ANNEXURE A

CITY OF CAPE TOWN

Budget 2007 / 2008

to

2009 / 2010

May 2007

Council 30 May 2007

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1.3 Map of the City Of Cape Town



Fig 1: Map of the Cape Town Area

SPEECH BY HELEN ZILLE
MAYOR OF CAPE TOWN

CITY OF CAPE TOWN BUDGET VOTE 2007/8

CAPE TOWN CIVIC CENTE

COUNCIL CHAMBER – 30 MAY 2007

Release: Immediate

The first task that is before us today as a council is to decide on the final budget for the 2007/8 financial year.

Let me reiterate what I said when we last met about the prime objective behind this budget, and how it ties in with our Integrated Development Plan.

That objective is infrastructure-led economic growth.

Our job as local government is to ensure better roads, reliable electricity, adequate water and sanitation and a clean, safe public environment.

By so doing, we offer the real opportunities our people need to improve their quality of life, and we also encourage investment in our city.

This in turn is the key to job creation, the single most important opportunity people need to escape poverty.

Conversely, if we don't do this, we rob our citizens of their opportunities to improve their lives, especially the poor.

The importance of the approach we are adopting is clear when one looks at the fate of cities that have neglected infrastructure development.

Nairobi in Kenya, for example, has grown like Cape Town from being a modest town of about 500 000 to a sprawling city of over 3 million in the past 15 years.

Failure to plan and invest in infrastructure needed for this growth has resulted in a scarce and erratic water and electricity supply – the greatest barrier to growth and job creation.

Failure to maintain roads and transport systems in many developing countries has created huge delays in travel times, and hindered trade by retarding the movement of goods.

Under these circumstances the rich can still afford private generators and deep boreholes.

But the poor are robbed of their opportunities by their cities' and countries' failure to

invest in infrastructure.

Local government's prime job – above all else – is to make sure basic services work, because everything else depends on it, especially the lives of poor people.

For this reason alone, this is a pro-poor budget.

At present we cannot keep pace with growth.

Ironically, despite the inadequate infrastructure budgets of the past this Municipality has been unable to spend its full capital budget for years.

Why? Because a previous administration, losing sight of its mandate, decided to strip this city of skills in pursuit of something called transformation. We agree with the principle of transformation, the purpose of which must be to ensure excellent basic services to all in order to create growth and opportunities. When that goal is displaced, and replaced by racial headcounting, real, broad based empowerment will never happen.

The only way we can move forward is by appointing enough staff with the right skills to do the work required.

This will demand a substantial investment in human resources, and in our overall operating budget.

While the operating budget in the current financial year is 13.9bn, the budget we will vote on today proposes an operating budget of R17 bn.

And while the capital budget in the current year is R2.5bn, we propose an increase to R4 bn in 2007/2008.

The total budget for the 2007/8 financial year that we are putting to the vote today has therefore increased from R16.5 billion in the current financial year to R21 billion.

Much of these additional funds will come from National Government in the form of direct transfers, such as funding for the 2010 Stadium.

But to raise the budget will also require a collective contribution from all residents of Cape Town who can afford it.

The draft budget's proposed increase in rates and tariffs for the total municipal account will therefore remain at an average of 15%.

Households that experience a greater than 15% increase in their monthly municipal bill will do so for two primary reasons.

One is if their property value has gone up by more than the average increase across Cape Town.

The other is if they use an excessive amount of water.

When the City carried out its dummy billing run, it was found that a number of lower income households would see large increases in their bills due to high water

consumption.

The City will be embarking on a major information campaign to assist people with saving water.

We will also be sending out teams to help low income households with a high consumption to detect leaks and reduce their water bills. We will be visiting 3000 families in the month ahead.

People can save money by saving water.

The less residents use, the less they will pay.

If they use less than 6kl per month, they will pay nothing.

And poor families who qualify for our additional subsidy can actually use 10 kl free.

As a city, we also need to save water, and we must get the message across that if you waste it you will pay a lot.

We already lose 17% of all our water to leaks, which costs ratepayers about R360 million per annum.

On some of our accounts, single families are using up to 1 million litres of water per year, enough to fill several Olympic swimming pools. This has to change.

In order to further reduce municipal bills for the poor, this Multi-Party Government has also proposed a number of adjustments to the original draft budget that will bolster our indigency policy.

We have extended the rates rebates for senior citizens and disabled persons to households with an income of up to R5 000, from R3000 this year.

The solid waste indigent subsidy towards monthly refuse removal charge has also been extended to properties valued up to R300 000, from R125 000 in the current year.

In addition, we propose a range of rebates for homeless people's shelters to assist us in meeting our IDP objective of improving opportunities for the destitute.

We propose that shelters receive a rebate of 50% on their refuse collection charges for the first 15 container bins that they use. We also propose that 0,75kl of water be provided free per person in the shelter per month.

We have included two more steps in our proposed sanitation tariffs, which will reduce costs for households that save water.

Here I must stress that the ANC has been dishonest to claim that the overall increase for sanitation is 125%.

We have simply combined two separate charges for sanitation into one in order to comply with the new national Property Rates Act – a law passed by the ANC.

In the past there used to be a property rate based charge for sanitation and a tariff for sanitation based on water consumption. Now there is only one tariff based on water consumption, which reflects an average increase of around 19%.

The impact of this for low income households will be lessened by the indigent grant for water and sanitation.

This grant will now also be given to residential properties valued at R199 000 or below, and has increased from R20 to R30 per month.

This is over and above the 6kl of water that the City already provides free of charge.

The only proposed tariff increase that remains the same as that put forward in the draft budget is electricity, which will increase by an inflation related 5.6%. This is because electricity constitutes the highest expenditure item in the budgets of most poor households.

In total, the City will be spending R437 million on free basic services for the poor.

With these new measures introduced, the City has estimated that 16% of households across Cape Town will have an actual reduction in their total municipal account.

The majority of those which will benefit are poor people.

The greatest proportion of households in Cape Town, 66%, will have increases of below or equal to 15%.

27% will have increases of between 15% and 30%.

5% will have increases of between 30% and 40%.

And 2% of households will have increases of above 40%.

We have done all that we can to ensure that we don't leave large numbers of people in the City unable to pay their bills.

However, I am also aware that there are going to be some cases where people will face great difficulties as the result of the valuations process.

Some areas, such as the Bo-Kaap and certain parts of Tokai, have experienced huge increases in house prices, and will therefore face major rates hikes.

The City will be working with the communities and ward councillors in those areas to communicate with residents and we will do what is appropriate to assist.

Let me reiterate, the valuations process is out of our hands. We have to charge property rates according to property values for all households in the city.

The Municipal Property Rates Act requires it.

But we have made full use of rebates to lessen the impact of the new rates on the poor.

It involves a lot of cross-subsidisation from the middle and high income earners in the City to cover free services and to implement better infrastructure for everyone.

This is how we create more opportunities for economic growth, job creation, and poverty alleviation.

This is why we say that this budget is pro-poor.

As we move into a new period of intensive investment, we must acknowledge the contribution that the ratepayers of Cape Town are making to the future of the city.

Investing for the future and for opportunities for all our children and their children is the responsible thing to do.

In this regard, it is unacceptable and irresponsible in the extreme that the ANC has tried, vigorously, to encourage a culture of non-payment for services in Cape Town.

Premier Rasool, in particular, should know better.

A law passed by the ANC in parliament, the Municipal Systems Act, compels us to restrict services in order to recover debt.

If the ANC in the Western Cape disagree with this law, then I advise them to take the matter up with their political principals at national level.

We are not going to go the same way as the rest of the ANC controlled municipalities around the country, which have a collective debt of R40 billion. If they think that is pro-poor, they are making a grave mistake.

Let me say, once again, that even where we do restrict services to households, we do not cut water entirely, and we only restrict services to consumers who can pay but won't, or won't even take responsibility to register as indigent.

People who are unable to pay can avoid having their services restricted by going to municipal offices to register on our indigency database.

Of the 46 000 restrictions on water throughout the City, which include businesses and households, 12 000 have already been reconnected following payment or registration on our indigency database.

I also want to make it clear to the ANC that the pink final demand letters for services do not evict anyone. We have not evicted anyone for failure to pay rates and services. But we do intend to evict drug dealers from council property.

It is immoral and profoundly dishonest for the ANC to use propaganda about 'hundreds of thousands' of 'eviction' letters going out to the poor in order to mobilise a political rally outside the civic centre.

I hope that today we can put this campaigning behind us and focus on the task ahead, for the sake of all the people of Cape Town.

With that in mind, I will briefly mention how we intend to use this budget to realise our goals as set out in the IDP.

I have previously given a detailed description of the capital projects that this City intends to target with this budget.

I will not go into detail on these again. But I will say that one of our top priorities is to ensure we have the capacity to deliver these projects.

Much of the additional funds that we will bring in will be used to enhance the efficiency of this organisation, and help it to spend its entire capital budget.

We have already filled 1800 posts, and we have received nearly 2000 qualifying applications for the 200 positions that were advertised two weeks ago.

We will also be filling another 1000 vacancies in the utilities department to speed up delivery of basic services.

The new staff we appoint will be coming into an organisation that has been strengthened in terms of organisational structure and efficiency.

We now have a proper organogram, and 97% of all placement letters have been sent out to staff.

That means 19 770 staff have received their letters, and only 500 staff members in the Metro Police and other departments still need to be finally placed.

Of 300 managers that were displaced in the organisation when we came to office, only 4 remain without proper positions.

We have received about 5000 responses to the placement letters, ranging from serious objections to minor corrections, and these are currently being dealt with.

We have completed phase 1 of pay parity, which has placed all staff on the correct pay level.

Phase 2 will begin in July to determine where each person should be within his or her respective pay level.

A task evaluation of each individual job will be carried out for this purpose.

Our allocation for staff in the draft budget for the coming financial year has been increased by R570 million to R3.9 billion in order to cater for pay parity and also for the filling of critical posts.

The budget before us today also seeks to empower wards and subcouncils to play a greater role in delivery, boosting projects at community level across the city.

We are proposing an increase in the capital budget allocation to each ward from R200 000 to R300 000, while the operating budget for each ward remains at R200 000.

I am mindful that we have had to turn down a number of requests for additional funding from the various portfolio committees, and gaps will still remain for some time.

But this budget does enable us to build capacity rapidly where it is most critically needed, and we will continue to fill gaps wherever necessary.

In this regard, the top management of this City will be asked to embark on a resources, skills and staffing strategy to identify what needs to be done in each directorate to take the City from where it is now to an ideal position in around 3 to 5 years time.

Through this process, remaining gaps in resources and staff will be identified, and skilling programmes will be implemented wherever possible.

I thank you.

The 2007/08 – 2009/10 MTREF adopted by the Mayoral Committee in December 2006 projected revenue growth of 5.1% over the 5-year period modelled to 2012.

Total revenue for the 2007/08 financial year amounts to R17 012 million, which represents an increase of R2 889 million (20.5 %) over 2006/07. This substantial increase is largely due to the significant external grant allocation from central government and associated with the 2010 Football World Cup. Debt (EFF) financing of capital expenditure totals R1 417 million. This amount represents an increase to originally planned values and is earmarked to address specific infrastructural capital investment aligned to IDP focus areas.

Primary Operating Budget revenue- and expenditure categories reflect the following year-on-year budget value increases (2007/08 vs original 2006/07 budget):

Assessment Rates	28.52 % (representing an increase of R 685 million from a 2006/07 base of R 2 401 million and resulting from shifts to Rates from value-based components of the Water, Sanitation and Solid Waste tariffs)

Revenue increases to consumptive, tariff-based services are:

Electricity	5.2 %
Water	16 %
Sanitation	6.2 %
Solid Waste	(7.3) %

Expenditure categories' growth:

Staff costs	22.1 %
General expenses	4.3 %
Repairs & Maintenance	34.7 %

Alignment with National and Provincial Priorities

Successful alignment of the City's service delivery priorities, as embodied in the updated IDP and its focus areas, objectives and perspectives, to that of national and provincial governments is seen as critical if we are to achieve our developmental goals.

Main strategic focus areas are:

Shared economic growth and development
Sustainable urban infrastructure
Public transport systems
Integrated human settlements
Fostering of a safe and secure environment
Health, social and human capital development
Good governance and regulatory reform

External factors : local economic development, Labour / skills development, Population and Health

In congruence with global trends, the City's highest growth areas are expected to be in the areas of 'Finance and Real Estate', followed by 'Electricity and Water'. 'Trade and Catering' and 'Transport and Communication' follow in third place. It is expected that the construction industry will slow down rapidly following the pre-2010 boom. Also of concern for Cape Town is the trend that growth in every sector is expected to slow down between 2010 and 2015.

It is anticipated that serious skills constraints will soon impact negatively on the Cape Town economy. It is estimated that about 26% of highly skilled jobs are occupied by people living outside of Cape Town (compatible with about 9% – 12% of total employment provided to people outside Cape Town in 2010). The percentage of highly skilled jobs that need to be provided by people from outside Cape Town could be expected to increase to 42% in 2010 and 57% in 2030.

A significant imbalance between the demand and supply for labour is anticipated in the medium term. In 2010 the economy will only demand 221,670 unskilled labourers whereas there will be 758,479 unskilled workers available, resulting in increased unemployment. On the other hand, the economy is projected to demand 319,699 skilled labourers by 2010, whereas the availability number is projected at only 185,750. An unsatisfactory position of a large oversupply of unskilled workers and a severe shortage of skilled workers is therefore currently anticipated. Policy implication of this is therefore that medium and high skills labour development is viewed as a high priority for the City.

Between 1996 and 2006 Cape Town's population has grown fairly rapidly with an increase in population of 700 000 people (annual growth rate of 3% in 1996). By 2006, this had decreased to 1.61% per annum. With reducing growth rate the City's population growth is expected to slow dramatically over the next 15 years. This is mainly due to reduced fertility, the impact of HIV/AIDS and reduced migration to the City. Lower population growth will impact on the amount and type of infrastructure and services which will have to be provided in the City. An increasingly ageing population will need appropriate social and healthcare facilities, while mechanisms will also have to be found to effectively engage the large proportion of youth through sport, recreation and employment.

3. Budget Recommendations

That the annual budget of the municipality for the financial year 2007/2008; and indicative allocations for the two projected outer years 2008/2009 and 2009/2010 be approved as set out in the following schedules:

1.1 That the Operating revenue by source reflected in Table 1 and Annexure 1 of the 2007/2008 MTREF be approved.

1.2 That the Operating expenditure by vote reflected in Table 2 and Annexure 1 of the 2007/2008 MTREF be approved.

1.3 That the Operating expenditure by GFS classification reflected in Table 3 of the 2007/2008 MTREF be approved.

1.4 That the multi-year capital appropriations by vote reflected in Table 4 and Annexure 2 of the 2007/2008 MTREF be approved.

1.5 That the Capital expenditure by GFS classification reflected in Table 5 of the 2007/2008 MTREF be approved.

1.6 That the Capital funding by source reflected in Table 6 of the 2007/2008 MTREF be approved.

2 The Cash Flow statement as set out in Table 30 be approved.

3 Salaries and Benefits of Political Office Bearers, Councillors and Senior Officials as indicated in Table 27, Table 28 and Table 29 be approved.

