dynamic operating range, power output, and efficiency, and optimum residual life. The power station will contribute towards energy security within the City for a further 20-plus years by providing improved energy storage and load-shedding mitigation capability.
 - Steenbras Power Station crane refurbishment - R7,4 million in 2025/26.
 - City-wide electrification – R21,4 million in 2025/26, R12,1 million in 2026/27 and R10,1 million in 2027/28: Installation of individual electricity meters to households within informal settlements and backyard dwellings reducing the risk of illegal connections and open fires while restoring human dignity and quality of life. The work will also include electrification in areas such as Imizamo Yethu, Khikhi and Nomzamo.

- Street lighting and public lighting – R77,1 million in 2025/26, R85,5 million in 2026/27 and R87,5 million in 2027/28: Provision of network extension of public lighting infrastructure across the City's areas of supply (North, South, East), as well as Eskom area of supply (Central) where the area/road is eligible for lighting but none is present or sub-standard. It will also include the bulk replacement of existing street lighting luminaires with the more energy efficient LED lighting across the full geographical extent of the City by prioritising replacement of obsolete mercury vapour lamps where possible, followed by HPSV lamps starting with main thoroughfares before moving to minor roads. Replacement of approximately 2 860 luminaires per year is targeted once the programme has matured and will continue until all the luminaires have been changed (over period of at least 24 years).

- **Finance Directorate**

- Upgrade security at Cash Offices (MVR), and replacement and additional furniture and IT equipment – R15,8 million in 2025/26, R980 000 in 2026/27 and R2 million in 2027/28: To process payment arrangements and indigent applications efficiently and improve customers' experience.
- System Enhancement Programme – R4,5 million in 2025/26: Upgrade City's online platforms to allow customers to engage online including Revenue Customer Centric e-Application, Real Estate FX Data Alignment, Business Partner Model, and Electronic Signature.
- Floodlighting replacement at the Cape Town Stadium – R41 million in 2025/26: The current lighting is conventional and the replacement lighting will be energy saving and therefore reduce cost.
- LED Big Screen Replacement – R28,5 million in 2025/26: Ensure stadium is able to keep up with technology changes and state-of-the-art facilities to be able to host international events in the future.
- Upgrade generator controllers at the Cape Town Stadium – R16,2 million 2025/26: Replacement of the existing generator control system and implement improvements to the bulk electrical and generator control systems. This includes the integration of new generator controls, modifications to the MV switchgear and protection systems, and enhancements to the generator diesel and radiator systems.

- **Human Settlements Directorate**

- Backyarder programme and Water Management Dispensing – R24 million for 2025/26, R42 million in 2026/27 and R46,2 million in 2027/28: Provision of plumbing infrastructure for water management dispensing devices to households living in backyards of City-owned rental housing properties. The Backyarder Implementation Programme provides basic services to backyard dwellers on City- owned rental properties.
- New and existing projects under the Breaking New Ground (BNG) programme, which will provide for bulk infrastructure, and once the top structures are built, will address the housing waiting list backlog and provide tenure to beneficiaries. Examples of these projects are:
 - Kanonkop Housing Project Phase 2 – R56,9 million in 2025/26 and R5 million in 2026/27: Integrated Housing Development of 2 502 sites at Kanonkop, Atlantis
 - Blue Berry Hill Housing Project – R25 million in 2025/26, and R11,8 million in 2026/27: Provision of approximately 3 000 to 3 500 housing opportunities for lower income households in Blue Downs.

- Aloe Ridge Housing Project – R61,1 million in 2025/26, R63,1 million in 2026/27 and R4,3 million in 2026/27: Provision of civil- and electrical infrastructure to deliver serviced sites as there is a need for housing and associated infrastructure in Mfuleni and surrounding communities.
- ACSA Symphony Housing Project – R86,1 million in 2025/26, R35 million in 2026/27 and R30 million in 2027/28: Provision of approximately 3 400 human settlement opportunities for three informal settlements i.e. Malawi Camp, Freedom Farm, and Delft Symphony Way TRA (Blikkiesdorp). Once completed it will allow the Airport Company South Africa (ACSA) to cater for the increased air-traffic growth by means of aeronautical expansion, including realignment of the existing runway, and ultimately the development of a second parallel runway.
- Macassar BNG Housing Project – R9,1 million in 2025/26, R37,1 million in 2026/27 and R1,8 million in 2027/28: Civil engineering services for the Macassar housing project, which include bulk earthworks, stormwater, sewer, roads, electrification etc. for 2 469 erven.
- Land acquisitions associated with the BNG programme – R76,4 million in 2025/26, R40 million in 2026/27, and R94,2 million in 2027/28.
- Various projects to improve the living conditions of communities in other informal settlements by upgrading basic services' infrastructure:
 - Enkanini – R53 million in 2025/26, R91,9 million in 2026/27, and R91,9 million in 2027/28: Construction of 6 500 serviced sites.
 - Mfuleni Ext 1, Blue Downs – R64,8 million in 2025/26 and R23,6 million in 2026/27: In-situ upgrading of infrastructure.
 - Bosasa Link, Mfuleni – R25,8 million in 2025/26: To develop 780 serviced sites.
 - Routine programme for the upgrade of informal settlements as well as adhoc and emergency work – R77,9 million in 2025/26.
- Asset upgrades – R328,6 million in 2025/26, R155,2 million in 2026/27, and R65,7 million in 2027/28: Refurbishment of City rental units, which is part of a broader asset management programme aimed at establishing a more sustainable approach to the management of the City's housing rental stock. It will include replacement of plumbing components, electrical reticulation, external staircases, civil works, roofing etc.
- **Safety & Security Directorate**
 - Joint Policing Centre: Upgrade & Refurbishment – R10 million in 2025/26 and 2026/27 respectively, and R20 million in 2027/28: The Directorate acquired the Joint Policing Centre during 2024/25. This project is to ensure the facility is fit-for-purpose to allow joint operations to take place seamlessly and to have the necessary IT infrastructure, which aligns with the City's requirements. The collective agreement between the City, the Western Cape Government (WCG), and the South African Police Services (SAPS) requires collaborative work, and for the Directorate to have facilities that allow for seamless joint operations between the three parties to the agreement.
 - Property Improvement Training College – R15 million in 2025/26, R84,2 million in 2026/27 and R165,4 million in 2027/28: Upgrading the existing training college to accommodate training for internal staff and to also expand and be in a position to offer external training to other municipalities and organ of states.

- Langa Fire Station Construction – R4 million in 2025/26, R3 million in 2026/27 and R30 million in 2027/28: Construction of the fire station and upgrades to one of the oldest heritage fire stations in the City. This project will increase emergency fire services response to informal- and formal communities as an increased footprint will ensure adequate response to increasing population and fire trends.
- Building improvements on fire stations:
 - Constantia Fire Station Upgrade – R2 million in 2025/26, R7 million in 2026/27 and R9 million in 2027/28
 - Kommetjie Fire Station Upgrade – R5 million
 - Mfuleni Fire Station Upgrade – R2 million
 - Somerset West Fire Station Upgrade – R1 million
 - City-wide minor upgrades to Fire facilities – R12 million
- Construction and improvements of volunteer bases:
 - Fish Hoek garage – R2 million
 - Mitchells Plain – R3 million
- Remotely Piloted Aircraft Systems (RPAS) Hardware and Software (Drones) – R3,8 million in 2025/26, R1 million in 2026/27 and R3 million in 2027/28: Two-fold project, which includes expert consultants to assist in securing the City's Remote Operating Certificate for the purchase of drones and associated equipment. Drone technology will assist in providing critical information to the policing and emergency services, which will allow them to make the best possible decisions when dealing with incidents and emergencies.
- Additional vehicles for *inter alia*:
 - R53,9 million in 2025/26 – Absorbing students that are currently completing their Metro Police Training as part of Project 1 000. These cadets will be deployed around the City in wards that currently do not have a LEAP presence as part of the Officers Per Ward Project. As part of their work they will be required to also protect infrastructure projects construction sites within the wards they are deployed in. This amount also includes provisions for vehicles to be used at the City's training college.
 - R63,8 million in 2025/26 – The Directorate will be creating a Facility Protection Officers unit that will be responsible for accompanying staff when required to deliver services in volatile areas. The vehicles are required to bolster this unit to ensure there is sufficient resources to be allocated to accompany the respective directorates within the City when required to complete their service in the volatile areas i.e. for waste collection, water and electricity reconnections etc. This amount also includes provisions for VIP protection officers to perform their duties.
- **Spatial Planning & Environment Directorate**
 - Certain interventions on coastal structures rehabilitation:
 - Muizenberg Beach Front Upgrade – R112,5 million in 2025/26 and R68 million in 2026/27: Rehabilitation and upgrade of coastal public infrastructure and services along Muizenberg Beachfront including a new 500 metre new coastal defence structure, new ablution and NGO facilities, upgrade of parking areas, new 3-metre-wide universally accessible promenade, upgrade of playground and landside recreational areas, hard- and soft landscaping and realignment of adjacent services.

- Strand Sea Wall Upgrade – R68,4 million in 2025/26 and R35,2 million in 2026/27: Implementation of a new seawall and promenade along Beach Road, between Gordons Bay Drive and Main Road (near the Strand Pavilion), through constructing a 900m long seawall and a 5-metre-wide adjacent coastal promenade, and upgrading adjacent bulk services and stormwater outlets.
- Parow Station Pedestrian Arcade Upgrade – R17,9 million in 2025/26 and R4,7 million in 2026/27: which entails the upgrading non-motorised transport facilities, and hard and soft landscaping at the Parow Station arcade and surrounding access roads. This project is required for Station Street, Parow, from Parow train station to Voortrekker Road. This upgrade will form the basis for the redesign of the pedestrianised street. The station precinct is linked to the social housing programme. By improving the conditions of Station Street, the street is made safer for pedestrians and informal traders, intersections are made more comfortable and appealing and hopefully public investment in adjacent buildings are attracted.
- District 6 Public Realm Upgrade – R31,6 million in 2025/26 and R1,5 million in 2026/27: Upgrading of Chapel Street in District 6 based on preserving and celebrating the heritage of the area. This encompasses hard and soft landscaping and other landscape architectural features along this street.
- Lowering of the Zeekoevlei Weir – R17 million in 2025/26, R30 million in 2026/27 and R900 000 in 2027/28: Ensuring a healthy urban environment by substantially improving the water quality of inland water bodies ('ambient water quality'), which will improve the quality of life for Cape Town residents.
- Land Acquisition for Development Offsets – R10,5 million in 2025/26: Purchasing of land to facilitate development through proactive land "banking" as biodiversity offsets.
- Harmony Flats Environmental Education Centre Refurbishment - R29,3 million in 2025/26 and R24,6 million in 2026/27: Construction of a new multipurpose facility at the Harmony Flats Nature Reserve that will serve the historically impoverished communities of Gustrow, Dennehof, Rusthof and Llwande by providing a safe space for environmental education programmes and community activities.
- Philippi Fresh Produce Market Refurbishment – R34,3 million in 2025/26: Enhancement of the existing market into a significantly upscaled Agri-hub with related SMME agri-business opportunities and offering associated training and business development services to create job opportunities, stimulate growth amongst SMMEs and emerging commercial agriculture and related sectors, whilst driving local economic development to the benefit of the broader Philippi community.
- Prestwich Memorial Building Renovations – R1 million in 2025/26, R12,5 million in 2026/27, and R7 million in 2027/28: Refurbishment of the ossuary and community centre.
- **Urban Mobility Directorate**
 - MyCiTi service including Phase2A, IRT station re-build, Fare collection system and Control centre, new and refurbishment of buses – R2 189,6 million in 2025/26, R2 584,8 million in 2026/27, and R989,2 million in 2027/28: Some of the projects are:
 - IRT Phase 2A: Electric Bus Charging Infrastructure
 - IRT Phase 2A: Nyanga Public Transport Interchange Precinct
 - IRT Phase 2A: Station Construction: Claremont to Mitchell's Plain

- IRT Phase 2A: Station Construction: Wynberg to Khayelitsha
 - IRT Phase 2A: Vuyani Public Transport Interchange Precinct
 - IRT Phase 2A: Depot Building Works – Mitchell's Plain & Khayelitsha
 - IRT Phase 2A: Land & Property Acquisition
 - IRT Phase 2A: Roadway Govan Mbeki Road from Jan Smuts Drive to Heinz Road
 - Nonkqubela Public Transport Interchange
 - IRT: Control Centre
 - Formalisation of Joe Slovo Taxi Rank
 - IRT Formalising Bus Stops
 - IRT: Fare Collection
 - MyCiTi Ph1 IRT Station Rebuilds
 - MyCiTi Buses: Refurbishment
- Congestion Relief programme – R69,2 million in 2025/26, R152,8 million in 2026/27, and R72,1 million in 2027/28: Some of the projects are:
- Road Upgrade: Amandel Road: Bottelary River to Church;
 - Road Construction: Saxdowns Road: Langverwacht to Van Riebeeck;
 - Kommetjie Road Dualling (Phase 3);
 - M3 Corridor: Hospital Bend – Constantia Main Road;
 - Intersection Upgrade: De Waal Road and Main Road;
 - Road Upgrade: Voortrekker Road: Salt River Circle to Jakes Gerwel Drive;
 - Dualling: Jip De Jager: Kommisaris – Van Riebeecksshof;
 - Congestion Relief – Erica Drive;
 - Main Road/Roscommon Road, Heathfield: Intersection Upgrade; and
 - Road Dualling: Berkley Road: M5 to Ryger Street.
- Informal Settlements Road Upgrade – R7 million in 2025/26, R6,3 million in 2026/27, and R6,7 million in 2027/28.
- Rehabilitation of Jakes Gerwel from Frans Conradie to Viking – R60,4 million in 2025/26, and R100 000 in 2026/27; and Welteverden Bridge to Highlands – R14,4 million in 2025/26, and R100 000 in 2026/27: Redesign and reconstruction of pavement layers. Approximately 1.57kms and 2kms of road will be rehabilitated under these projects, respectively.
- Rehabilitation of:
- Jan van Riebeeck Drive between Fancie van Zijl Drive to Epping Avenue – R35 million in 2025/26 and R100 000, and
 - La Belle Road between Strand Street and Willow Street – R25,4 million in 2025/26 and R100 000 in 2027/28, where the rehabilitation of the pavement structure is required to be able to carry traffic for another 25 years. This will ensure that the existing road network is in an “as-new” condition, reducing ongoing maintenance and transport operator costs.
 - Bishop Lavis roads – R27,9 million in 2025/26 and R50 000 in 2026/27: Roads access upgrade in Bishop Lavis including rehabilitation of concrete roads which involves the provision of road resurfacing and repair services for the sections of specified roads and intersections. The project will substantially reduce maintenance and reduce cost, improve the aesthetics of the area and will have a positive effect on residents.

- Non-motorised transport (NMT) programme – R197,2 million in 2025/26, R49,9 million in 2026/27, and R15,4 million in 2027/28: To provide safe and quality roads for pedestrians, cyclists and vehicles alike. Some of the projects are:
 - Kuils River Phase 2 Non-motorised Transport;
 - Non-motorised Transport improvements: Area-wide Khayelitsha;
 - Non-motorised Transport improvements: Area-wide Mitchell's Plain;
 - Non-motorised Transport improvements: Hanover Park;
 - Non-motorised Transport improvements: Heideveld;
 - Non-motorised Transport improvements: Kensington, Fractretton and Maitland;
 - Non-motorised Transport improvements: Klipfontein Road, Gugulethu;
 - Non-motorised Transport: Zoarvlei Pedestrian Bridge; and
 - Non-motorised Transport: Spine Road from Lookout Hill to Strandfontein Pavilion.
- Public Transport Interchange (PTI) Programme – R39,6 million in 2025/26, R96 million in 2026/27, and R145,9 million in 2027/28: Work will be executed on the following projects:
 - Bellville: Public Transport Hub;
 - Happy Valley Public Transport Interchange;
 - Legacy Shelter Replacement;
 - Macassar Public Transport Interchange;
 - Public Transport Facility: Makhaza Bus Facility;
 - Retreat Public Transport Interchange;
 - Somerset West Public Transport Interchange;
 - Westlake Public Transport Interchange; and
 - Wynberg: Public Transport Hub.
- **Urban Waste Management Directorate**
 - Replacement Plant and Vehicles – R335,9 million in 2025/26, R349,5 million in 2026/27, and R406,1 million in 2027/28: The Plant is critical to the operation of various disposal facilities while various types of vehicles are required to ensure services are maintained with regard to refuse collection, street sweeping, illegal dumping etc. The types of plant required are landfill compactors, articulated trucks, front-end loaders, water tankers, bulldozers, etc., while vehicle acquisition will include refuse trucks, crane trucks, refuse collectors, tipper trucks, street sweepers, flatbed trucks etc.
 - Provision of drop-off facilities close to residential properties where functions such as recycling and re-use of items can be performed, if land availability permits. The following is planned over the next 3 years:
 - Upgrade of drop-off facility at Schaapkraal – R464 286 in 2025/26, R1,3 million in 2026/27, and R73 864 in 2027/28
 - Killarney Drop-off Upgrade Waste Minimisation – R300 000 in 2025/26, R40,3 million in 2026/27, and R19,8 million in 2027/28
 - Construction of a community based recycling facility at Fisantekraal Drop-off – R795 894 in 2025/26, R375 748 in 2026/27 and R4,9 million in 2027/28
 - Athlone Refuse Transfer Station: Material Recovery Facility – R9,4 million in 2025/26, R3,7 million in 2026/27, and R100,8 million in 2027/28: The facility will allow for an increase in separation at source and will move the City closer to achieving the end goal of removing recyclable materials from waste to landfill.

- Replacement Shipping Containers – R2,5 million in each of the 3-years of the 2025/26 MTREF: To ensure that the approximately 280 000 dwellings in informal settlements receive an uninterrupted door-to-door refuse collection service.
- Landfill Gas Infrastructure (LFG) at Coastal Park as well as Vissershok North – R5 million per project per annum over the MTREF: Reduction in methane gas, while generating alternative electricity and purchasing of Carbon credits.

- **Water & Sanitation Directorate**

- The capacity at some of the City's Wastewater Treatment Works (WWTW) has been sighted in the past as hampering developments in certain areas of the City. Work planned over the MTREF period and beyond at these WWTW will increase the capacity of the works, allowing the provision of further sanitation services in the catchment area. The upgrades and refurbishments will also increase the plants' performance and treatment capacity to ensure compliance with required discharge limits and, in certain instances, will contribute to reducing pollution of natural waterways and water bodies. These WWTW includes *inter alia*:
 - Athlone WWTW – Capacity Extension – phase 1 – R15 million in 2025/26, and R515 000 in 2026/27: This will include the construction of civil infrastructure to accommodate the installation of mechanical blowers. The blowers are required to provide aeration to support the chemical processes within wastewater treatment to increase the potential to produce a better quality effluent for discharge as well as opening up development opportunities in the catchment area.
 - Wildevölvlei WWTW – Upgrade dewatering – R149,6 million in 2025/26, and R43,4 million in 2026/27: Installation of additional belt press and associated equipment for dewatering.
 - Macassar WWTW Extension – R463,3 million in 2025/26, R1 146,7 million in 2026/27, and R1 376,8 million in 2027/28: This will achieve a 32 megalitre per day capacity extension and refurbishment of the existing Macassar WWTW.
 - Potsdam WWTW – Extension – R895,5 million in 2025/26, R530,6 million in 2026/27, and R333,3 million in 2027/28: This will achieve a 53 megalitre per day capacity extension and refurbishment of the existing Potsdam WWTW.
 - Wesfleur Aeration & Blower Replacement – R151 million in 2025/26, and R800 000 in 2026/27: The project will consist of the replacement of the fine bubble diffused aeration (FBDA) networks and 3x132kW industrial aeration blowers including aeration piping, electrical equipment, new 11kV Medium Voltage (MV) intake substation and a new blower house.
 - Infrastructure Replacements at WWTWs – R65 million in 2025/26: Replacement of equipment and civil infrastructure which has reached the end of their effective lifespan or are beyond repair and require replacing.
 - Bellville WWTW Extension – R30 million in 2025/26 and R20 million in 2026/27: Refurbishment of the biological reactors and associated mechanical and electrical equipment.
- Investment in sewer reticulation infrastructure, which will include the following:
 - Cape Flats Rehabilitation – R190,4 million in 2025/26, R200 million in 2026/27 and R123,2 million in 2027/28: This project entails the rehabilitation of the old twin Cape Flats Bulk sewers starting at the Bridgetown pump station and terminating at the Cape Flats WWTW. Most of the Cape Flats areas such as Athlone, Bridgetown, and Gugulethu will benefit from this project.

- Philippi Collector Sewer – R166 million in 2025/26, R251,3 million in 2026/27, and R28,5 million in 2027/28 and Philippi Collector Sewer Phase 2 – R1 million in 2025/26, R5 million in 2026/27 and R133,3 million in 2027/28: The infrastructure investment would comprise of approximately 10.6km of new gravity sewer pipeline with associated manholes, grit trap structures etc. In addition to the main collector sewer, a number of existing secondary sewers that currently drain into the existing collector sewer will be diverted and connected to the new/upgraded collector sewer. The rehabilitation of some of the existing sewer pipes will also accommodate existing and future developments and significantly reduce the breakdown and blockage currently experienced on the sewer.
- Bulk Reticulation Sewers in Milnerton Rehabilitation – R117 million in 2025/26, and R132 million in 2026/27: Construction of a new bulk outfall sewer in Montague Gardens, construction of a sand trap and mechanical screening facility at Koeberg Road Pump Station, and rehabilitation of the existing bulk sewer in Montague Drive in Montague Gardens. The existing Montague Drive Sewer is currently operating at full capacity and cannot accommodate the planned development within its catchment area. The existing bulk sewer is also highly deteriorated due to sulphuric acid corrosion and therefore needs rehabilitation/replacement. Sewer collapses on the Montague Drive Bulk Sewer is high risk for the City due to the bulk sewer's location underneath the Montague Drive roadway. Non-sewerage objects and sediment transported to the Koeberg Road Pump Station sump results in pump breakdowns and ultimately pump station failure, which results in sewer spills into the Rietvlei Estuary. A sand trap and screening facility preceding the Koeberg Road Pump Station, will reduce the amount of non-sewerage objects and sediment entering the pump station sump.
- Gordons Bay Beach Front Sewer Phase 2 – R2,1 million in 2025/26, R93 million in 2026/27, and R62 million in 2027/28: Construction of new pump station and sewer rising main from Waterway Avenue, along Dennehof Road to Broadlands Avenue to prevent the high risk of sewer overflows into the harbour Island development and allowing for a mechanical screen and sand trap.
- Gordon's Bay Sewer Rising Main – R67 million in 2025/26, and R150 000 in 2026/27: Construction of the pump station and rising main will alleviate the risk of sewer spillages at the Gordon's Bay WWTW and ensure that future development in Gordon's Bay and Firlands can be accommodated.
- Replace Sewer Network (Citywide) – R345 million in 2025/26, R375 million in 2026/27, and R354,3 million in 2027/28: To replace sewer pipes that have reached the end of its useful life. This project will prevent the high risk of sewer overflows and spillages of hazardous effluent into the environment and have a targeted sewer pipe replacement of 100km per annum.
- Ongoing investment in pump stations such as:
 - Koeberg Pump station capacity upgrade – R1,8 million in 2025/26, R74,8 million in 2026/27, and R57,2 million in 2027/28: The project entails the capacity upgrade of the Koeberg Sewer Pump in order to meet the current and future demands of its catchment area.
 - Langa Pump Station (9) – screens, pumps – R8 million in 2025/26, R17,4 million in 2026/27, and R62,8 million in 2027/28: Design and construction of the required upgrade of the facility including installation of a sand trap and screening facilities.
 - Raapenberg Pump Station Upgrade – R230 000 in 2025/26, R2,8 million in 2026/27, and R53 million in 2027/28: To modernise the facility with a sand/grit settling structure and automated screening.

- Replacement & Upgrade Sewer Pump Stations – R183 million in 2025/26, R163 million in 2026/27 and 2027/28, respectively: Minor upgrades to and replacement of 487 sewer pump stations across the metropolitan area to ensure that sewer spills are minimised and sewer pump stations remain functional.
 - Sanddrift East Pump Station Upgrade – R2,7 million in 2025/26, R52,4 million in 2026/27, and R6,8 million in 2027/28: The upgrade will consist of a sand trap, wet well, dry well, motor control centre and generator as per the latest Pump Station Design Guidelines, in order to ensure sufficient capacity within the pump station catchment area.
 - Phoenix Sewer Pump Station Upgrade – R3,6 million in 2025/26 and R73,4 million in 2026/27: The upgrade entails bringing the existing pump station up to the required City standards, addressing the existing operational failures, incorporating a low-flow diversion for the contaminated stormwater in the Milky Way Pond and provision of sufficient hydraulic capacity for existing and future flows. The project also incorporates the downstream rising and gravity main pipelines.
- Provision of additional sanitation services to informal settlements Citywide – R34 million in 2025/26, R36 million in 2026/27, and R40 million in 2027/28.
 - Installation of additional standpipes and taps to informal settlements Citywide, which include standpipes, water cisterns, fire hydrants and isolating valves – R5 million in 2025/26, R8 million in 2026/27, and R2 million in 2027/28.
 - Replace Water Network (citywide) – R239,5 million in 2025/26, R294,4 million in 2026/27, and R260 million in 2027/28: To replace existing aged and damaged water reticulation infrastructure that will include pipe networks and will target 50km pipe replacement per annum.
 - Sand/Langvlei Canal Wetland Rehabilitation – R467 050 in 2025/26, R44,9 million in 2026/27, and R18 023 in 2027/28: The project will have a total of 300m of upgraded canal and 6 100m² of new bioremediation wetland treatment.
 - Upgrade of Manenberg Canal – R25 million in 2025/26 and R21,9 million in 2026/27: Upgrade of the existing canal over distance of 3.35km to improve capacity and alleviate flooding. As part of the canal upgrade a large scale litter interceptor will be constructed, to assist with solid waste management in the catchment.
 - Flood alleviation measures to upgrade existing rivers, and improve/increase the capacity to reduce flooding risks. Some projects are:
 - Sir Lowry's Pass River Upgrade – R102,3 million in 2025/26, and R24,2 million in 2026/27;
 - Flood Alleviation – Lourens River Phase 2 – R1,9 million in 2025/26 and in 2026/27 respectively, and R80,3 million in 2027/28;
 - Upgrade of Geelsloot Pond, Somerset West – R180 000 in 2025/26, R6,3 million in 2026/27 and 2027/28, respectively; and
 - Macassar Flood Alleviation – R360 000 in 2025/26 and R270 000 in 2026/27.

- Work at Marine outfalls, which will include the replacement of pumps, screens and odour control refurbishments at:
 - Camps Bay Marine Outfalls – R7,5 million in 2025/26 and R21,6 million in 2026/27;
 - Green Point Marine Outfalls – R17,3 million in 2025/26 and R26 million in 2026/27; and
 - Hout Bay Marine Outfalls – R14,9 million in 2025/26 and R22,3 million in 2026/27.

These projects will maintain the final effluent standards and requirement as per the Department of Water and Sanitation and Department of Forestry, Fisheries and the Environment.
- To mitigate the impact of long periods of load-shedding, the City will invest in UPS installations at sewer pump stations – R31,5 million in 2025/26.
- Telemetry and Automation – R3 million in each of the 3 years of the 2025/26 MTREF: The reticulation network has numerous electrical/mechanical installations as well as reservoirs that are monitored by making use of telemetry. Annually the telemetry coverage is increased and redundant equipment upgraded, which assists in real time monitoring of pump stations (24 hours a day) in order to secure the pumping of effluent.
- Projects to improve water resilience via generating additional capacity from non-surface water sources and reducing the risk during future droughts:
 - Atlantis Aquifer – R5 million in 2025/26 and R2 million in 2026/27;
 - Atlantis Aquifer – Upgrade of Witzands MAR: R20,1 million in 2025/26 and R18 million in 2026/27;
 - Cape Flats Aquifer Recharge – R286,5 million in 2025/26 and R283,8 million 2026/27;
 - Cape Flats Aquifer: Hanover Park & Philip – R146,7 million in 2025/26 and R140 million in 2026/27;
 - Cape Flats Aquifer: Strandfontein North East – R10 million in 2025/26, R96,5 million in 2026/27 and R189,5 million in 2027/28;
 - Desalination Location 1 – R10 million in 2025/26, R12,5 million in 2026/27 and R55 million in 2027/28; and
 - Zandvliet/Faure Plant Re-use (70ML) – R12,1 million in 2025/26, R35,2 million in 2026/27 and R41,2 million in 2027/28.
- Bulk Water Augmentation Scheme Muldersvlei Reservoir and Pipeline – R3 million in 2025/26, R234,4 million in 2026/27, and R552,9 million in 2027/28: Phase 1, which is currently under consideration, will consist of the following:
 - Construction of Muldersvlei Reservoir (300 Ml capacity);
 - Pipelines associated with the Muldersvlei Reservoir;
 - Incoming pipeline (4km of 1600mm DIA from Wemmershoek pipeline to reservoir);
 - Outgoing pipeline (3km of 1200mm DIA from reservoir to Wemmershoek pipeline); and
 - Access Road (1.4km) to Muldersvlei Reservoir and Water Treatment Works.
- Upgrade of Reservoirs City-wide – R5 million per annum for each of the 3 years of the 2025/26 MTREF.
- Treated Effluent re-use, where treated effluent offsets the impact on the demand of drinking water from the following facilities:
 - Kuilsriver – R6,8 million in 2025/26, R9,8 million in 2026/27 and R9 million in 2027/28;
 - Potsdam Phase 1 – R9 million in 2025/26, and R12 million in 2026/27

- Scottsdene Phase 1 – R9,7 million in 2025/26, R15 million in 2026/27 and R17,5 million in 2027/28
- Zandvliet PS – R25,2 million in 2025/26, and R1 million in 2026/27
- Wildevoelvtlei PS – R20 million in 2025/26, and R28 million in 2026/27

Major directorates spend on infrastructure assets

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

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

The proposed capital programme of the City reflects that 73.52% (or just over R9 456 million) of the capital programme will be invested in infrastructure assets in 2025/26, as reflected in the ensuing graph.

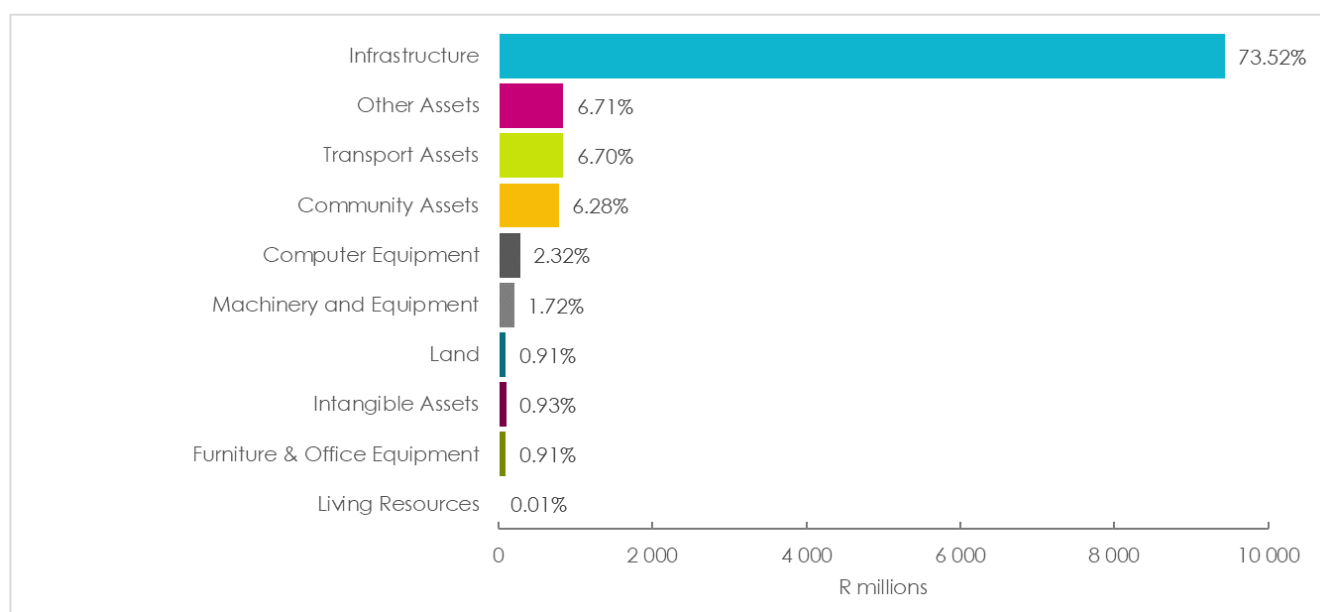


Figure 14: Asset categories in the 2025/26 capital programme

The graph further shows that for each Rand spent on the City's proposed capital budget in 2025/26, R0.73 will be spent on infrastructure assets compared to R0.06 on community assets, and transport assets respectively.

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

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

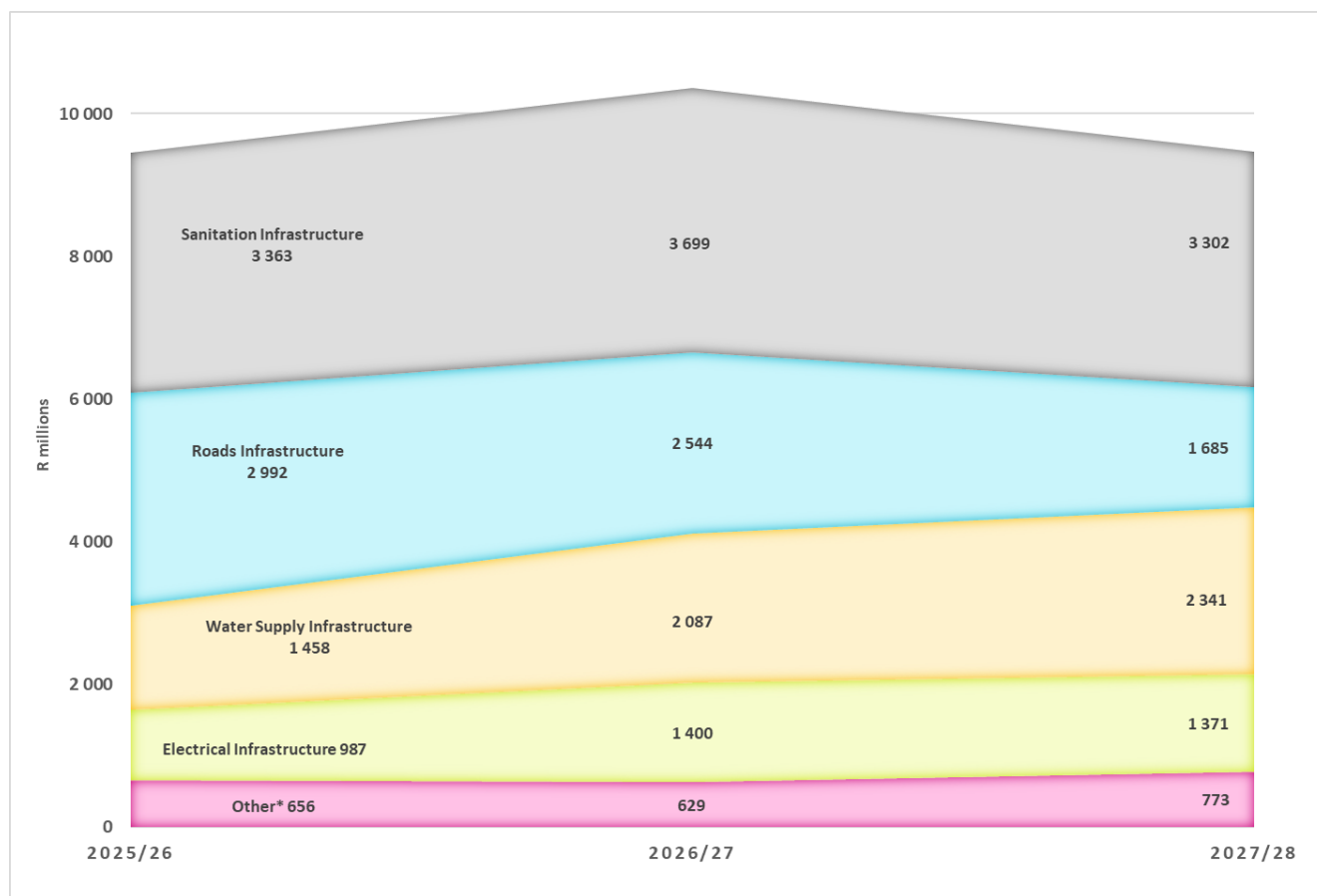


Figure 15: Capital Infrastructure Programme

Of the 73.52% or just over R9 456 million, which will be invested in infrastructure assets, the largest contributor to the spending on infrastructure assets will be the Water & Sanitation Directorate (R4 768 million in 2025/26), followed by the Urban Mobility Directorate (R2 457 million in 2025/26) and thirdly, the Energy Directorate (R987 million in 2025/26). The table below depicts what percentage of the infrastructure asset investment will be going towards the largest three, mainly built environment, directorates.

Table 24 – Percentage infrastructure asset investment for the three largest directorates

Directorate	2025/26	2026/27	2027/28
Energy	10.4%	13.5%	14.5%
Urban Mobility	26.9%	21.0%	13.5%
Water & Sanitation	50.4%	54.7%	58.7%

Distinguishing between new and renewal of city assets

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

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

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

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

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

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

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

Table 25 – Upgrade/renewal and new assets over the 2025/26 MTREF

Categorisation	2025/26	2026/27	2027/28
R'Million			
New	5 511	6 149	5 080
Renewal	3 744	3 583	3 572
Upgrade	3 608	4 495	4 232
Total Budget	12 863	14 227	12 884

The City will spend, as a percentage of the total 2025/26 capital budget, 57.2% on renewal and upgrading of assets. This decreases slightly to 56.8% in 2026/27 and again increases to 60.6% in 2027/28, which can directly be associated to, *inter alia*, the large investment in the expansion and upgrade of wastewater treatment plants.

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

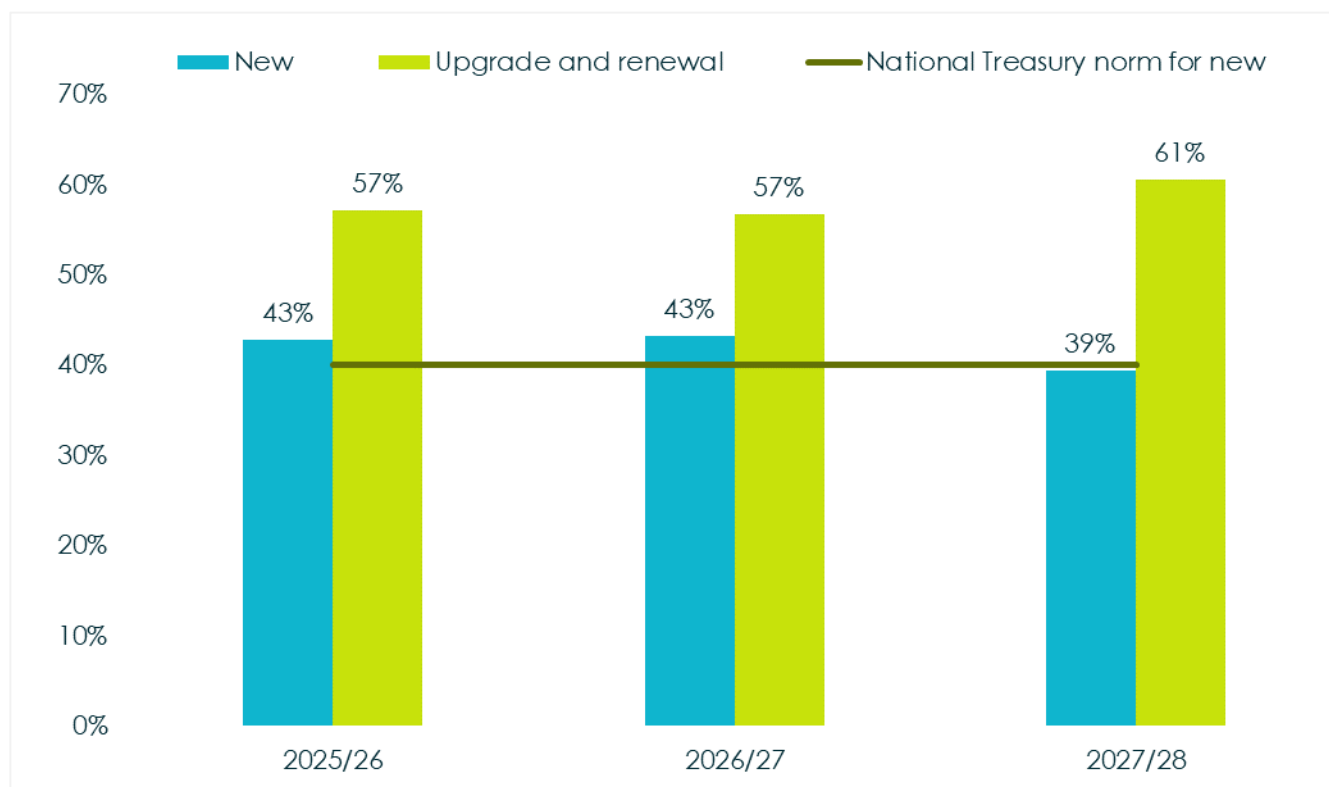


Figure 16: Renewal and upgrading of assets over the MTREF

Adequate levels of investment in capital infrastructure

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

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

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

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

The City will spend in the order of R12 863 million on its capital budget which represents 15.3% of the City's total budget.

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

Additional details regarding asset classes and proposed capital expenditure are contained in Table 35 on page 81.

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

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

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

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

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

1.7.4 Future operational cost of new infrastructure

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

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

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

Directorates have confirmed that the future operating impacts (excluding interest charges and depreciation) will be absorbed in their operating budgets over the MTREF through efficiency gains and the prioritisation of existing operational resources, which were considered during the calculation of the tariff increases for the 2025/26 MTREF.

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

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

Table SA35 on page 254 represents the future operational costs resulting from the capital investment programme at directorate level. The table shows that the costs estimated over the MTREF are expected to grow from R2 938 million in 2025/26 to R6 139 million in 2027/28.

1.8 Annual Budget Tables

The ten main budget tables, as extracted from the MBRR A-Schedule (mSCOA version 6.9 Classification Framework), and as required in terms of Regulation 9 of the MBRR, are presented on page 65 to page 85. These tables reflect the City's 2025/26 MTREF and each table is accompanied by explanatory notes.

Table 26 – MBRR Table A1 – Budget Summary

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands									
Financial Performance									
Property rates	10 358 743	11 245 429	11 986 459	12 712 797	12 712 797	12 712 797	13 768 100	14 946 054	15 943 920
Service charges	23 028 320	23 723 808	28 550 345	30 391 426	31 279 059	31 279 059	34 064 443	35 567 100	38 249 212
Investment revenue	977 254	1 447 418	1 578 846	1 071 910	1 071 612	1 071 612	758 522	648 785	789 055
Transfer and subsidies - Operational	5 820 598	6 221 933	6 719 779	6 919 169	7 069 217	7 069 217	7 329 561	7 404 716	7 561 017
Other own revenue	11 706 165	11 480 579	12 636 446	12 847 906	13 096 070	13 096 070	14 811 680	15 645 437	17 190 589
Total Revenue (excluding capital transfers and contributions)	51 891 081	54 119 167	61 471 876	63 943 208	65 228 755	65 228 755	70 732 307	74 212 092	79 733 792
Employee costs	15 255 905	15 261 344	17 107 614	19 311 622	19 214 080	19 221 343	20 889 090	22 220 571	23 760 020
Remuneration of councillors	165 163	176 064	183 030	200 324	188 313	188 408	197 729	207 615	217 996
Depreciation and amortisation	3 056 503	3 259 524	3 495 788	3 807 669	3 804 737	3 804 737	3 974 164	4 203 400	4 605 312
Interest	776 622	772 433	829 972	1 214 301	1 089 467	1 087 742	1 428 206	1 776 623	2 054 031
Inventory consumed and bulk purchases	17 349 886	17 502 095	20 596 400	22 549 872	23 138 050	23 138 050	25 654 842	26 863 438	28 774 633
Transfers and subsidies	406 842	377 101	359 818	360 208	420 430	420 430	388 523	353 947	345 847
Other expenditure	13 633 739	15 178 986	15 878 027	16 897 835	17 583 396	17 577 763	18 744 452	19 214 511	19 530 692
Total Expenditure	50 644 660	52 527 548	58 450 649	64 341 831	65 438 472	65 438 472	71 277 006	74 840 106	79 288 532
Surplus/(Deficit)	1 246 421	1 591 619	3 021 226	(398 623)	(209 718)	(209 718)	(544 699)	(628 014)	445 261
Transfers and subsidies - capital (monetary allocations)	1 654 284	2 104 107	2 535 548	3 552 052	3 158 243	3 158 243	3 855 190	4 180 136	2 856 189
Transfers and subsidies - capital (in-kind)	2 480	7 714	117	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	2 903 185	3 703 440	5 556 892	3 153 429	2 948 525	2 948 525	3 310 490	3 552 122	3 301 450
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	2 903 185	3 703 440	5 556 892	3 153 429	2 948 525	2 948 525	3 310 490	3 552 122	3 301 450
Capital expenditure & funds sources									
Capital expenditure	5 426 192	6 928 907	9 404 356	12 020 633	11 396 389	10 222 765	12 862 639	14 227 436	12 884 293
Transfers recognised - capital	1 701 131	2 175 965	2 579 517	3 552 052	3 158 243	2 909 786	3 855 190	4 180 136	2 856 189
Borrowing	994 517	1 758 326	2 544 486	7 279 730	7 050 578	6 242 482	5 000 000	5 000 000	5 000 000
Internally generated funds	2 730 544	2 994 615	4 280 353	1 188 851	1 187 568	1 070 497	4 007 449	5 047 301	5 028 104
Total sources of capital funds	5 426 192	6 928 907	9 404 356	12 020 633	11 396 389	10 222 765	12 862 639	14 227 436	12 884 293

Table continues on next page

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands									
<u>Financial position</u>									
Total current assets	18 389 398	20 416 992	21 281 622	24 178 012	25 926 167	25 926 167	25 618 987	23 491 441	22 848 888
Total non current assets	63 475 895	66 030 086	70 371 869	78 923 966	76 103 989	76 103 989	85 146 169	95 330 273	103 780 797
Total current liabilities	11 192 700	12 478 339	13 972 147	16 012 766	14 592 218	14 592 218	16 508 768	17 195 348	17 781 744
Total non current liabilities	12 651 891	12 244 597	10 400 311	19 702 048	17 208 380	17 208 380	20 716 339	24 534 196	28 454 320
Community wealth/Equity	58 020 702	61 724 142	67 281 033	67 387 163	70 229 559	70 229 559	73 540 049	77 092 171	80 393 620
<u>Cash flows</u>									
Net cash from (used) operating	5 978 008	6 108 065	7 885 054	6 441 207	6 426 858	6 426 858	6 775 094	7 230 538	7 308 284
Net cash from (used) investing	(5 437 471)	(7 050 265)	(8 020 031)	(10 102 203)	(9 338 777)	(9 338 777)	(12 945 536)	(14 326 657)	(12 944 837)
Net cash from (used) financing	(371 495)	757 838	(688 229)	4 434 065	4 252 506	4 252 506	3 882 699	3 594 814	3 297 016
Cash/cash equivalents at the year end	8 295 143	8 110 781	7 287 575	6 576 459	8 628 162	8 628 162	6 340 418	2 839 113	499 575
<u>Cash backing/surplus reconciliation</u>									
Cash and investments available	17 879 273	18 204 090	16 771 670	16 341 833	18 112 257	18 112 257	15 824 513	12 323 208	9 983 670
Application of cash and investments	11 065 844	10 713 303	9 210 744	9 079 281	8 375 805	8 375 805	7 615 654	5 989 574	6 075 910
Balance - surplus (shortfall)	6 813 429	7 490 787	7 560 926	7 262 553	9 736 452	9 736 452	8 208 859	6 333 634	3 907 760
<u>Asset management</u>									
Asset register summary (WDV)	56 636 728	60 311 168	66 148 221	76 302 553	73 739 873	73 739 873	82 628 347	92 652 383	100 931 364
Depreciation	3 056 503	3 259 524	3 495 788	3 807 669	3 804 737	3 804 737	3 974 165	4 203 401	4 605 313
Renewal and Upgrading of Existing Assets	3 204 757	3 568 608	5 389 725	7 109 864	6 905 158	6 119 472	7 351 853	8 078 191	7 804 507
Repairs and Maintenance	4 468 279	5 091 380	5 613 689	5 665 543	6 141 812	6 160 957	6 842 018	7 322 744	7 548 054
<u>Free services</u>									
Cost of Free Basic Services provided	2 076 363	2 187 701	2 271 211	2 625 769	2 696 309	2 697 787	2 717 611	2 843 627	3 076 576
Revenue cost of free services provided	1 385 277	1 881 999	2 424 531	2 651 454	2 651 454	2 651 454	3 135 095	3 402 222	3 777 929
<u>Households below minimum service level (number)</u>									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-
Energy:	25 906	24 406	22 828	21 406	21 406	21 406	19 828	18 328	16 828
Refuse:	-	-	-	-	-	-	-	-	-

Explanatory notes to MBRR Table A1 – Budget Summary

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

5. The City's key outcomes in this regard are as follows:
 - a) The Financial Performance shows a deficit position in the first two years of the MTREF and a surplus in the last year of the MTREF. This is mainly due to expenditure, which is funded from cash backed surpluses and appropriations.
 - b) The cash flow budget outcome shows that the budget is funded.
 - c) The capital budget is funded from the following sources:
 - Transfers recognised – capital, and public contributions & donations;
 - Borrowing; and
 - Internally generated funds, which are financed from previous years' accumulated surpluses, previous years' contributions to CRR and bulk infrastructure levies already collected. The affordability and sustainability of these funds are confirmed by the positive cash flow outcome over the 2025/26 MTREF.
6. The City's persistent drive to eradicate infrastructure backlogs is evident in the annual increase in the Cost of Free Basic Services and the Revenue Cost of Free Basic Services provided. Backlogs still exist for Electricity Services but are projected to reduce.

Table 27 – MBRR Table A2 – Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description R thousand	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional									
<i>Governance and administration</i>	16 757 546	18 487 194	19 777 196	19 787 300	19 967 675	19 988 965	20 909 478	22 252 356	23 733 088
Executive and council	17 162	188	1 985	376	376	376	393	411	429
Finance and administration	16 740 381	18 487 006	19 775 198	19 786 920	19 967 295	19 988 585	20 909 081	22 251 941	23 732 656
Internal audit	3	(0)	14	4	4	4	4	4	4
<i>Community and public safety</i>	4 493 632	4 614 441	4 535 116	4 728 550	4 877 760	4 856 469	4 736 777	4 767 175	5 000 049
Community and social services	98 047	111 823	119 751	127 046	117 678	117 678	142 377	136 587	153 010
Sport and recreation	42 933	56 057	79 091	71 520	87 741	87 741	66 264	74 158	65 934
Public safety	2 333 917	2 425 194	2 325 370	2 386 412	2 410 773	2 410 772	2 344 266	2 353 528	2 444 519
Housing	1 534 681	1 583 240	1 611 814	1 679 087	1 843 412	1 822 122	1 732 928	1 702 389	1 811 814
Health	484 055	438 127	399 089	464 486	418 156	418 156	450 941	500 513	524 773
<i>Economic and environmental services</i>	1 813 792	2 377 553	2 861 586	3 793 957	3 415 930	3 415 931	4 279 566	4 370 081	2 967 777
Planning and development	523 483	637 977	638 856	667 869	665 749	665 750	740 131	769 044	780 328
Road transport	1 236 280	1 689 734	2 151 393	3 079 634	2 698 249	2 698 249	3 479 674	3 568 111	2 149 053
Environmental protection	54 029	49 841	71 337	46 453	51 932	51 932	59 761	32 926	38 396
<i>Trading services</i>	30 482 633	30 750 077	36 832 630	39 184 030	40 124 305	40 124 305	44 660 289	47 001 166	50 887 553
Energy sources	16 665 828	16 879 848	20 480 289	21 970 830	22 684 584	22 684 585	24 327 273	25 042 583	25 884 176
Water management	9 737 820	8 732 166	10 625 368	11 146 233	11 372 996	11 372 996	12 582 605	13 651 096	15 909 655
Waste water management	2 239 904	3 231 115	3 679 341	3 886 179	3 868 368	3 868 368	4 438 859	4 814 031	5 350 782
Waste management	1 839 080	1 906 949	2 047 633	2 180 788	2 198 357	2 198 357	3 311 553	3 493 456	3 742 941
<i>Other</i>	242	1 723	1 012	1 423	1 327	1 327	1 387	1 450	1 514
Total Revenue - Functional	53 547 845	56 230 987	64 007 541	67 495 260	68 386 997	68 386 997	74 587 497	78 392 228	82 589 982
Expenditure - Functional									
<i>Governance and administration</i>	8 812 045	9 073 895	9 306 580	3 439 081	3 576 597	3 643 885	3 255 812	4 044 820	4 306 163
Executive and council	590 675	542 189	566 125	135 747	139 181	141 059	133 192	121 430	106 126
Finance and administration	8 169 658	8 476 200	8 675 796	3 299 818	3 432 762	3 498 150	3 119 756	3 920 704	4 197 854
Internal audit	51 712	55 505	64 658	3 516	4 654	4 675	2 864	2 686	2 184
<i>Community and public safety</i>	10 111 251	10 372 889	10 444 349	14 735 432	15 015 443	14 886 494	15 569 877	16 282 588	17 176 857
Community and social services	1 039 857	1 046 835	1 074 303	1 834 301	1 826 366	1 826 991	1 853 305	1 962 850	2 087 159
Sport and recreation	1 367 622	1 309 005	1 481 069	2 243 054	2 220 474	2 220 144	2 460 335	2 574 230	2 713 950
Public safety	4 559 343	4 779 918	4 705 356	6 342 275	6 586 881	6 523 445	6 736 213	6 995 160	7 297 865
Housing	1 612 988	1 705 002	1 741 918	2 491 391	2 607 535	2 534 146	2 609 915	2 711 011	2 917 237
Health	1 531 440	1 532 129	1 441 703	1 824 410	1 774 188	1 781 768	1 910 108	2 039 337	2 160 647
<i>Economic and environmental services</i>	5 264 797	5 687 075	6 404 060	7 597 918	7 484 584	7 505 581	8 166 494	8 443 543	8 866 403
Planning and development	1 386 733	1 556 797	1 696 265	2 142 996	2 109 842	2 069 233	2 246 064	2 317 462	2 283 956
Road transport	3 622 934	3 874 501	4 387 519	4 994 071	4 910 729	4 964 736	5 379 680	5 592 024	6 023 212
Environmental protection	255 130	255 777	320 277	460 851	464 014	471 612	540 749	534 058	559 235
<i>Trading services</i>	26 353 743	27 280 184	32 175 063	38 348 942	39 134 401	39 175 186	44 043 437	45 823 095	48 684 835
Energy sources	15 499 565	16 194 160	18 813 406	21 384 317	21 857 916	21 899 016	23 965 586	24 366 470	25 206 476
Water management	7 965 027	7 244 033	8 895 820	9 629 760	9 776 883	9 762 268	10 863 512	11 635 096	13 079 658
Waste water management	1 966 568	2 956 021	3 656 539	5 356 732	5 422 409	5 436 709	6 054 187	6 467 901	6 768 586
Waste management	922 583	885 970	809 298	1 978 132	2 077 192	2 077 192	3 160 152	3 353 628	3 630 115
<i>Other</i>	102 825	113 505	120 597	220 463	227 446	227 327	241 386	246 059	254 273
Total Expenditure - Functional	50 644 660	52 527 548	58 450 649	64 341 835	65 438 472	65 438 472	71 277 006	74 840 106	79 288 532
Surplus/(Deficit) for the year	2 903 185	3 703 440	5 556 892	3 153 425	2 948 525	2 948 525	3 310 490	3 552 122	3 301 450

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

1. Table A2 is an overview of the budgeted financial performance in relation to revenue and expenditure per functional classification, which divides the municipal services into 16 functional classifications.
2. Major contributing items to the increased operating revenue are additional grant allocations from National- and Provincial Government, the projected growth and tariff increases on Property Rates Tax and Service Charges (water, sanitation, electricity and refuse).
3. The surplus of R3 310 million for 2025/26 includes Transfers recognised-capital (Capital Grants and Donations received), while the expenditure category does not include the expenditure related to these transfers.

Table 28 – MBRR Table A3 – Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote									
Vote 1 - Community Services & Health	1 104 950	942 665	953 880	1 007 677	972 805	972 805	991 754	1 035 349	1 051 908
Vote 2 - Corporate Services	88 007	73 774	104 867	78 364	81 111	81 111	99 480	92 599	95 615
Vote 3 - Economic Growth	237 354	304 489	363 229	282 332	451 699	451 699	367 264	341 601	444 107
Vote 4 - Energy	16 423 600	16 730 867	20 301 594	21 761 003	22 474 758	22 474 758	24 085 011	24 763 963	25 563 742
Vote 5 - Finance	17 789 452	17 724 548	18 871 350	19 087 456	19 108 576	19 108 576	20 156 511	21 506 215	22 859 867
Vote 6 - Future Planning & Resilience	28 971	62 339	64 581	69 439	81 180	81 180	65 915	62 801	54 236
Vote 7 - Human Settlements	1 288 801	1 598 777	1 631 983	1 723 981	1 843 352	1 843 352	1 771 568	1 777 438	1 932 209
Vote 8 - Office of the City Manager	17 094	1 928	1 985	916	916	916	957	1 000	1 044
Vote 9 - Safety & Security	2 372 930	2 470 075	2 370 217	2 446 022	2 460 755	2 460 755	2 396 509	2 408 133	2 554 539
Vote 10 - Spatial Planning & Environment	540 848	582 624	641 970	680 896	685 496	685 496	746 195	726 229	755 012
Vote 11 - Urban Mobility	1 288 185	1 759 537	2 274 998	3 091 210	2 737 595	2 737 595	3 511 579	3 583 130	2 162 477
Vote 12 - Urban Waste Management	1 407 356	1 988 560	2 092 894	2 202 793	2 216 158	2 216 158	3 323 144	3 563 135	3 800 163
Vote 13 - Water & Sanitation	10 960 296	11 990 805	14 333 991	15 063 170	15 272 598	15 272 598	17 071 610	18 530 634	21 315 062
Total Revenue by Vote	53 547 845	56 230 987	64 007 541	67 495 260	68 386 997	68 386 997	74 587 497	78 392 228	82 589 982
Expenditure by Vote to be appropriated									
Vote 1 - Community Services & Health	4 123 706	3 948 968	4 079 684	4 768 717	4 649 867	4 649 867	4 944 321	5 148 073	5 381 778
Vote 2 - Corporate Services	2 958 923	3 282 475	3 600 370	4 115 181	4 033 604	4 033 604	4 123 703	4 705 502	4 939 907
Vote 3 - Economic Growth	576 728	657 251	645 128	719 081	751 930	751 930	760 365	725 690	740 641
Vote 4 - Energy	14 149 932	14 663 555	16 932 773	18 964 276	19 492 087	19 492 087	21 757 162	22 334 785	23 240 284
Vote 5 - Finance	2 945 125	2 745 384	3 386 594	3 927 081	4 017 436	4 017 436	4 496 215	5 030 785	5 496 754
Vote 6 - Future Planning & Resilience	404 577	464 779	543 604	573 306	605 568	605 568	595 825	608 803	613 313
Vote 7 - Human Settlements	1 432 260	1 533 696	1 577 781	1 667 896	1 747 214	1 747 214	1 705 085	1 752 332	1 857 715
Vote 8 - Office of the City Manager	465 860	408 051	485 592	487 886	538 852	538 852	524 560	543 055	561 255
Vote 9 - Safety & Security	5 170 329	5 540 354	5 541 728	6 214 301	6 169 483	6 169 483	6 692 842	6 926 543	7 209 448
Vote 10 - Spatial Planning & Environment	1 236 106	1 283 766	1 463 400	1 693 740	1 682 200	1 682 200	1 926 752	1 938 647	1 903 442
Vote 11 - Urban Mobility	3 582 776	3 824 979	4 295 067	4 284 748	4 561 846	4 561 846	4 706 689	4 862 461	5 236 131
Vote 12 - Urban Waste Management	3 138 453	3 404 834	3 522 246	3 764 616	3 779 236	3 779 236	4 100 966	4 333 946	4 522 731
Vote 13 - Water & Sanitation	10 459 885	10 769 455	12 376 682	13 160 998	13 409 149	13 409 149	14 942 522	15 929 482	17 585 134
Total Expenditure by Vote	50 644 660	52 527 548	58 450 649	64 341 828	65 438 472	65 438 472	71 277 006	74 840 106	79 288 532
Surplus/(Deficit) for the year	2 903 185	3 703 440	5 556 892	3 153 432	2 948 525	2 948 525	3 310 490	3 552 122	3 301 450

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

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

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

Table 29 – Surplus/(Deficit) calculations for the trading services

Description	2025/26 Medium Term Revenue & Expenditure Framework		
	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand			
Energy			
Total Operating Revenue (excluding capital transfers and contributions)	24 079 010	24 756 463	25 555 742
Total Operating Expenditure	21 641 625	22 209 311	23 109 128
Operating Surplus/(Deficit) for the year	2 437 386	2 547 152	2 446 614
% Surplus	10.1%	10.3%	9.6%
Water & Sanitation			
Total Operating Revenue excluding capital transfers and contributions)	17 039 869	18 492 364	21 223 100
Total Operating Expenditure	14 698 708	15 663 936	17 289 723
Operating Surplus/(Deficit) for the year	2 341 161	2 828 428	3 933 377
% Surplus	13.7%	15.3%	18.5%
Urban Waste Management			
Total Operating Revenue excluding capital transfers and contributions)	3 323 144	3 563 135	3 800 163
Total Operating Expenditure	4 100 966	4 333 946	4 522 731
Operating Surplus/(Deficit) for the year	(777 823)	(770 811)	(722 568)
% Surplus	-23.4%	-21.6%	-19.0%

Calculation of trading services' surplus within Energy and Water & Sanitation, a deficit within Urban Waste Management, as per the above table, is based on primary revenue and expenditure items only.

It does not include contributions from the Energy Directorate to Rates or internal cost charges/recoveries, and appropriations. These 'secondary elements' are, however, included in the tariff calculations for the various trading services. When taking the secondary budget and appropriations into account, the trading services reflect a balanced budget.

Table 30 – MBRR Table A4 – Budgeted Financial Performance (revenue and expenditure)

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Revenue									
Exchange Revenue									
Service charges - Electricity	16 275 591	16 384 191	19 940 176	21 328 255	22 043 278	22 043 278	23 663 555	24 309 320	25 094 791
Service charges - Water	3 670 013	3 997 156	4 844 312	4 999 113	5 098 397	5 098 397	5 776 241	6 257 772	7 434 130
Service charges - Waste Water Management	1 841 919	2 033 263	2 416 264	2 547 558	2 587 547	2 587 547	2 966 006	3 235 545	3 850 787
Service charges - Waste Management	1 240 798	1 309 198	1 349 593	1 516 500	1 549 837	1 549 837	1 658 640	1 764 463	1 869 504
Sale of Goods and Rendering of Services	452 032	602 839	703 401	677 442	663 294	663 294	816 579	814 104	862 368
Agency services	262 094	276 684	278 170	295 891	295 891	295 891	302 874	310 022	337 339
Interest	–	–	–	–	–	–	–	–	–
Interest earned from Receivables	270 668	288 014	324 025	317 698	324 270	324 270	339 731	364 128	418 418
Interest earned from Current and Non Current Assets	977 254	1 447 418	1 578 846	1 071 910	1 071 612	1 071 612	758 522	648 785	789 055
Dividends	–	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets	382 647	420 355	465 769	461 984	476 123	476 123	494 307	530 622	613 594
Licence and permits	264	353	543	196	196	196	205	214	224
Special rating levies	293 085	316 181	365 452	429 894	431 181	431 181	494 107	523 753	555 178
Operational Revenue	471 875	423 249	515 408	423 646	437 255	437 255	423 376	439 920	465 425
Non-Exchange Revenue									
Property rates	10 358 743	11 245 429	11 986 459	12 712 797	12 712 797	12 712 797	13 768 100	14 946 054	15 943 920
Surcharges and Taxes	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1 926 090	1 984 419	1 910 359	1 888 192	1 916 612	1 916 612	1 878 556	1 892 592	1 916 560
Licences or permits	45 225	45 632	49 785	56 610	48 135	48 135	50 301	52 565	54 877
Transfer and subsidies - Operational	5 820 598	6 221 933	6 719 779	6 919 169	7 069 217	7 069 217	7 329 561	7 404 716	7 561 017
Interest	99 174	124 173	137 912	94 426	94 426	94 426	98 675	103 115	107 652
Fuel Levy	2 608 900	2 666 726	2 639 290	2 749 549	2 749 549	2 749 549	2 851 776	2 972 451	3 096 441
Operational Revenue	–	–	–	–	–	–	906 078	980 527	1 089 489
Gains on disposal of Assets	100 187	86 691	152 916	59 079	198 080	198 080	70 772	60 884	110 999
Other Gains	4 793 923	4 245 264	5 093 415	5 393 297	5 461 056	5 461 056	6 084 343	6 600 539	7 562 025
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	51 891 081	54 119 167	61 471 876	63 943 208	65 228 755	65 228 755	70 732 307	74 212 092	79 733 792
Expenditure									
Employee related costs	15 255 905	15 261 344	17 107 614	19 311 622	19 214 080	19 221 343	20 889 090	22 220 571	23 760 020
Remuneration of councillors	165 163	176 064	183 030	200 324	188 313	188 408	197 729	207 615	217 996
Bulk purchases - electricity	11 561 609	11 812 158	13 941 386	15 472 230	15 974 700	15 974 700	17 755 086	18 363 846	19 062 355
Inventory consumed	5 788 277	5 689 936	6 655 014	7 077 642	7 163 350	7 163 350	7 899 755	8 499 592	9 712 278
Debt impairment	703 122	854 246	646 452	2 856 164	2 823 023	2 823 023	3 217 478	3 214 620	3 242 407
Depreciation and amortisation	3 056 503	3 259 524	3 495 788	3 807 669	3 804 737	3 804 737	3 974 164	4 203 400	4 605 312
Interest	776 622	772 433	829 972	1 214 301	1 089 467	1 087 742	1 428 206	1 776 623	2 054 031
Contracted services	7 734 377	8 913 196	9 500 850	9 767 037	10 375 036	10 393 796	11 100 541	11 020 646	11 093 184
Transfers and subsidies	406 842	377 101	359 818	360 208	420 430	420 430	388 523	353 947	345 847
Irrecoverable debts written off	2 139 714	2 167 322	2 222 618	188 242	242 138	242 138	123 202	123 202	123 202
Operational costs	2 439 288	2 756 412	3 115 930	3 520 240	3 693 270	3 668 692	3 768 638	4 277 064	4 387 987
Losses on disposal of Assets	13 948	37 655	11 729	2 244	2 630	2 644	2 500	2 500	2 500
Other Losses	603 290	450 154	380 448	563 907	447 298	447 470	532 092	576 478	681 412
Total Expenditure	50 644 660	52 527 548	58 450 649	64 341 831	65 438 472	65 438 472	71 277 006	74 840 106	79 288 532
Surplus/(Deficit)	1 246 421	1 591 619	3 021 226	(398 623)	(209 718)	(209 718)	(544 699)	(628 014)	445 261
Transfers and subsidies - capital (monetary allocations)	1 654 284	2 104 107	2 535 548	3 552 052	3 158 243	3 158 243	3 855 190	4 180 136	2 856 189
Transfers and subsidies - capital (in-kind)	2 480	7 714	117	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	2 903 185	3 703 440	5 556 892	3 153 429	2 948 525	2 948 525	3 310 490	3 552 122	3 301 450
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	2 903 185	3 703 440	5 556 892	3 153 429	2 948 525	2 948 525	3 310 490	3 552 122	3 301 450
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	2 903 185	3 703 440	5 556 892	3 153 429	2 948 525	2 948 525	3 310 490	3 552 122	3 301 450
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	2 903 185	3 703 440	5 556 892	3 153 429	2 948 525	2 948 525	3 310 490	3 552 122	3 301 450

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

1. Table A4 is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type. Total revenue (excluding appropriations, which are disclosed in the Statement of Financial Position) is R70 732 million in 2025/26 escalating to R79 734 million by 2027/28. Major contributing items to the total revenue are the increased grant operating allocations from National- and Provincial Government, the projected growth, and service charges.
2. Revenue to be generated from property rates is R13 768 million (19.5%) of the revenue base in 2025/26 increasing to R15 944 million (20.0%) by 2027/28. This remains a significant funding source for the City.
3. Service charges relating to electricity, water, sanitation services, and refuse removal constitute the biggest component of the revenue basket of the City totalling R34 064 million in 2025/26 or 48.2% of the revenue base, increasing to R38 249 million in 2027/28.

City-Wide Cleaning revenue is deemed/categorised as non-exchange revenue as per mSCOA classification.

4. Transfers & Subsidies – operational increases from R7 330 million in 2025/26 to R7 561 million in 2027/28. This includes external allocations received from National- and Provincial Government and private sector funding.

The figure below provides a graphical view of the sources of revenue over the MTREF.

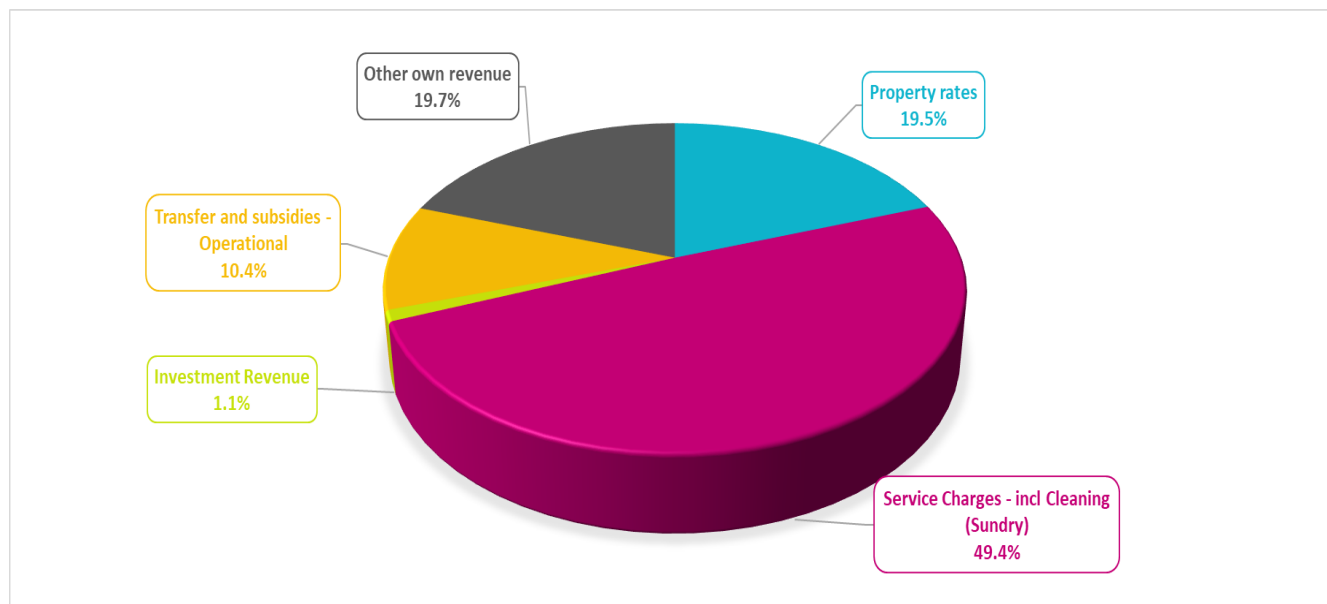


Figure 17: Revenue by source

5. Employee-related costs are the main cost driver within the City's operating expenditure budget increasing from R20 889 million in 2025/26 to R23 760 million in 2027/28.
6. Bulk purchases – electricity increases significantly over the MTREF, escalating from R17 755 million in 2025/26 to R19 062 million in 2027/28. This increase can be attributed to substantial increases in the cost of bulk electricity.
7. Depreciation and amortisation totals R3 974 million in 2025/26 increasing to R4 605 million in 2027/28 and is linked to the capitalisation rate of assets. The calculation of depreciation on new capital expenditure is based on variables such as asset class and lifespan depending on the nature of the asset. Depreciation of existing assets is calculated based on simulated financial system data (SAP), which reflects actual values per annum. Assets Under Construction (AUC) are calculated based on asset class lifespan and projected capitalisation dates.
8. Contracted Services increases from R11 101 million in 2025/26 to R11 093 million in 2027/28 and includes budgetary provision for repairs and maintenance.
9. A deficit of R545 million and R628 million is reflected in 2025/26 and 2026/27 respectively with a surplus of R445 million reflecting in 2027/28. This is mainly due to expenditure, which is funded from cash backed surpluses and appropriations, shown in the Cash Flow budget (MBRR Table A7).

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

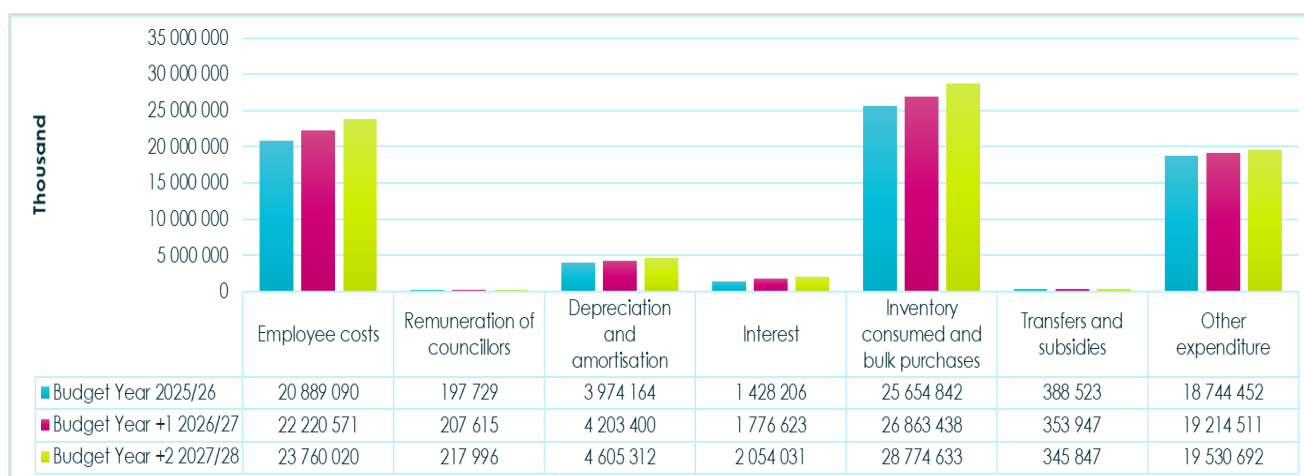


Figure 18: Expenditure by type

Table 31 – MBRR Table A5 – Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Community Services & Health	272 395	223 024	368 443	329 440	347 776	332 109	317 218	237 263	273 929
Vote 2 - Corporate Services	414 336	425 297	642 157	436 312	436 614	430 949	498 476	924 569	729 561
Vote 3 - Economic Growth	32 682	46 144	77 007	111 730	127 449	126 969	111 099	84 703	160 256
Vote 4 - Energy	778 673	1 006 874	1 109 601	1 233 595	1 218 502	1 166 996	1 249 640	1 676 837	1 573 438
Vote 5 - Finance	16 290	28 965	64 131	70 627	77 873	77 727	123 163	16 314	21 040
Vote 6 - Future Planning & Resilience	13 939	24 961	19 973	17 909	26 405	26 263	5 414	5 388	5 810
Vote 7 - Human Settlements	892 564	881 608	959 185	982 278	1 094 530	1 087 322	1 228 699	999 921	1 072 754
Vote 8 - Office of the City Manager	5 740	6 494	6 322	3 196	6 211	6 158	8 675	31 636	28 492
Vote 9 - Safety & Security	192 797	281 671	444 375	483 669	472 532	470 829	344 830	214 039	500 016
Vote 10 - Spatial Planning & Environment	113 932	224 417	252 541	390 286	301 989	296 617	519 567	389 889	230 364
Vote 11 - Urban Mobility	651 164	1 089 031	1 552 346	2 567 589	2 156 762	1 914 361	3 090 530	3 225 345	1 788 688
Vote 12 - Urban Waste Management	327 566	638 820	592 417	300 619	416 696	397 982	438 953	581 984	784 018
Vote 13 - Water & Sanitation	1 714 114	2 051 600	3 315 859	5 093 382	4 713 051	3 888 483	4 926 374	5 839 550	5 715 926
Total Capital Expenditure - Vote	5 426 192	6 928 907	9 404 356	12 020 633	11 396 389	10 222 765	12 862 639	14 227 436	12 884 293
Capital Expenditure - Functional									
Governance and administration	1 046 830	1 315 615	1 695 708	1 161 972	1 231 156	1 201 164	1 338 710	1 688 157	1 714 463
Executive and council	5 162	4 557	1 373	2 500	1 848	1 793	27 948	617	1 750
Finance and administration	1 041 412	1 310 981	1 689 514	1 159 392	1 229 227	1 199 289	1 310 672	1 683 178	1 712 543
Internal audit	256	78	4 821	79	82	82	90	4 361	169
Community and public safety	1 188 714	1 233 071	1 494 021	1 696 171	1 836 712	1 814 428	1 864 454	1 318 077	1 590 387
Community and social services	65 703	61 847	67 909	116 977	105 073	97 106	138 247	96 494	165 603
Sport and recreation	74 378	75 102	238 551	192 630	238 508	234 308	235 626	107 965	139 317
Public safety	124 915	204 285	278 533	354 796	366 541	362 927	231 780	79 657	237 693
Housing	873 873	857 463	886 707	973 639	1 085 247	1 078 604	1 202 911	979 076	1 011 831
Health	49 845	34 373	22 319	58 130	41 342	41 483	55 890	54 885	35 943
Economic and environmental services	715 299	1 259 563	1 725 403	3 036 899	2 534 459	2 287 423	3 604 890	3 654 182	2 121 166
Planning and development	81 745	137 067	151 794	225 399	201 359	198 137	280 769	169 471	184 112
Road transport	593 902	1 001 530	1 426 721	2 555 756	2 128 444	1 886 554	3 013 970	3 215 676	1 788 272
Environmental protection	39 652	120 965	146 888	255 744	204 656	202 732	310 151	269 035	148 782
Trading services	2 474 302	3 120 273	4 488 683	6 124 868	5 793 146	4 918 670	6 052 141	7 563 965	7 454 168
Energy sources	776 832	1 003 581	1 106 808	1 206 454	1 205 459	1 153 525	1 228 075	1 675 337	1 571 438
Water management	670 076	710 922	856 980	1 227 340	1 220 124	1 093 982	1 478 230	2 070 193	2 166 337
Waste water management	882 852	1 059 944	2 212 393	3 587 992	3 186 312	2 502 622	3 258 361	3 601 457	3 357 842
Waste management	144 542	345 826	312 502	103 082	181 251	168 541	87 476	216 977	358 550
Other	1 048	385	541	723	916	1 079	2 445	3 057	4 110
Total Capital Expenditure - Functional	5 426 192	6 928 907	9 404 356	12 020 633	11 396 389	10 222 765	12 862 639	14 227 436	12 884 293
Funded by:									
National Government	1 626 203	2 079 812	2 482 270	3 395 118	3 034 634	2 802 677	3 735 882	4 048 734	2 761 689
Provincial Government	27 609	11 071	31 115	23 549	20 810	14 310	6 657	6 377	6 934
Transfers and subsidies - capital	47 320	85 082	66 132	133 385	102 799	92 799	112 651	125 025	87 566
Transfers recognised - capital	1 701 131	2 175 965	2 579 517	3 552 052	3 158 243	2 909 786	3 855 190	4 180 136	2 856 189
Borrowing	994 517	1 758 326	2 544 486	7 279 730	7 050 578	6 242 482	5 000 000	5 000 000	5 000 000
Internally generated funds	2 730 544	2 994 615	4 280 353	1 188 851	1 187 568	1 070 497	4 007 449	5 047 301	5 028 104
Total Capital Funding	5 426 192	6 928 907	9 404 356	12 020 633	11 396 389	10 222 765	12 862 639	14 227 436	12 884 293

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

1. Table A5 reflects the City's capital programme in relation to capital expenditure by municipal vote (directorate); capital expenditure by standard classification; funding sources required to fund the capital budget and information on capital transfers from National- and Provincial departments.
2. The MFMA provides that a municipality may approve single- or multi-year capital budget appropriations. The City has allocated multi-year appropriations amounting to R12 863 million for 2025/26, increasing to R14 227 million and decreasing to R12 884 million in 2026/27 and 2027/28 respectively.
3. The capital budget is funded by allocations made to the City in the form of grants by National- and Provincial government, public contributions and donations, borrowings and internally generated funds.
4. Capital transfers from the National Government and the Western Cape Government amount to R3 743 million (29.1%) in 2025/26, increasing to R4 055 million in 2026/27 and decreasing to R2 769 million in 2027/28.
5. Transfers and Subsidies – capital amount to R113 million in 2025/26, increasing to R125 million in 2026/27, and decreasing to R88 million in 2027/28, which includes funding received from the private sector for the installation of service connections, ORIO funding, and interest earned on grants.
6. Borrowing of R5 000 million for each of the three years of the 2025/26 MTREF has been provided for in terms of affordability levels as determined during the MTREF modelling.
7. Internally generated funds amounting to R4 008 million, R5 047 million and R5 028 million have been provided for annually over the MTREF.

Table 32 – MBRR Table A6 – Budgeted Financial Position

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
ASSETS									
Current assets									
Cash and cash equivalents	11 041 349	12 485 867	12 548 255	13 720 433	15 748 178	15 748 178	13 306 706	9 645 321	7 134 237
Trade and other receivables from exchange transactions	4 223 058	4 163 093	4 934 302	3 864 538	3 461 598	3 461 598	4 274 283	5 113 078	6 037 096
Receivables from non-exchange transactions	2 685 572	3 237 826	3 119 340	5 525 628	5 539 454	5 539 454	6 313 491	7 133 535	7 997 917
Current portion of non-current receivables	3 246	612	205	14	195	195	60	11	3
Inventory	430 223	483 155	477 648	537 032	500 740	500 740	527 450	555 476	608 918
VAT	5 950	46 439	201 872	530 366	676 001	676 001	1 196 998	1 044 021	1 070 718
Other current assets	–	–	–	–	–	–	–	–	–
Total current assets	18 389 398	20 416 992	21 281 622	24 178 012	25 926 167	25 926 167	25 618 987	23 491 441	22 848 888
Non current assets									
Investments	6 837 924	5 718 223	4 223 415	2 621 400	2 364 079	2 364 079	2 517 807	2 677 887	2 849 434
Investment property	577 820	576 107	574 393	572 720	572 722	572 722	571 011	569 300	567 588
Property, plant and equipment	55 427 040	58 990 743	64 727 967	74 975 813	72 450 473	72 450 473	81 391 618	90 918 263	99 092 464
Biological assets	–	–	–	–	–	–	–	–	–
Living and non-living resources	–	206	510	1 565	1 133	1 133	1 440	1 103	1 633
Heritage assets	10 268	10 268	10 340	10 268	11 184	11 184	11 184	11 184	11 184
Intangible assets	621 600	733 844	835 011	742 187	704 361	704 361	653 094	1 152 533	1 258 494
Trade and other receivables from exchange transactions	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	1 242	695	233	13	37	37	14	3	(0)
Other non-current assets	–	–	–	–	–	–	–	–	–
Total non current assets	63 475 895	66 030 086	70 371 869	78 923 966	76 103 989	76 103 989	85 146 169	95 330 273	103 780 797
TOTAL ASSETS	81 865 293	86 447 078	91 653 491	103 101 977	102 030 156	102 030 156	110 765 156	118 821 714	126 629 685
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Financial liabilities	1 426 476	1 718 820	2 603 526	1 188 362	999 769	999 769	1 346 115	1 650 338	1 773 717
Consumer deposits	487 879	439 733	455 050	487 501	477 929	477 929	499 971	523 004	546 539
Trade and other payables from exchange transactions	6 808 103	7 783 114	8 235 199	11 351 743	9 976 780	9 976 780	11 386 511	11 590 693	11 897 466
Trade and other payables from non-exchange transactions	777 984	826 752	833 187	676 155	833 187	833 187	833 187	833 187	833 187
Provision	1 692 258	1 709 921	1 845 185	1 873 397	1 904 066	1 904 066	1 981 571	2 070 596	2 134 063
VAT	–	–	–	435 610	400 486	400 486	461 413	527 529	596 773
Other current liabilities	–	–	–	–	–	–	–	–	–
Total current liabilities	11 192 700	12 478 339	13 972 147	16 012 766	14 592 218	14 592 218	16 508 768	17 195 348	17 781 744
Non current liabilities									
Financial liabilities	5 220 709	5 630 840	4 093 807	12 389 446	9 896 104	9 896 104	13 459 944	16 772 647	19 932 266
Provision	7 431 182	6 613 757	6 306 503	7 312 601	7 312 276	7 312 276	7 256 395	7 761 549	8 522 054
Long term portion of trade payables	–	–	–	–	–	–	–	–	–
Other non-current liabilities	–	–	–	–	–	–	–	–	–
Total non current liabilities	12 651 891	12 244 597	10 400 311	19 702 048	17 208 380	17 208 380	20 716 339	24 534 196	28 454 320
TOTAL LIABILITIES	23 844 590	24 722 936	24 372 457	35 714 814	31 800 598	31 800 598	37 225 107	41 729 544	46 236 065
NET ASSETS	58 020 703	61 724 142	67 281 033	67 387 163	70 229 558	70 229 558	73 540 049	77 092 171	80 393 620
COMMUNITY WEALTH/EQUITY									
Accumulated surplus/(deficit)	52 639 887	56 727 512	62 605 697	62 760 734	65 444 292	65 444 292	68 264 566	72 063 068	73 870 657
Reserves and funds	5 380 815	4 996 630	4 675 336	4 626 429	4 785 266	4 785 266	5 275 483	5 029 103	6 522 963
Other	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	58 020 702	61 724 142	67 281 033	67 387 163	70 229 559	70 229 559	73 540 049	77 092 171	80 393 620

Explanatory notes to Table A6 – Budgeted Financial Position

1. The budgeted Statement of Financial Position of the City has been prepared on a basis consistent with GRAP1 and international accounting standards and as such makes it comparable with the present Statement of Financial Position and those of previous years. This will enable all stakeholders to interpret the impact of the budget as such on the Statement of Financial Position.
2. The assets are in the order of relative liquidity and liabilities according to their priority of being met with cash and an extensive table of notes (MBRR Table SA3 on page 261) is 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.