4 Grants, Subsidies and Contributions to external entities in 2007/08 as set out in Table 26 be approved.

5 The Income Performance Indicators for 2007/08 as set out in Table 10 be approved.

6 That the assessment (property) rates reflected in Annexure 3 be approved for the budget year 2007/08.

7 The City Improvement District Levies for 2007/08 as set out in Annexure 4 be approved.

8 That the revised consumptive tariffs, rates and basic charges for Electricity Services, Water Services and Waste Management Services as set out in Annexure 5, be approved for the budget year 2007/2008.

9 The Tariffs, Fees and Charges book incorporating miscellaneous tariffs, charges, rates and levies for 2007/08 attached as Annexure 6 be approved.

10 The Draft Rates Policy as set out in Annexure 7 be approved.

11 The Tariffs Policies as set out in Annexure 8 be approved.

12 That Council confirms the Credit Control and Debt Collection Policy as set out in Annexure 9.

13 The Draft Integrated Development Plan attached as Annexure 10 be approved.

14 That the Mayors Special Fund Draft Policy set out in Annexure 11 be adopted.

15 The Budgets for Municipal Entities as set out in Table 33, Table 34, Table 35 and Table 36 be approved.

16 The Service Delivery Plans / Business Plans with measurable targets be approved by the Executive Mayor in June 2007 following approval of the budget.

17 That the Capital Replacement Reserve: Ward Allocations be funded from savings identified in the 2006/2007 financial year to fund the Ward Allocation projects in the amount of R35 500 000 for the 2007/2008 financial year.

The Budget schedule to be approved by resolution of council:

Revenue by Source

REVENUE BY SOURCE	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
					Budget Year 2007/08	Budget Year 2008/09	Budget Year 2009/10
	Pre Audited Actual R'000	Approved Budget R'000	Adjusted Budget R'000	Full Year Forecast R'000	Budget R'000	Budget R'000	Budget R'000
Operating Revenue by Source							
COCT							
Primary							
Property rates	2,291,278	2,509,117	2,559,117	2,559,117	3,446,600	3,594,804	3,756,570
Property rates - penalties imposed and collection charges	105,135	115,000	115,000	115,000	50,000	52,150	54,497
Income Forgone: Rates	(26,267)	(107,960)	(107,960)	(107,960)	0	0	0
Service charges - electricity revenue from tariff billings	2,439,072	2,762,749	2,686,749	2,686,749	2,888,970	3,013,195	3,148,789
Service charges - water revenue from tariff billings	1,051,787	932,396	932,396	932,396	1,100,588	1,147,913	1,199,569
Service charges - sanitation revenue from tariff billings	564,161	599,249	599,249	599,249	636,613	663,988	693,867
Service charges - refuse removal from tariff billings	452,500	483,537	506,081	506,081	447,405	466,643	487,642
Service charges - other	400,971	441,862	435,306	435,306	464,335	484,302	506,095
Regional Service Levies - turnover	842,348	0	90,000	90,000	0	0	0
Regional Service Levies - remuneration	173,774	0	20,000	20,000	0	0	0
Rental of facilities and equipment	212,923	224,669	224,700	224,700	239,405	249,699	260,936
Income Forgone: Housing	(67,112)	(64,796)	(40,000)	(40,000)	0	0	0
Interest earned - external investments	241,838	187,239	187,425	187,425	258,465	269,579	281,710
Interest earned - outstanding debtors	181,639	145,000	145,000	145,000	149,200	155,616	162,618
Fines	174,977	124,858	153,204	153,204	161,018	167,941	175,499
Licenses and permits	25,280	24,155	24,695	24,695	32,042	33,419	34,923
Income from agency services	104,263	103,450	111,983	111,983	111,993	116,809	122,065
Capital, Grants and Donations	502,119	1,191,039	823,808	823,808	1,937,185	1,976,884	1,147,828
Grants & Subsidies (Conditional)	188,172	346,278	376,852	376,852	272,930	284,666	297,476
Grants & Subsidies (Unconditional)	368,291	1,386,062	1,375,027	1,375,027	1,542,164	1,608,477	1,680,859
Gain on disposal of property plant and equipment	46,288	41,300	42,700	42,700	39,400	41,094	42,943
Other Income	225,272	230,570	174,313	174,313	178,030	185,685	194,041
Secondary							
Insurance Departmental Premiums	92,631	96,823	96,823	96,823	107,090	111,695	116,721
Internal Contributions	929,241	825,756	874,536	874,536	1,029,417	1,073,682	1,121,998
Internal Utilities Revenue	241,185	237,543	313,543	313,543	359,000	374,437	391,287
Interest Internal Loans	303,920	342,268	342,268	342,268	425,852	444,164	464,151
Bulk Charges Revenue	848,617	802,365	802,365	802,365	940,138	980,564	1,024,690
Accumulative Surplus	227,761	142,858	142,858	142,858	202,625	211,338	220,848
COCT Total	**13,142,063**	**14,123,387**	**14,008,040**	**14,008,040**	**17,020,466**	**17,708,747**	**17,587,625**
RED1							
Primary							
Interest earned - external investments	0	0	0	0	0	0	0
Other Income	5,571	0	7,383	7,383	0	0	0
Rental of facilities and equipment	1,554	106	1,198	1,198	0	0	0
Secondary							
Insurance Departmental Premiums	33	0	0	0	0	0	0
RED1 Total	**7,158**	**106**	**8,582**	**8,582**	**0**	**0**	**0**
Total Revenue By Source	**13,149,222**	**14,123,493**	**14,016,622**	**14,016,622**	**17,020,466**	**17,708,747**	**17,587,625**

Table 1: Revenue by Source

Operating Expenditure by Vote

OPERATING EXPENDITURE BY VOTE	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
					Budget Year 2007/08	Budget Year 2008/09	Budget Year 2009/10
	Pre Audited Actual R'000	Approved Budget R'000	Adjusted Budget R'000	Full Year Forecast R'000	Budget R'000	Budget R'000	Budget R'000
COCT							
City Improvement District	**44,752**	**49,584**	**51,291**	**51,291**	**52,240**	**54,487**	**56,939**
Community Development							
Community Development Management	7,497	2,916	11,148	11,148	16,164	16,859	17,618
Community Development Support	8,675	8,434	8,674	8,674	6,321	6,593	6,889
Library Services	117,680	132,659	127,819	127,819	157,335	164,100	171,485
Parks	301,711	316,900	315,363	315,363	363,905	377,589	395,365
Sport , Recreation and Amenities	277,788	317,981	316,860	316,860	444,986	417,987	419,179
	713,352	**778,890**	**779,865**	**779,865**	**988,711**	**983,128**	**1,010,537**
Corporate Services							
Communications	32,803	21,492	23,694	23,694	21,503	22,427	23,436
Corp Supp Serv : Support Services	4,204	3,380	3,693	3,693	18,153	18,933	19,785
Corporate Services Management	3,757	2,486	6,303	6,303	3,337	3,480	3,637
Customer Relations / Administrative Serv	13,582	32,739	32,638	32,638	37,192	34,398	35,633
Employment Equity	2,098	2,636	2,352	2,352	2,679	2,794	2,920
Legal Services	36,966	22,224	23,254	23,254	22,367	23,328	24,378
Personnel Services	193,741	212,109	210,709	210,709	211,840	217,820	227,622
Specialised Technical Services	67,998	64,881	79,397	79,397	100,289	104,601	109,308
Strategic HR	9,997	9,776	20,771	20,771	27,768	27,919	29,175
	365,145	**371,722**	**402,812**	**402,812**	**445,127**	**455,702**	**475,895**
Economic and Social Development							
Economic and Human Development	50,329	50,620	60,021	60,021	56,360	57,063	59,631
Economic and Social Dev Management	0	0	3,059	3,059	16,195	16,892	17,652
Property	47,281	49,563	61,438	61,438	64,868	67,657	70,702
Social Development , Arts & Culture	48,401	44,632	43,762	43,762	52,734	47,762	48,866
Tourism Development	42,686	48,276	46,549	46,549	49,553	51,684	54,010
	188,697	**193,091**	**214,828**	**214,828**	**239,711**	**241,057**	**250,860**
Finance Services							
Budgets	6,090	12,817	13,214	13,214	9,917	10,343	10,809
Expenditure	20,211	12,278	11,172	11,172	11,880	12,391	12,949
Finance Management	2,009	1,729	5,255	5,255	3,235	3,374	3,526
Financial Support	1,967	4,119	3,715	3,715	4,425	4,615	4,823
Housing Finance & Leases	227	7,587	7,445	7,445	289	301	315
Revenue	154,366	153,853	149,276	149,276	160,861	167,778	175,328
Shareholders Management Unit	2,269	2,684	3,853	3,853	4,640	4,840	5,058
Supply Chain Management	21,132	29,567	27,148	27,148	32,307	25,748	26,907
Treasury	759,972	527,354	454,619	454,619	504,977	526,691	550,392
Valuations	36,659	49,891	51,058	51,058	43,224	45,082	47,111
	1,004,902	**801,879**	**726,756**	**726,756**	**775,755**	**801,165**	**837,217**
Health Services	**299,620**	**329,390**	**342,814**	**342,814**	**379,763**	**394,035**	**411,767**
Integrated Human Settlement							
Existing Settlements	289,600	309,565	332,414	332,414	417,637	421,059	440,007
Housing Policy and Research	3,794	3,777	3,780	3,780	6,000	6,258	6,539
Human Settlement Management	17,465	5,277	17,216	17,216	15,998	16,686	17,436
Land Restitution	1,890	2,976	2,554	2,554	8,869	7,767	4,292
New Settlements	294,508	349,381	268,720	268,720	353,022	339,861	325,637
Support Services	15,601	12,362	12,416	12,416	19,206	20,032	20,933
	622,858	**683,336**	**637,099**	**637,099**	**820,731**	**811,663**	**814,844**
Internal Audit							
Chief Risk Officer	0	0	0	0	0	0	0
Internal Audit	13,187	12,521	13,241	13,241	14,275	14,889	15,559
	13,187	**12,521**	**13,241**	**13,241**	**14,275**	**14,889**	**15,559**
Office of the City Manager							
Executive Support	6,340	5,257	4,792	4,792	4,804	5,010	5,236
Governance & Interface	151,154	178,316	190,760	190,760	201,397	210,057	219,509
Office of the City Manager	34,089	34,452	18,516	18,516	26,119	27,242	28,468
Ombudsperson	3,444	4,348	4,348	4,348	4,507	4,700	4,912
	195,028	**222,372**	**218,415**	**218,415**	**236,826**	**247,009**	**258,125**
Rates & Other	**1,076,475**	**1,093,871**	**1,250,588**	**1,250,588**	**1,691,652**	**1,764,393**	**1,843,790**
Safety & Security							
Emergency Services	261,427	272,826	291,769	291,769	332,137	346,419	362,008
Metro Police	501,542	579,447	576,944	576,944	582,768	607,827	635,179
Safety & Security	0	0	9,507	9,507	970	1,012	1,057
VIP Security	3,033	2,208	3,897	3,897	4,628	4,827	5,044
	766,003	**854,481**	**882,116**	**882,116**	**920,504**	**960,085**	**1,003,289**
Service Delivery Integration							
2010 Soccer World Cup	3,393	1,153	228,562	228,562	797,819	997,679	191,764
Development Services	14,669	19,993	19,210	19,210	24,985	26,046	27,205
IDP Process Manage & Business Planning	10,917	12,334	12,297	12,297	8,227	8,581	8,967
Informations Systems and Technology	184,693	164,970	160,848	160,848	169,690	176,987	184,951
Service Delivery Integration Management	2,508	2,618	4,986	4,986	8,083	8,430	8,810
Service Delivery Integration Strat Supp	4,192	4,759	4,759	4,759	4,379	4,568	4,773
Urban Renewal Project	5,739	38,036	31,138	31,138	56,044	58,454	61,084
	226,112	**243,862**	**461,801**	**461,801**	**1,069,227**	**1,280,744**	**487,554**
Strategy and Planning							
City Spatial Development	15,320	20,921	21,759	21,759	21,867	22,808	23,834
Environmental Resource Management	31,510	46,667	55,121	55,121	59,299	60,236	62,947
Strategic Development Information & GIS	9,333	14,887	10,747	10,747	15,643	15,100	11,600
Strategy & Planning Management	5,590	6,560	10,783	10,783	30,274	31,575	32,996
Town Planning	132,290	148,233	149,902	149,902	161,460	165,967	173,435
	194,044	**237,268**	**248,312**	**248,312**	**288,543**	**295,686**	**304,812**
Transport , Roads & Stormwater							
Roads and Stormwater	494,002	503,177	487,360	487,360	857,394	960,300	1,049,637
Transport	265,439	558,228	383,928	383,928	462,697	388,921	393,349
TRS Corporate Centre	36,756	27,677	14,765	14,765	37,848	39,475	41,252
	796,197	**1,089,083**	**886,053**	**886,053**	**1,357,939**	**1,388,696**	**1,484,238**
Utility Services							
Abattoir	19,395	0	0	0	0	0	0
Electricity Services	3,059,530	3,409,142	3,208,063	3,208,063	3,486,643	3,631,566	3,796,762
Markets	0	0	0	0	0	0	0
Solid Waste Services	958,415	939,788	969,855	969,855	1,099,666	1,145,877	1,196,316
Utility Services - Project Moni Unit	0	0	0	0	0	0	0
Utility Services Support	2,764	0	0	0	0	0	0
Water Services	2,738,725	2,792,370	2,714,130	2,714,130	3,153,154	3,238,564	3,339,120
	6,778,830	**7,141,299**	**6,892,048**	**6,892,048**	**7,739,464**	**8,016,007**	**8,332,199**
COCT Total	**13,285,199**	**14,102,648**	**14,008,040**	**14,008,040**	**17,020,466**	**17,708,747**	**17,587,625**
RED1							
RED1 Executive Management	7,246	20,845	8,582	8,582	0	0	0
OPERATING EXPENDITURE BY VOTE	**13,292,445**	**14,123,493**	**14,016,622**	**14,016,622**	**17,020,466**	**17,708,747**	**17,587,625**

Table 2: Operating Expenditure by Vote

Operating Expenditure by General Functional System (GFS) Classification

OPERATING EXPENDITURE BY GFS	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
					Budget Year 2007/08	Budget Year 2008/09	Budget Year 2009/10
	Pre Audited Actual R'000	Approved Budget R'000	Adjusted Budget R'000	Full Year Forecast R'000	Budget R'000	Budget R'000	Budget R'000
Community & Social	514,829	552,945	550,143	550,143	667,982	668,329	698,144
Electricity	3,066,777	3,429,987	3,216,645	3,216,645	3,486,643	3,631,566	3,796,762
Environmental Protection	49,500	55,165	56,252	56,252	66,433	69,290	72,408
Executive & Council	222,188	301,511	306,947	306,947	347,844	358,394	374,195
Finance & Admin	2,679,051	2,471,798	2,580,609	2,580,609	3,134,223	3,256,875	3,403,434
Health	279,685	307,464	321,679	321,679	351,541	364,600	381,007
Housing	620,967	680,361	634,545	634,545	811,862	803,895	810,552
Other/Abattoirs	19,395	0	0	0	0	0	0
Other/Tourism	42,686	48,276	46,549	46,549	49,553	51,684	54,010
Planning And Development	308,353	347,118	368,904	368,904	421,886	431,559	442,974
Public Safety	745,359	835,898	862,265	862,265	900,459	939,178	981,441
Road Transport	782,215	1,078,280	870,846	870,846	1,335,254	1,365,036	1,459,513
Sport And Recreation	243,395	264,161	494,401	494,401	1,156,908	1,345,247	537,356
Waste Management: Solid Waste	958,415	939,788	969,855	969,855	1,099,666	1,145,877	1,196,316
Waste Management: Waste Water	721,515	956,551	876,436	876,436	984,068	985,771	973,415
Water	2,038,115	1,854,191	1,860,547	1,860,547	2,206,145	2,291,445	2,406,097
OPERATING EXPENDITURE BY GFS	**13,292,445**	**14,123,493**	**14,016,622**	**14,016,622**	**17,020,466**	**17,708,747**	**17,587,625**

Table 3: Operating Expenditure by GFS Classification

Capital Expenditure by Vote

CAPITAL EXPENDITURE BY VOTE	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
					Budget Year 2007/08	Budget Year 2008/09	Budget Year 2009/10
	Pre Audited Actual R'000	Approved Budget R'000	Adjusted Budget R'000	Full Year Forecast R'000	Budget R'000	Budget R'000	Budget R'000
Office of the City Manager							
Office of the City Manager	0	0	50	50	0	0	0
Executive Support	189	75	75	75	75	75	0
Governance & Interface	5,081	21,350	2,369	2,369	35,540	35,540	33,500
Ombudsperson	68	100	352	352	100	100	100
Internal Audit							
Internal Audit	221	300	191	191	280	230	260
Utility Services							
Utility Service: Support	254	360	360	360	360	360	360
Electricity Services	270,950	594,677	343,381	343,381	555,294	463,304	459,237
Solid Waste Services	38,507	109,790	92,318	92,318	171,300	192,700	122,800
Water Services	365,860	620,403	360,598	360,598	729,053	516,840	422,315
Community Development							
Community Development Management	40	0	0	0	0	0	0
Community Development Support	177	210	226	226	70	70	80
Parks	16,398	22,756	29,960	29,960	29,096	17,224	18,324
Sport, Recreation & Amenities	98,405	146,892	140,034	140,034	134,966	84,898	60,298
Library Services	18,947	13,480	19,779	19,779	6,660	0	0
Transport, Roads & Stormwater							
Roads and Stormwater	174,862	338,667	354,278	354,278	550,039	608,872	658,644
Transport	122,429	384,260	160,095	160,095	212,418	115,358	104,992
Finance Services							
Financial Support	45	0	14	14	68	48	48
Budgets	83	140	120	120	0	0	0
Revenue	3,646	11,670	11,670	11,670	8,265	8,729	5,700
Supply Chain Management	454	8,657	3,257	3,257	7,620	200	600
Treasury	103	7,525	2,947	2,947	8,890	0	0
Valuations	862	228	200	200	224	100	220
Corporate Services							
Corporate Services : Management	18	15	19	19	20	20	20
Legal Services	787	1,450	1,180	1,180	1,450	1,450	1,450
Specialised Technical Services	43,793	20,815	63,874	63,874	40,118	20,019	19,164
Personnel Services	1,662	4,582	4,222	4,222	3,300	400	300
Employment Equity	134	130	79	79	180	160	180
Communications	193	175	215	215	485	225	180
Strategic HR	55	20	75	75	1,080	80	80
CRM/Administrative Services	4,846	10,728	7,880	7,880	10,100	5,170	4,800
Health							
Health Services	10,971	21,905	19,717	19,717	27,681	11,675	11,184
Safety & Security							
Emergency Services	22,024	38,905	64,324	64,324	24,471	24,109	23,609
Metro Police	10,290	33,019	15,305	15,305	8,344	8,262	9,359
Integrated Human Settlement Services							
Support Services	2,220	6,099	6,186	6,186	2,775	1,775	1,775
Existing Settlements	38,339	66,732	96,105	96,105	25,759	6,988	6,550
New Settlements	144,170	257,789	111,725	111,725	262,051	232,647	211,443
Land Restitution	1,600	2,522	2,476	2,476	8,320	6,754	3,154
Service Delivery Integration							
Service Delivery Integration: Management	146	100	48	48	100	0	0
Service Delivery Integration Strat Support	0	75	75	75	0	0	0
2010 Soccer World Cup	0	0	480,080	480,080	1,066,751	1,038,919	359,250
Development Services	14	495	539	539	300	300	300
IDP Process Manage & Business Planning	140	2,050	2,081	2,081	0	0	0
Informations Systems and Technology	49,063	31,559	53,139	53,139	45,000	35,000	35,000
Urban Renewal Project	99	300	4,033	4,033	0	0	0
Economic & Social Development							
Economic & Social Development : Management	0	0	185	185	0	30	0
Economic & Human Development	29,587	48,350	27,188	27,188	34,759	23,202	18,143
Property	841	700	726	726	850	750	300
Tourism Development	2,340	550	160	160	4,526	877	0
Social Development, Arts & Culture	3,926	0	7,576	7,576	1,350	3,720	9,300
Strategy & Planning							
Strategy & Planning : Management	0	0	60	60	0	0	0
City Spatial Development	17,482	47,291	32,524	32,524	33,647	37,368	39,211
Environmental Resource Management	3,239	7,906	7,937	7,937	8,840	11,117	9,169
Town Planning	14,804	5,990	9,803	9,803	4,090	1,842	1,754
Strategy	279	6,700	3,010	3,010	6,250	5,700	1,920
Rates & Other							
Rates & Other	0	125,000	0	0	0	0	0
CAPITAL EXPENDITURE BY VOTE	**1,520,642**	**3,023,489**	**2,544,818**	**2,544,818**	**4,072,917**	**3,523,208**	**2,655,074**

Table 4: Capital Expenditure by Vote

Capital Expenditure by General Functional System (GFS) Classification

CAPITAL EXPENDITURE BY GFS	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure		
					Budget Year 2007/08	Budget Year 2008/09	Budget Year 2009/10
	Pre Audited Actual R'000	Approved Budget R'000	Adjusted Budget R'000	Full Year Forecast R'000	Budget R'000	Budget R'000	Budget R'000
Executive & Council	3,106	30,460	14,903	14,903	40,595	36,295	33,920
Finance & Admin	107,922	214,108	144,856	144,856	123,810	72,661	68,642
Planning and Development	65,067	106,936	77,652	77,652	92,575	80,537	69,533
Health	10,121	21,265	18,914	18,914	27,225	10,360	9,430
Community & Social	29,164	155,532	59,925	59,925	62,958	24,369	33,984
Housing	184,730	330,619	214,738	214,738	290,935	241,410	219,768
Public Safety	33,585	75,924	79,628	79,628	32,815	32,371	32,968
Sport and Recreation	111,073	21,400	615,328	615,328	1,175,935	1,120,462	413,268
Environmental Protection	850	6,452	5,693	5,693	3,439	6,792	5,573
Waste Management	143,973	109,790	98,445	98,445	173,300	197,700	127,800
Waste Water Management	0	507,577	154,766	154,766	451,864	373,460	282,456
Road Transport	296,534	722,927	508,247	508,247	760,457	719,230	758,636
Water	261,250	115,573	208,182	208,182	277,189	143,380	139,860
Electricity	271,106	594,677	343,381	343,381	555,294	463,304	459,237
Tourism/Other	2,161	10,250	160	160	4,526	877	0
CAPITAL EXPENDITURE BY GFS	**1,520,642**	**3,023,489**	**2,544,818**	**2,544,818**	**4,072,917**	**3,523,208**	**2,655,074**

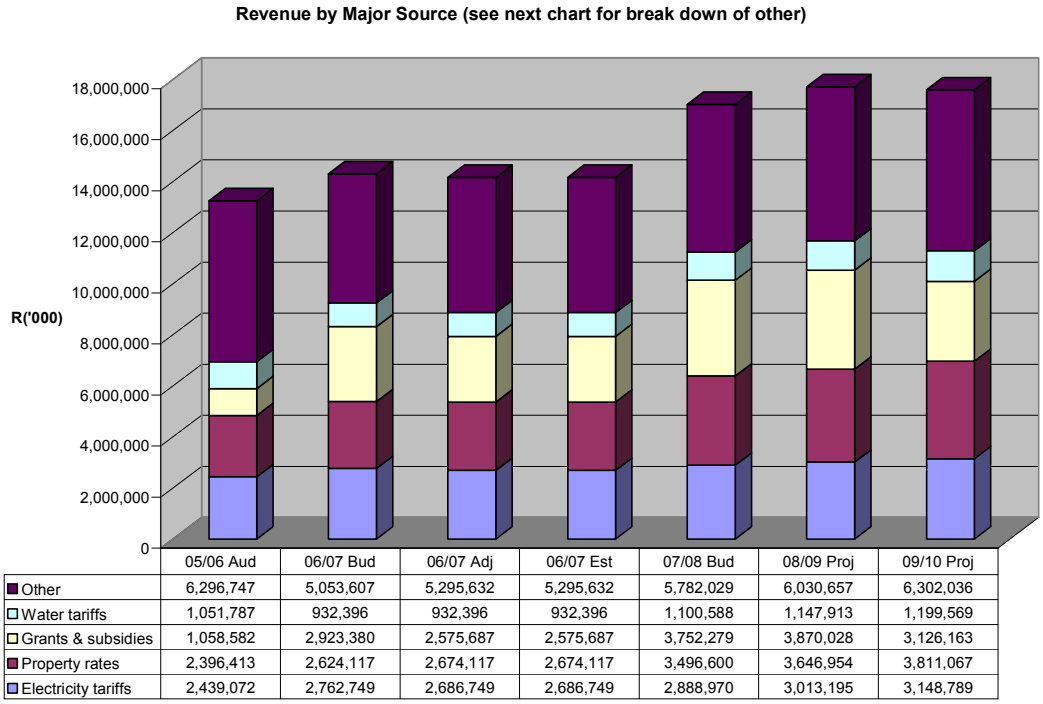
Table 5: Capital Expenditure by GFS Classification

Capital Funding by Source

FUNDING BY SOURCE	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
					Budget Year 2007/08	Budget Year 2008/09	Budget Year 2009/10
	Pre Audited Actual R'000	Approved Budget R'000	Adjusted Budget R'000	Full Year Forecast R'000	Budget R'000	Budget R'000	Budget R'000
National Government							
Amounts allocated / gazetted for that year	226,656	488,508	484,533	484,533	1,209,588	1,075,194	383,300
Amount carried over from previous years							
Total Grants & Subsidies - National Government	226,656	488,508	484,533	484,533	1,209,588	1,075,194	383,300
Provincial Government							
Amounts allocated / gazetted for that year	242,927	559,961	263,099	263,099	644,759	820,094	680,874
Amount carried over from previous years							
Total Grants & Subsidies - Provincial Government	242,927	559,961	263,099	263,099	644,759	820,094	680,874
District Municipality							
Amounts allocated / gazetted for that year	0	0	0	0	0	0	0
Amount carried over from previous years	0	0	0	0	0	0	0
Total Grants & Subsidies - District Municipality	0	0	0	0	0	0	0
Total Government Grants & Subsidies	**469,583**	**1,048,469**	**747,632**	**747,632**	**1,854,346**	**1,895,288**	**1,064,174**
Public Contributions & Donations	34,860	193,121	62,628	62,628	52,833	50,300	50,950
Accumulated Surplus (Own Funds)	1,016,200	1,781,899	1,734,557	1,734,557	2,165,738	1,577,620	1,539,950
External Loans	0		0	0	0	0	0
TOTAL FUNDING OF CAPITAL EXPENDITURE	**1,520,642**	**3,023,489**	**2,544,818**	**2,544,818**	**4,072,917**	**3,523,208**	**2,655,074**

Table 6: Capital Funding by Source

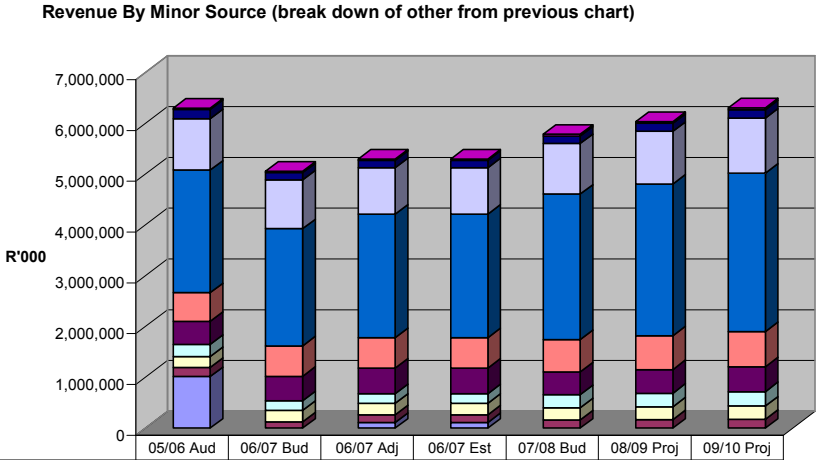
Revenue by Major Source



	05/06 Aud	06/07 Bud	06/07 Adj	06/07 Est	07/08 Bud	08/09 Proj	09/10 Proj
Other	6,296,747	5,053,607	5,295,632	5,295,632	5,782,029	6,030,657	6,302,036
Water tariffs	1,051,787	932,396	932,396	932,396	1,100,588	1,147,913	1,199,569
Grants & subsidies	1,058,582	2,923,380	2,575,687	2,575,687	3,752,279	3,870,028	3,126,163
Property rates	2,396,413	2,624,117	2,674,117	2,674,117	3,496,600	3,646,954	3,811,067
Electricity tariffs	2,439,072	2,762,749	2,686,749	2,686,749	2,888,970	3,013,195	3,148,789

Fig 2: Revenue by Major Source

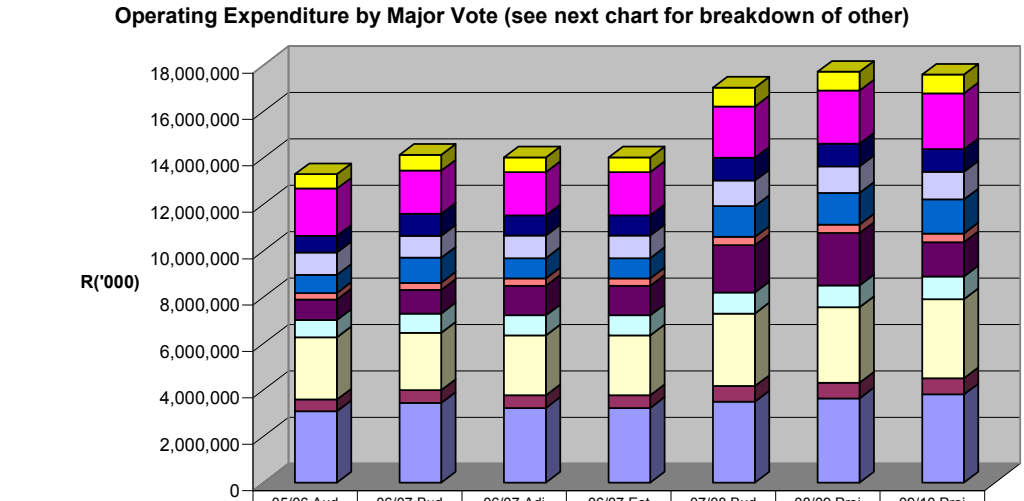
Revenue by Minor Source



	05/06 Aud	06/07 Bud	06/07 Adj	06/07 Est	07/08 Bud	08/09 Proj	09/10 Proj
Licenses and permits	25,280	24,155	24,695	24,695	32,042	33,419	34,923
Interest earned - outstanding debtors	181,639	145,000	145,000	145,000	149,200	155,616	162,618
Other	1,010,127	960,039	914,543	914,543	996,384	1,039,229	1,085,994
Secondary	2,415,627	2,304,755	2,429,535	2,429,535	2,861,498	2,984,542	3,118,847
Sanitation tariffs	564,161	599,249	599,249	599,249	636,613	663,988	693,867
Refuse tariffs	452,500	483,537	506,081	506,081	447,405	466,643	487,642
Interest earned - external investments	241,838	187,239	187,425	187,425	258,465	269,579	281,710
Rental of facilities and equipment	214,477	224,775	225,898	225,898	239,405	249,699	260,936
Fines	174,977	124,858	153,204	153,204	161,018	167,941	175,499
Regional service levies	1,016,121	0	110,000	110,000	0	0	0