Table 33 – MBRR Table A7 – Budgeted Cash Flow Statement

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	10 358 743	11 245 429	12 306 132	12 739 500	12 740 749	12 740 749	13 662 239	14 818 887	15 804 826
Service charges	23 526 030	24 295 205	27 272 686	29 474 632	30 341 550	30 341 550	33 879 903	35 502 777	38 314 870
Other revenue	3 018 242	3 182 072	4 920 873	4 829 090	4 862 634	4 862 634	5 167 880	5 370 438	5 699 321
Transfers and Subsidies - Operational	5 203 436	6 171 454	6 515 305	6 919 169	7 069 217	7 069 217	7 329 561	7 404 716	7 561 017
Transfers and Subsidies - Capital	1 374 421	1 819 160	2 259 362	3 552 052	3 158 243	3 158 243	3 855 190	4 180 136	2 856 189
Interest	1 432 200	1 817 833	1 992 741	1 071 910	1 071 612	1 071 612	758 522	648 785	789 055
Payments									
Suppliers and employees	(38 232 596)	(41 655 977)	(46 648 741)	(50 527 701)	(51 287 875)	(51 287 875)	(56 122 085)	(58 621 399)	(61 380 873)
Interest	(702 468)	(767 111)	(733 304)	(1 257 237)	(1 108 841)	(1 108 841)	(1 367 594)	(1 719 855)	(1 990 274)
Transfers and Subsidies	–	–	–	(360 208)	(420 430)	(420 430)	(388 523)	(353 947)	(345 847)
NET CASH FROM/(USED) OPERATING ACTIVITIES	5 978 008	6 108 065	7 885 054	6 441 207	6 426 858	6 426 858	6 775 094	7 230 538	7 308 284
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	71 208	133 778	186 319	59 079	198 080	198 080	70 772	60 884	110 999
Decrease (increase) in non-current receivables	12 851	5 974	1 013	14	195	195	60	(25)	3
Decrease (increase) in non-current investments	(71 280)	(518 278)	616 688	1 859 336	1 859 336	1 859 336	(153 729)	(160 080)	(171 546)
Payments									
Capital assets	(5 450 250)	(6 671 739)	(8 824 051)	(12 020 633)	(11 396 389)	(11 396 389)	(12 862 639)	(14 227 436)	(12 884 293)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(5 437 471)	(7 050 265)	(8 020 031)	(10 102 203)	(9 338 777)	(9 338 777)	(12 945 536)	(14 326 657)	(12 944 837)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	2 116 000	1 000 000	7 279 730	7 050 578	7 050 578	5 000 000	5 000 000	5 000 000
Increase (decrease) in consumer deposits	–	–	15 317	23 564	22 880	22 880	22 041	23 033	23 535
Payments									
Repayment of borrowing	(371 495)	(1 358 162)	(1 703 546)	(2 869 228)	(2 820 952)	(2 820 952)	(1 139 343)	(1 428 219)	(1 726 519)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(371 495)	757 838	(688 229)	4 434 065	4 252 506	4 252 506	3 882 699	3 594 814	3 297 016
NET INCREASE/ (DECREASE) IN CASH HELD	169 042	(184 362)	(823 206)	773 070	1 340 587	1 340 587	(2 287 744)	(3 501 305)	(2 339 538)
Cash/cash equivalents at the year begin:	8 126 100	8 295 143	8 110 781	5 803 390	7 287 575	7 287 575	8 628 162	6 340 418	2 839 113
Cash/cash equivalents at the year end:	8 295 143	8 110 781	7 287 575	6 576 459	8 628 162	8 628 162	6 340 418	2 839 113	499 575

Explanatory notes to Table A7 – Budgeted Cash Flow Statement

- The table shows the cash and cash equivalents of the City for the 2025/26 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 340 million in 2025/26, R2 839 million in 2026/27 and R500 million in 2027/28.
- Assumptions used in the preparation of the cash flow budget.

a) Collection rates

Services	Budget year 2025/26	Budget year +1 2026/27	Budget year +2 2027/28
Rates	96%	96%	96%
Electricity	99%	99%	99%
Water	91%	93%	94%
Sanitation	93%	93%	95%
Refuse	95%	95%	95%
Rental income	70%	73%	76%
Fines	16%	16%	17%

- The assumption for capital and operating expenditure is 100% spend.

Table 34 – MBRR Table A8 – Cash Backed Reserves/Accumulated Surplus Reconciliation

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Cash and investments available									
Cash/cash equivalents at the year end	8 295 143	8 110 781	7 287 575	6 576 459	8 628 162	8 628 162	6 340 418	2 839 113	499 575
Other current investments > 90 days	2 746 207	4 375 086	5 260 680	7 143 974	7 120 016	7 120 016	6 966 288	6 806 208	6 634 661
Non current Investments	6 837 924	5 718 223	4 223 415	2 621 400	2 364 079	2 364 079	2 517 807	2 677 887	2 849 434
Cash and investments available:	17 879 273	18 204 090	16 771 670	16 341 833	18 112 257	18 112 257	15 824 513	12 323 208	9 983 670
Application of cash and investments									
Unspent conditional transfers	777 984	826 752	833 187	676 155	833 187	833 187	833 187	833 187	833 187
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–
Other working capital requirements	461 822	977 587	757 062	2 604 275	1 585 254	1 585 254	1 506 984	127 284	(1 280 240)
Other provisions	1 041 214	1 106 572	1 085 822	1 172 422	1 172 097	1 172 097	–	–	–
Long term investments committed	3 404 010	2 805 762	1 859 336	–	–	–	–	–	–
Reserves to be backed by cash/investments	5 380 815	4 996 630	4 675 336	4 626 429	4 785 266	4 785 266	5 275 483	5 029 103	6 522 963
Total Application of cash and investments:	11 065 844	10 713 303	9 210 744	9 079 281	8 375 805	8 375 805	7 615 654	5 989 574	6 075 910
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits	6 813 429	7 490 787	7 560 926	7 262 553	9 736 452	9 736 452	8 208 859	6 333 634	3 907 760
Creditors transferred to Debt Relief - Non-Current portion	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits	6 813 429	7 490 787	7 560 926	7 262 553	9 736 452	9 736 452	8 208 859	6 333 634	3 907 760

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 NT MFMA Circular 42 – Funding a Municipal Budget.
2. The table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year-end and secondly reconciling the available funding to the liabilities/commitments that exist. The results would be either a surplus or deficit. A surplus would indicate the cash-backed accumulated surplus that was/is available. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be “funded”.
3. From the table it can be seen that the City remains in a surplus net cash flow position over the 2025/26 MTREF Budget.
4. Table A8 reflects a surplus of R8 209 million in 2025/26, reducing to R6 334 million in 2026/27 and R3 908 million in 2027/28.
5. As part of the budgeting and planning guidelines that informed the compilation of the 2025/26 MTREF, the end objective of the medium-term framework was to ensure the budget is funded and aligned to section 18 of the MFMA.
6. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2025/26 MTREF is fully funded.

Table 35 – MBRR Table A9 – Asset Management

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	2 221 435	3 360 299	4 014 631	4 910 769	4 491 232	4 103 293	5 510 786	6 149 245	5 079 786
Roads Infrastructure	334 765	828 905	1 046 549	2 249 601	1 682 887	1 430 883	2 562 889	2 240 699	1 311 097
Storm water Infrastructure	116 603	194 695	161 134	193 956	194 990	178 351	212 633	219 586	274 193
Electrical Infrastructure	249 766	323 243	274 993	287 745	276 951	272 907	308 060	280 428	408 055
Water Supply Infrastructure	334 053	466 433	551 871	656 398	780 687	681 770	913 955	1 416 431	1 526 863
Sanitation Infrastructure	274 467	280 443	233 812	280 948	261 953	222 177	496 515	555 611	363 029
Solid Waste Infrastructure	90 848	236 232	223 280	26 851	76 615	74 470	20 873	43 685	166 475
Coastal Infrastructure	–	27 829	13 063	–	–	–	–	–	–
Information and Communication Infrastructure	45 541	89 035	101 309	1 300	1 033	1 025	6 100	2 490	5 490
Infrastructure	1 446 043	2 446 815	2 606 010	3 696 800	3 275 117	2 861 583	4 521 025	4 758 930	4 055 203
Community Facilities	238 817	218 619	281 081	150 176	190 379	182 233	201 921	240 423	264 115
Sport and Recreation Facilities	–	65	171	–	300	50	650	1 000	–
Community Assets	238 817	218 684	281 252	150 176	190 679	182 283	202 571	241 423	264 115
Operational Buildings	40 063	76 722	84 393	281 428	231 976	220 810	51 849	186 952	257 549
Housing	1 192	8 376	3 799	–	–	–	–	–	1 500
Other Assets	41 256	85 098	88 192	281 428	231 976	220 810	51 849	186 952	259 049
Licences and Rights	18 238	61 782	109 104	118 007	98 097	96 280	88 561	170 829	172 834
Intangible Assets	18 238	61 782	109 104	118 007	98 097	96 280	88 561	170 829	172 834
Computer Equipment	100 371	137 710	154 723	113 399	106 195	107 881	154 770	37 282	52 070
Furniture and Office Equipment	14 977	27 077	37 219	42 841	50 366	50 414	14 257	10 502	15 622
Machinery and Equipment	132 436	141 989	216 318	204 065	182 637	181 508	109 851	64 138	53 503
Transport Assets	103 651	205 644	321 489	193 954	236 604	236 643	251 068	629 190	103 046
Land	125 646	35 500	200 322	110 101	119 385	165 715	116 834	50 000	104 345
Mature	–	–	–	–	175	175	–	–	–
Living Resources	–	–	–	–	175	175	–	–	–
Total Renewal of Existing Assets	1 807 113	1 979 848	2 546 524	3 466 977	3 343 290	3 195 416	3 743 762	3 583 312	3 572 338
Roads Infrastructure	140 954	62 406	77 022	182 639	244 538	237 508	288 850	110 757	166 840
Storm water Infrastructure	5 004	12 412	8 317	2 984	12 094	11 343	11 102	47 040	7 555
Electrical Infrastructure	384 403	390 997	493 410	467 234	501 054	492 015	461 255	869 021	664 756
Water Supply Infrastructure	236 706	264 416	310 386	509 539	426 840	434 722	520 200	605 503	750 828
Sanitation Infrastructure	354 740	454 570	717 027	1 469 672	1 242 117	1 145 159	1 278 692	1 012 756	759 666
Solid Waste Infrastructure	–	–	–	1 523	1 523	1 523	1 266	33 800	83
Coastal Infrastructure	–	–	–	–	–	–	–	5 000	1 000
Information and Communication Infrastructure	5 544	28 293	20 837	32 062	35 855	35 855	41 920	31 152	113 728
Infrastructure	1 127 351	1 213 094	1 626 998	2 665 654	2 464 020	2 358 125	2 603 284	2 715 029	2 464 457
Community Facilities	26 364	44 240	35 878	75 326	61 451	60 708	91 468	52 377	95 772
Sport and Recreation Facilities	797	–	4 741	26 500	18 664	18 321	51 550	17 081	19 879
Community Assets	27 162	44 240	40 620	101 826	80 115	79 029	143 018	69 458	115 651
Heritage Assets	899	90	–	–	–	–	–	–	–
Operational Buildings	25 473	12 451	6 103	14 926	28 213	22 130	20 942	5 130	10 463
Housing	59 354	19 486	–	–	–	–	–	–	–
Other Assets	84 826	31 938	6 103	14 926	28 213	22 130	20 942	5 130	10 463
Licences and Rights	8 124	9 077	9 729	8 000	7 549	7 549	15 850	13 050	11 850
Intangible Assets	8 124	9 077	9 729	8 000	7 549	7 549	15 850	13 050	11 850
Computer Equipment	74 265	83 522	153 378	121 227	143 234	141 582	144 152	92 071	184 361
Furniture and Office Equipment	4 962	6 655	32 226	36 012	34 911	26 568	103 046	26 178	20 613
Machinery and Equipment	46 277	76 046	121 323	100 749	100 827	75 685	102 473	93 655	122 564
Transport Assets	433 248	515 187	555 847	417 684	483 295	483 998	610 352	568 741	641 428
Mature	–	–	300	900	1 125	750	645	–	950
Living Resources	–	–	300	900	1 125	750	645	–	950

Table continues on next page

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Total Upgrading of Existing Assets	1 397 644	1 588 760	2 843 201	3 642 887	3 561 867	2 924 056	3 608 091	4 494 879	4 232 169
Roads Infrastructure	168 640	144 888	193 226	165 720	166 871	165 649	139 888	192 593	206 569
Storm water Infrastructure	62 766	66 874	185 474	167 001	259 841	150 100	138 054	84 859	143 315
Electrical Infrastructure	52 874	159 045	168 673	265 528	228 162	223 922	218 174	250 932	298 028
Water Supply Infrastructure	85 562	16 948	15 192	20 047	24 100	22 300	23 700	64 570	62 983
Sanitation Infrastructure	469 666	458 689	1 227 575	1 814 200	1 599 684	1 125 965	1 588 194	2 131 108	2 179 587
Solid Waste Infrastructure	15 781	54 335	22 310	4 173	28 868	28 868	764	41 534	56 400
Coastal Infrastructure	16 582	50 281	58 330	140 824	115 493	112 434	215 416	117 076	–
Information and Communication Infrastructure	43 904	54 665	40 249	16 257	5 418	5 415	7 551	2 331	4 341
Infrastructure	915 774	1 005 725	1 911 030	2 593 750	2 428 437	1 834 653	2 331 742	2 885 003	2 951 224
Community Facilities	166 014	127 574	154 828	355 278	300 732	290 218	391 335	370 703	483 587
Sport and Recreation Facilities	67 218	44 466	192 243	116 260	152 842	148 848	70 490	72 948	45 822
Community Assets	233 232	172 040	347 072	471 538	453 574	439 067	461 825	443 650	529 409
Heritage Assets	–	–	–	–	844	423	–	–	–
Operational Buildings	179 693	279 507	450 034	408 854	415 798	383 604	461 742	506 609	580 423
Housing	723	62 682	80 935	144 447	224 036	226 397	328 648	155 220	64 232
Other Assets	180 416	342 189	530 970	553 301	639 834	610 001	790 390	661 828	644 656
Licences and Rights	11 507	43 755	45 751	9 598	12 170	13 999	15 045	489 495	84 880
Intangible Assets	11 507	43 755	45 751	9 598	12 170	13 999	15 045	489 495	84 880
Computer Equipment	54 520	12 605	2 019	6 000	14 477	14 477	–	–	–
Furniture and Office Equipment	696	307	567	–	–	–	–	–	–
Machinery and Equipment	1 499	12 138	5 793	8 700	12 530	11 436	9 089	14 903	22 000
Total Capital Expenditure	5 426 192	6 928 907	9 404 356	12 020 633	11 396 389	10 222 765	12 862 639	14 227 436	12 884 293
Roads Infrastructure	644 358	1 036 199	1 316 797	2 597 961	2 094 297	1 834 041	2 991 627	2 544 049	1 684 506
Storm water Infrastructure	184 373	273 980	354 925	363 940	466 925	339 793	361 789	351 485	425 064
Electrical Infrastructure	687 042	873 284	937 076	1 020 507	1 006 167	988 843	987 489	1 400 380	1 370 839
Water Supply Infrastructure	656 321	747 798	877 449	1 185 984	1 231 626	1 138 792	1 457 855	2 086 504	2 340 675
Sanitation Infrastructure	1 098 874	1 193 703	2 178 414	3 564 820	3 103 755	2 493 302	3 363 401	3 699 476	3 302 282
Solid Waste Infrastructure	106 629	290 567	245 590	32 547	107 006	104 862	22 903	119 019	222 958
Coastal Infrastructure	16 582	78 110	71 393	140 824	115 493	112 434	215 416	122 076	1 000
Information and Communication Infrastructure	94 989	171 993	162 394	49 620	42 305	42 294	55 572	35 973	123 560
Infrastructure	3 489 168	4 665 634	6 144 038	8 956 203	8 167 574	7 054 361	9 456 052	10 358 961	9 470 884
Community Facilities	431 195	390 433	471 788	580 779	552 562	533 159	684 724	663 502	843 475
Sport and Recreation Facilities	68 015	44 531	197 156	142 760	171 806	167 219	122 690	91 029	65 701
Community Assets	499 210	434 964	668 944	723 539	724 368	700 379	807 413	754 531	909 175
Heritage Assets	899	90	–	–	844	423	–	–	–
Operational Buildings	245 229	368 681	540 530	705 207	675 987	626 545	534 533	698 691	848 436
Housing	61 269	90 545	84 735	144 447	224 036	226 397	328 648	155 220	65 732
Other Assets	306 498	459 226	625 265	849 654	900 023	852 941	863 181	853 911	914 168
Licences and Rights	37 869	114 614	164 584	135 605	117 816	117 828	119 456	673 373	269 563
Intangible Assets	37 869	114 614	164 584	135 605	117 816	117 828	119 456	673 373	269 563
Computer Equipment	229 156	233 836	310 121	240 626	263 907	263 940	298 922	129 353	236 431
Furniture and Office Equipment	20 635	34 039	70 012	78 853	85 278	76 982	117 303	36 679	36 235
Machinery and Equipment	180 212	230 173	343 434	313 514	295 995	268 629	221 413	172 696	198 067
Transport Assets	536 899	720 831	877 337	611 638	719 900	720 640	861 420	1 197 931	744 474
Land	125 646	35 500	200 322	110 101	119 385	165 715	116 834	50 000	104 345
Mature	–	–	300	900	1 300	925	645	–	950
Living Resources	–	–	300	900	1 300	925	645	–	950
TOTAL CAPITAL EXPENDITURE - Asset class	5 426 192	6 928 907	9 404 356	12 020 633	11 396 389	10 222 765	12 862 639	14 227 436	12 884 293

Table continues on next page

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
ASSET REGISTER SUMMARY - PPE (WDV)	56 636 728	60 311 168	66 148 221	76 302 553	73 739 873	73 739 873	82 628 347	92 652 383	100 931 364
<i>Roads Infrastructure</i>	10 803 955	11 199 667	11 234 664	14 475 894	12 813 258	12 813 258	15 292 100	17 233 421	18 220 500
<i>Storm water Infrastructure</i>	1 081 383	1 278 657	1 324 807	1 888 758	1 712 292	1 712 292	1 990 133	2 246 142	2 557 724
<i>Electrical Infrastructure</i>	8 593 727	8 942 040	9 474 227	10 054 689	10 117 840	10 117 840	10 717 604	11 697 480	12 612 530
<i>Water Supply Infrastructure</i>	5 714 748	6 231 194	6 629 298	8 084 719	7 623 291	7 623 291	8 807 783	10 599 465	12 600 803
<i>Sanitation Infrastructure</i>	5 088 698	5 488 190	6 962 496	11 489 171	9 775 820	9 775 820	12 823 276	16 180 425	18 972 315
<i>Solid Waste Infrastructure</i>	818 889	894 141	817 456	1 142 779	869 282	869 282	815 146	856 853	1 002 196
<i>Coastal Infrastructure</i>	140 583	148 856	186 727	370 730	294 282	294 282	498 649	609 392	583 805
<i>Information and Communication Infrastructure</i>	5 474 560	7 161 221	9 427 091	7 143 001	9 327 191	9 327 191	9 247 356	9 153 002	9 149 237
Infrastructure	37 716 543	41 343 966	46 056 766	54 649 740	52 533 256	52 533 256	60 192 046	68 576 179	75 699 111
Community Assets	6 212 883	6 025 440	5 989 489	6 727 802	6 375 272	6 375 272	6 836 899	7 212 977	7 715 742
Heritage Assets	10 268	10 268	10 340	10 268	10 340	10 340	10 340	10 340	10 340
Investment properties	577 820	576 106	574 392	549 481	549 483	549 483	523 531	497 578	471 625
Other Assets	5 112 163	4 938 180	5 309 660	5 763 527	5 797 157	5 797 157	6 230 902	6 648 581	7 127 634
Intangible Assets	621 600	733 844	835 011	769 609	785 718	785 718	734 452	1 233 891	1 339 852
Computer Equipment	590 768	571 296	588 358	609 095	568 279	568 279	597 098	473 688	467 405
Furniture and Office Equipment	436 401	480 598	526 733	504 434	529 928	529 928	564 023	521 219	485 015
Machinery and Equipment	464 051	440 548	558 627	770 923	634 278	634 278	633 091	599 482	587 155
Transport Assets	3 672 099	3 946 643	4 274 317	4 401 072	4 410 948	4 410 948	4 643 275	5 165 756	5 209 498
Land	1 222 132	1 244 073	1 424 018	1 545 495	1 543 403	1 543 403	1 660 237	1 710 237	1 814 582
Living Resources	–	206	510	1 106	1 810	1 810	2 455	2 455	3 405
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	56 636 728	60 311 168	66 148 221	76 302 553	73 739 873	73 739 873	82 628 347	92 652 383	100 931 364
EXPENDITURE OTHER ITEMS	7 524 782	8 350 904	9 109 477	9 473 212	9 946 549	9 965 694	10 816 182	11 526 144	12 153 366
Depreciation	3 056 503	3 259 524	3 495 788	3 807 669	3 804 737	3 804 737	3 974 165	4 203 401	4 605 313
Repairs and Maintenance by Asset Class	4 468 279	5 091 380	5 613 689	5 665 543	6 141 812	6 160 957	6 842 018	7 322 744	7 548 054
<i>Roads Infrastructure</i>	604 829	688 001	853 693	883 733	901 379	901 379	929 994	981 144	1 034 126
<i>Storm water Infrastructure</i>	–	–	–	190 921	202 946	203 946	252 056	268 822	282 928
<i>Electrical Infrastructure</i>	562 390	678 010	769 604	762 763	875 451	873 637	1 001 093	1 016 138	1 070 162
<i>Water Supply Infrastructure</i>	438 319	505 293	496 640	703 999	643 670	631 906	778 239	854 059	877 458
<i>Sanitation Infrastructure</i>	620 607	770 392	763 416	710 489	773 120	787 161	854 396	922 417	957 780
<i>Solid Waste Infrastructure</i>	2 631	2 232	5 166	21 918	14 135	15 410	11 660	12 303	12 967
<i>Coastal Infrastructure</i>	–	–	–	4 549	9 407	12 131	4 711	4 711	4 711
Infrastructure	2 228 775	2 643 927	2 888 520	3 278 373	3 420 107	3 425 569	3 832 149	4 059 593	4 240 132
<i>Community Facilities</i>	146 832	110 070	92 158	462 311	595 758	599 993	572 147	586 093	611 690
<i>Sport and Recreation Facilities</i>	433 976	453 025	614 416	105 804	100 215	100 215	131 618	137 540	143 592
Community Assets	580 807	563 095	706 575	568 116	695 973	700 209	703 765	723 633	755 282
Heritage Assets	69	43	40	367	369	369	376	376	376
<i>Revenue Generating</i>	228	665	1 197	197	163	163	165	165	165
<i>Non-revenue Generating</i>	1	38	72	11	11	11	12	13	13
Investment properties	230	703	1 269	208	174	174	177	178	179
<i>Operational Buildings</i>	192 275	243 977	214 718	300 763	400 658	405 417	613 653	696 655	680 844
<i>Housing</i>	–	–	–	68 779	67 639	67 639	86 360	89 310	94 229
Other Assets	192 275	243 977	214 718	369 542	468 298	473 056	700 013	785 964	775 073
Computer Equipment	199 261	317 759	365 154	364 045	444 691	441 349	421 253	439 335	467 128
Furniture and Office Equipment	830 169	821 965	919 298	243 100	290 682	289 120	268 911	346 024	293 019
Machinery and Equipment	–	–	–	358 876	353 498	359 748	412 982	438 736	460 531
Transport Assets	436 693	499 911	518 115	482 917	468 021	471 365	502 392	528 904	556 332
TOTAL EXPENDITURE OTHER ITEMS	7 524 782	8 350 904	9 109 477	9 473 212	9 946 549	9 965 694	10 816 182	11 526 144	12 153 366
Renewal and upgrading of Existing Assets as % of total capex	59.1%	51.5%	57.3%	59.1%	60.6%	59.9%	57.2%	56.8%	60.6%
Renewal and upgrading of Existing Assets as % of deprecn	104.9%	109.5%	154.2%	186.7%	181.5%	160.8%	185.0%	192.2%	169.5%
R&M as a % of PPE & Investment Property	8.0%	8.5%	8.6%	7.5%	8.4%	8.4%	8.4%	8.0%	7.6%
Renewal and upgrading and R&M as a % of PPE and Investment Property	13.7%	14.5%	16.8%	16.9%	17.9%	16.8%	17.3%	16.8%	15.4%

Explanatory notes to Table A9 – Asset Management

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

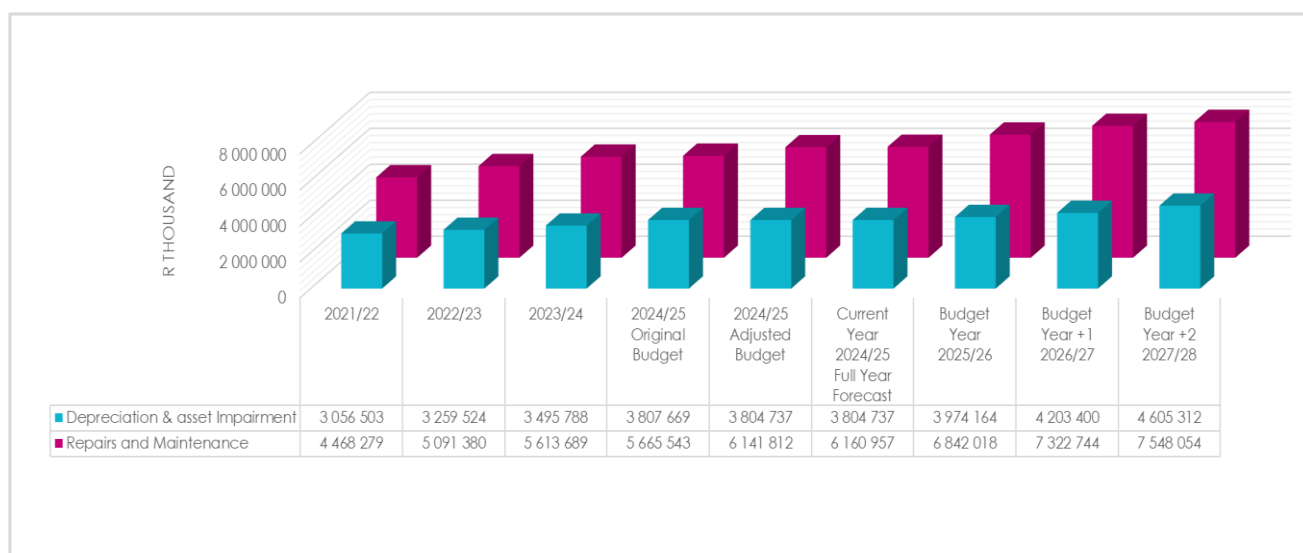


Figure 19: Depreciation in relation to repairs and maintenance for previous years and over the MTREF

Table 36 – MBRR Table A10 – Basic Service Delivery Measurement

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Household service targets									
<u>Water:</u>									
Piped water inside dwelling	1 310 286	1 328 617	1 309 111	1 331 715	1 331 715	1 331 715	1 370 626	1 393 908	1 417 435
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	181 663	184 205	181 500	184 634	184 634	184 634	190 029	193 257	196 519
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	1 491 949	1 512 822	1 490 612	1 516 350	1 516 350	1 516 350	1 560 655	1 587 165	1 613 954
Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
Total number of households	1 491 949	1 512 822	1 490 612	1 516 350	1 516 350	1 516 350	1 560 655	1 587 165	1 613 954
<u>Sanitation/sewerage:</u>									
Flush toilet (connected to sewerage)	1 384 841	1 404 012	1 388 671	1 410 820	1 410 820	1 410 820	1 449 781	1 473 063	1 496 590
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	62 330	63 105	63 860	63 860	63 860	63 860	73 680	73 680	73 680
Pit toilet (ventilated)	197	197	55	55	55	55	55	55	55
Other toilet provisions (> min.service level)	44 581	45 508	38 025	41 615	41 615	41 615	37 139	40 367	43 629
<i>Minimum Service Level and Above sub-total</i>	1 491 949	1 512 822	1 490 612	1 516 350	1 516 350	1 516 350	1 560 655	1 587 165	1 613 954
Bucket toilet	–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
Total number of households	1 491 949	1 512 822	1 490 612	1 516 350	1 516 350	1 516 350	1 560 655	1 587 165	1 613 954
<u>Energy:</u>									
Electricity (at least min.service level)	609 428	610 928	611 192	633 781	633 781	633 781	614 192	615 692	617 192
Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	609 428	610 928	611 192	633 781	633 781	633 781	614 192	615 692	617 192
Electricity (< min.service level)	25 906	24 406	22 828	21 406	21 406	21 406	19 828	18 328	16 828
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	25 906	24 406	22 828	21 406	21 406	21 406	19 828	18 328	16 828
Total number of households	635 334	635 334	634 020	655 187	655 187	655 187	634 020	634 020	634 020
<u>Refuse:</u>									
Removed at least once a week	1 009 176	1 069 929	1 102 661	1 124 714	1 170 563	1 157 986	1 181 146	1 204 769	1 228 864
<i>Minimum Service Level and Above sub-total</i>	1 009 176	1 069 929	1 102 661	1 124 714	1 170 563	1 157 986	1 181 146	1 204 769	1 228 864
Removed less frequently than once a week	–	–	–	–	–	–	–	–	–
Using communal refuse dump	–	–	–	–	–	–	–	–	–
Using own refuse dump	–	–	–	–	–	–	–	–	–
Other rubbish disposal	–	–	–	–	–	–	–	–	–
No rubbish disposal	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
Total number of households	1 009 176	1 069 929	1 102 661	1 124 714	1 170 563	1 157 986	1 181 146	1 204 769	1 228 864
<u>Households receiving Free Basic Service</u>									
Water (6 kilolitres per household per month)	240 091	240 091	236 537	224 453	224 453	224 453	235 214	235 214	235 214
Sanitation (free minimum level service)	240 091	240 091	236 537	224 453	224 453	224 453	233 782	233 782	233 782
Electricity/other energy (50kwh per household per month)	163 118	186 070	163 296	170 829	170 829	170 829	170 829	170 829	170 829
Refuse (removed at least once a week)	270 056	229 662	283 418	289 086	291 977	292 765	298 620	304 593	310 685
Informal Settlements	739 802	802 129	819 037	841 096	886 945	887 036	1 408 032	1 421 521	1 435 219

Table continues on next page

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	283 602	283 602	313 771	327 706	327 706	327 706	306 612	325 929	381 793
Sanitation (free sanitation service to indigent households)	242 531	242 531	269 235	295 219	295 219	295 219	156 418	166 272	194 771
Electricity/other energy (50kwh per indigent household per month)	118 517	130 676	162 029	173 342	173 342	176 115	165 663	175 935	183 891
Refuse (removed once a week for indigent households)	311 132	393 998	432 626	458 151	458 151	458 151	540 000	572 400	606 744
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	1 120 582	1 136 894	1 093 551	1 371 352	1 441 891	1 440 597	1 548 918	1 603 091	1 709 377
Total cost of FBS provided	2 076 363	2 187 701	2 271 211	2 625 769	2 696 309	2 697 787	2 717 611	2 843 627	3 076 576
Highest level of free service provided per household									
Property rates (R value threshold)	285 000	285 000	435 000	435 000	435 000	435 000	435 000	435 000	435 000
Water (kilolitres per household per month)	11	15	15	15	15	15	15	15	15
Sanitation (kilolitres per household per month)	7	11	11	11	11	11	11	11	11
Sanitation (Rand per household per month)	–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)	60	60	60	60	60	60	60	60	60
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	1 361 479	1 480 050	1 978 737	2 179 198	2 179 198	2 179 198	2 431 920	2 655 268	2 900 055
Water (in excess of 6 kilolitres per indigent household per month)	–	203 884	231 133	235 096	235 096	235 096	429 327	456 374	534 597
Sanitation (in excess of free sanitation service to indigent households)	–	174 358	197 261	211 790	211 790	211 790	222 627	237 380	288 419
Electricity/other energy (in excess of 50 kwh per indigent household per month)	–	–	–	–	–	–	23 676	25 144	26 281
Refuse (in excess of one removal a week for indigent households)	–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates	23 799	23 707	17 401	25 370	25 370	25 370	27 545	28 056	28 576
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	1 385 277	1 881 999	2 424 531	2 651 454	2 651 454	2 651 454	3 135 095	3 402 222	3 777 929

Free services provided for Water & Sanitation, Electricity and Urban Waste are higher as follows:

- **Water**
15 kℓ of water per month per indigent property, free of charge.
- **Sanitation**
10.5 kℓ of sanitation per month per indigent property, free of charge.
- **Electricity**
Each connection supplied by the City to properties with a municipal property value of less than and equal to R500 000 and a prepaid meter receives a monthly 60 kWh free electricity if they normally buy less than 250 kWh per month on average over a 12-month period; or 25 kWh free electricity if they normally buy between 250 and 450 kWh per month on average over a 12-month period.
- **Refuse**
Consumers whose properties are valued between R1 and R650 000 receive rebates between 0% and 100% on the first 240ℓ container. Consumers who earn below R7 500, and who are registered on the Indigent Register will qualify for a rebate of 100% on the first 240ℓ container. Customers living in Council-owned housing rental and selling schemes earning R7 500 and below will receive 100% rebate.
- **City-wide Cleaning**
Consumers whose properties are valued between R1 and R500 000 will receive 100% rebate, and property values R500 001 to R1 million will receive a fixed rebate to the value of R33.57. Properties valued between R1 million and R1,25 million will receive a fixed rebate of R16.78. Consumers who earn below R7 500 and who are registered on the Indigent Register will qualify for a rebate of 100%. Customers living in Council-owned housing rental and selling schemes earning R7 500 and below will receive 100% rebate. A pensioner's rebate will be paid to those who qualify.

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 is 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 (of 1997).
 - b) Sanitation services: Cape Town's population, both formal and informal settlements, receives sanitation services in accordance with the National Minimum Standards. Funding is still provided to further improve the service levels in Informal Settlements in line with the City's strategy.
 - c) Electricity services: The electrification strategy is to reduce the backlog by 1 500 annually over the 2025/26 MTREF within the Cape Town supply area.
 - d) Waste services: This service does not have any backlogs.
3. The associated cost of providing free basic services is projected to escalate from R2 718 million in 2025/26 to R3 077 million in 2027/28. The amounts calculated for the 2025/26 MTREF are based on projected actual costs to provide free basic services to qualifying households in formal and informal settlements based on national norms.
4. The following assumptions are applied when determining the number of households per service:
 - a) Water and sanitation: Household estimates for 2011/12 to 2020/21 are estimates based on the Census 2022 data using average household sizes and percentages as calculated from the 2011 Census and the 2016 Community Survey data.
 - b) Energy: The City supplies only part of the Cape Metropolitan area and provides electricity connections irrespective of the number of households.
 - c) Refuse: Formal household numbers determined by monthly billing data. Informal settlement dwelling numbers determined through an annual auditable dwelling count process.
 - d) City-wide Cleaning: Formal household numbers determined by monthly billing data.

Part 2 – Supporting Documentation

2.1 Overview of annual budget process

2.1.1 Mayoral oversight and responsibility

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

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

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

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

2.1.2 Budget process overview

Section 21 of the MFMA requires the Mayor to table a time schedule, which sets out the process to draft the IDP and prepare the budget, ten months before the start of the new financial year. Council adopted the amended IDP- and Budget Time Schedule on 28 May 2025.

The City's SMF is an annual strategic planning process that aims to produce a strategy-led budget that informs planning over the next financial year and helps ensure delivery on the strategic objectives set out in the IDP. It further highlights where the organisation should focus for the upcoming MTREF period and guides budget allocation. The three-pronged approach of the SMF process commenced with the Strategic Review in July 2024 culminating in the Operational- and Capital Review process in the latter part of 2024.

The Strategic Review provided the opportunity to consider critical issues that may affect the organisation over the medium term and laid the foundation for strategic priorities, which should continue to inform the planning imperatives over the MTREF. These sessions incorporated deliberations and prioritisation of directorate-specific IDP initiatives, targeted focus areas and transversal initiatives for the 2025/26 MTREF period.

The City Manager and the Executive Mayor issued the 2025/26 Strategy Brief to the organisation in August 2024. The Strategy Brief is the outcome of the Strategic Review process, culminating from consultation with each Executive Director, an Executive Management Team workshop and consultation with the City Manager and Executive Mayor. The purpose of the Strategy Brief is to give direction to the organisation for planning the next budgeting cycle. This SMF Strategy Brief focused on the 2025/26 MTREF period and covered the remainder of the current term of office and IDP.

The timeline below sets out the processes followed in preparation of the 2025/26 MTREF.

May 2024

- Tabling of 2025/26 IDP and Budget Time Schedule at Council.

July 2024

- Commencement of financial technical sessions to formulate proposals in achieving a realistic, deliverable and affordable MTREF.
- EMT strategic workshops held on 17 – 18 July 2024 to inform the strategic brief.

August and September 2024

- The Executive Mayor and the City Manager issued the Strategy Brief, which gave strategic planning direction to the organisation for the 2025/26 MTREF budgeting cycle (August 2024).
- Various finance technical sessions were held to formulate proposals to achieve a realistic, deliverable and affordable MTREF resulting in reiterative LTFP modelling scenarios presented at various fora (August – September 2024).
- Budget consultation with subcouncils and line departments to identify requirements for consideration to be included in the 2025/26 MTREF (commencing August; ending November 2024).
- Presentations to BSC that included a technical assessment of the 2023/24 operating budget outcome and its impact on the 2025/26 MTREF, optimisation of facilities, business improvements, and land disposal strategies.

October to December 2024

- Review of the capital funding strategy and presentations by Utility Services (Water & Sanitation, Energy, and Urban Waste Management) on proposed financial plans and tariff reform proposals (October – December 2024).
- SMF Operational Review including submission of operational budget proposals by Executive Directors and considered for inclusion by the BSM (October – December 2024).
- Conclusion of Project Readiness Assessment on proposed capital budget (SMF Item Review) and presentation to BSM (November 2024).
- Outcome of subcouncil consultation presented to the BSM.
- Refinement of the LTFP model to ensure a credible, affordable and sustainable budget over the medium term, and presentation of parameters and assumptions for endorsement on budget proposals inclusive of the capital funding strategy (October – December 2024).
- Final presentation to the BSM for support of parameters and assumptions in the LTFP in order to commence with detailed operating- and capital budget (December 2024).

January and February 2025

- Rates & Tariff workshop (January 2025).
- Final consultation on the annual review of all budget-related policies (February 2025).
- Presentations by the Services to BSM on proposed rates and tariffs and outcome of the Total Municipal Account (TMA) i.e. the impact of the proposed tariffs on the consumer (February 2025).
- Compilation of detailed 2025/26 operating- and capital budget.

March to June 2025

- 2025/26 draft operating- and capital budget, and amended IDP was initially tabled at Council on 27 March 2025.
- Draft budget, IDP, and tariff proposals published for comment and consultation as part of the public participation process from end March to early May 2025.
- 2025/26 National Treasury Municipal Benchmark Engagement and Provincial Treasury engagements scheduled to be held in April 2025.
- Comments received as a result of the public participation process submitted to the Mayoral Committee for consideration.
- The City's annual budget for the financial year 2025/26; and projected allocations for the two outer years 2026/27 and 2027/28, and related policies considered at Council on 28 May 2025.
- 2025/26 Tabled budget published for public participation from 28 May until 13 June 2025.
- 2025/26 MTREF budget and IDP scheduled for consideration and adoption by Council on 26 June 2025.

2.1.3 Integrated Development Plan (IDP)

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

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

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

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

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

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

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

Proposed amendments are aimed to accommodate emerging strategic changes to the IDP in order to support and strengthen the approved strategic direction and narrative of the IDP. Further amendments to the five-year scorecards were implemented in accordance with the National Treasury MFMA Circular 88, initially issued 30 November 2017 and updated in December 2024 (Addendum 6). These amendments prescribe the integration of the Circular 88 indicators into the metropolitan's strategic documents. The amendments align with the requirements and recommendations provided by the Auditor General of South Africa during the 2022/23 audit.

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

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

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

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

The City's SDBIP has various components i.e. Corporate (Five-Year and One-Year) and the Directorate SDBIP. The One-Year Corporate SDBIP contains the City's One-Year Scorecard, NT MFMA Circular 88 (Output, Compliance) and Entities scorecard (Cape Town Stadium (CTS) and Cape Town International Convention Centre (CTICC), and other budget-related information, which is the strategic tool used by the City to ensure service delivery, and for the community to monitor the implementation and progress against set targets.

The Five-Year Corporate scorecard i.e. the City Corporate scorecard, NT MFMA Circular 88 (Outcome, Output and Compliance scorecards) and Entities scorecard (CTS and CTICC) contains annual targets for the term of office and forms part of the IDP. As prescribed by NT, the Compliance scorecard does not require targets, the municipality reports quarterly on the actual performance.

NT MFMA Circular 88 requires that the Outcome, Output and Compliance indicators must find expression in the IDP. These scorecards contain prescribed indicators as determined by NT. Some Outcome indicators contain external data such as StatsSA household data, which is predominantly not under the City's 'area of control' but form part of the City's 'area of concern'. The City monitors and tracks a range of trends to understand the environment in which it operates. This is measured on an annual basis. These documents are approved by Council as part of the IDP.

The One-Year Corporate SDBIP contains quarterly targets (except for the Compliance scorecard) for the 2025/26 financial year. The Corporate SDBIP contains budget information and sets out how the City intends spending the budget and collecting revenue for the financial year. The budget information can be found in the budget annexures.

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

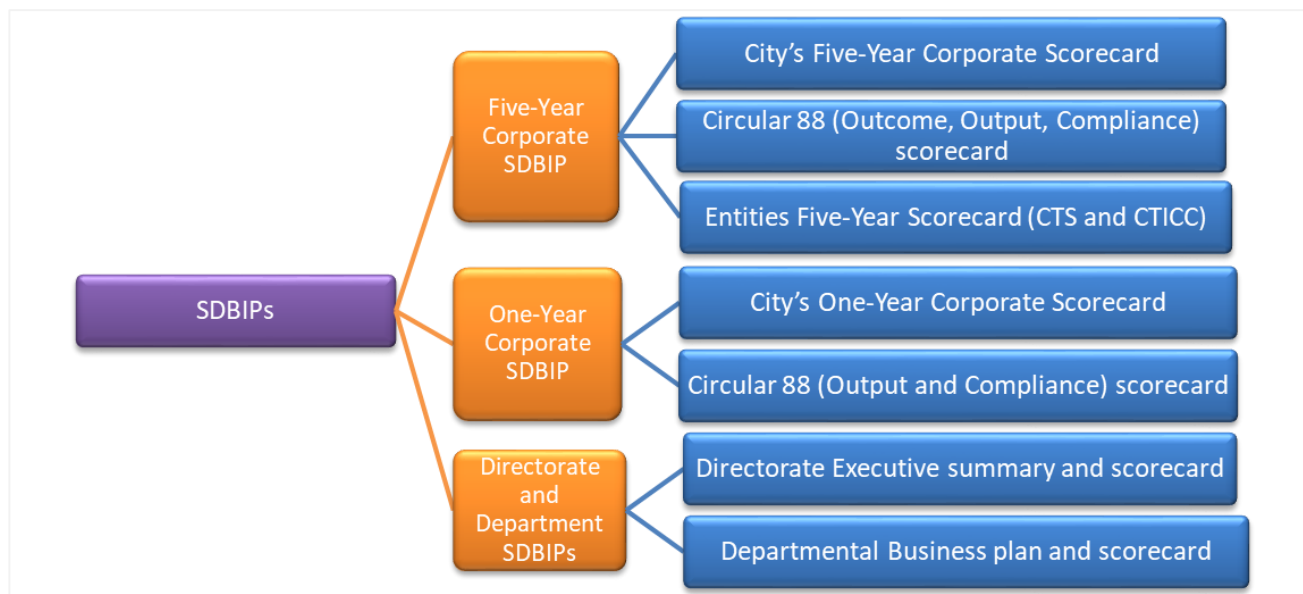


Figure 20: Link between SDBIP and corporate scorecard

2.2.1 Service Delivery and Budget Implementation Plan (SDBIP)

The Corporate SDBIP sets out various components in the format required by NT. The one-year scorecard reflects the measurable performance indicators, which include quarterly- and annual targets.

The corporate SDBIP has several components:

- One-Year City Corporate scorecard;
- Circular 88 (C88) Output scorecard as prescribed by NT;
- Circular 88 (C88) Compliance scorecard as prescribed by NT;
- Cape Town Stadium (CTS) scorecard; and
- Cape Town International Convention Centre (CTICC) scorecard.

The balance of the components of the City's SDBIP (i.e. revenue to be collected, by source and operating- and capital expenditure by vote) includes projections for each month and are presented in MBRR table SA25 on page 150, table SA26 on page 152 and table SA28 on page 155.

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

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

The vision of the City

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

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

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

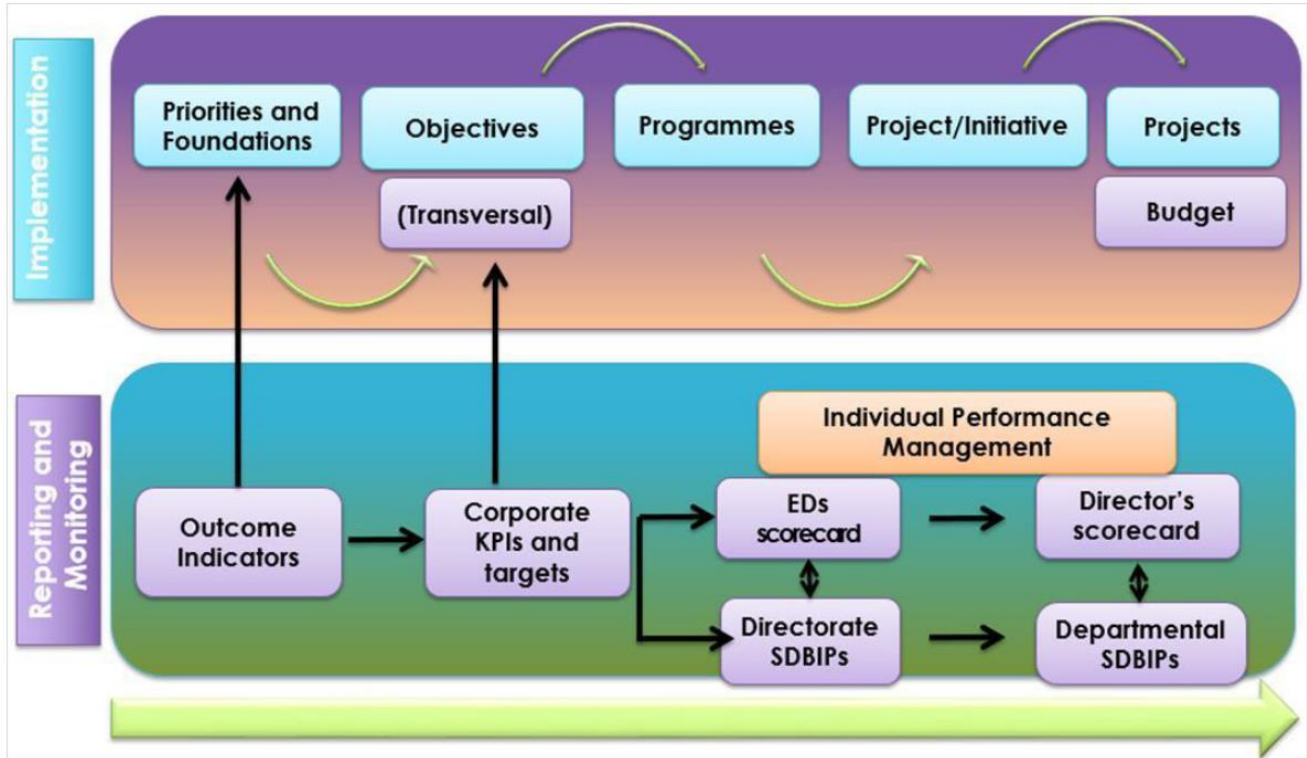


Figure 21: IDP and budget link

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

Table 37 – MBRR Table SA4 – Reconciliation between the IDP strategic objective and budgeted revenue

Strategic Objective	Goal	Goal Code	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
Opportunity City	Position Cape Town as globally competitive City	1.1	2 615 202	–	–	–	–	–	–	–	–
	Leveraging Technology for Progress	1.2	16 997	–	–	–	–	–	–	–	–
	Economic Inclusion	1.3	14 317	–	–	–	–	–	–	–	–
Safe City	Resource Efficiency and Security	1.4	55 559	–	–	–	–	–	–	–	–
	Safe Communities	2.1	2 353 323	–	–	–	–	–	–	–	–
Caring City	Excellence in Basic Service delivery	3.1	26 746 626	–	–	–	–	–	–	–	–
	Basic service to informal settlements and backyarders	3.2	118 851	–	–	–	–	–	–	–	–
Inclusive City	Dense & Transit Orientated Urban Growth & Development	4.1	59 558	–	–	–	–	–	–	–	–
	An Efficient Integrated Transport System	4.2	708 302	–	–	–	–	–	–	–	–
	Building Integrated Communities	4.3	894 665	–	–	–	–	–	–	–	–
Well-Run City	Operational sustainability	5.1	18 307 681	–	–	–	–	–	–	–	–
Economic Growth	Increased Jobs and Investment within the Cape Town economy	1	–	665 540	691 385	651 136	792 962	792 962	747 903	782 527	860 285
Basic Services	Improved access to quality and reliable basic services	2	–	13 330	25 873	219 575	199 752	199 752	232 654	213 666	202 347
	End load shedding in Cape Town over time	3	–	24	153	5	5	5	6	6	6
	Well-managed and modernised infrastructure to support economic growth	4	–	30 224 088	36 234 388	38 344 210	39 282 918	39 282 918	43 754 686	45 927 446	49 866 160
Safety	Effective law enforcement to make communities safer	5	–	2 427 964	2 283 349	2 376 913	2 399 246	2 399 246	2 339 104	2 344 562	2 387 036
	Strengthen Partnership for safer communities	6	–	27	8	–	–	–	–	–	–
Housing	Increased supply of affordable, well located homes	7	–	1 012 019	1 053 183	1 110 531	1 158 686	1 158 686	1 137 802	1 203 425	1 264 545
	Safer, better quality homes in informal settlements and backyards over time	8	–	43 007	24 311	60 024	70 326	70 326	77 643	50 517	56 400
Public Space, Environment and Amenities	Healthy and sustainable environment	9	–	839 598	845 621	882 663	841 132	841 132	915 255	919 276	954 342
	Clean and healthy waterways and beaches	10	–	4 799	9 514	15 408	34 694	34 694	10 708	11 237	11 782
	Quality and safe parks and recreation facilities	11	–	93 122	117 815	89 414	90 510	90 510	83 590	85 669	88 590
Transport	Sustain, Efficient, safe and affordable travel options for all	12	–	916 668	1 084 994	916 498	1 034 514	1 034 514	1 059 276	890 650	889 334
A Resilient City	A Resilient City	14	–	34 905	48 257	40 188	47 808	47 808	49 981	59 084	65 950
A More Spatially Integrated and Inclusive City	A More Spatially Integrated and Inclusive City	15	–	3 143	2 934	107	2 429	2 429	115	124	133
A Capable and Collaborative City Government	A Capable, Collaborative and Financially Sustainable City Government	16	–	17 840 934	19 050 090	19 236 535	19 273 771	19 273 771	20 323 584	21 723 905	23 086 882
Allocations to other priorities			–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)			51 891 081	54 119 167	61 471 876	63 943 208	65 228 755	65 228 755	70 732 307	74 212 092	79 733 792

Table 38 – MBRR Table SA5 – Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	Goal Code	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
Opportunity City	Position Cape Town as globally competitive City	1.1	7 140 500	–	–	–	–	–	–	–	–
	Leveraging Technology for Progress	1.2	481 837	–	–	–	–	–	–	–	–
	Economic Inclusion	1.3	74 978	–	–	–	–	–	–	–	–
	Resource Efficiency and Security	1.4	382 201	–	–	–	–	–	–	–	–
Safe City	Safe Communities	2.1	5 210 557	–	–	–	–	–	–	–	–
Caring City	Excellence in Basic Service delivery	3.1	26 184 777	–	–	–	–	–	–	–	–
	Basic service to informal settlements and backyardsers	3.2	972 973	–	–	–	–	–	–	–	–
Inclusive City	Dense & Transit Orientated Urban Growth & Development	4.1	98 350	–	–	–	–	–	–	–	–
	An Efficient Integrated Transport System	4.2	1 824 406	–	–	–	–	–	–	–	–
	Building Integrated Communities	4.3	1 835 010	–	–	–	–	–	–	–	–
Well-Run City	Operational sustainability	5.1	6 439 072	–	–	–	–	–	–	–	–
Economic Growth	Increased Jobs and Investment within the Cape Town economy	1	–	1 590 235	1 665 683	1 843 127	1 818 070	1 813 147	1 915 847	1 964 028	2 029 072
Basic Services	Improved access to quality and reliable basic services	2	–	917 451	905 673	981 810	1 028 770	1 022 266	1 155 101	1 151 884	1 150 885
	End load shedding in Cape Town over time	3	–	11 924 231	14 043 165	15 652 638	16 111 226	16 111 237	18 214 440	18 641 834	19 351 116
	Well-managed and modernised infrastructure to support economic growth	4	–	15 114 668	16 897 862	18 126 586	18 476 102	18 482 197	20 209 902	21 466 071	23 440 591
Safety	Effective law enforcement to make communities safer	5	–	4 532 265	4 455 635	5 031 780	5 025 522	5 026 145	5 437 626	5 605 922	5 828 424
	Strengthen Partnership for safer communities	6	–	24 872	28 572	35 945	35 253	35 224	35 223	33 023	33 833
Housing	Increased supply of affordable, well located homes	7	–	1 391 602	1 463 117	1 545 863	1 610 511	1 610 821	1 546 272	1 612 059	1 664 430
	Safer, better quality homes in informal settlements and backyards over time	8	–	234 008	200 462	218 475	232 222	232 222	259 251	245 243	303 001
Public Space, Environment and Amenities	Healthy and sustainable environment	9	–	1 924 086	1 941 914	2 363 226	2 316 752	2 308 164	2 607 896	2 676 770	2 653 802
	Clean and healthy waterways and beaches	10	–	204 053	261 240	323 531	336 812	339 495	380 950	406 077	450 029
	Quality and safe parks and recreation facilities	11	–	2 001 976	2 160 677	2 475 699	2 416 615	2 435 037	2 548 410	2 665 932	2 802 368
Transport	Sustain, Efficient, safe and affordable travel options for all	12	–	3 824 979	4 295 067	4 284 748	4 561 846	4 561 846	4 706 689	4 862 461	5 236 131
A Resilient City	A Resilient City	14	–	864 663	949 571	1 022 033	982 305	982 090	1 099 083	1 165 974	1 227 260
A More Spatially Integrated and Inclusive City	A More Spatially Integrated and Inclusive City	15	–	397 828	403 388	492 134	482 763	474 745	512 965	513 486	520 808
A Capable and Collaborative City Government	A Capable, Collaborative and Financially Sustainable City Government	16	–	7 580 628	8 778 621	9 944 233	10 003 705	10 003 836	10 647 351	11 829 341	12 596 782
Allocations to other priorities			–	–	–	–	–	–	–	–	–
Total Expenditure			50 644 660	52 527 548	58 450 649	64 341 828	65 438 472	65 438 472	71 277 006	74 840 106	79 288 532

Table 39 – MBRR Table SA6 – Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	Goal Code	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
Opportunity City	Positioning Cape Town as a forward-looking, globally competitive business city	1.1	858 940	–	–	–	–	–	–	–	–
	Leveraging Technology for Progress	1.2	36 460	–	–	–	–	–	–	–	–
	Economic inclusion	1.3	2 941	–	–	–	–	–	–	–	–
	Resource Efficiency and Security	1.4	142 386	–	–	–	–	–	–	–	–
Safe City	Safe Communities	2.1	249 308	–	–	–	–	–	–	–	–
Caring City	Excellence in basic service delivery	3.1	1 923 781	–	–	–	–	–	–	–	–
	Mainstreaming basic service delivery to informal settlements and backyard dwellers	3.2	579 882	–	–	–	–	–	–	–	–
Inclusive City	Dense and transit-orientated urban growth and development	4.1	100 437	–	–	–	–	–	–	–	–
	An efficient, integrated transport system	4.2	325 620	–	–	–	–	–	–	–	–
	Building Integrated Communities	4.3	311 074	–	–	–	–	–	–	–	–
Well-run City	Operational sustainability	5.1	895 362	–	–	–	–	–	–	–	–
Economic growth	Increased jobs and investment in the Cape Town economy	1	–	122 252	172 583	220 622	250 085	246 605	209 570	139 014	243 537
Basic services	Improved access to quality and reliable basic services	2	–	117 990	114 174	103 677	109 285	106 162	110 740	124 592	126 642
	End load-shedding in Cape Town over time	3	–	38 383	94 725	300 851	303 756	273 915	211 263	322 326	198 183
	Well-managed and modernised infrastructure to support economic growth	4	–	3 240 841	4 394 047	5 725 401	5 294 279	4 582 103	5 868 879	7 216 571	7 401 289
Safety	Effective law enforcement to make communities safer	5	–	247 636	389 541	425 227	390 287	388 810	171 155	158 292	367 034
	Strengthen partnerships for safer communities	6	–	158	42 530	50 902	70 402	69 975	106 456	43 810	125 929
Housing	Increased supply of affordable, well-located homes	7	–	525 937	658 711	612 805	723 515	783 480	816 472	563 101	646 889
	Safer, better-quality homes in informal settlements and backyards over time	8	–	308 596	259 731	336 006	337 547	270 944	364 887	387 725	372 328
Public space, environment and amenities	Healthy and sustainable environment	9	–	84 412	79 113	150 412	122 050	120 544	145 313	189 309	160 456
	Clean and healthy waterways and beaches	10	–	186 786	295 649	343 946	415 479	304 300	391 116	312 235	216 160
	Quality and safe parks and recreation facilities supported by community partnerships	11	–	153 119	304 961	272 948	283 371	277 052	329 128	157 971	212 429
Transport	A sustainable transport system that is integrated, efficient and provides safe and affordable travel options for all	12	–	866 247	1 283 078	2 106 325	1 677 739	1 442 365	2 406 690	2 978 542	1 333 093
	Safe and quality roads for pedestrians, cyclist and vehicles	13	–	217 646	262 078	450 449	464 598	457 555	629 146	242 209	444 906
A resilient city	A resilient city	14	–	6 524	5 958	19 103	18 670	18 669	90 261	51 272	43 893
A more spatially integrated and inclusive city	A more spatially integrated and inclusive city	15	–	1 754	11 515	21 975	27 517	19 946	9 900	25 500	23 250
A capable and collaborative city government	A capable and collaborative city government	16	–	810 626	1 035 963	879 982	907 808	860 341	1 001 663	1 314 967	968 275
Allocations to other priorities			–	–	–	–	–	–	–	–	–
Total Capital Expenditure			5 426 192	6 928 907	9 404 356	12 020 633	11 396 389	10 222 765	12 862 639	14 227 436	12 884 293

2.3 Measurable performance objectives and indicators

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

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

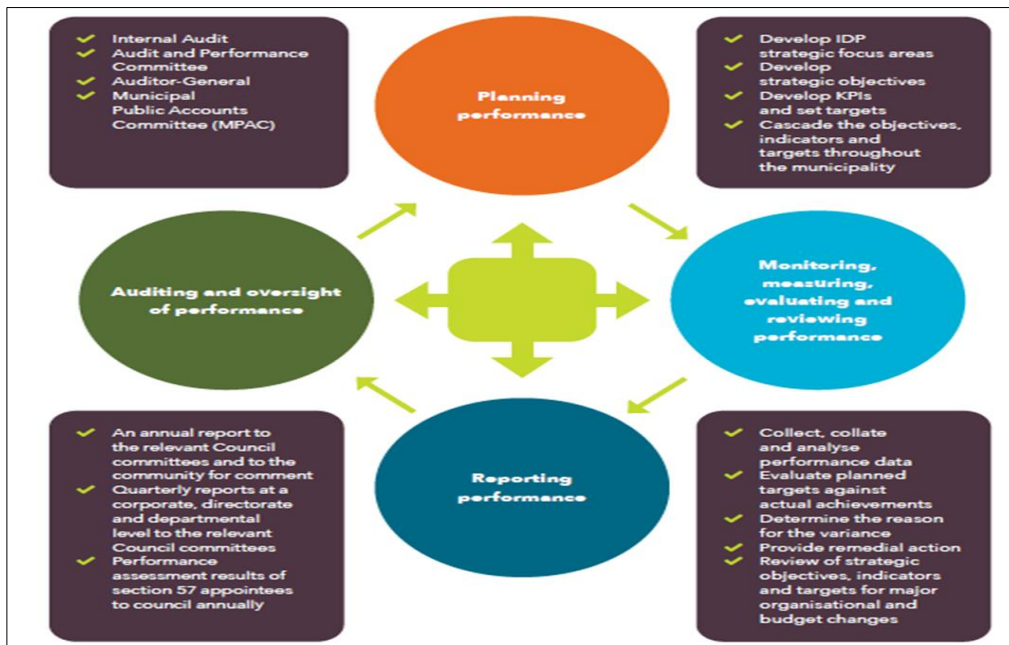


Figure 22: Planning, budgeting and reporting cycle

Planning Performance

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

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

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

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

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

Further amendments to the five-year scorecards are made in terms of NT MFMA Circular 88, issued 30 November 2017, Section 2.8 and Addendum 5 of 2023, Section 4.2, which prescribe the integration of NT MFMA Circular 88 indicators with the municipalities' own indicators. This is also to align with the Auditor General SA's requirement during the 2022/2023 audit.

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

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

Monitoring, Measuring, Evaluating and Reviewing performance

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

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

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

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

Reporting

The actual achievements of targets set for the key performance indicators are reported quarterly, where appropriate. The MFMA Circular 88 Outcomes Scorecard is reported annually, and the Output and Compliance Scorecards are reported quarterly. The Integrated Annual report is prepared annually and presented to the relevant Council committees and to the public for comment.

Auditing and Oversight

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

The 2025/26 Corporate SDBIP will be approved by the Executive Mayor in June 2025.

The City's Measureable Performance Objectives (MBRR Table SA7) is attached as Annexure 40.

The following table sets out the municipality's main performance indicators and benchmarks for the 2025/26 MTREF.

Table 40 – MBRR Table SA8 – Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Borrowing Management</u>										
Credit Rating		Aa3.za	Aa3.za	Aa3.za	Aa3.za	Aa3.za	Aa2.za			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.3%	4.1%	4.3%	6.3%	6.0%	6.0%	3.6%	4.3%	4.8%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.5%	4.4%	4.6%	7.2%	6.7%	6.7%	4.0%	4.8%	5.2%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	44.5%	14.7%	86.0%	85.6%	96.4%	55.5%	49.8%	49.9%
<u>Safety of Capital</u>										
Gearing	Long Term Borrowing/ Total Community Wealth	9.0%	9.1%	6.1%	18.4%	14.1%	14.1%	18.3%	21.8%	24.8%
<u>Liquidity</u>										
Current Ratio	Current assets/current liabilities	1.6	1.6	1.5	1.5	1.8	1.8	1.6	1.4	1.3
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.6	1.6	1.5	1.5	1.8	1.8	1.6	1.4	1.3
Liquidity Ratio	Cash and Cash Equivalents/Current Liabilities	1.0	1.0	0.9	0.9	1.1	1.1	0.8	0.6	0.4
<u>Revenue Management</u>										
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	144.4%	146.1%	135.3%	135.9%	134.9%	0.0%	136.3%	138.3%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		144.3%	146.1%	135.3%	135.9%	134.9%	134.9%	136.3%	138.3%	138.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	7.1%	8.0%	7.1%	11.2%	11.2%	11.2%	12.2%	12.5%	12.8%
<u>Creditors Management</u>										
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	99.0%	99.0%	99.0%	97.0%	97.0%	97.0%	97.0%	97.0%	97.0%
Creditors to Cash and Investments		60.8%	69.3%	86.7%	107.3%	84.0%	84.0%	136.2%	310.4%	1821.0%

Table continues on next page

CITY OF CAPE TOWN – 2025/26 TO 2027/28 BUDGET (26 JUNE 2025)

Description of financial indicator	Basis of calculation	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Other Indicators</u>										
Electricity Distribution Losses (2)	Total Volume Losses (kW) technical	594 140 773	553 501 313	563 984 038	563 984 038	563 984 038	563 984 038	563 984 038	563 984 038	563 984 038
	Total Volume Losses (kW) non technical	424 552 669	422 160 542	390 477 817	390 477 817	390 477 817	390 477 817	390 477 817	390 477 817	390 477 817
	Total Cost of Losses (Rand '000)	1 284 471	1 353 391	1 547 727	1 744 598	1 744 598	1 744 598	1 924 117	2 018 398	2 157 668
	% Volume (units purchased and generated less units sold)/units purchased and generated	11.4%	11.5%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Water Volumes :System input	Bulk Purchase	208 153 226	217 227 487	266 487 194	260 406 928	260 406 928	240 341 332	240 341 332	240 341 332	240 341 332
	Water treatment works	-	-	-	-	-	-	-	-	-
	Natural sources	88 742 870	89 103 688	68 886 521	70 741 278	70 741 278	107 298 787	107 298 787	107 298 787	107 298 787
Water Distribution Losses (2)	Total Volume Losses (kℓ)	93 602 440	92 875 818	100 257 548	100 652 737	100 652 737	109 725 837	104 290 182	104 290 182	104 290 182
	Total Cost of Losses (Rand '000)	517 432	385 400	529 622	562 644	562 644	446 035	488 757	488 757	488 757
	% Volume (units purchased and generated less units sold)/units purchased and generated	31.5%	30.3%	29.9%	30.4%	30.4%	31.6%	30.0%	30.0%	30.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	29.4%	28.2%	27.8%	30.2%	29.5%	29.5%	29.5%	29.9%	29.8%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	29.7%	28.5%	28.1%	30.5%	29.7%	29.8%	29.8%	30.2%	30.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	8.6%	9.4%	9.1%	8.9%	9.4%	9.4%	9.7%	9.9%	9.5%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	7.4%	7.5%	7.0%	7.9%	7.5%	7.5%	7.6%	8.1%	8.4%
<u>IDP regulation financial viability indicators</u>										
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	0.2	0.2	0.1	0.3	0.3	0.3	0.3	0.4	0.4
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	16.6%	16.8%	16.1%	17.1%	17.1%	17.1%	18.3%	20.1%	21.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	1.8	2.0	1.3	1.8	2.2	2.2	1.7	1.2	1.2

2.3.1 Performance indicators and benchmarks

2.3.1.1 Borrowing Management

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

Moody's Investors Service published their latest credit opinion for the City on 7 May 2025. It has upgraded the long-term national and global scale ratings from Aa3.za to Aa2.za and from Ba3 to Ba2 respectively. It has affirmed the existing short-term national and global scale ratings of P-1.za and NP respectively, and changed the outlook from positive to stable. The upgrade reflects Cape Town's strong financial management practices, which underpin its ability to maintain a consistently robust operating performance and very strong liquidity despite a backdrop of tight financial conditions and a low-growth environment. The City has undertaken various initiatives aimed at enhancing revenue collection and managing expenditure growth, strengthening its credit profile.

The City's large and diversified economic base will continue to support its consistently good operating performance and strong liquidity. Moody's expects the City's debt burden to remain moderate compared to international peers. Strengthened tax collection rates will support structural revenue growth, increasing the City's self-funding capacity and reducing borrowing needs versus planned requirements. In addition, any movement in the South African sovereign rating will impact directly on the City's global scale rating.

The following financial performance indicators have formed part of the compilation of the 2025/26 MTREF:

- *Capital charges to operating expenditure* measures the cost of borrowing in relation to the operating expenditure. The ratio is budgeted at 3.6% for 2025/26 and rises to 4.8% in the last year of the 2025/26 MTREF. This indicates that the City has budgeted to spend an average of 4.2% of its operating expenditure budget on finance charges over the MTREF period. This is below the national treasury norm of 6 to 8%.
- *Borrowing funding as a ratio of own capital expenditure* reflects the degree to which own capital expenditure (excluding government grants and public contributions) has been funded by way of borrowing. The ratio shows 51.7% over the MTREF. This budget ratio outcome is as a result of the City's borrowing strategy and the funding requirements.

2.3.1.2 Safety of Capital

The *gearing ratio* is a measure of the total long-term borrowings over total community wealth (equity). The City's budgeted outcome over the 2025/26 MTREF averages 21.6%. The gearing ratio shows that the City has a small proportion of debt versus equity.

2.3.1.3 Liquidity

The *current ratio* is used to assess the City's ability to pay back its Short-term Liabilities (Debt and Payables) with Short-term Assets (Cash, Inventory, Receivables). According to National Treasury circular 71 the higher the current ratio, the more capable the Municipality will be to pay its current or short-term obligations and provide for risk cover to enable it to continue operations at desired levels. It is preferable that the ratio is at least above one. The budget ratio for 2025/26 is 1.6 and averages 1.4 for the two outer years of the MTREF period.

- The *cash (liquidity)* ratio is a measure of the ability of the City to utilise cash and cash equivalents to settle its current liabilities immediately. The norm is between 0.5 and 1. This ratio for the City averages 0.6 over the 2025/26 MTREF period indicating that the City is in a good position to meet the payment of current liabilities should it be due.

2.3.1.4 Revenue Management

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

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

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

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

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

- Deemed indigent properties are allocated 15kl of water and 10.5kl sanitation services free;
- Prepaid electricity meters are installed free of charge; and
- When successfully registered as indigent, a once-off write-off of all outstanding debt is done.

Debtors having trouble in paying their accounts may enter into affordable payment arrangements, apply to be registered as indigent, or apply for rates rebates.

The City provides the option of an affordable payment plan for debtors to settle their arrears, where compliance with the agreed payment plan leads to the suspension of all debt management action and interest being raised, while keeping to the terms of the agreement.

2.3.1.5 Creditors Management

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

2.3.1.6 Other Indicators

▪ *Electricity distribution losses*

Performance in the 2023/24 financial year has shown that electricity distribution losses were 11.00%. The City's strategy to continue to address this included the appointment of additional revenue protection teams. When compared to the 2022/23 financial year where performance was 11.46%, the efforts of the revenue protection teams are yielding the necessary results; this against the backdrop of escalating theft and vandalism over the last period.

▪ *Water distribution losses*

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

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

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

The social package for indigent households is based on the blanket- and targeted approach.

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

Table 41 – Basic social package rebates

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

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

Households with property values of up to R450 000 are entitled to:

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

2.3.3 Providing potable water and managing waste water

As a water service provider, the City constantly strives to improve its performance with respect to the quality of drinking water supplied. Water safety planning and risk mitigation methodologies are integrated into its management processes and no corrective interventions are required in terms of the water safety plan. It must, however, be emphasised that major investments are required to improve the performance of existing water treatment plants to ensure that they can operate effectively to cater for anticipated peak water demands. This will primarily encompass replacement of mechanical- and electrical equipment and associated electronic control systems required for treatment process automation. Allied to this, additional budget allocations are also required to ensure the technical, process control and maintenance staff complements comply with Blue Drop requirements.

Furthermore, water augmentation and capacity enhancement required to maintain a safe, reliable and sustainable supply of water to Cape Town and its surrounding regions include:

- Major water treatment plant refurbishments and upgrades to ensure infrastructure stability into the future, as required to support a high rate of urban development.
- Design and construction of a new 300-million-litre reservoir at Muldersvlei with associated connector infrastructure, as well as relocation of the existing Wemmershoek pipeline to accommodate widening of the N1 freeway towards Kraaifontein. This infrastructure is critical to support new developments in the northern areas of the City.
- Continued implementation, albeit at a much slower pace due to affordability considerations, of the Cape Town Water Strategy, which, inter-alia, seeks to increase water resilience through diversification of water sources. Significant capital- and operating investments are being made into development of the Cape Flats Managed Aquifer Recharge Scheme, upgrading of the Atlantis Managed Aquifer Recharge Scheme, and development of the Table Mountain Group (TMG) Aquifer Scheme.
- Planning is currently underway to develop an advanced re-use plant at Faure as well as permanent sea water desalination plants to cater for longer term growth in water demand and climatic uncertainty. In addition, the City's medium to long term financial planning are being systematically aligned over the next number of years to spread the operating budget impact these projects will have once they become operational.

Treatment of wastewater

The City has a risk-based approach in place whereby the strategic risks to the wastewater business have been identified, rated and mitigation measures have been put in place. Required mitigations are being implemented via short, medium and long term planned projects, however the required project pipeline represents a significant financial requirement for capacity upgrading, maintaining, rehabilitating and replacing the ageing assets to mitigate the critical risks in the Wastewater Risk Abatement Plan (WWRAP). This plan specifically relates to new license conditions imposed by the National Department of Water & Sanitation.

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 City received 4 Green Drops and an overall score of 88% for its 26 wastewater treatment systems during the 2021/22 Green Drop assessment. The Wesfleur Domestic Wastewater Treatment Plant received 100% score as well as the award for the best plant in the country from the National Department of Water & Sanitation. The latest Green Drop Audit occurred in the first half of 2025.

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

The primary constraints and challenges experienced and affecting treated effluent quality are historical under-investment in treatment infrastructure, ageing infrastructure and treatment processes which needs to be rehabilitated or replaced, rapid population growth leading to capacity constraints at wastewater treatment works, maintenance of existing assets, sewer abuse, skills shortages as well as increasingly more stringent license conditions imposed by the respective Regulators. In addition, the Wastewater Branch has a large role to play in terms of the Water and Sanitation Directorate Water Strategy (2018) in terms of reducing pollution loads on inland water bodies as well as estuaries and City's coastline. Also, treated effluent from the City's WWTW are increasingly being used for reuse, including indirect and direct potable reuse, all of which require improved treated effluent quality in the medium and long term future. Similar challenges regarding the treatment of wastewater are experienced throughout South Africa, and the challenges are not unique to the City of Cape Town.

In order to achieve improved treated effluent quality which will lead to decreased pollution load within the City's water courses and increased license compliance, the following is crucial:

- Works capacity increases required to cater for current and future needs of a rapidly developing city;
- Implementation of more advanced treatment technologies where necessary;
- Additional process units and / or process rehabilitation and upgrades to keep up with regulatory compliance requirements;
- Recruitment of appropriate staff and training existing staff in an effort to reduce the shortage of experienced employees;
- Critical mechanical / electrical assets replacement strategy;
- Addressing sewage sludge treatment and disposal; and
- Addressing the 'liquid waste' generated by informal settlements.

The Wastewater Branch has a 10-year Master Plan, which is currently being changed to a 20-year Master plan, which feeds into the Water and Sanitation Directorate Sector Plan which includes for the needs of all Departments and Branches. This allows for more efficient allocation and prioritization of financial resources to upgrade treatment capacities and processes, provide new treatment processes and Works where required, as well as maintaining existing assets. The impact of the implementation of the required investments into the assets and consequential operating costs are however placing immense strain of the tariffs that need to fund the implementation.

Some of the major current and future wastewater capital projects are:

- Athlone Wastewater Treatment Works (WWTW): Phase 1 of a 3 Phase project for the rehabilitation and capacity upgrade – Phase 1 includes for the rehabilitation and upgrade of the existing treatment module;
- Borchers Quarry WWTW: Final phase of refurbishment and capacity upgrade project – new inlet works;
- Bellville (WWTW): Final phase of refurbishment and process upgrade – reconfiguration and re-quipping of all three 'diffused aeration treatment module' bioreactors;
- Macassar WWTW: Rehabilitation, additional processes and increase to 80 Ml/d treatment capacity;
- Marine Outfalls: Refurbishment of the Camps Bay, Green Point and Hout Bay marine outfall pump stations;
- Potsdam WWTW: Rehabilitation, additional processes and increase to 100 Ml/d treatment capacity;
- Wesfleur WWTW: Upgrade and replacement of the fine bubble diffused aeration system for the industrial and domestic works; and
- Wildevlei WWTW: Upgrade and expansion of the sludge dewatering facility.

The capital budget allows for increased treatment capacity (priority given to overloaded treatment works to alleviate the overload conditions and provide for future catchment expansion) where required, provision of new processes, process rehabilitation and improvements all of which will result in improved treated effluent quality. The detailed capital budget and development programme is reflected in Annexure 27 of the budget documentation.

2.4 Overview of budget related-policies

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

2.4.1 Approved policies with no amendments during the 2025/26 budget cycle

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

- Asset Management Policy (Approved February 2013)
- Supply Chain Management Policy (Approved March 2025)

2.4.2 Policies reviewed and amended during the 2025/26 budget cycle

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

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

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

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

2.5 Overview of budget assumptions applied to the 2025/26 MTREF

Introduction

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

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

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

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

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

The key budget assumptions of the 2025/26 MTREF outline the main informants that underpin the framing of the operating- and capital budget, discussed under the following headings:

- Environment and conditions in which the budget was prepared;
- Financial Strategic Approach;
- Optimisation of revenue management;
- Financial Modelling and Key Planning Drivers;
- Economic context (including demographics);
- National influences;
- 2025/26 MTREF Budget Projection: Revenue- and Expenditure Framework;
- Capital funding and strategy; and
- National- and provincial allocations over the MTREF.

2.5.1 Environment and conditions in which the budget was prepared

National Treasury Circular No. 129 states that *“the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial management reform agenda by focusing on key “game changers”. These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to.”* It further states that, *inter alia*, *“the provision of water, sanitation, electricity, and solid waste management are in a significant decline, resulting in poor reliability, safety, and accessibility of these services. The immediate cause of service decline is long-term and systemic underinvestment in maintaining, rehabilitating, and expanding infrastructure assets. Thus, there is a growing risk to municipal finances from the impact of failing trading services and an urgent need to incentivise the turnaround of trading services/ utilities to improve performance and increase investment in infrastructure.”*

The City's 2025/26 MTREF was prepared considering critical issues highlighted in the above mentioned circular and developing risks and opportunities identified locally in the context of the City. Considering these nuances, the following key essential elements were considered when framing the MTREF budget:

- Keeping Rates and average Tariff increases at affordable levels whilst also considering service delivery needs;
- Protecting the City's cash- and liquidity position;
- Volatile government grant allocations and implications of shrinking grant funding;
- Investment and maintenance in critical infrastructure;
- Supporting energy security through mitigation strategies;
- Shrinkage in the electricity base due to alternative energy source initiatives;
- Implications of climate change, population growth, in migration, surge in informality, escalating need for indigent support and regulatory reform on the financial sustainability of City budgets;
- Ensure trading services are sustainable and cost reflective;
- Providing an enabling environment for economic growth;
- Rising cost of providing essential municipal services;
- Reliance and increased cost of ensuring a safe and secure environment; and
- Optimisation and rationalisation of municipal and corporate facilities.

2.5.2 Financial Strategic Approach

The City's business model has evolved fundamentally over the years without any real complementary changes in the funding models supporting this evolution. Over the years, this has especially become evident in the context of trading services that aims to, *inter alia*, ensure financial sustainability in providing basic services. These services have been plagued with various risks which include the growing population, climate change, increasing cost of doing business, changing customer behaviours', aging infrastructure and evolving regulatory environments. In an effort to mitigate these risks, the City embarked on a comprehensive tariff reform strategy coupled with curtailing of budgets for reprioritisation to areas of necessity.

The key informants going into the 2025/26 MTREF were set out in the Strategy Brief. The Strategy Brief was the outcome of the Strategic Review process, emerging from consultations with each executive director, an Executive Management Team workshop and consultations with the City Manager and Executive Mayor. The purpose of the strategy brief was to give direction to the organisation for planning for the next budgeting cycle. This SMF Strategy Brief focused on the 2025/26 MTREF period and covered the remainder of the current term of office and IDP.

The budget theme adopted for the 2025/26 Budget is “Invested in Hope”.

LTFP rationale and financial strategies implemented

- Structural tariff reforms to ensure financial sustainability to deliver on service delivery demands;
- Ensure that the budget is aligned to the principles of the City's capital funding strategy to ensure financial sustainability, considering the expansive capital investment programme addressing infrastructure needs;
- Phasing out of the depreciation strategy, which commenced in 2020/21, in an effort to utilise surplus cash flow in order to negate the recovery of depreciation charges on rate-funded services. In 2025/26, an amount of R200 million is still included. In 2026/27, the last amount of R100 million is still included, thus in 2027/28 the budget will no longer be funded from this unsustainable strategy;
- The contribution from the electricity sales to subsidise the Rates-funded account will be reduced and phased out;
- Budget funding reform to phase in the ring-fencing of trading services; and
- Reform and restructuring of tariff structures.

2.5.3 Financial Modelling and Key Planning Drivers

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

- Differentiated expenditure parameters providing for no expenditure growth on all expenditure categories, excluding categories that are regulated and zero-based-calculated e.g. employee related cost, depreciation, etc.
- The differentiated parameters applied to repairs and maintenance growth was based on the previous year's actual expenditure, service delivery needs and efficiencies identified.
- The following staff and vacancies interventions were included:
 - A differentiated percentage budget approach on vacancies (assumptions on vacancy period for different post levels);
 - The most recent SALGBC agreement was used to update the cost of living increases; and
 - Budgeting at 95% of employee costs;
- A 100% capital expenditure implementation rate assumed.
- All surpluses to be redirected to supplement the funding of the capital budget in an effort to reduce borrowing requirements.
- MyCiTi net revenue contribution is 4.2% for 2025/26 and 2026/27 and limited to 5% from 2027/28 onwards.
- All expenditure programmes must be delivery-ready with focus on project preparation for outer years;
- Credible and realistic collection rates based on current- and projected trends, considering past and current trends.
- The changing in funding mechanism that allows for the introduction of the new City-wide cleaning tariff.

The following were included in the 2025/26 MTREF:

- Due to underperformance in prior years, and in an effort to keep increases subdued, the EPWP budget was reduced by R39 million to be reallocated to other priority areas in need. A further R52,5 million reduction in EPWP was undertaken to be reallocated to safety and security needs.
- R181 million allocated to the Safety & Security Directorate towards the permanent employment of 528 law enforcement cadets.
- In response to the SMF Operational Review process, R182,5 million was included for Rates-funded services to fund various initiatives, and a further R18,5 million was included for the Community Services & Health Directorate.
- Vlei programme included until 2026/27, funded from the VAT clawback and surplus.

- Fines collection rate adjusted from 13% in 2024/25 to 17% in 2025/26 going forward, and fines income improvement of R35 million included from 2025/26.
- Trading services included various allocations to give effect to growing operational requirements.
- Base reduction to LTFP on the 2024/25 once-off operating allocations.
- R5,3 million for a digital forensic tool and software.
- Reviewed budget requirements for the Core Application Review (CAR).
- Additional investment in road infrastructure management of R150 million, R200 million and R150 million respectively over the MTREF period, to be funded from the VAT claw back.
- City-wide Area Cleaning tariff to be supplemented by VAT clawback in years two and three of the MTREF period.
- National allocations as per the 2025 DoRB (Government Gazette No. 52626), dated 8 May 2025, and Provincial allocations based on the Provincial Gazette Extraordinary 9046, dated 26 March 2025.
- The City's continuous investment in the LEAP programme.

2.5.4 Economic Context / External Factors (including demographics)

Economic context

The compilation of the 2025/26 LTFP and the ensuing MTREF Tabled Budget was informed by various macroeconomic factors, including both prevailing conditions and forecasted trends. The following section provides a brief overview of some of these factors.

The annual average headline CPI for 2024, as per Stats SA, was 4.4%. The Statement of the Monetary Policy Committee (MPC), published in May 2025, forecasts headline CPI at 3.2%, 4.2% and 4.4% respectively for 2025, 2026 and 2027. The updated outlook is informed by revised assumptions such as the lower oil price, stronger exchange rate, higher fuel levy, and the cancellation of the proposed VAT increase.

Furthermore, the MPC in May 2025 reduced the repo rate to 7.25% (from 7.50%) by 25 basis points. In its March 2025 meeting, the MPC statement indicated that its forecasts, which are based on the Quarterly Projection Model, see rates stabilising at a neutral level of about 7.25%. However, the statement also emphasised that “its decisions will be made on a meeting-by-meeting basis, and will continue to be outlook depended, responsive to data developments, and sensitive to the balance of risks to the forecast.”

South Africa's GDP grew by 0.6% in the fourth quarter after declining by 0.1% in the third quarter of 2024. In the first quarter of 2025 real GDP growth slowed to 0.01% q-o-q from a downwardly revised 0.4% expansion in quarter four. NT MFMA Circular 130 forecasted GDP growth to average 1.8% from 2025 to 2027. This is in line with SARB's revised real GDP projection of 1.2% for 2025, 1.5% for 2026, and 1.8% for 2027. Circular 130 outlines the key factors for achieving faster economic growth and creating much-needed jobs greater, namely collaboration with the private sector in energy and transport, rapid implementation of structural reforms, easing of regulatory constraints and increased infrastructure investment.

Brent crude oil prices averaged \$75 per barrel in the first quarter of 2025, falling short of expectations due to a significant shift in the global growth outlook triggered by the first wave of US tariffs. The Bureau for Economic Research (BER) forecasts that Brent crude will average around \$67.75 per barrel in 2025. Beyond 2025, BER expects prices to decline slowly as OPEC normalises production. The R/US dollar exchange rate is projected to reach R17.88/\$ in 2025 and R17.57/\$ in 2026.

Demographic trends

Cape Town has the second-largest population of all cities in South Africa and is the main urban centre in the Western Cape. The city has seen a steady population growth, with 2022 Census data showing a population increase from 4 772 846 to 4 976 527 in 2024 as per the Mid-Year Population Estimates. The city has thus grown by 27.6% between the 2011 and 2022 Census (Statistics South Africa, 2023). This is slower than the 29.3% growth rate observed between the 2001 and 2011 Census (Statistics South Africa, 2001 and 2011).

While the population continues to increase, the average household size has decreased from 3.5 people per household in 2011 to 3.3 in 2022 (Statistics South Africa, 2023). A growing population, together with a decreasing average household size has resulted in a significant increase in the number of households in Cape Town, growing from 1.069 million households in 2011 to 1.453 million households in 2022 according to 2022 Census figures (Statistics South Africa, 2023). The City estimates there to be around 1.508 million households in 2024.

These trends of a steadily increasing population (albeit at a slowing growth rate) and an increasing number of households inform City planning and service delivery for the residents of Cape Town. These trends will continue to be monitored and refined, and the population projections will be updated when more census data becomes available with the 2022 Census.

2.5.5 National and Provincial influences

National Treasury MFMA Circular No. 129, issued on 10 December 2024

This budget circular provides guidance to municipalities with the compilation of their 2025/26 Medium Term Revenue and Expenditure Framework (MTREF). It is linked to the Municipal Budget and Reporting Regulations (MBRR) and the Municipal Standard Chart of Accounts (mSCOA) and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial management reform agenda by focusing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, and supply chain management processes are adhered to, mSCOA is implemented correctly, and that audit findings are addressed.

Stemming from this Circular, the following are the key focus areas for the 2025/26 budget process:

- Local Government Conditional Grants Allocations;
- Metropolitan Municipalities Trading Services Reform Performance Incentive;
- Reporting Requirements for Disaster Allocations;
- Budgeting and Reporting of the Integrated National Electrification Programme (INEP); and
- Stopping and Reallocation Guidelines.

National Treasury MFMA Circular No. 130, issued on 20 March 2025

The key focus areas of this Circular are listed below:

- Local Government Allocations;
- Post 2024 MTBPS changes;
- Review of the local government fiscal framework;
- Update on the review of the conditional grants;
- Funding for Local Economic Development (LED) Programmes;
- Metro Trading Services Reform Incentive;

- Alignment between the Metro Trading Service Reform and MFMA Circular No.88
- Three-year and one-year capital appropriations;
- Criteria for the release of the Equitable Share;
- Criteria for the rollover of conditional grant funds;
- Unspent conditional grant funds for 2024/25; and
- Rollover of the Urban Development Financing Grant: metro trading services component

2.5.6 2025/26 MTREF Budget Projection

2.5.6.1 Revenue analysis – a three-year preview

a) Major tariffs and charges: Rates and Trading services

According to NT MFMA Circular No. 129, NT encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between affordability to poorer households and other customers while ensuring that the tariffs are cost reflective the financial sustainability of the municipality. The Circular, further stipulates that:

- *“Consumer Price Index (CPI) inflation is forecasted to be 4.4 per cent; therefore, municipalities are required to justify all increases more than the projected inflation target for 2025/26 in their budget narratives and pay careful attention to the differential incidence of tariff increases across all consumer groups.”* and
- *“In addition, municipalities should include details of their revenue growth assumptions for the different service charges in the budget narrative.”*

The graphic below is an illustration of the main factors that influenced the proposed increases in Rates and Tariffs.

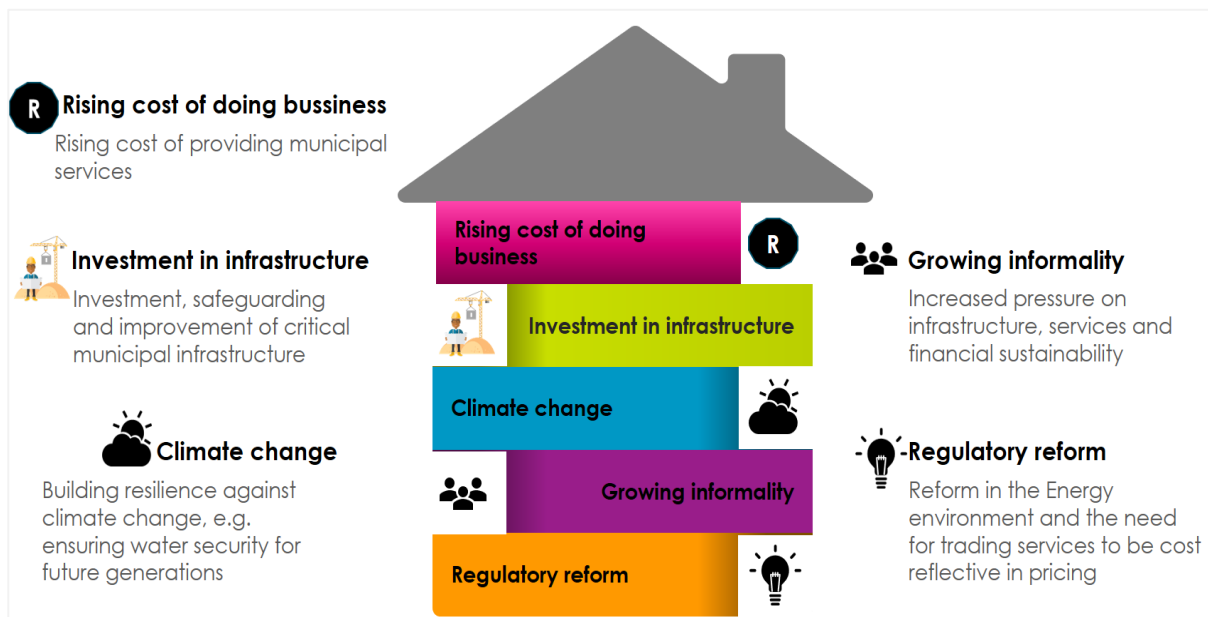


Figure 23: Rationale for Rates and tariff increases

The below section provides a discussion of rates and tariff increases for the 2025/26 MTREF.