Fig 3: Revenue by Minor Source

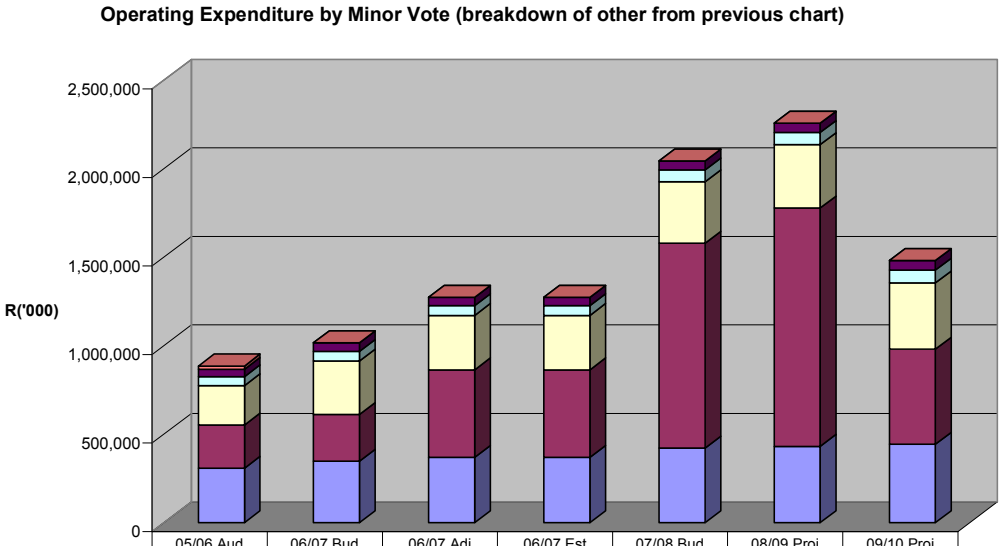
Operating Expenditure by Major Vote



	05/06 Aud	06/07 Bud	06/07 Adj	06/07 Est	07/08 Bud	08/09 Proj	09/10 Proj
Housing	620,967	680,361	634,545	634,545	811,862	803,895	810,552
Water	2,038,115	1,854,191	1,860,547	1,860,547	2,206,145	2,291,445	2,406,097
Waste Management: Waste Water	721,515	956,551	876,436	876,436	984,068	985,771	973,415
Waste Management: Solid Waste	958,415	939,788	969,855	969,855	1,099,666	1,145,877	1,196,316
Road Transport	782,215	1,078,280	870,846	870,846	1,335,254	1,365,036	1,459,513
Health	279,685	307,464	321,679	321,679	351,541	364,600	381,007
Other	885,518	1,016,232	1,273,052	1,273,052	2,042,623	2,256,174	1,480,943
Public Safety	745,359	835,898	862,265	862,265	900,459	939,178	981,441
Finance & Admin	2,679,051	2,471,798	2,580,609	2,580,609	3,134,223	3,256,875	3,403,434
Community & Social Services	514,829	552,945	550,143	550,143	667,982	668,329	698,144
Electricity	3,066,777	3,429,987	3,216,645	3,216,645	3,486,643	3,631,566	3,796,762

Fig 4: Operating Expenditure by Major Vote

Operating Expenditure by Minor Vote



	05/06 Aud	06/07 Bud	06/07 Adj	06/07 Est	07/08 Bud	08/09 Proj	09/10 Proj
Other/Abattoirs	19,395	0	0	0	0	0	0
Other/Tourism	42,686	48,276	46,549	46,549	49,553	51,684	54,010
Environmental Protection	49,500	55,165	56,252	56,252	66,433	69,290	72,408
Executive & Council	222,188	301,511	306,947	306,947	347,844	358,394	374,195
Sport and Recreation	243,395	264,161	494,401	494,401	1,156,908	1,345,247	537,356
Planning And Development	308,353	347,118	368,904	368,904	421,886	431,559	442,974

Fig 5: Operating Expenditure by Minor Vote

Capital Expenditure by Directorate

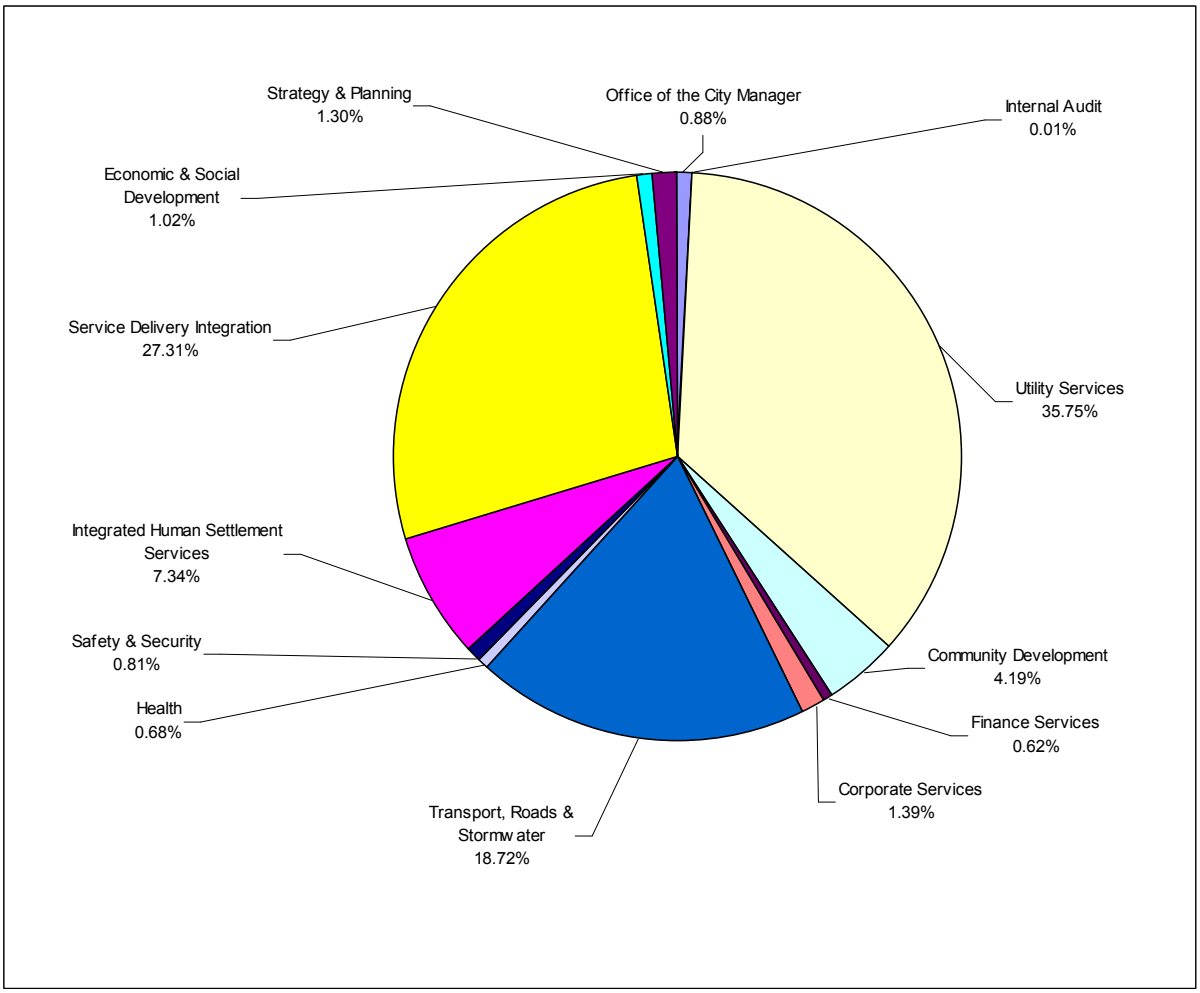


Fig 6: Capital Expenditure by Directorate

Capital Funding by Source

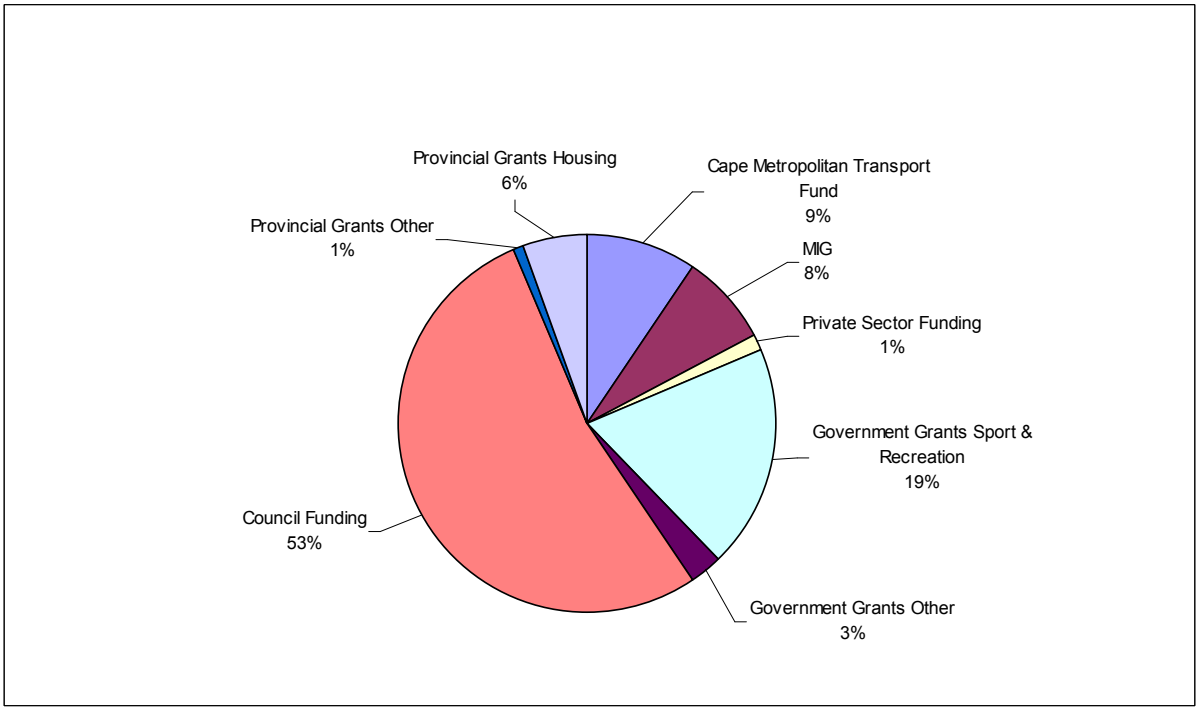


Fig 7: Capital Funding By Source

Reconciliation of IDP and Budget – Capital Expenditure

RECONCILIATION OF IDP & BUDGET - CAPEX	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure		
					Budget Year 2007/08	Budget Year 2008/09	Budget Year 2009/10
	Pre Audited Actual R'000	Approved Budget R'000	Adjusted Budget R'000	Full Year Forecast R'000	Budget R'000	Budget R'000	Budget R'000
Strategic Themes							
Creating Integrated Human Settlements	282,353	614,954	350,047	350,047			
Economic Growth and Job Creation	109,689	91,100	521,364	521,364			
Building Strong Communities	95,446	38,220	145,828	145,828			
Access and Mobility	161,561	581,058	373,625	373,625			
Equitable Services	509,121	1,089,010	785,300	785,300			
Enabling Institutional Framework	141,262	245,414	222,108	222,108			
Financial Sustainability	221,210	363,732	146,546	146,546			
Shared Economic Growth and Development					1,728,186	1,701,466	975,962
Sustainable Urban Infrastructure					1,468,400	1,225,032	1,126,310
Public Transport Systems					174,278	85,849	63,763
Integrated Human Settlements					347,156	287,444	262,989
Safety and Security					86,262	57,402	69,316
Health, Social and Human Capital Development					100,245	66,118	61,605
Good governance and Regulatory form					168,390	99,896	95,128
TOTAL CAPITAL EXPENDITURE	**1,520,642**	**3,023,489**	**2,544,818**	**2,544,818**	**4,072,917**	**3,523,208**	**2,655,074**

IDP 2006/07

DRAFT IDP 2007/08

Table 7: Reconciliation of IDP and Budget – Capital Expenditure

1. Political oversight of the budget process

Section 53 (1) of the MFMA stipulates that the mayor of a municipality must provide general political guidance over the budget process and the priorities that guide the preparation of the budget.

Following adoption of the budget timetable in 2006, the Mayoral Committee appointed the multi-party Tariff and Rates Political Advisory Committee (TARPAC) to undertake a review of tariffs and charges. Additional service delivery requirements with consequential tariff impacts were assessed during this process.

The budget time table provides for political input from formal fora such as portfolio committees and subcouncils.

2. Schedule of Key Deadlines relating to budget process [MFMA s 21(1)(b)]

The IDP and Budget time schedule of the 2007/08 budget cycle was approved by Council on 30 August 2006, 10 months before the start of the budget year in compliance with legislative directives.

Date	Activity	Participants
May 2006	Drafting of process plan for the compilation of the 2007/08 IDP and Budget	IDP and Budget Office
15 August 2006	Process Plan considered	Mayco
30 August 2006	Process Plan approved	Council
6 December 2006	MTREF and Revenue projections considered and approved	Mayco
13-14 March 2007	Draft IDP, Operating and Capital Budgets presented for consideration	Portfolio Committees
16 March 2007	Draft IDP, Operating and Capital Budgets presented for consideration	Mayoral Caucus
22 March 2007	First draft of the IDP, budgets and tariff structure to be presented for consideration and recommendation to Council	Mayco
28 March 2007	First draft of IDP, budgets and tariff structure to be presented for adoption	Council
April 2007	Public participation	Subcouncils and other stakeholders
30 May 2007	Final approval of IDP and Budget	Council

Table 8: IDP and Budget Time Schedule

3. Process used to integrate the review of the IDP and preparation of the Budget

Updating the IDP and Budget is an evolving and re-iterative process over a 10 month period. The initial parallel process commenced with the consultative process of the draft IDP in 2006 and the financial modelling and update of the MTREF to determine the affordability and sustainability framework at the same time.

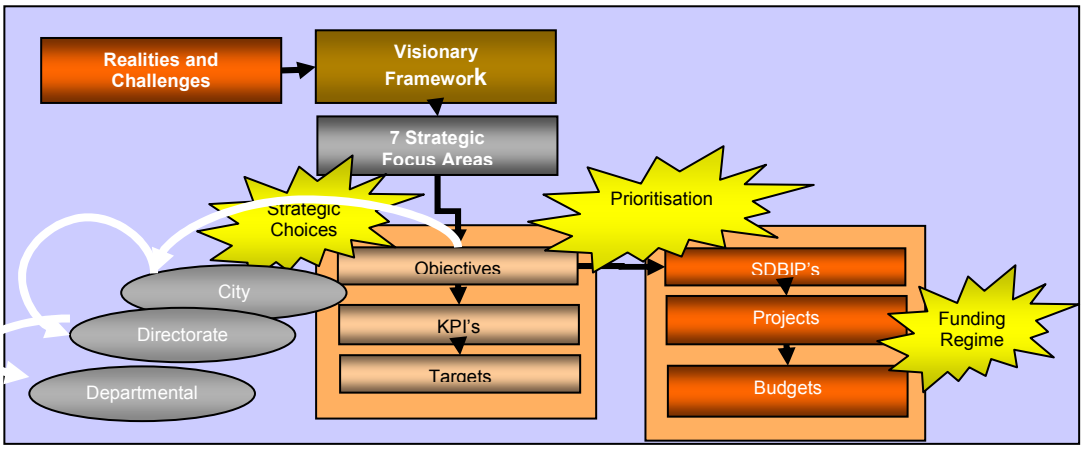


Fig 8: Visionary Framework of the City

This figure shows how the visionary framework of the City is unpacked into objectives, Key Performance Indicators and Targets for implementation. These are then broken up into SDBIP's that reflect the detailed projects that are in turn budgeted for.

This also forms part of the performance management system of the City as the Key Performance Indicators that are contained in the SDBIP's are then monitored and reported on at a quarterly basis.

4. Process for consultation with each group of stakeholders and outcomes

Following tabling of the draft budget in March, local input was solicited via notices published in all major newspapers on 3rd and 5th of April 2007, including The Cape Argus, The Cape Times, Die Burger, Vokani and The City Vision. Notices were also published in all community newspapers in the metropolitan area.

The public had access to the following facilities to comment on the IDP:

- Feedback Forms
- Verbal presentations
- Fax
- E mail address
- Call centre
- Postal address

Input was furthermore obtained from Provincial and National Treasury functions.

5. Stakeholders who involved in consultations

The stakeholders involved in the consultation were organised businesses, churches, non governmental institutions, community based organisations and individual community members.

The tabled budget was provided to National Treasury and Provincial Treasury in April 2007 for their consideration in line with S23 of the MFMA.

6. Process and media used to provide information on the Budget to the community

The City executed a public engagement process during October and November 2006. Eight public workshops were held as part of a national imbizo and sixty-seven wards and sub-council workshops were held where members of the public could vote for priorities in their community.

7. Methods employed to make the Budget document available (including websites)

In compliance with the Municipal Finance Management Act and the Municipal Systems Act with regards to the advertising of Budget Documents (including the Tariffs, Fees and Charges for 2007/08), advertisements were placed in the Cape Argus, Cape Times, Die Burger and community newspapers. The information relating to the venues, notices, resolutions and budget documentation was broadcast on local radio stations and displayed at the venues mentioned below.

Area	Address
Cape Town	Reception Desk, Concourse, Civic Centre, Hertzog Boulevard, Cape Town
South Peninsula	Municipal Offices, cnr Main and Victoria Road, Plumstead
Subcouncil 1	Municipal Offices, Race Course Road, Milnerton
Subcouncil 2	Municipal Offices, Brighton Way, Kraaifontein
Subcouncil 3	Municipal Building, Voortrekker Road, Goodwood
Subcouncil 4	1st Floor, cnr Voortrekker & Tallent Roads, Parow
Subcouncil 5	Goodwood Municipal Building, Voortrekker Road, Goodwood
Subcouncil 6	Municipal Building, Voortrekker Road, Bellville
Subcouncil 7	Municipal Offices, Oxford Street, Durbanville
Subcouncil 8	Cnr Fagan Street & Main Road, Strand
Subcouncil 9	A Block Stocks & Stocks Complex, Ntlakohlaza Street, Town 2, Village 1, Khayelitsha
Subcouncil 10	Site B, Khayelitsha Shopping Centre, Khayelitsha
Subcouncil 11	Fezeka Building, Cnr NY1 and Lansdowne Road, Gugulethu
Subcouncil 12	Parks & Bathing Building, Merrydale Avenue, Lentegeur
Subcouncil 13	Fizeka Building, cnr NY1 and Lansdowne Road, Gugulethu
Subcouncil 14	Fizeka Building, cnr NY1 and Lansdowne Road, Gugulethu
Subcouncil 15	Pinelands Training Centre, St Stephens Road, Central Square, Pinelands
Subcouncil 16	11th Floor, 44 Wale Street, Cape Town
Subcouncil 17	Athlone Civic Centre, cnr Protea and Klipfontein Roads, Athlone
Subcouncil 18	3 New Ottery Road, Ottery
Subcouncil 19	Fish Hoek Civic Centre, Central Circle, Recreation Road, Fish Hoek
Subcouncil 20	Alphen Centre, Constantia Main Road, Constantia
Subcouncil 21	Cnr Voortrekker Road & Carinus Street, Kuils River
Libraries	All Libraries

Table 9: List of Venues

The Budget was published on the municipality's website on 5 April 2007 following the tabling thereof to Council in compliance with S22 of the MFMA.

8. Statistics relevant to the process (submissions received, attendance at forums etc)

Six thousand nine hundred and eighty six people (6 986) attended the meetings held in October and November 2006. Participants were also given an opportunity to submit project proposals to be considered for funding from local (Ward) budgets or as part of the City-wide corporate capital budget.

Information obtained from the participants in the public workshops as well as through e-based inputs and written inputs showed that housing and job creation were the most important priorities.

Two hundred and sixty (260) responses were received in respect of the Budget tabled in March 2007.

1. The Vision of the City

The City's long term vision:

- A prosperous city in which City Government creates an enabling environment for shared growth and economic development.
- A city known for its effective and equitable service delivery.
- A city that distinguishes itself as a well-governed and efficiently run administration

2. Alignment with Provincial and National Government

The City's development plan needs to align with national and provincial initiatives to ensure optimal impact from the combined efforts of government. In this regard there are six critical elements: Accelerated and Shared Growth-South Africa (ASGI-SA), National Spatial Development Perspective (NSDP), National Strategy for Sustainable Development (NSSD), Provincial Growth and Development Strategy (PGDS), Provincial Strategy Development Framework (PSDF) and the Intergovernmental Development Agenda for Cape Town.

All these feed and influence the 2007/08 Integrated Development Plan.

The complete Integrated Development Plan is attached as Annexure 11.

3. City Of Cape Town Budget Priorities (Key Performance areas)

The City's 2007/08 to 2011/12 integrated development plan focuses on seven strategic focus areas. The concrete objectives for each strategic focus area have been outlined and elaborated on. These objectives will be used to further develop key performance indicators against which performance implementation monitoring and reporting will be done. The corporate scorecard outlines these indicators and targets.

The seven focus areas are:

a. Shared economic growth and development
b. Sustainable Urban Infrastructure and Services
c. Public Transport Systems
d. Integrated Human Settlements
e. Safety and Security
f. Health, Social and Human Capital Development
g. Good Governance and regulatory reform



Fig 9: Strategic Framework

4. City of Cape Town's Integrated Development Plan: 2007 to 2012

To create an enabling environment for the economy to grow

- Develop new and strengthen existing partnerships to meet the City's strategic objectives in investment and tourism.
- Develop and implement LED initiatives.
- Strengthen the City's tourism capability and events management calendar 365 days a year.
- Develop and grow SMME opportunities through 2010, supply chain management and other partnerships. Strengthen linkages between the first and second economies to encourage SMME development.
- Direct investment into strategic infrastructure where economic benefits are demonstrated.
- Proactively support the formal business environment.
- Develop skills to support the growing sectoral economy and to provide access to opportunities. Prioritise skills development based on the needs of the local economy, to support continued economic growth and access to opportunities.
- Develop policy to encourage economic growth, job creation and broader participation.
- Support the expansion and development of established businesses to strengthen the city's economic base and competitiveness.
- Support an enabling environment for the development of opportunities.
- Prepare for hosting of the FIFA 2010 World Cup in the City of Cape Town in accordance with FIFA's requirements and the City's developmental objectives.

To create universal access to basic service, conservation of natural resources and effective management of the City's Infrastructure and Resources

- Reduce backlogs in line with national objectives for basic services.
- Large or bulk infrastructure programmes that are essential must receive priority.
- Develop an integrated programme" approach to infrastructure and service planning and budgeting.
- Develop demand management programmes for water, electricity, waste and transport and reduce attendant pollutants.
- Reduce impact of flooding on community livelihoods and regional economies.
- Conserving biodiversity and improving quality living environments through greening, education and access.
- Safeguard human health, protect natural aquatic environments, and improve and maintain recreational water quality.

To improve public transport system and services

- Improve public transport services and secure new investment in infrastructure.
- Promote use of public transport. Creation of a unified road-based public transport system utilising the optimum mode for a particular route/corridor. Promote use of public transport to access all facilities and services and reduce the need to use private cars.
- To reduce demand for travel and to create conditions for all day public transport services.
- Integration of Land Use and Transport .
- Ensure that freight moves efficiently and safely within the City
- Develop and implement a transport asset management plan for the City.

To improve and develop Integrated Human Settlements and Delivery of housing opportunities

- Transform dormitory suburbs into areas which support a greater mix of land uses, offer a range of amenities and are socially mixed facilities.
- Put in place policy and spatial planning frameworks that will facilitate the development of integrated human settlements.
- Development and implementation of an incremental housing programme.
- Development of new housing opportunities.
- Increase rental stock through social housing partnerships.
- Redress land ownership inequities by providing Housing based on Restitution claim settlements.
- Facilitate gap housing programmes through partnerships with Banks and private sector developers.

- Develop and maintain zoned public open spaces, cemeteries, resorts and beaches.

To foster a safe and secure environment

- Community and youth development programmes directed at reducing crime and lawlessness.
- The improvement of urban design to reduce crime and emergencies.
- The on-going expansion of the CCTV network covering key economic and transport locations as well as crime hot spot areas.
- Improve law enforcement (traffic policing, licensing services and general law enforcement) through more visible actions.
- Development of disaster risk assessment and development of pro-active disaster prevention and response plans.
- Fast, efficient and equitable emergency response to safeguard life, property, the environment and livelihoods.

To facilitate the development of a healthy and socially inclusive society

- Facilitate the provision of childcare facilities and services to promote holistic childhood development.
- Use of Community Amenities and Facilities to implement programmes that impact on anti-social behaviour (e.g. Drugs and Crime).
- Implementation of programmes to address the plight of Street People
- Provision of effective environmental health services including Air Quality Management and Pollution Control programmes (Including noise pollution).
- Provision of effective primary health care services in close collaboration with Provincial Health Services with a special emphasis on maternal and child health care and HIV/AIDS/STI and TB control.

To ensure enhanced service delivery with efficient institutional arrangements, management of key financial areas such as income control, cash-flow, indigent support, alternative income opportunities, asset management and risk management and to establish effective community engagement channels

- Optimising the development of our Organisation staff structure, strategies, policies and promote skills development.
- Enhance service delivery through exploring alternative service delivery mechanisms.
- Strategically utilise information technology, validated data bases and systems to support the transformation of public services to provide better and more efficient government and reporting structures.
- Improve the service culture and workplace ethics by accomplishing sound financial governance; improved accountability and transparency.
- Management of key financial areas such as income control, cash flow, indigent support, alternative income opportunities, asset management and risk management.
- Improve the regulatory environment *through conducting policy and by-law review* (B*ureaucratic red tape)*.

- Establishment of representative Ward Participatory Mechanisms
- Improvement of community satisfaction.

5.3 Budget Related Policies Overview and Amendments

1. Revenue Framework

Municipalities are required to table a balanced and credible budget and one that is funded according to MFMA Section 18(1).

The MFMA further requires the municipality to adopt and implement a tariff policy. Council has approved policies for main services provided by the municipality which are attached as annexures to this document.

Council is required to adopt budgetary provisions based on realistic anticipated revenue for the budget year from each revenue source as per the requirements of the MFMA (Chapter 4, 17 (1)(a) & (3)(b)).

Accordingly, budget revenue provisions have been determined on an average collection ratio of some 95%, which adequately reflects Council's Income Performance Objectives.

The anticipated Income Performance Objectives are:

Revenue Source	Percentage
Rates	96.9%
Housing Rental	40%
Housing Homeowners	50%
Electricity	98.5%
Refuse	91%
Sewerage	92%
Water	77%

Table 10: Income Performance Indicators

2. State of Revenue and Tariff Setting

2.1 Revenue Strategy

The revenue strategy applied is a function of a number of key aspects:

- real growth in the City Of Cape Town
- achievement of annualised collection rate of 95% for consumer revenue
- achievement of full cost recovery of specific user charges
- shared economic growth

2.2 Tariff-setting:

Tariff setting was performed under the guidance of TARPAC to ensure proper review of primary rates and tariffs as main components of the total municipal account for the consumer. Specific consideration was given to:

- the extent of the impact of the new general valuation of properties;
- the structural amendments to tariffs, resulting from the interrelationship between consumptive tariffs and property value-based tariffs;
- impact of change in VAT Status on revenue;
- assessment of total municipal account based on the tariff modelling;
- capital infrastructure requirements above original parameters;
- Operating budget requirements above original parameters.

The basic principles and guidelines applied were:

- the ability of the consumer to pay for services rendered;
- realistically anticipated revenue from each revenue source;
- impact of inflation and other cost increases;
- aggressive approach to collection of revenue;
- set of collection improvement targets;
- tariff policy requirements;
- IDP requirements.

Tariff increases are unfortunately inevitable and is necessary to ensure that the city can function effectively and efficiently, and to ensure that the residents have the benefit of well maintained services and facilities. Although tariff increases in line with the CPIX is considered to be the benchmark, it is however not adequate to address the budgetary requirements to ensure the achievement of the growing demand on municipal services. The proposed rates and tariff increases strive to an overall effect on the Total Municipal Account (TMA) of not more than 15 % on average. The proposed increases will be applicable as from 1 July 2007.

Revenue estimates for specific rates and user charges are:

REVENUE	Preceding Year 2005/06	Current Year 2006/07	Current Year 2006/07	Medium Term Revenue and Expenditure Framework	Medium Term Revenue and Expenditure Framework	Medium Term Revenue and Expenditure Framework
				Budget Year 2007/08	Budget Year 2008/09	Budget Year 2009/10
	Pre Audited Actual R'000	Approved Budget R'000	Adjusted Budget R'000	Budget R'000	Budget R'000	Budget R'000
Electricity User Charges	(2,657,366)	(2,985,685)	(2,909,685)	(3,141,692)	(3,276,785)	(3,424,240)
Solid Waste User Charges	(463,276)	(496,486)	(517,486)	(460,275)	(480,066)	(501,669)
Water User Charges	(1,082,972)	(998,904)	(998,904)	(1,157,228)	(1,206,989)	(1,261,304)
Sanitation User Charges	(564,183)	(599,249)	(599,249)	(636,613)	(663,988)	(693,867)
Property Rates	(2,262,997)	(2,401,157)	(2,451,157)	(3,086,000)	(3,218,698)	(3,363,539)

Table 11: Revenue Estimates for specific user charges and rates

The affect of the proposed tariff and rate increases on households' TMA are illustrated below:

1. BASE INFORMATION						
	1		2		3	
Land Value (Rand)	38 000	60 000	176 000	494 000	1 100 000	3 784 000
Electricity (kWh)	324		597		1481	
Water (kL)	10		20		45	
Sanitation (kl)	10		20		45	
Waste Services (containers)	240l, once a week		240l, once a week		240l, once a week	
2. AMOUNT PAYABLE						
	1		2		3	
	Current	Proposed	Current	Proposed	Current	Proposed
	30.6.2007	01.7.2007	30.6.2007	01.7.2007	30.6.2007	01.7.2007
	R	R	R	R	R	R
Assessment Rates	0.00	0.00	130.41	155.30	1 086.75	1 413.72
Electricity	111.18	117.41	222.36	234.83	512.23	540.91
Water	10.24	12.19	59.04	70.33	270.54	322.42
Sanitation	4.70	10.58	48.02	60.90	244.42	214.73
Waste Services	0.00	0.00	53.73	54.06	90.61	54.06
VAT	17.66	19.63	53.64	58.81	156.49	158.50
Indigent Grant	-20.00	-30.00	0.00	0.00	0.00	0.00
Total	**123.78**	**139.82**	**567.19**	**634.23**	**2 361.05**	**2 704.34**
Increase/Decrease Rand	**16.04**		**67.04**		**343.29**	
%	**13.0**		**11.8**		**14.5**	
(conventional metering) 6kL "free water" for all, 50kWh "free electricity" for customers using below 450kWh per month and 4.3kL "free sanitation" for all						

Table 12: Affect of proposed tariff and rate increases

3. Revenue related policies

3.1 Tariffs

General Tariff Policy

The Municipal System Act requires Council to adopt a Tariff Policy. The general financial management functions covered in section 62 of the MFMA includes the implementation of a tariff policy. Specific legislation applicable to each service has been taken into consideration when determining this policy. A By-Law has recently been drafted and will follow due process for promulgation.