Property Rates

Property rates increases are based on a residential rate-in-rand increase of 7.96% in 2025/26 and projected at 6.00% for the two outer years of the MTREF period. These increases will allow for, inter alia, the continuation and enhancement of providing Rates-funded services and initiatives such as the provision of rebates to the most vulnerable; improving safety and security measures including the hiring additional 528 additional law enforcement cadets; continued investment in infrastructure and its maintenance to sustain and improve service delivery; enhancing firefighting initiative and fire breaks.

Electricity

The National Energy Regulator of South Africa (NERSA) approved an increase of 12.74% as per Eskom's Retail Tariff and Structural Adjustment (ERTSA) application for the 2025/26 financial year. This translated to a corresponding municipal tariff increase of 11.32% for 2025/26.

However, taking into account the funding adjustments and structural changes, the average tariff increase for the City will amount to 7.2% for 2025/26, which is 4.12 percentage points lower than the approved Eskom increase. The outer years of the 2025/26 MTREF are projected to increase by 5.36% and 6.19% respectively.

The average tariff increase is mainly due to the following:

- Eskom bulk purchases;
- A change in funding methodology;
- A reform to the tariff structure;
- Shrinkage in energy sales due to the implementation of alternative energy sources by consumers;
- Capital investment in alternative energy sources, e.g. refurbishment of Steenbras power station, ground-mounted PVs etc.;
- Repairs and maintenance for, inter alia, the High Voltage Gas Insulated Switchgear (GIS);
- Load-shedding mitigation initiatives such as embedded generation, Roggebaai OCGT, power heroes' aggregators and wheeling; and
- Theft and vandalism of infrastructure assets requiring replacement and or repair.

Water and Sanitation

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

The tariff structure reform implemented means that individual customers will experience variable increases in their water and sanitation in 2025/26. The main factors determining the average tariff increases include current meter size, level of consumption and the value of the property. The broad trends that will be observed are:

- Poorer households would be paying slightly less than they currently paying;
- More affluent households would be paying more;
- Charities, old-age homes, homeless shelters, religious institutions, etc. would be paying less; and
- Industrial and commercial business will be paying more.

The average tariff increases make provision for, *inter alia*, the following investments:

- To ensure sustainable and resilient provision of water, budgetary provision for the New Water Plan, which includes initiatives to further invest in the underground extraction of water from aquifers and re-use scheme;
- Upgrades and extensions to the wastewater treatment plants;
- Operating requirements to implement large capital investments and provision of surplus to fund future capital investments;
- Continued investment in asset replacement programmes to ensure proper asset management, with specific focus on sewer network replacement as well as the upgrading of sewer pump stations;
- Ongoing investment in upgrading and rehabilitation of assets to adhere to compliance standards;
- Generators for pump stations and treatment plants to mitigate the impact of load-shedding; and
- Water demand management initiatives to optimise the use of water sources.

Urban waste management

Guidance on budgeting for solid waste matters was provided in NT MFMA Circular 99, stating *“Investments in waste collections and treatment infrastructure should be made in tandem with industrial and urban developments to minimise pollution to our land and waters.”*

Urban Waste Management comprises of three services funded by tariffs: Refuse Collection, Disposal charge, and the City-wide Cleaning tariff.

The refuse collection tariff is a means of recovering the cost to provide the 240-litre wheelie bin, the fueled refuse compactor truck, human resources, the servicing of the bin at least once a week and hauling the waste to a properly licensed facility, collection of dry recyclable waste from dedicated areas as well as the servicing of informal settlements. The value of the monthly tariff is derived from the number of bins issued as well as the frequency of the service with thrice and five times a week defined as an enhanced service, while the once-a-week collection is a basic service. This tariff is projected to increase by 7.36% in 2025/26 and 6.00% in the outer years of the MTREF. The higher than 6% tariff increase for 2025/26 is to fund waste minimisation initiatives, to assist in funding the cost of servicing informal settlements, and to build up a CRR to fund the purchasing of fleet.

Disposal charge is the revenue received for the disposal of waste from residential and non-residential properties. The Disposal charge average increase is 5.28% for the 2025/26 financial year whereas the increases for the two outer years are 8.65% for 2026/27 and 5.68% for 2027/28. These increases are required for the sustained operational requirement of the service, the development of landfill infrastructure, growth and upgrading of transfer stations, plant replacement, additional material recovery facilities, and landfill gas generation.

In an effort to minimise the impact on the end-user, it has since been decided to phase in the tariff reform over a period of time. Accordingly, for 2025/26, city-wide area cleansing services will be funded by a City-wide Cleaning tariff, and a contribution from the Rates account via a contribution from Electricity sales.

This is not an additional or new expense to customers: savings in electricity costs will buffer the financial impact of the introduction of the new City-wide Cleaning tariff. This is made possible by reducing the Rates contribution included in the cost of each electricity unit. The City-wide Cleaning tariff is therefore not a new charge, but merely a change in the method of how City customers contribute to the funding of this service. The tariff is projected to increase in the two outer years by 4.80% for 2026/27 and 9,75% for 2027/28.

b) Services Growth

Table 42 – Growth parameters

GROWTH PARAMETERS	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Rates	0.74%	2.50%	1.00%
Electricity	-1.50%	-1.50%	-1.80%
Water	4.00%	2.00%	2.00%
Sanitation	4.00%	2.00%	2.00%
Refuse	2.00%	2.00%	2.00%
City-wide Cleaning	N/A	1.00%	1.00%

Property Rates

A growth of 0.74% was projected for 2025/26, with 2.5% and 1.0% projected for the outer years of the MTREF respectively. The 2.5% growth projected in 2026/27 is a result of an anticipated General Valuation. Variable growth rates are applied to the respective property rates income foregone components.

Electricity

Considering the current constricted energy environment, a shrinkage averaging 1.6% in sales volume is projected over the MTREF period. Service growth is predicted to decline due to customers defecting or partially defecting from the grid as well as using more energy-efficient appliances. This has largely driven the need for structural changes to the service and network costs.

Water and Sanitation

A growth of 4.0% is projected for both water and sanitation in the 2025/26 financial year. The outer years of the MTREF include a projected growth of 2% for both water and sanitation. The projected growth is evident in the current trends as the City systematically stabilises to pre-drought growth rates.

Urban Waste Management

The growth in the refuse collection service is marked by the increase in the number of 240-litre wheelie bins that show a steady pattern of 2% per annum. The City-wide Cleaning tariff on the other hand is premised on the projected increase in the quantum of waste handled and at present this is deemed to be 1% per annum after factoring in waste diversion efforts.

c) Interest rates for investment of funds

Investments are made in terms of the City's Cash Management & Investment Policy, which aims to secure sound and sustainable management of the City's surplus cash and investments.

The MPC has reduced the repurchase rate by 100 basis points since the rate cutting cycle began in September 2024. At its latest meeting in May 2025, the MPC lowered the repurchase rate to 7.25%. This was at the backdrop of lower inflation, which was below 3% in April. The SARB's decision was also influenced by concerns around international trade tensions and potential inflationary pressures, despite inflation remaining well below the target midpoint. For the rest of 2025 into 2026, inflation appears well-contained and is expected to remain on the lower side of the MPC's target of 3-6%. However, the MPC cautions that the medium-term outlook is more uncertain than usual, with material risks from both domestic factors as well as the global environment. Therefore, the MPC may increase or further cut the repo rate depending on available data at each meeting.

Consequently, the City has elected to maintain its conservative investment interest rates forecasted at an average of 7.55% for 2025/26 and 7.31% and 7.30% respectively for the two outer years of the MTREF period.

d) Housing rental (Council rental properties)

The monthly rental charge for housing rental properties is based on a rate per square meter applied to the size of the unit being rented, coupled with a set of premiums/deductions based on the location, maintenance level, facilities et al of the specific property for which the rent is charged. In an effort to address the economic challenges faced by many poorer communities residing in the City's rental stock, the average total monthly rental charge percentage increase associated with the City's rental properties has been retained at an affordable level and is based on an annual increase of 4.40% (where the unit has a separate water meter) or 4.72% (for those units where the water is included in the rental charge) for 2025/26. The projected rental charge increase (where the unit has a separate water meter) is lower than projected CPI due to rental units operating on a City-subsidised basis.

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

The proposed 2025/26 housing rental charge is in line with previous annual rental increases and is again aimed at ensuring affordability for the City's poorer communities. The rental rate (per square meter per month) is R13.75 (2024/25: R13.17) where the unit has a separate water meter, or a rental charge (including water charge where applicable) of R23.50 (2024/25: R22.44) per square meter per month.

The City's housing premiums and deductions charge structure addressing the variations in the City's diverse rental properties remain as follows:

- Discounts on account:
 - Outside toilet (R31.50 per month)
 - External Water (R47.25 per month)
 - No ceiling (R23.50 per month)
- Premiums on account:
 - Saleable unit (R9.50 per month)
 - Well-maintained (R10.50 per month)
 - Local environment (R7.50 per month)
 - Well-located (R10.50 per month)
 - Hot water cylinder (R8.50 per month)

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

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

2.5.6.2 Expenditure Framework

a) General inflation outlook and its impact on municipal activities

The City's CPI projection is within the SARB's inflation target range of between 3% and 6% but slightly deviates from the NT guidance issued in Circular 129. CPI applied is 4.50%, 4.50% and 4.40% over the respective three years of the 2025/26 MTREF. The City utilised BER's CPI projections at a point in time during the planning process, these projections are converted to municipal financial years. National Treasury MFMA Circular 129, published on 10 December 2024, provides a CPI projection of 4.4%, 4.5% and 2.5% for the respective years of the 2025/26 MTREF. However, these projections are based on the national fiscal year (April to March).

The City continued with the differentiated approach of previous years to give effect to a zero-based expenditure budget parameter increases. This was done to ensure that the inflation rate has a minimal impact on the expenditure budget. CPI was considered in determining miscellaneous (sundry) tariffs.

b) Contracted Services, Overtime and Operational Cost

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

With this backdrop, in order to safeguard the provision of municipal services whilst still ensuring financial sustainability, no expenditure parameter increase was applied to contracted services and other operational costs, thereby allowing funds to be freed up and assist with the reprioritisation of needs to give effect to the IDP.

The City has taken a hard stance when it comes to the provision of overtime. The 2025/26 MTREF projects no overtime parameter increase for any of the City's directorates.

c) Collection rate for Property Rates and Service charges

Section 18 of the MFMA requires municipalities to ensure that they fund their MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

The forecasted 2025/26 MTREF collection rates are based on the current year-to-date rolling collection rate outcomes along with the continuous implementation of debt management initiatives.

The table below provides a summary of collection rates applied for each respective trading service and Property Rates. It is followed by a discussion of the assumptions applied.

Table 43 – Collection Rates

Services	Budget Year 2024/25	Budget Year+1 2025/26	Budget Year +2 2026/27	Budget Year +3 2027/28
Rates	95.75%	95.75%	95.75%	95.75%
Electricity	98.50%	98.50%	98.64%	98.68%
Water	91.00%	91.00%	92.50%	94.00%
Sanitation	92.50%	92.50%	93.50%	95.00%
City-wide Cleaning	N/A	95.00%	95.00%	95.00%
Refuse	92.00%	94.00%	94.00%	94.00%

The collection rate for Property Rates is projected at an average of 95.75% over the 2025/26 MTREF. This forecast is based on the assumption that the continuous implementation of debt management initiatives will achieve desired results

The Electricity collection rate is projected at 98.61% over the 3-year period of 2025/26 MTREF. The electricity generation and distribution department has been able to maintain this high level of revenue collection because of continued interventions by the revenue protection teams, where the department actively chases down the non-payers and makes the necessary arrangements with customers to pay their bills.

The Water and Sanitation collection rates for 2025/26 remains at 2024/25 levels. This brings the collection ratio in line with the latest trends and projections for the rest of this financial year as well as the longer-term financial plan.

On the Refuse Collections tariff, having observed a healthy recovery in performance over a twelve months rolling period, the collection ratio is currently set at 94% for all three years of the 2025/26 MTREF. This will be closely monitored and adjusted accordingly based on performance. The City-wide Cleaning tariff is based on a collectability of 95% of the total value of the bill from paying customers. Performance will be closely monitored, and collection rates will be amended where required.

d) Staff cost increases

In line with the 5-year SALGBC agreement, the salary parameter for 2025/26 is 5.01%. This increase is based on the average CPI published by Stats SA from February 2024 to January 2025 (which equated to 4.26%), plus zero point seven five percent (average CPI +0.75%) The two outer years of the MTREF period are projected to increase at 5.25% and 5.75% respectively. The salary increases included in the budget are graphically shown in the ensuing graph.

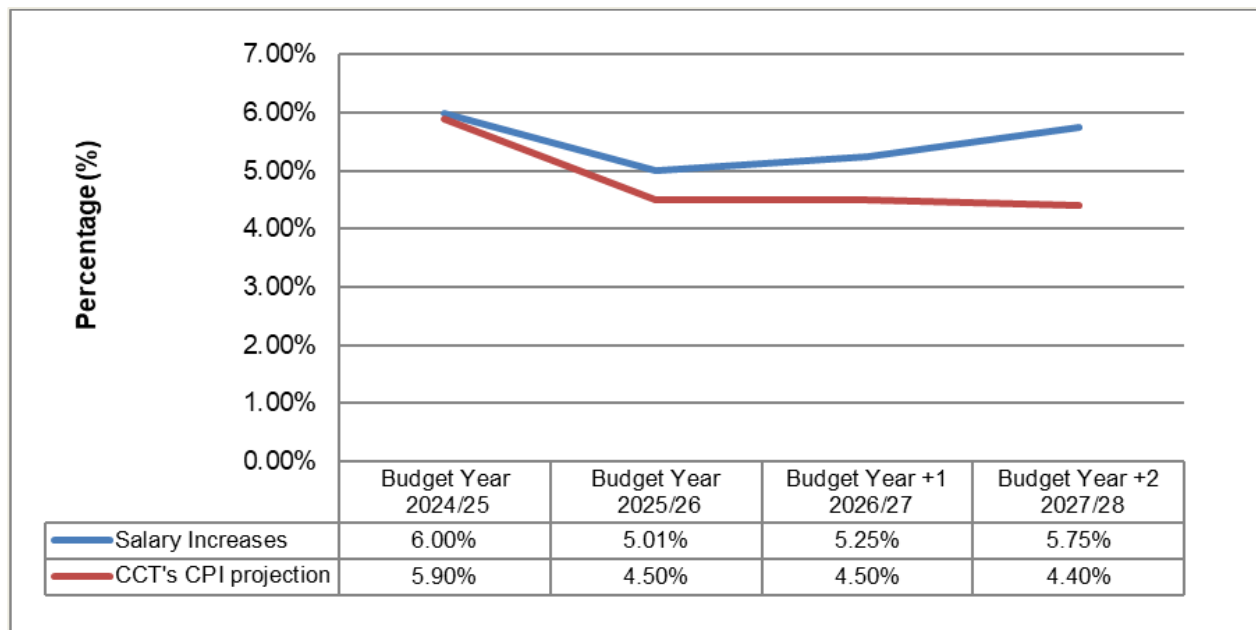


Figure 24: Correlation between the City's CPI and salary increases over the MTREF

The City continued with the method of budgeting for salaries at 95%, and partial budgeting for vacancies. This approach was adopted as the turnaround time of filling vacancies has attributed significantly to underperformance on the salary budget. In addition, provision was made for an incremental allowance of 1.5% to cater for performance and other notch increases.

e) Ensuring maintenance of existing assets

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

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

NT MFMA Circulars 55 and 70 set the ratio of operational repairs and maintenance to asset value (write-down value of the municipality's property, plant and equipment (PPE)) at 8%. The budget ratio outcome is 8.4% in 2025/26 and 8.0% in 2026/27 with both respective years falling within the NT benchmark of 8%. The budget ratio outcome for 2027/28 is 7.6%. However, the average over the 2025/26 MTREF is 8.0% which falls within the NT benchmark. Notwithstanding, the City is investing adequately in new infrastructure as well as the renewal and upgrading of existing assets.

f) Operational financing for capital depreciation

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

2.5.7 Capital Funding**a) Funding of the capital budget**

Capital funding strategy was endorsed to ensure financial sustainability considering the expansive capital investment. The following principles were applied:

- Reprioritisation and reduction of the capital budget to remain within affordable borrowing thresholds.
- Budgeting for cash surpluses that will be directed to fund the capital programme and reduce dependency on loans.
- Capital strategy to be reviewed annually considering the City's financial position to ensure budgets are fully funded and sustainable.

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

The capital budget was prepared with the aim of preserving the City's current infrastructure and expanding in areas where further capital investments are required to give effect to the City's IDP. The capital budget is expected to grow by an average of 4.7% from 2024/25 and over the 2025/26 MTREF period. The table below shows the capital funding source over the 2025/26 MTREF period.

Table 44 – Capital Budget over MTREF

Capital funding	Budget Year 2025/26	Budget Year+1 2026/27	Budget Year +2 2027/28
R thousands			
Transfers recognised - capital	3 855 190	4 180 136	2 856 189
Borrowing	5 000 000	5 000 000	5 000 000
Internally generated funds	4 007 449	5 047 301	5 028 104
TOTAL	12 862 639	14 227 436	12 884 293

b) Credit rating outlook and borrowing

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

Moody's Investors Service published their latest credit opinion for the City on 7 May 2025. It has upgraded the long-term national and global scale ratings from Aa3.za to Aa2.za and from Ba3 to Ba2 respectively. It has affirmed the existing short-term national and global scale ratings of P-1.za and NP respectively, and changed the outlook from positive to stable. The upgrade reflects Cape Town's strong financial management practices, which underpin its ability to maintain a consistently robust operating performance and very strong liquidity despite a backdrop of tight financial

conditions and a low-growth environment. The City has undertaken various initiatives aimed at enhancing revenue collection and managing expenditure growth, strengthening its credit profile.

The City's large and diversified economic base will continue to support its consistently good operating performance and strong liquidity. Moody's expects the City's debt burden to remain moderate compared to international peers. Strengthened tax collection rates will support structural revenue growth, increasing the City's self-funding capacity and reducing borrowing needs versus planned requirements. In addition, any movement in the South African sovereign rating will impact directly on the City's global scale rating.

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

Table 45 – Credit rating outlook

Category	Currency	Current Rating 7 May 2025 Update following outlook change	Previous Rating 3 July 2024 Update following outlook change	Previous Rating 23 June 2023 Regular update
Outlook	-	Stable	Positive	Stable
NSR Issuer Rating	Rand	Aa2.za	Aa3.za	Aa3.za
NSR ST Issuer Rating	Rand	P-1.za	P-1.za	P-1.za
NSR Senior Unsecured	Rand	Aa2.za	Aa3.za	Aa3.za

Credit rating definitions:

- Positive Outlook – reflects that a credit rating assigned to an issuer may be increased.
- Stable Outlook – reflects that a credit rating assigned to an issuer is unlikely to change.
- Negative Outlook – reflects that a credit rating assigned to an issuer may be lowered.
- Rating under Review – a review indicates that a rating is under consideration for a change in the near term.
- NSR Issuer Rating – Aa2.za - Issuers or issues rated Aa2.za demonstrate very strong creditworthiness relative to other domestic issuers and issuances.
- NSR ST Issuer Rating – P-1.za – Issuers (or issuances) rated Prime-1 represent the strongest likelihood of repayment of short-term debt obligations relative to other domestic issuers or issuances.
- NSR Senior Unsecured – Aa2.za - Issuers or issues rated Aa2.za demonstrate the very strong creditworthiness relative to other domestic issuers and issuances.

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

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

R Thousand	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Borrowing	5 000 000	5 000 000	5 000 000
Borrowing Interest Rate (%)	12%	12%	12%

2.5.8 2025 Division of Revenue Bill (DoRB) and Fuel Levy Equitable Share

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

The DoRB (B15-2025), dated 8 May 2025, issued via Government Gazette number 52626, provided for the following allocations, which have been included in the City's 2025/26 MTREF:

- 2025/26 – R4 694 million
- 2026/27 – R4 985 million
- 2027/28 – R5 210 million

Sharing of the Fuel Levy

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

The following amounts allocated to the City, as per the 2025/26 allocation letter, are included in the City's MTREF:

- 2025/26 – R2 852 million
- 2026/27 – R2 972 million
- 2027/28 – R3 096 million

Metropolitan municipalities were advised that allocations for the two outer years of the 2025 MTEF are provisional, and actual allocations will be based on fuel sales.

Major parameters

The following table summarises the major parameters applied to the 2025/26 MTREF operating budget:

Table 46 – Summary of parameters applied to the operating budget

	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CPI	4.50%	4.50%	4.40%
COLLECTION RATES			
Rates	95.75%	95.75%	95.75%
Electricity	98.50%	98.64%	98.68%
Water	91.00%	92.50%	94.00%
Sanitation	92.50%	93.50%	95.00%
City-wide Cleaning	95.00%	95.00%	95.00%
Refuse	94.00%	94.00%	94.00%
AVERAGE RATES AND TARIFF INCREASES			
Rates	7.96%	6.00%	6.00%
Electricity	7.20%	5.36%	6.19%
Water	Varied	Varied	Varied
Sanitation	Varied	Varied	Varied
Refuse	7.36%	6.00%	6.00%
Disposal	5.28%	8.65%	5.68%
City-wide Cleaning	N/A	4.80%	9.75%
GROWTH PARAMETERS			
Rates	0.74%	2.50%	1.00%
Electricity	-1.50%	-1.50%	-1.80%
Water	4.00%	2.00%	2.00%
Sanitation	4.00%	2.00%	2.00%
Refuse	2.00%	2.00%	2.00%
City-wide Cleaning	N/A	1.00%	1.00%
MAJOR PARAMETERS			
Salary increase			
Salary increase (SALGBC Agreement)	5.01%	5.25%	5.75%
Increment provision	1.50%	1.50%	1.50%
Operational cost	No increase	No increase	No increase
Repairs & Maintenance	Differentiated	Differentiated	Differentiated
Interest Rates			
Interest paid	12.00%	12.00%	12.00%
Interest on investment	7.55%	7.31%	7.30%
OTHER			
Capital Borrowing expenditure	R5.000bn	R5.000bn	R5.000bn
Equitable Share Allocation	R4.694bn	R4.985bn	R5.210bn
Fuel levy	R2.852bn	R2.972bn	R3.096bn

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

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

The City derives most of its operational revenue from its service charges (48.2% of total revenue) i.e. provision of services such as water, electricity, sanitation and solid waste removal. Property Rates (19.5%), Transfers and subsidies – Operational (10.4%), Investment revenue (1.1%) and Other own revenue (*inter alia* Fuel Levy, building plan fees, licences, permits etc.) (20.9%) forms part of the 2025/26 revenue base.

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

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

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

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

Table 47 – Breakdown of the operating revenue over the medium-term

Description R thousand	2025/26 Medium Term Revenue & Expenditure Framework					
	Budget Year 2025/26	%	Budget Year +1 2026/27	%	Budget Year +2 2027/28	%
Property rates	13 768 100	19.5%	14 946 054	20.1%	15 943 920	20.0%
Service charges	34 064 443	48.2%	35 567 100	47.9%	38 249 212	48.0%
Investment revenue	758 522	1.1%	648 785	0.9%	789 055	1.0%
Transfer and subsidies - Operational	7 329 561	10.4%	7 404 716	10.0%	7 561 017	9.5%
Other own revenue	14 811 680	20.9%	15 645 437	21.1%	17 190 589	21.6%
Total Revenue (excluding capital transfers and contributions)	70 732 307	100%	74 212 092	100%	79 733 792	100%

The following graph is a breakdown of the operational revenue per main category for 2025/26.

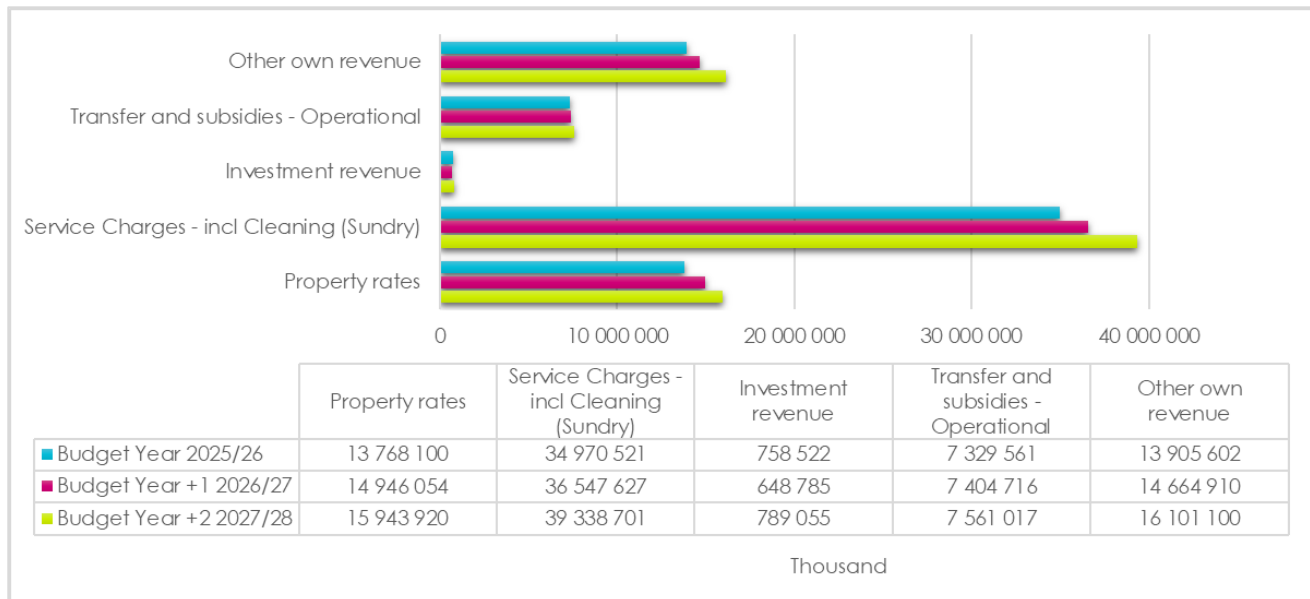


Figure 25: Breakdown of operating revenue over the 2025/26 MTREF

Revenue to be generated from Property rates in 2025/26 amount to R13 768 million and represents 19.5% of the operating revenue base of the City. It increases to R15 944 million in 2027/28.

Service charges relating to electricity, water, sanitation, refuse removal and City- Wide Cleaning constitute the biggest component of the revenue basket of the City totalling R34 971 million or 49.4% of the total revenue base in 2025/26. City-Wide Cleaning revenue is however deemed/categorised as non-exchange revenue as per mSCOA classification but has been included in the service charges reflected above.

Transfers and subsidies – Operational amount to R7 330 million in 2025/26. This category includes external allocations received from national- and provincial government, and private sector funding. For purposes of the 2025/26 budget compilation, national allocations are based on the Division of Revenue Bill (DoRB) (B15-2025), Government Gazette No. 52626, dated 8 May 2025. Provincial allocations are based on Provincial Gazette Extraordinary 9046, dated 26 March 2025.

Investment revenue is budgeted at R759 million for the 2025/26 financial year.

Table 48 provides detailed investment information while Table 49 provides investment particulars by maturity.

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

Table 48 – MBRR Table SA15 – Detailed investment information

Investment type R thousand	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Parent municipality									
Securities - National Government	52 730	52 058	51 331	49 450	49 450	49 450	49 450	9 450	9 450
Listed Corporate Bonds	-	-	-	-	-	-	-	-	-
Deposits - Bank	14 013 577	15 018 335	14 861 002	16 292 383	18 062 807	18 062 807	15 775 063	12 313 758	9 974 220
Deposits - Public Investment Commissioners	-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits	-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates	-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks	-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)	3 404 010	2 805 762	1 859 336	-	-	-	-	-	-
Repurchase Agreements - Banks	-	-	-	-	-	-	-	-	-
Municipal Bonds	-	-	-	-	-	-	-	-	-
TOTAL	17 470 317	17 876 155	16 771 670	16 341 833	18 112 257	18 112 257	15 824 513	12 323 208	9 983 670

Table 49 – MBRR Table SA16 – Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Expiry date of investment	Opening balance	Interest to be realised	Partial/ Premature Withdrawal	Investment Top Up	Closing Balance
Name of institution & investment ID	Yrs/Months										
ABSA Bank	58	Fixed	Yes	Fixed	7.67%	6-Jun-25	30 000	195	–	–	30 195
ABSA Bank	57	Fixed	Yes	Fixed	7.65%	6-Jun-25	30 000	195	–	–	30 195
ABSA Bank	56	Fixed	Yes	Fixed	7.65%	6-Jun-25	40 000	260	–	–	40 260
ABSA Bank	53	Fixed	Yes	Fixed	7.65%	6-Jun-25	70 000	455	–	–	70 455
ABSA Bank	52	Fixed	Yes	Fixed	7.65%	6-Jun-25	30 000	195	–	–	30 195
ABSA Bank	58	Fixed	Yes	Fixed	7.65%	13-Jun-25	35 000	227	–	–	35 227
ABSA Bank	52	Fixed	Yes	Fixed	7.65%	13-Jun-25	80 000	520	–	–	80 520
ABSA Bank	58	Fixed	Yes	Fixed	7.65%	20-Jun-25	45 000	292	–	–	45 292
ABSA Bank	57	Fixed	Yes	Fixed	7.65%	20-Jun-25	35 000	227	–	–	35 227
ABSA Bank	56	Fixed	Yes	Fixed	7.65%	20-Jun-25	25 000	162	–	–	25 162
ABSA Bank	59	Fixed	Yes	Fixed	7.65%	27-Jun-25	100 000	650	–	–	100 650
ABSA Bank	58	Fixed	Yes	Fixed	7.65%	27-Jun-25	60 000	390	–	–	60 390
ABSA Bank	56	Fixed	Yes	Fixed	7.65%	27-Jun-25	100 000	629	–	–	100 629
ABSA Bank	56	Fixed	Yes	Fixed	7.65%	27-Jun-25	65 000	409	–	–	65 409
ABSA Bank	56	Fixed	Yes	Fixed	7.65%	27-Jun-25	45 000	283	–	–	45 283
ABSA Bank	59	Fixed	Yes	Fixed	7.65%	30-Jun-25	40 000	252	–	–	40 252
ABSA Bank	59	Fixed	Yes	Fixed	7.65%	4-Jul-25	65 000	354	–	–	65 354
ABSA Bank	57	Fixed	Yes	Fixed	7.65%	4-Jul-25	65 000	327	–	–	65 327
ABSA Bank	63	Fixed	Yes	Fixed	7.65%	11-Jul-25	10 000	48	–	–	10 048
ABSA Bank	60	Fixed	Yes	Fixed	7.60%	11-Jul-25	70 000	292	–	–	70 292
ABSA Bank	66	Fixed	Yes	Fixed	7.60%	18-Jul-25	40 000	158	–	–	40 158
ABSA Bank	65	Fixed	Yes	Fixed	7.60%	18-Jul-25	40 000	150	–	–	40 150
ABSA Bank	81	Fixed	Yes	Fixed	7.70%	25-Jul-25	170 000	968	–	–	170 968
ABSA Bank	67	Fixed	Yes	Fixed	7.60%	25-Jul-25	60 000	162	–	–	60 162
ABSA Bank	76	Fixed	Yes	Fixed	7.60%	30-Jul-25	20 000	71	–	–	20 071
ABSA Bank	75	Fixed	Yes	Fixed	7.68%	30-Jul-25	40 000	135	–	–	40 135
ABSA Bank	75	Fixed	Yes	Fixed	7.68%	30-Jul-25	35 000	118	–	–	35 118
ABSA Bank	75	Fixed	Yes	Fixed	7.68%	30-Jul-25	40 000	135	–	–	40 135
ABSA Bank	75	Fixed	Yes	Fixed	7.68%	30-Jul-25	110 000	370	–	–	110 370
ABSA Bank	24	Fixed	Yes	Fixed	7.55%	13-Jun-25	45 000	112	–	–	45 112
ABSA Bank	30	Fixed	Yes	Fixed	7.55%	20-Jun-25	30 000	68	–	–	30 068
ABSA Bank	29	Fixed	Yes	Fixed	7.55%	20-Jun-25	40 000	83	–	–	40 083
ABSA Bank	21	Fixed	Yes	Fixed	7.53%	13-Jun-25	20 000	37	–	–	20 037
ABSA Bank	32	Fixed	Yes	Fixed	7.55%	27-Jun-25	75 000	93	–	–	75 093
ABSA Bank	29	Fixed	Yes	Fixed	7.55%	27-Jun-25	15 000	9	–	–	15 009
Firststrand	58	Fixed	Yes	Fixed	7.74%	6-Jun-25	30 000	197	–	–	30 197
Firststrand	57	Fixed	Yes	Fixed	7.74%	6-Jun-25	30 000	197	–	–	30 197
Firststrand	56	Fixed	Yes	Fixed	7.74%	6-Jun-25	30 000	197	–	–	30 197
Firststrand	56	Fixed	Yes	Fixed	7.74%	6-Jun-25	40 000	263	–	–	40 263
Firststrand	53	Fixed	Yes	Fixed	7.74%	6-Jun-25	75 000	493	–	–	75 493
Firststrand	52	Fixed	Yes	Fixed	7.74%	6-Jun-25	30 000	197	–	–	30 197
Firststrand	58	Fixed	Yes	Fixed	7.74%	13-Jun-25	35 000	230	–	–	35 230
Firststrand	52	Fixed	Yes	Fixed	7.73%	13-Jun-25	65 000	427	–	–	65 427
Firststrand	58	Fixed	Yes	Fixed	7.74%	20-Jun-25	45 000	296	–	–	45 296
Firststrand	57	Fixed	Yes	Fixed	7.74%	20-Jun-25	35 000	230	–	–	35 230
Firststrand	56	Fixed	Yes	Fixed	7.74%	20-Jun-25	15 000	99	–	–	15 099
Firststrand	59	Fixed	Yes	Fixed	7.74%	27-Jun-25	90 000	592	–	–	90 592
Firststrand	58	Fixed	Yes	Fixed	7.74%	27-Jun-25	65 000	427	–	–	65 427
Firststrand	58	Fixed	Yes	Fixed	7.74%	27-Jun-25	10 000	66	–	–	10 066
Firststrand	56	Fixed	Yes	Fixed	7.74%	27-Jun-25	45 000	286	–	–	45 286
Firststrand	56	Fixed	Yes	Fixed	7.74%	27-Jun-25	45 000	286	–	–	45 286
Firststrand	56	Fixed	Yes	Fixed	7.74%	27-Jun-25	90 000	573	–	–	90 573
Firststrand	59	Fixed	Yes	Fixed	7.74%	30-Jun-25	60 000	382	–	–	60 382
Firststrand	59	Fixed	Yes	Fixed	7.73%	4-Jul-25	75 000	413	–	–	75 413
Firststrand	57	Fixed	Yes	Fixed	7.73%	4-Jul-25	65 000	330	–	–	65 330
Firststrand	63	Fixed	Yes	Fixed	7.73%	11-Jul-25	25 000	122	–	–	25 122
Firststrand	60	Fixed	Yes	Fixed	7.70%	11-Jul-25	70 000	295	–	–	70 295
Firststrand	66	Fixed	Yes	Fixed	7.70%	18-Jul-25	40 000	160	–	–	40 160
Firststrand	65	Fixed	Yes	Fixed	7.70%	18-Jul-25	40 000	152	–	–	40 152
Firststrand	81	Fixed	Yes	Fixed	7.79%	25-Jul-25	155 000	893	–	–	155 893
Firststrand	67	Fixed	Yes	Fixed	7.70%	25-Jul-25	60 000	165	–	–	60 165
Firststrand	76	Fixed	Yes	Fixed	7.70%	30-Jul-25	20 000	72	–	–	20 072
Firststrand	75	Fixed	Yes	Fixed	7.75%	30-Jul-25	50 000	170	–	–	50 170
Firststrand	75	Fixed	Yes	Fixed	7.75%	30-Jul-25	35 000	119	–	–	35 119
Firststrand	75	Fixed	Yes	Fixed	7.75%	30-Jul-25	35 000	119	–	–	35 119
Firststrand	75	Fixed	Yes	Fixed	7.75%	30-Jul-25	125 000	425	–	–	125 425
Firststrand	24	Fixed	Yes	Fixed	7.45%	13-Jun-25	25 000	61	–	–	25 061
Firststrand	30	Fixed	Yes	Fixed	7.46%	20-Jun-25	30 000	67	–	–	30 067
Firststrand	29	Fixed	Yes	Fixed	7.46%	20-Jun-25	40 000	82	–	–	40 082
Firststrand	32	Fixed	Yes	Fixed	7.46%	27-Jun-25	60 000	74	–	–	60 074
Firststrand	30	Fixed	Yes	Fixed	7.54%	27-Jun-25	40 000	33	–	–	40 033
Firststrand	29	Fixed	Yes	Fixed	7.54%	27-Jun-25	75 000	46	–	–	75 046

Table continues on next page.

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Expiry date of investment	Opening balance	Interest to be realised	Partial/ Premature Withdrawal	Investment Top Up	Closing Balance
Name of institution & investment ID	Yrs/Months										
Investec Bank	58	Fixed	Yes	Fixed	7.68%	6-Jun-25	10 000	65	–	–	10 065
Investec Bank	57	Fixed	Yes	Fixed	7.68%	6-Jun-25	10 000	65	–	–	10 065
Investec Bank	53	Fixed	Yes	Fixed	7.65%	6-Jun-25	25 000	162	–	–	25 162
Investec Bank	52	Fixed	Yes	Fixed	7.65%	6-Jun-25	15 000	97	–	–	15 097
Investec Bank	58	Fixed	Yes	Fixed	7.65%	13-Jun-25	10 000	65	–	–	10 065
Investec Bank	57	Fixed	Yes	Fixed	7.65%	13-Jun-25	80 000	520	–	–	80 520
Investec Bank	52	Fixed	Yes	Fixed	7.65%	13-Jun-25	50 000	325	–	–	50 325
Investec Bank	58	Fixed	Yes	Fixed	7.68%	20-Jun-25	15 000	98	–	–	15 098
Investec Bank	57	Fixed	Yes	Fixed	7.68%	20-Jun-25	10 000	65	–	–	10 065
Investec Bank	59	Fixed	Yes	Fixed	7.68%	27-Jun-25	10 000	65	–	–	10 065
Investec Bank	58	Fixed	Yes	Fixed	7.68%	27-Jun-25	30 000	196	–	–	30 196
Investec Bank	56	Fixed	Yes	Fixed	7.65%	27-Jun-25	35 000	220	–	–	35 220
Investec Bank	59	Fixed	Yes	Fixed	7.68%	4-Jul-25	25 000	137	–	–	25 137
Investec Bank	57	Fixed	Yes	Fixed	7.65%	4-Jul-25	20 000	101	–	–	20 101
Investec Bank	63	Fixed	Yes	Fixed	7.65%	11-Jul-25	60 000	289	–	–	60 289
Investec Bank	60	Fixed	Yes	Fixed	7.65%	11-Jul-25	25 000	105	–	–	25 105
Investec Bank	66	Fixed	Yes	Fixed	7.65%	18-Jul-25	15 000	60	–	–	15 060
Investec Bank	65	Fixed	Yes	Fixed	7.65%	18-Jul-25	10 000	38	–	–	10 038
Investec Bank	81	Fixed	Yes	Fixed	7.73%	25-Jul-25	40 000	229	–	–	40 229
Investec Bank	67	Fixed	Yes	Fixed	7.65%	25-Jul-25	25 000	68	–	–	25 068
Investec Bank	76	Fixed	Yes	Fixed	7.65%	30-Jul-25	10 000	36	–	–	10 036
Investec Bank	75	Fixed	Yes	Fixed	7.65%	30-Jul-25	15 000	50	–	–	15 050
Investec Bank	75	Fixed	Yes	Fixed	7.65%	30-Jul-25	15 000	50	–	–	15 050
Investec Bank	75	Fixed	Yes	Fixed	7.65%	30-Jul-25	40 000	134	–	–	40 134
Investec Bank	38	Fixed	Yes	Fixed	7.60%	27-Jun-25	10 000	25	–	–	10 025
Investec Bank	30	Fixed	Yes	Fixed	7.63%	20-Jun-25	10 000	23	–	–	10 023
Investec Bank	29	Fixed	Yes	Fixed	7.63%	20-Jun-25	15 000	31	–	–	15 031
Investec Bank	32	Fixed	Yes	Fixed	7.63%	27-Jun-25	30 000	38	–	–	30 038
Investec Bank	30	Fixed	Yes	Fixed	7.60%	27-Jun-25	50 000	42	–	–	50 042
Nedbank	388	Fixed	Yes	Fixed	9.05%	30-Jun-25	39 648	305	–	–	39 953
Nedbank	367	Fixed	Yes	Fixed	8.95%	30-Jun-25	49 575	377	–	–	49 952
Nedbank	367	Fixed	Yes	Fixed	8.95%	30-Jun-25	62 100	472	–	–	62 572
Nedbank	367	Fixed	Yes	Fixed	8.95%	30-Jun-25	715	5	–	–	720
Nedbank	367	Fixed	Yes	Fixed	8.95%	30-Jun-25	590	4	–	–	594
Nedbank	367	Fixed	Yes	Fixed	8.95%	30-Jun-25	13 900	106	–	–	14 006
Nedbank	367	Fixed	Yes	Fixed	8.95%	30-Jun-25	290	2	–	–	292
Nedbank	367	Fixed	Yes	Fixed	8.95%	30-Jun-25	1 479	11	–	–	1 490
Nedbank	367	Fixed	Yes	Fixed	8.95%	30-Jun-25	28 000	213	–	–	28 213
Nedbank	367	Fixed	Yes	Fixed	8.95%	30-Jun-25	38 596	293	–	–	38 889
Nedbank	341	Fixed	Yes	Fixed	8.60%	30-Jun-25	25 116	183	–	–	25 300
Nedbank	262	Fixed	Yes	Fixed	8.40%	30-Jun-25	22 161	158	–	–	22 319
Nedbank	165	Fixed	Yes	Fixed	7.95%	30-Jun-25	17 465	118	–	–	17 583
Nedbank	58	Fixed	Yes	Fixed	7.75%	6-Jun-25	20 000	132	–	–	20 132
Nedbank	57	Fixed	Yes	Fixed	7.75%	6-Jun-25	30 000	197	–	–	30 197
Nedbank	53	Fixed	Yes	Fixed	7.70%	6-Jun-25	10 000	65	–	–	10 065
Nedbank	52	Fixed	Yes	Fixed	7.70%	6-Jun-25	20 000	131	–	–	20 131
Nedbank	58	Fixed	Yes	Fixed	7.70%	13-Jun-25	25 000	163	–	–	25 163
Nedbank	52	Fixed	Yes	Fixed	7.70%	13-Jun-25	60 000	392	–	–	60 392
Nedbank	58	Fixed	Yes	Fixed	7.75%	20-Jun-25	40 000	263	–	–	40 263
Nedbank	57	Fixed	Yes	Fixed	7.75%	20-Jun-25	25 000	165	–	–	25 165
Nedbank	59	Fixed	Yes	Fixed	7.75%	27-Jun-25	75 000	494	–	–	75 494
Nedbank	58	Fixed	Yes	Fixed	7.75%	27-Jun-25	15 000	99	–	–	15 099
Nedbank	58	Fixed	Yes	Fixed	7.75%	27-Jun-25	50 000	329	–	–	50 329
Nedbank	56	Fixed	Yes	Fixed	7.70%	27-Jun-25	80 000	506	–	–	80 506
Nedbank	59	Fixed	Yes	Fixed	7.75%	30-Jun-25	90 000	573	–	–	90 573
Nedbank	59	Fixed	Yes	Fixed	7.70%	4-Jul-25	55 000	302	–	–	55 302
Nedbank	57	Fixed	Yes	Fixed	7.70%	4-Jul-25	50 000	253	–	–	50 253
Nedbank	63	Fixed	Yes	Fixed	7.70%	11-Jul-25	20 000	97	–	–	20 097
Nedbank	60	Fixed	Yes	Fixed	7.70%	11-Jul-25	60 000	253	–	–	60 253
Nedbank	66	Fixed	Yes	Fixed	7.70%	18-Jul-25	30 000	120	–	–	30 120
Nedbank	65	Fixed	Yes	Fixed	7.70%	18-Jul-25	30 000	114	–	–	30 114
Nedbank	81	Fixed	Yes	Fixed	7.75%	25-Jul-25	110 000	631	–	–	110 631
Nedbank	67	Fixed	Yes	Fixed	7.70%	25-Jul-25	55 000	151	–	–	55 151
Nedbank	76	Fixed	Yes	Fixed	7.70%	30-Jul-25	10 000	36	–	–	10 036
Nedbank	75	Fixed	Yes	Fixed	7.70%	30-Jul-25	35 000	118	–	–	35 118
Nedbank	75	Fixed	Yes	Fixed	7.70%	30-Jul-25	30 000	101	–	–	30 101
Nedbank	75	Fixed	Yes	Fixed	7.70%	30-Jul-25	95 000	321	–	–	95 321
Nedbank	38	Fixed	Yes	Fixed	7.70%	27-Jun-25	20 000	51	–	–	20 051
Nedbank	30	Fixed	Yes	Fixed	7.70%	20-Jun-25	20 000	46	–	–	20 046
Nedbank	29	Fixed	Yes	Fixed	7.70%	20-Jun-25	30 000	63	–	–	30 063
Nedbank	32	Fixed	Yes	Fixed	7.70%	27-Jun-25	25 000	32	–	–	25 032
Nedbank	30	Fixed	Yes	Fixed	7.70%	27-Jun-25	65 000	55	–	–	65 055
Nedbank	29	Fixed	Yes	Fixed	7.70%	27-Jun-25	120 000	76	–	–	120 076

Table continues on next page.

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Expiry date of investment	Opening balance	Interest to be realised	Partial/ Premature Withdrawal	Investment Top Up	Closing Balance
Name of institution & investment ID	Yrs/Months										
Standard Bank	58	Fixed	Yes	Fixed	7.72%	6-Jun-25	25 000	164	–	–	25 164
Standard Bank	57	Fixed	Yes	Fixed	7.72%	6-Jun-25	30 000	197	–	–	30 197
Standard Bank	56	Fixed	Yes	Fixed	7.72%	6-Jun-25	15 000	98	–	–	15 098
Standard Bank	53	Fixed	Yes	Fixed	7.71%	6-Jun-25	80 000	524	–	–	80 524
Standard Bank	52	Fixed	Yes	Fixed	7.70%	6-Jun-25	30 000	196	–	–	30 196
Standard Bank	58	Fixed	Yes	Fixed	7.72%	13-Jun-25	35 000	229	–	–	35 229
Standard Bank	57	Fixed	Yes	Fixed	7.74%	13-Jun-25	15 000	99	–	–	15 099
Standard Bank	52	Fixed	Yes	Fixed	7.73%	13-Jun-25	75 000	492	–	–	75 492
Standard Bank	58	Fixed	Yes	Fixed	7.74%	20-Jun-25	50 000	329	–	–	50 329
Standard Bank	57	Fixed	Yes	Fixed	7.74%	20-Jun-25	30 000	197	–	–	30 197
Standard Bank	56	Fixed	Yes	Fixed	7.74%	20-Jun-25	55 000	362	–	–	55 362
Standard Bank	59	Fixed	Yes	Fixed	7.72%	27-Jun-25	85 000	557	–	–	85 557
Standard Bank	58	Fixed	Yes	Fixed	7.72%	27-Jun-25	60 000	393	–	–	60 393
Standard Bank	56	Fixed	Yes	Fixed	7.70%	27-Jun-25	35 000	222	–	–	35 222
Standard Bank	59	Fixed	Yes	Fixed	7.70%	30-Jun-25	30 000	190	–	–	30 190
Standard Bank	59	Fixed	Yes	Fixed	7.72%	4-Jul-25	75 000	412	–	–	75 412
Standard Bank	57	Fixed	Yes	Fixed	7.69%	4-Jul-25	60 000	303	–	–	60 303
Standard Bank	63	Fixed	Yes	Fixed	7.70%	11-Jul-25	15 000	73	–	–	15 073
Standard Bank	60	Fixed	Yes	Fixed	7.70%	11-Jul-25	70 000	295	–	–	70 295
Standard Bank	66	Fixed	Yes	Fixed	7.68%	18-Jul-25	35 000	140	–	–	35 140
Standard Bank	65	Fixed	Yes	Fixed	7.68%	18-Jul-25	40 000	151	–	–	40 151
Standard Bank	81	Fixed	Yes	Fixed	7.75%	25-Jul-25	185 000	1 061	–	–	186 061
Standard Bank	67	Fixed	Yes	Fixed	7.69%	25-Jul-25	60 000	164	–	–	60 164
Standard Bank	76	Fixed	Yes	Fixed	7.68%	30-Jul-25	15 000	54	–	–	15 054
Standard Bank	75	Fixed	Yes	Fixed	7.79%	30-Jul-25	45 000	154	–	–	45 154
Standard Bank	75	Fixed	Yes	Fixed	7.79%	30-Jul-25	35 000	120	–	–	35 120
Standard Bank	75	Fixed	Yes	Fixed	7.79%	30-Jul-25	35 000	120	–	–	35 120
Standard Bank	75	Fixed	Yes	Fixed	7.79%	30-Jul-25	115 000	393	–	–	115 393
Standard Bank	38	Fixed	Yes	Fixed	7.63%	27-Jun-25	30 000	75	–	–	30 075
Standard Bank	30	Fixed	Yes	Fixed	7.61%	20-Jun-25	30 000	69	–	–	30 069
Standard Bank	29	Fixed	Yes	Fixed	7.60%	20-Jun-25	30 000	62	–	–	30 062
Standard Bank	32	Fixed	Yes	Fixed	7.62%	27-Jun-25	60 000	75	–	–	60 075
Standard Bank	31	Fixed	Yes	Fixed	7.60%	27-Jun-25	45 000	47	–	–	45 047
Standard Bank	30	Fixed	Yes	Fixed	7.59%	27-Jun-25	25 000	21	–	–	25 021
Standard Bank	29	Fixed	Yes	Fixed	7.58%	27-Jun-25	50 000	31	–	–	50 031
ABSA Bank	-	Call deposit	Yes	Fixed	7.25%	-	563 901	3 476	(95 000)	–	472 376
Firststrand Bank	-	Call deposit	Yes	Fixed	7.10%	-	477 870	2 802	(107 870)	–	372 802
Investec Bank	-	Call deposit	Yes	Fixed	7.00%	-	135 804	812	(45 804)	–	90 812
Nedbank	-	Call deposit	Yes	Fixed	7.10%	-	211 269	1 211	(71 269)	–	141 211
Standard Bank	-	Call deposit	Yes	Fixed	7.25%	-	518 175	3 135	(53 175)	–	468 135
Nedbank current account	-	Current account	-	-	7.05%	-	283 310	1 564	–	116 846	401 720
Fund Managers	-	-	-	-	-	-	9 325 734	65 892	–	–	9 391 626
Cash in transit	-	-	-	-	-	-	32 518	–	–	35 000	67 518
CTICC	-	-	-	-	-	-	271 435	–	–	–	271 435
COID	-	-	-	-	-	-	50 808	(52)	–	–	50 755
Shares in Atlantis Special Economic Zone Company SOC Ltd	-	-	-	-	-	-	56 500	–	–	–	56 500
Municipality sub-total	-	-	-	-	-	-	19 766 958	117 152	(373 117)	151 846	19 662 839

2.6.2 Medium-term outlook: capital revenue

The table below provides a breakdown of the funding composition of the City's 2025/26 medium-term capital programme.

Table 50 – Sources of capital revenue over the MTREF

Funding Source R thousand	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget	%	Budget Year 2025/26	%	Budget Year +1 2026/27	%	Budget Year +2 2027/28	%
Funded by:								
National Government	3 034 634		3 735 882		4 048 734		2 761 689	
Provincial Government	20 810		6 657		6 377		6 934	
Transfers and subsidies - capital	102 799		112 651		125 025		87 566	
Transfers recognised - capital	3 158 243	27.7%	3 855 190	30.0%	4 180 136	29.4%	2 856 189	22.2%
Borrowing	7 050 578	61.9%	5 000 000	38.9%	5 000 000	35.1%	5 000 000	38.8%
Internally generated funds	1 187 568	10.4%	4 007 449	31.2%	5 047 301	35.5%	5 028 104	39.0%
Total Capital Funding	11 396 389	100.0%	12 862 639	100.0%	14 227 436	100.0%	12 884 293	100.0%

Grants from national- and provincial government as well as other external sources still remain a significant funding source for the 2025/26 – 2027/28 capital budget.

The three sources of capital revenue are detailed below.

Transfers recognised – capital

Transfers recognised – capital amount to R3 855 million in 2025/26, R4 180 million in 2026/27 and R2 856 million in 2027/28, decreasing from 30.0% to 22.2% of the total capital funding over the MTREF.

Capital transfers and grants from national- and provincial government and other grant providers for the 2025/26 MTREF are reflected in the ensuing table.

Table 51 – MBRR Table SA18 – Capital transfers and grants receipts

Description R thousand	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
National Government:	1 699 659	2 488 867	2 536 566	3 395 118	3 034 634	2 802 677	3 735 882	4 048 734	2 761 689
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	8 916	8 103	8 075	6 200	6 100	6 100	6 020	7 400	7 900
National Treasury: Expanded Public Works Programme	699	–	–	–	–	–	–	–	–
National Treasury: Informal Settlements Upgrading Partnership Grant: Municipalities	511 897	636 455	564 781	493 493	458 910	450 655	522 287	546 395	570 895
National Treasury: Infrastructure Skills Development Grant	1 081	1 051	599	600	48	48	600	1 000	1 000
National Treasury: Neighbourhood Development Partnership Grant	10 399	27 266	67 632	30 237	30 237	30 230	12 066	9 913	14 362
National Treasury: Public Transport Network: Budget Facility for Infrastructure Grant	–	–	–	1 614 000	1 235 809	1 033 798	1 905 000	1 776 000	766 000
National Treasury: Urban Settlements Development Grant	858 880	943 465	757 168	840 111	977 059	972 635	888 746	955 560	983 176
Transport: Public Transport Network Grant	307 787	872 527	1 138 311	410 477	326 471	309 211	401 162	752 467	418 356
Provincial Government:	24 616	9 679	30 065	23 549	20 810	14 310	6 657	6 377	6 934
Western Cape Department of Education: Schools Resource Officers	–	–	–	740	727	727	–	–	–
Community Safety: Law Enforcement Advancement Plan	19 216	4 187	23 573	10 000	7 000	7 000	–	–	–
Cultural Affairs and Sport: Library Services: Metro Library Grant	5 400	5 492	5 564	5 657	5 992	5 992	6 097	6 377	6 664
Cultural Affairs and Sport: Library Services Replacement Funding	–	–	928	–	–	–	–	–	–
Cultural Affairs and Sport: Library Services: Replacement Funding for most Vulnerable B3 Municipalities	–	–	–	–	5	5	–	–	–
Department of Health and Wellness: Law Enforcement Officers For Health Facilities	–	–	–	652	586	586	–	–	–
Department of Social Development: Expansion of the Haven District Six Shelter	–	–	–	6 500	6 500	–	–	–	–
Provincial Government: Municipal Accreditation and Capacity Building Grant	–	–	–	–	–	–	560	–	270
Other grant providers:	63	333 128	11 429	133 385	102 799	92 799	112 651	125 025	87 566
Other: Other	63	333 128	11 429	133 385	102 799	92 799	112 651	125 025	87 566
Total Capital Transfers and Grants	1 724 338	2 831 674	2 578 060	3 552 052	3 158 243	2 909 786	3 855 190	4 180 136	2 856 189

Borrowing

Borrowing continues to be one of the major sources of funding of the 2025/26 – 2027/28 capital budget.

Borrowing to the value of R5 000 million will be taken up, in support of the 2025/26 MTREF capital programme, subject to approval by Council and in compliance with Section 46 of the MFMA. This will depend on the City's cash flow requirements. If the cash flow position is sufficient to fund the capital programme either partially or fully, the funding will be adjusted accordingly.

The borrowing amount for the 2025/26 financial year, as reflected in Table 50 (*Sources of capital revenue over the MTREF*), includes certain rollovers where directorates have already indicated that they will not be able to spend the full 2024/25 budgetary allocation by year-end.

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

Table 52 – MBRR Table SA17 – Detail of borrowing

Borrowing - Categorised by type	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Annuity and Bullet Loans	1 570 709	3 280 840	3 843 807	12 232 592	9 800 711	9 800 711	13 469 121	16 834 106	19 993 724
Long-Term Loans (non-annuity)	-	-	-	-	-	-	-	-	-
Local registered stock	-	-	-	-	-	-	-	-	-
Instalment Credit	-	-	-	-	-	-	-	-	-
Financial Leases	-	-	-	-	-	-	-	-	-
PPP liabilities	-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier	-	-	-	-	-	-	-	-	-
Marketable Bonds	3 650 000	2 350 000	250 000	156 854	156 854	156 854	52 285	-	-
Non-Marketable Bonds	-	-	-	-	-	-	-	-	-
Bankers Acceptances	-	-	-	-	-	-	-	-	-
Financial derivatives	-	-	-	-	-	-	-	-	-
Other Securities	-	-	-	-	-	-	-	-	-
Total Borrowing	5 220 709	5 630 840	4 093 807	12 389 446	9 957 565	9 957 565	13 521 406	16 834 106	19 993 724

The following graph illustrates the growth in outstanding borrowing for the 2025/26 – 2027/28 period.

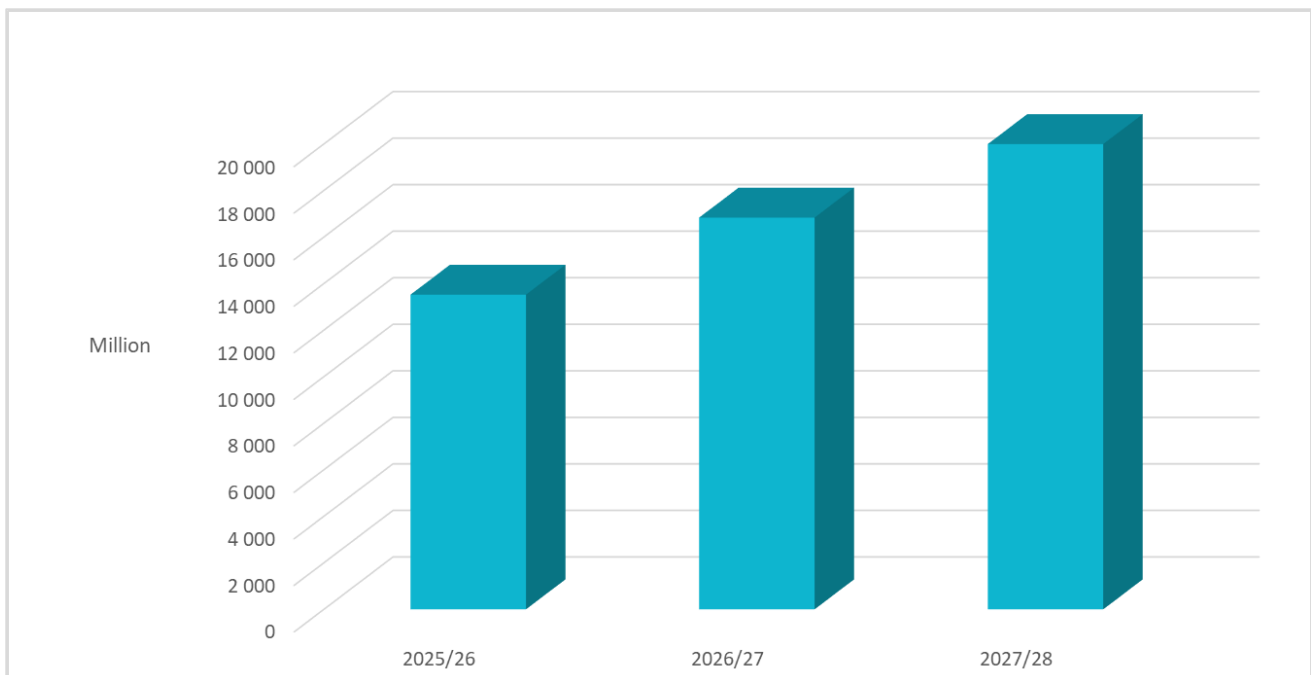


Figure 26: Outstanding borrowings (long-term liabilities) for the 2025/26 MTREF

Internally generated funds

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

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

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

The levels of contributions made to the CRR in the previous year's operating budget are considered within the MTREF process to determine affordability and sustainability. Internally generated funds amount to R4 008 million, R5 047 million and R5 028 million respectively, over the MTREF.

The percentage of internally generated funds in relation to the total annual budget fluctuates from 31.2% in 2025/26 to 35.5% in 2026/27 and 38.9% in 2027/28.

Cash Flow Management

The City continues to embark on an extensive debt collection process to boost cash levels. These initiatives and interventions have translated into a positive cash position for the City.

For the 2025/26 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 340 million in 2025/26, R2 839 million in 2026/27 and R500 million in 2027/28.

Table 53 shows the cash and cash equivalents of the City over the 2025/26 MTREF.

Table 53 – MBRR Table A7 – Budgeted cash flow statement

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	10 358 743	11 245 429	12 306 132	12 739 500	12 740 749	12 740 749	13 662 239	14 818 887	15 804 826
Service charges	23 526 030	24 295 205	27 272 686	29 474 632	30 341 550	30 341 550	33 879 903	35 502 777	38 314 870
Other revenue	3 018 242	3 182 072	4 920 873	4 829 090	4 862 634	4 862 634	5 167 880	5 370 438	5 699 321
Transfers and Subsidies - Operational	5 203 436	6 171 454	6 515 305	6 919 169	7 069 217	7 069 217	7 329 561	7 404 716	7 561 017
Transfers and Subsidies - Capital	1 374 421	1 819 160	2 259 362	3 552 052	3 158 243	3 158 243	3 855 190	4 180 136	2 856 189
Interest	1 432 200	1 817 833	1 992 741	1 071 910	1 071 612	1 071 612	758 522	648 785	789 055
Payments									
Suppliers and employees	(38 232 596)	(41 655 977)	(46 648 741)	(50 527 701)	(51 287 875)	(51 287 875)	(56 122 085)	(58 621 399)	(61 380 873)
Interest	(702 468)	(767 111)	(733 304)	(1 257 237)	(1 108 841)	(1 108 841)	(1 367 594)	(1 719 855)	(1 990 274)
Transfers and Subsidies	–	–	–	(360 208)	(420 430)	(420 430)	(388 523)	(353 947)	(345 847)
NET CASH FROM/(USED) OPERATING ACTIVITIES	5 978 008	6 108 065	7 885 054	6 441 207	6 426 858	6 426 858	6 775 094	7 230 538	7 308 284
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	71 208	133 778	186 319	59 079	198 080	198 080	70 772	60 884	110 999
Decrease (increase) in non-current receivables	12 851	5 974	1 013	14	195	195	60	(25)	3
Decrease (increase) in non-current investments	(71 280)	(518 278)	616 688	1 859 336	1 859 336	1 859 336	(153 729)	(160 080)	(171 546)
Payments									
Capital assets	(5 450 250)	(6 671 739)	(8 824 051)	(12 020 633)	(11 396 389)	(11 396 389)	(12 862 639)	(14 227 436)	(12 884 293)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(5 437 471)	(7 050 265)	(8 020 031)	(10 102 203)	(9 338 777)	(9 338 777)	(12 945 536)	(14 326 657)	(12 944 837)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	2 116 000	1 000 000	7 279 730	7 050 578	7 050 578	5 000 000	5 000 000	5 000 000
Increase (decrease) in consumer deposits	–	–	15 317	23 564	22 880	22 880	22 041	23 033	23 535
Payments									
Repayment of borrowing	(371 495)	(1 358 162)	(1 703 546)	(2 869 228)	(2 820 952)	(2 820 952)	(1 139 343)	(1 428 219)	(1 726 519)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(371 495)	757 838	(688 229)	4 434 065	4 252 506	4 252 506	3 882 699	3 594 814	3 297 016
NET INCREASE/ (DECREASE) IN CASH HELD	169 042	(184 362)	(823 206)	773 070	1 340 587	1 340 587	(2 287 744)	(3 501 305)	(2 339 538)
Cash/cash equivalents at the year begin:	8 126 100	8 295 143	8 110 781	5 803 390	7 287 575	7 287 575	8 628 162	6 340 418	2 839 113
Cash/cash equivalents at the year end:	8 295 143	8 110 781	7 287 575	6 576 459	8 628 162	8 628 162	6 340 418	2 839 113	499 575

2.6.3 Cash Backed Reserves/Accumulated Surplus Reconciliation

Table 54 meets the requirements of NT MFMA Circular 42, which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA.

The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year?
- How are the funds used?
- What are 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 a municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected).

It is also important to analyse trends to understand the consequences e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

Table 54 – MBRR Table A8 – Cash backed reserves/accumulated surplus reconciliation

Description R thousand	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash and investments available									
Cash/cash equivalents at the year end	8 295 143	8 110 781	7 287 575	6 576 459	8 628 162	8 628 162	6 340 418	2 839 113	499 575
Other current investments > 90 days	2 746 207	4 375 086	5 260 680	7 143 974	7 120 016	7 120 016	6 966 288	6 806 208	6 634 661
Non current Investments	6 837 924	5 718 223	4 223 415	2 621 400	2 364 079	2 364 079	2 517 807	2 677 887	2 849 434
Cash and investments available:	17 879 273	18 204 090	16 771 670	16 341 833	18 112 257	18 112 257	15 824 513	12 323 208	9 983 670
Application of cash and investments									
Unspent conditional transfers	777 984	826 752	833 187	676 155	833 187	833 187	833 187	833 187	833 187
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–
Other working capital requirements	461 822	977 587	757 062	2 604 275	1 585 254	1 585 254	1 506 984	127 284	(1 280 240)
Other provisions	1 041 214	1 106 572	1 085 822	1 172 422	1 172 097	1 172 097	–	–	–
Long term investments committed	3 404 010	2 805 762	1 859 336	–	–	–	–	–	–
Reserves to be backed by cash/investments	5 380 815	4 996 630	4 675 336	4 626 429	4 785 266	4 785 266	5 275 483	5 029 103	6 522 963
Total Application of cash and investments:	11 065 844	10 713 303	9 210 744	9 079 281	8 375 805	8 375 805	7 615 654	5 989 574	6 075 910
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits	6 813 429	7 490 787	7 560 926	7 262 553	9 736 452	9 736 452	8 208 859	6 333 634	3 907 760
Creditors transferred to Debt Relief - Non-Current portion	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits	6 813 429	7 490 787	7 560 926	7 262 553	9 736 452	9 736 452	8 208 859	6 333 634	3 907 760

From the above table it can be seen that the cash and investments available total R15 825 million in 2025/26 decreasing to R9 984 million in 2027/28, including the projected cash and cash equivalents as determined in the cash flow forecast.

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

1. Trade payables from non-exchange transactions: Other: These include short-term obligations from non-exchange transactions except unspent conditional grants.
2. Unspent borrowing: There are no unspent borrowing from previous years.
3. Provisions for statutory requirements: The City does not make provision for statutory requirements in this section of the budget as the City is mostly in a refund position.
4. Other working capital and other provisions: The main purpose of other working capital/other provisions is to ensure that sufficient funds are available to meet obligations as it falls due.
5. Long-term investments committed: Long-term investments consist of sinking funds for the repayment of bonds. This amount is “held to maturity” and is not available for spending. The last investment matured in March 2025.
6. Reserves to be backed by cash/investments: Although the cash backing of reserve funds is discretionary in nature and need not be fully cash backed, the City’s reserve funds are fully cash backed.

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

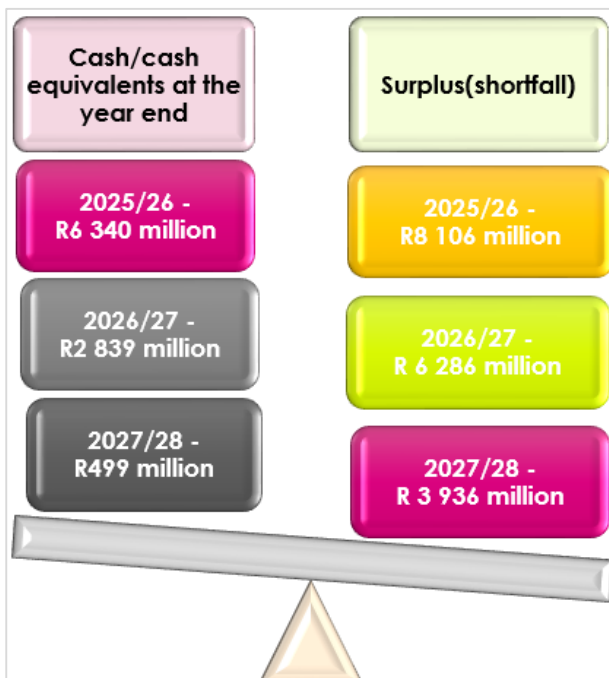


Figure 27: Cash and cash equivalents / cash backed reserves and accumulated funds

2.6.4 Funding Compliance Measurement

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

- Realistically anticipated revenues to be collected.
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes.
- Borrowed funds, but only for the capital budget referred to in section 18 and 19 of the MFMA.

To give effect to the above MFMA requirements, municipalities are required to assess their proposed budget against fourteen different measures developed by NT. The measures evaluate various financial health aspects of a municipality's budget and are made up of information from sources and tables within the NT MBRR A-Schedule.

The City's funding compliance outcome in respect of these measures are presented in Table 55 (MBRR Table SA10 – Funding Compliance measurement) and discussed on the ensuing pages.

Table 55 – MBRR Table SA10 – Funding compliance measurement

Description	MFMA section	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Funding measures										
Cash/cash equivalents at the year end - R'000	18(1)b	8 295 143	8 110 781	7 287 575	6 576 459	8 628 162	8 628 162	6 340 418	2 839 113	499 575
Cash + investments at the yr end less applications - R'000	18(1)b	6 813 429	7 490 787	7 560 926	7 262 553	9 736 452	9 736 452	8 208 859	6 333 634	3 907 760
Cash year end/monthly employee/supplier payments	18(1)b	1.8	2.0	1.3	1.8	2.2	2.2	1.7	1.2	1.2
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	2 903 185	3 703 440	5 556 892	3 153 429	2 948 525	2 948 525	3 310 490	3 552 122	3 301 450
Property Rates/Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	N.A.	(1.3%)	9.9%	0.3%	(3.9%)	(6.0%)	4.8%	(0.3%)	1.4%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	91.8%	91.9%	92.8%	93.2%	93.2%	93.2%	93.3%	93.6%	93.9%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	2.1%	2.4%	1.6%	6.6%	6.4%	6.4%	6.6%	6.2%	5.9%
Capital payments % of capital expenditure	18(1)c;19	100.4%	96.3%	93.8%	100.0%	100.0%	111.5%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	44.5%	14.7%	86.0%	85.6%	96.4%	55.5%	49.8%	49.9%
Grants % of Govt. legislated/gazetted allocations	18(1)a							102.1%	101.9%	101.1%
Current consumer debtors % change - incr(decr)	18(1)a	N.A.	7.1%	8.8%	16.6%	11.8%	11.8%	17.6%	15.7%	14.6%
Long term receivables % change - incr(decr)	18(1)a	N.A.	(44.0%)	(66.5%)	(94.2%)	(84.0%)	(84.0%)	(63.3%)	(80.2%)	(100.0%)
R&M % of Property Plant & Equipment	20(1)(vi)	8.0%	8.5%	8.6%	7.5%	8.4%	8.4%	8.4%	8.0%	7.6%
Asset renewal % of capital budget	20(1)(vi)	33.3%	28.6%	27.1%	28.8%	29.3%	31.3%	29.1%	25.2%	27.7%

2.6.4.1 Cash/cash equivalent position

A positive cash position is shown over the forecasted 2025/26 MTREF, indicating that the medium-term budget is affordable and sustainable. The cash position is showing a reducing trend over the period of the MTREF as a result of the City's capital funding strategy, where internally generated funds and reserves are utilized to supplement the funding of the capital budget.

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 340 million in 2025/26, R2 839 million in 2026/27 and R500 million in 2027/28.

2.6.4.2 Cash plus investment less application of funds

The cash-backed reserves/accumulated surplus reconciliation is aligned to the requirements of NT MFMA Circular 42 – Funding a Municipal Budget. Table A8 evaluates the funding levels of the budget by firstly forecasting the cash and investments at year-end and secondly reconciling the available funding to the liabilities/commitments that exist. The results would be either a surplus or deficit. 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 a municipality's budget must be 'funded'. Non-compliance with section 18 is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded (budgeted spending is greater than funds available or to be collected).

It is also important to analyse trends to understand the consequences e.g. the budget year might indicate a small surplus situation, which in itself is an appropriate outcome, but if in prior years there were much larger surpluses then this negative trend may be a concern that requires closer examination.

The City remains in a surplus net cash flow position over the 2025/26 MTREF Budget. Table A8 reflects a surplus of R8 209 million in 2025/26, reducing to R6 334 million in 2026/27 and R3 908 million in 2027/28.

As part of the budgeting and planning guidelines that informed the compilation of the 2025/26 MTREF, the end objective of the medium-term framework was to ensure the budget is funded and aligned to section 18 of the MFMA. Considering the requirements of section 18 of the MFMA, it can be concluded that the 2025/26 MTREF is fully funded.

2.6.4.3 Cash year end/monthly employee/supplier payments

This measure outlines the level of financial risk, should the municipality be under stress i.e. it indicates the number of times average monthly payments are covered. This ratio is based on the City's corporate scorecard. The City has higher levels of restricted cash consisting of unspent conditional grants, working capital requirements, other provisions and reserves to be backed by cash. The budgeted ratio in 2025/26 is 1.69 months and decreases to 1.2 months in 2027/28.

2.6.4.4 Surplus/deficit excluding depreciation offsets

The purpose of this measure is to highlight whether revenue levels are sufficient to conclude that the community is making a significant contribution towards the municipal resources consumed each year. The outcome shows a surplus over the MTREF period.

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

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

The ratio outcome shows an average increase of 1.9% above the CPI threshold of 6% over the 2025/26 MTREF. The higher than CPI increases are discussed in the below section.

▪ **Property Rates**

Property rates increases are based on a residential rate-in-rand increase of 7.96% in 2025/26; and projected at 6.00% for the two outer years of the MTREF period. These increases will allow for the continuation and enhancement of providing Rates-funded services and initiatives such as the provision of rebates to the most vulnerable; improving safety and security measures including the hiring additional 528 additional law enforcement cadets; continued investment in infrastructure and its maintenance to sustain and improve service delivery; enhancing firefighting initiative and fire breaks.

▪ **Water and Sanitation**

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

The tariff structure reform implemented in 2025/26 means that individual customer will experience variable impacts to their water and sanitation accounts. The main factors determining the impact includes current meter size, level of consumption and the value of the "economic means" indicator. The broad trends that will be observed are:

- Poorer households would be paying less;
- More affluent households would be paying more;
- Charities, Old Age Homes, Homeless Shelters, Religious institutions, etc. would be paying less; and
- Industrial and Commercial business will be paying more.

The tariff increases make provision for, amongst others, the following investments:

- To ensure sustainable and resilient provision of water, budgetary provision for the New Water Plan, which includes initiatives to further invest in the underground extraction of water from aquifers and re-use scheme;
- Upgrades and extensions to the wastewater treatment plants;
- Operating requirements to implement large capital investments and provision of surplus to fund future capital investments;
- Continued investment in asset replacement programs to ensure proper asset management, with specific focus on sewer network replacement as well as the upgrading of sewer pump stations;
- Ongoing investment in upgrading and rehabilitation of assets to adhere to compliance standards;
- Generators for pump stations and treatment plants to mitigate the impact of load-shedding; and
- Water demand management initiatives to optimise the use of water sources.

▪ **Electricity**

The National Energy Regulator of South Africa (NERSA) approved an increase of 12.74% as per Eskom's Retail Tariff and Structural Adjustment (ERTSA) application for the 2025/26 financial year. This translated to a corresponding municipal tariff increase of 11.32% for 2025/26.

However, taking into account the funding adjustments and structural changes, the average tariff increase for the City will amount to 7.2% for 2025/26, which is 4.12 percentage points lower than the approved Eskom increase. The outer years of the 2025/26 MTREF are projected to increase by 5.36% and 6.19% respectively.

The average tariff increase is mainly due to the following:

- Eskom bulk purchases;
- A change in funding methodology;
- A reform to the tariff structure;
- Shrinkage in energy sales due to the implementation of alternative energy sources by consumers;
- Capital investment in alternative energy sources, e.g. refurbishment of Steenbras power station, ground-mounted PVs etc.;
- Repairs and maintenance for, inter alia, the High Voltage Gas Insulated Switchgear (GIS);
- Load-shedding mitigation initiatives such as embedded generation, Roggebaai OCGT, power heroes' aggregators and wheeling; and
- Theft and vandalism of infrastructure assets requiring replacement and or repair.

▪ **Urban waste management**

Guidance on budgeting for solid waste matters was provided in NT MFMA Circular 99, stating "Investments in waste collections and treatment infrastructure should be made in tandem with industrial and urban developments to minimise pollution to our land and waters."

Urban Waste Management comprises three services funded by tariffs: Refuse Collection, Disposal, and the City-Wide Cleaning tariff. Each are discussed below.

The refuse collection tariff is a means of recovering the cost to provide the 240-litre wheelie bin, the fueled refuse compactor truck, human resources, the servicing of the bin at least once a week and hauling the waste to a properly licensed facility, collection of dry recyclable waste from dedicated areas as well as the servicing of informal settlements. The value of the monthly tariff is derived from the number of bins issued as well as the frequency of the service with thrice and five times a week defined as an enhanced service, while the once-a-week collection is a basic service. This tariff is projected to increase by 7.36% in 2025/26 and 6.00% in the outer years of the MTREF. The higher than 6% tariff increase for 2025/26 is to fund waste minimisation initiatives, to assist in funding the cost of servicing informal settlements, and to build up a CRR to fund the purchasing of fleet.

Disposal is the revenue received for the disposal of waste from residential and non-residential properties. The Disposal average increase is 5.28% for the 2025/26 financial year whereas the increases for the two outer years are 8.65% for 2026/27 and 5.68% for 2027/28. These increases are required for the sustained operational requirement of the service, the development of landfill infrastructure, growth and upgrading of transfer stations, plant replacement, additional material recovery facilities, and landfill gas generation.

In an effort to minimise the impact on the end-user, it has since been decided to phase in the tariff reform over a period of time. Accordingly, for 2025/26, city-wide area cleansing services will be funded by a City-wide Cleaning tariff, and a contribution from the Rates account via a contribution from Electricity sales. This is not an additional or new expense to customers: savings in electricity costs will buffer the financial impact of the introduction of the new City-wide Cleaning tariff. This is made possible by reducing the Rates contribution included in the cost of each electricity unit. The City-wide Cleaning tariff will therefore not be a new charge, but merely a change in the method of how City customers contribute to the funding of this service. The tariff is projected to increase in the two outer years by 4.80% for 2026/27 and 9,75% for 2027/28.

2.6.4.6 Cash receipts as a percentage of ratepayer and other revenue

This is a macro measure of the rate at which funds are 'collected'. The expected purpose of this measure is to analyse an underlying assumed collection rate. The ratio averages 93.6% over the 2025/26 MTREF period. This collection rate is deemed realistic, as it is based on past and prevailing trends. Debt management initiatives are continuously put in place to improve revenue collection.

2.6.4.7 Debt impairment expense as a percentage of billable revenue

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

2.6.4.8 Capital payments percentage of capital expenditure

The purpose of this measure is to understand whether the timing of payments is being taken into consideration when forecasting the cash position. The ratio outcome is 100% over the 2025/26 MTREF period which shows the full capital budget is provided for in the cash flow forecasting.

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

The purpose of this measure is to determine the proportion of a municipality's 'own-funded' capital expenditure budget that is being funded from borrowed funds. The City's long term borrowing is done in terms of chapter 6 of the MFMA, where a long term loan will only be entered into if it's affordable and sustainable. The ratio shows an outcome of 51.7% on average over the MTREF, showing that the City utilizes a percentage of its own internally generated revenue to fund its extensive capital programme.

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

The purpose of this measure is to ensure that all available transfers from all spheres of government have been included in the budget. The City's budget was compiled using the DoRB (B15-2025), dated 8 May 2025, issued via Government Gazette number 52626, and Provincial Gazette Extraordinary 9046, dated 26 March 2025.

This ratio outcome averages 101.7% over the 2025/26 MTREF. This is slightly higher than 100%, due to the following:

- Funding received from the Department of Environmental Affairs & Tourism where a Memorandum of Agreement is in place but not included in the DoRB;
- Inclusion in the City's budget of a provision for law enforcement services at various health facilities as per a Memorandum of Agreement with the Western Cape Government but not included in the provincial gazette;
- Interest on existing grants; and
- Grants from other institutions.

2.6.4.11 Consumer debtors change (current and non-current)

The purpose of this measure is to ascertain whether budgeted reductions in outstanding debtors are realistic. The ratio shows an average increase of 16% over the 2025/26 MTREF. The City has stringent debt management initiative to ensure collectability of outstanding debtors.

2.6.4.12 Long term receivables % change

Long-term receivables include 'arrangement debtors' to be paid by the debtor over an extended period of time. Long-term receivable is projected to reduce by 100% in 2027/28. The reduction is due to loans provided to public organisations and sporting bodies prior to the implementation of the MFMA, which are currently being repaid.

2.6.4.13 Repairs and maintenance expenditure level

This ratio is to indicate whether sufficient provision is made in respect of repairs and maintenance for property, plant and equipment. The budget ratio outcome is 8.4% in 2025/26 and 8.0% in 2026/27 with both respective years falling within the NT benchmark of 8%. The budget ratio outcome for 2027/28 is 7.6%. However, the average over the 2025/26 MTREF is 8.0% which falls within the NT benchmark. Notwithstanding, the City is investing adequately in new infrastructure as well as the renewal and upgrading of existing assets.

2.6.4.14 Asset renewal % of capital budget

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

Renewal of existing assets is split between renewal of existing assets and upgrading of existing assets. This ratio only takes into consideration the renewal of existing assets portion over the total capital budget and shows an outcome averaging 27.3% over the 2025/26 MTREF. However, when taking into account both renewal and upgrading of existing assets as a percentage of total capital budget, the ratio outcome will average of 58.2% over the 2025/26 MTREF. This is higher than the NT norm of 40% to be invested in renewal of existing assets.

Furthermore, the composition of the 2025/26 capital budget shows that the City is spending more money on new assets (42.8%) compared to the renewal (29.1%) and upgrading (28.1%) of existing assets.

2.7 Ward and Subcouncil Allocations

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

The City has 116 demarcated wards, which forms part of 20 subcouncils. These subcouncils serve the residents by engaging with them on municipal issues. The total available to each ward for the 2025/26 financial year is set at R1 million per ward in respect of Ward Allocations. These allocations may be spent on either capital or operating projects/programmes.

R1 995 000 will be allocated in the City's operating budget per subcouncil for 2025/26.

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

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

2.8 Transfers and grant programmes

2.8.1 Expenditure on transfers and grant programmes

Table 56 – MBRR Table SA19 – Expenditure on transfers and grant programmes

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Operating expenditure of Transfers and Grants									
National Government:	4 255 068	4 536 717	4 906 889	5 381 586	5 492 087	5 492 087	5 774 169	5 829 595	6 040 227
Local Government Equitable Share	3 215 174	3 656 394	4 066 769	4 365 700	4 365 700	4 365 700	4 693 517	4 984 545	5 209 949
Finance Management grant	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 200	1 300
Urban Settlements Development Grant	113 551	23 929	38 114	201 714	171 112	171 112	199 548	182 416	206 260
Energy Efficiency and Demand Side Management	1 084	897	887	800	900	900	980	1 100	1 100
Expanded Public Works Programme	49 072	42 406	58 910	26 664	26 664	26 664	14 926	–	–
Infrastructure Skills Development	9 318	10 446	9 315	11 400	13 952	13 952	25 600	26 000	26 500
Public Transport Network Grant	468 579	446 185	428 074	474 839	580 436	580 436	571 325	413 531	390 975
Informal Settlements Upgrading Partnership Grant	6 243	26 506	21 009	99 469	103 458	103 458	97 240	101 515	106 314
National Skills Fund	18 543	21 072	2 366	–	1 321	1 321	–	–	–
Programme And Project Preparation Support Grant	61 954	65 164	67 170	70 000	80 000	80 000	72 000	54 000	45 000
Public Employment Program (NT PEP)	154 365	226 019	209 716	130 000	130 000	130 000	98 034	65 287	52 829
Local Government Equitable Share - COVID Roll-over	142 735	–	–	–	–	–	–	–	–
Public Transport Infrastructure & Systems Grant	3 860	–	–	–	–	–	–	–	–
Peninsula Wetlands Rehabilitation Project	–	18	–	–	–	–	–	–	–
Terrestrial Invasive Alien Plants	–	(20)	–	–	–	–	–	–	–
Special Projects	–	(47)	–	–	–	–	–	–	–
Dido Valley - Luyolo Land Claim	–	11 759	–	–	–	–	–	–	–
Municipal Emergency Housing Grant	–	4 988	–	–	–	–	–	–	–
Philippi Agri Hub	9 591	–	–	–	–	–	–	–	–
MDRG Flood Interventions	–	–	3 559	–	17 544	17 544	–	–	–
Provincial Government:	1 161 397	1 190 228	1 100 155	1 411 106	1 462 299	1 462 299	1 438 018	1 484 779	1 491 279
Cultural Affairs and Sport - Provincial Library	43 431	51 897	55 803	55 339	56 354	56 354	57 473	58 032	59 375
Cultural Affairs and Sport - Library Services:	6 032	8 069	5 779	1 448	1 469	1 469	–	–	–
Transfer funding to enable City of Cape Town to procure periodicals and newspapers	–	–	–	–	–	–	–	–	–
Human Settlements - Human Settlement	172 832	267 811	264 029	307 920	381 941	381 941	304 420	334 470	292 900
Health - TB	32 715	31 237	31 363	30 774	30 774	30 774	31 602	93 290	102 585
Health - ARV	300 980	273 519	265 179	311 883	264 883	264 883	299 819	313 603	328 020
Health - Nutrition	3 987	6 437	5 908	5 909	5 909	5 909	6 068	6 232	6 400
Health - Vaccines	112 443	99 058	81 124	98 008	98 008	98 008	100 644	78 748	78 748
Comprehensive Health	–	–	–	198 880	198 880	198 880	204 230	173 489	173 489
Law Enforcement Advancement Plan (LEAP)	313 951	370 724	308 478	350 000	353 000	353 000	350 000	365 750	381 112
Transport and Public Works - Provision for persons	–	10 015	10 079	10 000	10 175	10 175	10 000	10 000	10 000
Community Safety - Law Enforcement Auxiliary Services	–	–	–	1 800	5 400	5 400	1 800	1 800	1 881
Community Development Workers	1 925	1 744	998	1 018	1 050	1 050	1 018	1 018	1 018
Tourism Safety Law Enforcement Unit	–	–	–	2 000	2 000	2 000	2 000	–	–
Municipal accreditation and capacity building grant	8 871	10 000	7 500	5 000	11 897	11 897	18 497	12 000	18 130
Department of Education	–	–	–	22 860	24 078	24 078	35 040	36 347	37 621
Human Settlements - Human Settlement	–	–	–	8 267	10 707	10 707	7 171	–	–
Settlement Assistance	–	–	–	–	398	398	–	–	–
Financial Management Capability Grant	–	300	203	–	150	150	–	–	–
Municipal Service Delivery and Capacity Building	–	–	–	–	650	650	–	–	–
Transport Systems - Public Transport Safety	–	–	–	–	4 577	4 577	8 236	–	–
Transport and Safety Compliance	–	–	8 555	–	–	–	–	–	–
Municipal Library Support	8 533	23	–	–	–	–	–	–	–
Auxiliary Law Enforcement Officers	–	2 843	–	–	–	–	–	–	–
Finance Management Capacity Building Grant	169	96	–	–	–	–	–	–	–
Law Enforcement Officers	2 209	1 315	4 467	–	–	–	–	–	–
Public Employment Program (Provincial PEP)	–	3 285	–	–	–	–	–	–	–
Establishment and Support K9 unit	1 588	–	–	–	–	–	–	–	–
WCED SRT Programme	–	2 752	17 328	–	–	–	–	–	–
Human Settlements - Informal Settlements	1 233	–	1 385	–	–	–	–	–	–
IDA Projects: Urban Engineering	123 434	18 998	102	–	–	–	–	–	–
LG Public Employment Support Grant	14 315	–	–	–	–	–	–	–	–
NHBRC Enrolment Fees	–	12 312	24 550	–	–	–	–	–	–
K9 Unit	350	998	–	–	–	–	–	–	–
Disaster Fund- Fire/Flood Kits	–	(6 732)	–	–	–	–	–	–	–
Title Deeds Restoration	12 400	23 529	5 314	–	–	–	–	–	–
Tourism Safety Law Enforcement Unit	–	–	2 000	–	–	–	–	–	–
Cultural Affairs and Sport: Library Services	–	–	0.3	–	–	–	–	–	–
Cultural Affairs and Sport: Library Services: Metro	–	–	9	–	–	–	–	–	–

Table continues on next page

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Other grant providers:	12 482	51 802	202 821	126 477	114 830	114 830	117 374	90 342	29 511
CMTF	–	5 590	7 219	–	–	–	–	–	–
CID	5 668	7 198	9 505	57 279	37 735	37 735	63 230	60 014	23 199
Westcott Primary School - Traffic Attendant	53	49	55	–	–	–	–	–	–
Rustenberg Junior Girls School - Traffic Attendant	53	53	55	–	–	–	–	–	–
V&A Waterfront: Traffic Officer	332	302	370	–	–	–	–	–	–
Forres Prep School	43	17	43	–	–	–	–	–	–
University of Connecticut	18	–	–	–	–	–	–	–	–
Mayor's Relief fund	0	–	–	–	–	–	–	–	–
Metropolitan Land Transport Fund	6 210.0	38 308	181 850	–	–	–	–	–	–
Curro Durbanville - Part Time Attend	48	23	–	–	–	–	–	–	–
KFW- Technical Assistance (GDB)	–	–	–	11 000	8 000	8 000	12 000	3 232	–
State Dept: RLCC	–	–	–	5 463	5 463	5 463	7 900	–	–
National Treasury - Interest	–	–	616	48 254	58 295	58 295	29 586	26 876	6 311
The Cape Academy for MST	–	41	29	16	46	46	–	–	–
Chieta	–	–	–	–	527	527	–	–	–
Law Enforcement Officers for Health Facilities	–	–	–	4 245	4 311	4 311	4 438	–	–
LGSETA Post Grad Intern Programme	–	–	–	–	69	69	–	–	–
Department of Environmental Affairs and Tourism	55	220	56	220	384	384	220	220	–
Gates Foundation	–	–	3 022	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:	5 428 947	5 778 747	6 209 865	6 919 169	7 069 216	7 069 216	7 329 561	7 404 716	7 561 017
Capital expenditure of Transfers and Grants									
National Government:	1 626 843	2 080 054	2 489 474	3 395 118	3 034 634	2 802 677	3 735 882	4 048 734	2 761 689
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	8 904	8 097	8 075	6 200	6 100	6 100	6 020	7 400	7 900
National Treasury: Informal Settlements Upgrading Partnership Grant: Municipalities	449 154	473 208	564 781	493 493	458 910	450 655	522 287	546 395	570 895
National Treasury: Infrastructure Skills Development Grant	1 081	1 051	599	600	48	48	600	1 000	1 000
National Treasury: Neighbourhood Development Partnership Grant	10 132	26 391	19 302	30 237	30 237	30 230	12 066	9 913	14 362
National Treasury: Public Transport Network: Budget Facility for Infrastructure Grant	92 901	330 986	729 390	1 614 000	1 235 809	1 033 798	1 905 000	1 776 000	766 000
National Treasury: Urban Settlements Development Grant	751 509	793 081	757 168	840 111	977 059	972 635	888 746	955 560	983 176
Transport: Public Transport Network Grant	307 787	446 999	408 921	410 477	326 471	309 211	401 162	752 467	418 356
Public Employment Program (NT PEP)	–	–	1 237	–	–	–	–	–	–
National Government - Other: Previous years' Dora	59	–	–	–	–	–	–	–	–
National Treasury: Expanded Public Works Programme	699	–	–	–	–	–	–	–	–
National Treasury: Integrated City Development Grant	3 977	–	–	–	–	–	–	–	–
Accreditation: Development Support	209	–	–	–	–	–	–	–	–
Water: JOJO tanks	432	–	–	–	–	–	–	–	–
Water: Ablution Facilities	–	242	–	–	–	–	–	–	–
Provincial Government:	29 609	17 708	31 115	23 549	20 810	14 310	6 657	6 377	6 934
Western Cape Department of Education: Schools Resource Officers	–	–	–	740	727	727	–	–	–
Community Safety: Law Enforcement Advancement Plan	2 668	–	–	10 000	7 000	7 000	–	–	–
Cultural Affairs and Sport: Library Services: Metro Library Grant	5 725	5 664	5 616	5 657	5 992	5 992	6 097	6 377	6 664
Department of Health and Wellness: Law Enforcement Officers For Health Facilities	–	–	927	652	586	586	–	–	–
Cultural Affairs and Sport: Library Services: Replacement Funding for most Vulnerable B3 Municipalities	–	–	–	–	5	5	–	–	–
Department of Social Development: Expansion of the Haven District Six Shelter	–	–	–	6 500	6 500	–	–	–	–
LEAP	–	4 187	23 573	–	–	–	–	–	–
Provincial Government: Municipal Accreditation and Capacity Building Grant	19 216	–	–	–	–	–	560	–	270
Contributed Asset	2 000	6 637	–	–	–	–	–	–	–
Transport and Safety Compliance	–	1 220	–	–	–	–	–	–	–
Financial Management Capability Grant	–	–	999	–	–	–	–	–	–
Other grant providers:	47 159	99 837	22 365	133 385	102 799	92 799	112 651	125 025	87 566
Other: Other	47 159	99 837	22 365	133 385	102 799	92 799	112 651	125 025	87 566
Total capital expenditure of Transfers and Grants	1 703 611	2 197 600	2 542 954	3 552 052	3 158 243	2 909 786	3 855 190	4 180 136	2 856 189
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	7 132 558	7 976 346	8 752 819	10 471 221	10 227 459	9 979 002	11 184 751	11 584 852	10 417 206

2.8.2 National Treasury Metro Trading Services Reform programme

The City is eligible to participate in the incentivised National Treasury Metro Trading Services Reform programme and, in doing so, is able to receive funding through the incentive component of the new Urban Development Financing Grant. In order to participate in this programme, the trading services (Water and Sanitation, and Energy) have already established Council-approved Trading Service Reform Strategies and associated implementation road maps (Annexure 41). Flowing from these, an established Performance Improvement Action Plan (PIAP) (Annexure 42) is included in the budget in order to set targets against indicators that are aligned to the reform objectives.

The PIAP consists of three areas of key performance indicators per trading service: Accountability, Financial Performance, and Operational Performance.

Performance against these targets will be independently assessed as part of the annual National Treasury oversight engagements in order to establish continued eligibility on the programme and to determine the quantum of future incentive allocations (to be published in subsequent Division of Revenue Amendment Bills). In line with the grant conditions, the funding received through this component of the Urban Development Financing Grant will be allocated across both capital and operational programmes/activities toward the achievement of the objectives of the Trading Service Reform Strategies.

2.9 Allocations and grants made by the municipality

Transfers and Grants are allocations made to outside organisations or bodies from the City's approved budget. These allocations are gratuitous/unrequited transfers by the City to the grantee organisations and are not payments made in compliance with any commercial or other business transaction.

All transfers and grants are disbursed in terms of section 67 of the MFMA. Applications in respect of section 67 grant and grants-in-aid allocations are supported by the relevant delegated authority per the City's System of Delegations and approved by Council.

The **Grants-in-Aid Committee** supports grant applications in terms of the City's Grants-In-Aid Policy and the members of the committee are officials of the City appointed by the CFO. The Committee coordinates, administers, and controls the screening process in respect of Ward Allocations, Arts & Culture, Social Development & Early Childhood Development as recommended by line departments or subcouncils to ensure that all recommended grants comply with the City's Grants-in-Aid Policy, the Constitution and relevant legislation.

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

Relief and Charitable Allocations supports funding applications in terms of the City's Relief and Charitable Allocations policy. The Mayor receives regular requests for relief, charity and other forms of financial assistance from members of the public and organisations that fall outside the ambit of the Section 67 Grants-in-Aid Policy. The Relief and Charitable Allocations Policy (Mayoral Projects) allows for the Mayor's Office to support some of these requests. The Mayoral team administers and controls the screening process and makes recommendations to the Executive Mayor in line with the Policy. The Mayor together with the Mayoral Committee members approve applications that are supported. The coordinating team supporting the Executive Mayor consists of the Chief of Staff and the Fund Administrator. The team ensures that all recommendations adhere to the fund policy.

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

2.10 Councillor and Staff benefits**Table 57 – MBRR Table SA22 – Summary of councillor and staff benefits**

Summary of Employee and Councillor remuneration	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	144 359	154 156	159 799	175 542	164 765	164 765	173 003	181 653	190 736
Pension and UIF Contributions	3 477	3 137	3 386	3 439	3 439	3 439	3 611	3 792	3 982
Medical Aid Contributions	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	295	229	246	804	804	804	845	887	931
Cellphone Allowance	9 342	9 373	9 819	11 268	10 035	10 035	10 537	11 064	11 617
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	7 690	9 169	9 781	9 269	9 269	9 269	9 733	10 219	10 730
Sub Total - Councillors	165 163	176 064	183 030	200 324	188 313	188 313	197 729	207 615	217 996
% increase		6.6%	4.0%	9.4%	(6.0%)	–	5.0%	5.0%	5.0%
Senior Managers of the Municipality									
Basic Salaries and Wages	19 788	33 744	35 348	36 775	36 460	36 460	39 285	41 968	45 047
Pension and UIF Contributions	1 055	2 624	2 771	3 994	3 323	3 323	4 038	4 314	4 631
Medical Aid Contributions	103	209	184	195	135	135	139	149	160
Overtime	–	–	–	–	–	–	–	–	–
Performance Bonus	–	740	1 600	–	1 677	1 677	–	–	–
Motor Vehicle Allowance	391	574	488	505	465	465	487	520	558
Cellphone Allowance	142	389	491	397	595	595	654	695	746
Housing Allowances	–	–	–	–	–	–	–	–	–
Other benefits and allowances	46	149	114	114	101	101	105	112	120
Payments in lieu of leave	–	–	–	–	–	–	–	–	–
Long service awards	–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
Entertainment	–	–	–	–	–	–	–	–	–
Scarcity	–	–	–	–	–	–	–	–	–
Acting and post related allowance	–	–	–	–	–	–	–	–	–
In kind benefits	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality	21 525	38 429	40 997	41 979	42 757	42 757	44 708	47 759	51 262
% increase		78.5%	6.7%	2.4%	1.9%	0.0%	4.6%	6.8%	7.3%
Other Municipal Staff									
Basic Salaries and Wages	10 380 988	10 918 142	11 848 602	13 315 728	13 044 221	13 033 695	14 531 575	15 513 591	16 693 027
Pension and UIF Contributions	1 571 622	1 674 343	1 804 107	2 270 861	2 061 708	2 061 775	2 433 444	2 594 491	2 779 957
Medical Aid Contributions	939 221	993 347	1 076 127	1 204 704	1 158 888	1 158 704	1 296 344	1 388 099	1 489 933
Overtime	963 851	1 198 787	1 152 562	1 005 227	1 057 626	1 070 592	1 024 125	1 031 136	1 025 956
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	220 390	233 425	246 765	274 086	282 334	281 316	290 430	310 263	333 024
Cellphone Allowance	33 910	36 897	42 384	49 356	50 515	50 672	54 532	57 890	62 137
Housing Allowances	58 989	62 919	66 290	69 507	68 663	69 208	72 325	77 236	82 902
Other benefits and allowances	351 225	410 503	428 742	447 715	474 862	476 263	490 756	519 583	557 701
Payments in lieu of leave	87 368	136 582	165 056	125 391	135 902	138 294	123 276	130 028	139 397
Long service awards	60 152	89 484	99 898	116 084	116 555	116 212	107 935	115 305	93 764
Post-retirement benefit obligations	559 060	(540 321)	124 540	390 320	702 520	702 541	412 989	428 192	443 559
Entertainment	–	–	–	–	–	–	–	–	–
Scarcity	–	–	–	–	6 435	6 435	6 651	7 000	7 403
Acting and post related allowance	7 603	8 807	11 545	664	11 095	12 878	–	–	–
In kind benefits	–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff	15 234 381	15 222 915	17 066 618	19 269 643	19 171 323	19 178 587	20 844 382	22 172 812	23 708 758
% increase		-0.1%	12.1%	12.9%	-0.5%	0.0%	8.7%	6.4%	6.9%
TOTAL SALARY, ALLOWANCES & BENEFITS	15 421 068	15 437 408	17 290 644	19 511 946	19 402 393	19 409 657	21 086 819	22 428 186	23 978 017
% increase		0.1%	12.0%	12.8%	-0.6%	0.0%	8.6%	6.4%	6.9%
TOTAL MANAGERS AND STAFF	15 255 905	15 261 344	17 107 614	19 311 622	19 214 080	19 221 343	20 889 090	22 220 571	23 760 020

The table above reflects an 4.6% year-on-year increase on the adjusted budget for senior managers, which is as a result of factoring in performance bonuses after the approval of the 2024/25 original budget. However, the actual year-on-year increase on the original budget is 6.5%. When comparing the 2024/25 original budget with the 2025/26 budget, the year-on-year increase is in line with the salary increase of 5.01% and the impact of the 1.5% that was implemented in March 2025.

Table 58 – MBRR Table SA23 – Salaries, allowances and benefits (political office bearers/ councillors/senior officials) for the 2025/26 financial year

Disclosure of Salaries, Allowances & Benefits	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum						
<u>Councillors</u>						
Speaker	1 356 043	–	230 351			1 586 394
Chief Whip	1 277 959	–	45 814			1 323 773
Executive Mayor	1 711 757	–	45 814			1 757 571
Deputy Executive Mayor	1 357 564	–	69 764			1 427 328
Executive Committee	30 155 370	–	2 142 166			32 297 536
Total for all other councillors	140 755 902	–	18 580 466			159 336 369
Total Councillors	176 614 596	–	21 114 375			197 728 971
<u>Senior Managers of the Municipality</u>						
Municipal Manager (MM)	4 000 981	486 695	58 463	–		4 546 139
Chief Finance Officer	3 134 960	249 222	299 571	–		3 683 754
Community Services & Health	2 825 369	237 708	49 589	–		3 112 666
Corporate Services	3 173 104	461 055	49 589	–		3 683 748
Economic Growth	2 840 326	372 804	49 589	–		3 262 719
Energy	3 393 220	2 407	286 181	–		3 681 808
Future Planning & Resilience	2 963 813	249 244	49 589	–		3 262 646
Human Settlements	3 631 348	2 271	49 589	–		3 683 208
Safety & Security	2 780 900	432 157	49 589	–		3 262 646
Spatial Planning & Environment	3 060 807	2 271	49 589	–		3 112 666
Urban Mobility	3 030 062	295 374	49 589	–		3 375 025
Urban Waste Management	1 742 374	1 161 583	49 589	–		2 953 546
Water & Sanitation	2 708 093	330 156	49 589	–		3 087 838
Total Senior Managers of the Municipality	39 285 357	4 282 946	1 140 107	–		44 708 410
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	215 899 953	4 282 946	22 254 482	–		242 437 381

Table 59 – MBRR Table SA24 – Summary of personnel numbers

Summary of Personnel Numbers Number	2023/24			Current Year 2024/25			Budget Year 2025/26		
	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities									
Councillors (Political Office Bearers plus Other Councillors)	231	–	231	231	–	231	231	–	231
Board Members of municipal entities	–	–	–	–	–	–	–	–	–
Municipal employees									
Municipal Manager and Senior Managers	13	–	13	13	–	13	13	–	13
Other Managers	1 028	1 006	22	1 130	1 104	26	1 214	1 191	23
Professionals	1 806	1 722	84	1 842	1 760	82	1 864	1 801	63
Finance	114	112	2	119	117	2	125	122	3
Spatial/town planning	159	158	1	162	160	2	153	152	1
Information Technology	134	109	25	137	116	21	133	126	7
Roads	66	65	1	64	64	–	61	60	1
Electricity	148	148	–	151	151	–	161	161	–
Water	261	257	4	273	272	1	258	256	2
Sanitation	–	–	–	–	–	–	–	–	–
Refuse	33	33	–	32	32	–	53	44	9
Other	891	840	51	904	848	56	920	880	40
Technicians	4 855	4 762	93	5 531	5 422	109	5 670	5 547	123
Finance	176	174	2	196	184	12	203	194	9
Spatial/town planning	380	367	13	395	383	12	417	406	11
Information Technology	451	431	20	468	454	14	463	448	15
Roads	74	71	3	114	111	3	116	113	3
Electricity	406	403	3	604	602	2	644	644	–
Water	584	583	1	770	763	7	783	759	24
Sanitation	–	–	–	–	–	–	–	–	–
Refuse	111	111	–	170	170	–	180	180	–
Other	2 673	2 622	51	2 814	2 755	59	2 864	2 803	61
Clerks (Clerical and administrative)	7 204	7 053	151	7 287	7 131	156	7 262	7 094	168
Service and sales workers	6 275	4 570	1 705	6 440	4 583	1 857	6 439	4 748	1 691
Skilled agricultural and fishery workers	–	–	–	–	–	–	–	–	–
Craft and related trades	2 763	2 763	–	2 231	2 231	–	2 201	2 201	–
Plant and Machine Operators	3 957	3 943	14	4 001	3 991	10	3 961	3 949	12
Elementary Occupations	5 926	5 920	6	5 937	5 927	10	5 938	5 927	11
TOTAL PERSONNEL NUMBERS	34 058	31 739	2 319	34 643	32 149	2 494	34 793	32 458	2 335
% increase	–	–	–	1.7%	1.3%	7.5%	0.4%	1.0%	(6.4%)
Total municipal employees headcount	33 827	31 739	2 088	34 412	32 149	2 263	34 562	32 458	2 104
Finance personnel headcount	1 803	1 797	6	1 709	1 695	14	1 751	1 738	13
Human Resources personnel headcount	409	407	2	437	427	10	399	391	8

2.11 Monthly targets for revenue, expenditure and cash flow**Table 60 – MBRR Table SA25 – Budgeted monthly revenue and expenditure**

Description R thousand	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue															
Exchange Revenue															
Service charges - Electricity	2 154 903	2 444 904	2 258 375	1 876 368	1 897 410	1 817 374	1 752 587	1 836 133	1 878 439	1 879 047	1 925 356	1 942 660	23 663 555	24 309 320	25 094 791
Service charges - Water	430 097	443 180	450 195	446 344	511 747	509 178	547 131	523 268	520 056	482 512	460 494	452 038	5 776 241	6 257 772	7 434 130
Service charges - Waste Water Management	221 519	229 255	229 611	235 967	260 816	266 167	283 382	267 987	263 387	241 280	234 152	232 483	2 966 006	3 235 545	3 850 787
Service charges - Waste Management	137 129	138 488	134 958	141 454	135 918	138 670	138 670	138 670	138 670	138 670	138 670	138 670	1 658 640	1 764 463	1 869 504
Sale of Goods and Rendering of Services	82 791	68 307	67 385	70 855	66 498	65 887	65 961	65 015	67 313	65 174	64 729	66 664	816 579	814 104	862 368
Agency services	25 240	25 240	25 240	25 240	25 240	25 240	25 240	25 240	25 240	25 240	25 240	25 240	302 874	310 022	337 339
Interest	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables	27 144	27 494	28 610	26 684	25 589	29 023	29 024	29 547	29 024	29 546	29 023	29 023	339 731	364 128	418 418
Interest earned from Current and Non Current Assets	63 152	63 152	63 152	63 152	63 302	63 230	63 230	63 230	63 230	63 230	63 230	63 230	758 522	648 785	789 055
Dividends	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets	42 370	62 523	39 785	38 023	41 572	38 063	41 547	41 251	37 371	37 341	37 230	37 229	494 307	530 622	613 594
Licence and permits	17	17	17	17	17	17	17	17	17	17	17	17	205	214	224
Special rating levies	41 176	41 176	41 176	41 176	41 176	41 176	41 176	41 176	41 176	41 176	41 176	41 176	494 107	523 753	555 178
Operational Revenue	28 841	33 864	31 103	36 318	38 727	34 182	35 489	35 441	37 589	37 687	36 483	37 650	423 376	439 920	465 425
Non-Exchange Revenue															
Property rates	1 078 190	1 095 478	1 112 766	1 124 291	1 135 816	1 174 509	1 174 509	1 174 509	1 174 509	1 174 509	1 174 509	1 174 509	13 768 100	14 946 054	15 943 920
Surcharges and Taxes	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	103 965	104 161	115 753	111 783	120 263	110 582	201 167	201 860	202 276	202 260	202 263	202 224	1 878 556	1 892 592	1 916 560
Licences or permits	3 637	3 933	4 256	6 141	4 659	3 889	3 868	3 768	3 753	3 774	4 328	4 296	50 301	52 565	54 877
Transfer and subsidies - Operational	2 092 518	162 620	197 954	200 557	244 902	1 757 010	184 991	208 112	1 399 929	241 249	247 982	391 736	7 329 561	7 404 716	7 561 017
Interest	8 223	8 223	8 223	8 223	8 223	8 223	8 223	8 223	8 223	8 223	8 223	8 223	98 675	103 115	107 652
Fuel Levy	–	950 592	–	–	–	950 592	–	–	950 592	–	–	–	2 851 776	2 972 451	3 096 441
Operational Revenue	75 507	75 507	75 507	75 507	75 507	75 507	75 507	75 507	75 507	75 507	75 507	75 507	906 078	980 527	1 089 489
Gains on disposal of Assets	–	–	–	–	–	4 735	–	–	–	4 242	–	61 795	70 772	60 884	110 999
Other Gains	4 167	474 441	459 378	459 804	479 910	517 645	524 517	577 840	532 980	529 944	529 375	994 342	6 084 343	6 600 539	7 562 025
Discontinued Operations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	6 620 585	6 452 555	5 343 444	4 987 902	5 177 293	7 630 898	5 196 235	5 316 791	7 449 279	5 280 627	5 297 986	5 978 712	70 732 307	74 212 092	79 733 792

Table continues on next page

CITY OF CAPE TOWN – 2025/26 TO 2027/28 BUDGET (26 JUNE 2025)

Description R thousand	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure															
Employee related costs	1 614 881	1 685 171	1 696 108	1 693 231	2 294 608	1 695 008	1 697 991	1 685 279	1 683 020	1 686 998	1 695 904	1 760 890	20 889 090	22 220 571	23 760 020
Remuneration of councillors	16 477	16 477	16 477	16 477	16 477	16 477	16 477	16 477	16 477	16 477	16 477	16 477	197 729	207 615	217 996
Bulk purchases - electricity	92 325	2 155 668	2 187 125	1 434 157	1 225 700	1 263 076	1 143 169	1 255 610	1 273 835	1 209 360	1 271 880	3 243 181	17 755 086	18 363 846	19 062 355
Inventory consumed	126 936	601 421	609 874	612 600	623 349	671 861	665 511	706 993	671 513	665 230	647 484	1 296 985	7 899 755	8 499 592	9 712 278
Debt impairment	265 993	265 993	265 993	265 993	265 993	265 993	265 993	265 993	265 993	265 993	265 993	291 555	3 217 478	3 214 620	3 242 407
Depreciation and amortisation	331 180	331 180	331 180	331 180	331 180	331 180	331 180	331 180	331 180	331 180	331 180	331 180	3 974 164	4 203 400	4 605 312
Interest	117 571	117 555	117 586	117 582	117 604	117 652	117 489	117 489	117 489	117 489	117 489	135 210	1 428 206	1 776 623	2 054 031
Contracted services	413 345	710 758	862 948	844 295	914 835	900 247	922 895	877 371	928 736	953 827	956 241	1 815 042	11 100 541	11 020 646	11 093 184
Transfers and subsidies	27 926	39 690	34 845	31 415	21 902	16 879	48 548	28 928	21 395	55 280	25 143	36 572	388 523	353 947	345 847
Irrecoverable debts written off	5 076	5 076	5 076	5 076	5 076	5 076	5 076	5 076	5 076	5 076	5 076	67 371	123 202	123 202	123 202
Operational costs	318 304	369 188	276 493	290 726	311 618	285 792	306 976	261 349	326 490	275 063	275 100	471 539	3 768 638	4 277 064	4 387 987
Losses on disposal of Assets	1	92	92	359	139	305	108	34	8	33	8	1 320	2 500	2 500	2 500
Other Losses	94	47 262	30 457	26 175	48 575	27 424	44 433	60 626	47 938	48 104	51 691	99 312	532 092	576 478	681 412
Total Expenditure	3 330 111	6 345 532	6 434 253	5 669 265	6 177 056	5 596 969	5 565 848	5 612 406	5 689 151	5 630 110	5 659 668	9 566 637	71 277 006	74 840 106	79 288 532
Surplus/(Deficit)	3 290 474	107 023	(1 090 809)	(681 363)	(999 762)	2 033 929	(369 613)	(295 615)	1 760 127	(349 483)	(361 682)	(3 587 925)	(544 699)	(628 014)	445 261
Transfers and subsidies - capital (monetary allocations)	37 209	266 401	304 619	348 516	354 343	316 850	226 501	352 683	403 481	381 142	417 098	446 346	3 855 190	4 180 136	2 856 189
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	3 327 683	373 424	(786 190)	(332 847)	(645 419)	2 350 779	(143 112)	57 068	2 163 608	31 659	55 415	(3 141 579)	3 310 490	3 552 122	3 301 450
Income Tax	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	3 327 683	373 424	(786 190)	(332 847)	(645 419)	2 350 779	(143 112)	57 068	2 163 608	31 659	55 415	(3 141 579)	3 310 490	3 552 122	3 301 450
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	3 327 683	373 424	(786 190)	(332 847)	(645 419)	2 350 779	(143 112)	57 068	2 163 608	31 659	55 415	(3 141 579)	3 310 490	3 552 122	3 301 450
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	3 327 683	373 424	(786 190)	(332 847)	(645 419)	2 350 779	(143 112)	57 068	2 163 608	31 659	55 415	(3 141 579)	3 310 490	3 552 122	3 301 450

Table 61 – MBRR Table SA26 – Budgeted monthly revenue and expenditure (municipal vote)

Description	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote															
Vote 1 - Community Services & Health	138 166	63 932	66 030	67 693	76 134	123 648	65 203	66 501	113 169	69 850	73 995	67 434	991 754	1 035 349	1 051 908
Vote 2 - Corporate Services	4 525	6 968	7 066	8 108	6 812	12 425	6 983	7 730	6 959	11 505	7 332	13 067	99 480	92 599	95 615
Vote 3 - Economic Growth	23 567	49 336	27 266	28 025	28 097	24 224	24 179	22 936	23 292	23 783	22 003	70 557	367 264	341 601	444 107
Vote 4 - Energy	2 250 877	2 461 020	2 277 066	1 894 812	1 916 022	1 900 248	1 770 960	1 858 163	1 948 231	1 898 246	1 943 888	1 965 479	24 085 011	24 763 963	25 563 742
Vote 5 - Finance	2 016 157	2 154 322	1 242 575	1 253 536	1 265 488	2 920 447	1 310 489	1 310 611	2 757 722	1 309 213	1 308 013	1 307 937	20 156 511	21 506 215	22 859 867
Vote 6 - Future Planning & Resilience	2 787	3 572	4 406	4 156	5 156	5 956	7 306	6 506	6 906	5 356	6 456	7 356	65 915	62 801	54 236
Vote 7 - Human Settlements	191 454	106 327	121 362	151 284	148 305	234 703	77 626	137 860	216 501	130 290	155 442	100 415	1 771 568	1 777 438	1 932 209
Vote 8 - Office of the City Manager	29	6	12	43	6	7	7	43	7	43	7	747	957	1 000	1 044
Vote 9 - Safety & Security	163 480	141 364	154 106	150 607	184 630	150 883	240 413	241 655	242 119	241 722	242 100	243 427	2 396 509	2 408 133	2 554 539
Vote 10 - Spatial Planning & Environment	59 795	65 033	62 812	66 838	70 304	58 039	56 823	61 590	57 342	60 261	54 663	72 695	746 195	726 229	755 012
Vote 11 - Urban Mobility	54 706	244 474	268 949	269 711	278 386	262 678	212 599	273 424	342 524	355 193	370 009	578 927	3 511 579	3 583 130	2 162 477
Vote 12 - Urban Waste Management	471 670	227 199	223 307	229 640	221 758	425 235	228 887	229 092	376 543	228 487	229 505	231 820	3 323 144	3 563 133	3 800 163
Vote 13 - Water & Sanitation	1 280 581	1 195 403	1 193 106	1 211 968	1 330 539	1 829 256	1 421 262	1 453 364	1 761 445	1 327 819	1 301 671	1 765 197	17 071 610	18 530 634	21 315 062
Total Revenue by Vote	6 657 794	6 718 956	5 648 063	5 336 418	5 531 636	7 947 748	5 422 736	5 669 474	7 852 760	5 661 769	5 715 083	6 425 058	74 587 497	78 392 228	82 589 982
Expenditure by Vote to be appropriated															
Vote 1 - Community Services & Health	312 089	350 719	362 378	372 499	533 013	383 840	434 147	381 465	391 172	386 603	379 694	656 702	4 944 321	5 148 073	5 381 778
Vote 2 - Corporate Services	416 895	292 921	302 783	308 792	415 985	297 154	336 248	296 273	355 172	303 642	313 758	484 080	4 123 703	4 705 502	4 939 907
Vote 3 - Economic Growth	58 445	69 283	54 992	68 319	60 950	57 348	73 400	56 839	59 737	67 643	60 641	72 769	760 365	725 690	740 641
Vote 4 - Energy	387 122	2 471 318	2 507 505	1 749 145	1 615 450	1 576 322	1 453 502	1 567 700	1 580 219	1 518 198	1 582 195	3 748 486	21 757 162	22 334 785	23 240 284
Vote 5 - Finance	322 085	470 727	361 858	368 833	427 994	354 985	349 407	352 317	354 885	354 409	361 465	417 251	4 496 215	5 030 785	5 496 754
Vote 6 - Future Planning & Resilience	43 080	43 061	47 288	46 024	54 449	48 899	50 370	48 717	48 700	47 406	48 250	69 580	595 825	608 803	613 313
Vote 7 - Human Settlements	105 552	135 605	147 784	141 633	167 843	134 669	127 224	135 492	133 888	146 724	136 777	191 892	1 705 085	1 752 332	1 857 715
Vote 8 - Office of the City Manager	33 626	39 818	40 731	39 872	56 737	34 569	42 608	43 807	43 587	44 210	45 620	59 373	524 560	543 055	561 255
Vote 9 - Safety & Security	515 867	554 967	549 737	556 655	565 469	563 743	558 353	547 990	547 872	544 233	542 032	645 922	6 692 842	6 926 543	7 209 448
Vote 10 - Spatial Planning & Environment	139 878	151 572	153 632	151 960	158 098	162 293	165 428	162 078	160 123	161 143	155 469	205 078	1 926 752	1 938 647	1 903 442
Vote 11 - Urban Mobility	264 231	328 392	356 538	348 693	412 405	357 287	359 378	372 030	395 201	417 188	432 153	663 194	4 706 689	4 862 461	5 236 131
Vote 12 - Urban Waste Management	239 234	329 665	336 003	333 726	391 377	369 263	359 515	332 561	333 785	332 712	337 147	405 977	4 100 966	4 333 946	4 522 731
Vote 13 - Water & Sanitation	492 006	1 107 485	1 213 024	1 183 115	1 317 285	1 256 596	1 256 267	1 315 137	1 284 811	1 305 997	1 264 466	1 946 332	14 942 522	15 929 482	17 585 134
Total Expenditure by Vote	3 330 111	6 345 532	6 434 253	5 669 265	6 177 056	5 596 969	5 565 848	5 612 406	5 689 151	5 630 110	5 659 668	9 566 637	71 277 006	74 840 106	79 288 532
Surplus/(Deficit) before assoc.	3 327 683	373 424	(786 190)	(332 847)	(645 419)	2 350 779	(143 112)	57 068	2 163 608	31 659	55 415	(3 141 579)	3 310 490	3 552 122	3 301 450
Income Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	3 327 683	373 424	(786 190)	(332 847)	(645 419)	2 350 779	(143 112)	57 068	2 163 608	31 659	55 415	(3 141 579)	3 310 490	3 552 122	3 301 450

Table 62 – MBRR Table SA27 – Budgeted monthly revenue and expenditure (functional classification)

Description R thousand	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue - Functional															
Governance and administration	2 035 511	2 231 518	1 298 440	1 311 333	1 325 708	2 962 654	1 362 045	1 363 285	2 801 979	1 376 456	1 369 311	1 471 240	20 909 478	22 252 356	23 733 088
Executive and council	33	33	33	33	33	33	33	33	33	33	33	33	393	411	429
Finance and administration	2 035 478	2 231 485	1 298 407	1 311 300	1 325 675	2 962 621	1 362 011	1 363 252	2 801 946	1 376 422	1 369 278	1 471 207	20 909 081	22 251 941	23 732 656
Internal audit	0	0	0	0	0	0	0	0	0	0	0	0	4	4	4
Community and public safety	401 174	294 099	323 847	352 072	388 061	428 512	368 519	432 350	509 571	421 790	453 434	363 347	4 736 777	4 767 175	5 000 049
Community and social services	23 713	8 564	10 289	10 544	10 162	7 667	7 399	9 757	12 260	14 951	18 867	8 204	142 377	136 587	153 010
Sport and recreation	4 071	3 940	4 024	5 548	5 651	4 846	10 431	9 662	5 426	4 183	4 308	4 174	66 264	74 158	65 934
Public safety	145 368	138 190	150 984	147 268	181 178	147 952	237 503	238 835	239 324	238 859	238 720	240 083	2 344 266	2 353 528	2 444 519
Housing	191 502	106 285	121 170	151 072	145 019	230 942	76 665	137 574	216 040	127 276	155 018	74 365	1 732 928	1 702 389	1 811 814
Health	36 521	37 119	37 380	37 640	46 051	37 105	36 521	36 521	36 521	36 521	36 521	36 521	450 941	500 513	524 773
Economic and environmental services	119 129	315 782	334 822	338 046	351 438	324 526	274 042	337 437	400 467	415 581	424 976	643 319	4 279 566	4 370 081	2 967 777
Planning and development	61 424	66 502	62 947	66 752	71 105	58 589	58 054	62 536	59 050	61 876	56 233	55 062	740 131	769 044	780 328
Road transport	56 697	245 930	267 782	267 003	276 234	261 513	211 914	271 638	337 724	350 413	365 533	567 292	3 479 674	3 568 111	2 149 053
Environmental protection	1 007	3 349	4 092	4 292	4 100	4 424	4 074	3 263	3 693	3 292	3 210	20 966	59 761	32 926	38 396
Trading services	4 101 865	3 877 443	3 690 838	3 334 851	3 466 314	4 231 940	3 418 015	3 536 288	4 140 627	3 447 827	3 467 246	3 947 036	44 660 289	47 001 166	50 887 553
Energy sources	2 351 879	2 461 005	2 277 051	1 894 796	1 916 007	1 981 048	1 770 945	1 858 148	2 008 826	1 898 231	1 943 873	1 965 464	24 327 273	25 042 583	25 884 176
Water management	662 154	933 968	925 551	922 951	1 010 556	1 215 029	1 089 707	1 119 690	1 198 945	1 030 729	1 008 346	1 464 978	12 582 605	13 651 096	15 909 655
Waste water management	616 162	255 273	264 938	287 465	318 708	611 344	329 592	330 678	557 524	291 096	287 257	288 823	4 438 859	4 814 031	5 350 782
Waste management	471 669	227 197	223 298	229 639	221 043	424 519	227 771	227 771	375 332	227 771	227 771	227 771	3 311 553	3 493 456	3 742 941
Other	115	115	117	116	115	116	116	116	116	116	116	116	1 387	1 450	1 514
Total Revenue - Functional	6 657 794	6 718 956	5 648 063	5 336 418	5 531 636	7 947 748	5 422 736	5 669 474	7 852 760	5 661 769	5 715 083	6 425 058	74 587 497	78 392 228	82 589 982

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CITY OF CAPE TOWN – 2025/26 TO 2027/28 BUDGET (26 JUNE 2025)

Description	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure - Functional															
Governance and administration	176 806	319 298	223 862	226 655	332 745	223 108	221 633	220 699	242 433	236 857	241 435	590 282	3 255 812	4 044 820	4 306 163
Executive and council	8 464	11 591	9 391	9 987	11 091	8 641	9 179	9 783	10 209	9 756	11 237	23 862	133 192	121 430	106 126
Finance and administration	167 944	307 340	214 104	216 521	321 201	214 085	212 462	210 837	232 022	226 798	229 925	566 516	3 119 756	3 920 704	4 197 854
Internal audit	398	367	367	147	452	382	(8)	79	202	302	273	(96)	2 864	2 686	2 184
Community and public safety	1 191 290	1 225 621	1 245 485	1 252 424	1 493 453	1 258 421	1 323 832	1 253 362	1 279 851	1 258 587	1 258 963	1 528 588	15 569 877	16 282 588	17 176 857
Community and social services	133 078	137 549	140 771	144 462	201 521	144 733	165 400	146 888	154 044	149 253	150 415	185 191	1 853 305	1 962 850	2 087 159
Sport and recreation	167 148	173 080	184 259	189 303	260 312	205 698	240 542	199 979	202 172	193 975	198 040	245 828	2 460 335	2 574 230	2 713 950
Public safety	545 932	551 338	545 725	548 672	578 688	553 046	558 988	541 417	556 335	543 328	546 391	666 353	6 736 213	6 995 160	7 297 865
Housing	192 844	207 898	220 353	215 070	243 957	205 122	206 066	212 682	214 241	222 129	214 847	254 705	2 609 915	2 711 011	2 917 237
Health	152 288	155 756	154 376	154 917	208 974	149 822	152 836	152 397	153 060	149 903	149 270	176 510	1 910 108	2 039 337	2 160 647
Economic and environmental services	542 585	625 100	630 227	618 410	706 940	643 491	655 634	654 003	690 901	694 400	709 024	995 779	8 166 494	8 443 543	8 866 403
Planning and development	173 189	196 054	178 670	174 035	189 114	190 138	197 794	190 554	191 216	188 849	186 851	189 599	2 246 064	2 317 462	2 283 956
Road transport	334 524	389 042	409 264	402 579	473 288	410 040	414 997	422 117	455 085	465 006	480 704	723 035	5 379 680	5 592 024	6 023 212
Environmental protection	34 871	40 004	42 292	41 796	44 538	43 313	42 843	41 333	44 599	40 545	41 469	83 146	540 749	534 058	559 235
Trading services	1 392 264	4 163 062	4 320 406	3 541 217	3 626 328	3 455 753	3 335 949	3 469 564	3 460 522	3 413 235	3 434 062	6 431 074	44 043 437	45 823 095	48 684 835
Energy sources	562 110	2 638 990	2 682 078	1 933 655	1 801 205	1 761 953	1 642 247	1 749 123	1 770 450	1 705 378	1 767 198	3 951 197	23 965 586	24 366 470	25 206 476
Water management	304 448	832 848	851 108	853 973	960 578	912 489	919 888	967 705	935 500	938 338	906 684	1 479 954	10 863 512	11 635 096	13 079 658
Waste water management	351 654	441 397	530 064	493 907	542 253	497 501	492 634	506 380	503 726	521 150	512 254	661 265	6 054 187	6 467 901	6 768 586
Waste management	174 051	249 826	257 155	259 683	322 292	283 810	281 180	246 356	250 846	248 370	247 925	338 657	3 160 152	3 353 628	3 630 115
Other	27 166	12 452	14 274	30 559	17 590	16 197	28 800	14 778	15 444	27 031	16 184	20 913	241 386	246 059	254 273
Total Expenditure - Functional	3 330 111	6 345 532	6 434 253	5 669 265	6 177 056	5 596 969	5 565 848	5 612 406	5 689 152	5 630 110	5 659 668	9 566 637	71 277 006	74 840 106	79 288 532
Surplus/(Deficit) before assoc.	3 327 683	373 424	(786 190)	(332 847)	(645 419)	2 350 779	(143 112)	57 068	2 163 608	31 659	55 415	(3 141 579)	3 310 490	3 552 122	3 301 450
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	3 327 683	373 424	(786 190)	(332 847)	(645 419)	2 350 779	(143 112)	57 068	2 163 608	31 659	55 415	(3 141 579)	3 310 490	3 552 122	3 301 450

Table 63 – MBRR Table SA28 – Budgeted monthly capital expenditure (municipal vote)

Description R thousand	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Multi-year expenditure to be appropriated</u>															
Vote 1 - Community Services & Health	9 802	14 548	21 378	32 562	36 621	34 345	21 089	39 349	37 478	30 816	24 685	14 546	317 218	237 263	273 929
Vote 2 - Corporate Services	23 947	26 859	29 349	37 282	40 183	104 257	23 690	26 415	103 013	22 735	24 167	36 579	498 476	924 569	729 561
Vote 3 - Economic Growth	725	4 245	6 985	6 158	8 307	7 387	6 300	13 146	15 182	17 781	21 443	3 439	111 099	84 703	160 256
Vote 4 - Energy	62 923	74 168	94 420	83 459	119 305	57 343	69 028	186 981	116 174	118 427	176 904	90 510	1 249 640	1 676 837	1 573 438
Vote 5 - Finance	655	5 841	19 568	9 000	10 430	9 200	13 200	17 400	16 030	16 000	5 639	200	123 163	16 314	21 040
Vote 6 - Future Planning & Resilience	195	–	1 888	–	2 100	–	–	66	861	205	–	100	5 414	5 388	5 810
Vote 7 - Human Settlements	29 332	71 323	92 778	130 703	124 382	125 695	82 944	133 359	128 653	109 736	129 111	70 683	1 228 699	999 921	1 072 754
Vote 8 - Office of the City Manager	90	–	5 521	15	–	3 000	–	–	–	–	–	50	8 675	31 636	28 492
Vote 9 - Safety & Security	6 598	19 725	36 202	39 008	47 577	12 375	4 627	109 155	16 712	13 477	17 829	21 546	344 830	214 039	500 016
Vote 10 - Spatial Planning & Environment	24 521	29 834	33 475	42 793	49 030	30 719	31 365	59 403	51 325	55 150	61 231	50 720	519 567	389 889	230 364
Vote 11 - Urban Mobility	2 207	194 351	223 462	223 246	241 387	226 768	175 224	266 009	292 529	289 789	288 031	667 527	3 090 530	3 225 345	1 788 688
Vote 12 - Urban Waste Management	116 653	69 472	60 377	48 765	45 299	25 147	4 583	8 370	8 772	17 577	14 401	19 537	438 953	581 984	784 018
Vote 13 - Water & Sanitation	69 740	284 366	404 387	348 077	388 974	356 954	301 689	401 559	521 627	518 633	552 130	778 237	4 926 374	5 839 550	5 715 926
Capital multi-year expenditure	347 387	794 731	1 029 792	1 001 066	1 113 595	993 193	733 740	1 261 209	1 308 356	1 210 326	1 315 570	1 753 674	12 862 639	14 227 436	12 884 293

Table 64 – MBRR Table SA29 – Budgeted monthly capital expenditure (functional classification)

Description R thousand	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital Expenditure - Functional															
Governance and administration	155 158	122 964	138 100	103 822	129 230	166 774	42 963	48 961	137 069	68 421	65 014	160 235	1 338 710	1 688 157	1 714 463
Executive and council	–	–	829	500	–	25 324	–	–	–	–	–	1 296	27 948	617	1 750
Finance and administration	155 158	122 964	137 181	103 322	129 230	141 450	42 963	48 961	137 069	68 421	65 014	158 940	1 310 672	1 683 178	1 712 543
Internal audit	–	–	90	–	–	–	–	–	–	–	–	–	90	4 361	169
Community and public safety	43 874	94 355	143 799	205 020	186 352	173 755	121 418	300 257	199 581	157 011	179 467	59 564	1 864 454	1 318 077	1 590 387
Community and social services	1 973	6 344	14 426	9 972	14 455	11 795	10 258	16 136	16 061	18 443	17 136	1 246	138 247	96 494	165 603
Sport and recreation	3 357	8 944	14 125	25 551	25 951	27 268	21 921	37 943	34 786	15 659	18 751	1 370	235 626	107 965	139 317
Public safety	6 481	5 007	19 583	34 179	14 275	5 366	2 438	104 902	13 020	10 306	13 389	2 834	231 780	79 657	237 693
Housing	29 192	69 479	90 838	129 090	123 385	124 925	82 732	133 071	128 441	109 403	128 491	53 864	1 202 911	979 076	1 011 831
Health	2 871	4 582	4 827	6 227	8 286	4 401	4 069	8 205	7 273	3 200	1 700	250	55 890	54 885	35 943
Economic and environmental services	27 134	226 614	260 384	267 169	293 173	260 877	209 819	332 277	350 951	354 285	356 460	665 746	3 604 890	3 654 182	2 121 166
Planning and development	4 132	11 157	13 358	16 307	20 451	18 035	16 221	31 493	35 071	39 359	44 355	30 829	280 769	169 471	184 112
Road transport	2 207	194 351	223 029	220 796	239 087	226 232	174 224	264 409	288 329	285 639	283 181	612 487	3 013 970	3 215 676	1 788 272
Environmental protection	20 794	21 106	23 997	30 066	33 635	16 610	19 374	36 376	27 551	29 287	28 924	22 429	310 151	269 035	148 782
Trading services	121 222	350 312	485 549	425 056	504 839	391 787	359 540	579 714	620 755	630 609	714 629	868 129	6 052 141	7 563 965	7 454 168
Energy sources	56 923	67 142	88 823	83 459	118 805	55 400	69 028	186 981	116 174	117 927	176 904	90 510	1 228 075	1 675 337	1 571 438
Water management	21 998	106 118	126 745	96 246	82 842	73 148	58 702	125 225	144 392	166 715	200 780	275 318	1 478 230	2 070 193	2 166 337
Waste water management	40 031	172 474	262 657	235 502	291 432	257 998	227 227	260 288	351 668	338 527	331 781	488 776	3 258 361	3 601 457	3 357 842
Waste management	2 270	4 579	7 324	9 850	11 760	5 240	4 583	7 220	8 522	7 440	5 164	13 525	87 476	216 977	358 550
Other	–	485	1 960	–	–	–	–	–	–	–	–	–	2 445	3 057	4 110
Total Capital Expenditure - Functional	347 387	794 731	1 029 792	1 001 066	1 113 595	993 193	733 740	1 261 209	1 308 356	1 210 326	1 315 570	1 753 674	12 862 639	14 227 436	12 884 293
Funded by:															
National Government	32 241	260 004	295 498	341 270	344 921	307 527	218 313	340 700	391 549	369 405	405 595	428 859	3 735 882	4 048 734	2 761 689
Provincial Government	980	939	3 256	100	777	305	–	–	300	–	–	–	6 657	6 377	6 934
District Municipality	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	3 988	5 458	5 865	7 146	8 645	9 018	8 188	11 983	11 632	11 737	11 503	17 486	112 651	125 025	87 566
Transfers recognised - capital	37 209	266 401	304 619	348 516	354 343	316 850	226 501	352 683	403 481	381 142	417 098	446 346	3 855 190	4 180 136	2 856 189
Borrowing	178 598	284 609	419 177	324 469	390 442	332 629	275 450	432 369	492 875	503 902	605 778	759 701	5 000 000	5 000 000	5 000 000
Internally generated funds	131 580	243 721	305 995	328 081	368 810	343 713	231 789	476 157	412 000	325 281	292 694	547 627	4 007 449	5 047 301	5 028 104
Total Capital Funding	347 387	794 731	1 029 792	1 001 066	1 113 595	993 193	733 740	1 261 209	1 308 356	1 210 326	1 315 570	1 753 674	12 862 639	14 227 436	12 884 293

Table 65 – MBRR Table SA30 – Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash Receipts By Source															
Property rates	1 183 446	1 267 673	1 199 563	1 187 057	1 107 953	1 139 282	1 187 616	1 040 370	1 106 100	1 104 953	1 099 864	1 038 362	13 662 239	14 818 887	15 804 826
Service charges - electricity revenue	2 215 702	2 240 915	2 149 440	2 150 111	1 862 562	1 931 787	1 746 146	1 724 135	1 755 865	1 786 892	1 756 568	2 120 927	23 441 050	24 084 867	24 870 755
Service charges - water revenue	430 629	418 993	421 521	425 988	435 092	443 937	456 078	463 742	470 329	455 096	479 852	359 345	5 260 601	5 788 937	6 982 510
Service charges - sanitation revenue	214 215	220 489	226 344	231 237	219 822	218 735	233 095	230 336	233 821	226 963	228 120	260 464	2 743 642	3 023 719	3 656 047
Service charges - refuse revenue	202 228	201 536	197 758	214 403	216 753	211 604	199 792	197 012	192 721	198 760	195 043	207 001	2 434 610	2 605 253	2 805 557
Rental of facilities and equipment	24 422	29 714	30 114	29 479	29 964	29 003	29 558	29 073	29 269	29 062	29 535	25 021	344 212	388 569	466 088
Interest earned - external investments	66 579	64 201	62 659	67 585	66 577	64 277	71 880	58 865	65 808	67 795	68 926	33 371	758 522	648 785	789 055
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	31 637	32 411	30 376	32 218	32 033	33 667	32 012	30 726	31 827	30 182	30 228	31 240	378 556	392 592	416 560
Licences and permits	4 189	4 022	4 288	4 029	4 989	4 304	3 910	4 110	4 292	4 113	4 107	4 153	50 506	52 779	55 101
Agency services	25 122	24 116	25 715	24 160	29 921	25 809	23 449	24 648	25 737	24 667	24 627	24 904	302 874	310 022	337 339
Transfers and Subsidies - Operational	2 433 143	134 676	129 637	213 607	382 630	1 694 142	139 684	399 159	1 413 022	129 637	129 637	130 588	7 329 561	7 404 716	7 561 017
Other revenue	93 574	1 071 507	105 206	78 914	97 536	997 085	87 332	92 190	1 052 435	86 245	90 198	239 508	4 091 731	4 226 475	4 424 234
Cash Receipts by Source	6 924 886	5 710 252	4 582 620	4 658 788	4 485 834	6 793 632	4 210 552	4 294 366	6 381 227	4 144 364	4 136 704	4 474 882	60 798 106	63 745 603	68 169 089
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 231 758	18 344	10 355	15 373	919 645	10 355	12 358	1 155 559	450 363	10 355	10 355	10 371	3 855 190	4 180 136	2 856 189
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	70 772	70 772	60 884	110 999
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	1 000 000	-	2 500 000	-	-	-	-	748 320	751 680	5 000 000	5 000 000	5 000 000
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	22 041	22 041	23 033	23 535
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	60	60	(25)	3
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	(153 729)	(153 729)	(160 080)	(171 546)
Total Cash Receipts by Source	8 156 644	5 728 596	4 592 975	5 674 161	5 405 479	9 303 986	4 222 909	5 449 925	6 831 590	4 154 719	4 895 379	5 176 077	69 592 440	72 849 551	75 988 268

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CITY OF CAPE TOWN – 2025/26 TO 2027/28 BUDGET (26 JUNE 2025)

MONTHLY CASH FLOWS	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cash Payments by Type															
Employee related costs	1 623 536	1 625 479	1 627 818	1 630 844	2 446 598	1 623 594	1 633 481	1 648 557	1 676 151	1 706 161	1 708 001	1 830 934	20 781 155	22 105 265	23 666 256
Remuneration of councillors	16 882	17 731	18 067	16 958	18 417	17 020	17 162	18 329	16 564	16 542	16 465	7 591	197 729	207 615	217 996
Interest	12 713	–	13 851	104 465	66 262	395 512	10 170	–	11 354	158 809	60 281	534 176	1 367 594	1 719 855	1 990 274
Bulk purchases - electricity	1 880 345	2 012 804	2 212 688	1 483 604	1 320 819	1 385 864	1 203 387	1 278 278	1 232 036	1 287 768	1 222 775	1 234 718	17 755 086	18 363 846	19 062 355
Acquisitions - water & other inventory	223 725	232 714	231 464	202 236	194 049	217 467	183 357	213 994	233 070	197 590	188 483	78 092	2 396 241	2 524 268	2 830 402
Contracted services	1 530 165	775 540	859 342	956 564	1 067 781	1 218 109	715 809	747 700	722 742	801 279	809 165	896 345	11 100 541	11 020 646	11 093 184
Transfers and subsidies - other municipalities	32 377	32 377	32 377	32 377	32 377	32 377	32 377	32 377	32 377	32 377	32 377	32 377	388 523	353 947	345 847
Transfers and subsidies - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	497 643	267 891	296 839	330 422	368 839	420 766	247 259	258 275	353 281	345 867	279 507	224 742	3 891 332	4 399 758	4 510 681
Cash Payments by Type	5 817 386	4 964 537	5 292 446	4 757 471	5 515 142	5 310 709	4 043 001	4 197 510	4 277 576	4 546 394	4 317 054	4 838 975	57 878 202	60 695 201	63 716 994
Other Cash Flows/Payments by Type															
Capital assets	1 705 785	587 389	645 154	984 536	824 659	1 385 688	605 414	647 379	816 487	859 750	920 826	2 879 571	12 862 639	14 227 436	12 884 293
Repayment of borrowing	50 000	–	79 481	70 533	139 699	171 625	50 000	–	79 481	103 867	139 699	254 959	1 139 343	1 428 219	1 726 519
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	7 573 171	5 551 926	6 017 081	5 812 540	6 479 501	6 868 022	4 698 415	4 844 889	5 173 543	5 510 010	5 377 580	7 973 505	71 880 184	76 350 856	78 327 806
NET INCREASE/(DECREASE) IN CASH HELD	583 474	176 670	(1 424 106)	(138 379)	(1 074 022)	2 435 964	(475 505)	605 036	1 658 046	(1 355 292)	(482 201)	(2 797 429)	(2 287 744)	(3 501 305)	(2 339 538)
Cash/cash equivalents at the month/year begin:	8 628 162	9 211 635	9 388 305	7 964 199	7 825 820	6 751 798	9 187 762	8 712 257	9 317 293	10 975 339	9 620 048	9 137 847	8 628 162	6 340 418	2 839 113
Cash/cash equivalents at the month/year end:	9 211 635	9 388 305	7 964 199	7 825 820	6 751 798	9 187 762	8 712 257	9 317 293	10 975 339	9 620 048	9 137 847	6 340 418	6 340 418	2 839 113	499 575

2.12 Annual budgets – internal departments

2.12.1 Community Services & Health (Vote 1)

In aim of supporting the 'giving hope' vision of the City, the Community Services & Health Directorate (CSH) contributes to the health and wellbeing of communities and individuals through the provision of a range of community- and health facilities, spaces and services, as well as developmental programmes in support of enabling social inclusion.

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

Through the Directorate's departments, the broad social challenges and needs are addressed by providing/maintaining a holistic and integrated range of mandated, and discretionary community services and functions, facilities and developmental programmes, including, but not limited to, these mentioned below.

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

Changes to service levels and standards over the MTREF

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

Prior year performance – 2023/24 financial year

The Directorate achieved the following financial indicators in the 2023/24 financial year:

- Capital spend: 87.2% (target 90%)
- Operating spend: 95% (target 95%)
- Repairs and maintenance (primary) spend: 97.4% (target 95%)
- Training budget spend: 99.5% (target 95%)

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

Due care is taken to ensure that risks, which could impact on not achieving the Directorate's objectives are identified, addressed and managed on a day-to-day basis in accordance with City's approved IRM driver documents.

Risk registers are utilised as a management tool in order to manage identified risks of the Directorate. The risks identified are reported to RiskCo in accordance with the annual RiskCo Work Plan where the Executive Director informs/discusses the Directorate's risks with the relevant Mayoral Committee member on a six-monthly basis.

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

The Directorate's major categories of expenditure will include:

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

Capital Plan: Directorate capital programme

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

- Upgrade: Cemetery; Recreation & Parks; Community Parks; EH Offices; Maitland Crematorium; Princessvlei; CACD Facilities; Community Services & Health facility; Lwandle Community Library; Mnandi Beach; and Clinics
- Books, Periodicals
- Culemborg 1 Safe Space Extension
- Elsies River Integrated Recreational Facility
- Additional & Replacement: Equipment for Facilities; and IT Infrastructure
- National Core Standards
- Rebuild of Suider Strand Library
- Regional Recreation Hubs
- Specialised IT Equipment
- Development: Strandfontein Clubhouse; Kuilsriver Safe Space; and Street People Facility
- Strandfontein Pavilion Refurbishment
- Swimming Pool Redevelopment
- Synthetic Pitches
- Tafelsig Clinic - Extension & Upgrade Phase 2
- Vehicles: Additional

Table 66 – Community Services & Health (Vote 1) – operating revenue by source, expenditure by type and total capital expenditure

Directorate: Community Services & Health									
Budgeted Financial Performance (revenue and expenditure)									
Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Revenue									
Exchange Revenue	45 559	51 950	57 016	57 026	56 836	56 836	59 746	65 948	69 267
Service charges - Electricity	-	-	-	-	-	-	-	-	-
Service charges - Water	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	-	(0)	1	-	-	-	-	-	-
Sales of Goods and Rendering of Services	37 080	40 983	43 082	42 668	43 078	43 078	45 016	50 177	52 382
Agency services	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	130	143	198	-	-	-	-	-	-
Interest earned from Current and Non Current Assets	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	5 606	8 629	10 948	12 161	11 743	11 743	12 624	13 571	14 589
Licence and permits	264	283	566	196	196	196	205	214	224
Special rating levies	-	-	-	-	-	-	-	-	-
Operational Revenue	2 478	1 911	2 221	2 001	1 818	1 818	1 900	1 985	2 073
Non-Exchange Revenue	962 978	828 761	832 078	877 538	831 613	831 613	881 733	916 524	950 477
Property rates	-	-	-	-	-	-	-	-	-
Surcharges and Taxes	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1 584	1 315	3 691	2 548	2 587	2 587	2 704	2 825	2 950
Licences and permits	3	(2)	4	-	-	-	-	-	-
Transfers and subsidies - Operational	960 760	826 363	811 759	874 990	829 026	829 026	879 030	913 699	947 527
Interest	-	-	-	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	630	1 085	16 623	-	-	-	-	-	-
Other Gains	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	1 008 537	880 710	889 094	934 564	888 449	888 449	941 479	982 472	1 019 744
Expenditure									
Employee related costs	2 531 551	2 354 162	2 493 853	2 821 375	2 758 732	2 762 558	2 960 247	3 107 076	3 324 517
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	399 609	402 588	339 435	498 279	425 035	426 254	421 211	500 401	513 986
Debt impairment	2 719	2 561	(122)	-	-	-	-	-	-
Depreciation & amortisation	188 065	197 934	146 770	217 054	213 596	213 596	223 533	237 757	246 864
Interest	-	-	-	227	227	227	227	227	227
Contracted services	866 957	837 787	978 695	1 090 092	1 103 074	1 106 775	1 160 553	1 124 161	1 118 217
Transfers and subsidies	44 426	28 573	19 980	19 980	19 980	19 980	20 560	20 645	20 645
Irrecoverable debts written off	-	-	-	-	-	-	-	-	-
Operational cost	89 341	95 042	99 943	121 700	129 214	120 467	157 981	157 797	157 312
Losses on disposal of Assets	1 039	30 322	1 130	10	10	10	10	10	10
Other Losses	-	-	-	-	-	-	-	-	-
Total Expenditure	4 123 706	3 948 968	4 079 684	4 768 717	4 649 867	4 649 867	4 944 321	5 148 073	5 381 778
Surplus/(Deficit)	(3 115 170)	(3 068 258)	(3 190 590)	(3 834 153)	(3 761 418)	(3 761 418)	(4 002 843)	(4 165 601)	(4 362 033)
Transfers & subsidies - capital monetary	96 365	59 460	64 709	73 113	84 356	84 356	50 275	52 877	32 164
Transfers & subsidies capital in-kind	48	2 495	77	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(3 018 757)	(3 006 303)	(3 125 803)	(3 761 040)	(3 677 062)	(3 677 062)	(3 952 567)	(4 112 724)	(4 329 869)
Income Tax	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	(3 018 757)	(3 006 303)	(3 125 803)	(3 761 040)	(3 677 062)	(3 677 062)	(3 952 567)	(4 112 724)	(4 329 869)
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(3 018 757)	(3 006 303)	(3 125 803)	(3 761 040)	(3 677 062)	(3 677 062)	(3 952 567)	(4 112 724)	(4 329 869)
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(3 018 757)	(3 006 303)	(3 125 803)	(3 761 040)	(3 677 062)	(3 677 062)	(3 952 567)	(4 112 724)	(4 329 869)
Capital Expenditure	272 395	223 024	368 443	329 440	347 776	332 109	317 218	237 263	273 929

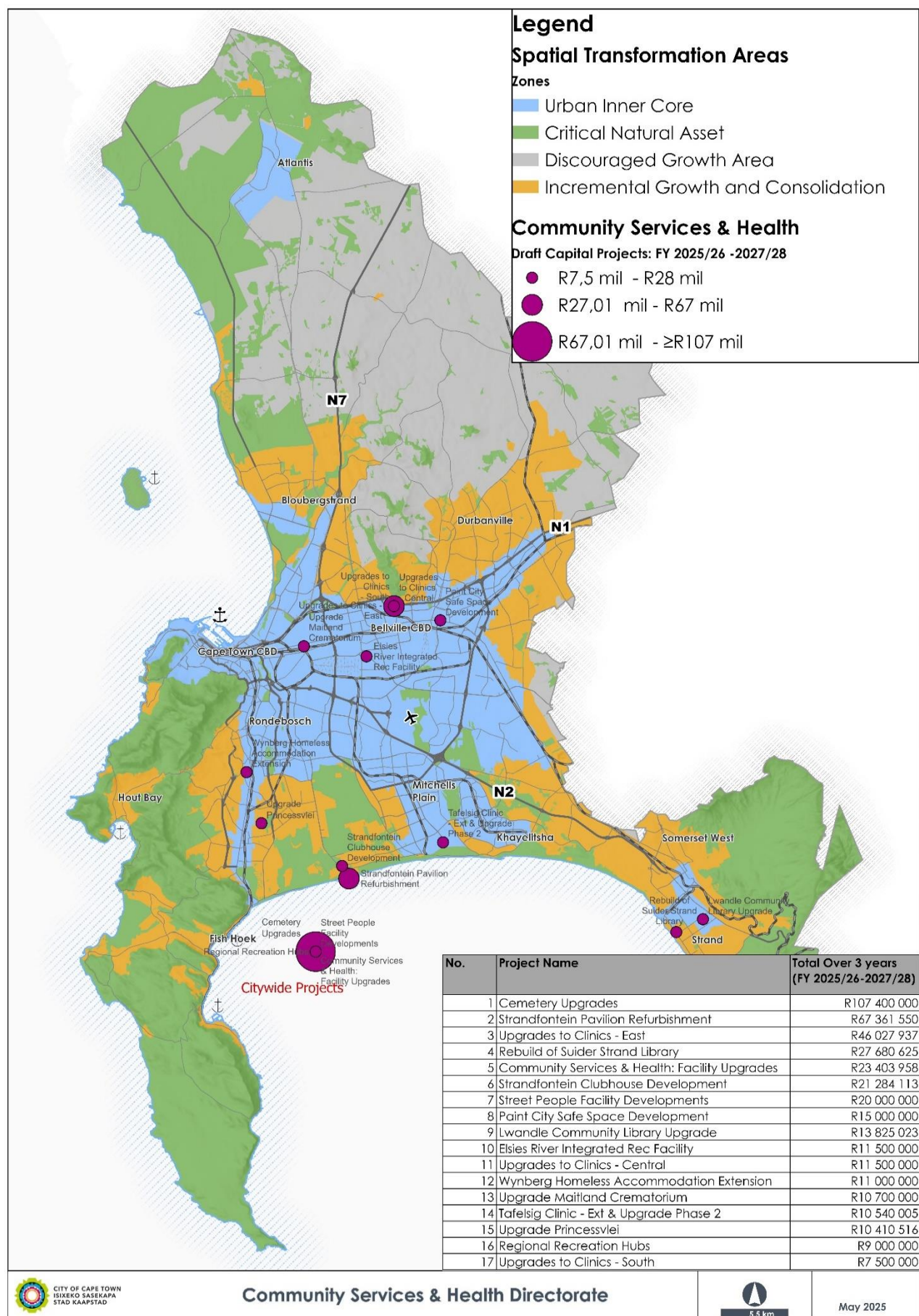


Figure 28: Map detailing Community Services & Health's top projects/programmes over the MTREF

2.12.2 Corporate Services (Vote 2)

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

The Corporate Services Directorate consists of the following departments:

- **Executive & Council Support Operations Department**

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

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

- **Fleet Management Department**

The main function of this Department is to provide a comprehensive fleet management service to fulfil the City's requirements for vehicles and plant and to act as a strategic partner to aid and support critical service delivery by user departments. The Department manages approximately 5590 individual vehicles and plant, and is responsible for, *inter alia*:

- Ensuring the availability of appropriate vehicles and plant;
- Procuring and disposing of vehicle and plant;
- Repairs and maintenance of fleet;
- On-road fueling of fleet and fuel management initiatives;
- Private hire management of vehicles and plant;
- Legislative- and regulatory compliance;
- Fleet utilisation, tracking and monitoring;
- Fleet Risk Management;
- Business and financial planning; and
- Transversal Fleet Tenders and Contracts Management.

- **Facilities Management Department**

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

- Corporate building portfolio: 75 complexes comprising of 159 buildings;
- Community Services & Health Directorate: 120 clinics, 102 libraries, and 38 Social Development Early Childhood Development (SDECD) centres;
- Safety & Security Directorate: 31 fire stations, 19 metro police offices, 31 traffic centres, 54 law enforcement offices;
- Legal Services: 11 municipal courts;
- Finance Directorate – Supply Chain Management: 20 stores;
- Urban Mobility Directorate: 20 depots;
- The Leased-out Improved Property Portfolio Maintenance focusses on the procurement of security services to safeguard vacant properties pre-and post-occupancy as well as repairs and maintenance on the Improved Properties Property portfolio, which amounts to 967 properties, and the Unimproved Properties, which was last listed as close to 3000 City-owned properties; and
- Five water fountains.

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

- **Human Resources Department**

The Human Resources (HR) Department ensures the effective resourcing of the organisation to build an efficient and productive administration that prioritises service delivery. The City's Human Resources Strategy aims to cultivate a people-centric culture, supporting the City's goal to become a leader in the future of HR practices in South Africa.

The Department's strategic objectives prioritise meaningful employee experiences, psychological safety, and wellness; developing a high-performing workforce; embracing digital transformation for efficient services; and fosters positive stakeholder relationships.

These core objectives ensure that the Department delivers impactful, value-added services, within budgetary parameters, which strengthen the internal community, elevates service excellence, and deepens the Department's commitment to supporting employees and creating lasting community impact.

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

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

- **Citizen Interface Department**

The Citizen Interface Department is dedicated to enhancing service delivery and customer engagement through a comprehensive, integrated model that prioritises accessibility, responsiveness, and service coordination across the various City departments. This model includes key elements such as a 24/7/365 Contact Center, sub councils closer to communities, and public participation initiatives to involve residents in City affairs. The Department not only drives effective service resolution but also promotes greater transparency, accountability, and a community-focused approach to governance.

Within the broader scope of service delivery, the Citizen Interface Department functions as the backbone for coordinating and overseeing service delivery across multiple service areas. This includes the management of key areas such as customer relations, sub councils, public participation, stakeholder management, and inter-directorate liaison. Through these diverse functions, the Department works to create stronger connections between the City and its residents, ensuring that services are responsive to local needs, inclusive of all community voices, and reflective of a high standard of service excellence.

The Citizen Interface Department plays a critical role in ensuring that the City's service delivery model is efficient, transparent, and responsive to community needs. By aligning its core functions with the constitutional and IDP objectives, the Department contributes to a more inclusive, effective, and accountable governance model, ultimately improving residents' quality of life. Through coordinated efforts across various service areas, the Citizen Interface Department helps the City achieve its strategic goals and supports sustainable, community-centered development.

Changes to service levels and standards over the MTREF

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

Prior year performance – 2023/24 financial year

The Directorate achieved the following financial indicators against said targets:

- Capital spend: 95.8% (target: 90%)
- Operating spend: 92.7% (target: 95%)
- Repairs and maintenance spend: 89.2% (target: 95%)
- Training budget spend: 82.8% (target: 95%)

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

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

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

- Grant funding as per the DoRA;
- Service charges from rental of spare capacity in the City's Broadband Project; and
- LGSeta – claims for prior year training costs incurred.

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

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

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

The directorate's major expenditure categories include:

- Salaries and Wages;
- Corporate training programmes;
- Telecommunications costs;
- Software licensing;
- Professional services;
- Security services; and
- Maintenance of Broadband and ICT infrastructure; fleet, and corporate buildings.

Capital Plan: Directorate capital programme

• Fleet Services Replacements (Plant & Vehicles)

Many aged fleet items have reached their economic life and require critical replacement due to their unreliability, unavailability, failure and safety. As a result of limited funds and pressing demands, the Fleet Management Department is required to accelerate the replacement programme to replace aged fleet vehicles in terms of the Fleet Management Strategy and funding prioritised by Council for this purpose. This will ensure more reliable and available fleet that will support service delivery to key service delivery departments in the following directorates: Safety & Security, Community Services & Health, Urban Mobility – Roads and Human Settlements.

• Two large investments are proposed in the IS&T environment:

▪ Broadband Infrastructure Programme (BIP)

Due to certain triggers outside of the control of the Department, being the impact of load-shedding, the cancellation of a critical programme tender and the prioritisation of other Telecommunication Network Services projects, the scope of this programme over the remaining programme period has changed and budget been reprioritised. As from the next financial year, there will be no further new broadband connections installed and the remaining capital budget of the programme will be spent on replacing existing and outdated Broadband Infrastructure and optimising the network.

- Core Application Review (CAR)

The City is currently undergoing a major (core) systems transformation. An upgrade/replacement of the core applications (ERP [SAP], EGIS and Productivity) is required as these applications are nearing the end of its useful lifespan. The CAR Project is tasked with defining the target architecture and roadmap for the City's core applications and is proposed to be implemented in a phased approach. CAR future development include New Integration Software, Finance and Operational Core Software, Records and Documents Management software, and EPIC software. There has been a significant decrease in the capital budget of this programme compared with the last approved budget, due to the reclassification of budgets from capital to operating as certain new solutions are expected to be subscription cloud-based, and due to changes in budget assumptions e.g. the budget for the Financial and Operating Core Project is now based on a SAP upgrade option instead of a more expensive alternative product replacement. The 2024/25 budget provision is therefore subject to change but represent the best estimate at this point in time, subject to affordability.

Table 67 – Corporate Services (Vote 2) – operating revenue by source, expenditure by type and total capital expenditure

Directorate: Corporate Services									
Budgeted Financial Performance (revenue and expenditure)									
Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue									
Exchange Revenue	54 500	47 658	62 866	51 982	51 982	51 982	54 163	56 623	59 138
Service charges - Electricity	–	–	–	–	–	–	–	–	–
Service charges - Water	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	–	–	–	–	–	–	–	–	–
Sales of Goods and Rendering of Services	144	506	412	599	599	599	544	569	594
Agency services	–	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–	–
Interest earned from Receivables	35	46	65	30	30	30	31	33	34
Interest earned from Current and Non Current Assets	–	–	–	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets	312	256	(50)	680	680	680	731	786	845
Licence and permits	–	0	–	–	–	–	–	–	–
Special rating levies	–	–	–	–	–	–	–	–	–
Operational Revenue	54 008	46 850	62 440	50 672	50 672	50 672	52 856	55 235	57 665
Non-Exchange Revenue	29 954	20 083	41 321	25 783	29 081	29 081	44 716	34 977	35 477
Property rates	–	–	–	–	–	–	–	–	–
Surcharges and Taxes	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	169	24	543	–	–	–	–	–	–
Licences and permits	0	–	–	–	–	–	–	–	–
Transfers and subsidies - Operational	11 510	10 842	9 518	17 193	20 491	20 491	35 740	26 000	26 500
Interest	–	–	–	–	–	–	–	–	–
Fuel Levy	–	–	–	–	–	–	–	–	–
Operational Revenue	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets	18 274	9 218	31 260	8 590	8 590	8 590	8 977	8 977	8 977
Other Gains	–	–	–	–	–	–	–	–	–
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	84 454	67 741	104 188	77 764	81 063	81 063	98 880	91 599	94 615
Expenditure									
Employee related costs	1 390 514	1 415 753	1 633 783	1 852 374	1 842 457	1 842 447	2 020 757	2 181 995	2 366 922
Remuneration of councillors	163 713	174 518	181 436	198 646	186 639	186 734	195 971	205 770	216 058
Bulk purchases - electricity	–	–	–	–	–	–	–	–	–
Inventory consumed	69 004	109 780	101 560	18 424	51 351	54 627	92 020	91 548	91 944
Debt impairment	97	186	(296)	–	–	–	–	–	–
Depreciation & amortisation	414 670	461 938	506 515	518 665	516 599	516 599	502 537	494 428	471 276
Interest	–	289	–	–	–	–	–	–	–
Contracted services	553 962	668 563	546 803	594 112	610 935	608 244	593 352	598 279	606 038
Transfers and subsidies	1 253	2 238	3 779	2 100	2 076	2 076	4 194	2 601	2 501
Irrecoverable debts written off	–	–	–	–	–	–	–	–	–
Operational cost	362 775	447 384	623 521	930 494	823 037	822 182	714 492	1 130 501	1 184 787
Losses on disposal of Assets	2 934	1 825	2 941	367	511	524	381	381	381
Other Losses	–	–	329	–	–	171	–	–	–
Total Expenditure	2 958 923	3 282 475	3 600 370	4 115 181	4 033 604	4 033 604	4 123 703	4 705 502	4 939 907
Surplus/(Deficit)	(2 874 469)	(3 214 734)	(3 496 183)	(4 037 417)	(3 952 541)	(3 952 541)	(4 024 823)	(4 613 903)	(4 845 292)
Transfers & subsidies - capital monetary	1 553	1 057	680	600	48	48	600	1 000	1 000
Transfers & subsidies capital in-kind	2 000	4 975	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(2 870 915)	(3 208 702)	(3 495 503)	(4 036 817)	(3 952 494)	(3 952 494)	(4 024 223)	(4 612 903)	(4 844 292)
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	(2 870 915)	(3 208 702)	(3 495 503)	(4 036 817)	(3 952 494)	(3 952 494)	(4 024 223)	(4 612 903)	(4 844 292)
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	(2 870 915)	(3 208 702)	(3 495 503)	(4 036 817)	(3 952 494)	(3 952 494)	(4 024 223)	(4 612 903)	(4 844 292)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(2 870 915)	(3 208 702)	(3 495 503)	(4 036 817)	(3 952 494)	(3 952 494)	(4 024 223)	(4 612 903)	(4 844 292)
Capital Expenditure	414 336	425 297	642 157	436 312	436 614	430 949	498 476	924 569	729 561

2.12.3 Economic Growth (Vote 3)

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

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

The Directorate is made up of the following departments:

- **Economic Development & Investment Department**

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

- **Property Transactions Department**

The purpose of this Department is to ensure a sustained and cost effective real estate, property transactions and immovable property asset management functionality. The Property Transactions Department, as the custodian of the City's immovable property, is responsible for the oversight of the deployment, use and performance of all immovable property assets, acquisition of immovable property assets required for municipal purposes, as well as transacting (lease and disposal) with immovable property assets no longer required for delivery of basic municipal services.

- **Property Development Department**

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

- **Strategic Assets Department**

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

Changes to service levels and standards over the MTREF

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

Prior year performance – 2023/24 financial year

The Directorate achieved the following financial indicators against said targets:

- Capital spend: 85.2% (target: 90%)
- Operating spend 93.7% (target: 95%)
- Training budget spend: 95.0% (target: 90%)

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

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

Major features of expenditure including discretionary and non-discretionary expenditure

The Directorate's major expenditure categories include:

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

Directorate Capital Programme

Significant capital projects being undertaken over the medium term include, *inter alia*:

- Construct: Trading Infrastructure, Kuils River
- Parow New Built Informal Trading Structures
- Upgrade: 4th Ave Market, Mitchells Plain
- Bellville PTI/CBD New Built Demarcation of Trading Bays
- Replace: Spectator Seating, Athlone Stadium
- Upgrade: Ablutions & Plumbing, Athlone Stadium

Table 68 – Economic Growth (Vote 3) – operating revenue by source, expenditure by type and total capital expenditure

Directorate: Economic Growth									
Budgeted Financial Performance (revenue and expenditure)									
Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue									
Exchange Revenue	202 877	196 888	248 582	236 413	261 686	261 686	281 435	302 278	354 767
Service charges - Electricity	–	–	–	–	–	–	–	–	–
Service charges - Water	610	535	723	764	764	764	868	923	1 081
Service charges - Waste Water Management	25	71	–	–	–	–	–	–	–
Service charges - Waste Management	–	–	–	–	–	–	–	–	–
Sales of Goods and Rendering of Services	4 085	2 066	2 160	5 479	3 611	3 611	2 795	2 939	3 086
Agency services	–	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–	–
Interest earned from Receivables	63	744	2 242	–	3 061	3 061	3 199	3 343	3 490
Interest earned from Current and Non Current Assets	4	–	–	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets	198 736	217 137	244 541	230 085	253 145	253 145	273 387	293 869	345 888
Licence and permits	–	–	–	–	–	–	–	–	–
Special rating levies	–	–	–	–	–	–	–	–	–
Operational Revenue	(646)	(23 664)	(1 083)	85	1 105	1 105	1 185	1 203	1 222
Non-Exchange Revenue	34 477	107 601	114 647	45 919	190 013	190 013	85 829	39 324	89 340
Property rates	–	–	–	–	–	–	–	–	–
Surcharges and Taxes	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	49	67	389	–	626	626	354	370	387
Licences and permits	–	0	1	–	–	–	–	–	–
Transfers and subsidies - Operational	20 588	41 372	22 510	8 065	9 387	9 387	36 522	–	–
Interest	–	–	–	–	–	–	–	–	–
Fuel Levy	–	–	–	–	–	–	–	–	–
Operational Revenue	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets	13 839	66 162	91 748	37 853	180 000	180 000	48 953	38 953	88 953
Other Gains	–	–	–	–	–	–	–	–	–
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	237 354	304 489	363 229	282 332	451 699	451 699	367 264	341 601	444 107
Expenditure									
Employee related costs	246 087	253 968	279 359	314 443	320 035	320 235	357 146	353 270	377 203
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Bulk purchases - electricity	–	–	–	–	–	–	–	–	–
Inventory consumed	2 465	3 356	3 457	4 729	4 433	4 384	3 789	3 564	3 443
Debt impairment	17 830	22 869	10 215	17 300	17 300	17 300	17 300	17 300	17 300
Depreciation & amortisation	26 205	28 559	31 319	34 489	31 452	31 452	33 552	33 970	34 449
Interest	946	2 157	1 350	2 122	2 122	2 122	1 472	1 472	1 472
Contracted services	103 004	160 827	147 244	191 726	217 548	217 356	179 854	162 756	156 600
Transfers and subsidies	135 609	137 633	122 809	103 025	105 682	105 682	113 808	100 720	100 720
Irrecoverable debts written off	10 892	4 921	9 955	10 807	10 807	10 807	10 807	10 807	10 807
Operational cost	33 648	42 941	39 333	40 440	42 552	42 592	42 638	41 832	38 648
Losses on disposal of Assets	43	20	87	–	–	–	–	–	–
Other Losses	–	–	–	–	–	–	–	–	–
Total Expenditure	576 728	657 251	645 128	719 081	751 930	751 930	760 365	725 690	740 641
Surplus/(Deficit)	(339 374)	(352 762)	(281 898)	(436 749)	(300 231)	(300 231)	(393 100)	(384 089)	(296 534)
Transfers & subsidies - capital monetary	–	–	–	–	–	–	–	–	–
Transfers & subsidies capital in-kind	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(339 374)	(352 762)	(281 898)	(436 749)	(300 231)	(300 231)	(393 100)	(384 089)	(296 534)
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	(339 374)	(352 762)	(281 898)	(436 749)	(300 231)	(300 231)	(393 100)	(384 089)	(296 534)
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	(339 374)	(352 762)	(281 898)	(436 749)	(300 231)	(300 231)	(393 100)	(384 089)	(296 534)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(339 374)	(352 762)	(281 898)	(436 749)	(300 231)	(300 231)	(393 100)	(384 089)	(296 534)
Capital Expenditure	32 682	46 144	77 007	111 730	127 449	126 969	111 099	84 703	160 256

2.12.4 Energy (Vote 4)

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

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

To deliver on this mandate effectively, the City's Energy Strategy for 2050, Our Shared Energy Future, was approved by full council on 26 October 2023. The Energy Strategy provides a cohesive and holistic increased Energy Security in Cape Town. This is through mitigating up to four stages of load-shedding in the short term, while navigating the energy transition to the benefit of City businesses and residents in the longer term. To do so, the Energy Strategy calls for action across five priority focus areas, namely:

- ❖ Commitment 1: Harness new energy supply
- ❖ Commitment 2: Alleviate energy poverty
- ❖ Commitment 3: Optimise energy use
- ❖ Enabler 1: Operate a future-fit energy utility business
- ❖ Enabler 2: Action by residents, businesses and partners

The Directorate is made up of two departments:

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

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

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

SEM's mission is to be a pioneer in Cape Town's energy landscape that, through partnerships, drives innovative projects, policies, and processes to progressively achieve energy security and navigate the energy transition to the benefit of all.

The branches in the SEM Department aim to:

- **Generation Development and Energy Efficiency in Municipal Operations:** To design and deliver high quality power generation, procurement, and energy efficiency projects for the City. This branch also drives energy efficiency within City operations through the adoption of innovative technologies.

- Sustainable Energy Facilitation: To support households and businesses in the changing energy landscape by communicating how to make good energy decisions and collaborating with stakeholders to address barriers to change.
 - Data Management and Integration Platforms: To harness data management and analysis that supports evidence-based decision-making.
 - Strategy, Policy and Partnerships: To identify and unblock systemic barriers to navigating the energy transition in the City and with partners.
- **Electricity Generation & Distribution Department**
 The Department has been in existence since 1895 in different forms but providing the same essential service. The Department's core business is to provide reliable electricity supply to customers in the City's electricity services supply area and is licensed by NERSA to undertake this function. In order to ensure that the quality of electricity supply meets the required regulatory standards, the department monitors its performance in terms of NERSA guidelines as set out in the NRS048 documents. Branches include Supply, Infrastructure Operations, Engineering, Enterprise Asset Management, and Retail Management. More recently, the Utility has evolved to include a Distribution System Operator to better manage the significant increase in distributed energy resources on the distribution grid.

Changes to service levels and standards over the MTREF

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

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

Prior year performance – 2023/24 financial year

The Directorate achieved the following financial indicators against said targets:

- Capital spend: 93.8% (target: 90%)
- Operating spend 96.7% (target: 95%)
- Training budget spend: 99.2% (target: 95%)
- Repairs and maintenance spend 100.9% (target: 95%)

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

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

The Directorate considers itself well run as is evidenced in its revenue collection, and low levels of electrification backlog. The energy industry is changing and the sales environment is declining, yet the Directorate has to prepare its business to meet the future energy needs of the City's residents. The introduction of the Home User tariff has assisted in the structural change required to limit the impact of declining sales. The Directorate's revenue protection teams are working tirelessly on maintaining the

current collection rates and minimising the City's losses. The continued rollout of split prepaid metering will also assist in limiting losses.

Major features of expenditure including discretionary and non-discretionary expenditure

Bulk purchases of electricity from Eskom represents a substantial part of the Directorate's budget – around 75%. The City has consistently paid these charges to Eskom within the due dates.

The Directorate also collects the non-regulatory portion of its tariffs, which represents 13.94c per unit of electricity sold for the provision of a street-lighting service and the Sustainable Energy Markets Department. The Directorate's revenue protection efforts continue to assist in limiting these increases. One of the more difficult challenges driving costs is the sheer extent of theft and vandalism of electrical infrastructure.

Directorate capital programme

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

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

Table 69 – Energy (Vote 4) – operating revenue by source, expenditure by type and total capital expenditure

Directorate: Energy									
Budgeted Financial Performance (revenue and expenditure)									
Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue									
Exchange Revenue	16 395 823	16 561 605	20 105 031	21 514 349	22 229 372	22 229 372	23 821 531	24 484 855	25 278 051
Service charges - Electricity	16 275 696	16 383 796	19 940 175	21 328 255	22 043 278	22 043 278	23 663 555	24 309 320	25 094 791
Service charges - Water	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	-	-	-	-	-	-	-	-	-
Sales of Goods and Rendering of Services	6 010	9 443	12 777	12 766	12 766	12 766	15 010	15 685	16 375
Agency services	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	30 798	32 680	36 058	33 651	33 651	33 651	42 000	43 890	45 821
Interest earned from Current and Non Current Assets	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	31	27	29	30	30	30	(9 968)	35	37
Licence and permits	-	-	-	-	-	-	-	-	-
Special rating levies	-	-	-	-	-	-	-	-	-
Operational Revenue	83 288	135 658	115 992	139 646	139 646	139 646	110 934	115 926	121 026
Non-Exchange Revenue	2 450	135 981	170 711	179 415	179 578	179 578	196 660	208 636	215 962
Property rates	-	-	-	-	-	-	-	-	-
Surcharges and Taxes	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	9	10	3 166	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	1 084	133 816	165 016	176 915	177 078	177 078	194 160	206 024	213 234
Interest	-	-	-	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	1 357	2 155	2 529	2 500	2 500	2 500	2 500	2 612	2 727
Other Gains	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	16 398 272	16 697 586	20 275 742	21 693 763	22 408 950	22 408 950	24 018 191	24 693 491	25 494 012
Expenditure									
Employee related costs	1 398 889	1 331 392	1 509 164	1 736 081	1 761 448	1 761 448	1 810 568	1 925 913	2 058 294
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	11 561 609	11 812 158	13 941 386	15 472 230	15 974 700	15 974 700	17 755 086	18 363 846	19 062 355
Inventory consumed	134 630	162 116	162 229	182 901	204 255	201 502	248 803	254 710	261 767
Debt impairment	68 285	252 299	81 083	167 468	167 468	167 468	172 405	174 353	173 936
Depreciation & amortisation	418 601	447 058	476 347	515 335	506 068	506 068	541 627	582 772	617 072
Interest	88	-	-	-	-	-	-	-	-
Contracted services	342 242	433 035	517 954	626 083	602 101	604 561	942 493	745 774	778 736
Transfers and subsidies	775	2 350	1 900	3 150	4 150	4 150	2 500	2 500	2 500
Irrecoverable debts written off	44 375	44 072	45 616	44 400	44 400	44 400	50 100	50 100	50 100
Operational cost	179 976	178 345	196 449	216 164	227 033	227 326	233 116	234 353	235 060
Losses on disposal of Assets	461	730	645	464	464	464	464	464	464
Other Losses	-	-	-	-	-	-	-	-	-
Total Expenditure	14 149 932	14 663 555	16 932 773	18 964 276	19 492 087	19 492 087	21 757 162	22 334 785	23 240 284
Surplus/(Deficit)	2 248 340	2 034 030	3 342 969	2 729 487	2 916 862	2 916 862	2 261 029	2 358 706	2 253 729
Transfers & subsidies - capital monetary	25 328	33 281	25 852	67 240	65 808	65 808	66 820	70 472	69 730
Transfers & subsidies capital in-kind	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	2 273 668	2 067 311	3 368 821	2 796 727	2 982 671	2 982 671	2 327 849	2 429 178	2 323 459
Income Tax	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	2 273 668	2 067 311	3 368 821	2 796 727	2 982 671	2 982 671	2 327 849	2 429 178	2 323 459
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	2 273 668	2 067 311	3 368 821	2 796 727	2 982 671	2 982 671	2 327 849	2 429 178	2 323 459
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	2 273 668	2 067 311	3 368 821	2 796 727	2 982 671	2 982 671	2 327 849	2 429 178	2 323 459
Capital Expenditure	778 673	1 006 874	1 109 601	1 233 595	1 218 502	1 166 996	1 249 640	1 676 837	1 573 438

2.12.5 Finance (Vote 5)

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

Our vision is to ensure financial sustainability through good governance, zero tolerance for corruption and managing public resources for the maximum benefit of all residents.