The draft By-Law and above-mentioned tariff policies are subject to review to confirm compliance with the relevant legislation and to prevent conflict between stipulations of these legislative documents.

The General Tariff Policy and subsequent Water and Sanitation, Electricity and Waste Management Tariff Policies are attached as Annexure 8.

Credit Control and Debt Collection Policy

This Policy has been formulated in terms of section 96 (*b*) and 98 of the Local Government: Municipal Systems Act, 2000 and the Credit Control and Debt Collection By-Law.

The Policy also includes the Indigent Policy as per Chapter 5 of Annexure 9.

4. Investment of funds, reserves, borrowing and cash management

It is the City's policy to maintain a 100% cash backing of the following statutory funds and reserves:

- Capital Replacement Reserve
- Capital Grants and Donations
- Housing Development
- Trust Funds
- General Insurance Fund

The cash backing of funds is managed and invested in accordance with the City's Investment Policy which is aligned with National Treasury's municipal investment regulations dated 1 April 2005. The analysis of cash management is as follows:

Investment Type	30 June 2006 R'000	30 June 2007 R'000	30 June 2008 R'000
Securities: National Govt	20,909	25,909	30,909
Securities: Parastatals	1,474	1,474	0
Deposits: Banks	2,261,991	1,851,672	1,757,234
Total	**2,284,374**	**1,879,055**	**1,788,143**

Table 13: Investment of Funds

5. Budget monitoring

Budgets are monitored in terms of the MFMA and National Treasury guidelines and directives. In particular, MFMA Section 71 and 72 reports are used as in-year control mechanisms to ensure adherence to approved budget provisions' implementation programmes and the taking of remedial action to address material variances.

6. Budget adjustment process

Adjustments Budgets are considered for adoption by Council and in accordance with MFMA stipulations. Primary causes for such budgetary amendments during the course of a financial year include updated business implementation plans, changed funding arrangements, provisions for roll-over requirements from previous financial periods and mayoral approvals in terms of MFMA Section 29.

7. Budget related policies

The following budget related policies have been approved by Council, or have been reviewed / amended and / or are currently being reviewed / amended, in line with National Guidelines and Legislation.

Supply Chain Management Policy

Section 111 of the MFMA requires each Municipality and municipal entity to adopt and implement a supply chain management policy, which gives effect to the requirements of the Act. The Council resolved in October 2005 to adopt the Supply Chain Management Policy.

Mayors Special Fund

The Mayor receives regular requests for grants, donations and financial assistance. Most of these are dealt with through the normal Grants in Aid Policy, but some deserving requests fall outside the ambit of the Policy. A special fund has been created by the City and subject to the guidelines as attached to this report, the Mayor is authorised to decide on the use of the Fund for grants to such exceptional beneficiaries. Annexure 12 refers.

Property Rates Policy and By-Laws

In 2005, the Unicity initiated a process to prepare a General Valuation Roll of all property in terms of the Local Government: Municipal Property Rates Act 6 of 2004 (MPRA) which became operative on 2 July 2005. A Rates Policy in accordance with Section 3 of the MPRA is attached as Annexure 7.

A By-Law has recently been drafted (refer Annexure 7) and will follow due process for promulgation. This draft By-Law is subject to review to confirm compliance with the relevant legislation and to ensure lack of conflict with other By-Laws/Policies.

8. Summary of Capital Budget

The following table indicates the breakdown of the Capital Budget per funding source and directorate:

FUNDING SOURCE	Adjustment Budget 2006/07 R'000	%	Budget 2007/08 R'000	%	Budget 2008/09 R'000	%	Budget 2009/10 R'000	%
Cape Metropolitan Transport Fund	94,918	3.73	385,450	9.46	417,233	11.84	515,917	19.43
MIG	241,848	9.50	319,690	7.85	265,553	7.54	191,400	7.21
Private Sector Funding	62,628	2.46	52,833	1.30	50,300	1.43	50,950	1.92
Government Grants Sport & Recreation	205,080	8.06	781,751	19.19	768,919	21.82	174,250	6.56
Government Grants Other	37,605	1.48	108,147	2.66	40,722	1.16	17,650	0.66
Provincial Grants Other	39,539	1.55	33,290	0.82	213,100	6.05	0	0.00
Provincial Grants Housing	128,643	5.06	226,019	5.55	189,761	5.39	164,957	6.21
Council Funding	1,734,557	68.16	2,165,738	53.17	1,577,620	44.78	1,539,950	58.00
TOTAL CAPITAL FUNDING	**2,544,818**	**100**	**4,072,917**	**100**	**3,523,208**	**100**	**2,655,074**	**100**

ALLOCATION PER VOTE/DIRECTORATE	Adjustment Budget 2006/07 R'000	%	Budget 2007/08 R'000	%	Budget 2008/09 R'000	%	Budget 2009/10 R'000	%
Office of the City Manager	2,845	0.11	35,715	0.88	35,715	1.01	33,600	1.27
Internal Audit	191	0.01	280	0.01	230	0.01	260	0.01
Utility Services	796,657	31.31	1,456,007	35.75	1,173,204	33.30	1,004,712	37.84
Community Development	189,998	7.47	170,792	4.19	102,192	2.90	78,702	2.96
Transport, Roads & Stormwater	514,373	20.21	762,457	18.72	724,230	20.56	763,636	28.76
Finance Services	18,207	0.72	25,067	0.62	9,077	0.26	6,568	0.25
Corporate Services	77,544	3.05	56,733	1.39	27,524	0.78	26,174	0.99
Health	19,717	0.77	27,681	0.68	11,675	0.33	11,184	0.42
Safety & Security	79,628	3.13	32,815	0.81	32,371	0.92	32,968	1.24
Integrated Human Settlement Services	216,493	8.51	298,906	7.34	248,164	7.04	222,922	8.40
Service Delivery Integration	539,995	21.22	1,112,151	27.31	1,074,219	30.49	394,550	14.86
Economic & Social Development	35,835	1.41	41,486	1.02	28,579	0.81	27,743	1.04
Strategy & Planning	53,334	2.10	52,827	1.30	56,027	1.59	52,054	1.96
TOTAL CAPITAL EXPENDITURE	**2,544,818**	**100**	**4,072,917**	**100**	**3,523,208**	**100**	**2,655,074**	**100**

Table 14: Breakdown per funding source and directorate

9. Operating Budget Summary

A three-year Operating Budget has been prepared, including detailed estimates for 2007/2008 and "indicative budgets" for 2008/09 and 2009/10 to ensure the sustainability of strategies and policies incorporated in the IDP. The Operating Budget for 2007/08 reflects all known sources of income at realistic levels of collection and Income Performance targets.

Furthermore, the draft Operating Budget also addresses the following budget realities:

- A contingency amount for Staff Pay Parity: Phase 1, Remuneration Policy: Parity: Phase 2 and the outstanding pay increases for 2006/07 for staff levels 1 to 3.
- World Cup 2010 Staff Structure.

OPERATING EXPENDITURE BY TYPE	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
					Budget Year 2007/08	Budget Year 2008/09	Budget Year 2009/10
	Pre Audited Actual R'000	Approved Budget R'000	Adjusted Budget R'000	Full Year Forecast R'000	Budget R'000	Budget R'000	Budget R'000
Operating Expenditure by Type							
COCT							
Salaries, Wages and Allowance	2,440,645	2,659,430	2,798,071	2,798,071	3,310,681	3,453,040	3,608,427
Employee Related Costs - Social Contribution	524,882	546,165	538,137	538,137	602,950	628,877	657,177
Remuneration of Councillors	51,801	56,167	65,133	65,133	70,648	73,686	77,002
General Expenses	1,621,753	1,673,259	1,566,553	1,566,553	1,745,934	1,821,010	1,902,955
Impairment of Assets	246,402	2,500	8,000	8,000	8,000	8,344	8,719
Loss on Sale of Assets	3,321	0	49	49	0	0	0
Income Forgone - Rates: Subsidies and Rebates	0	0	0	0	360,600	376,106	393,031
Income Forgone - Housing: Subsidies and Rebates	0	0	0	0	34,320	35,796	37,407
Contracted Services	534,657	512,027	502,445	502,445	503,290	524,932	548,554
Repairs and Maintenance (Primary)	564,745	551,665	564,687	564,687	743,172	775,129	810,010
Self Insurance - COIDA Claims	8,930	14,928	14,928	14,928	15,654	16,327	17,061
Self Insurance - General Claims	16,418	23,340	23,340	23,340	24,445	25,496	26,644
Self Insurance - Underwriters	25,161	38,982	39,102	39,102	40,914	42,673	44,593
Bad Debts Provision / Working Capital Reserve	953,745	723,844	729,412	729,412	693,972	723,813	756,384
Collection Costs	59,140	70,414	147,641	147,641	147,673	154,023	160,954
Bulk Purchases - Electricity	1,609,564	1,797,900	1,751,360	1,751,360	1,900,000	1,981,700	2,070,877
Bulk Purchases - Water	162,860	254,500	227,783	227,783	259,073	270,213	282,373
Bulk Purchases - Water Research Levy	8,331	10,934	9,934	9,934	11,831	12,339	12,895
Indigent Relief	186,032	222,788	222,678	222,678	263,500	274,831	287,198
Grants & Subsidies Paid	75,820	81,084	83,387	83,387	87,282	91,035	95,131
Interest on External Loans	349,325	365,440	293,295	293,295	309,898	323,223	337,768
Depreciation	675,360	742,287	772,248	772,248	870,807	908,251	949,123
Loss on Valuation of Derivatives	16,972	0	0	0	0	0	0
Transfer of Interest	32,012	40,686	40,686	40,686	62,292	64,971	67,895
Transfer to / from Future Depreciation Fund	-353,592	-354,337	-354,337	-354,337	-324,537	-338,493	-353,725
Transfer to / from CRR	366,982	211,992	313,392	313,392	206,137	215,000	224,675
Housing Funds	-41,868	-22,821	-18,825	-18,825	-18,247	-19,031	-19,888
Appropriation of Insurance	18,921	14,498	14,498	14,498	18,708	19,512	20,390
FDR :Transfer Capital Receipts	502,119	1,191,039	823,808	823,808	1,937,185	1,976,884	1,147,828
Operating G & D - Projects	185,508	344,154	374,420	374,420	254,729	265,683	277,638
MIDS / CIDS	43,414	48,096	49,752	49,752	50,673	52,852	55,231
Internal Utilities Expenditure	241,185	237,543	313,543	313,543	359,000	374,437	391,287
Bulk Charges	848,617	802,365	802,365	802,365	940,138	980,564	1,024,690
Insurance Departmental Premiums: Assets Based	75,252	80,523	80,523	80,523	67,500	70,402	73,570
Insurance Departmental Premiums: Remuneration Based	17,351	16,300	16,300	16,300	39,590	41,292	43,151
Interest Paid Internal loans	303,920	342,268	342,268	342,268	425,852	444,164	464,151
Trading Contribution to Rates	417,314	392,537	425,620	425,620	327,139	341,206	356,560
Rates Contribution to Trading	119,096	35,952	35,952	35,952	37,786	39,410	41,184
Rates Contribution to Indigent	110,881	89,460	98,799	98,799	138,610	144,571	151,076
Rates Contribution to Other	281,950	307,807	314,165	314,165	525,882	548,495	573,178
Activity Based Costing - Operating Account	-240,633	-423,490	-340,923	-340,923	-422,678	-440,853	-460,692
Activity Based Costing - Recharges	-48	-27	-27	-27	0	0	0
Repairs & Maintenance (Sec)	239,227	421,392	338,518	338,518	404,477	421,870	440,854
Operating Grants and Donations - Projects (Sec)	2,656	2,124	2,431	2,431	18,201	18,983	19,838
Insurance Claims (Sec)	107	0	0	0	0	0	0
Activity Based Costing - Capital Account	-21,035	-23,069	-23,069	-23,069	-32,616	-34,018	-35,549
	13,285,199	**14,102,648**	**14,008,040**	**14,008,040**	**17,020,466**	**17,708,747**	**17,587,625**
RED1							
Salaries, Wages and Allowance	3,202	6,655	2,317	2,317	0	0	0
Employee Related Costs - Social Contribution	32	33	25	25	0	0	0
General Expenses	3,970	11,323	3,428	3,428	0	0	0
Contracted Services	2	2,835	2,797	2,797	0	0	0
Repairs and Maintenance (Primary)	7	0	0	0	0	0	0
Depreciation	1	0	16	16	0	0	0
Insurance Departmental Premiums: Assets Based	16	0	0	0	0	0	0
Insurance Departmental Premiums: Remuneration Based	17	0	0	0	0	0	0
	7,246	**20,845**	**8,582**	**8,582**	**0**	**0**	**0**
Total Operating Expenditure By Type	**13,292,445**	**14,123,493**	**14,016,622**	**14,016,622**	**17,020,466**	**17,708,747**	**17,587,625**

Table 15: Operating Expenditure by Category

10. Municipal Infrastructure Grant (MIG)

The process of merging the seven previous municipal infrastructure grants (CMIP, Water Capital Grant, Community-Based Public Works, Local Economic Development and other smaller grants) into one Municipal Infrastructure Grant (MIG) was introduced in 2004/05.

The municipal infrastructure grant programme is aimed at a basic level of service for all residence by the year 2013 through the provision of grant finance aimed at covering the capital cost of basic infrastructure for the poor. The MIG programme is a key part of government's overall drive to alleviate poverty in the country and, therefore, infrastructure is to be provided in such a way that employment is maximised and opportunities are created for enterprises to flourish.

In fulfilment of this vision, national government is committed to allocating sufficient funds from the national fiscus to ensure that basic services are provided to all by 2013.

The MIG programme moves away from approving specific projects, to a more forward-looking system that supports the plans for the entire capital budget of the municipality, with specific sector outputs to be achieved for water, sanitation, roads, public facilities, electricity, etc. The grant provides supplementary funding for the City Of Cape Town's three-year capital budget in order to assist the city with addressing the infrastructure backlogs for the delivery of essential services to poor households.