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

- Formulation of a budget strategy in the Strategic Management Framework (SMF) process
- Provide the City's long-term financial planning framework and guidelines
- Model and prepare the City's short- to long-term operational and capital financial plan with a sustainable bottom line
- Ensure timeous and accurate payment of City creditors, councillors, employees and Expanded Public Works Programme (EPWP) workers in compliance with relevant legislation
- Ensure that all payroll accounts are reconciled and that the City has a well-managed travel management system
- Establish and manage standardised grant fund governance protocols to ensure legislative compliance, maintain visibility in corporate reporting (financial and non-financial), and maximise the City's grant fund receipts
- Ensure that funds due to the City are timeously and accurately billed, receipted, banked and reconciled accordingly
- Build a credible standing with the Auditor-General for the promotion of confidence in the financial records of the City
- Support the City in all its supply chain matters and further guide and promote statutory compliance with supply chain management legislation
- Manage the City's banking, investments, borrowings and cash flow (including municipal bond issues) in the most cost-effective and efficient manner possible
- Give effect to a compliant and accurate valuation roll to support sustainable rates income to enable service delivery

Service delivery is achieved through the following departments:

- Budgets
- Expenditure
- Grant Funding
- Revenue
- Supply Chain Management
- Treasury
- Valuations

Changes to service levels and standards over the MTREF

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

Prior year performance – 2023/24 financial year

- Capital spend: 99% (target: 90%)
- Operating spend: 98% (target: 95%)
- Repairs and maintenance spend: 57% (target: below 95%)
- Training budget spend: 100% (target: 95%)

Key achievements

- Ensured the timeous submission of the annual budget to Council for adoption
- Fully compliant with Municipal Budget and Reporting Regulations (MBRR)
- Submission of 12 monthly financial monitoring reports
- Implementation of more stringent budgetary controls via Directive 7 to ensure directorates do not contribute to unauthorised expenditure
- Achieved 99.7% of municipal payments made to service providers who submitted complete forms within 30 days of invoice submission
- Performed well regarding the expenditure and governance for all national- and provincial grants
- Achieved a 96.96% collection ratio as at June 2024 during a time of economic hardship with the City's residents faced with increases in interest rates, food and fuel prices
- Implementation of a debt incentive to create a payment culture amongst the City's customers and assist them during a time of economic hardship
- Implementation of QR codes on municipal accounts to streamline the payment activities of the City's customers in line with the ease-of-doing-business initiative of the City
- Achieved consecutive clean audit outcomes for the 2021/22, 2022/23 and 2023/24 financial years
- Achieved 100% tender completion rate for the 2023/24 financial year
- Utilisation of e-Procurement – 100% online
- introduction of vetting and compliance above R200K to R750K awards (Procurement Review Committee)
- New deviation portal, electronic submissions and a how-to guide video implemented (Deviations below R750K)
- The credit profile of the City (Ba3/NP stable) reflects its consistently strong and improving operating and financial performance, which demonstrates resilience in its liquidity positions
- New general valuation cycle (GV2022) effective 1 July 2023
- Resolution of approximately 99% of the 14 815 valuation-related GV2022 objections recorded by the end of 2023/24
- Annual update of the Rates Policy, which includes measures to ease the Rates burden on the most vulnerable parts of the community

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

The Directorate takes due care to ensure that risks, which could impact on the Directorate not achieving its objectives are identified, addressed and managed on a day-to-day basis in accordance with the City's approved IRM driver documents.

Risk Registers are utilised as a management tool in order to manage identified risks of the Directorate. The risks identified will be reported to RiskCo in accordance with the annual RiskCo Work Plan. The Executive Director informs/discusses the Directorate's risks with the relevant Mayoral Committee member on a six-monthly basis.

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

The Directorate's major expenditure categories include:

- Salaries and Wages;
- Contracted Services – mostly linked to MURP projects;
- Depreciation; and
- Finance Charges.

Directorate capital programme

The key projects contained within the 2025/26 capital budget of the Directorate support both financial control and enhanced service delivery, and include a number of strategically aligned projects to support the ease with which ratepayers can engage and do business with the City.

The majority of the capital budget over the next MTREF relates mainly to:

- Aerial photography;
- Computer equipment;
- Furniture replacement;
- Kitchen equipment replacement;
- Office and training facilities upgrade;
- Floodlight replacement;
- Generator controllers upgrade;
- LED Big screen replacement;
- PA system replacement; and
- Rental units in Cape Town Stadium.

Table 70 – Finance (Vote 5) – operating revenue by source, expenditure by type and total capital expenditure

Directorate: Finance									
Budgeted Financial Performance (revenue and expenditure)									
Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Revenue									
Exchange Revenue	1 366 478	1 805 298	2 014 133	1 449 300	1 457 300	1 457 300	1 155 148	1 057 331	1 238 452
Service charges - Electricity	–	–	–	–	–	–	–	–	–
Service charges - Water	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	0	–	–	–	–	–	–	–	–
Service charges - Waste Management	11	–	26	–	–	–	–	–	–
Sales of Goods and Rendering of Services	31 791	55 860	53 994	29 340	29 340	29 340	30 321	31 686	33 110
Agency services	248 133	262 347	264 127	280 106	280 106	280 106	286 716	293 483	320 409
Interest	–	–	–	–	–	–	–	–	–
Interest earned from Receivables	13 930	8 450	13 088	11 529	11 529	11 529	12 048	12 590	13 144
Interest earned from Current and Non Current Assets	967 329	1 435 290	1 566 840	1 054 316	1 054 316	1 054 316	740 168	629 605	769 030
Dividends	–	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets	14	3 061	6 115	6 470	6 470	6 470	6 956	7 477	8 038
Licence and permits	–	–	(23)	–	–	–	–	–	–
Special rating levies	–	–	–	–	–	–	–	–	–
Operational Revenue	105 269	40 291	109 966	67 540	75 540	75 540	78 939	82 491	94 721
Non-Exchange Revenue	16 422 915	15 919 034	16 855 624	17 638 096	17 651 215	17 651 215	19 000 493	20 448 884	21 621 145
Property rates	10 358 743	11 245 429	11 986 459	12 712 797	12 712 797	12 712 797	13 768 100	14 946 054	15 943 920
Surcharges and Taxes	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	888	1 014	2 302	614	614	614	642	671	700
Licences and permits	–	8	–	–	–	–	–	–	–
Transfers and subsidies - Operational	3 343 227	1 776 687	2 048 838	2 080 709	2 093 829	2 093 829	2 231 301	2 376 592	2 472 431
Interest	99 174	124 173	137 912	94 426	94 426	94 426	98 675	103 115	107 652
Fuel Levy	2 608 900	2 666 726	2 639 290	2 749 549	2 749 549	2 749 549	2 851 776	2 972 451	3 096 441
Operational Revenue	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets	183	86	188	–	–	–	–	–	–
Other Gains	11 801	104 911	40 634	–	–	–	50 000	50 000	–
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	17 789 393	17 724 331	18 869 757	19 087 396	19 108 516	19 108 516	20 155 641	21 506 215	22 859 597
Expenditure									
Employee related costs	1 265 620	977 858	1 223 404	1 349 675	1 537 458	1 537 099	1 460 992	1 538 477	1 628 152
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Bulk purchases - electricity	–	–	–	–	–	–	–	–	–
Inventory consumed	9 569	13 701	13 072	17 824	15 523	15 572	14 317	13 310	12 638
Debt impairment	28 328	163 177	260 132	390 294	390 294	390 294	585 144	635 207	677 617
Depreciation & amortisation	202 040	202 556	203 250	186 962	187 872	187 872	177 000	181 633	180 650
Interest	734 626	712 028	784 439	1 197 270	1 072 435	1 070 435	1 409 509	1 757 926	2 035 334
Contracted services	58 401	65 178	117 138	66 342	82 933	87 768	80 108	78 996	68 603
Transfers and subsidies	41 915	33 196	35 196	44 500	44 500	44 500	44 500	44 500	44 500
Irrecoverable debts written off	151 318	56 440	182 199	–	–	–	–	–	–
Operational cost	436 471	502 417	545 881	672 954	685 160	682 636	723 385	779 477	848 001
Losses on disposal of Assets	466	121	74	–	–	–	–	–	–
Other Losses	16 373	18 713	21 808	1 260	1 260	1 260	1 260	1 260	1 260
Total Expenditure	2 945 125	2 745 384	3 386 594	3 927 081	4 017 436	4 017 436	4 496 215	5 030 785	5 496 754
Surplus/(Deficit)	14 844 268	14 978 947	15 483 163	15 160 315	15 091 079	15 091 079	15 659 426	16 475 430	17 362 843
Transfers & subsidies - capital monetary	59	217	1 593	60	60	60	870	–	270
Transfers & subsidies capital in-kind	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	14 844 328	14 979 164	15 484 756	15 160 375	15 091 139	15 091 139	15 660 296	16 475 430	17 363 113
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	14 844 328	14 979 164	15 484 756	15 160 375	15 091 139	15 091 139	15 660 296	16 475 430	17 363 113
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	14 844 328	14 979 164	15 484 756	15 160 375	15 091 139	15 091 139	15 660 296	16 475 430	17 363 113
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	14 844 328	14 979 164	15 484 756	15 160 375	15 091 139	15 091 139	15 660 296	16 475 430	17 363 113
Capital Expenditure	16 290	28 965	64 131	70 627	77 873	77 727	123 163	16 314	21 040

2.12.6 Future Planning & Resilience (Vote 6)

The Future Planning & Resilience Directorate, created at the beginning of the current term of office, brings together a range of City functions in order to work across the organisation to perform short-, medium- and long-term strategy and policy development, capital planning, risk management, performance management and business improvement. The Directorate is tasked with analysing and developing responses, both internally and externally, to the changing nature of the urban environment, including shock events.

The Directorate strategy envisages achieving the following:

- Overseeing the implementation of the Infrastructure Planning and Delivery Framework, facilitating the work of the inter-disciplinary working group on Infrastructure Planning and Growth, and developing periodic editions of the Infrastructure Report.
- Providing leadership and facilitation for long-term and annual strategic planning, which includes working closely with the Finance Directorate on the annual strategy-led budget process. The Cape Town Long-Term (2050) Plan will be presented to Council for approval in 2025/26.
- Facilitating the annual review of the City's 5-year Integrated Development Plan (IDP).
- Implementation of the City Data Strategy and the associated targeted operating model for data analytics.
- The ongoing development and successful implementation of Project, Programme, Portfolio, Engineering and Contract Management, across the various directorates within the City, ensuring a continuous improvement in maturity levels against industry benchmarks. The scaled-up effort to support the organisation in executing the City's considerable medium-term capital investment programme will continue in 2025/26.
- Driving a culture of performance management that strategically focuses the City on evidence-based planning for decision-making, data management, monitoring, evaluation and legislative oversight.
- Enabling citywide approaches to innovation and operational effectiveness as an enabler of modernisation initiatives in order to ensure continuous improvement, the optimal utilisation of resources, increased productivity, and improved quality and overall satisfaction of business and operating models.
- Driving the embedding of new values and associated behaviours that, among other things, embrace a new culture of innovation, openness, and caring.
- Driving further the new strategic approach to the "Future of Work" to ensure the organisation is future-fit and an "Employer of Choice".
- Overseeing the implementation of the Cape Town Resilience Strategy and the Cape Town Climate Action Plan, while ensuring that the urban environment is constantly assessed for changing shocks and stresses in order to ensure that new responses are included in the strategy and planning processes.
- Surging the combined resources of the Directorate to build strategic and programmatic responses to complex problems and citywide shock events that require coordinated transversal responses.
- Communicating and building recognition of the City's brand through a credible and professional communication flow between the City and its various stakeholders. In 2025/26, this will include ongoing refinements to the City App and implementation of a new City Intranet site.
- Analysing and monitoring the internal and external communications environment to identify and respond to communication needs.
- Develop and manage communication systems and processes to optimise City communication.

The Directorate is made up of the following departments:

- **Policy and Strategy Department**

This Department leads the drafting, amending and reviewing of the IDP in terms of relevant legislation for the purpose of attaining citywide and organisational objectives. Additionally, it leads the development of the annual Strategic Management Framework (SMF) and the annual Infrastructure Report. It also leads the strategy frameworks and policy processes in the organisation and provides the strategy and analytical support to enable sound decision-making, effective implementation, delivery and strategy-led budgeting. The Department builds an analytics-driven culture across the organisation to generate insights that can be used by the organisation to inform strategic and operational decisions, which includes the provision of data engineering services to surface and automate the flow of data. In 2025/26, the Department will lead the implementation of a new target operating model for data analytics.

- **Corporate Project, Programme and Portfolio Management Department**

The Department serves as a Centre of Excellence to provide the required cutting edge for Project, Programme, Portfolio and Engineering Management solutions to enhance the customer-centric culture in the City. The Department does not only focus on the continuous increase of maturity throughout the City for the various disciplines, but also aims to ensure continuous individual competence improvements for project, contract and engineering managers. Through the Project Portfolio Management System, the Contract Register and Monitoring System, and the Wayleave Management System, implementation of the City's projects is supported and managed, and service delivery enhanced towards successful delivery of projects as scoped and planned within cost, time and quality constraints. It also leads contract creation, execution, and performance monitoring to maximise operational and financial performance, while reducing financial risk.

- **Organisational Effectiveness and Innovation Department**

The Department drives use of innovation methodologies in support of government modernisation and efficiency initiatives in order to prepare the organisation for future challenges and opportunities and to ensure financial sustainability. It gives effect to the City's strategic transformational initiatives via the People Strategy. It plays a pivotal role in improving the effectiveness of the organisation via these focus areas: organisational culture, embedding the behaviours associated with City Values, driving strategies, tools and resources of the Leadership Development and People Management frameworks, developing a compelling Employee Value Proposition to position the City as an "Employer of Choice", and equipping the organisation with tools to drive and lead change. It also transforms the City as a workplace by providing strategic direction and operational guidance over matters related to diversity in the organisation.

- **Risk and Resilience Department**

The Department includes the Integrated Risk Management, Business Continuity, Climate Change and Resilience functions. The Department develops strategic, transversal responses to citywide prioritised shocks and stresses, and intractable issues that require collaboration and partnering, both internally and externally. It seeks to understand the impact of climate change in Cape Town for the purpose of developing organisation and citywide responses that improve both mitigation and adaptive capabilities of the City. It also facilitates the annual disclosures to the Carbon Disclosure Project (CDP). It promotes improvement in effective, efficient and sustainable City governance processes associated with risk management. It utilises continuous research to support and guide constant improvement toward industry-leading practices around risk management and the integration of resilience responses to mitigate risk and build resilience in the face of disruptive events. It institutionalises a risk management “culture” where “everyone in the organisation is responsible for risk management”.

- **Organisational Performance Management Department**

This Department guides and directs the enhancement of the City’s organisational performance capabilities, alignment and systems in order to develop a mind-set of continuous improvement and improved quality of service delivery through strategy implementation, performance visualisation, accountability and improved evidence-based planning. It leads amongst other products the drafting, amending, monitoring and reporting of the Corporate Scorecard, Service delivery and Budget Implementation Plan, City Manager and Executive Directors’ scorecards and the Integrated Annual Report. It also guides the organisation towards attainment of a ‘clean audit’ for pre-determined objectives, and consequently positively impacts the credit rating and reputation of the City with local, regional and national stakeholders. It, furthermore, enhances the organisation’s ability to successfully apply monitoring and evaluation practices and systems by raising the performance management maturity level of the organisation.

- **Communications Department**

The Department provides a range of specialist communication services to all City departments around the various facets of communication. One of the main deliverables involves managing the City’s Corporate Brand and media strategies, which in turn builds towards a positive perception and reputation of the City. Services provided include media management and liaison (including social media), communication strategy and campaign development and execution, publications, website and intranet development and management, management of the City’s brand and development of material using the City’s logo, photography, videography and audio-visual services. The dimensions of the Department’s activities are defined by the Corporate Brand Strategy, Brand Architecture, and the Media and Communication Strategies of the City.

Changes to service levels and standards over the MTREF

All departments within the Directorate are internally focused, providing enabling support on a range of corporate and statutory processes. No changes are anticipated to service levels and standards over the MTREF.

Prior year performance – 2023/24 financial year

The Directorate attained the following financial indicators in the 2023/24 financial year.

- Capital spend: 98.78% (target: 90%)
- Operating spend: 97.85% (target: 95%)
- Repairs and maintenance spend: 1.21% (target: 95%)
- Training budget spend: 99.10% (target: 95%)

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

The major source of revenue generated by the Directorate is grant funding as per the DoRA. There are currently no revenue risks, despite continuous reforms which could produce opportunities for growth in revenue through the introduction of new or improved grant frameworks.

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

The Directorate's major expenditure categories include:

- Employee Related Costs;
- Contracted Services; and
- Other Expenditure.

Directorate capital programme

The Directorate's capital programme is made up of the following main projects/acquisitions:

- Digital Video Editing Suite: Replacement
- Computer Equipment: Additional and Replacement
- Furniture: Additional and Replacement
- Printers: Replacement
- Office Equipment: Replacement

Table 71 – Future Planning & Resilience (Vote 6) – operating revenue by source, expenditure by type and total capital expenditure

Directorate: Future Planning & Resilience									
Budgeted Financial Performance (revenue and expenditure)									
Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue									
Exchange Revenue	106	184	97	131	855	855	893	933	974
Service charges - Electricity	-	-	-	-	-	-	-	-	-
Service charges - Water	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	-	-	-	-	-	-	-	-	-
Sales of Goods and Rendering of Services	0	0	18	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	-	-	-	-	-	-	-	-	-
Licence and permits	-	-	-	-	-	-	-	-	-
Special rating levies	-	-	-	-	-	-	-	-	-
Operational Revenue	106	184	78	131	855	855	893	933	974
Non-Exchange Revenue	28 865	62 155	64 485	69 308	80 326	80 326	65 022	61 868	53 262
Property rates	-	-	-	-	-	-	-	-	-
Surcharges and Taxes	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	28 863	62 148	64 477	69 308	80 326	80 326	65 022	61 868	53 262
Interest	-	-	-	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	3	7	8	-	-	-	-	-	-
Other Gains	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	28 971	62 339	64 581	69 439	81 180	81 180	65 915	62 801	54 236
Expenditure									
Employee related costs	243 465	272 444	325 511	367 721	369 364	368 778	398 035	427 811	461 824
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	1 489	2 899	2 648	2 480	2 540	2 646	2 869	2 470	2 337
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & amortisation	13 681	13 896	15 015	14 697	19 561	19 561	24 402	24 372	20 795
Interest	164	-	-	-	-	-	-	-	-
Contracted services	66 669	97 721	139 905	120 471	141 443	142 245	100 988	84 129	67 378
Transfers and subsidies	-	260	202	202	331	331	331	331	331
Irrecoverable debts written off	-	-	-	-	-	-	-	-	-
Operational cost	79 008	77 523	60 316	67 734	72 325	72 004	69 198	69 687	60 645
Losses on disposal of Assets	102	35	9	2	2	2	2	2	2
Other Losses	-	-	-	-	-	-	-	-	-
Total Expenditure	404 577	464 779	543 604	573 306	605 568	605 568	595 825	608 803	613 313
Surplus/(Deficit)	(375 606)	(402 440)	(479 023)	(503 868)	(524 387)	(524 387)	(529 909)	(546 002)	(559 077)
Transfers & subsidies - capital monetary	-	-	-	-	-	-	-	-	-
Transfers & subsidies capital in-kind	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(375 606)	(402 440)	(479 023)	(503 868)	(524 387)	(524 387)	(529 909)	(546 002)	(559 077)
Income Tax	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	(375 606)	(402 440)	(479 023)	(503 868)	(524 387)	(524 387)	(529 909)	(546 002)	(559 077)
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(375 606)	(402 440)	(479 023)	(503 868)	(524 387)	(524 387)	(529 909)	(546 002)	(559 077)
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(375 606)	(402 440)	(479 023)	(503 868)	(524 387)	(524 387)	(529 909)	(546 002)	(559 077)
Capital Expenditure	13 939	24 961	19 973	17 909	26 405	26 263	5 414	5 388	5 810

2.12.7 Human Settlements (Vote 7)

The Human Settlements Directorate leads the City's efforts at facilitating the development of integrated and sustainable human settlements. Housing is one of the City's priorities and the Directorate is committed to improving access to affordable and well-located housing through supporting a housing market that can deliver at scale to meet the needs of Cape Town's population.

The key objectives of the Human Settlements Directorate is therefore to:

- Facilitate and develop sustainable integrated human settlements;
- Integrate the delivery of housing opportunities with the objectives and deliverables of the rest of the City, thereby ensuring that these contribute to the creation of a compact city and optimal use of facilities;
- Improve informal settlements and backyard precincts incrementally and create a better-quality and safer living environment, rather than merely providing shelter;
- Manage and maintain the City's rental housing assets strategically; and
- Promote and ensure meaningful partnerships with private sector and community-based stakeholders towards the development of affordable housing.

The above-mentioned objectives are realised through projects and programmes implemented in the following line departments within the Directorate:

- **Housing Development Department**

The core function of this department is to facilitate and develop sustainable integrated human settlements in alignment with the National Housing Code, the City's Spatial Development Framework, and the City's Transit Oriented Development Framework. This is done by managing the initiation, planning and implementation of integrated human settlement projects and facilitating the development of social facilities and amenities. This integrated approach is aligned to the National Grant Funding programmes, which provide the necessary resources (funding) for the Housing Development Department to perform its functions. Furthermore, the Department is responsible for the upliftment of local communities through the management of People's Housing Programme (PHP) projects.

- **Public Housing Department**

This Department is responsible to direct, manage and control the operations with regard to the transfer of the City's public housing assets, as well as for tenancy transfer and management. The Department is also responsible for the development and implementation of maintenance plans by assessing conditions, maintenance costing, and rollout.

- **Informal Settlements Department**

This Department's primary function is to upgrade informal settlements through various interventions, including in-situ upgrading under the National Upgrading of Informal Settlements Programme, re-blocking, enhanced re-blocking, super-blocking and the development of Incremental Development Areas (IDA's). These initiatives may result in individual serviced sites or the provision of shared basic services. Additionally, the Department delivers essential municipal services to households living in the backyards of City-owned rental housing.

- **Human Settlements Planning Department**

The core objective of the Department is to provide strategic support in the implementation of human settlement programmes, which will be achieved through the development of human settlements operational strategies and policies that inform human settlements plans and programmes. Furthermore, the Department is responsible for strategic identification and acquisition of well-located land for human settlements purposes. The Department is responsible for beneficiary management and tenure administration, and also facilitates and enables partnerships with the private sector towards the development of affordable housing in the City.

Changes to service levels and standards over the MTREF

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

Prior year performance – 2023/24 financial year

The Directorate achieved the following financial indicators in the prior financial year:

- Capital spend: 98.4% (target 90%)
- Operating spend: 98.2% (target 95%)
- Repairs and maintenance spend: 94.43% (target 95%)
- Training budget spend: 100.0% (target 95%)

The following achievements were accomplished by the Directorate:

- Human Settlements opportunities provided:
 - Top Structures: 1854 (target: 1300)
 - Serviced Sites: 1627 (target: 2700)
- Sites serviced in informal settlements: 1124 (target: 1220)
- Number of informal settlements upgraded to Phase 2: 11 (target: 10)
- Number of transfers of ownership to new beneficiaries: 4815 (target: 3250)
- Number of deeds of sale agreements signed with identified beneficiaries within City-owned rental stock: 685 (target: 500)
- Number of title deeds registered to beneficiaries: 669 (target: 600)
- Well-located land parcels released to the private sector for affordable housing (number): 5 (target:5)

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

Collection of rental income is under pressure because of the financial pressures on tenants as a result of the strained economy resulting in continued growth in outstanding rental debt. Appropriate debt management measures are in place to address this situation.

Major features of expenditure including discretionary and non-discretionary expenditure

The Directorate's major categories of expenditure will be:

- Construction of top structures and serviced sites for qualifying beneficiaries.
- Upgrading of informal settlements.
- Repairs and maintenance in respect of the City's Rental Units.
- Implementation of the managed settlement initiative in response to unlawful land occupation.
- Transfer of title to qualifying beneficiaries.
- Release of state-owned land in order for the private sector to deliver more affordable housing.

Directorate capital programme

The Directorate's capital programme for 2025/26 is made up of the following major projects:

- Informal Settlements Upgrade Programme: Mfuleni Extension 1; Enkanini; Bosasa Link; Monwabisi; Botfontein; Village Heights; Military Heights; Overcome Heights Retreat with additional IS Upgrade Programmes in areas East, North, South and Central.
- Formal Housing Development projects: ACSA Symphony Housing Project Construct; Aloe Ridge; Kanonkop; Elsies River; Blue Berry Hill; Gugulethu; Valhalla Park; and Macassar
- Backyarder Services Programme
- Asset Upgrading Programme – City's Rental Units
- Land acquisitions
- Social Housing Programme

Table 72 – Human Settlements (Vote 7) – operating revenue by source, expenditure by type and total capital expenditure

Directorate: Human Settlements									
Budgeted Financial Performance (revenue and expenditure)									
Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue									
Exchange Revenue	190 827	205 973	215 292	223 714	215 022	215 022	221 527	226 284	256 051
Service charges - Electricity	–	–	–	–	–	–	–	–	–
Service charges - Water	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	–	–	–	–	–	–	–	–	–
Sales of Goods and Rendering of Services	143	87	39	87	54	54	87	91	95
Agency services	–	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–	–
Interest earned from Receivables	827	331	(17)	377	30	30	377	394	412
Interest earned from Current and Non Current Assets	126	134	142	698	400	400	698	729	761
Dividends	–	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets	176 862	189 452	202 243	211 049	202 391	202 391	208 852	213 038	242 223
Licence and permits	–	–	–	–	–	–	–	–	–
Special rating levies	–	–	–	–	–	–	–	–	–
Operational Revenue	12 869	15 968	12 884	11 503	12 147	12 147	11 513	12 031	12 560
Non-Exchange Revenue	314 966	638 274	627 475	718 448	762 185	762 185	721 474	734 815	720 123
Property rates	–	–	–	–	–	–	–	–	–
Surcharges and Taxes	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	–	329	6 629	–	–	–	–	–	–
Licences and permits	–	–	–	–	–	–	–	–	–
Transfers and subsidies - Operational	258 402	637 642	620 400	716 226	760 185	760 185	719 252	732 593	717 901
Interest	–	–	–	–	–	–	–	–	–
Fuel Levy	–	–	–	–	–	–	–	–	–
Operational Revenue	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets	56 565	303	446	2 222	2 000	2 000	2 222	2 222	2 222
Other Gains	–	–	–	–	–	–	–	–	–
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	505 793	844 247	842 767	942 162	977 208	977 208	943 001	961 099	976 174
Expenditure									
Employee related costs	402 395	421 636	485 640	552 279	558 705	558 705	578 834	619 850	693 391
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Bulk purchases - electricity	–	–	–	–	–	–	–	–	–
Inventory consumed	37 368	85 567	73 995	103 658	113 743	111 979	117 929	119 892	124 537
Debt impairment	81 221	67 704	26 509	(13 321)	(13 321)	(13 321)	121 988	113 946	119 400
Depreciation & amortisation	170 749	173 504	189 295	219 309	196 945	196 945	224 267	252 214	279 634
Interest	837	407	–	–	–	–	–	–	–
Contracted services	560 473	578 295	567 932	609 034	639 883	644 650	574 477	561 259	562 956
Transfers and subsidies	39 485	40 128	30 614	10 000	52 875	52 875	10 000	10 000	2 000
Irrecoverable debts written off	51 126	71 832	92 061	124 636	124 636	124 636	–	–	–
Operational cost	87 926	93 348	109 624	62 273	73 719	70 715	77 562	75 143	75 770
Losses on disposal of Assets	681	1 275	2 112	28	28	28	28	28	28
Other Losses	–	–	–	–	–	–	–	–	–
Total Expenditure	1 432 260	1 533 696	1 577 781	1 667 896	1 747 214	1 747 214	1 705 085	1 752 332	1 857 715
Surplus/(Deficit)	(926 467)	(689 449)	(735 014)	(725 734)	(770 006)	(770 006)	(762 084)	(791 233)	(881 541)
Transfers & subsidies - capital monetary	783 007	754 530	789 216	781 819	866 144	866 144	828 567	816 339	956 035
Transfers & subsidies capital in-kind	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(143 460)	65 081	54 202	56 085	96 138	96 138	66 484	25 106	74 494
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	(143 460)	65 081	54 202	56 085	96 138	96 138	66 484	25 106	74 494
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	(143 460)	65 081	54 202	56 085	96 138	96 138	66 484	25 106	74 494
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(143 460)	65 081	54 202	56 085	96 138	96 138	66 484	25 106	74 494
Capital Expenditure	892 564	881 608	959 185	982 278	1 094 530	1 087 322	1 228 699	999 921	1 072 754

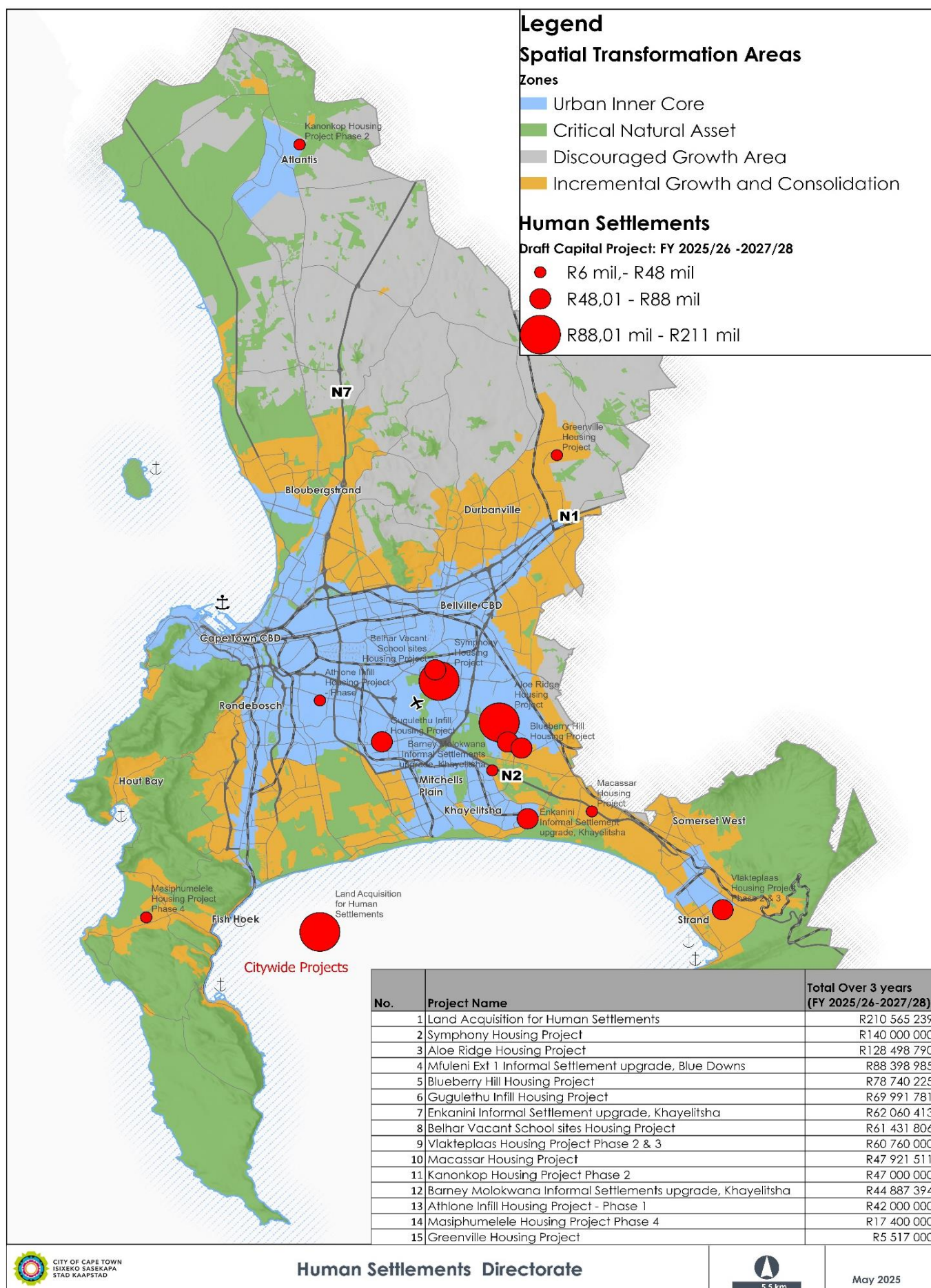


Figure 30: Map detailing Human Settlements's top projects/programmes over the MTREF

2.12.8 Office of The City Manager (Vote 8)

The City Manager, appointed as the City's Accounting Officer, is entrusted with the responsibility of overseeing the day-to-day operations of the City's administration. In this capacity, the City Manager is tasked with implementing the policies set by the Council to ensure efficient service delivery and the effective management of resources in alignment with service delivery objectives. The City Manager coordinates the performance and innovation across corporate and directorates, drives compliance with legal and regulatory standards, and leads initiatives to enhance operational performance and sustainability. By working closely with the Executive Management Team and engaging with the body politic, the City Manager plays a pivotal role in the execution of strategic programmes outlined in the 5-year Integrated Development Plan (IDP), all while upholding the City's core values: Caring, Accountability, Openness and Transparency, Innovation, and Service Excellence.

The Directorate is the central hub responsible for ensuring transparency, accountability, and effective governance within the City's operations. This Directorate encompasses several key departments that work collaboratively to uphold ethical standards, provide legal support, and ensure internal processes are functioning optimally. The departments under this directorate include Ethics and Forensic Services, Internal Audit, Legal Services, and the Office of the City Ombudsman. Together, these departments form the second layer of combined assurance, offering essential services to the City and its directorates. They play a vital role in maintaining the integrity of the City's operations by addressing potential ethical issues, conducting audits, offering legal counsel, and safeguarding citizens' rights through independent oversight. By providing this combined assurance, these departments ensure that the city's operations remain transparent, compliant, and aligned with its values.

Vision of the Office of the City Manager Directorate

Through independent oversight, the Directorate's vision is to enhance the integrity of the city's operations by fostering transparent and accountable decision-making, ultimately creating a sustainable, innovative, and inclusive future for the City. As the second layer of combined assurance, this vision reflects a commitment to delivering essential services that safeguard the city's operations, drive compliance, and uphold the values of transparency, accountability, and service excellence.

The Directorate envisions being a trusted center that advises, provides direction, and engages with both internal and external partners. By fostering collaboration across its key departments, the Directorate aims to serve as a central hub that upholds the highest standards of ethical conduct, provides robust legal support, and ensures the seamless functioning of internal processes. This approach is designed to enable the City to sustain its effectiveness and equitable service delivery, distinguishing itself as a well-governed and efficiently run administration that contributes to the achievement of the goals and objectives of the Integrated Development Plan (IDP).

The Office of the City Manager comprises of the following departments:

- **Ethics and Forensic Services Department**

The Ethics and Forensic Services (EFS) Department plays a critical role in advancing the City's efforts to combat fraud, corruption, and unethical conduct, thereby contributing to the City's combined assurance programme and promoting good governance. The Ethics function is tasked with implementing the City's ethics programme, which aims to institutionalise ethical behaviour as part of employees' daily functions, while also addressing ethics and integrity violations in alignment with the City's Code of Conduct.

The Department provides two key services:

- **Proactive Forensic and Ethics Services:** Focused on implementing prevention and detection strategies, as well as providing awareness and education programmes across the City.
- **Reactive Forensic and Ethics Services:** Addressing significant fraud, corruption, criminal conduct, maladministration, negligence, and unethical behaviour by City employees and external parties, such as service providers and suppliers.

In delivering these services, EFS plays a vital role in combating fraud, corruption, and related activities, thereby fostering good governance and creating an environment conducive to ethical conduct.

To further enhance its service offerings, the Department is implementing business improvements as part of a broader quality assurance process. These include:

- Reviewing and implementing the approved EFS Strategy, which covers prevention, detection, investigation, case-load management, quality assurance, stakeholder management, training and development, and organizational structure optimization.
- Automating key processes such as case management, electronic working papers, records management, SAP Portal interactive training, data analytics, and computer imaging to improve efficiency and effectiveness.

• **Internal Audit Department**

The scope of work of Internal Audit at the City encompasses the objective examination of evidence to provide independent assessments to Council, management, and key stakeholders regarding the adequacy and effectiveness of the City's risk management, control, and governance processes. In addition, Internal Audit evaluates the quality of performance in carrying out assigned responsibilities to ensure alignment with the City's goals and objectives. This comprehensive scope includes:

- **Monitoring and Evaluating Internal Controls:** Assessing the adequacy, efficiency, and effectiveness of the City's internal control systems.
- **Risk Management Processes:** Evaluating the effectiveness of risk management strategies and practices.
- **Governance Processes:** Reviewing governance structures to ensure they function effectively and transparently.
- **Operational Evaluations:** Evaluating the operations and programmes to ensure they align with established goals, are conducted economically, and are efficient and effective.
- **Compliance Assessments:** Reviewing actions of officials, contractors, and third parties to ensure adherence to policies, procedures, governance standards, and relevant laws.
- **Combined Assurance:** Embedding combined assurance practices, ensuring coordination and collaboration between management, specialized functions, and internal and external assurance providers for optimal assurance coverage.
- **Information Integrity:** Assessing the reliability and integrity of information used within the City's processes.
- **Regulatory Compliance:** Evaluating whether processes and systems enable compliance with relevant laws, regulations, and policies.
- **Resource and Asset Management:** Ensuring resources and assets are acquired economically, used efficiently, and protected adequately.
- **Continuous Improvement:** Fostering quality and continuous improvements in the City's control processes and applicable frameworks.
- **Information Systems and Transactions:** Regularly assessing information systems and transaction control mechanisms.

- Support to Oversight Committees: Providing technical support to oversight committees, such as the Audit and Performance Audit Committee (APAC), the Municipal Public Accounts Committee (MPAC), and the Financial Misconduct Board (FMB).
- Effective Communication: Promoting open and effective communication with governance structures and committees.

Internal Audit actively contributes to the identification of opportunities to improve governance, risk management, control processes, and service delivery, while also enhancing the sustainability and image of the City. Any areas of improvement identified during audits will be communicated to the appropriate level of management to ensure continued enhancement of the internal control environment, reinforcing the City's commitment to operational excellence and transparency.

- **Legal Services Department**

The Legal Services Department aims to establish itself as a key business partner within the City by providing responsive, professional, and innovative legal direction and guidance, while efficiently meeting the organisational expectations outlined in the Integrated Development Plan (IDP). By doing so, the department directly contributes to maintaining the highest standards of service delivery to the residents and visitors of Cape Town.

As part of the Office of the City Manager, the department operates through seven functional units;

- Access to Information
- Corporate Advisory Services,
- Legal Compliance
- Legislative Development
- Municipal Courts Unit
- Procurement Law
- Resources and Interface

Together, these units provide in-house legal assistance to the City's frontline departments as well as its corporate operations, with the overarching goal of enabling the City to meet its Constitutional mandate and legislative requirements.

The Department's legal services play a vital role in strengthening oversight, accountability, and governance processes across the City. It is also guided by various legislative frameworks, such as those governing court operations and timelines for court matters, as well as the Promotion of Access to Information Act (PAIA) and the Promotion of Administrative Justice Act (PAJA), which ensure timely and efficient processing of matters.

In addition to these responsibilities, the department is committed to managing and mitigating legal risks associated with the City's operations, ensuring alignment with the strategic priorities of the IDP. This commitment supports the City's legal compliance, legislative development, and overall governance, further reinforcing its efforts to provide effective and equitable service delivery.

Through its comprehensive legal services and support, the Legal Services Department remains an integral part of the City's ability to operate efficiently, effectively, and in full compliance with legal and regulatory requirements.

- **Office of the City Ombudsman (OCO) Department**

The OCO Department serves as a critical function within the City's administration, primarily tasked with investigating and resolving public complaints. The office provides an independent, impartial, unbiased, non-prejudicial, and apolitical service, offering alternative dispute resolution through recommending solutions or corrective actions to amicably resolve complaints. In addition to complaint resolution, the OCO Department is committed to creating awareness about its services and managing relationships with stakeholders, which forms an essential part of its focus.

The focus areas include, *inter alia*:

1. Managing complaints to prevent escalation

The OCO Department employs a proactive approach to managing complaints by analysing their root causes and implementing measures to prevent recurrence. By promptly notifying relevant directorates and departments about complaints, the OCO fosters accountability and continuous improvement across the organization.

2. Classification of backlog cases

To ensure efficient case resolution, the OCO has implemented a systematic approach to prioritising complaints based on urgency, complexity, and nature. This approach includes the enhancement of the Ombudsman Advance Tracking System (OATS), which will track investigation timelines and highlight case complexities for greater transparency and efficiency.

3. Maintaining the footprint of the OCO

The OCO remains dedicated to maintaining a strong and accessible presence, ensuring its services are readily available to the public. By expanding its footprint, the office reaffirms its commitment to fairness, transparency, and accountability, ensuring citizens can easily engage with the service.

4. Increasing Digital Services Footprint

The OCO has successfully implemented digital services such as the eOmbud platform for lodging and tracking complaints. In the current financial year, efforts will focus on increasing awareness of this platform, as well as the SMS line, to ensure equitable access to services for residents, including those facing cost-of-living challenges.

5. Finalisation of cases

The OCO remains focused on efficiently resolving complaints, with ongoing improvements in its tracking system to enhance case finalisation. The introduction of Service Level Agreements (SLAs) with Executive Directors ensures agreed timelines for complaint resolution, enhancing service delivery. The Department transitioned from a manual, paper-based system to an electronic platform supported by the OATS, which continues to evolve for improved tracking and engagement.

6. Awareness sessions

The OCO is dedicated to raising awareness and fostering understanding of its services through targeted advocacy, relationship management, and communication efforts. This includes organising sessions with City departments, staff, and non-governmental organisations (NGOs), as well as promoting the eOmbud platform through training and informational forums.

The Office of the City Ombudsman is committed to enhancing service delivery through the timely and effective resolution of complaints, continuous improvement of systems, and ensuring that its services are accessible and transparent to all citizens. Through strategic focus areas, the OCO strives to maintain a fair, accountable, and accessible complaint resolution process for residents and visitors of Cape Town.

Changes to service levels and standards over the MTREF

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

Prior year performance – 2023/24 financial year

The Directorate attained the following financial indicators in the prior financial year:

- Capital spend: 98.86% (target: 90%)
- Operating spend 99.28% (target: 95%)
- Repairs and maintenance spend 68.70% (target: 95%)
- Training budget spend 93.90% (target: 95%)

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

Not applicable to the Directorate.

Major features of expenditure including discretionary and non-discretionary expenditure

The Directorate's main expenditure categories include:

- Employee related cost;
- Contracted services; and
- Other expenditure.

Directorate Capital Programme

The Directorate's capital budget relates to the following items:

- Procurement of Digital Forensics Tools and Hardware;
- Procurement or Development of a Case Management System;
- Construction of the Digital Forensic Laboratory; and
- Procurement of IT equipment.

Table 73 – Office of the City Manager (Vote 8) – operating revenue by source, expenditure by type and total capital expenditure

Directorate: Office of the City Manager									
Budgeted Financial Performance (revenue and expenditure)									
Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue									
Exchange Revenue	2 722	1 894	249	916	916	916	957	1 000	1 044
Service charges - Electricity	-	-	-	-	-	-	-	-	-
Service charges - Water	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	-	-	-	-	-	-	-	-	-
Sales of Goods and Rendering of Services	2 687	1 768	142	162	162	162	169	177	185
Agency services	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	-	-	-	-	-	-	-	-	-
Licence and permits	-	-	-	-	-	-	-	-	-
Special rating levies	-	-	-	-	-	-	-	-	-
Operational Revenue	35	126	107	754	754	754	788	823	859
Non-Exchange Revenue	14 373	34	1 736	-	-	-	-	-	-
Property rates	-	-	-	-	-	-	-	-	-
Surcharges and Taxes	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	0	1	-	-	-	-	-	-	-
Licences and permits	-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	14 366	-	1 710	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	7	32	26	-	-	-	-	-	-
Other Gains	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	17 094	1 928	1 985	916	916	916	957	1 000	1 044
Expenditure									
Employee related costs	290 067	247 822	270 975	289 890	301 727	302 197	320 586	342 505	366 553
Remuneration of councillors	1 450	1 546	1 593	1 678	1 674	1 674	1 758	1 845	1 938
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	2 101	2 317	1 887	3 492	3 390	3 658	1 779	1 443	1 367
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & amortisation	2 146	3 533	3 814	4 396	4 124	4 124	5 107	5 569	4 492
Interest	-	-	-	-	-	-	-	-	-
Contracted services	113 472	105 086	146 422	127 360	162 221	159 161	123 647	121 340	120 387
Transfers and subsidies	28 741	15 279	22 678	22 750	22 750	22 750	22 750	22 750	22 750
Irrecoverable debts written off	-	-	-	-	-	-	-	-	-
Operational cost	27 870	32 447	38 183	38 320	42 966	45 288	48 934	47 602	43 768
Losses on disposal of Assets	12	20	40	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-	-	-	-
Total Expenditure	465 860	408 051	485 592	487 886	538 852	538 852	524 560	543 055	561 255
Surplus/(Deficit)	(448 765)	(406 123)	(483 607)	(486 970)	(537 937)	(537 937)	(523 603)	(542 056)	(560 211)
Transfers & subsidies - capital monetary	-	-	-	-	-	-	-	-	-
Transfers & subsidies capital in-kind	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(448 765)	(406 123)	(483 607)	(486 970)	(537 937)	(537 937)	(523 603)	(542 056)	(560 211)
Income Tax	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	(448 765)	(406 123)	(483 607)	(486 970)	(537 937)	(537 937)	(523 603)	(542 056)	(560 211)
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(448 765)	(406 123)	(483 607)	(486 970)	(537 937)	(537 937)	(523 603)	(542 056)	(560 211)
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(448 765)	(406 123)	(483 607)	(486 970)	(537 937)	(537 937)	(523 603)	(542 056)	(560 211)
Capital Expenditure	5 740	6 494	6 322	3 196	6 211	6 158	8 675	31 636	28 492

2.12.9 Safety & Security (Vote 9)

The Safety & Security Directorate is committed to ensuring a safe and secure environment for all City residents, by combating crime and disorder, reducing vehicle speed and accidents on roads, improving response time to emergency fire calls, reducing disaster risks in all communities within the City and supporting community events in order to create opportunities for communities and build social cohesion.

The Directorate consist of eleven functional departments as listed below.

- **Metropolitan Police Services Department**

This Department was established in terms of the South African Police Service Act. Its mandate is the enforcement of traffic laws, enforcement of by-laws and crime prevention. Its current operations include clamping down on drug- and alcohol-related offences and addressing gang-related violence. To this end, the Gang and Drug Task Team was established, resulting in significant operational successes. Other major initiatives include the expansion of the department's Youth Cadet Camps and Social Crime Prevention projects to bring policing closer to the people of the City of Cape Town.

- **Public Safety Training College**

The Public Safety Training College is a fully Accredited Training institution with the Safety and Security Sector Education Authority (SASSETA), Accreditation number 111999691944; the Quality Council for Trades and Occupations (QCTO), Accreditation number QCTO/OQAC/17/00058; The Professional Firearms Training Council (PFTC) Accreditation number 111999691944; and registration with the RTMC as a registered Traffic Training College. The Public Safety Training College is responsible for Skills Development including both maintenance training, basic training as well as further development training for traffic services, law enforcement- and metropolitan police services. The College ensures that all the policing agencies remains in legislative compliance with the SAPS in terms of firearm training and in compliance with the Road Traffic Management Corporation in terms of traffic-related training. This also ensures that staff provides the community with quality service delivery.

The College recently had an intake - referred to as Project 1000 – which was the largest intake of Traffic and Metro Police Officers for 2024/25 thus creating a historical foundation by enrolling more students in one year than over the last ten years and formulating a recruitment pool of qualified Metro Police and Traffic Officers that was otherwise scarce to fill. The College is now in the process of enrolling new Traffic and Metro Police qualification for 300 people whilst embarking on a new training delivery strategy for external municipalities across the province at a tariff. It has introduced an additional training curricular such as Civics Academy training with the focus on ethics and democracy in practice as well as evidence-based policing with a view to service the community better.

- **Law Enforcement, Traffic & Operational Coordination Department**

The Department comprises of the following units:

- **Law Enforcement Services**

This unit is responsible for the enforcement of by-laws and regulations in terms of the Criminal Procedures Act. The unit is dedicated to protecting lives and property through effective and efficient combating of crime through partnerships that create a safe environment, build trust and enhance the quality of life in all our communities. This includes general by-law enforcement in residential areas and resorts as well as specialised enforcement through various units. These units are responsible for dealing with copper theft, informal trading, displaced people, illegal land invasion, liquor control, problem buildings, combatting poaching, prevention of noise nuisances

and security at Council rental housing stock. This includes inspection at scrap metal dealers and liquor premises for compliance.

The Department plays a major role in beach management over festive seasons by protecting and conserving the marine and coastal line through by-law enforcement thereby significantly contributing towards the City's tourism and trading industry. Major festive season contributions are also made through law enforcement visibility at other public events, and the unit actively supports other directorates in land invasion action. The largest project of the Department is the Law Enforcement Advancement Plan (LEAP), which is co-funded by the Western Cape Government (WCG) and enforced in partnership with the SAPS to combat crime in high homicide crime rate areas. These additional resources are primarily used to bolster the City's law enforcement capacity in terms of the neighbourhood safety team initiative, the Safety & Security Investigation Unit, area-based crime prevention functions, and the combating of land invasions. The project is expected to have a positive impact on the levels of crime and disorder in Cape Town. The construction of the Law Enforcement Base and procurement of vehicles also form part of the major projects embarked on within this unit.

▪ **VIP Unit**

The City's VIP Unit was established to protect public figures of the City who are often more at risk than any other individual.

The main function of the Unit is to give protection to:

- The Executive Mayor appointed by the City or his/her duly appointed representative.
- The Executive Deputy Mayor appointed by the City or his/her duly appointed representative.
- The Councillor appointed as the Chief Whip of the City or his/her duly appointed representative.
- The Councillor appointed as the Speaker of the City or his/her duly appointed representative.
- Identified visiting dignitaries who are guests of the City in their professional capacity.

The Unit also renders protective services to persons of interest who are not VIP, but City officials, whose lives are threatened and by direction of City Management needs to be protected against the possible threat made against him/her.

Transportation is also given to councillors who are MayCo members, to attend functions, meetings, site inspections or similar occasions/events that is situated in high risk areas.

▪ **Traffic Services**

The City has a legislative mandate to provide a traffic service in terms of Part B of Schedule 4 and of Schedule 5 of The Constitution. The powers and functions to fulfil the mandate are provided for in the National Road Traffic Act, Criminal Procedure Act and applicable by-laws, *inter alia*. The overarching aim of the Traffic Services Department is to provide safe road usage in the City.

This unit was established in terms of the National Road Traffic Act. It consists of two sections: Operations and Licensing. The Operations Section deals with specialised and general activities and enforcement on roads, which includes speed checks as well as drivers' screening for driving under the influence. The Licensing Section deals with learner- and driver license testing, card conversions- and renewals, as well as managing the traffic court division and the public/private partnership agreement on traffic cameras.

- **Safety & Security Investigation Unit**

The function of this unit is to provide investigative support to the Directorate and the City in areas such as extortion, fraud and corruption, serious misconduct by City employees, malicious damage to Council property, hijacking and theft of council vehicles, violent protest action, land invasion, service delivery strikes, gang-related violence, ad hoc guarding of threatened officials, and anti-social behavior within communities. The unit further provides watching briefs on specific crimes where an arrest was executed by the City's police services. The branch also collects fingerprints for vetting of employees' criminal history.

- **Safety & Security Information Management Services (SSIMS)**

This branch supports and assists policing services in the City through crime and technical analysis, research, Threat and Risk Assessments, reports providing recommendations regarding risks and threats to guide services with approaches and deployments, problem solving and utilisation of Evidence Based Policing in crime prevention and crime reduction strategies. The unit also performs analytical functions to assist services with detection, prevention and responding to incidents. SSIMS prepares crime pattern analysis and target analysis that assist the enforcement agencies to focus on specific areas, times and dates in order to conduct proactive policing measures. The branch collects, collates, retrieves and analyses data from all available sources to develop an analytical product for dissemination. SSIMS focuses on the importance of the establishment of relationships and networks with external stakeholders, peer organisations, community structures, academia and governmental agencies and departments. SSIMS Crime Information Officers collect and/or verify information on the ground. They react to incidents to follow up, develop actionable intelligence and provide direction to the uniformed services to act upon. Crime Information Officers also link up with outside agencies such as SAPS and the Department of Home Affairs to provide information, to coordinate policing responses, support operations by conducting surveillance, tracing persons of interest or acting as the link between these agencies and the City's technology capabilities.

- **SWAT**

The SWAT Unit was established to deal with medium to high risk situations that fall beyond the scope of normal policing. The members of the SWAT Unit are a selected group who underwent strenuous selection and training process. The functions of the Unit are:

- Handling of high risk organised crime situations
- Handling of high risk serious and violent crime situations
- High Risk support to SAPS and other government departments with SWAT tactical needs
- High risk support to other crime combatting departments in the City
- Support crime combatting departments with tactical training
- Operational standby force that is operational ready to deal with high risk threats in the City and be a show of force
- Protection of VIPs and persons of interest whose lives are threatened and, by direction of City Management, needs to be protected against the possible threat made against them.

- **107 Public Communication Emergency Call Centre (PECC) Department**

The PECC is the primary public emergency call-taking centre for the City where emergencies are logged. These calls are then directed to appropriate institutions and agencies. Well-qualified operators staff the centre. Focus is also placed on public education and awareness campaigns throughout the area community facilities, libraries, clinics, shopping centres, vehicle testing centres and door-to-door visits.

- **Fire and Rescue Services Department**

The City's Fire & Rescue Service aims to ensure a safe and secure environment for all citizens, industry, commerce and visitors, to protect them from fire and other emergencies and in so doing, enhance socio-economic and economic development.

This Department aims to:

- Maintain and improve emergency response and preparedness to all communities including the most vulnerable communities and visitors.
- Continually develop appropriate responses by the Fire Service within the City.
- Effectively enforce the application of community safety by-laws.
- Implement public safety and awareness programmes to promote safe and dignified communities in targeted areas.
- Provide 24-hour access to emergency fire and rescue services via the 107 Public Emergency Communication Centre number and other centralised numbers.
- Conduct risk assessments of areas and communities and set mitigation plans in place.
- Continually train and develop staff.
- Use the budget to meet SDBIP requirements.
- Provide a fast, efficient and equitable emergency response to safeguard life, property, livelihoods and the environment from fire and other related emergencies.
- Prevent the number of fires through pro-active fire and life safety education awareness and intensified fire inspectorate initiatives.
- Increase the staffing levels of firefighting staff and equipment to provide adequate protection to the ever increasing and expanding risk profile of the City, encompassing industry, commerce and the residential environment, particularly informal settlements to ensure the speed and weight of response (adequate staff, correct type and number of vehicles) are achieved.

- **Disaster Risk Management Centre (DRMC) Department**

The Department supports a safe and resilient Cape Town, protecting life, property, the environment and socio-economic activity, through coordinating and delivering (as mandated by the Disaster Management Act, 2002) a continuous and integrated multi-sectoral, multi-disciplinary process of planning and implementation of measures aimed at: preventing/reducing the risk of disasters; mitigating the severity/consequences of disasters; emergency preparedness; rapid and effective response to disasters; and post-disaster recovery and rehabilitation.

Key performance areas include establishing and maintaining integrated institutional capacity for disaster risk reduction; disaster risk assessment; and rapid and effective response and recovery. Portfolios within the Department include four service delivery DRMC Areas as well as Disaster Logistics and Fleet Management; Public Awareness and Preparedness; Disaster Operations and Systems Integration; Disaster Management Planning; Disaster Management Training, and Disaster Management Volunteer Management.

Beyond ensuring effective coordinated responses to major incidents and disasters, the Department also focuses on supporting organs of state, communities, commerce, industry, institutions and event organisers with risk assessment and emergency preparedness and also works across sectors and disciplines to reduce disaster risk by building capacity and resilience, reducing vulnerability, and reducing the potential magnitude, severity and frequency of hazard impacts that can result in major incidents and disasters.

- **Events Department**

The Events Department contributes to the Inclusive Growth priority, which is to stimulate economic growth, development, attract investment, and demonstrate inclusivity through the staging and hosting of events, as well as the facilitation and promotion of film activities, leading to an increase in jobs. Additionally, the Department contributes to the Safety priority by regulating events and filming through facilitating and issuing event and film permits. The Department is also responsible for resource coordination, ensuring the effective allocation and management of City resources to support successful execution of events and filming. The Department continues to aspire to deliver on the City's achievement as the World's Leading Festival and Events Destination and to contribute to creating an enabling environment that stimulates growth in the event and film industries.

- **Emergency, Policing Incident Command (EPIC) Department**

The function of this Department is to support, leverage and plan technology implementations within the Directorate. This includes managing the utilization of already deployed technologies and solutions but also includes innovation and further development and integration of the EPIC Solutions and other associated Safety & Security technology. The EPIC Business Intelligence capability further bolsters the Directorate's situational awareness efforts and effective handling of requests for service through the provision of live dashboards. Retrospective reporting provides crucial insights to support data-driven decision-making and enhance operational planning. Ongoing technical system development is required to ensure that the Directorate and the City are in a position to leverage technology to improve service delivery.

Major internal projects include the Contravention System, EPIC program replacement devices, and the Computer Aided Dispatch System. Furthermore, due to the SAP ECC end-of-life, the EPIC solution will be replaced as part of the CAR program, which in itself is a complex, large project. Procurement-related technology projects include the NW Community Safety Application, development of the Safety & Security module of the City App, the expansion of body worn cameras and in-vehicle cameras (with ANPR capability). This includes management of the Demand Plan to ensure that through the SCM related legislation and procedures, the department acquires relevant technologies that are tested, procured and implemented in the department following relevant C3PM and Contract Management processes. Of the more recent internal projects, the EPIC department has begun with the establishment of an aviation unit, responsible for the creation, continuous development and implementation of both traditional manned aviation as well as the rapidly developing unmanned aviation-related technologies, in support of providing real time situational awareness for the Safety and Security Directorate.

- **Support Services Department**

The Department provides strategic support related functions, initiates and manages special projects, and delivers a range of traditional support services functions. Strategic support related functions include:

- Drafting of line-related policies, strategies, procedures etc.;
- Providing guidance and support in respect of Safety & Security operational matters e.g. research, drafting of plans etc.;
- Providing the Directorate with guidance on compliance related matters;
- Implementing the Directorate's community safety and neighborhood watch support programme;
- Providing a resilience and trauma management function to the Directorate;
- Providing media and communications support to the Directorate;
- Overseeing international liaison and securing international training opportunities;
- Managing the informant rewards programme; and
- Providing a support and advisory function in respect of civilian oversight.

- **Finance Department**

The Department's function is to support the Executive Director's office to comply with relevant legislation and provisions of the MFMA, and to provide department specific financial coordination. The Department manages and directs the multi-year operating- and capital budget for the Directorate. Its functions include monitoring and reporting on implementation of the budget, including grant funding implementation, monitoring of internal controls, financial year-end procedures, audit queries, and tariff review processes in accordance with City financial policies and procedures.

- **Capital Programmes & Projects Department**

This Department was introduced into the Directorate structure in 2022/23 in line with organizational strategic planning and implementation of capital infrastructure projects and Programs. The Department's function is to support the Executive Director's office to comply with relevant legislation and provisions of the MFMA regarding SCM, Contract Management, City Internal C3PM process and all project management processes linked to Capital and OPEX budget. Services of the Department include monitoring and compliance of supply chain and contract management processes required within the Directorate as well as infrastructure planning and implementation in line with the capital projects, programs and portfolio management (CPPPM).

The Department also deals with the Directorate's:

- Facility management related issues for various S&S facilities and buildings
- Land transaction processes in line with the City Property Directorate
- Sourcing of Capital Grant funding for various capital projects
- Planning and Development for the department operational infrastructure requirements
- Support on emergency procurement related issues
- Implementation and support on all the directorates SCM procurement linked to the demand plan
- Implementation and support on all the directorates Contract Management related issues
- Legal and finance related issues on SCM and CMU

- **HRBP Department**

The office of the HRBP is a strategic partner and advisor to the Executive Director, chiefs/managers and support managers in the Directorate and continuously partners with these stakeholders to provide HR services to support organisational objectives relevant to people management through proactively identifying the needs of the Directorate and driving enabling initiatives by:

- Supporting execution of the business- and operations strategic plan;
- Providing programme development and implementation support to achieve growth objectives, and resolve complex HR related business issues;
- Utilising people/talent metrics that will inform business and operations decisions;
- Supporting strategic business issues and providing HR functional support;
- Identifying critical future skills requirements through strategic workforce planning initiatives and developing talent acquisition plans to address skills; and
- Identifying HR trends in the market relevant to the assigned field of business and evaluating appropriate changes to existing approaches, policies and procedures.

Changes to service levels and standards over the MTREF

The 2023/24 financial year presented an increase in the Fines income budget, which can be attributed to an upward trajectory of traffic fines issued due to staff members working overtime, and implementation of various fine collection strategies as well as increased operations and the introduction of the Highway Patrol Unit.

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

Although various interventions have been implemented, there is a general culture of non-payment of traffic fines in the City, which will have an effect on the Directorate's revenue projections.

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

The Directorate's major expenditure categories include:

- Salaries and Wages;
- Fuel;
- Security services;
- Uniform and protective clothing;
- Commission – Revenue;
- Event promoters; and
- Sponsorships.

Prior year performance – 2023/24 financial year

The Directorate attained the following financial indicators in the prior financial year:

- Capital spend: 99% (target: 90%)
- Operating spend: 91% (target: 95%)
- Repairs and maintenance spend: 82% (target: 95%)
- Training budget spend: 92% (target: 95%)

The Directorate attained the following in the 2023/24 financial year:

- The PECC fielded 640 298 calls in 2023/24. Most callers sought medical assistance, with requests for assistance for law enforcement matters coming in at second place.
- 860 roadblocks were held to reduce drinking and driving offences and 7 396 manual speed checks were conducted.
- The Fire & Rescue Service responded to 23 009 emergency incidents of which 2 938 were medical/trauma related special service incidents, and 20 071 were fire-related incidents. This excludes Hazmat incidents, assisting private companies, alarm activations etc.
- CCTV systems have proven to be an extremely effective tool in combatting and preventing crime within the City. The camera footprint amounts to 1169 cameras located throughout the City. 43547 camera-detected incidents were responded to by various policing agencies and resulted in 454 arrests in 2023/24.
- EPIC as a system of record for safety and security has logged a number of Master Service Requests (MSR) and Service Requests (SR). These are activities/services that benefit tourists to Cape Town, the citizens of Cape Town, as well as City departments. For the 2023/24 financial year, there were 394 351 MSR and 787 414 SR. For ease of reporting and situational awareness, previously created dashboards have been enhanced and are still crucial in the EPIC environment.
- For 2023/24, there were 2840 drone flights in total. Drone flights have been used extensively to assist with situational awareness in trying to extinguishing fires, assisted greatly during the festive season and has been integral in saving drowning victims. Multiple operations have been run with the City's Anti-Land Invasion Unit, Metal Theft Unit, Marine Unit and SSIMS. Drones have also assisted significantly in fostering relationships with the SAPS, and with SAPS operations that led to numerous arrests. Strides have also been made to build relationships with the South African Civil Aviation Authority (SACAA) and Airport Traffic Control (ATC).

- The body worn and in-vehicle camera programme was significantly expanded during this period with in-vehicle cameras and body worn cameras (BWCs) being deployed to all three policing departments. Each vehicle has been fitted with a forward- and rear-facing visual camera for evidence collection as well as forward- and rear-facing automatic number plate recognition (ANPR) cameras to read license plates to check for outstanding summons, warrants and stolen vehicles. Certain vehicles also have mobile printers to allow officers to print and serve summons in the field, as well as to print warrants to make arrests. This technology is being used to improve officer safety and improve efficiency.

The BWC portion of the programme has also progressed well with all three policing departments receiving BWC at different bases across the City as well as being provided the requisite training. Members use the BWC to record all interaction with members of the public as well as to record critical incidents. It has been found to be protective of City officers as it provides evidence of false complaints as well as a de-escalation tool when dealing with potentially hostile individuals.

Directorate capital programme

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

- CCTV installations areas within the City based on the top five areas/police stations where assistance with crime prevention/detection is required to bring down crime incident i.e. Nyanga, Mitchells Plain, Mfuleni, Delft and Kraaifontein;
- CCTV installation in various wards across the City;
- Property Improvement Training College;
- Law Enforcement Base;
- Construction of Langa Fire Station and upgrades to various fire stations;
- Upgrade Schaapkraal shooting range;
- Safety & Security JOC upgrade; and
- New Wynberg municipal court/Safety & Security Facility.

Table 74 – Safety & Security (Vote 9) – operating revenue by source, expenditure by type and total capital expenditure

Directorate: Safety & Security									
Budgeted Financial Performance (revenue and expenditure)									
Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue									
Exchange Revenue	74 944	65 869	75 256	69 121	74 529	74 529	94 997	90 268	98 180
Service charges - Electricity	–	–	–	–	–	–	–	–	–
Service charges - Water	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	0	2	1	–	–	–	–	–	–
Sales of Goods and Rendering of Services	20 046	39 411	52 865	47 075	52 603	52 603	72 390	66 955	74 141
Agency services	13 961	14 337	14 042	15 786	15 786	15 786	16 158	16 540	16 930
Interest	–	–	–	–	–	–	–	–	–
Interest earned from Receivables	3 793	3 651	5 115	2 501	2 967	2 967	3 100	3 240	3 382
Interest earned from Current and Non Current Assets	–	–	–	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets	695	801	745	1 138	1 059	1 059	1 138	1 223	1 315
Licence and permits	0	0	0	–	–	–	–	–	–
Special rating levies	–	–	–	–	–	–	–	–	–
Operational Revenue	36 448	7 667	2 487	2 621	2 115	2 115	2 210	2 310	2 412
Non-Exchange Revenue	2 276 102	2 398 797	2 257 350	2 349 342	2 373 887	2 373 887	2 295 512	2 314 865	2 356 359
Property rates	–	–	–	–	–	–	–	–	–
Surcharges and Taxes	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1 900 353	1 972 609	1 869 251	1 877 671	1 897 220	1 897 220	1 860 970	1 874 215	1 897 374
Licences and permits	31 092	34 560	33 136	42 131	33 656	33 656	35 170	36 753	38 370
Transfers and subsidies - Operational	344 352	391 463	354 385	429 540	443 010	443 010	399 371	403 897	420 614
Interest	–	–	–	–	–	–	–	–	–
Fuel Levy	–	–	–	–	–	–	–	–	–
Operational Revenue	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets	306	164	578	–	–	–	–	–	–
Other Gains	–	–	–	–	–	–	–	–	–
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	2 351 046	2 464 666	2 332 605	2 418 462	2 448 416	2 448 416	2 390 509	2 405 133	2 454 539
Expenditure									
Employee related costs	2 782 100	3 078 513	3 402 634	3 735 605	3 636 349	3 639 773	4 142 750	4 387 147	4 660 414
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Bulk purchases - electricity	–	–	–	–	–	–	–	–	–
Inventory consumed	132 089	185 099	191 503	203 905	199 083	199 278	227 732	216 247	218 866
Debt impairment	690 944	(81 272)	89 553	1 585 000	1 585 000	1 585 000	1 500 000	1 500 000	1 500 000
Depreciation & amortisation	133 914	135 012	158 306	194 137	208 938	208 938	220 232	218 971	226 771
Interest	–	–	–	–	–	–	–	–	–
Contracted services	127 708	172 322	202 833	190 978	199 499	200 534	202 897	201 649	202 734
Transfers and subsidies	40 531	64 055	54 464	93 516	70 029	62 547	78 593	78 593	78 593
Irrecoverable debts written off	1 092 500	1 807 274	1 215 798	–	–	–	–	–	–
Operational cost	168 551	177 747	224 921	209 788	269 213	272 041	319 265	322 563	320 698
Losses on disposal of Assets	1 990	1 605	1 715	1 368	1 368	1 368	1 368	1 368	1 368
Other Losses	–	–	–	3	3	3	3	3	3
Total Expenditure	5 170 329	5 540 354	5 541 728	6 214 301	6 169 483	6 169 483	6 692 842	6 926 543	7 209 448
Surplus/(Deficit)	(2 819 283)	(3 075 688)	(3 209 123)	(3 795 838)	(3 721 067)	(3 721 067)	(4 302 333)	(4 521 410)	(4 754 909)
Transfers & subsidies - capital monetary	21 884	5 407	37 572	27 560	12 339	12 339	6 000	3 000	100 000
Transfers & subsidies capital in-kind	–	2	40	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(2 797 399)	(3 070 279)	(3 171 511)	(3 768 278)	(3 708 728)	(3 708 728)	(4 296 333)	(4 518 410)	(4 654 909)
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	(2 797 399)	(3 070 279)	(3 171 511)	(3 768 278)	(3 708 728)	(3 708 728)	(4 296 333)	(4 518 410)	(4 654 909)
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	(2 797 399)	(3 070 279)	(3 171 511)	(3 768 278)	(3 708 728)	(3 708 728)	(4 296 333)	(4 518 410)	(4 654 909)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(2 797 399)	(3 070 279)	(3 171 511)	(3 768 278)	(3 708 728)	(3 708 728)	(4 296 333)	(4 518 410)	(4 654 909)
Capital Expenditure	192 797	281 671	444 375	483 669	472 532	470 829	344 830	214 039	500 016

2.12.10 Spatial Planning & Environment (Vote 10)

The purpose of the Directorate is to coordinate spatial and environmental planning, and the execution of built environment regulatory mandates in order to stimulate economic growth, address socio-economic challenges, secure the environmental base of the City, bring about spatial transformation and help secure the revenue base for the City.

The Directorate aligns primarily (but not exclusively) to the following Mayoral Priorities of the IDP action plan: Economic Growth; Public Space Environment and Amenities; Housing; and the foundation of a Spatially Integrated and Inclusive City.

Service delivery is achieved through five line departments, namely:

- **Urban Planning & Design Department**

The primary focus of the Department is to update the eight District Spatial Development Frameworks (DSDF) on an annual basis to inform the Metropolitan Spatial Development Framework (MSDF). Spatial planning encompasses forward planning of land to ensure that adequate space is allocated to provide for the ordinary land use needs of city growth and that the distribution of land use is done in such a manner to ensure the wellbeing of the population, protection of the integrity of the environment and enhancement of the economy. The purpose of the various frameworks, plans, and participation in development processes is informed by how the City intends to intervene in its particular geographic space.

- **Environmental Management Department**

The Department manages twenty-one nature reserves with the aim to protect and conserve the City's natural areas and biodiversity heritage. It has the responsibility to regularly review the environmental compliance register, including the procedure for remediation and escalation of environmental non-compliance in City operations. It manages a coastline of approximately 240 km in length – longer than any other municipality in the country – which excludes the coastline falling within the Table Mountain National Park (approx. 67km). The Department is responsible for any matter that affects the coast on the landward side, including pollution incidents in the catchment. It also plays a role in marine aspects e.g. anchored vessels (noise pollution), marine water quality monitoring, whale carcass removal, whale disentanglement, and sea animal stranding. The Department conducts frequent water quality sampling at ninety-nine sites along the coast and publishes comprehensive Coastal Water Quality tables online, to promote transparency of results. It also assists transversally across the organisation with conservation of heritage sites.

- **Development Management Department**

The primary purpose of the Department is to create an effective and efficient planning and building development environment in Cape Town, South Africa and in Africa, which promotes and facilitates sustainable development through equitable and effective service delivery. This is done through transversal delivery of services in its operations, the integrated nature of its E-Systems based on the principles of the Property Value Chain (PVC) with linkages to departments within the City.

- **Urban Regeneration Department (includes MURP, CIDs and Urban Catalytic)**

The Mayoral Urban Regeneration Programme (MURP) aims to nurture sustainable/integrated communities by addressing community issues. The programme is research-based and follows a clear participatory/rapid urban appraisal methodology in which the residents, through community engagement and engagement with relevant sector departments, are given a high level of influence within the processes of community development in achieving the objectives and envisaged outcomes of the IDP, MSDF, District Plans and LASDFs.

Central Improvement Districts (CIDs) are geographically defined areas where property owners pay additional property rates to fund supplemental municipal services in terms of a Council-approved business plan as supported by the community who fund and drive the process and then manage the operations under the oversight of the City. CIDs improve and upgrade their local areas by focusing on public safety, cleansing, environmental initiatives and social programmes to make their areas clean and safe to work, live and play. This may result in attracting investments, stimulating the economy and creating employment opportunities over the next term of office and beyond for the Directorate and the City at large.

- **Urban Catalytic Investment (UCI) Department**

The objective is to create an enabling environment, leverage City resources (land, infrastructure, de-risked transactions, and partnerships) to attract and leverage private investment. Identify and prepare land development opportunities in key economic and community precincts on basis that intensified land development generates value. Focus on outcomes (process of value creation, capture, enhancement and distribution/preservation), moving from planning individual projects to Portfolio and Programme preparation, based on strong institutional and governance framework.

Changes to service levels and standards over the MTREF

The current service standard relates to the municipality having a consolidated spatial view of its key business districts and interventions required to unlock/promote economic growth in these areas.

The City has an approved spatial vision and long term spatial development framework i.e. the MSDF and 8 District SDFs as approved by Council on 26 January 2023. These are reviewed every 5 years and include detailed guidance on development in all areas. These long term plans are informed by the Land Use Model that details future needs based on trends and forecasts. The Land Use Model is used by the engineering services to inform infrastructure master planning. The MSDF also includes a Monitoring and Review Framework to track and report on the implementation of the MSDF and District Spatial Development Frameworks (DSDF) with an annual Spatial Trends report that is produced to report on specific development trends. In addition, the City developed and tracks various economic and industrial nodes and have developed a profile for each node within the City monitoring various indicators.

The standard for building plan approvals remains unchanged, 30 days for structures of <500m² and 60 days for structures of >500m².

Prior year performance – 2023/24 financial year

The Directorate attained the following financial indicators in the prior financial year.

- Capital spend: 84% (target: 90%)
- Operating spend: 96% (target: 95%)
- Repairs and maintenance spend: 98% (target: 95%)
- Training budget spend: 96% (target: 95%)

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

Building Development and Land Use Management: Although revenue is largely dependent on demand within the building construction industry, budgets are based on revenue collection trends, taking into account the volatility in the market. Revenue is not expected to increase above inflation for 2025/26.

Nature Conservation: An increase in revenue collection is anticipated for 2025/26 as the public seek more affordable recreational activities. However, revenue collection is always subject to the prevailing economic climate, dependent on consumer demand and cannot be accurately predicted.

Heritage Management: As the City continues to support non-profit organisations with discounted tariffs and also support community events through sponsorship, the current Outdoor Advertising and Signage Bylaw review process will further provide for more up-front approvals and exemptions. By choosing to regulate less, it is imperative to still sustain stable revenue to fund the administration and compliance enforcement of the Outdoor Advertising and Signage Bylaw. The regulation of outdoor advertising and signage is a Constitutional obligation and the City must balance the need for economic opportunity with the conservation and measured impact expected by citizens of Cape Town.

Major features of expenditure including discretionary and non-discretionary expenditure

- Kader Asmal Integrated Programme and alien invasive plant clearing projects that contributes towards EPWP job opportunities.
- Community Ambassador Programme enabling job opportunities.
- Vlei Remediation Programme focusing on dredging at Zeekoevlei and Milnerton Lagoon.
- On-going Wildlife programme for Baboon Management and Shark Spotting.
 - On-going maintenance of Polyphagous Shothole Borer Beetle.
- Various Precinct studies undertaken within UPD & UCI.
- On-going MURP precinct planning and projects.
- Maintenance at nature reserves and coastal infrastructure, and dune rehabilitation.
- Firebreaks maintenance programme for City.
- On-going security programme at nature reserves, coastal assets and MURP areas.

Directorate capital programme

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

- Coastal Programme: Muizenberg Beach Front, Strand Sea Wall and Table View Beachfront upgrades as well as the Sea Point Seawall refurbishment.
- Wetland Rehabilitation Programme focusses on the Lowering of Zeekoevlei Weir.
- Quality Public Places Programme focusses mainly on upgrades at Parow Station Pedestrian Arcade; Salt River Station, District 6 Public Realm and Kruskal Avenue.
- Upgrades and fencing at various Nature Reserve
- Nature Reserve Visitor Education Centres Programme enabling the Refurbishments at Bracken, Harmony Flats and False Bay Overnight facilities.
- Philippi Fresh Produce Market Refurbishment

Table 75 – Spatial Planning & Environment (Vote 10) – operating revenue by source, expenditure by type and total capital expenditure

Directorate: Spatial Planning & Environment									
Budgeted Financial Performance (revenue and expenditure)									
Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Revenue									
Exchange Revenue	419 063	449 192	504 772	575 152	577 235	577 235	649 050	692 361	733 104
Service charges - Electricity	–	–	–	–	–	–	–	–	–
Service charges - Water	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	129	1	–	–	–	–	–	–	–
Sales of Goods and Rendering of Services	123 817	129 474	135 780	145 123	145 695	145 695	154 623	168 264	177 557
Agency services	–	–	–	–	–	–	–	–	–
Interest	–	–	–	–	–	–	–	–	–
Interest earned from Receivables	1 636	3 177	3 227	–	–	–	–	–	–
Interest earned from Current and Non Current Assets	–	–	–	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets	189	294	354	132	335	335	296	318	342
Licence and permits	–	–	–	–	–	–	–	–	–
Special rating levies	293 085	316 181	365 452	429 894	431 181	431 181	494 107	523 753	555 178
Operational Revenue	207	65	(42)	3	24	24	25	26	27
Non-Exchange Revenue	115 771	103 960	107 482	55 038	61 094	61 094	62 579	7 448	7 547
Property rates	–	–	–	–	–	–	–	–	–
Surcharges and Taxes	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	5 411	3 807	4 516	2 374	8 719	8 719	6 917	7 228	7 547
Licences and permits	6	30	20	–	–	–	–	–	–
Transfers and subsidies - Operational	110 334	99 862	102 063	52 664	52 375	52 375	55 662	220	–
Interest	–	–	–	–	–	–	–	–	–
Fuel Levy	–	–	–	–	–	–	–	–	–
Operational Revenue	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets	20	261	883	–	–	–	–	–	–
Other Gains	–	–	–	–	–	–	–	–	–
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	534 834	553 152	612 254	630 190	638 329	638 329	711 629	699 809	740 650
Expenditure									
Employee related costs	613 691	620 165	701 981	814 401	809 818	809 765	857 131	915 456	976 629
Remuneration of councillors	–	–	–	–	–	–	–	–	–
Bulk purchases - electricity	–	–	–	–	–	–	–	–	–
Inventory consumed	7 663	9 285	10 519	14 713	11 800	13 137	11 389	10 413	10 134
Debt impairment	8 784	9 503	10 955	12 897	12 935	12 935	14 823	15 713	16 655
Depreciation & amortisation	40 333	43 782	54 207	59 968	64 035	64 035	69 309	75 566	103 201
Interest	–	–	–	–	–	–	–	–	–
Contracted services	219 132	237 882	267 239	322 156	288 930	284 908	404 624	348 980	194 900
Transfers and subsidies	36 812	35 044	37 380	25 757	44 757	44 757	56 059	36 079	36 079
Irrecoverable debts written off	–	–	–	–	–	–	–	–	–
Operational cost	309 425	328 059	380 958	443 849	449 925	452 662	513 417	536 439	565 844
Losses on disposal of Assets	266	45	162	–	–	–	–	–	–
Other Losses	–	–	–	–	–	–	–	–	–
Total Expenditure	1 236 106	1 283 766	1 463 400	1 693 740	1 682 200	1 682 200	1 926 752	1 938 647	1 903 442
Surplus/(Deficit)	(701 272)	(730 614)	(851 146)	(1 063 550)	(1 043 871)	(1 043 871)	(1 215 123)	(1 238 837)	(1 162 791)
Transfers & subsidies - capital monetary	6 014	29 472	29 716	50 706	47 167	47 167	34 566	26 420	14 362
Transfers & subsidies capital in-kind	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(695 258)	(701 142)	(821 430)	(1 012 844)	(996 704)	(996 704)	(1 180 557)	(1 212 418)	(1 148 430)
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	(695 258)	(701 142)	(821 430)	(1 012 844)	(996 704)	(996 704)	(1 180 557)	(1 212 418)	(1 148 430)
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	(695 258)	(701 142)	(821 430)	(1 012 844)	(996 704)	(996 704)	(1 180 557)	(1 212 418)	(1 148 430)
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(695 258)	(701 142)	(821 430)	(1 012 844)	(996 704)	(996 704)	(1 180 557)	(1 212 418)	(1 148 430)
Capital Expenditure	113 932	224 417	252 541	390 286	301 989	296 617	519 567	389 889	230 364

2.12.11 Urban Mobility (Vote 11)

The Urban Mobility Directorate is a key contributor to the IDP, focusing on a city-based efficient mobility network for public and private transport, pedestrians and cyclists and with public transport services that enable greater access to opportunities. This enables a growing, thriving local economy that benefits everyone. Urban Mobility has a key role to play in making Cape Town a viable and competitive global investment destination.

As a global C40 city, the City is committed to taking bold climate action for a healthier and more sustainable future. Urban Mobility has a leading role to play in reducing greenhouse gas emissions.

The Comprehensive Integrated Transport Plan (CITP) for 2023-2028, sets out how the Directorate will build on the progress it has made in delivering integrated, intermodal and interoperable transport in Cape Town.

The City's delivery of integrated transport is based on the Integrated Public Transport Network (IPTN) Network Plan 2032, which encompasses the integration of transport and land use through transit-oriented development.

Intermodal transport requires all functions and modes to be under the jurisdiction of a single authority. To this end, the City continues to pursue the Contracting Authority and the Municipal Regulatory Entity (MRE) assignments. Although rail is considered the "backbone" of Cape Town's transport system, it is currently in crisis with the Urban Mobility Directorate developing a response to the impact of this on the citywide intermodal transport system.

An interoperable transport system is one in which its component parts work easily with one another without special effort on the part of the commuter.

The City's transport sector faces complex challenges. Pressure on the road network is exacerbated by the failure of rail, which has contributed to congestion and eroded the resilience of the local transport system. Solving this challenge requires enhanced cooperation between national, provincial and local government.

The Directorate's Congestion Management Programme continues to improve infrastructure and traffic systems, while implementation of the Travel Demand Management Strategy has nudged commuters towards more sustainable travel behaviors.

The work-from-home (WFH) requirements imposed by COVID-19 have also demonstrated that flexible working approaches are possible and effective. The Transport Planning & Network Management Department is also engaging with stakeholders on the promotion of flexible work programmes for larger employers.

MyCiTi, Cape Town's bus rapid transit system, marked its first ten years in operation in 2020. This provided an opportunity for a programmatic review as the service charts a path for the next decade based on a frank evaluation of lessons learnt.

As the Directorate confronts challenges and embraces new opportunities, organisational change was required. This included an appropriate institutional vehicle for MyCiTi, a complex programme that currently cuts across departments within the Directorate.

With ongoing investment in new infrastructure and the continuous maintenance of its assets and road network, the Directorate plays an important role in the local economy. This takes place through well-governed tenders and contracts and the economic growth opportunities that are unlocked when new infrastructure is provided and backlogs are addressed in disadvantaged communities.

The Directorate also plays an important role in inclusive economic growth by promoting the use of local labour through the Community Work Programme (CWP) and Expanded Public Works Programme (EPWP). These public employment programmes create work and upskilling opportunities for individuals who otherwise have limited opportunities for formal employment.

Background, purpose and service mandate of the directorate

Cape Town, due to a number of historic factors, is a spatially inefficient city – the result of which is exacerbated by transport costs for residents, commuters, freight, and tourists.

Public transport is overcrowded and the facilities are in many cases inferior and substandard. The scale of the problem is enormous and the financial burden on the City reaches billions of Rand each year.

The National Land Transport Act, 2009 (NLTA) gave metropolitan municipalities the power to integrate public transport services that are subject to contracts as well as appropriate uncontracted services into the larger public transport system in terms of an integrated transport plan.

The Integrated Public Transport Plan determines the role that appropriate transport modes play to provide users of the system with optimal solutions that will enable them to travel from origin to destination in a seamless and cost-effective manner. It also provides strategic direction.

The Directorate is responsible for ensuring that the medium-to-long term plan and related policies, sector plans and strategies are rolled out inclusive of planning, operations, management and maintenance across the full spectrum of the integrated transport lifecycle and infrastructure.

The Directorate also provides for parking, network, freeway management, destination boards, traffic calming, and transport enforcement in collaboration with the Safety & Security Directorate.

The Directorate is furthermore responsible for the Operating License Strategy, implementation and management of mini bus and metered taxis including the registration of all taxi associations operating in the City. Industry transition as it relates to the implementation of the IRT system and industry engagement and negotiations are pivotal functions.

The Directorate comprises of a management structure with five performance-orientated departments with a focus on integrated service delivery. These departments are:

- **Transport Planning & Network Management Department**

This Department is responsible for Integrated Transport Planning, which encompasses medium to long term planning, the CITP and related policies, sector plans, strategies and frameworks. It further includes systems planning and network design, the focus being on the IPTN, as well as transport infrastructure planning, concept design and development. It also includes network implementation strategies that will enable integrated transport strategy and ensure efficient traffic related systems, network facilitation, development, integration, operations and traffic management.

- **Transport Infrastructure Implementation Department**

This Department is a capital-led department that focusses on the implementation of major and minor built environment projects and programmes. It is responsible for the detail design, procurement, construction management, monitoring and delivery of new infrastructure and the expansion and upgrading of the City's road network, public transport network, public transport infrastructure and related facilities. It also coordinates transversal integration and implementation of major built environment capital programmes, projects and capital planning and budgeting processes executed across the various corridors and nodes.

- **Roads Infrastructure Management Department**

This Department is responsible for the management and maintenance of all road infrastructure assets falling under the auspices of the Directorate. This includes the entire road network, stormwater system, informal network management, all completed public transport infrastructure, non-motorised transport (NMT) networks, street furniture within the road reserve, and plant for the Directorate. It also records and maintains an accurate inventory of these assets.

The Department manages districts and depots within its functional area, which functions include lines and signs, weed spraying, and the maintenance of warning, regulatory signage and road markings. It is also responsible for rail sidings, the safety thereof, and the management of all related plant, fleet and other construction equipment.

The RIM district offices provide formal approval within the comment process of land use development proposals, building plans and all roads-related infrastructure within the City, including the approval of all roads and related infrastructure designs as the custodian thereof.

- **Public Transport Department**

This Department is responsible for management oversight of all scheduled land-based public transport services as assigned to the City and contemplated in Sections 40 to 46 of the NLTA. This includes the establishment of operational standards for scheduled public transport operations and strategic fleet management, both of the fleet owned by the City, as well as the safety and compliance of the entire scheduled public transport fleet. This further includes the development, approval and management of the vehicle operator contracts to ensure an integrated and responsive public transport service to be delivered at a premium standard.

The Department is also responsible for strategic management of operations, the development and implementation of the strategy on public transport regulations, and related management strategies. It is further responsible for leading, directing and managing the regulation and industry transition of public transport in terms of the relevant policies and strategies.

The Department also manages and maintains the infrastructure and services of all public transport facilities under the management of the Directorate and the fare revenue system.

▪ **Transport Shared Services Department**

This Department provides a centralised support function to the Directorate, which includes human resources, support services, communication, customer relations, change and stakeholder management, business planning, business systems, information, business administration, and programme monitoring. It plays a key transversal role in equipping and enabling the Directorate to achieve its objective of being well governed, compliant, service-oriented, customer-centric, data and performance-driven. The Department also ensures that end user and community needs are met and addressed in an efficient, effective and targeted manner.

Changes to service levels and standards over the MTREF

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

Prior year performance – 2023/24 financial year

The Directorate attained the following financial indicators in the prior financial year.

- Capital spend: 82.69% including contingency, 85.57% excluding contingency (target: 90%)
- Operating spend: 99% (target: 95%)
- Repairs and maintenance spend: 100% (target: 95%)
- Training budget spend: 100% (target: 95%)

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

The bulk of the funding for public transport comes from national grants, i.e. Public Transport Network Grant (PTNG), and Budget Facility for Infrastructure (BFI). The City currently contributes 4.2% of net rates to the MyCiTi bus service. The current economic climate might have a negative impact on future grant allocations and Rates income to the City. The Construction Mafia might also have a negative impact on the capital spend of various roads construction projects.

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

- Provision for the contracted road based MyCiTi transport
- Roads and Stormwater
- Public Transport Interchanges maintenance
- Public Transport Planning
- Roads Infrastructure Conditional Assessment

Directorate capital programme

- Congestion Relief
- Public Transport Interchanges
- Non-Motorised transport
- Roads Rehabilitation
- Metro Roads: Reconstruction
- IRT Phase 2A

Table 76 – Urban Mobility (Vote 11) – operating revenue by source, expenditure by type and total capital expenditure

Directorate: Urban Mobility									
Budgeted Financial Performance (revenue and expenditure)									
Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue									
Exchange Revenue	302 925	412 511	444 802	403 402	403 402	403 402	435 908	453 809	472 100
Service charges - Electricity	-	-	-	-	-	-	-	-	-
Service charges - Water	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	-	1	-	-	-	-	-	-	-
Sales of Goods and Rendering of Services	203 647	294 300	331 168	345 469	345 469	345 469	375 368	392 260	409 519
Agency services	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	116	145	262	-	-	-	-	-	-
Interest earned from Current and Non Current Assets	9 795	11 994	11 864	16 897	16 897	16 897	17 657	18 452	19 263
Dividends	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	22	487	573	-	-	-	-	-	-
Licence and permits	-	70	0	-	-	-	-	-	-
Special rating levies	-	-	-	-	-	-	-	-	-
Operational Revenue	89 345	105 513	100 934	41 036	41 036	41 036	42 883	43 098	43 317
Non-Exchange Revenue	529 938	504 157	640 192	513 096	631 112	631 112	623 367	436 840	417 234
Property rates	-	-	-	-	-	-	-	-	-
Surcharges and Taxes	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	5 637	4 933	7 796	4 798	4 798	4 798	5 014	5 240	5 471
Licences and permits	14 124	11 035	16 625	14 479	14 479	14 479	15 131	15 811	16 507
Transfers and subsidies - Operational	509 973	487 277	612 930	493 819	611 835	611 835	603 222	415 789	395 256
Interest	-	-	-	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	203	445	722	-	-	-	-	-	-
Other Gains	-	467	2 119	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	832 863	916 668	1 084 994	916 498	1 034 514	1 034 514	1 059 276	890 650	889 334
Expenditure									
Employee related costs	780 743	819 612	928 575	1 036 972	1 034 328	1 034 658	1 099 836	1 176 070	1 259 788
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	113 213	117 522	132 811	141 132	132 150	132 751	147 538	151 831	157 874
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation & amortisation	726 668	734 517	781 866	788 481	820 955	820 955	814 839	917 352	1 016 749
Interest	46	31	-	22	22	22	22	22	22
Contracted services	1 888 808	2 097 184	2 383 463	2 228 558	2 473 524	2 476 612	2 559 100	2 532 478	2 745 786
Transfers and subsidies	150	(11 275)	-	-	-	-	-	-	-
Irrecoverable debts written off	-	-	-	-	-	-	-	-	-
Operational cost	68 649	67 276	67 830	89 582	100 830	96 811	85 318	84 671	55 875
Losses on disposal of Assets	4 500	112	521	-	37	37	37	37	37
Other Losses	-	-	-	-	-	-	-	-	-
Total Expenditure	3 582 776	3 824 979	4 295 067	4 284 748	4 561 846	4 561 846	4 706 689	4 862 461	5 236 131
Surplus/(Deficit)	(2 749 913)	(2 908 312)	(3 210 073)	(3 368 250)	(3 527 332)	(3 527 332)	(3 647 414)	(3 971 812)	(4 346 797)
Transfers & subsidies - capital monetary	455 322	842 870	1 190 004	2 174 712	1 703 081	1 703 081	2 452 303	2 692 480	1 273 143
Transfers & subsidies capital in-kind	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(2 294 591)	(2 065 442)	(2 020 069)	(1 193 538)	(1 824 251)	(1 824 251)	(1 195 110)	(1 279 332)	(3 073 654)
Income Tax	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	(2 294 591)	(2 065 442)	(2 020 069)	(1 193 538)	(1 824 251)	(1 824 251)	(1 195 110)	(1 279 332)	(3 073 654)
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(2 294 591)	(2 065 442)	(2 020 069)	(1 193 538)	(1 824 251)	(1 824 251)	(1 195 110)	(1 279 332)	(3 073 654)
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(2 294 591)	(2 065 442)	(2 020 069)	(1 193 538)	(1 824 251)	(1 824 251)	(1 195 110)	(1 279 332)	(3 073 654)
Capital Expenditure	651 164	1 089 031	1 552 346	2 567 589	2 156 762	1 914 361	3 090 530	3 225 345	1 788 688

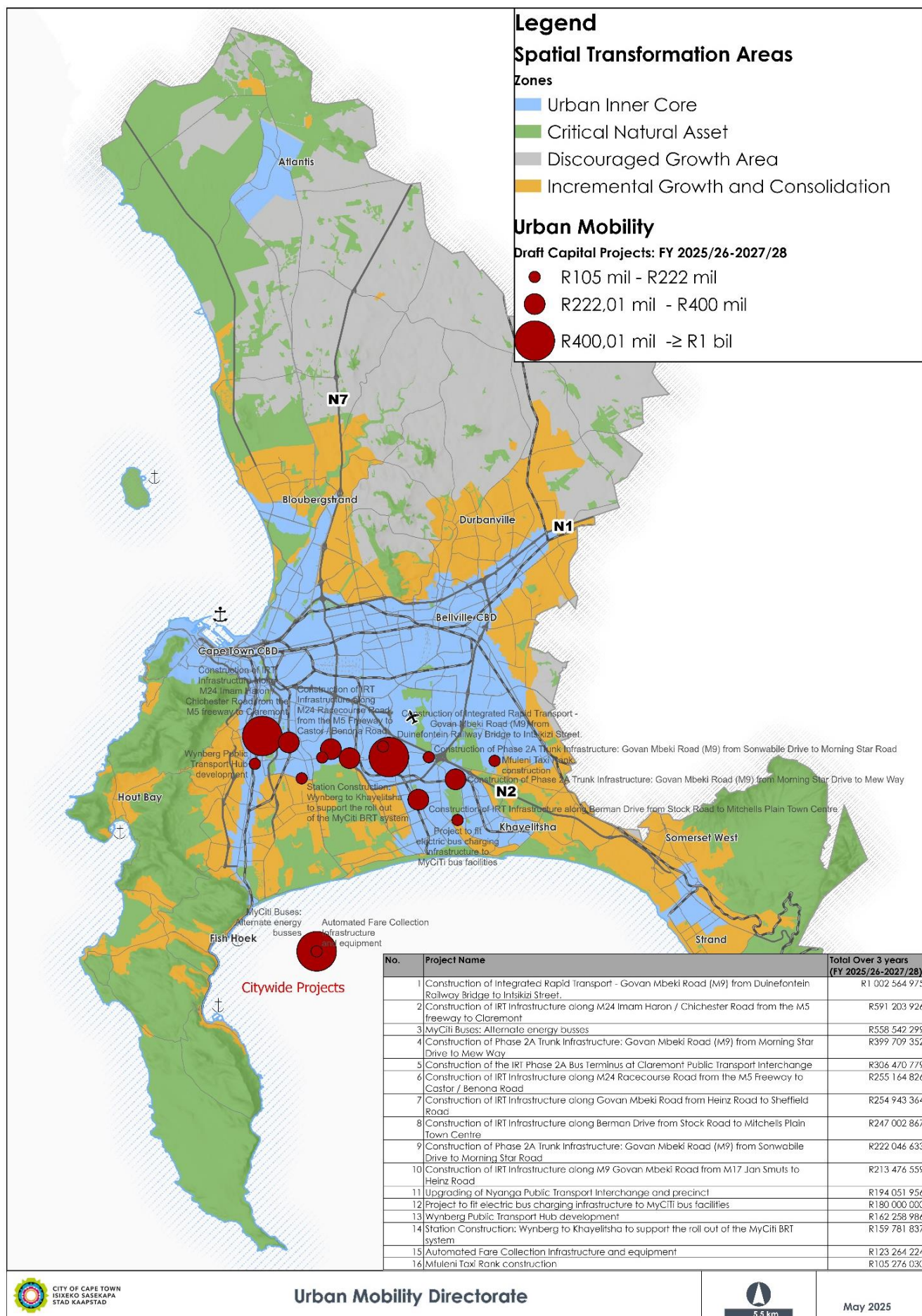


Figure 31: Map detailing Urban Mobility's top projects/programmes over the MTREF

Urban Waste Management (Vote 12)

Urban Waste Management Directorate is made up of two functional departments:

- **Waste Services**

The Department is the service authority and regulator of waste management activities in Cape Town as per the system of delegations and the municipality's executive powers conferred on it by law. The City is responsible for services in the metropolitan municipal area (as a service authority or regulator).

The City's waste management services aim to integrate waste management services in such a way that they are able to not only provide basic services, but to augment economic activity and minimise the effects of waste on human and environmental health. Much national support and development is necessary, as waste minimisation and recycling activities are not limited to Cape Town, and involve the processing and manufacturing sectors on a national scale. It will require a countrywide approach in terms of planning, infrastructure, facilities, incentives and disincentives to drive out economies of scale that will make this sustainable and economically viable. These are key influences on achieving the long term waste management vision and objectives set by the department.

The long-term vision for the Cape Town Waste Management sector is to:

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

- **Expanded Public Works Programme (EPWP) and Community Development Workers (CDW)**

The EPWP & CDW Department is aligned to the Economic Growth Priority of the IDP. Economic inclusion means ensuring all members of society have equal opportunities to participate in the country's economy as employees, entrepreneurs, consumers, and citizens. It requires the extension of access to markets and opportunities for education, employment and entrepreneurship, especially to the under-served social groups. From this general definition, it can be concluded that a complete and all-inclusive view of economic inclusion should feed into (and be evaluated upon) the areas of education (formal skills and training), employment (creating sustainable work opportunities for all), as well as entrepreneurship (through providing information, funding or training and opportunities for businesses to thrive). The inclusion of each of the above components ensures a holistic approach to the implementation of an economic inclusion model.

Furthermore, the EPWP is directly anchored as one of the key programmes for the required rebuilding and economic recovery of the City. This is in line with the Presidential Employment Stimulus, which places Public Employment Programmes at the centre of the country's recovery plan, in the post-COVID-19 world.

Changes to service levels and standards over the MTREF

At present, the City has to remove the majority of waste generated by backyarders as illegal dumping. Various pilots are being run throughout the City to determine what the appropriate level of service would be for different scenarios on the ground.

The City is also embarking on a pilot project to determine what the appropriate mechanism would be to separate the recyclable materials within the informal settlement environment.

It is envisaged that, in the short term, solutions to these two challenges will be found and the appropriate funding models will then be formalised.

Prior year performance – 2023/24 financial year

The Directorate attained the following financial indicators in the prior financial year.

- Capital spend: 86.48% (target: 90%)
- Operating spend: 99.04% (target: 95%)
- Repairs and maintenance spend: 103.8% (target: 95%)
- Training budget spend: 97.31% (target: 95%)

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

Disposal revenue will be under pressure going forward with the introduction of waste minimisation initiatives that will reduce waste being taken to landfill sites. Alternative sustainable revenue streams are being investigated.

Major features of expenditure including discretionary and non-discretionary expenditure

The Directorate's major expenditure categories include:

- Salaries and Wages
- Contracted Services – mostly linked to refuse removal services; city-wide cleaning and door-to-door refuse removal services to informal settlements; cleaning of the previously-disadvantaged sandy areas; hauling of waste from various facilities to the landfill sites; and chipping of garden greens
- Depreciation
- General Expenses – mostly linked to fuel; rehabilitation of landfill sites; security services costs at various sites; and purchasing of bags
- Repairs and maintenance on buildings and fleet
- Activity based costing linked to fleet and equipment rental

Directorate capital programme

The Directorate's capital programme for 2025/26 is made up of the following main projects:

- Vehicle and plant replacement programme
- Upgrading of various depots
- Upgrading of various drop-off sites to include components of waste minimisation
- Construction of new material recovery facilities
- Development of new landfill airspace
- The construction of landfill gas to flaring infrastructure for future possible electrification

Table 77 – Urban Waste Management (Vote 12) – operating revenue by source, expenditure by type and total capital expenditure

Directorate: Urban Waste Management									
Budgeted Financial Performance (revenue and expenditure)									
Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue									
Exchange Revenue	1 291 684	1 363 154	1 442 661	1 592 084	1 608 092	1 608 092	1 813 603	1 884 386	1 996 488
Service charges - Electricity	-	-	-	-	-	-	-	-	-
Service charges - Water	-	-	1	-	-	-	-	-	-
Service charges - Waste Water Management	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	1 240 657	1 309 193	1 349 566	1 516 500	1 549 837	1 549 837	1 658 640	1 764 463	1 869 504
Sales of Goods and Rendering of Services	1 119	396	33 560	18 437	4 690	4 690	96 299	59 376	64 514
Agency services	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	33 720	37 805	40 037	39 990	37 562	37 562	39 252	41 019	42 823
Interest earned from Current and Non Current Assets	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	0	-	-	-	-	-	-	-	-
Licence and permits	-	-	0	-	-	-	-	-	-
Special rating levies	-	-	-	-	-	-	-	-	-
Operational Revenue	16 187	15 759	19 496	17 157	16 003	16 003	19 411	19 528	19 647
Non-Exchange Revenue	114 974	605 576	649 284	610 709	608 065	608 065	1 509 541	1 678 749	1 803 676
Property rates	-	-	-	-	-	-	-	-	-
Surcharges and Taxes	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	89	157	9 051	-	1 597	1 597	1 669	1 743	1 820
Licences and permits	-	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	111 770	602 972	637 190	607 377	606 059	606 059	598 461	693 146	709 035
Interest	-	-	-	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	906 078	980 527	1 089 489
Gains on disposal of Assets	3 114	2 448	3 043	3 333	409	409	3 333	3 333	3 333
Other Gains	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	1 406 657	1 968 730	2 091 945	2 202 793	2 216 158	2 216 158	3 323 144	3 563 135	3 800 163
Expenditure									
Employee related costs	1 254 925	1 276 237	1 381 464	1 672 008	1 578 165	1 578 299	1 758 847	1 923 892	2 035 243
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	250 864	289 485	312 105	274 707	282 132	282 978	322 289	324 408	326 603
Debt impairment	(115 896)	93 305	(23 373)	99 922	18 946	18 946	67 813	77 441	91 139
Depreciation & amortisation	162 168	181 234	217 809	245 686	248 470	248 470	288 060	311 303	338 308
Interest	38 584	57 210	44 183	14 661	14 661	14 661	16 977	16 977	16 977
Contracted services	1 130 665	1 261 655	1 205 782	1 258 570	1 347 177	1 345 356	1 369 710	1 402 612	1 436 265
Transfers and subsidies	9 800	1 847	2 600	3 900	3 900	3 900	3 900	3 900	3 900
Irrecoverable debts written off	234 170	15 208	140 981	8 400	62 296	62 296	62 296	62 296	62 296
Operational cost	172 635	228 046	240 418	186 757	223 281	224 122	210 867	210 910	211 793
Losses on disposal of Assets	539	607	274	5	208	208	208	208	208
Other Losses	-	-	3	-	-	-	-	-	-
Total Expenditure	3 138 453	3 404 834	3 522 246	3 764 616	3 779 236	3 779 236	4 100 966	4 333 946	4 522 731
Surplus/(Deficit)	(1 731 796)	(1 436 104)	(1 430 301)	(1 561 822)	(1 563 078)	(1 563 078)	(777 823)	(770 811)	(722 568)
Transfers & subsidies - capital monetary	699	19 830	949	-	-	-	-	-	-
Transfers & subsidies capital in-kind	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1 731 098)	(1 416 275)	(1 429 352)	(1 561 822)	(1 563 078)	(1 563 078)	(777 823)	(770 811)	(722 568)
Income Tax	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	(1 731 098)	(1 416 275)	(1 429 352)	(1 561 822)	(1 563 078)	(1 563 078)	(777 823)	(770 811)	(722 568)
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	(1 731 098)	(1 416 275)	(1 429 352)	(1 561 822)	(1 563 078)	(1 563 078)	(777 823)	(770 811)	(722 568)
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(1 731 098)	(1 416 275)	(1 429 352)	(1 561 822)	(1 563 078)	(1 563 078)	(777 823)	(770 811)	(722 568)
Capital Expenditure	327 566	638 820	592 417	300 619	416 696	397 982	438 953	581 984	784 018

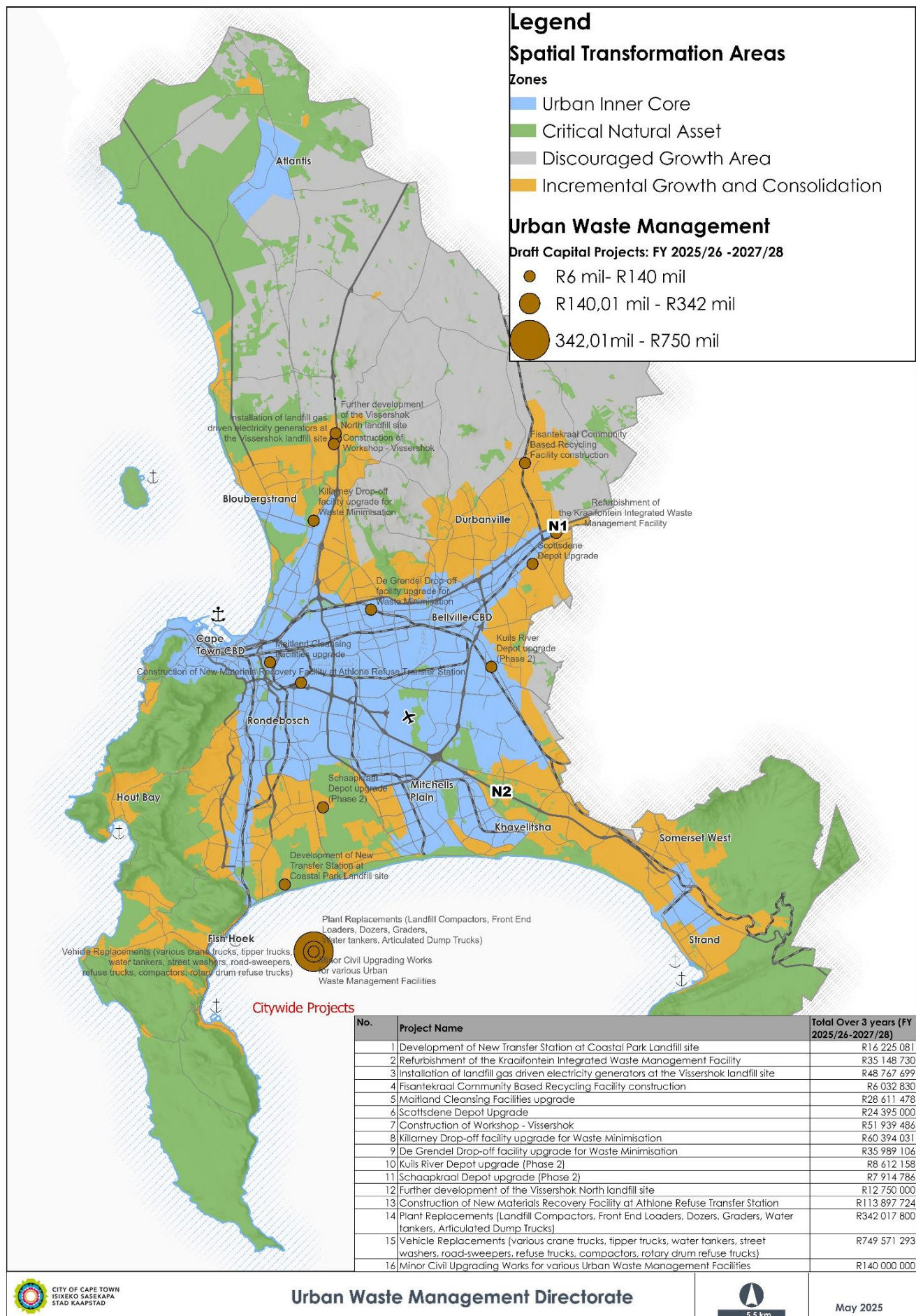


Figure 32: Map detailing Urban Waste Management's top projects/programmes over the MTREF

2.12.12 Water & Sanitation (Vote 13)

The Water & Sanitation Directorate performs the dual role of Water Service Authority and Water Service Provider. It also provides bulk drinking water to adjacent local authorities, namely Drakenstein Municipality and Stellenbosch Municipality. As a water service provider, the Directorate constantly strives to improve its performance with respect to water quality management and therefore water safety planning and risk mitigation methodologies are integrated into the management processes.

Although no major corrective interventions are currently required in terms of the Water Safety Plan, the Directorate will constantly evaluate the need for additional risk mitigation measures. Provision is made in the normal budget allocations to maintain the high standards already achieved.

As regards to the management of wastewater, the Directorate has a risk-based approach in place, where strategic risks to the wastewater business have been identified, rated and mitigation measures put in place. The plan to improve capacity and compliance is being implemented but there is a significant financial requirement for capacity upgrading, maintenance, rehabilitation and replacement of ageing assets to mitigate the critical risks in the Wastewater Risk Abatement Plan (WWRAP), the sewer network as well as the sewer pump stations. The WWRAP specifically relates to new license conditions imposed by the National Department of Water & Sanitation.

The Water & Sanitation Strategy, informed by the long-term vision, is centered on five-core commitments i.e. safe access to water and sanitation, the wise use of water, sufficient and reliable water from diverse sources, shared benefits from regional sources, and transitioning into a water sensitive city. The fulfilment of these five commitments will result in the citizens' needs being met; support given for improved living conditions as well as protection of the environment; and will ultimately enable and support a growing economy.

The Water & Sanitation Directorate is structured into four departments with two focusing on direct delivery and two working transversely to improve coordination and efficiency.

Department	Branch
Bulk Service	▪ Bulk Water ▪ Wastewater ▪ Catchment, Stormwater & River Management
Distribution Services	▪ Reticulation ▪ Informal Settlement Basic Services
Technical Services (Working transversally across branches)	▪ Engineering & Asset Management ▪ WDM, Regulation & Planning ▪ Scientific Services ▪ Auxiliary Services
Commercial Services (Working transversally across branches)	▪ Customer Services ▪ Finance & Commercial

The branches within the departments perform the following functions:

- **Bulk Services Department**

- **Bulk Water Branch**

- Manages water catchment areas, storage dams, developing and implementing new and diverse supplies of water to increase resilience, water treatment, bulk storage reservoirs, and the conveyance of water in bulk water supply lines to reticulation networks.

- **Wastewater Treatment Branch**

- Manages wastewater treatment works (WWTW) and has the important function of treating used water (effluent) and making it safe before discharging it back into the environment.

- **Catchment, Stormwater and River Management Branch**

- Manages the strategic planning for the City's stormwater system, which includes the management of river systems and its drainage catchments in order to manage flood risk, improve inland water quality and optimise the harvesting of stormwater as a valuable water resource.

- **Distribution Services Department**

- **Reticulation Branch**

- Distributes drinking water to consumers and conveys wastewater to treatment works through a network of pipelines, pump stations and reservoirs. Also conveys treated effluent (recycled) water to large users and to designated collection/filling points for construction and industrial contractors.

- **Informal Settlements Basic Services Branch**

- Provides basic services to informal settlements through the development and implementation of infrastructure, asset maintenance and management of janitorial services for ablution facilities.

- **Technical Services Department**

- **Engineering and Asset Management Branch**

- Ensures the electrical and mechanical maintenance of the water and sanitation equipment and facilities. Also provides risk management, fleet management and health and safety services for the Directorate.

- **Water Demand Management, Regulation and Planning Branch**

- Provides a planning service and is responsible for policy development as well as the development and enforcement of by-laws. Also coordinates water demand management programmes, quality management and awareness programmes, information management and business reporting.

- **Scientific Services Branch**

- Ensures that the water and treated effluent quality complies with strict water quality checks as prescribed by the National Department of Water & Sanitation (DWS). Conducts vigorous testing of drinking water including chemical and microbiological analysis in accordance with SANS 241:2015. In addition, tests treated wastewater from WWTW, water from rivers and vleis, and perform air pollution testing.

- **Auxiliary Services Branch**

- Manages depot and building maintenance, information and technology support, staff housing, loss control, investigations as well as security and protection services for staff in volatile areas.

- **Commercial Services Department**

- **Customer Services Branch**

Manages the optimising of water meter operations, accurate billing based on meter reading, and responsiveness to customer queries as well as effective implementation of debt management and revenue collection actions.

- **Finance and Commercial Branch**

Provides administrative functions relating to budgeting, accounting and financial administration as well as management of movable assets.

The Water & Sanitation Directorate also has the following shared services that reports directly to the Executive Director and provides the following services:

Shared Services	Branch
Working transversally across departments	▪ Capital & Contract Management ▪ Support Services ▪ HR Business Partner ▪ Communications & Partnerships

These branches perform the following functions:

- **Capital and Contract Management Branch**

Provides support and oversight on the implementation of projects forming part of the Directorate's capital development programme ensuring adherence to supply chain management/tender processes as well as contract management principles.

- **Support Services Branch**

Contributes to the operating effectiveness of the Directorate through the provision of specialised support in the areas of strategy alignment and integration, risk, governance, legal, compliance, probity and the management of transversal programmes and projects

- **Human Resources Business Partner Branch**

Provision of transactional and transformational human resources. The branch is also responsible for ensuring that the directorate is well capacitated in terms of human resources and creates an inclusive workplace.

- **Communications and Partnerships Branch**

Provides Communication strategy development and implementation, Partnership model development and process management, media campaign management, Political and Corporate liaison, communication process oversight, and related management reporting.

Changes to service levels and standards

The Directorate's commitments for a shared water future are encapsulated in the Water & Sanitation Strategy.

Infrastructure projects being implemented to facilitate service delivery include, *inter alia*, provision for the New Water Plan, upgrades and extensions to the wastewater treatment plants, continued investment in asset replacement programs to ensure proper asset management with specific focus on sewer network replacement as well as the upgrading of sewer pump stations, upgrading and rehabilitation of assets to adhere to compliance standards and water demand management initiatives to optimise the use of water sources.

Although the achievement of targets in this regard is showing positive trends, the Directorate is still experiencing challenges relating to sewer collapses, blockages, spills and overflows, which is systematically being addressed.

The operating impact of these major capital investments unfortunately makes it extremely challenging to maintain service levels at low tariff increases. In order to perform against its mandate and objectives for the 2025/26 financial year, the Water & Sanitation Directorate has had to again prioritise expenditure relating to strategic imperatives. It must, however, be emphasised that the medium-to-long term financial planning is systematically being aligned over the ensuing years to spread the operating budget impact of these priorities, and specifically the impact of the New Water Plan projects, will have to be aligned once it become operational.

Prior year performance – 2023/24 financial year

To ensure sustainable, fair, equitable, reliable and financially viable provision of water and sanitation services, the Directorate has previously developed and implemented strategies that address the priorities reflected in the City's scorecard and have maintained service delivery standards during the 2023/24 financial year by ensuring the meeting of key implementation plan targets including:

- Compliance of drinking water standards;
- Replacements of the water and sewer network;
- Additional installation of 811 new water connection points and 6 486 new sanitation services points in informal settlements;
- Capital and operational expenditure;
- Workplace skills plan expenditure; and
- Expanded Public Work Programme (EPWP) opportunities.

The Directorate has also managed to:

- Maintain momentum on key projects such as the New Water Plan, water savings initiatives such as pressure management, pro-active leak detection as well as extending the treated effluent network.
- Significantly increase the kilometers of pipe replaced on the sewer network. Replacement of the sewer network has increased from 55km in 2022/23 to 97km in 2023/24. The Directorate is also well on its way to achieve the target of 100km in 2024/25.
- Implement the programme to improve the condition of pump station infrastructure.

The Water & Sanitation Directorate remains committed to the provision of safe and reliable basic services to all residents. The City as the Water Services Authority continues to provide a high quality, reliable water and sanitation services to all City residents.

Major features of expenditure including discretionary and non-discretionary expenditure

In summary, the proposed budget makes allowance for costs associated with the water augmentation plan to ensure security of water supply, upgrades and extensions to the wastewater treatment plants, water demand management initiatives, ensuring the management of assets at appropriate levels, sustain and enhance the maintenance programmes as well as supplying water and sanitation services at appropriate compliance, capacity, skills, service delivery and responsiveness levels.

Directorate capital programme

Some of the major capital projects are:

- Bulk Water – New Water Plan: Atlantis Aquifer; Cape Flats Aquifer & Recharge; Table Mountain Group Aquifer; Muldersvlei Reservoir and Pipeline; Bulk Water Infrastructure Replacement
- WWTW Extensions and Upgrades – Potsdam; Macassar; Athlone; Wesfleur; Wildevoëlvlei; Upgrades to Marine Outfalls;
- Catchment, Stormwater and River Management – Upgrades: Sir Lowry's Pass River; Vygekraal River bank – Athlone; Manenberg Canal; Zandvlei Canal; Flood Alleviation – Lourens River; Diep River – Doornbach Diversions;
- Reticulation: Cape Flats Sewer Rehabilitation; Philippi Collector Sewer; Gordon's Bay Sewer Rising Main, Gordons Bay Beach Front Sewer –Phase 2; Rehabilitation of Bulk Reticulation Sewers – Milnerton Area; Trappies Sewer Rehabilitation; Rietvlei Pump Station and Rising Main; Upgrade of Various Sewer Pump station; Replace Water Network (citywide); Replace Sewer Network (citywide) and improvements to sewer pump stations;
- Informal Settlements: Provision of water and sanitation infrastructure to informal settlements
- Customer Services: Advanced Metering Infrastructure Rollout Programme; Meter Replacement Programme
- Engineering & Asset Management: Vehicle and Plant requirements
- Water Demand Management: Treated Effluent and Pressure Management Programme
- Auxiliary Services: Depot Upgrades; IT & Information Management Systems

Table 78 – Water & Sanitation (Vote 13) – operating revenue by source, expenditure by type and total capital expenditure

Directorate: Water & Sanitation									
Budgeted Financial Performance (revenue and expenditure)									
Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Revenue									
Exchange Revenue	5 790 734	6 336 726	7 611 202	7 896 499	8 041 657	8 041 657	9 105 187	9 882 574	11 733 196
Service charges - Electricity	(105)	395	1	—	—	—	—	—	—
Service charges - Water	3 669 403	3 996 621	4 843 587	4 998 349	5 097 633	5 097 633	5 775 372	6 256 848	7 433 049
Service charges - Waste Water Management	1 841 893	2 033 192	2 416 264	2 547 558	2 587 547	2 587 547	2 966 006	3 235 545	3 850 787
Service charges - Waste Management	—	1	(1)	—	—	—	—	—	—
Sales of Goods and Rendering of Services	21 463	28 545	37 403	30 236	25 226	25 226	23 956	25 925	30 809
Agency services	—	—	—	—	—	—	—	—	—
Interest	—	—	—	—	—	—	—	—	—
Interest earned from Receivables	185 620	200 841	223 750	229 620	235 440	235 440	239 723	259 620	309 312
Interest earned from Current and Non Current Assets	—	—	—	—	—	—	—	—	—
Dividends	—	—	—	—	—	—	—	—	—
Rent on Land	—	—	—	—	—	—	—	—	—
Rental from Fixed Assets	179	211	271	240	270	270	290	303	317
Licence and permits	—	—	—	—	—	—	—	—	—
Special rating levies	—	—	—	—	—	—	—	—	—
Operational Revenue	72 280	76 919	89 926	90 497	95 540	95 540	99 839	104 332	108 923
Non-Exchange Revenue	4 905 079	5 295 854	6 327 531	6 790 429	6 851 702	6 851 702	7 551 235	8 130 513	9 172 380
Property rates	—	—	—	—	—	—	—	—	—
Surcharges and Taxes	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits	11 900	153	3 023	186	449	449	286	298	312
Licences and permits	—	—	—	—	—	—	—	—	—
Transfers and subsidies - Operational	105 370	1 151 490	1 268 983	1 392 364	1 385 616	1 385 616	1 511 819	1 574 888	1 605 256
Interest	—	—	—	—	—	—	—	—	—
Fuel Levy	—	—	—	—	—	—	—	—	—
Operational Revenue	—	—	—	—	—	—	—	—	—
Gains on disposal of Assets	5 686	4 325	4 862	4 581	4 581	4 581	4 787	4 787	4 787
Other Gains	4 782 122	4 139 885	5 050 663	5 393 297	5 461 056	5 461 056	6 034 343	6 550 539	7 562 025
Discontinued Operations	—	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)	10 695 813	11 632 580	13 938 733	14 686 928	14 893 359	14 893 359	16 656 422	18 013 087	20 905 576
Expenditure									
Employee related costs	2 055 859	2 191 782	2 471 271	2 768 796	2 705 493	2 705 493	3 123 361	3 321 107	3 551 090
Remuneration of councillors	—	—	—	—	—	—	—	—	—
Bulk purchases - electricity	—	—	—	—	—	—	—	—	—
Inventory consumed	4 628 214	4 306 220	5 309 793	5 611 397	5 717 914	5 703 016	6 288 093	6 809 354	7 986 781
Debt impairment	(79 191)	323 914	191 797	596 604	644 400	644 400	738 004	680 660	646 360
Depreciation & amortisation	557 262	636 001	711 275	808 489	786 121	786 121	849 700	867 495	1 065 051
Interest	1 333	311	—	—	—	276	—	—	—
Contracted services	1 702 885	2 197 662	2 279 441	2 341 553	2 505 768	2 514 989	2 808 739	3 058 232	3 034 584
Transfers and subsidies	27 346	27 774	28 217	31 328	49 400	49 400	31 328	31 328	31 328
Irrecoverable debts written off	555 334	167 576	536 007	—	—	—	—	—	—
Operational cost	423 011	485 837	488 554	440 186	554 016	559 418	572 466	586 088	589 788
Losses on disposal of Assets	914	938	2 019	—	3	3	3	3	3
Other Losses	586 917	431 441	358 308	562 644	446 035	446 035	530 829	575 215	680 149
Total Expenditure	10 459 885	10 769 455	12 376 682	13 160 998	13 409 149	13 409 149	14 942 522	15 929 482	17 585 134
Surplus/(Deficit)	235 928	863 125	1 562 052	1 525 930	1 484 210	1 484 210	1 713 900	2 083 604	3 320 442
Transfers & subsidies - capital monetary	264 052	357 984	395 257	376 242	379 239	379 239	415 188	517 548	409 486
Transfers & subsidies capital in-kind	432	242	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions	500 411	1 221 351	1 957 309	1 902 172	1 863 449	1 863 449	2 129 088	2 601 152	3 729 928
Income Tax	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after income tax	500 411	1 221 351	1 957 309	1 902 172	1 863 449	1 863 449	2 129 088	2 601 152	3 729 928
Share of Surplus/Deficit attributable to Joint Venture	—	—	—	—	—	—	—	—	—
Share of Surplus/Deficit attributable to Minorities	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality	500 411	1 221 351	1 957 309	1 902 172	1 863 449	1 863 449	2 129 088	2 601 152	3 729 928
Share of Surplus/Deficit attributable to Associate	—	—	—	—	—	—	—	—	—
Intercompany/Parent subsidiary transactions	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	500 411	1 221 351	1 957 309	1 902 172	1 863 449	1 863 449	2 129 088	2 601 152	3 729 928
Capital Expenditure	1 714 114	2 051 600	3 315 859	5 093 382	4 713 051	3 888 483	4 926 374	5 839 550	5 715 926

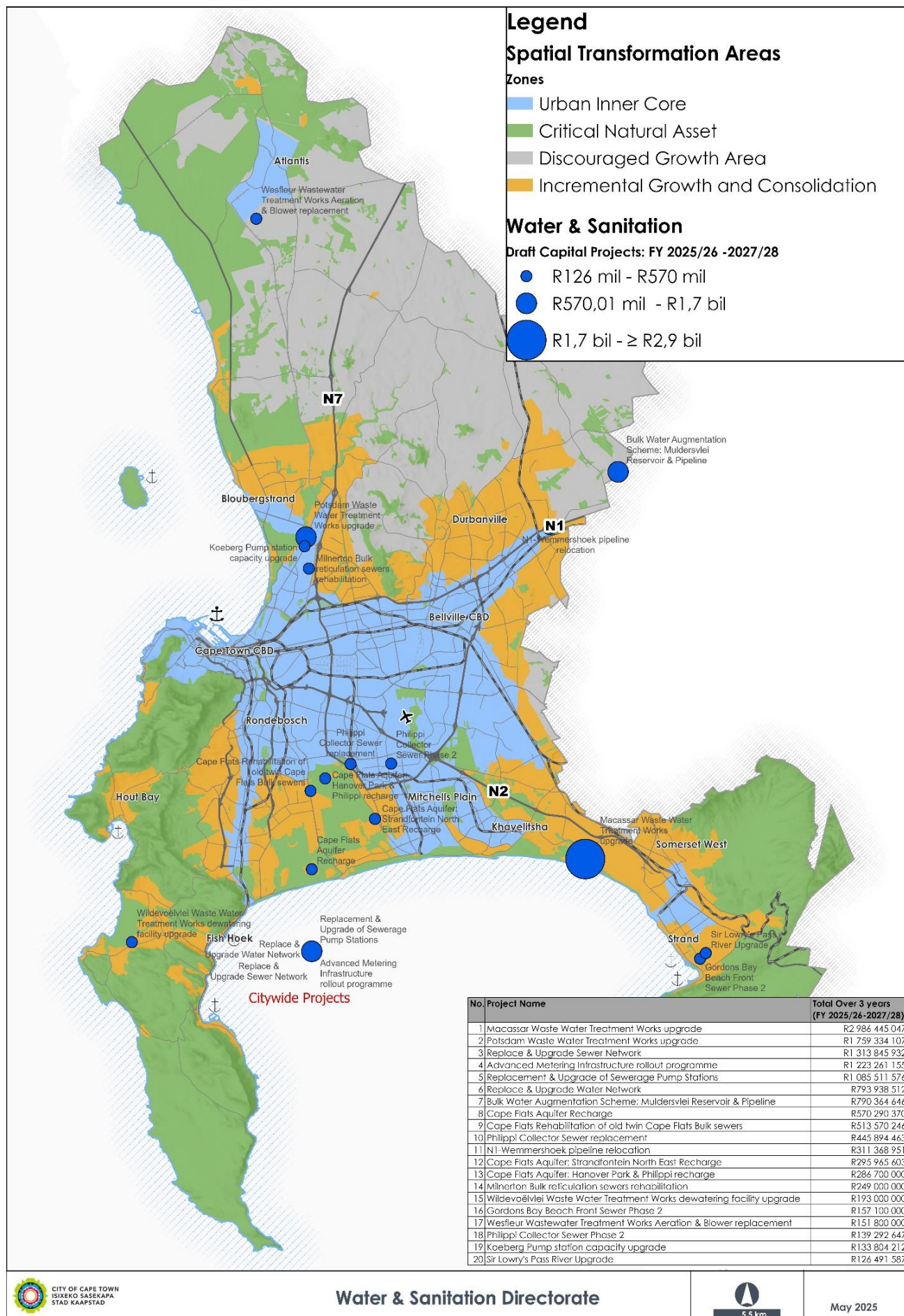


Figure 33: Map detailing Water & Sanitation's top projects/programmes over the MTREF

2.13 Annual budget and service delivery agreement – Cape Town International Convention Centre (CTICC)

2.13.1 Executive Summary

Management has prepared the 2025/26 budget taking into account various forecast events and activities that are likely to occur before and during the budget period. Accordingly, the budget has been prepared on a going-concern basis, which is consistent with that followed in previous years. The number of events hosted are forecast to increase slightly, based on current experiences and factors. As the occupancy levels have increased over the last few years the revenue growth is likely to be driven more through inflationary factors and upselling to clients. Costs are likely to increase above inflation, and consequently the CTICC's rate charged to clients due to their price sensitivities. Management will continue to source goods and services as efficiently as possible during the tender process, to limit the dilution to the bottom line.

The company will continue to fund its capital investment programme using its own cash resources, without requiring any external funding, thereby remaining self-sufficient and operating as a going concern for the foreseeable future.

The key assumptions made in preparing the budget include the following:

- a) Events contracted on the books as of January 2025, as well as a “blue-sky” component for the forecast period.
- b) Higher costs based on the weak currency, inflation, venue occupancy, increased utility, and payroll costs.
- c) Increase in maintenance costs of ageing assets, particularly in CTICC 1. Maintenance and replacement programme of all equipment and infrastructure allowing the company to sweat (increase the economic useful life) existing assets to retain vital cash resources.
- d) Filling of critical vacancies to deliver a five-star service to clients/guests.
- e) Salary increments, bonuses and leave pay provision, taking into account a vacancy factor for the year.
- f) Increase in bursaries for staff and unemployed learners for the continuation of the learnership programme.
- g) The prime overdraft rate, and consequently the interest earned, to reduce by about 100 basis point over the financial year.
- h) Increase in travel and accommodation cost for events and shows.

2.13.2 Service Delivery Agreement between the City and the CTICC**Table 79 – CTICC – Service Delivery Agreement**

Period of agreement	No period stipulated but subject to annual reviews in terms of Section 93A of the Systems Act.
Service provided	International conference centre
Expiry date of SDA	Not applicable
Monetary value	No current operating funding from the City.
Ownership and control	<u>Shareholding as at 31/01/2025</u> City of Cape Town - 72.7% Provincial Government of Western Cape - 22.2% SunWest International Pty Ltd - 5.1%
Oversight processes	The Finance Directorate (Treasury Department) of the City monitors performance and compliance.
Mandate	To manage and sustain a world class international convention centre.
Funding over medium term	The CTICC does not intend taking up loan funding to fund their capital programme at this time.
Summary of SDA	Sets out the obligations of the CTICC and the City in respect of compliance and performance issues.
Link to IDP	Inclusive Economic growth Public space, environment and amenities Safety
Past performance and future objectives	The CTICC has performed exceptionally well and exceeded its targets in the past. The expanded centre will support the CTICC's vision and growth outlook, as well as the City's objective of establishing Cape Town as Africa's top business events destination.

Being in the international service and hospitality business requires that facilities are always up to international standards. The assets of the centre represent a major investment, which attracts substantial depreciation. There is a policy for the replacement of fixed assets, which was impacted by the Covid-19 pandemic, so that the centre can maintain the high standards required.

The aggregated annual budget, as required in terms of section 9 of the MBRR, are presented in the five primary budget tables on page 229 to page 233. These tables reflect the CTICC's 2025/26 budget and MTREF to be supported by Council.

Schedule D reflecting the annual budget and supporting documents for the CTICC is attached as Annexure 32, while the business plan is attached as Annexure 33. The entity's proposed tariffs are attached as Annexure 34.

Table 80 – CTICC – Table D1 Budget Summary

Description	2021/22	2022/23	2023/24	Current Year 2024/25			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands									
Financial Performance									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Investment revenue	1 557	5 595	12 815	12 000	16 933	16 933	18 873	20 524	22 423
Transfer and subsidies - Operational	–	–	–	–	–	–	–	–	–
Other own revenue	98 100	272 506	387 718	350 284	411 520	411 520	442 321	469 372	498 352
Total Revenue (excluding capital transfers and contributions)	99 657	278 101	400 533	362 284	428 453	428 453	461 194	489 896	520 775
Employee costs	54 114	72 285	90 469	97 671	102 456	102 456	108 347	114 030	120 010
Remuneration of board members	603	628	744	913	889	889	911	952	995
Depreciation and Debt impairment	(88 406)	11 056	(58 106)	42 069	26 440	26 440	51 370	52 670	53 671
Finance charges	–	–	–	–	–	–	–	–	–
Inventory consumed and bulk purchases	10 428	41 870	59 270	51 489	62 994	62 994	67 423	71 516	75 835
Transfers and subsidies	2 124	2 124	2 969	2 124	2 969	2 969	2 969	2 969	2 969
Other expenditure	64 856	109 817	150 546	156 689	171 963	171 963	187 186	198 315	210 437
Total Expenditure	43 718	237 780	245 892	350 954	367 712	367 712	418 207	440 452	463 917
Surplus/(Deficit)	55 939	40 321	154 642	11 330	60 741	60 741	42 987	49 444	56 858
Transfers and subsidies - capital (monetary allocations)	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)	–	–	33 609	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	55 939	40 321	188 251	11 330	60 741	60 741	42 987	49 444	56 858
Income Tax	49 600	14 622	(54 488)	3 094	16 400	16 400	11 407	13 350	15 352
Surplus/ (Deficit) for the year	6 339	25 699	242 739	8 236	44 341	44 341	31 580	36 094	41 506
Capital expenditure & funds sources									
Capital expenditure	10 375	26 580	43 829	52 662	57 674	57 674	75 039	73 795	62 594
Transfers recognised - capital	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	10 375	26 580	43 829	52 662	57 674	57 674	75 039	73 795	62 594
Total sources of capital funds	10 375	26 580	43 829	52 662	57 674	57 674	75 039	73 795	62 594
Financial position									
Total current assets	57 471	116 285	180 167	165 019	232 582	232 582	269 763	315 158	369 961
Total non current assets	728 630	719 329	905 517	705 322	906 086	906 086	900 551	895 524	886 438
Total current liabilities	52 492	84 214	93 456	101 955	102 215	102 215	102 568	106 925	110 871
Total non current liabilities	235	203	486	371	371	371	83	–	265
Community wealth/Equity	733 374	751 197	991 741	768 015	1 036 083	1 036 083	1 067 662	1 103 757	1 145 263
Cash flows									
Net cash from (used) operating	(12 108)	77 506	94 271	66 174	152 675	152 675	108 200	112 844	109 617
Net cash from (used) investing	40 625	(26 580)	(43 829)	(52 662)	(57 674)	(57 674)	(75 039)	(73 795)	(62 594)
Net cash from (used) financing	–	–	–	–	(11 957)	(11 957)	2 553	3 598	6 040
Cash/cash equivalents at the year end	50 733	101 659	152 101	142 998	212 530	212 530	248 244	290 891	343 954

Table 81 – CTICC – Table D2 Budgeted Financial Performance (revenue and expenditure)

Description	2021/22	2022/23	2023/24	Current Year 2024/25			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Revenue									
Exchange Revenue									
Service charges - Electricity	-	-	-	-	-	-	-	-	-
Service charges - Water	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services	-	21 738	24 018	22 771	23 225	23 225	24 850	26 538	28 341
Agency services	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets	1 557	5 595	12 815	12 000	16 933	16 933	18 873	20 524	22 423
Dividends	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	39 504	120 604	177 282	167 022	183 668	183 668	198 508	210 605	223 437
Licence and permits	-	-	-	-	-	-	-	-	-
Special rating levies	-	-	-	-	-	-	-	-	-
Operational Revenue	58 595	130 164	186 418	160 491	204 627	204 627	218 963	232 229	246 574
Non-Exchange Revenue									
Property rates	-	-	-	-	-	-	-	-	-
Surcharges and Taxes	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Licences or permits	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets	-	-	-	-	-	-	-	-	-
Other Gains	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	99 657	278 101	400 533	362 284	428 453	428 453	461 194	489 896	520 775
Expenditure									
Employee related costs	54 114	72 285	90 469	97 671	102 456	102 456	108 347	114 030	120 010
Remuneration of board members	603	628	744	913	889	889	911	952	995
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	10 428	41 870	59 270	51 489	62 994	62 994	67 423	71 516	75 835
Debt impairment	(45)	99	1 207	240	240	240	180	180	180
Depreciation and asset impairment	(88 361)	10 957	(59 313)	41 829	26 200	26 200	51 190	52 490	53 491
Finance charges	-	-	-	-	-	-	-	-	-
Contracted services	26 059	53 136	70 399	72 031	77 029	77 029	85 370	89 585	94 008
Transfers and subsidies	2 124	2 124	2 969	2 124	2 969	2 969	2 969	2 969	2 969
Irrecoverable debts written off	-	-	-	-	-	-	-	-	-
Operational costs	38 563	56 214	80 078	84 658	94 923	94 923	101 816	108 729	116 429
Losses on disposal of Assets	-	303	216	-	-	-	-	-	-
Other Losses	234	164	(146)	-	11	11	-	-	-
Total Expenditure	43 718	237 780	245 892	350 954	367 712	367 712	418 207	440 452	463 917
Surplus/(Deficit)	55 939	40 321	154 642	11 330	60 741	60 741	42 987	49 444	56 858
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	33 609	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	55 939	40 321	188 251	11 330	60 741	60 741	42 987	49 444	56 858
Income Tax	49 600	14 622	(54 488)	3 094	16 400	16 400	11 407	13 350	15 352
Surplus/(Deficit) after income tax	6 339	25 699	242 739	8 236	44 341	44 341	31 580	36 094	41 506
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	6 339	25 699	242 739	8 236	44 341	44 341	31 580	36 094	41 506
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	6 339	25 699	242 739	8 236	44 341	44 341	31 580	36 094	41 506

Table 82 – CTICC – Table D3 Capital Budget by vote and funding

Vote Description	2021/22	2022/23	2023/24	Current Year 2024/25			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands									
Capital expenditure by Asset Class/Sub-class									
Other assets	5 774	17 827	26 922	29 805	34 417	34 417	33 014	37 100	36 790
Operational Buildings	5 774	17 827	26 922	29 805	34 417	34 417	33 014	37 100	36 790
Municipal Offices	5 774	17 827	26 922	29 805	34 417	34 417	33 014	37 100	36 790
Computer Equipment	4 601	7 142	9 527	12 926	13 326	13 326	28 570	23 585	17 644
Computer Equipment	4 601	7 142	9 527	12 926	13 326	13 326	28 570	23 585	17 644
Furniture and Office Equipment	–	1 209	6 373	5 136	5 136	5 136	9 970	8 950	4 265
Furniture and Office Equipment	–	1 209	6 373	5 136	5 136	5 136	9 970	8 950	4 265
Machinery and Equipment	–	401	1 008	4 795	4 795	4 795	3 485	4 160	3 895
Machinery and Equipment	–	401	1 008	4 795	4 795	4 795	3 485	4 160	3 895
Total capital expenditure on assets	10 375	26 580	43 829	52 662	57 674	57 674	75 039	73 795	62 594
Funded by:									
National Government	–	–	–	–	–	–	–	–	–
Provincial Government	–	–	–	–	–	–	–	–	–
Parent Municipality	–	–	–	–	–	–	–	–	–
District Municipality	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	10 375	26 580	43 829	52 662	57 674	57 674	75 039	73 795	62 594
Total Capital Funding	10 375	26 580	43 829	52 662	57 674	57 674	75 039	73 795	62 594

Table 83 – CTICC – Table D4 Budgeted Financial Position

Description	2021/22	2022/23	2023/24	Current Year 2024/25			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands									
ASSETS									
Current assets									
Cash and cash equivalents	50 733	101 659	152 101	142 998	212 530	212 530	248 244	290 891	343 954
Trade and other receivables from exchange transactions	–	–	–	–	–	–	–	–	–
Receivables from non-exchange transactions	2 645	9 752	22 391	16 892	14 215	14 215	15 551	18 076	19 682
Current portion of non-current receivables	2 124	2 124	2 969	2 124	2 969	2 969	2 969	2 969	2 969
Inventory	1 968	2 751	2 706	3 006	2 868	2 868	2 998	3 220	3 356
VAT	–	–	–	–	–	–	–	–	–
Other current assets	–	–	–	–	–	–	–	–	–
Total current assets	57 471	116 285	180 167	165 019	232 582	232 582	269 763	315 158	369 961
Non current assets									
Investments	–	–	–	–	–	–	–	–	–
Investment property	–	–	–	–	–	–	–	–	–
Property, plant and equipment	437 410	452 731	552 907	449 240	572 846	572 846	581 687	592 980	602 215
Biological assets	–	–	–	–	–	–	–	–	–
Living and non-living resources	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Intangible assets	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	168 679	166 555	196 349	162 307	193 380	193 380	190 410	187 441	184 471
Other non-current assets	122 541	100 043	156 261	93 775	139 861	139 861	128 454	115 104	99 752
Other non-current assets	–	–	–	–	–	–	–	–	–
Total non current assets	728 630	719 329	905 517	705 322	906 086	906 086	900 551	895 524	886 438
TOTAL ASSETS	786 101	835 614	1 085 684	870 341	1 138 669	1 138 669	1 170 313	1 210 682	1 256 399
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Financial liabilities	–	–	–	–	–	–	–	–	–
Consumer deposits	30 293	44 186	42 374	56 746	44 789	44 789	47 342	49 284	51 501
Trade and other payables from exchange transactions	22 199	36 237	43 247	37 685	48 759	48 759	45 991	47 922	49 139
Trade and other payables from non-exchange transactions	–	–	–	–	–	–	–	–	–
Provision	–	3 791	7 835	7 524	8 666	8 666	9 235	9 720	10 230
VAT	–	–	–	–	–	–	–	–	–
Other current liabilities	–	–	–	–	–	–	–	–	–
Total current liabilities	52 492	84 214	93 456	101 955	102 215	102 215	102 568	106 925	110 871
Non current liabilities									
Financial liabilities	–	–	–	–	–	–	–	–	–
Provision	235	203	486	371	371	371	83	–	265
Long term portion of trade payables	–	–	–	–	–	–	–	–	–
Other non-current liabilities	–	–	–	–	–	–	–	–	–
Total non current liabilities	235	203	486	371	371	371	83	–	265
TOTAL LIABILITIES	52 727	84 417	93 942	102 326	102 586	102 586	102 651	106 925	111 136
NET ASSETS	733 374	751 197	991 741	768 015	1 036 083	1 036 083	1 067 662	1 103 757	1 145 263
COMMUNITY WEALTH/EQUITY									
Accumulated surplus/(deficit)	(595 054)	(577 230)	(336 686)	(560 413)	(292 345)	(292 345)	(260 765)	(224 671)	(183 165)
Reserves and funds	1 328 428	1 328 428	1 328 428	1 328 428	1 328 428	1 328 428	1 328 428	1 328 428	1 328 428
Other	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	733 374	751 197	991 741	768 015	1 036 083	1 036 083	1 067 662	1 103 757	1 145 263

Table 84 – CTICC – Table D5 Budgeted Cash Flow

Description R thousands	2021/22	2022/23	2023/24	Current Year 2024/25			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Other revenue	97 968	272 506	371 052	350 284	411 520	411 520	442 321	469 372	498 352
Transfers and Subsidies - Operational	–	–	–	–	–	–	–	–	–
Transfers and Subsidies - Capital	–	–	–	–	–	–	–	–	–
Interest	1 557	5 595	12 349	12 000	16 933	16 933	18 873	20 524	22 423
Dividends	–	–	–	–	–	–	–	–	–
Payments									
Suppliers and employees	(111 633)	(200 595)	(289 130)	(296 110)	(275 778)	(275 778)	(352 994)	(377 052)	(411 158)
Finance charges	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	(12 108)	77 506	94 271	66 174	152 675	152 675	108 200	112 844	109 617
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current receivables	51 000	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–
Payments									
Capital assets	(10 375)	(26 580)	(43 829)	(52 662)	(57 674)	(57 674)	(75 039)	(73 795)	(62 594)
NET CASH FROM/(USED) INVESTING ACTIVITIES	40 625	(26 580)	(43 829)	(52 662)	(57 674)	(57 674)	(75 039)	(73 795)	(62 594)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	(11 957)	(11 957)	2 553	3 598	6 040
Payments									
Repayment of borrowing	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	–	–	–	–	(11 957)	(11 957)	2 553	3 598	6 040
NET INCREASE/ (DECREASE) IN CASH HELD	28 518	50 926	50 442	13 513	83 045	83 045	35 714	42 647	53 063
Cash/cash equivalents at the year begin:	22 215	50 733	101 659	129 485	129 485	129 485	212 530	248 244	290 891
Cash/cash equivalents at the year end:	50 733	101 659	152 101	142 998	212 530	212 530	248 244	290 891	343 954

2.14 Annual budget and service delivery agreement – Cape Town Stadium (CTS)

2.14.1 Executive Summary

The Municipal Entity (ME) made significant strides towards securing a robust events calendar, hosting a total of twelve rugby and sixteen football broadcast matches during the prior year. This has set the foundation of the events calendar for future years. We enter the 2025/26 financial year with a healthy eventing outlook and one that we can build on as we look towards the long-term financial sustainability of the business.

CTS has completed its sixth full annual financial cycle. A Service Delivery Agreement (SDA), in terms of the MFMA, has been implemented with the City in respect of governance and management of the stadium.

CTS aims to be financially sustainable within the near future. With a strong events calendar for the 2025/26 financial year, CTS will progress this mandate against realistic timelines to ensure that the short-term successes achieved by the municipal entity will be carried forward to future years. This will include the various areas currently serviced by the City through the SDA between the City and the municipal entity including the provision of legal, human resource and financial services.

The Board and Management of CTS are pleased that the entity once again achieved an unqualified 'clean' audit report for the 2023/24 financial year. This is the sixth consecutive clean audit since the establishment of the ME in 2018.

In pursuit of financial sustainability, securing an anchor tenant for CTS, in Stormers Rugby (SR), secures approximately 12-15 matches per year and forms the foundation of the event commercial overlay. The event commercial overlay consisting of hospitality, liquor distribution, product suppliers and general public food and beverage concessionaires was implemented for the majority of bowl events hosted at CTS. The 2023/24 financial year saw the implementation of international events acquisition efforts, to position the DHL Stadium as a world-class stadium that can meet the strict standards of the participation agreements of international tournaments. This strategy will continue in 2025/26, broadening the reach of event acquisition to Europe, the United Kingdom and Australasia.

The following CTS board committees and subcommittees have been fully constituted and will carry out Board-approved functions in terms of documented and approved Terms of References:

- Audit and Risk Subcommittee;
- Human Resource, Social and Ethics Subcommittee;
- Events, Marketing, Communication and Commercial Subcommittee; and
- Finance Subcommittee.
- Remuneration Subcommittee.

These committees have been effectively and diligently fulfilling their respective oversight roles. From a governance perspective, an experienced and outsourced company secretary, performs the entity's secretariat functions.

2.14.2 Service Delivery Agreement between the City and the CTS**Table 85 – CTS – Service Delivery Agreement**

Period of agreement	The period of agreement is 50 years from the commencement date. The City may, at its sole discretion extend the Service Provider's (municipal entity's) appointment for a further period of 49 years.
Funding	The City will provide the grant and allocation to cover the Entity's operational expenditure in terms of an approved budget and provide support services. The stadium will be responsible for all maintenance, which will be based on the City's maintenance standards. The City will be liable for all capital expenditure.
Staffing	The City will second staff members on a 3-year term to the Entity with the concurrence of the staff members concerned. Staff employed at the CTS remain City employees, will be paid by the City and receive standard benefits including bonuses and leave pay. The municipal entity may appoint additional staff.
Services to be provided	General facility maintenance and event support operations, events and entertainment services management, commercialisation, marketing and hospitality management, finance, legal and administration management.
Ownership and control	The City is a 100% shareholder.
Oversight processes	The Finance Directorate (Treasury Department) of the City monitors the SDA and related performance and compliance of the municipal entity.
City obligations	The City will provide dedicated and prioritised support (City Support Services) with regards to accounting, financial management and budgeting as per the MFMA, including utilisation of the financial system (SAP) used by the City, and supply chain management support, legal, company secretary, brand management and communication. In addition, the City must provide dedicated and prioritised services regarding human resource management support, as well as internal audit and risk management support including oversight over the service provider's audit committee.

The aggregated annual budget, as required in terms of section 9 of the MBRR, are presented in the five primary budget tables on page 236 to page 239. These tables reflect the CTS's 2025/26 budget and MTREF to be supported by Council.

Schedule D reflecting the CTS's annual budget and supporting documents is attached as Annexure 35 while the business plan is attached as Annexure 36. The CTS's proposed tariff structure is attached as Annexure 37.

Table 86 – CTS – Table D1 Budget Summary

Description	2021/22	2022/23	2023/24	Current Year 2024/25			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands									
<u>Financial Performance</u>									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Investment revenue	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational	41 915	33 196	33 196	44 500	44 500	44 500	44 500	44 500	44 500
Other own revenue	56 829	59 231	53 382	68 979	68 979	68 979	75 665	81 072	86 723
Total Revenue (excluding capital transfers and contributions)	98 743	92 427	86 578	113 479	113 479	113 479	120 165	125 572	131 223
Employee costs	1 433	1 537	1 704	3 527	3 527	3 527	4 500	4 703	4 914
Remuneration of Board Members	335	348	499	604	604	604	640	669	699
Depreciation and Debt impairment	–	–	–	–	–	–	–	–	–
Finance charges	–	–	–	–	–	–	–	–	–
Inventory consumed and bulk purchases	1 191	6 083	2 926	7 653	7 653	6 603	3 175	3 318	3 467
Transfers and subsidies	7 683	–	–	–	–	–	–	–	–
Other expenditure	87 678	87 950	87 306	101 696	101 696	102 746	111 849	116 882	122 142
Total Expenditure	98 318	95 919	92 434	113 479	113 479	113 479	120 165	125 572	131 223
Surplus/(Deficit)	425	(3 492)	(5 856)	0	0	0	0	0	0
Transfers and subsidies - capital (monetary allocations)	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	425	(3 492)	(5 856)	0	0	0	0	0	0
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	425	(3 492)	(5 856)	0	0	0	0	0	0
<u>Capital expenditure & funds sources</u>									
<u>Capital expenditure</u>									
Transfers recognised - capital	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	–	–	–	–	–	–
Total sources of capital funds	–	–	–	–	–	–	–	–	–
<u>Financial position</u>									
Total current assets	26 869	23 821	26 189	27 088	27 088	27 088	31 361	31 483	32 229
Total non current assets	–	–	–	–	–	–	–	–	–
Total current liabilities	24 434	24 878	33 102	24 653	24 653	24 653	38 275	38 396	39 142
Total non current liabilities	–	–	–	–	–	–	–	–	–
Community wealth/Equity	2 435	(1 057)	(6 913)	2 435	2 435	2 435	(6 913)	(6 913)	(6 913)
<u>Cash flows</u>									
Net cash from (used) operating	5 517	1 894	(2 000)	155	155	155	2 509	162	165
Net cash from (used) investing	–	–	–	–	–	–	–	–	–
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	5 520	7 414	5 414	7 920	7 920	7 920	10 430	10 591	10 756

Table 87 – CTS – Table D2 Budgeted Financial Performance (revenue and expenditure)

Description R thousand	2021/22	2022/23	2023/24	Current Year 2024/25			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue									
Exchange Revenue									
Service charges - Electricity	-	-	-	-	-	-	-	-	-
Service charges - Water	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	-	-	-	-	-	-	-	-	-
Agency services	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets	-	-	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	32 730	28 572	30 555	44 039	44 039	49 203	52 184	56 583	61 057
Licence and permits	-	-	-	-	-	-	-	-	-
Special rating levies	-	-	-	-	-	-	-	-	-
Operational Revenue	-	-	-	-	-	-	-	-	-
Non-Exchange Revenue									
Surcharges and Taxes	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	-	-	-	-	-
Remuneration of Board Members	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	41 915	33 196	33 196	44 500	44 500	44 500	44 500	44 500	44 500
Interest	83	1 607	1 625	212	212	598	1 000	1 045	1 092
Fuel Levy	-	-	-	-	-	-	-	-	-
Operational Revenue	24 016	29 051	21 202	24 728	24 728	19 178	22 481	23 444	24 574
Gains on disposal of Assets	-	-	-	-	-	-	-	-	-
Other Gains	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	98 743	92 427	86 578	113 479	113 479	113 479	120 165	125 572	131 223
Expenditure									
Employee related costs	1 433	1 537	1 704	3 527	3 527	3 527	4 500	4 703	4 914
Remuneration of board members	335	348	499	604	604	604	640	669	699
Bulk purchases - electricity	-	-	-	-	-	-	-	-	-
Inventory consumed	1 191	6 083	2 926	7 653	7 653	6 603	3 175	3 318	3 467
Debt impairment	-	-	-	-	-	-	-	-	-
Depreciation and asset impairment	-	-	-	-	-	-	-	-	-
Finance charges	-	-	-	-	-	-	-	-	-
Contracted services	67 333	57 446	54 773	68 752	68 752	69 259	73 024	76 310	79 744
Transfers and subsidies	7 683	-	-	-	-	-	-	-	-
Irrecoverable debts written off	-	-	-	-	-	-	-	-	-
Operational costs	20 345	30 503	32 534	32 944	32 944	33 487	38 825	40 572	42 398
Losses on disposal of Assets	-	-	-	-	-	-	-	-	-
Other Losses	-	-	-	-	-	-	-	-	-
Total Expenditure	98 318	95 919	92 434	113 479	113 479	113 479	120 165	125 572	131 223
Surplus/(Deficit)	425	(3 492)	(5 856)	0	0	0	0	0	0
Transfers and subsidies - capital (monetary allocations)	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	425	(3 492)	(5 856)	0	0	0	0	0	0
Income Tax	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax	425	(3 492)	(5 856)	0	0	0	0	0	0
Share of Surplus/Deficit attributable to Joint Venture	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	425	(3 492)	(5 856)	0	0	0	0	0	0
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	425	(3 492)	(5 856)	0	0	0	0	0	0

Table 88 – CTS – Table D4 Budgeted Financial Position

Description	2021/22	2022/23	2023/24	Current Year 2024/25			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands									
ASSETS									
Current assets									
Cash and cash equivalents	5 520	7 414	5 414	7 920	7 920	7 920	10 430	10 591	10 756
Trade and other receivables from exchange transactions	–	9 119	9 895	16 521	16 521	16 521	10 093	9 893	10 311
Receivables from non-exchange transactions	18 914	4 641	7 845	–	–	–	8 002	8 162	8 325
Current portion of non-current receivables	2 435	2 647	2 837	2 647	2 647	2 647	2 837	2 837	2 837
Inventory	–	–	–	–	–	–	–	–	–
VAT	–	–	198	–	–	–	–	–	–
Other current assets	–	–	–	–	–	–	–	–	–
Total current assets	26 869	23 821	26 189	27 088	27 088	27 088	31 361	31 483	32 229
Non current assets									
Investments	–	–	–	–	–	–	–	–	–
Investment property	–	–	–	–	–	–	–	–	–
Property, plant and equipment	–	–	–	–	–	–	–	–	–
Biological assets	–	–	–	–	–	–	–	–	–
Living and non-living resources	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Intangible assets	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	–	–	–	–	–	–	–	–	–
Other non-current assets	–	–	–	–	–	–	–	–	–
Total non current assets	–	–	–	–	–	–	–	–	–
TOTAL ASSETS	26 869	23 821	26 189	27 088	27 088	27 088	31 361	31 483	32 229
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Financial liabilities	–	–	–	–	–	–	–	–	–
Consumer deposits	127	–	–	–	–	–	–	–	–
Trade and other payables from exchange transactions	24 308	24 878	24 294	24 653	24 653	24 653	38 275	38 396	39 142
Trade and other payables from non-exchange transactions	–	–	8 808	–	–	–	–	–	–
Provision	–	–	–	–	–	–	–	–	–
VAT	–	–	–	–	–	–	–	–	–
Other current liabilities	–	–	–	–	–	–	–	–	–
Total current liabilities	24 434	24 878	33 102	24 653	24 653	24 653	38 275	38 396	39 142
Non current liabilities									
Financial liabilities	–	–	–	–	–	–	–	–	–
Provision	–	–	–	–	–	–	–	–	–
Long term portion of trade payables	–	–	–	–	–	–	–	–	–
Other non-current liabilities	–	–	–	–	–	–	–	–	–
Total non current liabilities	–	–	–	–	–	–	–	–	–
TOTAL LIABILITIES	24 434	24 878	33 102	24 653	24 653	24 653	38 275	38 396	39 142
NET ASSETS	2 435	(1 057)	(6 913)	2 435	2 435	2 435	(6 913)	(6 913)	(6 913)
COMMUNITY WEALTH/EQUITY									
Accumulated surplus/(deficit)	2 435	(1 057)	(6 913)	2 435	2 435	2 435	(6 913)	(6 913)	(6 913)
Reserves and funds	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2 435	(1 057)	(6 913)	2 435	2 435	2 435	(6 913)	(6 913)	(6 913)

Table 89 – CTS – Table D5 Budgeted Cash Flow

Description	2021/22	2022/23	2023/24	Current Year 2024/25			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Other revenue	23 619	54 497	38 221	60 890	60 890	60 890	71 004	69 621	74 762
Transfers and Subsidies - Operational	41 915	33 196	33 196	44 500	44 500	44 500	44 500	44 500	44 500
Transfers and Subsidies - Capital	–	–	–	–	–	–	–	–	–
Interest	62	1 385	1 639	–	–	–	–	–	–
Dividends	–	–	–	–	–	–	–	–	–
Payments									
Suppliers and employees	(60 078)	(87 184)	(75 056)	(105 235)	(105 235)	(105 235)	(112 994)	(113 960)	(119 097)
Finance charges	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	5 517	1 894	(2 000)	155	155	155	2 509	162	165
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments	–	–	–	–	–	–	–	–	–
Payments									
Capital assets	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES	–	–	–	–	–	–	–	–	–
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits	–	–	–	–	–	–	–	–	–
Payments									
Repayment of borrowing	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD	5 517	1 894	(2 000)	155	155	155	2 509	162	165
Cash/cash equivalents at the year begin:	3	5 520	7 414	7 765	7 765	7 765	7 920	10 430	10 591
Cash/cash equivalents at the year end:	5 520	7 414	5 414	7 920	7 920	7 920	10 430	10 591	10 756

2.15 Contracts having future budgetary implications

Table 90 – MBRR Table SA33 – Contracts having future budgetary implications

Description	Preceding Years	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework			Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Forecast 2034/35	Total Contract Value
R thousand	Total	Original Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Revenue Obligation By Contract													
<i>Appointment of specialist contractors to operate and maintain landfill gas extraction and power generation systems at City landfills and provide carbon advisory services for carbon projects in the City (Tender 108C/2022/23)</i>	7 991	25 493	26 644	27 899	29 263	13 137	–	–	–	–	–	–	130 427
Total Operating Revenue Implication	7 991	25 493	26 644	27 899	29 263	13 137	–	–	–	–	–	–	130 427
Expenditure Obligation By Contract													
<i>Supply of road fuelling, management information services and related equipment (Tender 025S/2021/22)</i>	578 562	322 201	311 623	311 623	311 623	311 623	311 623	311 623	–	–	–	–	2 770 502
<i>Supply and delivery of ESRI GIS licensing and software support maintenance agreement and ESRI-Certified GIS training. (081S/2022/23)</i>	11 666	16 965	19 596	22 632	26 140	30 192	24 872	–	–	–	–	–	152 063
<i>The supply of VOIP services to the City (192S/2022/23)</i>	–	11 753	11 753	11 753	11 753	11 753	11 753	11 753	11 753	11 753	11 753	–	117 527
<i>Provision of Mobile Data Services (201S/2022/23)</i>	–	30 648	30 648	30 648	30 648	30 648	30 648	30 648	30 648	30 648	30 648	–	306 478
<i>Telecommunications Voice Systems Support and Provisioning (369S/2021/22)</i>	17 940	13 000	13 300	13 600	13 900	14 200	14 500	14 800	15 000	15 100	–	–	145 340
<i>Provision of Internet Services to the City (371S/2021/22)</i>	3 667	6 785	6 799	6 799	6 799	6 799	6 799	–	–	–	–	–	44 447
<i>Enterprise Agreement with Microsoft for Productivity Software Licensing for the City (DP7924/2022/23)</i>	231 402	179 615	183 278	219 009	245 776	103 051	–	–	–	–	–	–	1 162 131
<i>Supply, support, maintenance of ICT security related infrastructure, software, services and licensing (162S/2023/24)</i>	–	–	13 539	13 788	14 479	15 202	17 267	20 172	24 361	28 922	32 891	37 188	217 810
<i>Demand Response Aggregator Services of up to 60MW for the City</i>	–	82 386	117 053	124 076	131 521	139 412	147 777	–	–	–	–	–	742 225
<i>Provision of Public Transport Dial-A-Ride Service (Tender 121S/2022/23)</i>	–	1 000	10 000	10 000	10 000	10 000	–	–	–	–	–	–	41 000
<i>Management and Operation of the Transport Information Centre (8-years) (136S/2019/20)</i>	–	16 600	16 600	16 600	19 000	7 917	–	–	–	–	–	–	76 717
<i>Service provider for traffic contravention services (Tender 125S/2022/23)</i>	38 482	73 468	74 000	85 260	85 260	74 000	54 000	44 000	–	–	–	–	528 470
<i>Service provider for traffic contravention services (DP8528)</i>	–	–	–	–	–	26 000	57 000	58 000	95 000	95 000	95 000	95 000	521 000
<i>Appointment of four regional teams of multidisciplinary professional consultants to undertake planning, design, procurement and construction monitoring services relating to human settlements within the City (Tender 260C/2021/22)</i>	–	13 200	15 600	10 800	12 000	6 000	6 360	–	–	–	–	–	63 960
<i>Establishment of a panel of conveyancers to attend to the transfer of low cost housing for the Human Settlements Planning Department (Tender 275C/2022/2023)</i>	–	10 000	10 000	10 000	10 000	9 500	–	–	–	–	–	–	49 500
<i>Framework tender for the provision of professional services in respect of informal settlements in the City (Tender 33C/2021/22)</i>	–	4 000	4 000	5 000	10 000	8 250	9 000	–	–	–	–	–	40 250
<i>Professional Services: design, tender documentation and construction monitoring for various Urban Waste Management facilities within the City (Tender 74C/2023/24)</i>	–	–	7 712	8 824	17 625	6 896	–	4 510	–	–	–	–	45 568
<i>Appointment of specialist contractors to operate and maintain landfill gas extraction and power generation systems at City landfills and provide carbon advisory services for carbon projects in the City (Tender 108C/2022/23)</i>	7 522	12 000	12 000	12 000	12 000	4 000	–	–	–	–	–	–	59 522
<i>Berg River to Voëlvlei augmentation scheme (BRVAS): Proposed water supply agreement with the National Department of Water & Sanitation (DWS)</i>	–	–	–	–	–	20 000	80 000	83 600	83 600	83 600	83 600	1 908 617	2 343 017
Total Operating Expenditure Implication	889 242	793 621	857 502	912 412	968 523	835 443	771 598	579 107	260 361	265 022	253 891	2 040 805	9 427 527

Table continues on next page

CITY OF CAPE TOWN – 2025/26 TO 2027/28 BUDGET (26 JUNE 2025)

Description	Preceding Years	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework			Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Forecast 2034/35	Total Contract Value
	Total	Original Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand													
Capital Expenditure Obligation By Contract													
Maintenance of Telecommunications Facilities for the City (342S/2021/22)	34 303	16 287	27 642	22 767	22 036	–	–	–	–	–	–	–	123 034
Framework tender for provision of professional services: Roadworks, rehabilitation and resurfacing of roads and related works in the City for a period not exceeding seven financial years (Tender 198C/2021/22)	692	13 853	16 400	10 490	17 161	14 390	200	–	–	–	–	–	73 185
Provision of professional services in respect of planning, design, tender documentation, construction supervision and establishment of precinct management entities at public transport interchanges (Tender 280C/2020/21)	3 349	17 046	53 531	15 443	20 739	11 642	17 472	17 472	17 472	17 472	17 472	–	209 108
Provision of professional project management services: Integrated Rapid Transit (Tender 281C/2020/21)	4 529	7 668	182 665	12 665	12 665	12 665	–	–	–	–	–	–	232 856
Term Tender for the provision of professional services: Roads Planning, Design and Management Construction Implementation from date of commencement for a period of 8 years (318C/2021/22)	–	7 460	5 439	15 171	19 224	13 199	14 619	14 679	8 501	–	400	–	98 692
Appointment of four regional teams of multidisciplinary professional consultants to undertake the planning, design, procurement and construction monitoring services relating to human settlements within the City (Tender 260C/2021/22)	–	30 800	36 400	25 200	28 000	14 000	14 840	–	–	–	–	–	149 240
Framework tender for the provision of professional services in respect of informal settlements in the City (Tender 33C/2021/22)	–	12 000	15 000	30 000	24 750	27 000	19 500	–	–	–	–	–	128 250
Professional Services: design, tender documentation and construction monitoring for various Urban Waste Management facilities within the City (Tender 74c/2023/24)	–	–	7 001	25 859	52 756	57 420	120 166	130 901	99 200	28 558	–	–	521 860
Advanced metering infrastructure (AMI) and reading system for water - planning, design and implementation management (Tender 100C/2021/22)	8 983	25 000	18 000	30 000	30 000	28 000	28 000	28 000	28 000	6 017	–	–	230 000
Design – build of mechanical and electrical works for the upgrade and expansion of Potsdam Wastewater Treatment Plant (146Q/2021/22)	64 673	485 661	613 757	668 855	331 980	202 838	–	–	–	–	–	–	2 367 764
Civil, Building and demolition works for the upgrade and expansion of Potsdam Wastewater Treatment Plant (295Q/2021/22)	7 552	316 000	216 194	189 645	132 022	69 297	–	–	–	–	–	–	930 711
Total Capital Expenditure Implication	124 081	931 775	1 192 028	1 046 095	691 332	450 452	214 796	191 051	153 172	52 046	17 872	–	5 064 700
Total Parent Expenditure Implication	1 013 322	1 725 395	2 049 530	1 958 507	1 659 855	1 285 895	986 395	770 158	413 534	317 069	271 763	2 040 805	14 492 227

Table 91 – Projects having future budgetary implications

Description	Project number	Preceding Years	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework			Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Future Years	Total Project Cost
		Total	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand											
Capital Expenditure Obligation By Project											
Recreation and Parks: Strandfontein Pavilion Refurbishment	CPX.0034142	–	1 135	6 830	15 337	45 195	24 422	–	–	–	92 918
Information Systems and Technology: Broadband Infrastructure Programme	CPX/0017286	267 155	35 655	37 314	31 179	90 690	18 310	11 084	22 390	–	513 777
Information Systems and Technology: Emergency Police Incident Control (EPIC)	CPX.0036905	–	2 409	4 728	474 495	76 980	–	–	–	–	558 612
Information Systems and Technology: Finance and Operational Core Software	CPX.0036906	60 186	42 514	58 312	146 960	115 949	49 181	–	–	–	473 101
Information Systems and Technology: Upgrade Radio Public Protection and Disaster Relief Master Switching Office	CPX.0039326	–	–	–	–	41 039	21 048	21 111	–	–	83 198
Electricity Generation and Distribution: Outage Management System	C12.84078	54 207	4 500	2 500	–	–	–	–	–	–	61 207
Electricity Generation and Distribution: Hout BayLow voltage (LV) Depot	C13.84075	38 061	10 579	16 565	–	–	–	–	–	–	65 206
Electricity Generation and Distribution: Steenbras: Refurbishment of Main Plant	C14.84071	16 197	5 740	914	217 197	98 531	457 888	385 668	1 419	–	1 183 554
Electricity Generation and Distribution: Grassy Park High Voltage (HV) Network Rearrangement	CPX.0003622	–	–	7 424	6 344	85 261	50 142	–	–	–	149 172
Electricity Generation and Distribution: Noordhoek Low voltage (LV) Depot	CPX.0004006	9 695	9 532	–	47 473	9 733	–	–	–	–	76 434
Electricity Generation and Distribution: Bellville South Main Substation Upgrade	CPX.0004793	52 260	37 354	3 628	–	–	–	–	–	–	93 241
Electricity Generation and Distribution: Melkbos New Main Substation	CPX.0004796	–	–	–	–	20 000	80 000	–	–	–	100 000
Electricity Generation and Distribution: Ground Mounted Photovoltaic (PV)	CPX.0014782	14 360	184 109	12 000	–	–	–	–	–	–	210 469
Electricity Generation and Distribution: Steenbras: Concrete Alkali-Silica Reaction (ASR) Remediation	CPX.0016613	2 083	3 623	–	2 762	5 523	34 788	27 147	173 829	–	249 756
Electricity Generation and Distribution: Paardevlei 132/66 kilovolt (kV) stepdown	CPX.0019989	1 321	1 326	138 396	96 084	–	–	–	–	–	237 126
Electricity Generation and Distribution: Triangle 132 kilovolt (kV) Upgrade	CPX.0022539	245 011	10 372	53 993	7 400	–	–	–	–	–	316 776
Electricity Generation and Distribution: Gugulethu-Mitchells Plain 132 Kilovolt line Undergrounding	CPX.0029903	–	–	–	190 000	94 000	–	–	–	–	284 000
Electricity Generation and Distribution: Oakdale 132 kilovolt (kV) Upgrade	CPX.0033912	–	–	–	2 698	249 648	51 995	–	–	–	304 341
Electricity Generation and Distribution: Woodstock 132 kilovolt (kV) Geographic Information System (GIS) replacement	CPX.0036714	200	15	357	135 950	39 280	–	–	–	–	175 801
Electricity Generation and Distribution: New Monte Vista Main Substation	CPX.0037125	–	–	–	–	20 000	100 000	80 000	40 000	–	240 000
Sustainable Energy Markets: Battery Energy Storage Systems	CPX.0035776	–	2 275	55 229	2 275	–	–	–	–	–	59 778
Housing Development: Kanonkop (Atlantis Ext 12) Housing Project	CPX/0000306	190 452	88 455	56 852	5 000	–	–	–	–	–	340 759
Housing Development: Gugulethu Infill Project Erf 8448/MauMau	C09.15515	51 688	15 523	23 910	28 348	21 644	13 881	–	–	–	154 994
Housing Development: Valhalla Park Integrated Housing Project	CPX.0002700	75 830	19 900	10 000	13 000	12 000	–	–	–	–	130 730
Housing Development: Dido Valley Housing Project	CPX.0005316	50 333	8 000	6 700	4 950	–	–	–	–	–	69 983
Housing Development: Macassar Breaking New Grounds (BNG) Housing Project	CPX.0005674	169 356	9 341	9 075	37 085	1 762	15 000	15 000	–	–	256 618
Housing Development: Blue Berry Hill Housing Project	CPX.0008063	21 351	1 500	25 000	11 778	–	–	–	–	–	59 629
Housing Development: Pelican Park Phase 2 Housing Project	CPX.0008074	4 406	77	400	500	550	625	685	700	222 673	230 616
Housing Development: Hanover Park Housing Project	CPX.0010593	1 704	800	1 500	1 500	10 000	25 000	25 000	–	–	65 504
Housing Development: Retreat Housing Project	CPX.0012142	1 306	1 000	867	867	15 867	21 867	12 867	–	–	54 640

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CITY OF CAPE TOWN – 2025/26 TO 2027/28 BUDGET (26 JUNE 2025)

Description	Project number	Preceding Years	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework			Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Future Years	Total Project Cost
		Total	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand											
Capital Expenditure Obligation By Project											
Recreation and Parks: Strandfontein Pavilion Refurbishment	CPX.0034142	–	1 135	6 830	15 337	45 195	24 422	–	–	–	92 918
Information Systems and Technology: Broadband Infrastructure Programme	CPX/0017286	267 155	35 655	37 314	31 179	90 690	18 310	11 084	22 390	–	513 777
Information Systems and Technology: Emergency Police Incident Control (EPIC)	CPX.0036905	–	2 409	4 728	474 495	76 980	–	–	–	–	558 612
Information Systems and Technology: Finance and Operational Core Software	CPX.0036906	60 186	42 514	58 312	146 960	115 949	49 181	–	–	–	473 101
Information Systems and Technology: Upgrade Radio Public Protection and Disaster Relief Master Switching Office	CPX.0039326	–	–	–	–	41 039	21 048	21 111	–	–	83 198
Electricity Generation and Distribution: Outage Management System	C12.84078	54 207	4 500	2 500	–	–	–	–	–	–	61 207
Electricity Generation and Distribution: Hout BayLow voltage (LV) Depot	C13.84075	38 061	10 579	16 565	–	–	–	–	–	–	65 206
Electricity Generation and Distribution: Steenbras: Refurbishment of Main Plant	C14.84071	16 197	5 740	914	217 197	98 531	457 888	385 668	1 419	–	1 183 554
Electricity Generation and Distribution: Grassy Park High Voltage (HV) Network Rearrangement	CPX.0003622	–	–	7 424	6 344	85 261	50 142	–	–	–	149 172
Electricity Generation and Distribution: Noordhoek Low voltage (LV) Depot	CPX.0004006	9 695	9 532	–	47 473	9 733	–	–	–	–	76 434
Electricity Generation and Distribution: Bellville South Main Substation Upgrade	CPX.0004793	52 260	37 354	3 628	–	–	–	–	–	–	93 241
Electricity Generation and Distribution: Melkbos New Main Substation	CPX.0004796	–	–	–	–	20 000	80 000	–	–	–	100 000
Electricity Generation and Distribution: Ground Mounted Photovoltaic (PV)	CPX.0014782	14 360	184 109	12 000	–	–	–	–	–	–	210 469
Electricity Generation and Distribution: Steenbras: Concrete Alkali-Silica Reaction (ASR) Remediation	CPX.0016613	2 083	3 623	–	2 762	5 523	34 788	27 147	173 829	–	249 756
Electricity Generation and Distribution: Paardevlei 132/66 kilovolt (kV) stepdown	CPX.0019989	1 321	1 326	138 396	96 084	–	–	–	–	–	237 126
Electricity Generation and Distribution: Triangle 132 kilovolt (kV) Upgrade	CPX.0022539	245 011	10 372	53 993	7 400	–	–	–	–	–	316 776
Electricity Generation and Distribution: Gugulethu-Mitchells Plain 132 Kilovolt line Undergrounding	CPX.0029903	–	–	–	190 000	94 000	–	–	–	–	284 000
Electricity Generation and Distribution: Oakdale 132 kilovolt (kV) Upgrade	CPX.0033912	–	–	–	2 698	249 648	51 995	–	–	–	304 341
Electricity Generation and Distribution: Woodstock 132 kilovolt (kV) Geographic Information System (GIS) replacement	CPX.0036714	200	15	357	135 950	39 280	–	–	–	–	175 801
Electricity Generation and Distribution: New Monte Vista Main Substation	CPX.0037125	–	–	–	–	20 000	100 000	80 000	40 000	–	240 000
Sustainable Energy Markets: Battery Energy Storage Systems	CPX.0035776	–	2 275	55 229	2 275	–	–	–	–	–	59 778
Housing Development: Kanonkop (Atlantis Ext 12) Housing Project	CPX/0000306	190 452	88 455	56 852	5 000	–	–	–	–	–	340 759
Housing Development: Gugulethu Infill Project Erf 8448/MauMau	C09.15515	51 688	15 523	23 910	28 348	21 644	13 881	–	–	–	154 994
Housing Development: Valhalla Park Integrated Housing Project	CPX.0002700	75 830	19 900	10 000	13 000	12 000	–	–	–	–	130 730
Housing Development: Dido Valley Housing Project	CPX.0005316	50 333	8 000	6 700	4 950	–	–	–	–	–	69 983
Housing Development: Macassar Breaking New Grounds (BNG) Housing Project	CPX.0005674	169 356	9 341	9 075	37 085	1 762	15 000	15 000	–	–	256 618
Housing Development: Blue Berry Hill Housing Project	CPX.0008063	21 351	1 500	25 000	11 778	–	–	–	–	–	59 629
Housing Development: Pelican Park Phase 2 Housing Project	CPX.0008074	4 406	77	400	500	550	625	685	700	222 673	230 616
Housing Development: Hanover Park Housing Project	CPX.0010593	1 704	800	1 500	1 500	10 000	25 000	25 000	–	–	65 504
Housing Development: Retreat Housing Project	CPX.0012142	1 306	1 000	867	867	15 867	21 867	12 867	–	–	54 640

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CITY OF CAPE TOWN – 2025/26 TO 2027/28 BUDGET (26 JUNE 2025)