It should also contribute towards job creation by using labour-based methods of construction to build certain types of infrastructure, as part of the Expanded Public Works Programme (EPWP).

The table below provides a breakdown of the MIG allocation to the City Of Cape Town and the distribution thereof as allocated in the 2007 DoRA:

Strategic Unit	Budget 2007/08 R'000	%	Budget 2008/09 R'000	%	Budget 2009/10 R'000	%
Electricity	4,400	1.5	6,500	2.3	7,500	3.2
Transport Roads & Stormwater	71,000	24.6	86,300	30.8	55,000	23.8
Water & Sanitation	136,000	47.2	132,975	47.4	123,000	53.3
Social Development	300	0.1	300	0.1	300	0.1
Health	1,000	0.3	0	0.0	0	0.0
Economic Development	500	0.2	1,000	0.4	0	0.0
Solid Waste	25,000	8.7	25,000	8.9	25,000	10.8
Community Development	50,000	17.3	28,500	10.2	20,000	8.7
TOTAL	**288,200**	**100**	**280,575**	**100.0**	**230,800**	**100**

Table16: MIG Allocations

Although the funding allocations have been aligned to the appropriations as contained in the 2007 DoRA, the MIG Project Management Unit will consult with the relevant Provincial Department in an attempt to increase funding allocations in future years. The City has initiated a Metro Focus Group to deal with MIG at a Metro Level and to facilitate discussion with National Treasury.

1. External Factors

The Cape Town Economy

The City of Cape Town undertook an economic growth scenarios study in 2006 in which future growth, skills constraints and unemployment were the key variables. Three scenarios were explored during the study. For the purposes of this input, the most probable scenario is outlined – in which some of the current constraints were removed and the population forecast remained stable (medium population growth scenario).

Economic Growth Scenarios

1.1. Growth per Standard Industrial Classification (SIC) Sector

The table below indicates expected output changes in the national SIC Sectors for Cape Town.

GVA (2000 prices)	2005	2010	2015	2030	Percentage changes		
SIC Sectors	Output (R'm)	Output (R'm)	Output (R'm)	Output (R'000)	2005 - 2010	2010-2015	2015-2030
Agriculture, Forestry & Fishing	1,372	1,650	1,768	2,134	20.26	7.15	20.70
Mining & Quarrying	168	193	212	276	14.88	9.84	30.19
Manufacturing	19,986	24,093	27,917	42,026	20.55	15.87	50.54
Electricity & Water	2,124	2,616	3,203	5,629	23.16	22.44	75.74
Construction	3,833	5,038	5,460	5,696	31.44	8.38	4.32
Trade & Catering	19,931	24,785	30,382	52,766	24.35	22.58	73.68
Transport, Commun	14,041	18,028	22,564	39,186	28.40	25.16	73.67
Finance, Real Estate	35,404	45,756	57,962	109,566	29.24	26.68	89.03
Services	15,608	17,555	19,586	26,751	12.47	11.57	36.58
TOTAL	**112,468**	**139,713**	**169,056**	**284,031**	24.22	21.00	68.01
Percentage (Average per annum)					4.84	4.20	4.25

Table 17: SIC Sectors Cape Town 2005 –2030 Source: Futurelead (2006), based on Quantec Data

In congruence with global trends, the highest projected growth is expected to occur in the 'Finance and Real Estate' sector, followed by 'Electricity and Water'. 'Trade and Catering' and 'Transport and Communication' follow in third place. It is expected that the construction industry will slow down rapidly following the pre-2010 boom. Also of concern for Cape Town is the trend that growth in every sector is expected to slow down between 2010 and 2015. The speculative explanatory factors for this slowdown are twofold. The first is that the national economy expects robust growth in preparation of the 2010 World Cup – thereafter, growth is likely to slow in line with reduced demand, particularly in the construction and tourism sectors. The second explanatory factor is an expected global recession. The Chinese economy is expected to slow down on the back of reduced United States consumption expenditure, which will in turn affect demand patterns across the globe.

This is not to say that there will not be growth, it is simply saying that the growth is expected to occur at a decreased rate.

The following graph illustrates the growth trends indicated in the above table, highlighting the expected growth sectors.

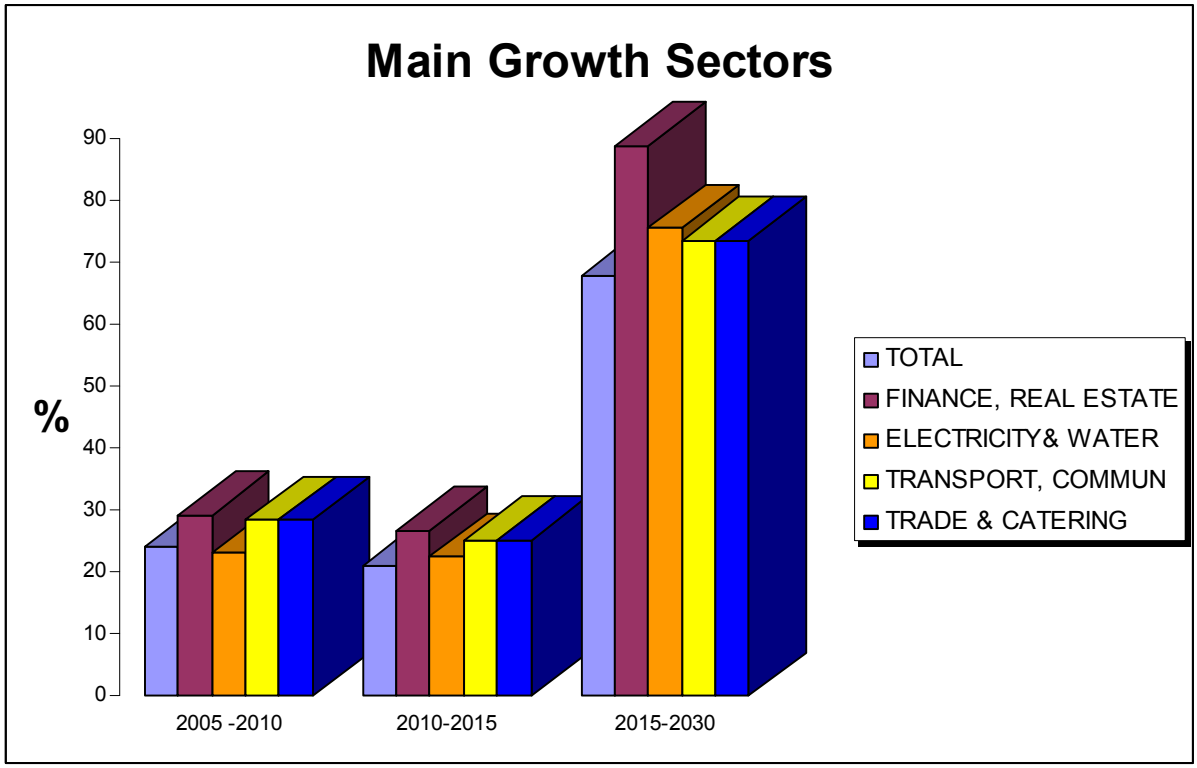


Fig 10: Growth trends in SIC Sector Source: Futurelead, based on Quantec data (2006)

The percentages on the vertical axis (above) are a composite of growth over the time periods indicated.

1.2 Skills Trends

From the table below, in the most probably scenario, serious skills constraints will continue to negatively impact the Cape Town economy after 2005. It is estimated that about 26% of highly skilled jobs were occupied by people living outside of Cape Town in 2005 (compatible with about 9% – 12% of total employment provided to people outside Cape Town in 2010. The percentage of highly skilled jobs that need to be provided by people from outside Cape Town could be expected to increase to 42 in 2010 and 57% in 2030.

Regarding the demand for labour, it varies greatly from the supply of labour. In 2010 the economy will only demand 221,670 unskilled labourers whereas there will be 758,479 unskilled workers available; this means that the economy will be enable to sustain jobs for unskilled workers and the result will be unemployment. However in 2010, the economy is projected to demand 319,699 skilled labourers whereas there

will only be 185,750 skilled workers available. There will be a large oversupply of unskilled workers and a severe shortage of skilled workers.

The policy implications are that medium and high skills development should be a high priority for the City of Cape Town.

Year	Total population (mid)	Pop 15-64	LF participation rates[1]*	**Total labour force**	**TOTAL SUPPLY OF LABOUR**		
					low skill	skilled	high skilled
2005	3,139,455	2,157,521	0.67	1,445,539	766,136	491,483	187,920
2010	3,361,798	2,310,322	0.67	1,547,916	**758,479**	**603,687**	**185,750**
2015	3,457,670	2,376,208	0.67	1,592,059	668,665	748,268	175,127
2030	3,572,939	2,455,424	0.67	1,645,134	690,956	773,213	180,965

Year	Formal employment	**TOTAL DEMAND FOR LABOUR**			Informal employment	Total employment	Unemploy-ment	**Unemployment (% of labour force)**
		low skill	skilled	high skilled				
2005	948,960	259,954	435,317	253,689	197,353	1,146,313	299,227	**20.7%**
2010	1,016,260	221,670	474,892	**319,699**	206,121	1,222,382	325,534	**21.0%**
2015	1,075,173	250,960	468,047	356,166	213,403	1,288,577	303,482	**19.1%**
2030	1,232,609	285,716	526,683	420,209	219,949	1,452,557	192,577	**11.7%**

Table 18: Population Labour Force and Supply and Demand for Labour, Cape Town 2005-2030
Source: (Futurelead, 2006)

1.3 Unemployment

While unemployment is expected to increase slightly in the first period from 2005 to 2010, it is forecasted to decline to as low as 12% in 2030 mainly due to a decrease in population growth coupled with higher economic growth rates than what could have been expected if the constraints to growth in scenario 2 had not been relaxed.

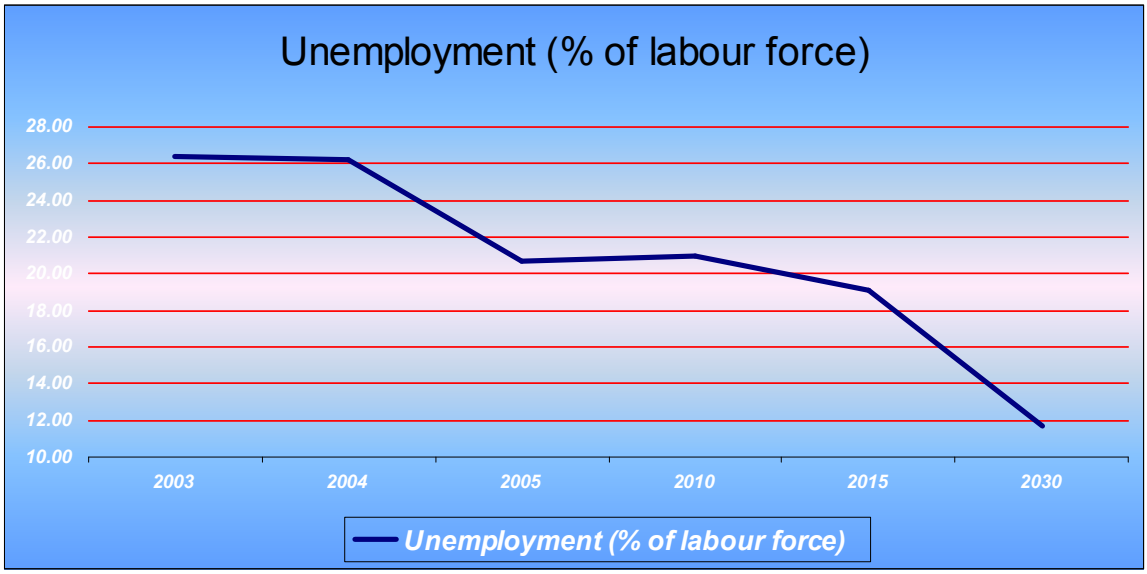


Fig 11: Rate of unemployment decline Source: (Futurelead, 2006)

This is an apparently positive trend, but it should be seen in the context of the serious skills shortage expected as per above.

2. Increase in cost of remuneration

Allowance for a Cost of Living Increase of 6.45% has been made to Salaries Wages & Allowances in accordance with the South African Local Government Association proposal.

3. Credit Rating Outlook

CA-Ratings completed the third credit rating of the City. Components of the most recent credit rating awarded to the City of Cape Town are as follows:

Security Class	Currency	Rating	Date	Previous Rating
Long Term	Rand	zaAA-	Dec 2006	zaA+
Short Term	Rand	zaA1+	Dec 2006	zaA1
Outlook	Rand	Stable	Dec 2006	Positive

Table 19: CA-Ratings

The rating definitions are:

- Long Term : zaAA-
  Indicates a very strong capacity to repay long-term liabilities.
- Short Term : zaA1+
  Indicates an extremely strong capacity to repay short-term liabilities.

Excerpt from CA-Ratings report:

"CA-Ratings has raised the ratings of the City Of Cape Town based on the low debt burden that is expected to remain modest over the medium term, recently improving collection rate and sound liquidity, as well as experienced hands-on management at the top level."

4. Interest Rates for borrowing and investment of funds

It is assumed that new long term borrowings in 2007/08 will be at a fixed interest rate of 9.50% per annum.

Cash investments are assumed to earn interest at 8.50% per annum.

5. Trends in population and households

Population
Between 1996 and 2006 Cape Town's population has grown fairly rapidly with an increase in population of 700 000 people, with an annual average growth rate of 3% in 1996. By **2006**, this had decreased to **1.61%** per annum, with a natural increase rate (excess of births over death) of 0.86% pa and a migration rate of 0.75% pa. At the end of the projection period (**2021**) the population growth rate is projected to fall to **0.62%** per annum as determined by a natural increase rate of 0.09% pa and a migration rate of 0.53% pa. The figure below shows the population growth rate for Cape Town.

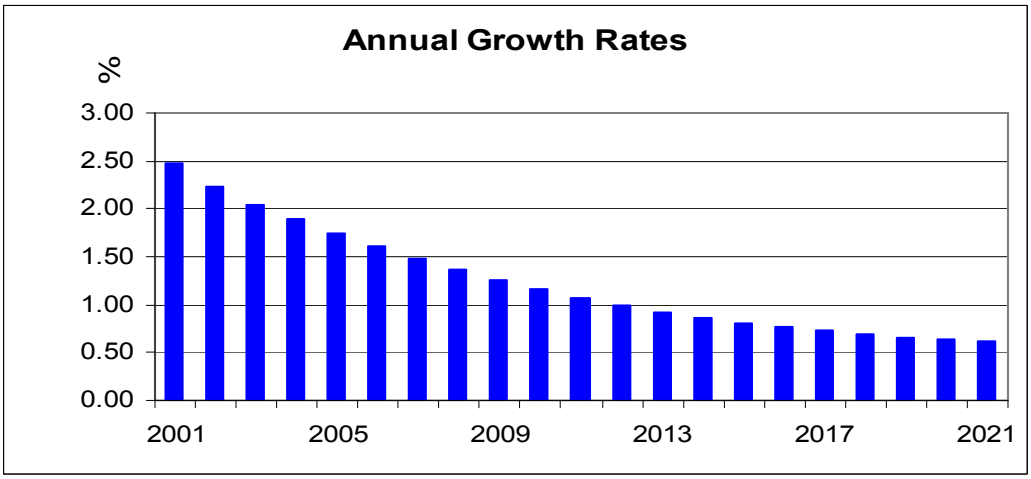


Fig 12: Population growth rate

With reducing growth rate the city's population growth is expected to slow dramatically over the next 15 years (see figure 2), with an approximately 300 000 additional people between 2006 and 2021. This is mainly due to reduced fertility, the impact of HIV/AIDS and reduced migration to the city. Migration is, however, the most difficult component of city growth to predict and hence it was decided to base the projection on three migration scenarios.