Description	Project number	Preceding Years	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework			Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Future Years	Total Project Cost
		Total	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand											
Capital Expenditure Obligation By Project											
Public Safety: New Wynberg Municipal Court and Safety and Security Facility	CPX.0037165	–	–	1 500	1 150	–	12 016	42 334	–	–	57 000
Environmental Management: Harmony Flats Visitor Education Centre	CPX.0012907	7 384	4 375	29 264	24 566	–	–	–	–	–	65 588
Environmental Management: Muizenberg Beach Front Upgrade	CPX.0016740	11 173	37 000	112 521	68 085	–	–	–	–	–	228 779
Environmental Management: Environmental Management: Table View Beachfront Upgrade	CPX.0016765	44 053	9 235	30 101	13 772	–	–	–	–	–	97 160
Environmental Management: Strand Sea Wall Upgrade	CPX.0019378	7 087	22 212	68 419	35 220	–	–	–	–	–	132 939
Environmental Management: Sea Point Seawall refurbishment	CPX.0036936	–	–	–	5 000	1 000	120 000	124 000	–	–	250 000
Urban Planning and Design: Kruskal Avenue Upgrade	CPX.0006012	33 566	18 378	175	–	–	–	–	–	–	52 119
Urban Regeneration: Philippi Fresh Produce Market Refurbishment	CPX.0019211	67 175	27 827	34 345	–	–	–	–	–	–	129 347
Urban Regeneration: Informal Trade and Association Infrastructure Upgrade Site B	CPX.0020513	1 255	4 259	946	11 000	34 049	–	–	–	–	51 509
Urban Regeneration: Rehabilitation of N2 Edge	CPX.0040748	–	–	67 500	47 193	–	–	–	–	–	114 693
Public Transport: Integrated Bus Rapid Transit System	CPX.0030942	30 923	36 048	20 000	48 000	20 000	941 069	20 000	20 000	160 000	1 296 040
Public Transport: Integrated Rapid Transit (IRT) Phase 2 A	CPX.0030941	23 192	13 500	14 000	670 807	90 000	722 000	–	–	–	1 533 499
Public Transport: Integrated Rapid Transit (IRT): Fare Collection	CPX.0008849	57 968	38 667	20 000	–	–	–	–	–	–	116 635
Public Transport: Integrated Rapid Transit (IRT): Control Centre	CPX.0008858	192 659	25 543	20 000	20 000	10 000	–	–	–	–	268 202
Roads Infrastructure Management: Road Rehabilitation: Bishop Lavis	CPX.0013213	10 447	13 077	27 955	50	–	–	–	–	–	51 530
Roads Infrastructure Management: Road Rehabilitation: Manenberg	CPX.0013222	2 438	16 289	1 550	31 500	29 100	100	–	–	–	80 977
Roads Infrastructure Management: Reconstruction of Tafelberg Road, Cape Town	CPX.0015218	13 604	36 751	100	–	–	–	–	–	–	50 455
Roads Infrastructure Management: Road Rehabilitation: Broadlands	CPX.0018273	1 818	200	250	250	200	61 756	23 516	100	–	88 090
Roads Infrastructure Management: Road Rehabilitation: Jakes Gerwel Frans Conradie-Viking	CPX.0018274	2 131	41 805	60 440	100	–	–	–	–	–	104 475
Roads Infrastructure Management: Hout Bay Depot - Upgrade	CPX.0019781	6 551	3 418	1 500	15 774	62 711	–	–	–	–	89 955
Roads Infrastructure Management: Atlantis Depot - Upgrade	CPX.0019828	8 511	3 800	26 232	31 201	100	–	–	–	–	69 844
Roads Infrastructure Management: Strand Depot - Upgrade	CPX.0019830	1 332	–	–	5 000	2 500	24 000	18 500	–	–	51 332
Roads Infrastructure Management: Road Rehabilitation: Jakes Gerwel: Weltevreden Bridge-Highlands	CPX.0022651	27 994	69 040	14 400	100	–	–	–	–	–	111 535
Transport Infrastructure Implementation: Integrated Bus Rapid Transit System	CPX.0000287	393 733	31 121	67 343	1 523	1 000	–	–	–	–	494 720
Transport Infrastructure Implementation: Integrated Rapid Transit (IRT) Phase 2 A	CPX.0000257	2 397 073	1 209 262	2 025 766	1 844 509	868 194	198 817	12 025	74 984	104 788	8 735 419
Transport Infrastructure Implementation: Wynberg: Public Transport Hub	C11.10541	20 973	3 000	10 000	50 000	102 259	48 200	–	–	–	234 432
Transport Infrastructure Implementation: Somerset West Public Transport Interchanges	C11.10552	100 919	192	200	–	–	–	–	–	–	101 311
Transport Infrastructure Implementation: Road Upgrade: Amandel Road: Bottellary	CPX.0007857	62 649	10 378	150	–	–	–	–	–	–	73 176
Bottellary River bridge - Church Street											
Transport Infrastructure Implementation: Road Construction:Saxdowns	CPX.0007859	35 319	46 301	200	–	–	–	–	–	–	81 820
Langverwacht and Van Riebeeck Roads											
Transport Infrastructure Implementation: Congestion Relief - Erica Drive	CPX.0007892	15 337	3 461	384	500	–	89 958	100	–	–	109 741

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CITY OF CAPE TOWN – 2025/26 TO 2027/28 BUDGET (26 JUNE 2025)

Description	Project number	Preceding Years	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework			Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Future Years	Total Project Cost
		Total	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand											
Capital Expenditure Obligation By Project											
Transport Infrastructure Implementation: M3 Corridor: Hospital Bend to Constantia Main Road	CPX.0008663	12 900	2 519	13 848	54 405	30 882	–	–	–	–	114 554
Transport Infrastructure Implementation: Public Transport Facility: Makhaza Bus Facility	CPX.0009345	4 969	3 760	15 000	25 000	3 000	–	–	–	–	51 729
Transport Infrastructure Implementation: Non-motorised Transport Improvements: Area-wide Mitchells Plain	CPX.0009556	2 595	10 500	49 578	19 000	100	–	–	–	–	81 773
Transport Infrastructure Implementation: Intersection Upgrade: De Waal Road and Main Road	CPX.0010321	5 581	812	26 193	33 186	100	–	–	–	–	65 873
Transport Infrastructure Implementation: Road Upgrade: Voortrekker Road: Salt River Canal to Jakes Gerwel Drive	CPX.0010465	10 498	2 100	1 125	59 018	33 917	60 002	100	–	–	166 760
Transport Infrastructure Implementation: Dualling: Jip De Jager: Kommissaris Street - Van Riebeeckshof Road	CPX.0017953	50 600	23 826	100	–	–	–	–	–	–	74 525
Transport Infrastructure Implementation: Legacy Shelter Replacement	CPX.0019542	3 260	800	3 000	5 000	20 600	1 500	–	–	334 959	369 119
Transport Infrastructure Implementation: MyCiti Phase 1 Integrated Rapid Transit (IRT) Station Rebuilds	CPX.0019544	11 113	46 717	22 480	–	–	–	–	–	–	80 310
Transport Infrastructure Implementation: Non-motorised Transport Improvements: Klipfontein Road, Gugulethu	CPX.0022712	1 315	9 500	34 299	10 899	140	–	–	–	–	56 153
Transport Infrastructure Implementation: Non-motorised Transport Improvements: Area-wide Khayelitsha	CPX.0022726	2 035	10 500	41 916	16 752	100	–	–	–	–	71 303
Transport Infrastructure Implementation: Houmoed Ave (Phase 1and 2): Noordhoek Main-Houmoed	CPX.0022737	–	–	–	2 400	300	58 500	58 500	–	–	119 700
Transport Infrastructure Implementation: Royal Road Widening: Vlei Road and Prince George Drive	CPX.0022740	–	–	–	–	1 670	7 350	44 510	–	–	53 530
Transport Infrastructure Implementation: Zevenwacht Link Extension- Butskop Road Rail Level Crossing Elimination (LCE)	CPX.0029870	8 400	400	30 000	500	65 610	26 307	150	–	–	131 366
Transport Planning and Network Management: Mfuleni Taxi Rank	CPX.0014501	8 689	790	1 000	58 798	45 478	–	–	–	–	114 756
Transport Shared Services: Public Transport Systems Management: Transport Intelligence Project	CPX.0019799	55 066	4 607	5 000	2 000	2 000	–	–	–	–	68 673
Transport Shared Services: Public Transport Systems Management: Intelligent Facility Management	CPX.0019804	99 334	10 182	5 000	2 000	2 000	–	–	–	–	118 516
Waste Services: Coastal Park: Transfer Station New	CPX.0010025	–	–	–	15 725	500	72 435	93 173	34 667	–	216 500
Waste Services: Bellville Transfer Station: Material Recovery Facility/ Mechanical Biological Treatment	CPX.0010026	–	–	–	–	500	2 202	280	77 152	498 780	578 913
Waste Services: Woodstock Depot Upgrade	CPX.0011066	3 991	–	50	250	150	54 500	51 150	300	–	110 391
Waste Services: Installation of Landfill Gas Driven Electricity Generators at the Viessershok Landfill Site	CPX.0011087	1 905	155	–	899	47 869	23 005	–	–	–	73 833
Waste Services: Viessershok Landfill Site: Landfill Gas Infrastructure - Beneficiation (Phase 2)	CPX.0014654	–	–	–	750	450	30 000	42 000	–	–	73 200
Waste Services: Major Upgrade of Facilities - Maitland	CPX.0014675	–	1 476	919	4 343	23 349	47 241	153	–	–	77 481
Waste Services: Construction of Workshop - Viessershok	CPX.0014837	875	1 245	496	15 531	35 913	198	–	–	–	54 258
Waste Services: Killarney Drop-off Upgrade Waste Minimisation	CPX.0015242	3 751	473	300	40 257	19 837	–	–	–	–	64 618
Waste Services: De Grendel Drop-off Upgrade Waste Minimisation	CPX.0016348	3 182	34	–	–	35 989	9 187	9 187	–	–	57 580
Waste Services: Viessershok North: Design and Develop Airspace (Phase 2)	CPX.0023109	–	–	–	11 490	1 260	80 368	177 133	–	–	270 250
Waste Services: Athlone Refuse Transfer Station (ARTS): Material Recovery Facility	CPX.0039206	–	–	9 357	3 725	100 816	204 391	9 659	–	–	327 948
Bulk Services: Mitchells Plain Wastewater Treatment Works (WWTW) Phase 2	CPX/0000684	123 696	–	–	–	15 000	30 000	30 000	30 000	1 489 000	1 717 696
Bulk Services: Potsdam Wastewater Treatment Works (WWTW) - Extension	CPX/0000681	1 038 706	1 513 165	895 500	530 564	333 270	40 850	–	–	–	4 352 056
Bulk Services: Macassar Wastewater Treatment Works (WWTW) Extension	CPX/0000639	56 793	32 020	463 287	1 146 382	1 376 776	1 193 097	444 599	–	–	4 712 955

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CITY OF CAPE TOWN – 2025/26 TO 2027/28 BUDGET (26 JUNE 2025)

Description	Project number	Preceding Years	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework			Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Future Years	Total Project Cost
		Total	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Estimate	Estimate	Estimate	Estimate	Estimate
Capital Expenditure Obligation By Project											
Bulk Services: Bulk Water Augmentation Scheme	CPX/0000524	127 148	34 053	49 335	234 434	552 912	571 765	478 845	36 524	179 153	2 264 169
Bulk Services: Bellville Wastewater Treatment Works (WWTW)	CPX/0000512	682 268	47 661	30 000	22 880	90 000	12 000	6 000	6 000	481 071	1 377 880
Bulk Services: Athlone Wastewater Treatment Works (WWTW)-Capacity Extension-Phase 1	CPX/0000479	434 410	114 967	15 000	515	–	–	–	3 080	4 823 708	5 391 679
Bulk Services: Borchards Quarry Wastewater Treatment Works (WWTW)	CPX/0000471	367 231	–	–	–	2 780	6 180	15 000	15 895	347 670	754 755
Bulk Services: Wildevoelmei Wastewater Treatment Works (WWTW)-Upgrade dewatering	CPX.0010426	6 000	31 725	149 558	43 442	–	12 500	–	–	–	243 225
Bulk Services: Atlantis Aquifer	CPX.0011032	395 416	81 128	5 000	2 000	–	–	–	–	668 153	1 151 696
Bulk Services: Sir Lowry's Pass River Upgrade	CPX.0012948	155 162	116 763	102 300	24 192	–	–	–	–	–	398 416
Bulk Services: Cape Flats Aquifer Recharge	CPX.0013724	673 251	190 089	286 489	283 801	–	–	–	–	–	1 433 630
Bulk Services: Desalination Location 1	CPX.0013725	–	–	10 000	12 500	55 000	58 750	5 000	500	–	141 750
Bulk Services: Zandvliet/Faure Plant Re-use (70ML)	CPX.0014007	91 704	10 645	12 120	35 200	41 200	42 250	16 840	8 280	–	258 239
Bulk Services: Wesfleur Aeration and Blower Replacement	CPX.0016426	14 491	46 220	151 000	800	–	–	–	–	–	212 511
Bulk Services: Diep River - Doornbach Diversions	CPX.0016619	321	–	3 812	15 763	40 489	20 880	–	–	–	81 265
Bulk Services: Upgrade of Manenberg Canal	CPX.0016623	2 681	472	25 029	21 917	–	–	–	–	–	50 099
Bulk Services: Upgrade Vygekraal River banks - Phase II	CPX.0016671	2 628	722	1 255	120	45 000	678	–	–	–	50 403
Bulk Services: Flood Alleviation-Lourens River Phase II	CPX.0016672	7 757	1 472	1 900	1 900	80 337	81 514	68 007	50 449	213 202	506 538
Bulk Services: Macassar Flood Alleviation	CPX.0016674	4 128	1 108	360	270	–	–	–	–	303 902	309 768
Bulk Services: Cape Flats Aquifer: Hanover Park and Philippi	CPX.0029945	73 461	148 438	146 700	140 000	–	18 300	–	–	–	526 899
Bulk Services: Cape Flats Aquifer: Strandfontein North East	CPX.0029946	7 058	36 309	10 000	96 491	189 474	336 000	418 000	118 000	495 465	1 706 797
Bulk Services: Table Mountain Group Aquifer: Steenbras	CPX.0029948	127 291	52 393	2 000	–	–	–	–	–	–	181 684
Bulk Services: Bayside Canal Upgrade	CPX.0030776	31 302	104 491	2 973	–	–	–	–	–	–	138 766
Bulk Services: Wesfleur Domestic and Industrial Capacity Expansion	CPX.0031394	–	–	–	–	10 000	11 000	21 000	21 000	987 000	1 050 000
Bulk Services: N1-Wemmershoek pipeline relocation	CPX.0036057	–	–	–	104 344	207 025	87 265	13 043	–	–	411 677
Bulk Services: Newlands Depot Upgrade	CPX.0036278	–	1 350	1 500	500	36 390	36 506	400	–	–	76 646
Bulk Services: Blackheath Water Treatment Plant Refurbishment	CPX.0036332	–	–	–	–	27 000	100 000	91 250	105 000	153 750	477 000
Bulk Services: Wemmershoek Water Treatment Plant Refurbishment	CPX.0036333	–	–	–	13 500	65 000	91 000	–	–	140 400	309 900
Bulk Services: Faure Water Treatment Plant Refurbishment	CPX.0036335	–	–	–	6 000	30 000	25 000	–	–	100 000	161 000
Bulk Services: Upgrade of Witzands Managed Aquifer Recharge	CPX.0036352	24 753	45 193	20 050	18 000	–	9 950	–	–	–	117 947
Bulk Services: Platteklouf Reservoir Building upgrade	CPX.0036380	–	620	750	470	460	–	–	–	48 507	50 807
Commercial Services: Advanced Metering Infrastructure (AMI) Rollout Programme	CPX.0019987	36 449	44 100	309 728	500 000	298 234	–	–	–	–	1 188 510
Commercial Services: AMI rollout programme Phase 2	CPX.0038110	–	–	–	–	115 300	300 000	300 000	300 000	3 214 650	4 229 950

Table continues on next page

CITY OF CAPE TOWN – 2025/26 TO 2027/28 BUDGET (26 JUNE 2025)

Description	Project number	Preceding Years	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework			Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Future Years	Total Project Cost
		Total	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand											
Capital Expenditure Obligation By Project											
Technical Services: Water and Sanitation: Bulk Reticulation Sewers in Milnerton Rehabilitation	CPX/0006478	174 140	151 990	117 000	132 000	–	–	–	–	–	575 130
Distribution Services: Philippi Collector Sewer	CPX/0000679	19 032	2 870	167 074	256 337	161 776	154 267	157 581	211 471	99 666	1 230 074
Distribution Services: Cape Flats Rehabilitation	CPX/0000532	558 739	187 094	190 357	200 000	123 213	100 000	–	–	–	1 359 404
Distribution Services: Gordon's Bay Sewer Rising Main	CPX.0009432	54 731	103 551	67 063	150	–	24 505	–	–	–	250 000
Distribution Services: Upgrade Rietvlei Sewer Pump Station	CPX.0010643	2 788	1 596	–	–	890	1 262	46 026	234 791	159 696	447 050
Distribution Services: Gordons Bay Beach Front Sewer Phase 2	CPX.0020255	–	4 800	2 100	93 000	62 000	24 395	–	–	–	186 295
Distribution Services: Zevenwacht Reservoir and Network	CPX.0021780	–	1 600	3 000	2 000	10 000	65 000	120	–	–	81 720
Distribution Services: Table View East Bulk Sewer and Pump Station	CPX.0026294	–	–	–	–	2 100	740	65 640	10 220	–	78 700
Distribution Services: Raapenberg Pump Station Upgrade	CPX.0029269	–	610	230	2 825	53 031	–	–	–	–	56 696
Distribution Services: Langa Pump Station (9) - screens, pumps	CPX.0029305	–	500	8 000	17 400	66 234	4 039	–	–	–	96 173
Distribution Services: Koeberg Pump station capacity upgrade	CPX.0029340	–	3 488	1 775	74 848	57 181	–	–	–	–	137 293
Distribution Services: Sanddrift East Pump Station Upgrade	CPX.0029346	1 749	1 200	2 650	52 400	6 800	400	–	–	–	65 199
Distribution Services: Fisantekraal Pump Station	CPX.0031552	–	–	–	5 000	65 935	–	–	–	–	70 935
Distribution Services: Phoenix Sewer Pump Station Upgrade	CPX.0031557	–	–	3 584	73 392	–	–	–	–	–	76 976
Distribution Services: Witzands Pump Station Upgrade	CPX.0031561	–	–	5 000	46 333	–	10 544	–	–	–	61 877
Distribution Services: Trappies Sewer System: Rehabilitation	CPX.0033745	84	11 134	120 000	–	–	–	–	–	–	131 217
Distribution Services: Upgrade Rietvlei Sewer Pump Station	CPX.0035915	–	4 760	5 510	1 257	107 464	321 477	132 818	–	–	573 286
Distribution Services: Upgrade Pump Station Tafelsig Swartklip	CPX.0036319	–	–	–	5 000	5 000	42 749	42 641	–	–	95 390
Distribution Services: Upgrade water supply system Hout Bay	CPX.0038519	–	1 200	3 200	9 000	53 350	–	–	–	–	66 750
Distribution Services: Hout Bay Sewer Upgrade	CPX.0039184	–	–	–	–	750	750	15 000	25 000	20 000	61 500
Technical Services: Water and Sanitation: Depot Realignment: Schaapkraal	CPX.0022981	4 450	–	–	–	1 000	36 503	110 500	–	–	152 453
Technical Services: Water and Sanitation: Treated Effluent Re-Use: Scottsdene Phase 1	CPX.0029985	–	12 500	9 752	15 000	17 462	–	–	–	–	54 714
Technical Services: Water and Sanitation: Treated Effluent Re-Use:Wildevoelvlei Pump Station	CPX.0029988	2 003	507	20 000	28 085	–	–	–	–	–	50 596
Technical Services: Water and Sanitation: Treated Effluent Re-Use: Kuilsriver	CPX.0029990	6 758	7 379	6 798	9 804	9 000	13 000	17 000	13 000	3 196	85 936

2.16 Details of expenditure by asset class**Table 92 – MBRR Table SA34a – Capital expenditure on new assets by asset class**

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on new assets by Asset Class/Sub-class									
Infrastructure	1 446 043	2 446 815	2 606 010	3 696 800	3 275 117	2 861 583	4 521 025	4 758 930	4 055 203
Roads Infrastructure	334 765	828 905	1 046 549	2 249 601	1 682 887	1 430 883	2 562 889	2 240 699	1 311 097
Roads	334 704	815 349	1 034 394	2 247 551	1 669 718	1 417 714	2 559 939	2 238 449	1 310 997
Road Structures	60	13 556	12 155	50	5 016	5 016	950	2 250	100
Road Furniture	–	–	–	2 000	8 153	8 153	2 000	–	–
Storm water Infrastructure	116 603	194 695	161 134	193 956	194 990	178 351	212 633	219 586	274 193
Drainage Collection	116 603	194 695	161 134	193 956	194 990	178 351	212 633	219 586	274 193
Electrical Infrastructure	249 766	323 243	274 993	287 745	276 951	272 907	308 060	280 428	408 055
HV Substations	219 399	294 380	246 919	208 950	198 056	194 012	232 590	194 948	320 585
LV Networks	30 367	28 863	28 075	78 795	78 895	78 895	75 470	85 480	87 470
Water Supply Infrastructure	334 053	466 433	551 871	656 398	780 687	681 770	913 955	1 416 431	1 526 863
Reservoirs	104 398	166 172	182 305	198 345	211 671	183 687	199 893	428 710	582 860
Pump Stations	–	3 674	18 740	38 400	36 090	26 612	31 991	20 360	14 000
Water Treatment Works	47 542	98 150	139 841	135 090	217 775	191 696	137 840	195 651	216 810
Bulk Mains	58 982	43 476	58 628	76 220	102 884	90 514	72 610	83 503	71 267
Distribution	123 130	154 961	152 358	208 343	212 266	189 262	471 620	688 208	641 927
Sanitation Infrastructure	274 467	280 443	233 812	280 948	261 953	222 177	496 515	555 611	363 029
Reticulation	95 768	151 846	142 812	144 923	157 252	147 268	304 185	384 477	330 852
Waste Water Treatment Works	178 699	128 597	91 000	136 025	104 702	74 909	192 330	171 134	32 178
Solid Waste Infrastructure	90 848	236 232	223 280	26 851	76 615	74 470	20 873	43 685	166 475
Landfill Sites	90 848	236 232	223 280	26 851	76 615	74 470	20 873	43 685	166 475
Coastal Infrastructure	–	27 829	13 063	–	–	–	–	–	–
Promenades	–	27 829	13 063	–	–	–	–	–	–
Information and Communication Infrastructure	45 541	89 035	101 309	1 300	1 033	1 025	6 100	2 490	5 490
Data Centres	32 856	43 143	20 280	1 300	541	541	6 100	1 978	3 500
Core Layers	11 602	43 889	81 028	–	492	484	–	512	1 990
Distribution Layers	1 084	2 002	–	–	–	–	–	–	–
Community Assets	238 817	218 619	281 252	150 176	190 679	182 233	202 571	241 423	264 115
Community Facilities	238 817	218 619	281 081	150 176	190 379	182 233	201 921	240 423	264 115
Halls	108	–	–	–	–	–	1 020	3 500	1 750
Centres	–	–	–	829	–	–	1 246	40 000	40 000
Clinics/Care Centres	13 436	428	10 796	13 975	11 928	5 428	4 400	15 000	20 750
Fire/Ambulance Stations	–	–	3 999	2 000	4 026	4 026	4 000	9 000	48 000
Libraries	10 121	11 972	11 899	12 008	12 459	12 459	13 936	14 184	13 115
Public Open Space	106	3 279	4 501	2 147	2 381	2 279	–	100	–
Nature Reserves	10 122	4 327	2 426	–	617	616	–	–	–
Public Ablution Facilities	–	–	2 870	500	960	1 018	2 800	–	–
Markets	1 447	454	22 975	60 017	58 937	58 112	45 047	45 839	77 100
Taxi Ranks/Bus Terminals	203 477	198 160	221 616	58 700	99 069	98 294	129 472	112 800	63 400
Sport and Recreation Facilities	–	65	171	–	300	50	650	1 000	–
Outdoor Facilities	–	65	171	–	300	50	650	1 000	–
Other assets	41 256	85 098	88 192	281 428	231 976	220 810	51 849	186 952	259 049
Operational Buildings	40 063	76 722	84 393	281 428	231 976	220 810	51 849	186 952	257 549
Municipal Offices	35 630	75 909	77 290	215 581	213 512	212 607	32 284	127 479	247 816
Workshops	4 433	813	7 103	65 846	18 464	8 203	16 565	59 473	9 733
Laboratories	–	–	–	–	–	–	3 000	–	–
Housing	1 192	8 376	3 799	–	–	–	–	–	1 500
Social Housing	1 192	8 376	3 799	–	–	–	–	–	1 500
Intangible Assets	18 238	61 782	109 104	118 007	98 097	96 280	88 561	170 829	172 834
Licences and Rights	18 238	61 782	109 104	118 007	98 097	96 280	88 561	170 829	172 834
Water Rights	19	–	413	150	230	129	150	150	–
Computer Software and Applications	18 218	61 782	108 691	117 857	97 867	96 151	88 411	170 679	172 834
Computer Equipment	100 371	137 710	154 723	113 399	106 195	107 881	154 770	37 282	52 070
Computer Equipment	100 371	137 710	154 723	113 399	106 195	107 881	154 770	37 282	52 070
Furniture and Office Equipment	14 977	27 077	37 219	42 841	50 366	50 414	14 257	10 502	15 622
Furniture and Office Equipment	14 977	27 077	37 219	42 841	50 366	50 414	14 257	10 502	15 622
Machinery and Equipment	132 436	141 989	216 318	204 065	182 637	181 508	109 851	64 138	53 503
Machinery and Equipment	132 436	141 989	216 318	204 065	182 637	181 508	109 851	64 138	53 503
Transport Assets	103 651	205 644	321 489	193 954	236 604	236 643	251 068	629 190	103 046
Transport Assets	103 651	205 644	321 489	193 954	236 604	236 643	251 068	629 190	103 046
Land	125 646	35 500	200 322	110 101	119 385	165 715	116 834	50 000	104 345
Land	125 646	35 500	200 322	110 101	119 385	165 715	116 834	50 000	104 345
Living resources	–	–	–	–	175	175	–	–	–
Mature	–	–	–	–	175	175	–	–	–
Policing and Protection	–	–	–	–	175	175	–	–	–
Total Capital Expenditure on new assets	2 221 435	3 360 299	4 014 631	4 910 769	4 491 232	4 103 293	5 510 786	6 149 245	5 079 786

Table 93 – MBRR Table SA34b – Capital expenditure on the renewal of existing assets by asset class

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class									
Infrastructure	1 127 351	1 213 094	1 626 998	2 665 654	2 464 020	2 358 125	2 603 284	2 715 029	2 464 457
Roads Infrastructure	140 954	62 406	77 022	182 639	244 538	237 508	288 850	110 757	166 840
Roads	133 486	61 026	70 859	162 767	221 786	214 856	262 965	105 943	161 790
Road Structures	7 468	1 379	6 163	19 872	22 752	22 652	25 885	4 814	5 050
Storm water Infrastructure	5 004	12 412	8 317	2 984	12 094	11 343	11 102	47 040	7 555
Drainage Collection	5 004	12 412	8 317	2 984	12 094	11 343	11 102	47 040	7 555
Electrical Infrastructure	384 403	390 997	493 410	467 234	501 054	492 015	461 255	869 021	664 756
HV Substations	95 857	131 488	100 586	101 094	136 364	128 645	50 854	449 209	232 366
MV Substations	39 026	13 957	29 600	44 000	23 500	23 500	45 000	44 000	44 000
MV Networks	181 660	172 842	207 893	191 190	209 190	209 920	222 201	224 312	229 390
LV Networks	67 860	72 710	155 331	130 950	132 000	129 950	143 200	151 500	159 000
Water Supply Infrastructure	236 706	264 416	310 386	509 539	426 840	434 722	520 200	605 503	750 828
Reservoirs	–	–	–	–	–	–	–	–	30 000
Pump Stations	–	–	–	–	–	–	–	–	–
Water Treatment Works	–	–	–	50 000	20 000	20 000	200 000	143 500	182 000
Bulk Mains	77 471	48 136	88 800	184 344	110 000	108 105	–	104 344	207 025
Distribution	159 235	216 280	221 586	275 195	296 840	306 617	320 200	357 659	331 804
Sanitation Infrastructure	354 740	454 570	717 027	1 469 672	1 242 117	1 145 159	1 278 692	1 012 756	759 666
Pump Station	44 944	103 863	88 660	87 240	96 835	96 185	107 663	92 918	93 498
Reticulation	264 779	325 823	492 369	835 475	742 576	706 342	691 459	738 193	490 616
Waste Water Treatment Works	45 018	24 884	135 915	400 957	361 826	335 114	319 817	111 731	175 552
Outfall Sewers	–	–	84	146 000	40 880	7 519	159 753	69 915	–
Solid Waste Infrastructure	–	–	–	1 523	1 523	1 523	1 266	33 800	83
Landfill Sites	–	–	–	1 523	1 523	1 523	1 266	33 800	83
Coastal Infrastructure	–	–	–	–	–	–	–	5 000	1 000
Promenades	–	–	–	–	–	–	–	5 000	1 000
Information and Communication Infrastructure	5 544	28 293	20 837	32 062	35 855	35 855	41 920	31 152	113 728
Data Centres	2 800	26 681	20 837	31 611	35 605	35 605	41 740	31 152	113 728
Core Layers	2 744	1 612	–	452	250	250	180	–	–
Community Assets	27 162	44 240	40 620	101 826	80 115	79 029	143 018	69 458	115 651
Community Facilities	26 364	44 240	35 878	75 326	61 451	60 708	91 468	52 377	95 772
Halls	5 586	10 859	655	–	1 070	1 070	–	–	–
Centres	–	–	–	–	–	–	–	1 000	6 709
Clinics/Care Centres	–	(1 533)	–	–	–	–	–	–	–
Museums	–	–	959	1 000	1 101	1 051	1 800	12 500	7 000
Libraries	7	–	–	–	–	–	2 600	5 156	19 925
Public Open Space	561	178	201	100	100	99	100	100	100
Nature Reserves	4 211	4 049	8 531	47 605	26 925	26 783	49 622	28 621	41 438
Markets	14 317	24 564	21 902	24 621	30 254	30 904	34 345	–	–
Taxi Ranks/Bus Terminals	1 681	6 122	3 631	2 000	2 000	800	3 000	5 000	20 600
Sport and Recreation Facilities	797	–	4 741	26 500	18 664	18 321	51 550	17 081	19 879
Indoor Facilities	–	–	–	–	–	–	1 550	4 250	–
Outdoor Facilities	797	–	4 741	26 500	18 664	18 321	50 000	12 831	19 879
Heritage assets	899	90	–	–	–	–	–	–	–
Monuments	899	90	–	–	–	–	–	–	–
Other assets	84 826	31 938	6 103	14 926	28 213	22 130	20 942	5 130	10 463
Operational Buildings	25 473	12 451	6 103	14 926	28 213	22 130	20 942	5 130	10 463
Municipal Offices	22 605	8 369	1 502	13 926	27 244	21 161	19 942	4 130	8 463
Workshops	1 726	–	–	–	–	–	–	–	–
Laboratories	1 141	2 317	4 600	1 000	969	969	1 000	1 000	2 000
Depots	–	1 765	–	–	–	–	–	–	–
Housing	59 354	19 486	–	–	–	–	–	–	–
Social Housing	59 354	19 486	–	–	–	–	–	–	–
Intangible Assets	8 124	9 077	9 729	8 000	7 549	7 549	15 850	13 050	11 850
Licences and Rights	8 124	9 077	9 729	8 000	7 549	7 549	15 850	13 050	11 850
Computer Software and Applications	8 124	9 077	9 729	8 000	7 549	7 549	15 850	13 050	11 850
Computer Equipment	74 265	83 522	153 378	121 227	143 234	141 582	144 152	92 071	184 361
Computer Equipment	74 265	83 522	153 378	121 227	143 234	141 582	144 152	92 071	184 361
Furniture and Office Equipment	4 962	6 655	32 226	36 012	34 911	26 568	103 046	26 178	20 613
Furniture and Office Equipment	4 962	6 655	32 226	36 012	34 911	26 568	103 046	26 178	20 613
Machinery and Equipment	46 277	76 046	121 323	100 749	100 827	75 685	102 473	93 655	122 564
Machinery and Equipment	46 277	76 046	121 323	100 749	100 827	75 685	102 473	93 655	122 564
Transport Assets	433 248	515 187	555 847	417 684	483 295	483 998	610 352	568 741	641 428
Transport Assets	433 248	515 187	555 847	417 684	483 295	483 998	610 352	568 741	641 428
Living resources	–	–	300	900	1 125	750	645	–	950
Mature	–	–	300	900	1 125	750	645	–	950
Policing and Protection	–	–	300	900	1 125	750	645	–	950
Total Capital Expenditure on renewal of existing assets	1 807 113	1 979 848	2 546 524	3 466 977	3 343 290	3 195 416	3 743 762	3 583 312	3 572 338
Renewal of Existing Assets as % of total capex	33.3%	28.6%	27.1%	28.8%	29.3%	31.3%	29.1%	25.2%	27.7%
Renewal of Existing Assets as % of deprecn"	59.1%	60.7%	72.8%	91.1%	87.9%	84.0%	94.2%	85.2%	77.6%

Table 94 – MBRR Table SA34c – Repairs and maintenance expenditure by asset class

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Repairs and maintenance expenditure by Asset Class/Sub-class									
Infrastructure	2 228 775	2 643 927	2 888 520	3 278 373	3 420 107	3 425 569	3 832 149	4 059 593	4 240 132
Roads Infrastructure	604 829	688 001	853 693	883 733	901 379	901 379	929 994	981 144	1 034 126
Roads	604 829	688 001	853 693	865 864	870 111	870 111	897 346	946 700	997 822
Road Furniture	–	–	–	17 869	31 267	31 267	32 648	34 444	36 304
Storm water Infrastructure	–	–	–	190 921	202 946	203 946	252 056	268 822	282 928
Drainage Collection	–	–	–	190 921	202 946	203 946	252 056	268 822	282 928
Electrical Infrastructure	562 390	678 010	769 604	762 763	875 451	873 637	1 001 093	1 016 138	1 070 162
Power Plants	17 151	71 453	75 030	26 429	43 974	43 974	48 885	51 085	53 333
HV Substations	30 975	39 350	51 841	38 266	45 891	47 545	100 658	75 183	87 807
MV Substations	389 390	425 190	503 256	530 517	557 101	555 846	607 834	635 187	663 134
LV Networks	124 874	142 017	139 477	167 550	228 484	226 271	243 715	254 682	265 889
Water Supply Infrastructure	438 319	505 293	496 640	703 999	643 670	631 906	778 239	854 059	877 458
Boreholes	2	86	917	–	–	–	–	–	–
Reservoirs	28 346	40 495	53 322	60 745	70 963	70 378	119 511	159 003	144 774
Pump Stations	68 945	84 697	83 256	51 907	46 500	49 530	50 383	53 154	56 024
Water Treatment Works	49 428	56 832	48 425	37 045	33 765	33 765	45 647	48 157	50 758
Bulk Mains	7 455	15 705	14 249	1 688	6 715	6 715	1 662	1 753	1 848
Distribution	284 144	307 478	296 470	552 615	485 727	471 517	561 037	591 991	624 053
Sanitation Infrastructure	620 607	770 392	763 416	710 489	773 120	787 161	854 396	922 417	957 780
Pump Station	–	–	–	12 548	16 138	15 279	15 928	16 804	17 711
Reticulation	460 904	535 189	593 109	513 085	571 870	586 770	607 822	641 253	675 880
Waste Water Treatment Works	153 223	225 025	161 055	175 444	174 479	174 479	219 334	252 427	251 610
Outfall Sewers	6 480	10 177	9 252	9 410	10 633	10 633	11 312	11 934	12 579
Solid Waste Infrastructure	2 631	2 232	5 166	21 918	14 135	15 410	11 660	12 303	12 967
Landfill Sites	2 631	2 232	5 166	19 688	12 441	12 715	9 869	10 414	10 976
Waste Processing Facilities	–	–	–	2 230	1 695	2 695	1 790	1 889	1 991
Coastal Infrastructure	–	–	–	4 549	9 407	12 131	4 711	4 711	4 711
Promenades	–	–	–	4 549	9 407	12 131	4 711	4 711	4 711
Community Assets	580 807	563 095	706 575	568 116	695 973	700 209	703 765	723 633	755 282
Community Facilities	146 832	110 070	92 158	462 311	595 758	599 993	572 147	586 093	611 690
Halls	58 648	42 352	41 588	11 197	11 497	14 352	12 438	11 445	11 964
Centres	9 671	185	1 050	3 614	4 949	5 664	4 753	4 947	5 146
Clinics/Care Centres	24 123	2 388	4 452	5 690	7 550	8 563	8 368	8 765	9 174
Fire/Ambulance Stations	713	1 734	3 466	12 376	8 170	8 035	15 346	16 038	16 745
Testing Stations	–	–	–	13 348	13 439	13 328	14 245	14 896	15 562
Museums	–	–	–	6	6	6	6	7	7
Libraries	18 232	24 014	2 993	877	875	875	908	949	991
Cemeteries/Crematoria	22 074	23 327	22 964	38 610	42 930	42 930	34 699	36 260	37 855
Public Open Space	–	–	–	343 867	472 588	472 588	448 595	468 783	489 410
Nature Reserves	3 187	4 692	4 009	3 925	4 975	4 874	5 097	5 097	5 097
Public Ablution Facilities	7 741	7 299	10 563	23 577	22 985	20 735	18 598	14 733	15 381
Markets	2 442	4 079	1 074	5 225	5 793	9 094	9 094	4 173	4 357
Sport and Recreation Facilities	433 976	453 025	614 416	105 804	100 215	100 215	131 618	137 540	143 592
Indoor Facilities	1 042	46	371	17 239	19 834	19 834	60 375	63 092	65 868
Outdoor Facilities	432 934	452 978	614 045	88 565	80 381	80 381	71 242	74 448	77 724
Heritage assets	69	43	40	367	369	369	376	376	376
Works of Art	69	43	40	–	–	–	–	–	–
Other Heritage	–	–	–	367	369	369	376	376	376
Investment properties	230	703	1 269	208	174	174	177	178	179
Revenue Generating	228	665	1 197	197	163	163	165	165	165
Improved Property	228	665	1 197	197	163	163	165	165	165
Non-revenue Generating	1	38	72	11	11	11	12	13	13
Unimproved Property	1	38	72	11	11	11	12	13	13
Other assets	192 275	243 977	214 718	369 542	468 298	473 056	700 013	785 964	775 073
Operational Buildings	192 275	243 977	214 718	300 763	400 658	405 417	613 653	696 655	680 844
Municipal Offices	189 328	218 081	191 523	282 655	390 625	395 505	600 447	682 724	666 160
Workshops	–	–	–	13 244	5 274	5 234	8 173	8 622	9 088
Laboratories	2 116	3 890	3 485	4 537	4 536	4 536	4 793	5 056	5 329
Training Centres	786	866	585	327	223	142	240	253	266
Depots	45	21 140	19 125	–	–	–	–	–	–
Housing	–	–	–	68 779	67 639	67 639	86 360	89 310	94 229
Social Housing	–	–	–	68 779	67 639	67 639	86 360	89 310	94 229
Computer Equipment	199 261	317 759	365 154	364 045	444 691	441 349	421 253	439 335	467 128
Computer Equipment	199 261	317 759	365 154	364 045	444 691	441 349	421 253	439 335	467 128
Furniture and Office Equipment	830 169	821 965	919 298	243 100	290 682	289 120	268 911	346 024	293 019
Furniture and Office Equipment	830 169	821 965	919 298	243 100	290 682	289 120	268 911	346 024	293 019
Machinery and Equipment	–	–	–	358 876	353 498	359 748	412 982	438 736	460 531
Machinery and Equipment	–	–	–	358 876	353 498	359 748	412 982	438 736	460 531
Transport Assets	436 693	499 911	518 115	482 917	468 021	471 365	502 392	528 904	556 332
Transport Assets	436 693	499 911	518 115	482 917	468 021	471 365	502 392	528 904	556 332
Total Repairs and Maintenance Expenditure	4 468 279	5 091 380	5 613 689	5 665 543	6 141 812	6 160 957	6 842 018	7 322 744	7 548 054
R&M as a % of PPE & Investment Property	8.0%	8.5%	8.6%	7.5%	8.4%	8.4%	8.4%	8.0%	7.6%
R&M as % Operating Expenditure	8.8%	9.7%	9.6%	8.8%	9.4%	9.4%	9.6%	9.8%	9.5%

Table 95 – MBRR Table SA34d – Depreciation by asset class

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Depreciation by Asset Class/Sub-class									
Infrastructure	1 327 019	1 466 637	1 605 163	1 888 308	1 691 084	1 691 084	1 797 262	1 974 828	2 347 952
Roads Infrastructure	448 397	476 435	504 630	506 074	515 702	515 702	512 785	602 728	697 427
Roads	419 050	443 996	469 971	474 492	481 910	481 910	480 686	572 377	665 716
Road Structures	12 168	12 610	13 135	13 435	13 669	13 669	13 721	13 934	14 391
Road Furniture	17 179	19 829	21 524	18 146	20 123	20 123	18 378	16 416	17 320
Storm water Infrastructure	62 098	66 144	76 623	75 980	79 440	79 440	83 948	95 476	113 482
Drainage Collection	62 098	66 144	76 623	75 980	79 440	79 440	83 948	95 476	113 482
Electrical Infrastructure	297 462	323 895	345 275	578 879	362 554	362 554	387 725	420 504	455 789
Power Plants	8 179	8 180	8 135	7 931	7 937	7 937	7 739	7 665	7 656
HV Substations	19 795	21 043	22 745	27 325	24 285	24 285	31 629	49 100	66 394
MV Substations	64 272	71 297	75 061	73 786	80 959	80 959	81 705	82 683	83 661
MV Networks	119 413	126 177	132 233	136 604	137 881	137 881	143 974	148 912	153 896
LV Networks	85 803	97 197	107 101	333 233	111 492	111 492	122 678	132 144	144 181
Water Supply Infrastructure	195 524	216 321	231 532	239 426	237 633	237 633	273 364	294 822	339 337
Reservoirs	25 370	28 489	30 372	30 506	33 416	33 416	34 988	36 219	47 977
Pump Stations	9 789	10 719	10 749	10 659	10 671	10 671	11 438	10 623	13 890
Water Treatment Works	12 461	13 865	15 166	14 549	18 608	18 608	20 941	25 061	33 235
Bulk Mains	3 022	3 022	3 022	3 838	3 022	3 022	6 703	7 592	9 469
Distribution	144 882	160 226	172 222	179 874	171 916	171 916	199 294	215 327	234 765
Sanitation Infrastructure	181 734	221 110	258 625	300 502	290 430	290 430	315 945	342 326	510 392
Pump Station	6 966	13 698	12 766	16 542	12 700	12 700	19 729	19 553	28 227
Reticulation	67 905	83 449	98 274	92 855	111 745	111 745	120 874	130 977	160 777
Waste Water Treatment Works	102 119	119 216	142 681	186 200	161 081	161 081	170 438	183 973	311 372
Outfall Sewers	4 743	4 746	4 904	4 904	4 904	4 904	4 904	7 823	10 017
Solid Waste Infrastructure	40 433	51 980	56 075	55 890	55 180	55 180	77 039	77 311	77 616
Landfill Sites	32 154	40 690	44 720	44 535	43 775	43 775	65 634	65 906	66 210
Waste Processing Facilities	8 280	11 290	11 355	11 355	11 406	11 406	11 406	11 406	11 406
Coastal Infrastructure	5 900	6 008	6 631	6 916	7 938	7 938	11 049	11 334	26 586
Promenades	5 900	6 008	6 631	6 916	7 938	7 938	11 049	11 334	26 586
Information and Communication Infrastructure	95 470	104 744	125 773	124 641	142 206	142 206	135 407	130 327	127 324
Data Centres	42 239	46 880	49 515	50 827	56 443	56 443	57 789	58 216	57 659
Core Layers	49 922	54 568	72 991	70 636	82 465	82 465	74 572	71 903	69 508
Distribution Layers	3 310	3 296	3 268	3 178	3 298	3 298	3 046	208	156
Community Assets	346 375	350 536	352 791	338 243	339 429	339 429	345 787	378 453	406 410
Community Facilities	128 611	131 350	131 886	136 147	137 480	137 480	151 509	180 792	205 508
Halls	4 186	4 550	4 716	4 771	4 715	4 715	4 971	4 994	5 004
Centres	4 368	4 604	4 699	4 886	4 702	4 702	5 027	5 241	5 374
Clinics/Care Centres	7 396	8 083	7 844	8 118	7 868	7 868	9 553	10 748	12 268
Fire/Ambulance Stations	2 696	2 696	2 696	2 698	2 696	2 696	3 126	3 293	3 433
Testing Stations	1 508	1 508	1 508	1 508	1 508	1 508	1 508	1 508	1 508
Museums	340	340	342	340	343	343	343	359	359
Theatres	112	112	112	112	112	112	112	112	112
Libraries	18 197	18 074	16 278	16 625	17 269	17 269	19 707	33 868	48 015
Cemeteries/Crematoria	4 712	4 818	4 829	4 845	4 829	4 829	5 499	8 256	8 706
Public Open Space	14 997	15 096	15 299	16 636	15 249	15 249	18 453	20 257	22 283
Nature Reserves	486	497	636	646	635	635	908	2 523	4 840
Public Ablution Facilities	2 933	3 140	3 186	3 184	3 218	3 218	3 450	3 544	3 453
Markets	1 835	2 882	3 129	3 134	4 241	4 241	5 239	7 735	8 265
Airports	1	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals	64 846	64 949	66 612	68 644	70 094	70 094	73 611	78 355	81 888
Sport and Recreation Facilities	217 764	219 186	220 905	202 095	201 949	201 949	194 278	197 661	200 902
Indoor Facilities	11 515	12 905	12 791	13 551	12 811	12 811	15 937	16 184	17 588
Outdoor Facilities	206 249	206 282	208 115	188 544	189 139	189 139	178 341	181 478	183 314

Table continues on next page

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
<u>Investment properties</u>	1 714	1 714	1 714	1 714	24 909	24 909	25 953	25 953	25 953
Revenue Generating	1 714	1 714	1 714	1 714	1 711	1 711	1 711	1 711	1 711
Improved Property	1 714	1 714	1 714	1 714	1 711	1 711	1 711	1 711	1 711
<u>Other assets</u>	344 791	363 676	335 720	383 147	412 359	412 359	429 098	435 894	434 696
Operational Buildings	238 050	256 039	283 458	271 251	299 382	299 382	307 777	303 795	298 848
Municipal Offices	201 374	217 500	242 960	230 450	257 886	257 886	262 886	253 551	244 562
Workshops	35 689	37 420	39 268	39 383	40 267	40 267	42 498	47 264	51 286
Laboratories	651	662	662	664	662	662	755	835	855
Training Centres	289	410	521	707	521	521	1 591	2 097	2 097
Depots	47	47	47	47	47	47	47	47	47
Housing	106 741	107 638	52 261	111 896	112 977	112 977	121 321	132 099	135 848
Social Housing	106 741	107 638	52 261	111 896	112 977	112 977	121 321	132 099	135 848
<u>Biological or Cultivated Assets</u>	-	-	-	128	167	167	337	337	420
Biological or Cultivated Assets	-	-	-	128	167	167	337	337	420
<u>Intangible Assets</u>	157 679	136 402	149 220	156 500	167 108	167 108	170 722	173 935	163 602
Licences and Rights	157 679	136 402	149 220	156 500	167 108	167 108	170 722	173 935	163 602
Water Rights	-	-	-	2	-	-	32	40	47
Computer Software and Applications	107 517	125 126	144 584	156 126	166 736	166 736	170 690	173 895	163 555
Unspecified	50 162	11 276	4 636	372	372	372	-	-	-
<u>Computer Equipment</u>	230 410	252 810	259 545	224 750	283 985	283 985	270 104	252 763	242 714
Computer Equipment	230 410	252 810	259 545	224 750	283 985	283 985	270 104	252 763	242 714
<u>Furniture and Office Equipment</u>	61 425	67 332	69 366	72 681	82 082	82 082	83 209	79 483	72 439
Furniture and Office Equipment	61 425	67 332	69 366	72 681	82 082	82 082	83 209	79 483	72 439
<u>Machinery and Equipment</u>	159 650	170 648	175 070	185 178	220 344	220 344	222 600	206 305	210 394
Machinery and Equipment	159 650	170 648	175 070	185 178	220 344	220 344	222 600	206 305	210 394
<u>Transport Assets</u>	411 971	435 538	523 266	533 823	583 269	583 269	629 093	675 450	700 732
Transport Assets	411 971	435 538	523 266	533 823	583 269	583 269	629 093	675 450	700 732
<u>Land</u>	15 277	14 061	23 896	23 198	-	-	-	-	-
Land	15 277	14 061	23 896	23 198	-	-	-	-	-
<u>Living resources</u>	192	169	36	-	-	-	-	-	-
Mature	192	169	36	-	-	-	-	-	-
Policing and Protection	192	169	36	-	-	-	-	-	-
Total Depreciation	3 056 503	3 259 524	3 495 788	3 807 669	3 804 737	3 804 737	3 974 165	4 203 401	4 605 313

Table 96 – MBRR Table SA34e – Capital expenditure on the upgrading of existing assets by asset class

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class									
Infrastructure	915 774	1 005 725	1 911 030	2 593 750	2 428 437	1 834 653	2 331 742	2 885 003	2 951 224
Roads Infrastructure	168 640	144 888	193 226	165 720	166 871	165 649	139 888	192 593	206 569
Roads	149 967	130 225	182 174	160 848	161 413	160 191	126 080	178 774	194 551
Road Structures	13 525	9 810	30	330	330	334	–	–	–
Road Furniture	5 148	4 853	11 022	4 541	5 128	5 124	13 808	13 818	12 018
Storm water Infrastructure	62 766	66 874	185 474	167 001	259 841	150 100	138 054	84 859	143 315
Drainage Collection	62 766	66 874	185 474	167 001	259 841	150 100	138 054	84 859	143 315
Electrical Infrastructure	52 874	159 045	168 673	265 528	228 162	223 922	218 174	250 932	298 028
HV Substations	52 874	159 045	168 673	265 528	228 162	223 922	218 174	250 932	298 028
Water Supply Infrastructure	85 562	16 948	15 192	20 047	24 100	22 300	23 700	64 570	62 983
Reservoirs	1 654	3 000	2 446	2 047	3 100	3 100	2 500	2 500	2 500
Distribution	83 908	13 948	12 746	18 000	21 000	19 200	21 200	62 070	60 483
Sanitation Infrastructure	469 666	458 689	1 227 575	1 814 200	1 599 684	1 125 965	1 588 194	2 131 108	2 179 587
Pump Station	–	4 251	8 678	19 546	13 120	8 662	17 764	240 827	212 141
Reticulation	34 667	4 948	4 227	15 416	14 666	12 899	11 998	32 427	158 664
Waste Water Treatment Works	434 999	449 490	1 214 669	1 779 239	1 571 898	1 104 404	1 558 432	1 857 855	1 808 782
Solid Waste Infrastructure	15 781	54 335	22 310	4 173	28 868	28 868	764	41 534	56 400
Landfill Sites	15 781	54 335	22 310	4 173	28 868	28 868	764	41 534	56 400
Coastal Infrastructure	16 582	50 281	58 330	140 824	115 493	112 434	215 416	117 076	–
Promenades	16 582	50 281	58 330	140 824	115 493	112 434	215 416	117 076	–
Information and Communication Infrastructure	43 904	54 665	40 249	16 257	5 418	5 415	7 551	2 331	4 341
Data Centres	18 669	2 880	–	1 399	1 399	–	–	–	–
Core Layers	25 234	51 785	40 249	14 858	4 018	4 015	7 551	2 331	4 341
Community Assets	233 232	172 040	347 072	471 538	453 574	439 067	461 825	443 650	529 409
Community Facilities	166 014	127 574	154 828	355 278	300 732	290 218	391 335	370 703	483 587
Halls	11 682	3 668	696	20 640	4 400	4 505	3 130	2 400	4 500
Centres	5 625	3 331	13 340	5 780	7 441	7 794	14 073	6 673	16 305
Clinics/Care Centres	39 594	35 613	13 921	59 830	49 867	48 456	55 340	61 005	32 928
Fire/Ambulance Stations	–	–	5 219	18 000	20 208	20 204	12 200	14 000	23 500
Testing Stations	–	–	–	–	–	–	–	–	4 000
Museums	7 342	236	–	–	–	–	–	–	–
Theatres	–	38	–	–	–	–	–	–	–
Libraries	1 073	2 045	1 684	14 468	2 643	2 643	14 792	5 247	3 247
Cemeteries/Crematoria	7 412	5 077	29 502	14 500	22 058	22 040	55 700	13 500	49 000
Public Open Space	59 775	35 197	47 789	60 921	66 614	65 880	71 080	33 279	69 904
Nature Reserves	1 965	7 713	3 903	4 428	5 023	6 148	2 234	13 913	19 362
Public Ablution Facilities	2 258	2 472	2 984	3 500	3 814	3 014	500	500	700
Markets	–	–	3 867	20 850	31 897	32 070	25 945	3 639	27 200
Taxi Ranks/Bus Terminals	29 288	32 184	31 925	132 360	86 767	77 464	136 341	216 548	232 942
Sport and Recreation Facilities	67 218	44 466	192 243	116 260	152 842	148 848	70 490	72 948	45 822
Indoor Facilities	26 364	19 910	57 117	17 407	42 658	39 793	5 080	29 824	–
Outdoor Facilities	40 853	24 556	135 127	98 853	110 184	109 056	65 410	43 123	45 822
Heritage assets	–	–	–	–	844	423	–	–	–
Monuments	–	–	–	–	844	423	–	–	–
Other assets	180 416	342 189	530 970	553 301	639 834	610 001	790 390	661 828	644 656
Operational Buildings	179 693	279 507	450 034	408 854	415 798	383 604	461 742	506 609	580 423
Municipal Offices	108 417	190 130	293 450	230 386	252 997	239 134	323 173	299 547	373 856
Workshops	71 277	89 377	106 792	136 467	112 541	96 685	129 069	204 357	205 818
Training Centres	–	–	49 792	42 000	50 260	47 785	9 500	2 705	750
Housing	723	62 682	80 935	144 447	224 036	226 397	328 648	155 220	64 232
Social Housing	723	62 682	80 935	144 447	224 036	226 397	328 648	155 220	64 232
Intangible Assets	11 507	43 755	45 751	9 598	12 170	13 999	15 045	489 495	84 880
Licences and Rights	11 507	43 755	45 751	9 598	12 170	13 999	15 045	489 495	84 880
Computer Software and Applications	11 507	43 755	45 751	9 598	12 170	13 999	15 045	489 495	84 880
Computer Equipment	54 520	12 605	2 019	6 000	14 477	14 477	–	–	–
Computer Equipment	54 520	12 605	2 019	6 000	14 477	14 477	–	–	–
Furniture and Office Equipment	696	307	567	–	–	–	–	–	–
Furniture and Office Equipment	696	307	567	–	–	–	–	–	–
Machinery and Equipment	1 499	12 138	5 793	8 700	12 530	11 436	9 089	14 903	22 000
Machinery and Equipment	1 499	12 138	5 793	8 700	12 530	11 436	9 089	14 903	22 000
Total Capital Expenditure on upgrading of existing assets	1 397 644	1 588 760	2 843 201	3 642 887	3 561 867	2 924 056	3 608 091	4 494 879	4 232 169
Upgrading of Existing Assets as % of total capex	25.8%	22.9%	30.2%	30.3%	31.3%	28.6%	28.1%	31.6%	32.8%
Upgrading of Existing Assets as % of deprecn"	45.7%	48.7%	81.3%	95.7%	93.6%	76.9%	90.8%	106.9%	91.9%

2.17 Details of capital expenditure**Table 97 – MBRR Table SA35 – Future financial implication of the capital budget**

Vote Description	2025/26 Medium Term Revenue & Expenditure Framework			Forecasts			
	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Present value
R thousand							
<u>Capital expenditure</u>							
Vote 1 - Community Services & Health	317 218	237 263	273 929	75 637	6 000	–	–
Vote 2 - Corporate Services	498 476	924 569	729 561	106 539	32 194	22 390	–
Vote 3 - Economic Growth	111 099	84 703	160 256	–	–	–	–
Vote 4 - Energy	1 249 640	1 676 837	1 573 438	793 267	492 815	215 248	–
Vote 5 - Finance	123 163	16 314	21 040	2 000	–	–	–
Vote 6 - Future Planning & Resilience	5 414	5 388	5 810	–	–	–	–
Vote 7 - Human Settlements	1 228 699	999 921	1 072 754	459 527	404 496	125 643	–
Vote 8 - Office of the City Manager	8 675	31 636	28 492	–	–	–	–
Vote 9 - Safety & Security	344 830	214 039	500 016	129 874	78 334	10 000	–
Vote 10 - Spatial Planning & Environment	519 567	389 889	230 364	120 100	141 825	17 825	–
Vote 11 - Urban Mobility	3 090 530	3 225 345	1 788 688	659 670	223 501	29 100	–
Vote 12 - Urban Waste Management	438 953	581 984	784 018	551 925	393 625	112 192	–
Vote 13 - Water & Sanitation	4 926 374	5 839 550	5 715 926	4 155 244	2 662 333	1 267 128	–
Total Capital Expenditure	12 862 639	14 227 436	12 884 293	7 053 785	4 435 123	1 799 527	–
<u>Future operational costs by vote</u>							
Vote 1 - Community Services & Health	32 829	71 116	109 870	6 930	5 284	7 567	–
Vote 2 - Corporate Services	210 454	693 174	859 266	182 424	408 533	48 608	–
Vote 3 - Economic Growth	9 648	20 809	32 595	6 959	8 786	9 542	–
Vote 4 - Energy	80 836	182 297	291 078	15 132	15 613	469 022	–
Vote 5 - Finance	12 900	28 240	31 702	–	–	–	–
Vote 6 - Future Planning & Resilience	978	3 102	5 166	1 574	1 574	978	–
Vote 7 - Human Settlements	45 945	143 305	318 130	234 960	248 459	250 320	–
Vote 8 - Office of the City Manager	7 367	10 148	13 367	6 421	6 615	3 496	–
Vote 9 - Safety & Security	56 536	101 774	169 816	115 778	120 463	47 825	–
Vote 10 - Spatial Planning & Environment	56 173	95 954	141 543	19 284	19 325	20 022	–
Vote 11 - Urban Mobility	133 985	537 622	658 821	312 918	307 676	7 333	–
Vote 12 - Urban Waste Management	49 777	124 258	204 714	17 339	3 839	210	–
Vote 13 - Water & Sanitation	793 269	1 245 119	3 795 098	2 017 800	2 032 981	5 273 606	–
Total future operational costs	1 490 698	3 256 917	6 631 166	2 937 519	3 179 148	6 138 528	–
<u>Future revenue by source</u>							
Exchange Revenue	–	–	–	–	–	–	–
Service charges - Electricity	–	–	–	–	–	716 560	–
Service charges - Water	–	2 500	3 000	135 000	19 500	20 500	–
Service charges - Waste Water Management	–	–	–	–	–	–	–
Service charges - Waste Management	–	–	–	–	–	–	–
Agency services	–	–	–	–	–	–	–
List other revenues sources if applicable	15 260	15 931	20 406	21 138	3 758	–	–
Total future revenue	15 260	18 431	23 406	156 138	23 258	737 060	–
Net Financial Implications	14 338 077	17 465 922	19 492 053	9 835 165	7 591 014	7 200 996	–

* Depreciation and interest figures are only included in the 3-year MTREF but excluded from future years

Table 98 – MBRR Table SA37 – Projects delayed from previous financial year(s)

Function R Thousand	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Previous target year to complete	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
													Original Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Community Services & Health	City Health: Tafelsig Clinic - Extension and Upgrade Phase 2	CPX.0024993	Upgrade	02	02	9	Community Facilities	Clinics/Care Centres	82	18.637119545	-34.062265144	2024/25	2 000	–	10 540	–	–
Community Services & Health	Recreation and Parks: Strandfontein Clubhouse Development	CPX.0020320	Upgrade	13	13	11	Sport and Recreation Facilities	Outdoor Facilities	43	18.548569849	-34.079084438	2024/25	10 000	–	3 000	17 862	422
Community Services & Health	Recreation and Parks: Mountainview Park - Play Equipment	CPX.0036761	Upgrade	13	13	11	Community Facilities	Public Open Space	21	18.654572632	-33.863986895	2024/25	80	–	80	–	–
Economic Growth	Economic Development and Investment: Elsies River New Build Informal Trading	CPX.0028756	New	06	06	1	Community Facilities	Markets	904	18.573916761	-33.918612932	2024/25	200	–	1 000	–	–
Economic Growth	Strategic Assets: Athlone Stadium Upgrade Phase 4	CPX.0017703	Upgrade	12	12	1	Sport and Recreation	Outdoor Facilities	49	18.517808902	-33.961870213	2024/25	6 800	–	2 000	3 000	8 400
Spatial Planning & Environment	Environmental Management: Fencing: Wolfgat Nature Reserve	CPX.0029747	Upgrade	10	10	9	Operational Buildings	Municipal Offices	912	18.655213522	-34.066189407	2024/25	2 000	–	2 000	–	–
Urban Mobility	Roads Infrastructure Management: Upgrade: Prince George Drive -Military Road -Baden Powell	CPX.0023991	Upgrade	06	06	13	Roads Infrastructure	Roads	804	18.479783540	-34.088532923	2024/25	150	–	600	200	200
Urban Waste Management	Waste Services: Woodstock Depot Upgrade	CPX.0011066	Upgrade	06	06	4	Operational Buildings	Workshops	115	18.454886717	-33.923513905	2024/25	90	–	50	250	150
Urban Waste Management	Waste Services: Kuils River Depot Upgrade (Phase 2)	CPX.0023107	Upgrade	06	06	4	Operational Buildings	Workshops	11	18.681816192	-33.935962955	2024/25	567	–	236	8 376	–
Urban Waste Management	Waste Services: Schaapkraal Depot Upgrade (Phase 2)	CPX.0023108	Upgrade	06	06	4	Operational Buildings	Workshops	43	18.533837802	-34.036693611	2024/25	296	–	626	7 289	–
Water & Sanitation	Technical Services: Water and Sanitation: Depot: Scottsdene Waste Water Treatment Plant (Upgrade)	CPX.0033179	Upgrade	09	09	16	Operational Buildings	Workshops	7	18.733286392	-33.871232173	2024/25	500	–	500	10 000	15 000

2.18 Legislation compliance status

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

- **Budget and Treasury Office**
A Budget Office and a Treasury Office was established in accordance with the MFMA.
- **Budgeting**
The annual budget is prepared in accordance with the requirements prescribed by National Treasury, MFMA, MBRR and mSCOA regulations.
- **In Year Reporting**
Fully compliant with regards to monthly and quarterly MBRR reporting to National Treasury.
- **Annual Report**
The Integrated Annual Report is prepared in accordance with the MFMA and National Treasury requirements.
- **Municipal Entities**
The City currently has two entities i.e. the Cape Town International Convention Centre (CTICC) and the Cape Town Stadium (CTS).
- **Internship Programme**
The CFO has introduced an organised professional training and work experience programme i.e. the Finance Graduate Development Programme (FGDP). The programme aims to standardise the current diverse training options by providing training and exposure to qualifying officials and/or suitably qualified external applicants and/or suitably qualified bursars (Bachelor of Commerce/equivalent degree) who meet the criteria and are aspiring to become local government accountants subject to a recruitment and selection process.

The National Treasury Municipal Finance Management Internship Programme (NTMFMIIP) has merged with the FGDP.

The City is currently funding four interns, whilst NT is funding an additional three interns.

Most of the interns who previously participated in the NTMFMIIP have been hired within the City upon completing the programme, while others secured employment opportunities elsewhere.

2.19 External mechanisms

A summary of the total service delivery package and associated financial implications of each external mechanism utilised by the City is attached as Annexure 31 to the document.

2.20 Other supporting documents

Table 99 – MBRR Table SA1 – Supporting detail to budgeted financial performance

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
REVENUE ITEMS:									
Non-exchange revenue by source									
Exchange Revenue									
Total Property Rates	11 720 222	12 725 479	13 965 196	14 891 995	14 891 995	14 891 995	16 200 020	17 601 322	18 843 975
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	1 361 479	1 480 050	1 978 737	2 179 198	2 179 198	2 179 198	2 431 920	2 655 268	2 900 055
Net Property Rates	10 358 743	11 245 429	11 986 459	12 712 797	12 712 797	12 712 797	13 768 100	14 946 054	15 943 920
Exchange revenue service charges									
Service charges - Electricity									
Total Service charges - Electricity	16 394 108	16 514 867	20 102 205	21 501 597	22 216 620	22 219 393	23 852 894	24 510 399	25 304 963
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)							23 676	25 144	26 281
Less Cost of Free Basis Services (50 kwh per indigent household per month)	118 517	130 676	162 029	173 342	173 342	176 115	165 663	175 935	183 891
Net Service charges - Electricity	16 275 591	16 384 191	19 940 176	21 328 255	22 043 278	22 043 278	23 663 555	24 309 320	25 094 791
Service charges - Water									
Total Service charges - Water	3 953 614	4 484 641	5 389 215	5 561 916	5 661 199	5 661 199	6 512 180	7 040 075	8 350 520
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		203 884	231 133	235 096	235 096	235 096	429 327	456 374	534 597
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)	283 602	283 602	313 771	327 706	327 706	327 706	306 612	325 929	381 793
Net Service charges - Water	3 670 013	3 997 156	4 844 312	4 999 113	5 098 397	5 098 397	5 776 241	6 257 772	7 434 130
Service charges - Waste Water Management									
Total Service charges - Waste Water Management	2 084 450	2 450 153	2 882 760	3 054 567	3 094 556	3 094 556	3 345 051	3 639 197	4 333 978
Less Revenue Foregone (in excess of free sanitation service to indigent households)		174 358	197 261	211 790	211 790	211 790	222 627	237 380	288 419
Less Cost of Free Basis Services (free sanitation service to indigent households)	242 531	242 531	269 235	295 219	295 219	295 219	156 418	166 272	194 771
Net Service charges - Waste Water Management	1 841 919	2 033 263	2 416 264	2 547 558	2 587 547	2 587 547	2 966 006	3 235 545	3 850 787
Service charges - Waste Management									
Total refuse removal revenue	1 413 706	1 559 510	1 630 319	1 795 518	2 007 988	2 007 988	1 960 741	2 078 385	2 203 088
Total landfill revenue	138 224	143 687	151 900	179 132	–	–	237 899	258 478	273 159
Less Revenue Foregone (in excess of one removal a week to indigent households)	–	–	–	–	–	–	–	–	–
Less Cost of Free Basis Services (removed once a week to indigent households)	311 132	393 998	432 626	458 151	458 151	458 151	540 000	572 400	606 744
Net Service charges - Waste Management	1 240 798	1 309 198	1 349 593	1 516 500	1 549 837	1 549 837	1 658 640	1 764 463	1 869 504
EXPENDITURE ITEMS:									
Employee related costs									
Basic Salaries and Wages	10 425 559	10 979 035	11 910 284	13 374 339	13 111 254	13 100 728	14 615 466	15 603 211	16 789 221
Pension and UIF Contributions	1 572 677	1 676 967	1 806 879	2 274 854	2 065 031	2 065 099	2 437 482	2 598 805	2 784 587
Medical Aid Contributions	939 324	993 557	1 076 311	1 204 899	1 159 023	1 158 839	1 296 483	1 388 248	1 490 093
Overtime	963 851	1 198 787	1 152 562	1 005 227	1 057 626	1 070 592	1 024 125	1 031 136	1 025 956
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	220 781	233 999	247 253	274 591	282 799	281 782	290 917	310 783	333 582
Cellphone Allowance	34 052	37 286	42 875	49 752	51 110	51 266	55 185	58 585	62 883
Housing Allowances	58 989	62 919	66 290	69 507	68 663	69 208	72 325	77 236	82 902
Other benefits and allowances	351 271	410 652	428 857	447 830	474 963	476 365	490 861	519 695	557 821
Payments in lieu of leave	87 368	136 582	165 056	125 391	135 902	138 294	123 276	130 028	139 397
Long service awards	60 152	89 484	99 898	116 084	116 555	116 212	107 935	115 305	93 764
Post-retirement benefit obligations	559 060	(540 321)	124 540	390 320	702 520	702 541	412 989	428 192	443 559
Entertainment	–	–	–	–	–	–	–	–	–
Scarcity	–	–	–	6 435	6 435	6 435	6 651	7 000	7 403
Acting and post related allowance	7 603	8 807	11 545	664	11 095	12 878	–	–	–
In kind benefits	–	–	–	–	–	–	–	–	–
sub-total	15 280 688	15 287 753	17 132 348	19 339 894	19 242 975	19 250 238	20 933 695	22 268 222	23 811 167
Less: Employees costs capitalised to PPE	24 783	26 409	24 734	28 271	28 895	28 895	44 605	47 651	51 147
Total Employee related costs	15 255 905	15 261 344	17 107 614	19 311 622	19 214 080	19 221 343	20 889 090	22 220 571	23 760 020

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CITY OF CAPE TOWN – 2025/26 TO 2027/28 BUDGET (26 JUNE 2025)

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
<u>Depreciation and amortisation</u>									
Depreciation of Property, Plant & Equipment	3 026 161	3 241 058	3 464 792	3 784 472	3 781 539	3 781 539	3 949 923	4 179 159	4 581 071
Lease amortisation	—	—	—	—	—	—	—	—	—
Capital asset impairment	30 342	18 466	30 996	23 198	23 198	23 198	24 241	24 241	24 241
Total Depreciation and amortisation	3 056 503	3 259 524	3 495 788	3 807 669	3 804 737	3 804 737	3 974 164	4 203 400	4 605 312
<u>Bulk purchases - electricity</u>									
Electricity bulk purchases	11 561 609	11 812 158	13 941 386	15 472 230	15 974 700	15 974 700	17 755 086	18 363 846	19 062 355
Total bulk purchases	11 561 609	11 812 158	13 941 386	15 472 230	15 974 700	15 974 700	17 755 086	18 363 846	19 062 355
<u>Transfers and grants</u>									
Cash transfers and grants	406 842	377 101	359 818	360 208	424 430	424 430	388 523	353 947	345 847
Non-cash transfers and grants	—	—	28 621	—	22 312	22 312	—	—	—
Total transfers and grants	406 842	377 101	359 818	360 208	420 430	420 430	388 523	353 947	345 847
<u>Contracted Services</u>									
—	—	—	—	—	—	—	—	—	—
<i>Outsourced Services</i>	3 465 825	3 843 038	4 164 512	4 098 032	4 404 845	4 452 549	4 676 192	4 498 824	4 663 937
<i>Consultants and Professional Services</i>	668 757	882 186	993 453	1 283 587	1 206 295	1 205 557	1 492 210	1 217 007	1 185 038
<i>Contractors</i>	3 599 795	4 187 972	4 342 885	4 385 417	4 763 896	4 735 691	4 932 139	5 304 814	5 244 208
Total contracted services	7 734 377	8 913 196	9 500 850	9 767 037	10 375 036	10 393 796	11 100 541	11 020 646	11 093 184
<u>Operational Costs</u>									
Collection costs	194 858	182 909	222 656	199 506	240 423	239 582	212 941	212 941	212 941
Contributions to 'other' provisions	4 067	(418)	1 375	117	2 595	2 595	2 595	2 595	2 595
Audit fees	19 143	19 990	27 017	25 528	29 028	29 028	31 000	30 300	30 336
Other Operational Costs	437 504	576 336	572 488	342 928	423 013	405 807	324 992	295 826	256 432
MIDS/CIDS	284 293	306 696	354 489	416 997	418 246	418 246	479 283	508 040	538 523
Software Licences - Upgrade/Protection	169 246	173 780	290 687	496 763	461 323	458 840	457 438	673 755	782 388
Operating Leases	287 054	300 948	320 566	310 806	388 564	390 390	370 965	380 351	385 513
Electricity	175 891	184 003	223 447	245 266	275 569	275 444	308 459	326 202	322 303
Specialised Information Technology servi	142 592	187 246	228 936	327 392	246 092	241 023	281 924	418 748	385 053
Indigent Relief : Electricity - Eskom Re	130 038	139 094	171 404	210 000	210 000	210 000	242 443	278 809	320 631
Uniform & Protective Clothing	113 802	134 016	140 999	136 964	159 485	159 765	188 428	182 647	174 274
R&M DirectTravelCost - Operating	—	—	—	128 866	133 753	133 753	170 862	180 247	189 969
Premiums : Unicity Insurance Program	65 321	76 530	102 321	135 135	135 135	123 485	148 648	163 513	179 864
Levy: Skills Development	125 252	134 868	144 663	151 790	150 130	150 872	134 337	143 439	153 916
Training	76 246	127 266	95 269	83 765	85 498	89 969	77 728	151 522	118 848
R&M Vehicles to Operating	—	—	—	74 106	80 025	80 025	77 240	81 071	85 014
Motor Claims	20 949	37 920	54 323	51 292	53 372	61 391	56 426	62 069	68 276
Advertising - Corporate and Municipal Ac	43 454	46 090	41 491	36 795	50 110	55 661	49 343	47 358	42 306
Bulk Water : Levy (Berg Water Project)	125 287	94 144	78 431	60 000	63 630	63 630	48 000	23 000	20 000
Water Resource Management Charge DWS	14 422	22 179	24 926	23 018	30 976	30 976	40 961	46 528	46 896
R&M Spec Inform Tech services	—	—	—	33 977	32 275	31 581	32 470	32 733	33 004
Public Liability Claims	9 870	12 815	20 443	29 230	24 030	16 630	32 153	35 368	38 905
Total Operational Costs	2 439 288	2 756 412	3 115 930	3 520 240	3 693 270	3 668 692	3 768 638	4 277 064	4 387 987
<u>Repairs and Maintenance by Expenditure Item</u>									
Inventory Consumed (Project Maintenance)	336 924	429 022	480 841	535 579	550 191	548 702	576 395	606 083	636 727
Contracted Services	2 711 646	3 144 809	3 220 537	3 122 524	3 489 774	3 511 294	3 696 096	4 013 352	4 073 284
Operational Costs	181 354	259 834	304 482	229 304	256 810	255 924	288 745	305 363	319 280
Total Repairs and Maintenance Expenditure	4 468 279	5 091 380	5 613 689	5 665 543	6 141 812	6 160 957	6 842 018	7 322 744	7 548 054
<u>Inventory Consumed</u>									
Inventory Consumed - Water	4 440 768	3 936 849	4 863 826	4 833 153	5 217 493	5 217 493	5 723 054	6 083 607	7 126 337
Inventory Consumed - Other	1 347 509	1 753 087	1 791 188	2 244 490	1 945 857	1 945 857	2 176 701	2 415 986	2 585 941
Total Inventory Consumed & Other Material	5 788 277	5 689 936	6 655 014	7 077 642	7 163 350	7 163 350	7 899 755	8 499 592	9 712 278

Table 100 – MBRR Table SA2 – Matrix financial performance budget (revenue source/expenditure type and department)

Description	Vote 1 - Community Services & Health	Vote 2 - Corporate Services	Vote 3 - Economic Growth	Vote 4 - Energy	Vote 5 - Finance	Vote 6 - Future Planning & Resilience	Vote 7 - Human Settlements	Vote 8 - Office of the City Manager	Vote 9 - Safety & Security	Vote 10 - Spatial Planning & Environment	Vote 11 - Urban Mobility	Vote 12 - Urban Waste Management	Vote 13 - Water & Sanitation	Total
R thousand														
Revenue														
Exchange Revenue														
Service charges - Electricity	-	-	-	23 663 555	-	-	-	-	-	-	-	-	-	23 663 555
Service charges - Water	-	-	868	-	-	-	-	-	-	-	-	-	5 775 372	5 776 241
Service charges - Waste Water Management	-	-	-	-	-	-	-	-	-	-	-	-	2 966 006	2 966 006
Service charges - Waste Management	-	-	-	-	-	-	-	-	-	-	-	1 658 640	-	1 658 640
Sale of Goods and Rendering of Services	45 016	544	2 795	15 010	30 321	-	87	169	72 390	154 623	375 368	96 299	23 956	816 579
Agency services	-	-	-	-	286 716	-	-	-	16 158	-	-	-	-	302 874
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	-	31	3 199	42 000	12 048	-	377	-	3 100	-	-	39 252	239 723	339 731
Interest earned from Current and Non Current Assets	-	-	-	-	740 168	-	698	-	-	-	17 657	-	-	758 522
Dividends	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	12 624	731	273 387	(9 968)	6 956	-	208 852	-	1 138	296	-	-	290	494 307
Licence and permits	205	-	-	-	-	-	-	-	-	-	-	-	-	205
Special rating levies	-	-	-	-	-	-	-	-	-	494 107	-	-	-	494 107
Operational Revenue														
Non-Exchange Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Property rates	-	-	-	-	13 768 100	-	-	-	-	-	-	-	-	13 768 100
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2 704	-	354	-	642	-	-	-	1 860 970	6 917	5 014	1 669	286	1 878 556
Licences or permits	-	-	-	-	-	-	-	-	35 170	-	15 131	-	-	50 301
Transfer and subsidies - Operational	879 030	35 740	36 522	194 160	2 231 301	65 022	719 252	-	399 371	55 662	603 222	598 461	1 511 819	7 329 561
Interest	-	-	-	-	98 675	-	-	-	-	-	-	-	-	98 675
Fuel Levy	-	-	-	-	2 851 776	-	-	-	-	-	-	-	-	2 851 776
Operational Revenue	-	-	-	-	-	-	-	-	-	-	-	906 078	-	906 078
Gains on disposal of Assets	-	8 977	48 953	2 500	-	-	2 222	-	-	-	-	3 333	4 787	70 772
Other Gains	-	-	-	-	50 000	-	-	-	-	-	-	-	6 034 343	6 084 343
Discontinued Operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	941 479	98 880	367 264	24 018 191	20 155 641	65 915	943 001	957	2 390 509	711 629	1 059 276	3 323 144	16 656 422	70 732 307

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CITY OF CAPE TOWN – 2025/26 TO 2027/28 BUDGET (26 JUNE 2025)

Description	Vote 1 - Community Services & Health	Vote 2 - Corporate Services	Vote 3 - Economic Growth	Vote 4 - Energy	Vote 5 - Finance	Vote 6 - Future Planning & Resilience	Vote 7 - Human Settlements	Vote 8 - Office of the City Manager	Vote 9 - Safety & Security	Vote 10 - Spatial Planning & Environment	Vote 11 - Urban Mobility	Vote 12 - Urban Waste Management	Vote 13 - Water & Sanitation	Total
R thousand														
Expenditure														
Employee related costs	2 960 247	2 020 757	357 146	1 810 568	1 460 992	398 035	578 834	320 586	4 142 750	857 131	1 099 836	1 758 847	3 123 361	20 889 090
Remuneration of councillors	–	195 971	–	–	–	–	–	1 758	–	–	–	–	–	197 729
Bulk purchases - electricity	–	–	–	17 755 086	–	–	–	–	–	–	–	–	–	17 755 086
Inventory consumed	421 211	92 020	3 789	248 803	14 317	2 869	117 929	1 779	227 732	11 389	147 538	322 289	6 288 093	7 899 755
Debt impairment	–	–	17 300	172 405	585 144	–	121 988	–	1 500 000	14 823	–	67 813	738 004	3 217 478
Depreciation and amortisation	223 533	502 537	33 552	541 627	177 000	24 402	224 267	5 107	220 232	69 309	814 839	288 060	849 700	3 974 164
Interest	227	–	1 472	–	1 409 509	–	–	–	–	–	22	16 977	–	1 428 206
Contracted services	1 160 553	593 352	179 854	942 493	80 108	100 988	574 477	123 647	202 897	404 624	2 559 100	1 369 710	2 808 739	11 100 541
Transfers and subsidies	20 560	4 194	113 808	2 500	44 500	331	10 000	22 750	78 593	56 059	–	3 900	31 328	388 523
Irrecoverable debts written off	–	–	10 807	50 100	–	–	–	–	–	–	–	62 296	–	123 202
Operational costs	157 981	714 492	42 638	233 116	723 385	69 198	77 562	48 934	319 265	513 417	85 318	210 867	572 466	3 768 638
Losses on disposal of Assets	10	381	–	464	–	2	28	–	1 368	–	37	208	3	2 500
Other Losses	–	–	–	–	1 260	–	–	–	3	–	–	–	530 829	532 092
Total Expenditure	4 944 321	4 123 703	760 365	21 757 162	4 496 215	595 825	1 705 085	524 560	6 692 842	1 926 752	4 706 689	4 100 966	14 942 522	71 277 006
Surplus/(Deficit)	(4 002 843)	(4 024 823)	(393 100)	2 261 029	15 659 426	(529 909)	(762 084)	(523 603)	(4 302 333)	(1 215 123)	(3 647 414)	(777 823)	1 713 900	(544 699)
Transfers and subsidies - capital (monetary allocations)	50 275	600	–	66 820	870	–	828 567	–	6 000	34 566	2 452 303	–	415 188	3 855 190
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(3 952 567)	(4 024 223)	(393 100)	2 327 849	15 660 296	(529 909)	66 484	(523 603)	(4 296 333)	(1 180 557)	(1 195 110)	(777 823)	2 129 088	3 310 490

Table 101 – MBRR Table SA3 – Supporting detail to Statement of Financial Position

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
ASSETS									
Trade and other receivables from exchange transactions									
Electricity	2 364 239	2 402 009	2 889 718	2 553 757	2 465 777	2 465 777	2 661 022	2 858 089	3 054 712
Water	2 591 536	2 932 067	3 128 234	3 930 037	3 686 462	3 686 462	4 479 323	5 234 952	6 012 242
Waste	719 612	812 827	749 350	1 152 017	814 334	814 334	937 459	1 073 687	1 227 744
Waste Water	1 248 835	1 207 684	1 295 778	1 866 845	1 498 879	1 498 879	1 830 250	2 155 781	2 477 346
Other trade receivables from exchange transactions	1 765 339	2 004 345	2 349 959	1 417 687	1 320 820	1 320 820	1 752 325	2 181 903	2 640 101
Gross: Trade and other receivables from exchange transactions	8 689 561	9 358 932	10 413 039	10 920 344	9 786 273	9 786 273	11 660 379	13 504 414	15 412 144
Less: Impairment for debt	(4 466 503)	(5 195 839)	(5 478 737)	(7 055 805)	(6 324 675)	(6 324 675)	(7 386 096)	(8 391 336)	(9 375 049)
Impairment for Electricity	(489 027)	(646 526)	(772 844)	(1 092 728)	(940 312)	(940 312)	(1 112 717)	(1 287 070)	(1 461 006)
Impairment for Water	(1 667 531)	(1 936 411)	(2 039 329)	(2 805 126)	(2 489 729)	(2 489 729)	(3 005 369)	(3 474 203)	(3 925 823)
Impairment for Waste	(453 446)	(552 294)	(518 851)	(686 597)	(537 797)	(537 797)	(563 359)	(596 033)	(636 395)
Impairment for Waste Water	(630 334)	(728 916)	(763 603)	(1 103 441)	(957 603)	(957 603)	(1 179 967)	(1 391 793)	(1 586 533)
Impairment for other trade receivables from exchange transactions	(1 226 165)	(1 331 694)	(1 384 110)	(1 367 913)	(1 399 234)	(1 399 234)	(1 524 684)	(1 642 237)	(1 765 292)
Total net Trade and other receivables from Exchange Transactions	4 223 058	4 163 093	4 934 302	3 864 538	3 461 598	3 461 598	4 274 283	5 113 078	6 037 096
Receivables from non-exchange transactions									
Property rates	3 178 589	3 881 674	3 723 614	1 209 080	1 993 316	1 993 316	2 779 708	3 628 779	4 531 839
Less: Impairment of Property rates	(997 620)	(1 151 400)	(1 395 556)	(1 151 400)	(1 395 556)	(1 395 556)	(1 395 556)	(1 395 556)	(1 395 556)
Net Property rates	2 180 969	2 730 274	2 328 058	57 680	597 760	597 760	1 384 152	2 233 223	3 136 282
Other receivables from non-exchange transactions	3 097 425	3 026 819	3 404 587	10 816 432	9 116 567	9 116 567	10 604 212	12 075 185	13 536 507
Impairment for other receivables from non-exchange transactions	(2 592 822)	(2 519 266)	(2 613 305)	(5 348 485)	(4 174 873)	(4 174 873)	(5 674 873)	(7 174 873)	(8 674 873)
Net other receivables from non-exchange transactions	504 603	507 553	791 282	5 467 948	4 941 694	4 941 694	4 929 339	4 900 311	4 861 634
Total net Receivables from non-exchange transactions	2 685 572	3 237 826	3 119 340	5 525 628	5 539 454	5 539 454	6 313 491	7 133 535	7 997 917
Inventory									
Water									
Opening Balance	–	–	41 692	47 028	46 300	46 300	48 256	54 604	61 351
System Input Volume	4 904 288	4 278 913	5 190 952	5 367 009	5 630 726	5 630 726	6 218 159	6 609 903	7 742 841
Water Treatment Works	4 637 560	4 003 436	4 985 342	5 054 074	5 302 206	5 302 206	5 928 118	6 301 589	7 381 681
Bulk Purchases	186 859	215 008	140 290	246 085	227 123	227 123	183 816	195 396	228 887
Natural Sources	79 869	60 469	65 321	66 851	101 397	101 397	106 226	112 918	132 272
Authorised Consumption	(4 440 768)	(3 936 849)	(4 863 826)	(4 833 153)	(5 217 493)	(5 217 493)	(5 723 054)	(6 083 607)	(7 126 337)
Billed Authorised Consumption	(4 319 338)	(3 855 665)	(4 829 072)	(4 799 974)	(5 182 735)	(5 182 735)	(5 680 982)	(6 038 884)	(7 073 949)
Billed Metered Consumption	(4 319 338)	(3 855 665)	(4 829 072)	(4 799 974)	(5 182 735)	(5 182 735)	(5 680 982)	(6 038 884)	(7 073 949)
Free Basic Water	–	–	(347 329)	(375 210)	(373 542)	(373 542)	(407 668)	(433 351)	(507 627)
Subsidised Water	–	–	–	–	–	–	–	–	–
Revenue Water	(4 319 338)	(3 855 665)	(4 481 743)	(4 424 764)	(4 809 193)	(4 809 193)	(5 273 315)	(5 605 533)	(6 566 322)
Billed Unmetered Consumption	–	–	–	–	–	–	–	–	–
Free Basic Water	–	–	–	–	–	–	–	–	–
Subsidised Water	–	–	–	–	–	–	–	–	–
Revenue Water	–	–	–	–	–	–	–	–	–
UnBilled Authorised Consumption	(121 430)	(81 184)	(34 754)	(33 179)	(34 758)	(34 758)	(42 072)	(44 723)	(52 388)
Unbilled Metered Consumption	(79 874)	(53 070)	–	–	–	–	–	–	–
Unbilled Unmetered Consumption	(41 556)	(28 114)	(34 754)	(33 179)	(34 758)	(34 758)	(42 072)	(44 723)	(52 388)
Water Losses	(465 487)	(350 320)	(323 515)	(529 465)	(411 276)	(411 276)	(488 757)	(519 549)	(584 804)
Apparent losses	(94 841)	(68 581)	(77 785)	(87 656)	(82 938)	(82 938)	(99 628)	(105 904)	(100 261)
Unauthorised Consumption	(23 704)	(16 983)	(19 252)	(21 781)	(20 547)	(20 547)	(24 778)	(26 339)	(24 778)
Customer Meter Inaccuracies	(71 137)	(51 599)	(58 532)	(65 875)	(62 392)	(62 392)	(74 850)	(79 566)	(75 483)
Real losses	(370 646)	(281 738)	(245 731)	(441 809)	(328 338)	(328 338)	(389 129)	(413 644)	(484 543)
Leakage on Transmission and Distribution Mains	(277 858)	(218 568)	(245 233)	(422 653)	(305 819)	(305 819)	(362 150)	(384 965)	(450 948)
Leakage and Overflows at Storage Tanks/Reservoirs	(77)	(62)	(498)	(19 156)	(22 519)	(22 519)	(26 979)	(28 679)	(33 595)
Leakage on Service Connections up to the point of Customer Meter	(92 712)	(63 108)	–	–	–	–	–	–	–
Data Transfer and Management Errors	–	–	–	–	–	–	–	–	–
Unavoidable Annual Real Losses	–	–	–	–	–	–	–	–	–
Non-revenue Water	(586 917)	(431 504)	(358 269)	(562 644)	(446 035)	(446 035)	(530 829)	(564 271)	(637 192)
Correction of Prior period errors	–	–	996	–	–	–	–	–	–
Closing Balance Water	(1 967)	(8 256)	46 300	51 419	48 256	48 256	54 604	61 351	93 052

Table continues on next page

CITY OF CAPE TOWN – 2025/26 TO 2027/28 BUDGET (26 JUNE 2025)

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Consumables									
Standard Rated									
Opening Balance	-	-	-	-	-	-	-	-	-
Acquisitions	1 347 509	1 753 087	1 791 188	1 075 703	699 356	699 356	-	-	-
Issues	(1 347 509)	(1 753 087)	(1 791 188)	(1 075 703)	(699 356)	(699 356)	-	-	-
Adjustments	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-
Correction of Prior period errors	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Standard Rated	-	-	-	-	-	-	-	-	-
Finished Goods									
Opening Balance	467 065	432 191	491 411	450 219	418 328	418 328	438 827	458 574	479 210
Acquisitions	(34 874)	59 221	(60 063)	1 196 641	1 273 994	1 273 994	-	-	-
Issues	-	-	-	(1 166 136)	(1 244 960)	(1 244 960)	-	-	-
Adjustments	-	-	-	(8 444)	(8 536)	(8 536)	19 747	20 636	21 085
Write-offs	-	-	-	-	-	-	-	-	-
Correction of Prior period errors	-	-	-	-	-	-	-	-	-
Closing balance - Finished Goods	432 191	491 411	431 349	472 279	438 827	438 827	458 574	479 210	500 295
Materials and Supplies									
Opening Balance	-	-	-	12 711	13 020	13 020	13 658	14 273	14 915
Acquisitions	-	-	-	3 274	2 179	2 179	2 177 316	2 416 628	2 586 597
Issues	-	-	-	(2 651)	(1 541)	(1 541)	(2 176 701)	(2 415 986)	(2 585 941)
Adjustments	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-
Correction of Prior period errors	-	-	-	-	-	-	-	-	-
Closing balance - Materials and Supplies	-	-	-	13 334	13 658	13 658	14 273	14 915	15 571
Work-in-progress									
Opening Balance	-	-	-	-	-	-	-	-	-
Materials	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-
Closing balance - Work-in-progress	-	-	-	-	-	-	-	-	-
Closing Balance - Inventory & Consumables	430 223	483 155	477 648	537 032	500 740	500 740	527 450	555 476	608 918

Table continues on next page

CITY OF CAPE TOWN – 2025/26 TO 2027/28 BUDGET (26 JUNE 2025)

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Property, plant and equipment (PPE)</u>									
PPE at cost/valuation (excl. finance leases)	88 065 301	94 566 301	103 307 958	117 605 985	114 666 867	114 666 867	127 409 405	140 963 468	153 577 247
Leases recognised as PPE	–	–	–	–	–	–	–	–	–
<u>Less: Accumulated depreciation</u>	32 638 261	35 575 558	38 579 992	42 630 172	42 216 394	42 216 394	46 017 787	50 045 205	54 484 783
Total Property, plant and equipment (PPE)	55 427 040	58 990 743	64 727 967	74 975 813	72 450 473	72 450 473	81 391 618	90 918 263	99 092 464
LIABILITIES									
<u>Current liabilities - Borrowing</u>	–	–	–	–	–	–	–	–	–
Short term loans (other than bank overdraft)	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities	1 426 476	1 718 820	2 603 526	1 188 362	999 769	999 769	1 346 115	1 650 338	1 773 717
Total Current liabilities - Borrowing	1 426 476	1 718 820	2 603 526	1 188 362	999 769	999 769	1 346 115	1 650 338	1 773 717
<u>Trade and other payables</u>									
Trade and other payables from exchange transactions	5 042 546	5 621 649	6 318 856	7 057 822	7 244 748	7 244 748	8 632 533	8 813 782	9 097 122
Other trade payables from exchange transactions	1 765 557	2 161 465	1 916 343	4 293 920	2 732 032	2 732 032	2 753 978	2 776 911	2 800 343
Trade payables from Non-exchange transactions: Unspent conditional Grants	777 984	826 752	833 187	676 155	833 187	833 187	833 187	833 187	833 187
Trade payables from Non-exchange transactions: Other	–	–	–	–	–	–	–	–	–
VAT	–	–	–	435 610	400 486	400 486	461 413	527 529	596 773
Total Trade and other payables	7 586 087	8 609 866	9 068 386	12 463 507	11 210 454	11 210 454	12 681 111	12 951 409	13 327 426
<u>Non current liabilities - Financial liabilities</u>									
Borrowing	5 220 709	5 630 840	4 093 807	12 389 446	9 896 104	9 896 104	13 459 944	16 772 647	19 932 266
Other financial liabilities	–	–	–	–	–	–	–	–	–
Total Non current liabilities - Financial liabilities	5 220 709	5 630 840	4 093 807	12 389 446	9 896 104	9 896 104	13 459 944	16 772 647	19 932 266
<u>Non current liabilities - Long Term portion of trade payables</u>									
Electricity Bulk Purchases	–	–	–	–	–	–	–	–	–
Payables and Accruals - General	–	–	–	–	–	–	–	–	–
Water Bulk Purchases	–	–	–	–	–	–	–	–	–
Municipal Debt Relief	–	–	–	–	–	–	–	–	–
Total Non current liabilities - Long Term portion of trade payables	–	–	–	–	–	–	–	–	–
<u>Provisions - non-current</u>									
Retirement benefits	6 389 968	5 507 185	5 220 682	6 140 179	6 140 179	6 140 179	6 178 747	6 740 891	7 373 846
Refuse landfill site rehabilitation	360 549	432 892	414 321	396 792	396 792	396 792	313 406	222 422	288 779
Other	680 665	673 681	671 501	775 631	775 305	775 305	764 242	798 236	859 430
Total Provisions non-current	7 431 182	6 613 757	6 306 503	7 312 601	7 312 276	7 312 276	7 256 395	7 761 549	8 522 054
CHANGES IN NET ASSETS									
<u>Accumulated surplus/(deficit)</u>	–	–	–	–	–	–	–	–	–
Accumulated surplus/(deficit) - opening balance	49 618 986	52 639 887	56 727 512	59 639 113	62 605 697	62 605 697	65 444 292	68 264 566	72 063 068
GRAP adjustments	–	–	–	–	–	–	–	–	–
Restated balance	49 618 986	52 639 887	56 727 512	59 639 113	62 605 697	62 605 697	65 444 292	68 264 566	72 063 068
Surplus/(Deficit)	2 903 185	3 703 440	5 556 892	3 153 429	2 948 525	2 948 525	3 310 490	3 552 122	3 301 450
Transfers to/from Reserves	117 716	384 185	321 294	(31 811)	(109 930)	(109 930)	(490 216)	246 380	(1 493 861)
Depreciation offsets	–	–	–	–	–	–	–	–	–
Other adjustments	–	–	–	–	–	–	–	–	–
Accumulated Surplus/(Deficit)	52 639 887	56 727 512	62 605 697	62 760 731	65 444 292	65 444 292	68 264 566	72 063 068	73 870 657
<u>Reserves</u>									
Housing Development Fund	312 820	307 275	278 974	297 182	271 388	271 388	261 691	252 824	244 819
Capital replacement	4 434 807	4 074 280	3 828 719	3 776 259	4 011 297	4 011 297	4 551 269	4 355 754	5 901 711
Self-insurance	633 188	615 074	567 644	552 988	502 582	502 582	462 523	420 524	376 433
Other reserves	–	–	–	–	–	–	–	–	–
Revaluation	–	–	–	–	–	–	–	–	–
Total Reserves	5 380 815	4 996 630	4 675 336	4 626 429	4 785 266	4 785 266	5 275 483	5 029 103	6 522 963
TOTAL COMMUNITY WEALTH/EQUITY	58 020 702	61 724 142	67 281 033	67 387 160	70 229 558	70 229 558	73 540 049	77 092 171	80 393 620

Table 102 – MBRR Table SA9 – Social, economic and demographic statistics and assumptions

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2021/22	2022/23	2023/24	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Demographics											
Population	StatsSA Census, Community Survey & Mid-year estimates	2 893 249	3 497 097	3 740 025	4 804 357	4 890 218	4 976 527	5 062 909	5 150 163	5 237 644	5 326 049
Females aged 5 - 14	StatsSA Census, Community Survey & Mid-year estimates	260 241	287 307	275 909	368 820	367 361	365 925	365 602	365 085	365 330	365 470
Males aged 5 - 14	StatsSA Census, Community Survey & Mid-year estimates	257 985	284 101	282 124	385 011	383 918	383 163	383 769	384 009	384 582	384 920
Females aged 15 - 34	StatsSA Census, Community Survey & Mid-year estimates	571 867	653 762	706 732	770 331	774 715	779 784	785 484	792 716	800 127	808 383
Males aged 15 - 34	StatsSA Census, Community Survey & Mid-year estimates	539 939	631 811	707 488	800 694	808 491	817 157	826 211	836 874	848 827	861 569
Unemployment	StatsSA Census, Community Survey & QLFS	29.2%	24.5%	23.9%	28.3%	25.1%	23.2%	NA	NA	NA	NA
No income	StatsSA Census	101 953	52 446	146 517	NA	NA	NA	NA	NA	NA	NA
R1 - R1 600	StatsSA Census	200 414	144 873	185 068	NA	NA	NA	NA	NA	NA	NA
R1 601 - R3 200	StatsSA Census	130 846	122 611	170 824	NA	NA	NA	NA	NA	NA	NA
R3 201 - R6 400	StatsSA Census	133 588	121 268	154 427	NA	NA	NA	NA	NA	NA	NA
R6 401 - R12 800	StatsSA Census	109 609	103 587	139 348	NA	NA	NA	NA	NA	NA	NA
R12 801 - R25 600	StatsSA Census	67 529	87 974	126 625	NA	NA	NA	NA	NA	NA	NA
R25 601 - R51 200	StatsSA Census	23 091	52 892	92 860	NA	NA	NA	NA	NA	NA	NA
R52 201 - R102 400	StatsSA Census	5 470	18 249	38 018	NA	NA	NA	NA	NA	NA	NA
R102 401 - R204 800	StatsSA Census	3 028	5 355	9 749	NA	NA	NA	NA	NA	NA	NA
R204 801 - R409 600	StatsSA Census	1 861	3 429	5 066	NA	NA	NA	NA	NA	NA	NA
R409 601 - R819 200	StatsSA Census	-	189 593	73	NA	NA	NA	NA	NA	NA	NA
< R2 060 per household per month	Households with a gross income of R4 500 or less per month qualify for free basic services where relevant, while those with a gross income of between R4501 and R7000 per month qualify for reduced rates and refuse.	-	-	-	243 771	186 520	222 751	NA	NA	NA	NA
Number of people in municipal area	StatsSA Census, Community Survey & Mid-year estimates	2 893 249	3 497 097	3 740 025	4 804 357	4 890 218	4 976 527	5 062 909	5 150 163	5 237 644	5 326 049
Number of poor people in municipal area	StatsSA Census, estimates	1 124 687	1 240 002	1 758 442	NA	NA	NA	NA	NA	NA	NA
Number of households in municipal area	StatsSA Census, estimates	777 390	902 275	1 068 575	1 452 845	1 481 884	1 508 038	1 534 215	1 560 655	1 587 165	1 613 954
Number of poor households in municipal area	StatsSA Census, Indigent households for 2021/22 to 2023/24	302 193	319 930	502 409	243 771	186 520	222 751	NA	NA	NA	NA
Definition of poor household (R per month)		Household Income < R1608	Household income < R3201	Household income < R3201	-	-	-	-	-	-	-

*N/A = not available

Table continues on next page

CITY OF CAPE TOWN – 2025/26 TO 2027/28 BUDGET (26 JUNE 2025)

Description of economic indicator	Basis of calculation	2001 Census	2007 Survey	2011 Census	2021/22	2022/23	2023/24	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
					Outcome	Outcome	Outcome	Original Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Housing statistics</u>											
Formal	StatsSA Census & Community Survey, estimates	619 691	758 159	846 026	1 183 641	1 207 300	1 228 608	1 249 934	1 271 475	1 293 073	1 314 898
Informal	StatsSA Census & Community Survey, estimates	157 699	144 116	222 549	269 204	274 584	279 431	284 281	289 180	294 092	299 056
Total number of households		777 390	902 275	1 068 575	1 452 845	1 481 884	1 508 038	1 534 215	1 560 655	1 587 165	1 613 954
Dwellings provided by municipality	CCT Human Settlements Directorate	-	-	-	2 517	1 811	1 854	NA	NA	NA	NA
Dwellings provided by province/s	WCG, Department of Human Settlements Annual Reports	-	-	-	2 416	1 218	1 047	NA	NA	NA	NA
Dwellings provided by private sector	CCT Spatial Planning and Environment Directorate	-	-	-	13 231	7 031	6 447	NA	NA	NA	NA
Total new housing dwellings		-	-	-	18 164	10 060	9 348	-	-	-	-
<u>Economic</u>											
Inflation/inflation outlook (CPIX)					3.1%	4.6%	4.9%	5.9%	4.5%	4.5%	4.4%
Interest rate - borrowing					11.0%	11.0%	12.0%	12.0%	12.0%	12.0%	12.0%
Interest rate - investment					4.0%	5.1%	7.6%	7.8%	7.6%	7.4%	7.3%
Remuneration increases					3.5%	4.9%	5.4%	5.0%	5.3%	5.3%	5.8%
Consumption growth (electricity)					2.7%	-4.7%	2.4%	2.1%	-1.5%	-1.8%	-1.8%
Consumption growth (water)					10.6%	5.9%	6.6%	0.0%	4.0%	2.0%	2.0%
<u>Collection rates</u>											
Property tax/service charges					99.0%	97.4%	98.2%	95.8%	95.8%	98.8%	98.8%
Rental of facilities & equipment					24.5%	22.6%	25.3%	35.0%	40.0%	45.0%	50.0%
Interest - external investments					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Interest - debtors					98.1%	99.1%	98.1%	97.9%	98.3%	98.3%	98.3%
Revenue from agency services					100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

*N/A = not available

**Table 103 – MBRR Table SA9 – Detail on the provision of municipal services for Table A10
(Basic service delivery measurement)**

Total municipal services	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Household service targets</u>									
<u>Water:</u>									
Piped water inside dwelling	1 310 286	1 328 617	1 309 111	1 331 715	1 331 715	1 331 715	1 370 626	1 393 908	1 417 435
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	181 663	184 205	181 500	184 634	184 634	184 634	190 029	193 257	196 519
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	1 491 949	1 512 822	1 490 612	1 516 350	1 516 350	1 516 350	1 560 655	1 587 165	1 613 954
Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	1 491 949	1 512 822	1 490 612	1 516 350	1 516 350	1 516 350	1 560 655	1 587 165	1 613 954
<u>Sanitation/sewerage:</u>									
Flush toilet (connected to sewerage)	1 384 841	1 404 012	1 388 671	1 410 820	1 410 820	1 410 820	1 449 781	1 473 063	1 496 590
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	62 330	63 105	63 860	63 860	63 860	63 860	73 680	73 680	73 680
Pit toilet (ventilated)	197	197	55	55	55	55	55	55	55
Other toilet provisions (> min.service level)	44 581	45 508	38 025	41 615	41 615	41 615	37 139	40 367	43 629
Minimum Service Level and Above sub-total	1 491 949	1 512 822	1 490 612	1 516 350	1 516 350	1 516 350	1 560 655	1 587 165	1 613 954
Bucket toilet	–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	1 491 949	1 512 822	1 490 612	1 516 350	1 516 350	1 516 350	1 560 655	1 587 165	1 613 954
<u>Energy:</u>									
Electricity (at least min.service level)	609 428	610 928	611 192	633 781	633 781	633 781	614 192	615 692	617 192
Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	609 428	610 928	611 192	633 781	633 781	633 781	614 192	615 692	617 192
Electricity (< min.service level)	25 906	24 406	22 828	21 406	21 406	21 406	19 828	18 328	16 828
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	25 906	24 406	22 828	21 406	21 406	21 406	19 828	18 328	16 828
Total number of households	635 334	635 334	634 020	655 187	655 187	655 187	634 020	634 020	634 020
<u>Refuse:</u>									
Removed at least once a week	1 009 176	1 069 929	1 102 661	1 124 714	1 170 563	1 157 986	1 181 146	1 204 769	1 228 864
Minimum Service Level and Above sub-total	1 009 176	1 069 929	1 102 661	1 124 714	1 170 563	1 157 986	1 181 146	1 204 769	1 228 864
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	1 009 176	1 069 929	1 102 661	1 124 714	1 170 563	1 157 986	1 181 146	1 204 769	1 228 864

Table continues on next page

Municipal in-house services	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Household service targets</u>									
<u>Water:</u>									
Piped water inside dwelling	1 310 286	1 328 617	1 309 111	1 331 715	1 331 715	1 331 715	1 370 626	1 393 908	1 417 435
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	181 663	184 205	181 500	184 634	184 634	184 634	190 029	193 257	196 519
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	1 491 949	1 512 822	1 490 612	1 516 350	1 516 350	1 516 350	1 560 655	1 587 165	1 613 954
Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	1 491 949	1 512 822	1 490 612	1 516 350	1 516 350	1 516 350	1 560 655	1 587 165	1 613 954
<u>Sanitation/sewerage:</u>									
Flush toilet (connected to sewerage)	1 384 841	1 404 012	1 388 671	1 410 820	1 410 820	1 410 820	1 449 781	1 473 063	1 496 590
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	62 330	63 105	63 860	63 860	63 860	63 860	73 680	73 680	73 680
Pit toilet (ventilated)	197	197	55	55	55	55	55	55	55
Other toilet provisions (> min.service level)	44 581	45 508	38 025	41 615	41 615	41 615	37 139	40 367	43 629
Minimum Service Level and Above sub-total	1 491 949	1 512 822	1 490 612	1 516 350	1 516 350	1 516 350	1 560 655	1 587 165	1 613 954
Bucket toilet	–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
Total number of households	1 491 949	1 512 822	1 490 612	1 516 350	1 516 350	1 516 350	1 560 655	1 587 165	1 613 954
<u>Energy:</u>									
Electricity (at least min.service level)	609 428	610 928	611 192	633 781	633 781	633 781	614 192	615 692	617 192
Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total	609 428	610 928	611 192	633 781	633 781	633 781	614 192	615 692	617 192
Electricity (< min.service level)	25 906	24 406	22 828	21 406	21 406	21 406	19 828	18 328	16 828
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
Below Minimum Service Level sub-total	25 906	24 406	22 828	21 406	21 406	21 406	19 828	18 328	16 828
Total number of households	635 334	635 334	634 020	655 187	655 187	655 187	634 020	634 020	634 020
<u>Refuse:</u>									
Removed at least once a week	1 009 176	1 069 929	1 102 661	1 124 714	1 170 563	1 157 986	1 181 146	1 204 769	1 228 864
Minimum Service Level and Above sub-total	1 009 176	1 069 929	1 102 661	1 124 714	1 170 563	1 157 986	1 181 146	1 204 769	1 228 864
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	1 009 176	1 069 929	1 102 661	1 124 714	1 170 563	1 157 986	1 181 146	1 204 769	1 228 864

Table continues on next page

Detail of Free Basic Services (FBS) provided		2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Electricity	Location of households for each type of FBS									
	Formal settlements - (50 kwh per indigent household per month Rands)	118 516 536	130 676 268	162 028 851	173 341 923	176 114 693	176 114 693	165 662 685	175 934 828	183 890 702
	<i>Number of HH receiving this type of FBS</i>	163 118	186 070	163 296	170 829	170 829	170 829	170 829	170 829	170 829
	Informal settlements (Rands)	130 038 047	149 046 400	171 404 070	210 000 000	210 000 000	210 000 000	242 443 000	262 832 456	262 832 457
	<i>Number of HH receiving this type of FBS</i>	147 309	153 000	149 953	159 611	159 611	159 611	165 752	165 752	165 752
	Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-	-	-	-
	<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
	Living in informal backyard rental agreement (Rands)	1 772 264	2 242 856	2 099 683	2 772 770	2 772 770	2 772 770	-	-	-
	<i>Number of HH receiving this type of FBS</i>	1 723	1 719	1 790	1 868	1 868	1 868	-	-	-
	Other (Rands)	-	-	-	-	-	-	-	-	-
	<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
Total cost of FBS - Electricity for informal settlements		131 810 311	151 289 256	173 503 753	212 772 770	212 772 770	212 772 770	242 443 000	262 832 456	262 832 457
Water	Location of households for each type of FBS									
	Formal settlements - (6 kilolitre per indigent household per month Rands)	283 601 500	283 601 500	313 770 600	327 706 042	327 706 042	327 706 042	306 612 227	325 928 797	381 792 993
	<i>Number of HH receiving this type of FBS</i>	240 091	240 091	236 537	224 453	224 453	224 453	235 214	235 214	235 214
	Informal settlements (Rands)	167 440 000	167 440 000	185 289 281	308 855 874	308 855 874	308 855 874	273 898 153	294 075 417	348 204 126
	<i>Number of HH receiving this type of FBS</i>	179 505	179 505	182 472	185 704	185 704	185 704	185 329	188 557	191 819
	Informal settlements targeted for upgrading (Rands)	2 611 805	2 611 805	2 843 231	4 656 854	4 656 854	4 656 854	4 138 126	4 368 608	5 082 768
	<i>Number of HH receiving this type of FBS</i>	2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800
	Living in informal backyard rental agreement (Rands)	1 772 296	1 772 296	1 929 335	3 160 008	3 160 008	3 160 008	2 808 014	2 964 412	3 449 022
	<i>Number of HH receiving this type of FBS</i>	1 900	1 900	1 900	1 900	1 900	1 900	1 900	1 900	1 900
	Other (Rands)	-	-	-	-	-	-	-	-	-
	<i>Number of HH receiving this type of FBS</i>	-	-	-	-	-	-	-	-	-
Total cost of FBS - Water for informal settlements		171 824 101	171 824 101	190 061 847	316 672 736	316 672 736	316 672 736	280 844 293	301 408 437	356 735 916

Table continues on next page

Detail of Free Basic Services (FBS) provided		2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Sanitation	<u>Location of households for each type of FBS</u>									
	Formal settlements - (free sanitation service to indigent households)	242 531 450	242 531 450	269 235 000	295 218 676	295 218 676	295 218 676	156 417 841	166 272 165	194 771 214
	Number of HH receiving this type of FBS	240 091	240 091	236 537	224 453	224 453	224 453	233 782	233 782	233 782
	Informal settlements (Rands)	56 393 740	56 393 740	63 472 309	109 183 900	109 183 900	109 183 900	56 303 676	59 439 621	69 156 549
	Number of HH receiving this type of FBS	70 695	70 695	72 877	74 717	74 717	74 717	74 455	74 455	74 455
	Informal settlements targeted for upgrading (Rands)	2 233 573	2 233 573	2 513 933	4 091 638	4 091 638	4 091 638	2 117 390	2 235 323	2 600 743
	Number of HH receiving this type of FBS	2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800	2 800
	Living in informal backyard rental agreement (Rands)	1 515 639	1 515 639	1 705 883	2 776 469	2 776 469	2 776 469	1 436 801	1 516 826	1 764 790
	Number of HH receiving this type of FBS	1 900	1 900	1 900	1 900	1 900	1 900	1 900	1 900	1 900
	Other (Rands)	463 337 559	463 337 559	458 186 132	474 724 338	474 724 338	474 724 338	480 582 016	501 727 625	523 803 640
	Number of HH receiving this type of FBS	108 810	108 810	109 595	110 987	110 987	110 987	110 874	114 102	117 364
	Total cost of FBS - Sanitation for informal settlements	523 480 511	523 480 511	525 878 257	590 776 345	590 776 345	590 776 345	540 439 883	564 919 395	597 325 722
Refuse Removal	<u>Location of households for each type of FBS</u>									
	Formal settlements - (removed once a week to indigent households)	311 131 690	393 998 253	432 625 799	458 150 721	470 417 406	470 417 406	540 000 000	572 400 000	606 744 000
	Number of HH receiving this type of FBS	270 056	229 662	283 418	289 086	291 977	292 765	298 620	304 593	310 685
	Informal settlements (Rands)	293 466 781	290 299 843	204 107 190	251 129 724	321 669 313	320 374 778	347 343 129	348 343 910	355 788 772
	Number of HH receiving this type of FBS	222 360	279 000	292 950	298 809	344 658	344 749	351 643	358 676	365 850
	Informal settlements targeted for upgrading (Rands)	–	–	–	–	–	–	–	–	–
	Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
	Living in informal backyard rental agreement (Rands)	–	–	–	–	–	–	–	–	–
	Number of HH receiving this type of FBS	–	–	–	–	–	–	–	–	–
	Other (Rands)	–	–	–	–	–	–	137 847 688	125 586 543	136 694 547
	Number of HH receiving this type of FBS	–	–	–	–	–	–	510 579	510 579	510 579
	Total cost of FBS - Refuse Removal for informal settlements	293 466 781	290 299 843	204 107 190	251 129 724	321 669 313	320 374 778	485 190 817	473 930 453	492 483 319

*The information provided in the table above is based on number of properties and not households for water, and for electricity, it will be based on number of service connections. There is, therefore, not a direct correlation between the two as a property can consist of numerous households.

2.21 Consolidated budget tables

The consolidated tables, as required in terms of Regulation 9 of the MBRR, are presented in the nine primary budget tables on page 270 to page 282.

The tables provide a consolidated view of the main tables (including financial position and cash flow) of the City, CTICC and CTS.

The consolidated tables include the City's and entities' MTREF with elimination of inter-company entries. It will therefore not align to a direct consolidation of tables between the City's MBRR Schedule A and the entities' MBRR Schedule D.

Table 104 – MBRR Table A1 – Consolidated Budget Summary

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands									
<u>Financial Performance</u>									
Property rates	10 358 889	11 241 382	11 981 351	12 706 624	12 706 582	12 706 582	13 761 592	14 939 155	15 936 660
Service charges	23 003 042	23 689 607	28 504 567	30 343 337	31 226 289	31 226 289	34 006 616	35 504 341	38 181 071
Investment revenue	978 894	1 454 621	1 593 286	1 084 122	1 089 143	1 089 143	778 395	670 355	812 570
Transfer and subsidies - Operational	5 820 598	6 221 933	6 719 779	6 919 169	7 069 217	7 069 217	7 329 561	7 404 716	7 561 017
Other own revenue	11 796 935	11 774 731	13 042 504	13 227 633	13 536 593	13 536 593	15 285 347	16 149 515	17 727 157
Total Revenue (excluding capital transfers and contributions)	51 958 358	54 382 273	61 841 487	64 280 886	65 627 824	65 627 824	71 161 512	74 668 082	80 218 474
Employee costs	15 312 389	15 336 143	17 201 030	19 414 337	19 322 056	19 329 455	21 003 489	22 340 924	23 886 638
Remuneration of councillors	165 163	176 064	183 030	200 324	188 313	188 408	197 729	207 615	217 996
Depreciation and amortisation	2 968 142	3 270 481	3 436 476	3 849 499	3 830 937	3 830 937	4 025 354	4 255 891	4 658 803
Interest	776 622	772 433	829 972	1 214 301	1 089 467	1 087 742	1 428 206	1 776 623	2 054 031
Inventory consumed and bulk purchases	17 361 505	17 550 048	20 658 595	22 609 014	23 207 647	23 207 647	25 725 440	26 938 273	28 853 935
Transfers and subsidies	364 928	343 905	326 622	317 832	378 900	378 900	346 993	312 417	304 317
Other expenditure	13 733 015	15 302 853	16 032 688	17 062 874	17 759 481	17 753 712	18 936 013	19 414 909	19 740 635
Total Expenditure	50 681 763	52 751 927	58 668 412	64 668 180	65 776 800	65 776 800	71 663 224	75 246 652	79 716 355
Surplus/(Deficit)	1 276 595	1 630 347	3 173 075	(387 294)	(148 976)	(148 976)	(501 712)	(578 570)	502 119
Transfers and subsidies - capital (monetary allocations)	1 654 284	2 104 107	2 535 548	3 552 052	3 158 243	3 158 243	3 855 190	4 180 136	2 856 189
Transfers and subsidies - capital (in-kind)	2 480	7 714	117	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	2 933 358	3 742 167	5 708 741	3 164 758	3 009 266	3 009 266	3 353 477	3 601 566	3 358 308
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	2 933 358	3 742 167	5 708 741	3 164 758	3 009 266	3 009 266	3 353 477	3 601 566	3 358 308
<u>Capital expenditure & funds sources</u>									
Capital expenditure	5 436 566	6 955 487	9 448 185	12 073 295	11 454 063	10 280 439	12 937 678	14 301 231	12 946 887
Transfers recognised - capital	1 701 131	2 175 965	2 579 517	3 552 052	3 158 243	2 909 786	3 855 190	4 180 136	2 856 189
Borrowing	994 517	1 758 326	2 544 486	7 279 730	7 050 578	6 242 482	5 000 000	5 000 000	5 000 000
Internally generated funds	2 740 918	3 021 196	4 324 182	1 241 513	1 245 242	1 128 171	4 082 488	5 121 096	5 090 698
Total sources of capital funds	5 436 566	6 955 487	9 448 185	12 073 295	11 454 063	10 280 439	12 937 678	14 301 231	12 946 887

Table continues on next page

CITY OF CAPE TOWN – 2025/26 TO 2027/28 BUDGET (26 JUNE 2025)

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousands									
<u>Financial position</u>									
Total current assets	18 501 143	20 589 695	21 523 639	24 372 994	26 188 713	26 188 713	25 925 854	23 846 822	23 263 039
Total non current assets	63 740 494	66 304 177	70 814 257	79 301 353	76 682 140	76 682 140	85 718 784	95 897 907	104 339 345
Total current liabilities	11 301 607	12 624 801	14 140 170	16 139 374	14 719 086	14 719 086	16 649 610	17 340 669	17 931 757
Total non current liabilities	12 651 891	12 244 597	10 400 311	19 702 419	17 208 751	17 208 751	20 716 422	24 534 196	28 454 586
Community wealth/Equity	58 288 139	62 024 475	67 797 414	67 832 553	70 943 017	70 943 017	74 278 606	77 869 865	81 216 041
<u>Cash flows</u>									
Net cash from (used) operating	5 971 418	6 187 465	7 990 082	6 507 537	6 579 689	6 579 689	6 885 804	7 343 543	7 418 066
Net cash from (used) investing	(5 396 846)	(7 076 845)	(8 076 617)	(10 154 865)	(9 396 451)	(9 396 451)	(13 020 575)	(14 400 452)	(13 007 431)
Net cash from (used) financing	(371 495)	757 838	(688 229)	4 434 065	4 240 549	4 240 549	3 885 252	3 598 412	3 303 056
Cash/cash equivalents at the year end	8 351 396	8 219 854	7 445 089	6 727 378	8 848 612	8 848 612	6 599 092	3 140 596	854 286
<u>Cash backing/surplus reconciliation</u>									
Cash and investments available	17 607 592	17 985 226	16 601 250	16 164 816	18 004 772	18 004 772	15 755 252	12 296 756	10 010 446
Application of cash and investments	11 042 784	10 694 111	9 194 447	10 279 467	9 559 193	9 559 193	7 478 877	5 855 225	5 943 103
Balance - surplus (shortfall)	6 564 808	7 291 115	7 406 803	5 885 349	8 445 579	8 445 579	8 276 375	6 441 530	4 067 343
<u>Asset management</u>									
Asset register summary (WDV)	57 074 138	60 763 899	66 701 128	76 751 792	74 312 719	74 312 719	83 210 034	93 245 363	101 533 578
Depreciation	2 968 142	3 270 481	3 436 476	3 849 498	3 830 937	3 830 937	4 025 355	4 255 891	4 658 803
Renewal and Upgrading of Existing Assets	3 206 703	3 580 195	5 403 504	7 133 489	6 928 783	6 143 097	7 392 158	8 116 441	7 837 366
Repairs and Maintenance	4 630 257	5 003 372	5 653 483	5 707 794	6 182 742	6 201 887	6 885 827	7 368 525	7 595 895
<u>Free services</u>									
Cost of Free Basic Services provided	2 076 363	2 187 701	2 271 211	2 625 769	2 696 309	2 697 787	2 717 611	2 843 627	3 076 576
Revenue cost of free services provided	1 385 277	1 881 999	2 424 531	2 651 454	2 651 454	2 651 454	3 135 095	3 402 222	3 777 929
<u>Households below minimum service level (number)</u>									
Water:	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-
Energy:	25 906	24 406	22 828	21 406	21 406	21 406	19 828	18 328	16 828
Refuse:	-	-	-	-	-	-	-	-	-

Table 105 – MBRR Table A2 – Consolidated Budgeted Financial Performance (revenue and expenditure by standard classification)

Functional Classification Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Revenue - Functional									
<i>Governance and administration</i>	16 753 008	18 479 926	19 743 587	19 732 604	19 958 014	19 979 304	20 899 510	22 241 790	23 721 942
Executive and council	17 162	188	1 985	376	376	376	393	411	429
Finance and administration	16 735 843	18 479 739	19 741 589	19 732 225	19 957 635	19 978 925	20 899 114	22 241 376	23 721 509
Internal audit	3	(0)	14	4	4	4	4	4	4
<i>Community and public safety</i>	4 509 840	4 630 623	4 546 152	4 806 729	4 910 807	4 889 516	4 772 581	4 806 593	5 043 243
Community and social services	98 047	111 823	119 751	127 046	117 678	117 678	142 377	136 587	153 010
Sport and recreation	59 140	72 239	90 127	104 567	120 788	120 788	102 068	113 576	109 128
Public safety	2 333 917	2 425 194	2 325 370	2 386 413	2 410 773	2 410 772	2 344 266	2 353 528	2 444 519
Housing	1 534 681	1 583 240	1 611 814	1 724 218	1 843 412	1 822 122	1 732 928	1 702 389	1 811 814
Health	484 055	438 127	399 089	464 486	418 156	418 156	450 941	500 513	524 773
<i>Economic and environmental services</i>	1 813 792	2 377 553	2 861 586	3 793 956	3 415 930	3 415 931	4 279 566	4 370 081	2 967 777
Planning and development	523 483	637 977	638 856	667 869	665 749	665 750	740 131	769 044	780 328
Road transport	1 236 280	1 689 734	2 151 393	3 079 634	2 698 249	2 698 249	3 479 674	3 568 111	2 149 053
Environmental protection	54 029	49 841	71 337	46 453	51 932	51 932	59 761	32 926	38 396
<i>Trading services</i>	30 466 708	30 726 168	36 832 630	39 135 941	40 071 535	40 071 535	44 602 463	46 938 408	50 819 412
Energy sources	16 650 688	16 858 230	20 480 289	21 926 297	22 635 982	22 635 983	24 274 550	24 985 261	25 821 823
Water management	9 737 036	8 729 874	10 625 368	11 142 676	11 368 828	11 368 828	12 577 501	13 645 660	15 903 866
Waste water management	2 239 904	3 231 115	3 679 341	3 886 179	3 868 368	3 868 368	4 438 859	4 814 031	5 350 782
Waste management	1 839 080	1 906 949	2 047 633	2 180 788	2 198 357	2 198 357	3 311 553	3 493 456	3 742 941
<i>Other</i>	71 774	279 824	393 197	363 707	429 780	429 780	462 581	491 346	522 289
Total Revenue - Functional	53 615 122	56 494 094	64 377 153	67 832 938	68 786 067	68 786 067	75 016 701	78 848 218	83 074 663
Expenditure - Functional									
<i>Governance and administration</i>	8 812 045	9 073 895	9 300 518	3 439 081	3 576 597	3 580 682	3 255 812	4 044 820	4 306 163
Executive and council	590 675	542 189	566 125	135 747	139 181	144 680	133 192	121 430	106 126
Finance and administration	8 169 658	8 476 200	8 669 734	3 299 818	3 432 762	3 431 327	3 119 756	3 920 704	4 197 854
Internal audit	51 712	55 505	64 658	3 516	4 654	4 675	2 864	2 686	2 184
<i>Community and public safety</i>	10 136 812	10 403 067	10 473 452	14 768 478	15 048 490	14 881 538	15 605 681	16 322 006	17 220 051
Community and social services	1 039 857	1 046 835	1 074 303	1 834 301	1 826 366	1 826 508	1 853 305	1 962 850	2 087 159
Sport and recreation	1 393 183	1 339 183	1 510 172	2 276 101	2 253 521	2 252 556	2 496 139	2 613 648	2 757 144
Public safety	4 559 343	4 779 918	4 705 356	6 342 275	6 586 881	6 415 189	6 736 213	6 995 160	7 297 865
Housing	1 612 988	1 705 002	1 741 918	2 491 391	2 607 535	2 605 517	2 609 915	2 711 011	2 917 237
Health	1 531 440	1 532 129	1 441 703	1 824 410	1 774 188	1 781 768	1 910 108	2 039 337	2 160 647
<i>Economic and environmental services</i>	5 264 797	5 687 075	6 404 060	7 597 918	7 484 584	7 650 654	8 166 494	8 443 543	8 866 403
Planning and development	1 386 733	1 556 797	1 696 265	2 142 996	2 109 842	2 102 046	2 246 064	2 317 462	2 283 956
Road transport	3 622 934	3 874 501	4 387 519	4 994 071	4 910 729	5 076 038	5 379 680	5 592 024	6 023 212
Environmental protection	255 130	255 777	320 277	460 851	464 014	472 570	540 749	534 058	559 235
<i>Trading services</i>	26 344 389	27 269 893	32 124 177	38 337 413	39 122 873	39 119 790	44 031 217	45 810 326	48 671 491
Energy sources	15 492 480	16 186 075	18 765 039	21 372 789	21 846 388	21 844 096	23 953 367	24 353 700	25 193 132
Water management	7 963 109	7 242 195	8 893 689	9 629 760	9 776 883	9 761 791	10 863 512	11 635 096	13 079 658
Waste water management	1 966 568	2 956 021	3 656 539	5 356 732	5 422 409	5 436 709	6 054 187	6 467 901	6 768 586
Waste management	922 233	885 602	808 910	1 978 132	2 077 192	2 077 192	3 160 152	3 353 628	3 630 115
<i>Other</i>	175 077	342 947	383 824	530 635	572 761	572 642	624 048	649 160	678 929
Total Expenditure - Functional	50 733 119	52 776 877	58 686 032	64 673 526	65 805 305	65 805 305	71 683 252	75 269 856	79 743 038
Surplus/(Deficit) for the year	2 882 003	3 717 217	5 691 121	3 159 412	2 980 761	2 980 761	3 333 449	3 578 362	3 331 625

Table 106 – MBRR Table A3 – Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Revenue by Vote									
Vote 1 - Community Services & Health	1 104 950	942 665	953 880	1 007 677	972 805	972 805	991 754	1 035 349	1 051 908
Vote 2 - Corporate Services	88 007	73 774	104 867	78 364	81 111	81 111	99 480	92 599	95 615
Vote 3 - Economic Growth	237 354	304 489	363 229	282 332	451 699	451 699	367 264	341 601	444 107
Vote 4 - Energy	16 408 460	16 709 249	20 301 594	21 716 471	22 426 156	22 426 156	24 032 288	24 706 641	25 501 390
Vote 5 - Finance	17 674 253	17 641 036	18 720 242	18 997 459	19 018 483	19 018 483	20 062 183	21 409 495	22 760 692
Vote 6 - Future Planning & Resilience	28 971	62 339	64 581	69 439	81 180	81 180	65 915	62 801	54 236
Vote 7 - Human Settlements	1 288 801	1 598 777	1 631 983	1 723 981	1 843 352	1 843 352	1 771 568	1 777 438	1 932 209
Vote 8 - Office of the City Manager	17 094	1 928	1 985	916	916	916	957	1 000	1 044
Vote 9 - Safety & Security	2 372 930	2 470 075	2 370 217	2 446 022	2 460 755	2 460 755	2 396 509	2 408 133	2 554 539
Vote 10 - Spatial Planning & Environment	540 848	582 624	641 970	680 896	685 496	685 496	746 195	726 229	755 012
Vote 11 - Urban Mobility	1 288 185	1 759 537	2 274 998	3 091 210	2 737 595	2 737 595	3 511 579	3 583 130	2 162 477
Vote 12 - Urban Waste Management	1 407 356	1 988 560	2 092 894	2 202 793	2 216 158	2 216 158	3 323 144	3 563 135	3 800 163
Vote 13 - Water & Sanitation	10 959 512	11 988 514	14 333 991	15 059 614	15 268 430	15 268 430	17 066 506	18 525 199	21 309 273
Vote 14 - Cape Town International Convention Centre	99 657	278 101	434 142	362 284	428 453	428 453	461 194	489 896	520 775
Vote 15 - Cape Town Stadium	98 743	92 427	86 578	113 479	113 479	113 479	120 165	125 572	131 223
Total Revenue by Vote	53 615 122	56 494 094	64 377 153	67 832 938	68 786 067	68 786 067	75 016 701	78 848 218	83 074 663
Expenditure by Vote to be appropriated									
Vote 1 - Community Services & Health	4 123 706	3 948 968	4 079 684	4 768 717	4 649 867	4 649 867	4 944 321	5 148 073	5 381 778
Vote 2 - Corporate Services	2 958 923	3 282 475	3 600 370	4 115 181	4 033 604	4 033 604	4 123 703	4 705 502	4 939 907
Vote 3 - Economic Growth	576 728	657 251	645 128	719 081	751 930	751 930	760 365	725 690	740 641
Vote 4 - Energy	14 142 846	14 655 471	16 884 405	18 952 748	19 480 559	19 480 559	21 744 942	22 322 015	23 226 939
Vote 5 - Finance	2 851 301	2 646 375	3 316 918	3 800 524	3 886 101	3 886 101	4 356 280	4 884 077	5 342 781
Vote 6 - Future Planning & Resilience	404 577	464 779	543 604	573 306	605 568	605 568	595 825	608 803	613 313
Vote 7 - Human Settlements	1 432 260	1 533 696	1 577 781	1 667 896	1 747 214	1 747 214	1 705 085	1 752 332	1 857 715
Vote 8 - Office of the City Manager	465 860	408 051	485 592	487 886	538 852	538 852	524 560	543 055	561 255
Vote 9 - Safety & Security	5 170 329	5 540 354	5 541 728	6 214 301	6 169 483	6 169 483	6 692 842	6 926 543	7 209 448
Vote 10 - Spatial Planning & Environment	1 236 106	1 283 766	1 463 400	1 693 740	1 682 200	1 682 200	1 926 752	1 938 647	1 903 442
Vote 11 - Urban Mobility	3 582 776	3 824 979	4 295 067	4 284 748	4 561 846	4 561 846	4 706 689	4 862 461	5 236 131
Vote 12 - Urban Waste Management	3 138 103	3 404 467	3 521 859	3 764 616	3 779 236	3 779 236	4 100 966	4 333 946	4 522 731
Vote 13 - Water & Sanitation	10 457 967	10 767 616	12 374 551	13 160 998	13 409 149	13 409 149	14 942 522	15 929 482	17 585 134
Vote 14 - Cape Town International Convention Centre	93 318	262 711	263 511	356 297	396 217	396 217	438 236	463 656	490 600
Vote 15 - Cape Town Stadium	98 318	95 919	92 434	113 479	113 479	113 479	120 165	125 572	131 223
Total Expenditure by Vote	50 733 119	52 776 877	58 686 032	64 673 518	65 805 305	65 805 305	71 683 252	75 269 856	79 743 038
Surplus/(Deficit) for the year	2 882 003	3 717 217	5 691 121	3 159 420	2 980 761	2 980 761	3 333 449	3 578 362	3 331 625

Table 107 – MBRR Table A4 – Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Revenue									
Exchange Revenue									
Service charges - Electricity	16 253 366	16 354 489	19 900 057	21 283 722	21 994 676	21 994 676	23 610 833	24 251 997	25 032 439
Service charges - Water	3 667 311	3 993 025	4 839 041	4 995 557	5 094 228	5 094 228	5 771 137	6 252 336	7 428 341
Service charges - Waste Water Management	1 841 919	2 033 263	2 416 264	2 547 558	2 587 547	2 587 547	2 966 006	3 235 545	3 850 787
Service charges - Waste Management	1 240 447	1 308 831	1 349 205	1 516 500	1 549 837	1 549 837	1 658 640	1 764 463	1 869 504
Sale of Goods and Rendering of Services	450 929	607 525	709 653	675 155	661 418	661 418	815 257	813 239	862 019
Agency services	262 094	276 684	278 170	295 891	295 891	295 891	302 874	310 022	337 339
Interest	–	–	–	–	–	–	–	–	–
Interest earned from Receivables	270 668	288 014	324 025	317 698	324 270	324 270	339 731	364 128	418 418
Interest earned from Current and Non Current Assets	978 894	1 454 621	1 593 286	1 084 122	1 089 143	1 089 143	778 395	670 355	812 570
Dividends	–	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets	454 881	569 531	673 605	673 045	708 994	708 994	744 999	797 810	898 088
Licence and permits	264	353	543	196	196	196	205	214	224
Special rating levies	293 085	316 181	365 452	429 894	431 181	431 181	494 107	523 753	555 178
Operational Revenue	519 638	563 538	707 377	594 600	646 784	646 784	647 672	677 675	717 848
Non-Exchange Revenue									
Property rates	10 358 889	11 241 382	11 981 351	12 706 624	12 706 582	12 706 582	13 761 592	14 939 155	15 936 660
Surcharges and Taxes	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1 926 090	1 984 419	1 910 359	1 888 192	1 916 612	1 916 612	1 878 556	1 892 592	1 916 560
Licences or permits	45 225	45 632	49 785	56 610	48 135	48 135	50 301	52 565	54 877
Transfer and subsidies - Operational	5 820 598	6 221 933	6 719 779	6 919 169	7 069 217	7 069 217	7 329 561	7 404 716	7 561 017
Interest	99 174	124 173	137 912	94 426	94 426	94 426	98 675	103 115	107 652
Fuel Levy	2 608 900	2 666 726	2 639 290	2 749 549	2 749 549	2 749 549	2 851 776	2 972 451	3 096 441
Operational Revenue	–	–	–	–	–	–	906 078	980 527	1 089 489
Gains on disposal of Assets	72 063	86 691	152 916	59 079	198 080	198 080	70 772	60 884	110 999
Other Gains	4 793 923	4 245 264	5 093 415	5 393 297	5 461 056	5 461 056	6 084 343	6 600 539	7 562 025
Discontinued Operations	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	51 958 358	54 382 273	61 841 487	64 280 886	65 627 824	65 627 824	71 161 512	74 668 082	80 218 474
Expenditure									
Employee related costs	15 312 389	15 336 143	17 201 030	19 414 337	19 322 056	19 329 455	21 003 489	22 340 924	23 886 638
Remuneration of councillors	165 163	176 064	183 030	200 324	188 313	188 408	197 729	207 615	217 996
Bulk purchases - electricity	11 561 609	11 812 158	13 941 386	15 472 230	15 974 700	15 974 700	17 755 086	18 363 846	19 062 355
Inventory consumed	5 799 896	5 737 890	6 717 209	7 136 784	7 232 947	7 232 947	7 970 354	8 574 427	9 791 580
Debt impairment	703 122	854 246	646 452	2 856 164	2 823 023	2 823 023	3 217 478	3 214 620	3 242 407
Depreciation and amortisation	2 968 142	3 270 481	3 436 476	3 849 499	3 830 937	3 830 937	4 025 354	4 255 891	4 658 803
Interest	776 622	772 433	829 972	1 214 301	1 089 467	1 087 742	1 428 206	1 776 623	2 054 031
Contracted services	7 804 258	8 999 157	9 604 653	9 879 651	10 492 656	10 508 047	11 229 839	11 156 136	11 235 162
Transfers and subsidies	364 928	343 905	326 622	317 832	378 900	378 900	346 993	312 417	304 317
Irrecoverable debts written off	2 139 669	2 167 422	2 223 825	188 482	242 379	242 379	123 382	123 382	123 382
Operational costs	2 468 494	2 793 701	3 165 512	3 572 424	3 751 483	3 730 139	3 830 721	4 341 792	4 455 770
Losses on disposal of Assets	14 113	37 958	11 944	2 244	2 630	2 644	2 500	2 500	2 500
Other Losses	603 359	450 369	380 302	563 907	447 309	447 481	532 092	576 478	681 412
Total Expenditure	50 681 763	52 751 927	58 668 412	64 668 180	65 776 800	65 776 800	71 663 224	75 246 652	79 716 355
Surplus/(Deficit)	1 276 595	1 630 347	3 173 075	(387 294)	(148 976)	(148 976)	(501 712)	(578 570)	502 119
Transfers and subsidies - capital (monetary allocations)	1 654 284	2 104 107	2 535 548	3 552 052	3 158 243	3 158 243	3 855 190	4 180 136	2 856 189
Transfers and subsidies - capital (in-kind)	2 480	7 714	117	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	2 933 358	3 742 167	5 708 741	3 164 758	3 009 266	3 009 266	3 353 477	3 601 566	3 358 308
Income Tax	49 600	19 173	(46 425)	3 094	16 400	16 400	11 407	13 350	15 352
Surplus/(Deficit) after income tax	2 883 758	3 722 994	5 755 166	3 161 664	2 992 866	2 992 866	3 342 070	3 588 216	3 342 956
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities	1 756	5 776	64 045	(2 248)	(12 105)	(12 105)	8 621	9 854	11 331
Surplus/(Deficit) attributable to municipality	2 885 514	3 728 770	5 819 211	3 159 416	2 980 761	2 980 761	3 350 691	3 598 070	3 354 287
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	2 885 514	3 728 770	5 819 211	3 159 416	2 980 761	2 980 761	3 350 691	3 598 070	3 354 287

Table 108 – MBRR Table A5 – Consolidated Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure - Vote									
Multi-year expenditure to be appropriated									
Vote 1 - Community Services & Health	272 395	223 024	368 443	329 440	347 776	332 109	317 218	237 263	273 929
Vote 2 - Corporate Services	414 336	425 297	642 157	436 312	436 614	430 949	498 476	924 569	729 561
Vote 3 - Economic Growth	32 682	46 144	77 007	111 730	127 449	126 969	111 099	84 703	160 256
Vote 4 - Energy	778 673	1 006 874	1 109 601	1 233 595	1 218 502	1 166 996	1 249 640	1 676 837	1 573 438
Vote 5 - Finance	16 290	28 965	64 131	70 627	77 873	77 727	123 163	16 314	21 040
Vote 6 - Future Planning & Resilience	13 939	24 961	19 973	17 909	26 405	26 263	5 414	5 388	5 810
Vote 7 - Human Settlements	892 564	881 608	959 185	982 278	1 094 530	1 087 322	1 228 699	999 921	1 072 754
Vote 8 - Office of the City Manager	5 740	6 494	6 322	3 196	6 211	6 158	8 675	31 636	28 492
Vote 9 - Safety & Security	192 797	281 671	444 375	483 669	472 532	470 829	344 830	214 039	500 016
Vote 10 - Spatial Planning & Environment	113 932	224 417	252 541	390 286	301 989	296 617	519 567	389 889	230 364
Vote 11 - Urban Mobility	651 164	1 089 031	1 552 346	2 567 589	2 156 762	1 914 361	3 090 530	3 225 345	1 788 688
Vote 12 - Urban Waste Management	327 566	638 820	592 417	300 619	416 696	397 982	438 953	581 984	784 018
Vote 13 - Water & Sanitation	1 714 114	2 051 600	3 315 859	5 093 382	4 713 051	3 888 483	4 926 374	5 839 550	5 715 926
Vote 14 - Cape Town International Convention Centre	10 375	26 580	43 829	52 662	57 674	57 674	75 039	73 795	62 594
Vote 15 - Cape Town Stadium	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Vote	5 436 566	6 955 487	9 448 185	12 073 295	11 454 063	10 280 439	12 937 678	14 301 231	12 946 887
Capital Expenditure - Functional									
Governance and administration	1 046 830	1 315 615	1 695 708	1 161 972	1 231 156	1 201 164	1 338 710	1 688 157	1 714 463
Executive and council	5 162	4 557	1 373	2 500	1 848	1 793	27 948	617	1 750
Finance and administration	1 041 412	1 310 981	1 689 514	1 159 392	1 229 227	1 199 289	1 310 672	1 683 178	1 712 543
Internal audit	256	78	4 821	79	82	82	90	4 361	169
Community and public safety	1 188 714	1 233 071	1 494 021	1 696 171	1 836 712	1 814 428	1 864 454	1 318 077	1 590 387
Community and social services	65 703	61 847	67 909	116 977	105 073	97 106	138 247	96 494	165 603
Sport and recreation	74 378	75 102	238 551	192 630	238 508	234 308	235 626	107 965	139 317
Public safety	124 915	204 285	278 533	354 796	366 541	362 927	231 780	79 657	237 693
Housing	873 873	857 463	886 707	973 639	1 085 247	1 078 604	1 202 911	979 076	1 011 831
Health	49 845	34 373	22 319	58 130	41 342	41 483	55 890	54 885	35 943
Economic and environmental services	715 299	1 259 563	1 725 403	3 036 899	2 534 459	2 287 423	3 604 890	3 654 182	2 121 166
Planning and development	81 745	137 067	151 794	225 399	201 359	198 137	280 769	169 471	184 112
Road transport	593 902	1 001 530	1 426 721	2 555 756	2 128 444	1 886 554	3 013 970	3 215 676	1 788 272
Environmental protection	39 652	120 965	146 888	255 744	204 656	202 732	310 151	269 035	148 782
Trading services	2 474 302	3 120 273	4 488 683	6 124 868	5 793 146	4 918 670	6 052 141	7 563 965	7 454 168
Energy sources	776 832	1 003 581	1 106 808	1 206 454	1 205 459	1 153 525	1 228 075	1 675 337	1 571 438
Water management	670 076	710 922	856 980	1 227 340	1 220 124	1 093 982	1 478 230	2 070 193	2 166 337
Waste water management	882 852	1 059 944	2 212 393	3 587 992	3 186 312	2 502 622	3 258 361	3 601 457	3 357 842
Waste management	144 542	345 826	312 502	103 082	181 251	168 541	87 476	216 977	358 550
Other	11 422	26 965	44 370	53 385	58 590	58 753	77 484	76 852	66 704
Total Capital Expenditure - Functional	5 436 566	6 955 487	9 448 185	12 073 295	11 454 063	10 280 439	12 937 678	14 301 231	12 946 887
Funded by:									
National Government	1 626 203	2 079 812	2 482 270	3 395 118	3 034 634	2 802 677	3 735 882	4 048 734	2 761 689
Provincial Government	27 609	11 071	31 115	23 549	20 810	14 310	6 657	6 377	6 934
Transfers and subsidies - capital	47 320	85 082	66 132	133 385	102 799	92 799	112 651	125 025	87 566
Transfers recognised - capital	1 701 131	2 175 965	2 579 517	3 552 052	3 158 243	2 909 786	3 855 190	4 180 136	2 856 189
Borrowing	994 517	1 758 326	2 544 486	7 279 730	7 050 578	6 242 482	5 000 000	5 000 000	5 000 000
Internally generated funds	2 740 918	3 021 196	4 324 182	1 241 513	1 245 242	1 128 171	4 082 488	5 121 096	5 090 698
Total Capital Funding	5 436 566	6 955 487	9 448 185	12 073 295	11 454 063	10 280 439	12 937 678	14 301 231	12 946 887

Table 109 – MBRR Table A6 – Consolidated Budgeted Financial Position

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
ASSETS									
Current assets									
Cash and cash equivalents	11 097 603	12 594 938	12 705 770	13 871 352	15 968 628	15 968 628	13 565 379	9 946 804	7 488 947
Trade and other receivables from exchange transactions	4 278 968	4 226 340	5 018 319	3 881 059	3 478 119	3 478 119	4 284 376	5 122 971	6 047 407
Receivables from non-exchange transactions	2 683 262	3 234 609	3 115 441	5 542 519	5 553 670	5 553 670	6 337 044	7 159 773	8 025 923
Current portion of non-current receivables	3 246	612	205	4 785	5 812	5 812	5 866	5 817	5 809
Inventory	432 192	485 906	480 354	542 914	506 483	506 483	536 191	567 437	624 235
VAT	5 209	46 627	202 070	530 366	676 001	676 001	1 196 998	1 044 021	1 070 718
Other current assets	663	663	1 480	–	–	–	–	–	–
Total current assets	18 501 143	20 589 695	21 523 639	24 372 994	26 188 713	26 188 713	25 925 854	23 846 822	23 263 039
Non current assets									
Investments	6 509 989	5 390 288	3 895 480	2 293 465	2 036 144	2 036 144	2 189 872	2 349 952	2 521 499
Investment property	577 820	576 107	574 392	572 720	572 722	572 722	571 011	569 300	567 588
Property, plant and equipment	55 859 316	59 440 184	65 279 646	75 425 052	73 023 319	73 023 319	81 973 305	91 511 243	99 694 679
Biological assets	–	–	–	–	–	–	–	–	–
Living and non-living resources	–	–	–	1 565	1 133	1 133	1 440	1 103	1 633
Heritage assets	10 268	10 268	10 340	10 268	11 184	11 184	11 184	11 184	11 184
Intangible assets	626 733	737 340	839 499	742 187	704 361	704 361	653 094	1 152 578	1 258 539
Trade and other receivables from exchange transactions	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	1 242	696	233	162 321	193 417	193 417	190 424	187 443	184 471
Other non-current assets	155 126	149 294	214 666	93 775	139 861	139 861	128 454	115 104	99 752
Total non current assets	63 740 494	66 304 177	70 814 257	79 301 353	76 682 140	76 682 140	85 718 784	95 897 907	104 339 345
TOTAL ASSETS	82 241 637	86 893 872	92 337 895	103 674 347	102 870 854	102 870 854	111 644 638	119 744 730	127 602 384
LIABILITIES									
Current liabilities									
Bank overdraft	–	–	–	–	–	–	–	–	–
Financial liabilities	1 426 476	1 718 820	2 603 526	1 188 362	999 769	999 769	1 346 115	1 650 338	1 773 717
Consumer deposits	564 502	530 250	543 754	544 247	522 719	522 719	547 313	572 288	598 040
Trade and other payables from exchange transactions	6 840 388	7 835 268	8 306 684	11 414 080	10 050 193	10 050 193	11 470 776	11 677 011	11 985 747
Trade and other payables from non-exchange transactions	777 984	826 751	833 187	676 155	833 187	833 187	833 187	833 187	833 187
Provision	1 692 258	1 713 711	1 853 019	1 880 921	1 912 732	1 912 732	1 990 806	2 080 316	2 144 293
VAT	–	–	–	435 610	400 486	400 486	461 413	527 529	596 773
Other current liabilities	–	–	–	–	–	–	–	–	–
Total current liabilities	11 301 607	12 624 801	14 140 170	16 139 374	14 719 086	14 719 086	16 649 610	17 340 669	17 931 757
Non current liabilities									
Financial liabilities	5 220 709	5 630 840	4 093 807	12 389 446	9 896 104	9 896 104	13 459 944	16 772 647	19 932 266
Provision	7 431 182	6 613 757	6 306 503	7 312 973	7 312 647	7 312 647	7 256 478	7 761 549	8 522 320
Long term portion of trade payables	–	–	–	–	–	–	–	–	–
Other non-current liabilities	–	–	–	–	–	–	–	–	–
Total non current liabilities	12 651 891	12 244 597	10 400 311	19 702 419	17 208 751	17 208 751	20 716 422	24 534 196	28 454 586
TOTAL LIABILITIES	23 953 498	24 869 397	24 540 481	35 841 793	31 927 837	31 927 837	37 366 032	41 874 865	46 386 343
NET ASSETS	58 288 139	62 024 475	67 797 414	67 832 553	70 943 017	70 943 017	74 278 606	77 869 865	81 216 041
COMMUNITY WEALTH/EQUITY									
Accumulated surplus/(deficit)	52 907 324	57 027 845	63 122 078	61 877 697	64 829 322	64 829 322	69 003 123	72 840 762	74 693 078
Reserves and funds	5 380 815	4 996 630	4 675 336	5 954 857	6 113 694	6 113 694	5 275 483	5 029 103	6 522 963
Other	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	58 288 139	62 024 475	67 797 414	67 832 553	70 943 017	70 943 017	74 278 606	77 869 865	81 216 041

Table 110 – MBRR Table A7 – Consolidated Budgeted Cash Flows

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	10 358 743	11 245 429	12 306 132	12 733 327	12 734 534	12 734 534	13 655 731	14 811 988	15 797 566
Service charges	23 526 030	24 295 205	27 272 686	29 426 543	30 288 779	30 288 779	33 822 077	35 440 019	38 246 728
Other revenue	3 139 829	3 509 075	5 330 145	5 208 705	5 303 432	5 303 432	5 648 650	5 875 359	6 236 775
Transfers and Subsidies - Operational	5 245 351	6 204 650	6 548 501	6 919 169	7 069 217	7 069 217	7 329 561	7 404 716	7 561 017
Transfers and Subsidies - Capital	1 374 421	1 819 160	2 259 362	3 552 052	3 158 243	3 158 243	3 855 190	4 180 136	2 856 189
Interest	1 433 820	1 824 813	2 006 729	1 083 910	1 088 545	1 088 545	777 395	669 310	811 478
Payments									
Suppliers and employees	(38 404 308)	(41 943 756)	(47 000 169)	(50 843 225)	(51 578 289)	(51 578 289)	(56 446 683)	(58 964 181)	(61 755 566)
Interest	(702 468)	(767 111)	(733 304)	(1 257 237)	(1 108 841)	(1 108 841)	(1 367 594)	(1 719 855)	(1 990 274)
Transfers and Subsidies	–	–	–	(315 708)	(375 930)	(375 930)	(388 523)	(353 947)	(345 847)
NET CASH FROM/(USED) OPERATING ACTIVITIES	5 971 418	6 187 465	7 990 082	6 507 537	6 579 689	6 579 689	6 885 804	7 343 543	7 418 066
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	71 208	133 778	186 319	59 079	198 080	198 080	70 772	60 884	110 999
Decrease (increase) in non-current receivables	63 851	5 974	1 013	14	195	195	60	(25)	3
Decrease (increase) in non-current investments	(71 280)	(518 278)	616 688	1 859 336	1 859 336	1 859 336	(153 729)	(160 080)	(171 546)
Payments									
Capital assets	(5 460 625)	(6 698 319)	(8 880 637)	(12 073 295)	(11 454 063)	(11 454 063)	(12 937 678)	(14 301 231)	(12 946 887)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(5 396 846)	(7 076 845)	(8 076 617)	(10 154 865)	(9 396 451)	(9 396 451)	(13 020 575)	(14 400 452)	(13 007 431)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	2 116 000	1 000 000	7 279 730	7 050 578	7 050 578	5 000 000	5 000 000	5 000 000
Increase (decrease) in consumer deposits	–	–	15 317	23 564	10 923	10 923	24 594	26 632	29 575
Payments									
Repayment of borrowing	(371 495)	(1 358 162)	(1 703 546)	(2 869 228)	(2 820 952)	(2 820 952)	(1 139 343)	(1 428 219)	(1 726 519)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(371 495)	757 838	(688 229)	4 434 065	4 240 549	4 240 549	3 885 252	3 598 412	3 303 056
NET INCREASE/ (DECREASE) IN CASH HELD	203 077	(131 542)	(774 764)	786 738	1 423 786	1 423 786	(2 249 520)	(3 458 496)	(2 286 310)
Cash/cash equivalents at the year begin:	8 148 318	8 351 396	8 219 854	5 940 640	7 424 826	7 424 826	8 848 612	6 599 092	3 140 596
Cash/cash equivalents at the year end:	8 351 396	8 219 854	7 445 089	6 727 378	8 848 612	8 848 612	6 599 092	3 140 596	854 286

Table 111 – MBRR Table A8 – Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Cash and investments available									
Cash/cash equivalents at the year end	8 351 396	8 219 854	7 445 089	6 727 378	8 848 612	8 848 612	6 599 092	3 140 596	854 286
Other current investments > 90 days	2 746 207	4 375 084	5 260 680	7 143 974	7 120 016	7 120 016	6 966 288	6 806 208	6 634 661
Non current Investments	6 509 989	5 390 288	3 895 480	2 293 465	2 036 144	2 036 144	2 189 872	2 349 952	2 521 499
Cash and investments available:	17 607 592	17 985 226	16 601 250	16 164 816	18 004 772	18 004 772	15 755 252	12 296 756	10 010 446
Application of cash and investments									
Unspent conditional transfers	777 984	826 751	833 187	676 155	833 187	833 187	833 187	833 187	833 187
Unspent borrowing	–	–	–	–	–	–	–	–	–
Statutory requirements	–	–	–	–	–	–	–	–	–
Other working capital requirements	438 762	958 396	740 765	2 475 662	1 439 844	1 439 844	1 370 207	(7 065)	(1 413 048)
Other provisions	1 041 214	1 106 572	1 085 822	1 172 794	1 172 468	1 172 468	–	–	–
Long term investments committed	3 404 010	2 805 762	1 859 336	–	–	–	–	–	–
Reserves to be backed by cash/investments	5 380 815	4 996 630	4 675 336	5 954 857	6 113 694	6 113 694	5 275 483	5 029 103	6 522 963
Total Application of cash and investments:	11 042 784	10 694 111	9 194 447	10 279 467	9 559 193	9 559 193	7 478 877	5 855 225	5 943 103
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits	6 564 808	7 291 115	7 406 803	5 885 349	8 445 579	8 445 579	8 276 375	6 441 530	4 067 343
Creditors transferred to Debt Relief - Non-Current portion	–	–	–	–	–	–	–	–	–
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits	6 564 808	7 291 115	7 406 803	5 885 349	8 445 579	8 445 579	8 276 375	6 441 530	4 067 343

Table 112 – MBRR Table A9 – Consolidated Asset Management

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
CAPITAL EXPENDITURE									
Total New Assets	2 229 863	3 375 292	4 044 681	4 939 806	4 525 281	4 137 342	5 545 520	6 184 790	5 109 521
Roads Infrastructure	334 765	828 905	1 046 549	2 249 601	1 682 887	1 430 883	2 562 889	2 240 699	1 311 097
Storm water Infrastructure	116 603	194 695	161 134	193 956	194 990	178 351	212 633	219 586	274 193
Electrical Infrastructure	249 766	323 243	274 993	287 745	276 951	272 907	308 060	280 428	408 055
Water Supply Infrastructure	334 053	466 433	551 871	656 398	780 687	681 770	913 955	1 416 431	1 526 863
Sanitation Infrastructure	274 467	280 443	233 812	280 948	261 953	222 177	496 515	555 611	363 029
Solid Waste Infrastructure	90 848	236 232	223 280	26 851	76 615	74 470	20 873	43 685	166 475
Coastal Infrastructure	–	27 829	13 063	–	–	–	–	–	–
Information and Communication Infrastructure	45 541	89 035	101 309	1 300	1 033	1 025	6 100	2 490	5 490
Infrastructure	1 446 043	2 446 815	2 606 010	3 696 800	3 275 117	2 861 583	4 521 025	4 758 930	4 055 203
Community Facilities	238 817	218 619	281 081	150 176	190 379	182 233	201 921	240 423	264 115
Sport and Recreation Facilities	–	65	171	–	300	50	650	1 000	–
Community Assets	238 817	218 684	281 252	150 176	190 679	182 283	202 571	241 423	264 115
Operational Buildings	44 963	86 719	98 561	302 893	258 054	246 888	71 413	210 102	280 289
Housing	1 192	8 376	3 799	–	–	–	–	–	1 500
Other Assets	46 155	95 095	102 360	302 893	258 054	246 888	71 413	210 102	281 789
Licences and Rights	18 238	61 782	109 104	118 007	98 097	96 280	88 561	170 829	172 834
Intangible Assets	18 238	61 782	109 104	118 007	98 097	96 280	88 561	170 829	172 834
Computer Equipment	103 900	141 497	163 226	117 075	110 271	111 957	163 670	43 567	57 185
Furniture and Office Equipment	14 977	28 287	43 592	45 876	53 401	53 449	19 707	15 902	16 572
Machinery and Equipment	132 436	141 989	217 326	204 925	183 497	182 368	110 671	64 848	54 433
Transport Assets	103 651	205 644	321 489	193 954	236 604	236 643	251 068	629 190	103 046
Land	125 646	35 500	200 322	110 101	119 385	165 715	116 834	50 000	104 345
Mature	–	–	–	–	175	175	–	–	–
Living Resources	–	–	–	–	175	175	–	–	–
Total Renewal of Existing Assets	1 809 059	1 991 435	2 560 303	3 490 602	3 366 915	3 219 041	3 784 067	3 621 562	3 605 197
Roads Infrastructure	140 954	62 406	77 022	182 639	244 538	237 508	288 850	110 757	166 840
Storm water Infrastructure	5 004	12 412	8 317	2 984	12 094	11 343	11 102	47 040	7 555
Electrical Infrastructure	384 403	390 997	493 410	467 234	501 054	492 015	461 255	869 021	664 756
Water Supply Infrastructure	236 706	264 416	310 386	509 539	426 840	434 722	520 200	605 503	750 828
Sanitation Infrastructure	354 740	454 570	717 027	1 469 672	1 242 117	1 145 159	1 278 692	1 012 756	759 666
Solid Waste Infrastructure	–	–	–	1 523	1 523	1 523	1 266	33 800	83
Coastal Infrastructure	–	–	–	–	–	–	–	5 000	1 000
Information and Communication Infrastructure	5 544	28 293	20 837	32 062	35 855	35 855	41 920	31 152	113 728
Infrastructure	1 127 351	1 213 094	1 626 998	2 665 654	2 464 020	2 358 125	2 603 284	2 715 029	2 464 457
Community Facilities	26 364	44 240	35 878	75 326	61 451	60 708	91 468	52 377	95 772
Sport and Recreation Facilities	797	–	4 741	26 500	18 664	18 321	51 550	17 081	19 879
Community Assets	27 162	44 240	40 620	101 826	80 115	79 029	143 018	69 458	115 651
Heritage Assets	899	90	–	–	–	–	–	–	–
Operational Buildings	26 347	20 282	18 857	23 265	36 552	30 470	34 392	19 080	24 513
Housing	59 354	19 486	–	–	–	–	–	–	–
Other Assets	85 701	39 768	18 857	23 265	36 552	30 470	34 392	19 080	24 513
Licences and Rights	8 124	9 077	9 729	8 000	7 549	7 549	15 850	13 050	11 850
Intangible Assets	8 124	9 077	9 729	8 000	7 549	7 549	15 850	13 050	11 850
Computer Equipment	75 337	86 877	154 402	130 477	152 484	150 832	163 822	109 371	196 890
Furniture and Office Equipment	4 962	6 655	32 226	38 113	37 012	28 669	107 566	29 728	23 928
Machinery and Equipment	46 277	76 447	121 323	104 684	104 762	79 620	105 138	97 105	125 529
Transport Assets	433 248	515 187	555 847	417 684	483 295	483 998	610 352	568 741	641 428
Mature	–	–	300	900	1 125	750	645	–	950
Living Resources	–	–	300	900	1 125	750	645	–	950

Table continues on next page

CITY OF CAPE TOWN – 2025/26 TO 2027/28 BUDGET (26 JUNE 2025)

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
Total Upgrading of Existing Assets	1 397 644	1 588 760	2 843 201	3 642 887	3 561 867	2 924 056	3 608 091	4 494 879	4 232 169
Roads Infrastructure	168 640	144 888	193 226	165 720	166 871	165 649	139 888	192 593	206 569
Storm water Infrastructure	62 766	66 874	185 474	167 001	259 841	150 100	138 054	84 859	143 315
Electrical Infrastructure	52 874	159 045	168 673	265 528	228 162	223 922	218 174	250 932	298 028
Water Supply Infrastructure	85 562	16 948	15 192	20 047	24 100	22 300	23 700	64 570	62 983
Sanitation Infrastructure	469 666	458 689	1 227 575	1 814 200	1 599 684	1 125 965	1 588 194	2 131 108	2 179 587
Solid Waste Infrastructure	15 781	54 335	22 310	4 173	28 868	28 868	764	41 534	56 400
Coastal Infrastructure	16 582	50 281	58 330	140 824	115 493	112 434	215 416	117 076	–
Information and Communication Infrastructure	43 904	54 665	40 249	16 257	5 418	5 415	7 551	2 331	4 341
Infrastructure	915 774	1 005 725	1 911 030	2 593 750	2 428 437	1 834 653	2 331 742	2 885 003	2 951 224
Community Facilities	166 014	127 574	154 828	355 278	300 732	290 218	391 335	370 703	483 587
Sport and Recreation Facilities	67 218	44 466	192 243	116 260	152 842	148 848	70 490	72 948	45 822
Community Assets	233 232	172 040	347 072	471 538	453 574	439 067	461 825	443 650	529 409
Heritage Assets	–	–	–	–	844	423	–	–	–
Operational Buildings	179 693	279 507	450 034	408 854	415 798	383 604	461 742	506 609	580 423
Housing	723	62 682	80 935	144 447	224 036	226 397	328 648	155 220	64 232
Other Assets	180 416	342 189	530 970	553 301	639 834	610 001	790 390	661 828	644 656
Licences and Rights	11 507	43 755	45 751	9 598	12 170	13 999	15 045	489 495	84 880
Intangible Assets	11 507	43 755	45 751	9 598	12 170	13 999	15 045	489 495	84 880
Computer Equipment	54 520	12 605	2 019	6 000	14 477	14 477	–	–	–
Furniture and Office Equipment	696	307	567	–	–	–	–	–	–
Machinery and Equipment	1 499	12 138	5 793	8 700	12 530	11 436	9 089	14 903	22 000
Total Capital Expenditure	5 436 566	6 955 487	9 448 185	12 073 295	11 454 063	10 280 439	12 937 678	14 301 231	12 946 887
Roads Infrastructure	644 358	1 036 199	1 316 797	2 597 961	2 094 297	1 834 041	2 991 627	2 544 049	1 684 506
Storm water Infrastructure	184 373	273 980	354 925	363 940	466 925	339 793	361 789	351 485	425 064
Electrical Infrastructure	687 042	873 284	937 076	1 020 507	1 006 167	988 843	987 489	1 400 380	1 370 839
Water Supply Infrastructure	656 321	747 798	877 449	1 185 984	1 231 626	1 138 792	1 457 855	2 086 504	2 340 675
Sanitation Infrastructure	1 098 874	1 193 703	2 178 414	3 564 820	3 103 755	2 493 302	3 363 401	3 699 476	3 302 282
Solid Waste Infrastructure	106 629	290 567	245 590	32 547	107 006	104 862	22 903	119 019	222 958
Coastal Infrastructure	16 582	78 110	71 393	140 824	115 493	112 434	215 416	122 076	1 000
Information and Communication Infrastructure	94 989	171 993	162 394	49 620	42 305	42 294	55 572	35 973	123 560
Infrastructure	3 489 168	4 665 634	6 144 038	8 956 203	8 167 574	7 054 361	9 456 052	10 358 961	9 470 884
Community Facilities	431 195	390 433	471 788	580 779	552 562	533 159	684 724	663 502	843 475
Sport and Recreation Facilities	68 015	44 531	197 156	142 760	171 806	167 219	122 690	91 029	65 701
Community Assets	499 210	434 964	668 944	723 539	724 368	700 379	807 413	754 531	909 175
Heritage Assets	899	90	–	–	844	423	–	–	–
Operational Buildings	251 003	386 508	567 452	735 012	710 404	660 962	567 547	735 791	885 226
Housing	61 269	90 545	84 735	144 447	224 036	226 397	328 648	155 220	65 732
Other Assets	312 272	477 053	652 187	879 459	934 440	887 358	896 195	891 011	950 958
Licences and Rights	37 869	114 614	164 584	135 605	117 816	117 828	119 456	673 373	269 563
Intangible Assets	37 869	114 614	164 584	135 605	117 816	117 828	119 456	673 373	269 563
Computer Equipment	233 757	240 979	319 647	253 552	277 233	277 266	327 492	152 938	254 075
Furniture and Office Equipment	20 635	35 248	76 385	83 989	90 414	82 118	127 273	45 629	40 500
Machinery and Equipment	180 212	230 574	344 442	318 309	300 790	273 424	224 898	176 856	201 962
Transport Assets	536 899	720 831	877 337	611 638	719 900	720 640	861 420	1 197 931	744 474
Land	125 646	35 500	200 322	110 101	119 385	165 715	116 834	50 000	104 345
Mature	–	–	300	900	1 300	925	645	–	950
Living Resources	–	–	300	900	1 300	925	645	–	950
TOTAL CAPITAL EXPENDITURE - Asset class	5 436 566	6 955 487	9 448 185	12 073 295	11 454 063	10 280 439	12 937 678	14 301 231	12 946 887

Table continues on next page

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand									
ASSET REGISTER SUMMARY - PPE (WDV)	57 074 138	60 763 899	66 701 128	76 751 792	74 312 719	74 312 719	83 210 034	93 245 363	101 533 578
Roads Infrastructure	10 803 955	11 199 667	11 234 664	14 475 894	12 813 258	12 813 258	15 292 100	17 233 421	18 220 500
Storm water Infrastructure	1 081 383	1 278 657	1 324 807	1 888 758	1 712 292	1 712 292	1 990 133	2 246 142	2 557 724
Electrical Infrastructure	8 593 727	8 942 040	9 474 227	10 054 689	10 117 840	10 117 840	10 717 604	11 697 480	12 612 530
Water Supply Infrastructure	5 714 748	6 231 194	6 629 298	8 084 719	7 623 291	7 623 291	8 807 783	10 599 465	12 600 803
Sanitation Infrastructure	5 088 698	5 488 190	6 962 496	11 489 171	9 775 820	9 775 820	12 823 276	16 180 425	18 972 315
Solid Waste Infrastructure	818 889	894 141	817 456	1 142 779	869 282	869 282	815 146	856 853	1 002 196
Coastal Infrastructure	140 583	148 856	186 727	370 730	294 282	294 282	498 649	609 392	583 805
Information and Communication Infrastructure	5 474 560	7 161 221	9 427 091	7 143 001	9 327 191	9 327 191	9 247 356	9 153 002	9 149 237
Infrastructure	37 716 543	41 343 966	46 056 766	54 649 740	52 533 256	52 533 256	60 192 046	68 576 179	75 699 111
Community Assets	6 212 883	6 025 440	5 989 489	6 727 802	6 375 272	6 375 272	6 836 899	7 212 977	7 715 742
Heritage Assets	10 268	10 268	10 340	10 268	10 340	10 340	10 340	10 340	10 340
Investment properties	577 820	576 106	574 392	549 481	549 483	549 483	523 531	497 578	471 625
Other Assets	5 504 637	5 343 189	5 800 360	6 162 223	6 302 279	6 302 279	6 747 144	7 174 846	7 662 094
Intangible Assets	621 600	733 844	835 011	769 609	785 718	785 718	734 452	1 233 891	1 339 852
Computer Equipment	599 926	582 589	605 384	622 929	593 367	593 367	615 010	491 948	485 949
Furniture and Office Equipment	440 676	483 958	530 422	507 432	542 827	542 827	567 904	525 175	489 033
Machinery and Equipment	495 554	473 616	600 119	804 636	664 016	664 016	676 743	643 982	632 348
Transport Assets	3 672 099	3 946 643	4 274 317	4 401 072	4 410 948	4 410 948	4 643 275	5 165 756	5 209 498
Land	1 222 132	1 244 073	1 424 018	1 545 495	1 543 403	1 543 403	1 660 237	1 710 237	1 814 582
Living Resources	–	206	510	1 106	1 810	1 810	2 455	2 455	3 405
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	57 074 138	60 763 899	66 701 128	76 751 792	74 312 719	74 312 719	83 210 034	93 245 363	101 533 578
EXPENDITURE OTHER ITEMS	7 598 399	8 273 852	9 089 959	9 557 292	10 013 679	10 032 824	10 911 182	11 624 416	12 254 698
Depreciation	2 968 142	3 270 481	3 436 476	3 849 498	3 830 937	3 830 937	4 025 355	4 255 891	4 658 803
Repairs and Maintenance by Asset Class	4 630 257	5 003 372	5 653 483	5 707 794	6 182 742	6 201 887	6 885 827	7 368 525	7 595 895
Roads Infrastructure	604 829	688 001	853 693	883 733	901 379	901 379	929 994	981 144	1 034 126
Storm water Infrastructure	–	–	–	190 921	202 946	203 946	252 056	268 822	282 928
Electrical Infrastructure	562 390	678 010	769 604	762 763	875 451	873 637	1 001 093	1 016 138	1 070 162
Water Supply Infrastructure	438 319	505 293	496 640	703 999	643 670	632 057	778 239	854 059	877 458
Sanitation Infrastructure	620 607	770 392	763 416	710 489	773 120	787 161	854 396	922 417	957 780
Solid Waste Infrastructure	2 631	2 232	5 166	21 918	14 135	15 410	11 660	12 303	12 967
Coastal Infrastructure	–	–	–	4 549	9 407	12 131	4 711	4 711	4 711
Infrastructure	2 228 775	2 643 927	2 888 520	3 278 373	3 420 107	3 425 720	3 832 149	4 059 593	4 240 132
Community Facilities	146 832	110 070	92 158	462 311	595 758	600 185	572 147	586 093	611 690
Sport and Recreation Facilities	460 598	480 237	640 540	133 999	128 410	128 410	161 504	168 771	176 229
Community Assets	607 430	590 307	732 699	596 310	724 168	728 595	733 651	754 864	787 919
Heritage Assets	69	43	40	367	369	369	376	376	376
Revenue Generating	228	665	1 197	14 253	12 898	12 898	14 089	14 715	15 370
Non-revenue Generating	1	38	72	11	11	11	12	13	13
Investment properties	230	703	1 269	14 264	12 909	12 909	14 101	14 728	15 384
Operational Buildings	192 275	243 977	214 718	300 763	400 658	405 967	613 653	696 655	680 844
Housing	–	–	–	68 779	67 639	67 639	86 360	89 310	94 229
Other Assets	192 275	243 977	214 718	369 542	468 298	473 606	700 013	785 964	775 073
Computer Equipment	199 261	317 759	365 154	364 045	444 691	440 665	421 253	439 335	467 128
Furniture and Office Equipment	965 525	706 744	932 969	243 100	290 682	289 240	268 911	346 024	293 019
Machinery and Equipment	–	–	–	358 876	353 498	359 418	412 982	438 736	460 531
Transport Assets	436 693	499 911	518 115	482 917	468 021	471 365	502 392	528 904	556 332
TOTAL EXPENDITURE OTHER ITEMS	7 598 399	8 273 852	9 089 959	9 557 292	10 013 679	10 032 824	10 911 182	11 624 416	12 254 698
Renewal and upgrading of Existing Assets as % of total capex	59.0%	51.5%	57.2%	59.1%	60.5%	59.8%	57.1%	56.8%	60.5%
Renewal and upgrading of Existing Assets as % of deprecn	108.0%	109.5%	157.2%	185.3%	180.9%	160.4%	183.6%	190.7%	168.2%
R&M as a % of PPE & Investment Property	8.2%	8.3%	8.6%	7.5%	8.4%	8.4%	8.3%	8.0%	7.6%
Renewal and upgrading and R&M as a % of PPE and Investment Property	13.9%	14.3%	16.8%	16.9%	17.8%	16.8%	17.3%	16.8%	15.4%

Table 113 – MBRR Table A10 – Consolidated Basic Service Delivery Measurement

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<u>Household service targets</u>									
<u>Water:</u>									
Piped water inside dwelling	1 310 286	1 328 617	1 309 111	1 331 715	1 331 715	1 331 715	1 370 626	1 393 908	1 417 435
Piped water inside yard (but not in dwelling)	–	–	–	–	–	–	–	–	–
Using public tap (at least min.service level)	181 663	184 205	181 500	184 634	184 634	184 634	190 029	193 257	196 519
Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	1 491 949	1 512 822	1 490 612	1 516 350	1 516 350	1 516 350	1 560 655	1 587 165	1 613 954
Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
No water supply	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
Total number of households	1 491 949	1 512 822	1 490 612	1 516 350	1 516 350	1 516 350	1 560 655	1 587 165	1 613 954
<u>Sanitation/sewerage:</u>									
Flush toilet (connected to sewerage)	1 384 841	1 404 012	1 388 671	1 410 820	1 410 820	1 410 820	1 449 781	1 473 063	1 496 590
Flush toilet (with septic tank)	–	–	–	–	–	–	–	–	–
Chemical toilet	62 330	63 105	63 860	63 860	63 860	63 860	73 680	73 680	73 680
Pit toilet (ventilated)	197	197	55	55	55	55	55	55	55
Other toilet provisions (> min.service level)	44 581	45 508	38 025	41 615	41 615	41 615	37 139	40 367	43 629
<i>Minimum Service Level and Above sub-total</i>	1 491 949	1 512 822	1 490 612	1 516 350	1 516 350	1 516 350	1 560 655	1 587 165	1 613 954
Bucket toilet	–	–	–	–	–	–	–	–	–
Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
No toilet provisions	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
Total number of households	1 491 949	1 512 822	1 490 612	1 516 350	1 516 350	1 516 350	1 560 655	1 587 165	1 613 954
<u>Energy:</u>									
Electricity (at least min.service level)	609 428	610 928	611 192	633 781	633 781	633 781	614 192	615 692	617 192
Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
<i>Minimum Service Level and Above sub-total</i>	609 428	610 928	611 192	633 781	633 781	633 781	614 192	615 692	617 192
Electricity (< min.service level)	25 906	24 406	22 828	21 406	21 406	21 406	19 828	18 328	16 828
Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
Other energy sources	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	25 906	24 406	22 828	21 406	21 406	21 406	19 828	18 328	16 828
Total number of households	635 334	635 334	634 020	655 187	655 187	655 187	634 020	634 020	634 020
<u>Refuse:</u>									
Removed at least once a week	1 009 176	1 069 929	1 102 661	1 124 714	1 170 563	1 157 986	1 181 146	1 204 769	1 228 864
<i>Minimum Service Level and Above sub-total</i>	1 009 176	1 069 929	1 102 661	1 124 714	1 170 563	1 157 986	1 181 146	1 204 769	1 228 864
Removed less frequently than once a week	–	–	–	–	–	–	–	–	–
Using communal refuse dump	–	–	–	–	–	–	–	–	–
Using own refuse dump	–	–	–	–	–	–	–	–	–
Other rubbish disposal	–	–	–	–	–	–	–	–	–
No rubbish disposal	–	–	–	–	–	–	–	–	–
<i>Below Minimum Service Level sub-total</i>	–	–	–	–	–	–	–	–	–
Total number of households	1 009 176	1 069 929	1 102 661	1 124 714	1 170 563	1 157 986	1 181 146	1 204 769	1 228 864
<u>Households receiving Free Basic Service</u>									
Water (6 kilolitres per household per month)	240 091	240 091	236 537	224 453	224 453	224 453	235 214	235 214	235 214
Sanitation (free minimum level service)	240 091	240 091	236 537	224 453	224 453	224 453	233 782	233 782	233 782
Electricity/other energy (50kwh per household per month)	163 118	186 070	163 296	170 829	170 829	170 829	170 829	170 829	170 829
Refuse (removed at least once a week)	270 056	229 662	283 418	289 086	291 977	292 765	298 620	304 593	310 685
Informal Settlements	739 802	802 129	819 037	841 096	886 945	887 036	1 408 032	1 421 521	1 435 219

Table continues on next page

Description	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Cost of Free Basic Services provided - Formal Settlements (R'000)									
Water (6 kilolitres per indigent household per month)	283 602	283 602	313 771	327 706	327 706	327 706	306 612	325 929	381 793
Sanitation (free sanitation service to indigent households)	242 531	242 531	269 235	295 219	295 219	295 219	156 418	166 272	194 771
Electricity/other energy (50kwh per indigent household per month)	118 517	130 676	162 029	173 342	173 342	176 115	165 663	175 935	183 891
Refuse (removed once a week for indigent households)	311 132	393 998	432 626	458 151	458 151	458 151	540 000	572 400	606 744
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)	1 120 582	1 136 894	1 093 551	1 371 352	1 441 891	1 440 597	1 548 918	1 603 091	1 709 377
Total cost of FBS provided	2 076 363	2 187 701	2 271 211	2 625 769	2 696 309	2 697 787	2 717 611	2 843 627	3 076 576
Highest level of free service provided per household									
Property rates (R value threshold)	285 000	285 000	435 000	435 000	435 000	435 000	435 000	435 000	435 000
Water (kilolitres per household per month)	11	15	15	15	15	15	15	15	15
Sanitation (kilolitres per household per month)	7	11	11	11	11	11	11	11	11
Sanitation (Rand per household per month)	–	–	–	–	–	–	–	–	–
Electricity (kwh per household per month)	60	60	60	60	60	60	60	60	60
Refuse (average litres per week)	240	240	240	240	240	240	240	240	240
Revenue cost of subsidised services provided (R'000)									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)	–	–	–	–	–	–	–	–	–
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)	1 361 479	1 480 050	1 978 737	2 179 198	2 179 198	2 179 198	2 431 920	2 655 268	2 900 055
Water (in excess of 6 kilolitres per indigent household per month)	–	203 884	231 133	235 096	235 096	235 096	429 327	456 374	534 597
Sanitation (in excess of free sanitation service to indigent households)	–	174 358	197 261	211 790	211 790	211 790	222 627	237 380	288 419
Electricity/other energy (in excess of 50 kwh per indigent household per month)	–	–	–	–	–	–	23 676	25 144	26 281
Refuse (in excess of one removal a week for indigent households)	–	–	–	–	–	–	–	–	–
Municipal Housing - rental rebates	23 799	23 707	17 401	25 370	25 370	25 370	27 545	28 056	28 576
Housing - top structure subsidies	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided	1 385 277	1 881 999	2 424 531	2 651 454	2 651 454	2 651 454	3 135 095	3 402 222	3 777 929

2.22 *Municipal manager's quality certificate*

I, **LUNGELO MBANDAZAYO**, municipal manager of **CITY OF CAPE TOWN (CPT)**, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act, and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan (IDP) of the municipality.

Lungelo Mbandazayo
Municipal Manager of City of Cape Town (CPT)

Signature



Digitally signed by Lungelo
Mbandazayo
Date: 2025.06.12 14:20:10
+02'00'

Date