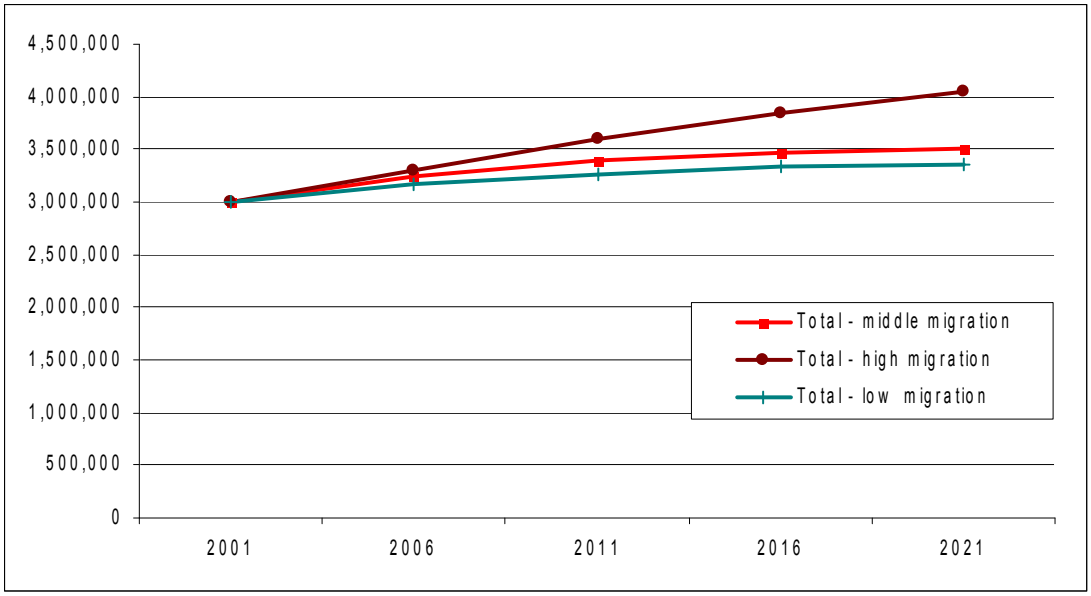


Fig 13: Population projection for Cape Town

Population projection, based on middle migration scenario (**2006**): **3,239,768**
Growth rate (2006): **1.61%.**
Population projection, based on middle migration scenario (**2011**): **3,393,017**
Growth rate (2011): **1.10%.**
Population growth: approximately **30 500 individuals** (but reducing annually).

A general lower population growth will impact on the amount and type of infrastructure and services which will have to be provided in the city. An increasingly ageing population will need appropriate social and healthcare facilities, while mechanisms will also have to be found to effectively engage the large proportion of youth through sport, recreation and employment.

Households

As of **mid-2005** the projected number of households was **845 000** - 730 000 formal households (projected) and 115 000 informal households (projected). Annual projections for households were based on 3% for formal households and 1% for informal households, using actual counts for informal households and Census data for formal. Household size is thought to be reducing, in line with reducing population growth rate, (thus increasing household formation rate) as a result of increasing divorce rate and single headed households, more young single people buying property, people claiming child support grants as each regard themselves as full families, etc.

Projections of households are dependent on one of two assumptions:

(a) Assuming that the **proportion of the population** by age and sex who are heads of households remains the same over the years, and
(b) Assuming that the **average household size per head of household** by age and sex remains the same over the years.

Under the scenario (a) the number of households would increase significantly while the average household size would fall. Under scenario (b) the average household size remains largely unchanged but the number of households increases significantly.

Household growth: **7 600 households** (but reducing annually)

Socio-economic conditions, housing and health

Approximately 30% of households (almost 1 million people) in Cape Town live in inadequate housing and depressed physical environments. These areas are characterised by severe social and economic conditions, which manifest in high levels of poverty, unemployment, illiteracy, alcoholism, low health status and other deviant behaviour such as crime and delinquency. The low health status of residents of informal settlements, highlights the fact that this is the result of poor living conditions rather than the lack of health facilities.

Although economic growth rates have been increasing, which could have a more beneficial impact on employment levels, key indicators shows that fundamental changes to the development path of the city are being constrained by a number of trends which are reinforcing social and spatial segregation and inequalities in the city. This pattern has persisted for the past decade or more:

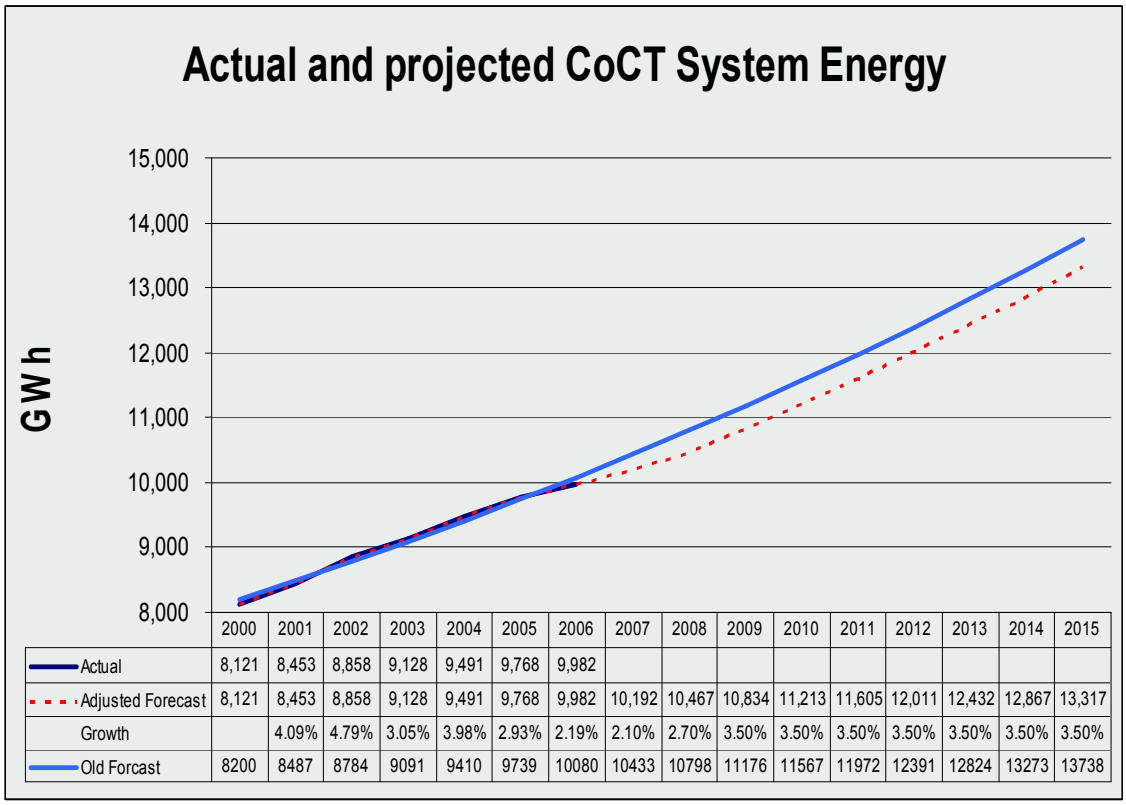
- Growth in the number of people living in informal settlements (23 000 families in 1993 to approximately 115 000 families in 2006)
- Increasing housing backlog (150 000 in 1998 to 265 000 in 2005). Some recent estimates, using alternative methodology/definitions than before, put the current backlog at 400 000
- Rising unemployment (13% in 1997 to 21% of the labour force by 2005)

- Rising poverty (from 25% in 1996 to 38% of households living below or marginally above the household poverty line in 2005)
- Increasing HIV prevalence among women visiting public health clinics (from 1.2% in 1994 to 15.7% in 2005, based on Provincial antenatal statistics and following the same trajectory as the National trend)
- Increasing tuberculosis cases (from 13 870 in 1997 to 26 754 in 2005).

6. Changing demand characteristics

Electricity consumption growth in the City of Cape Town

The Graph below indicates the possible effects of the energy efficiency programmes in the CoCT area of supply. The old forecast on this graph indicates the energy consumption that the CoCT should be experiencing at a constant growth of 3.5%, but a lower forecast was finally used for the budget as there was a clear indication of reduced energy consumption for the early part of the 06/07 financial year. The average energy growth experienced in the City of Cape Town for the 6 years July 2000 to June 2006 is 3.5 p.a. and growth in CoCT will probably continue to fluctuate around this level from 2008/9 onwards. Actual growth for 2005/6 was 2.1% and the budget was based on a growth of 2.1 for 2006/7 and a growth of 2.7 for 2007/8.



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Actual	8,121	8,453	8,858	9,128	9,491	9,768	9,982									
Adjusted Forecast	8,121	8,453	8,858	9,128	9,491	9,768	9,982	10,192	10,467	10,834	11,213	11,605	12,011	12,432	12,867	13,317
Growth		4.09%	4.79%	3.05%	3.98%	2.93%	2.19%	2.10%	2.70%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Old Forcast	8200	8487	8784	9091	9410	9739	10080	10433	10798	11176	11567	11972	12391	12824	13273	13738

Fig 14: Actual and projected CoCT System Energy

7. Trends in demand for free or subsidised basic services

7.1 Water

The demand is primarily to eliminate the backlog in the informal settlements, of around 30 000 households for sanitation and 0 for water. We have been successful since 2005/06 in reducing the backlog to 3% of all households for sanitation and 0% for water. The proposal is to firstly provide emergency services to all settlements, while eliminating the backlog in sanitation over the five years to 2011/12 including the replacement of black buckets with better technologies and thereafter to maintain a 100% service level by also serving the expected influx of around 8 000 households per annum. The cost estimate for this is R30,9M/a for the first 5 years and R10,1M/a thereafter.

The demand in the 0-6kl free water and 0-4,2kl/month to all formal households is expected to grow by 1,5-2% per annum from the current estimate of 732 000 households.

7.2 Electricity

The trends in demand for free or subsidised basic electricity services are expected to keep pace with the electrification programme progress coupled to the developments on the housing programme.

1. Fiscal overview

In terms of the City's financial plan and statutory requirements the Medium Term Revenue and Expenditure Framework (MTREF) need to be reviewed annually to ascertain the affordability level at which a municipality can operate. Based on the economic, financial and technical data obtained at the time of modelling, the outcome was approved by the Mayoral Committee in December 2006. The projections were based on:

- Anticipated CPIX of 5.1% for outer years;
- Expected growth in the City's economic and revenue base, generally in the range of 2% - 4%;
- Projected staff costs;
- Realistic target revenue collection rates for municipal services;
- Growth in repairs and maintenance expenditure above CPIX;
- Affordable and sustainable rates and tariffs; and
- Capital expenditure programmes and their impact on revenue.

The first draft of the operating and capital budget were based on the outcome and affordability levels as depicted in this model but since then, further evaluation of specific strategic requirements and the updated financial indicators and ratios has resulted in further amendments to the model. Strategic requirements included 2010 World Cup capital and operating requirements; provision of pay parity (phase 2); implementation of the new remuneration policy and the impact of the tariff and charges modelling undertaken by the Tariff & Rating Political Advisory Committee (TARPAC) in determining the TMA (total municipal account). Updated financial data included improved collection ratios based on latest indicators and updated National Treasury indicators. These changes impacted favourably on the model which resulted in the additional requirements being affordable.

2. Financial Overview 2001 to 2005

The implementation of the MFMA required a reform in financial planning within municipalities. Financial performance indicators therefore have to be evaluated to ensure the City achieve long-term financial viability and sustainability.

2.1 Budget information

The graph below indicates the comparison between budgeted and actual operating expenditure over a five year period:

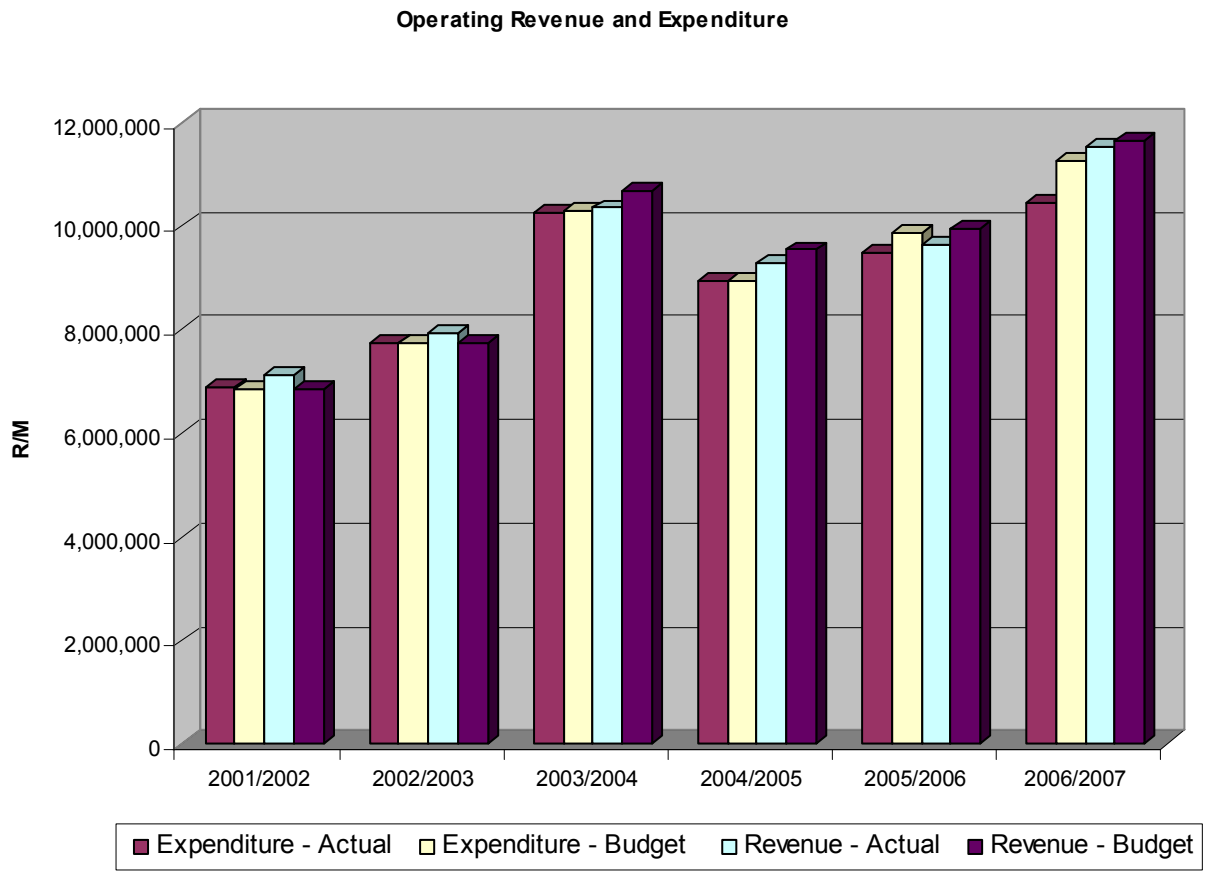


Fig 15: Budgeted and actual operating revenue and expenditure

The growth in the capital programme is indicated graphically below:

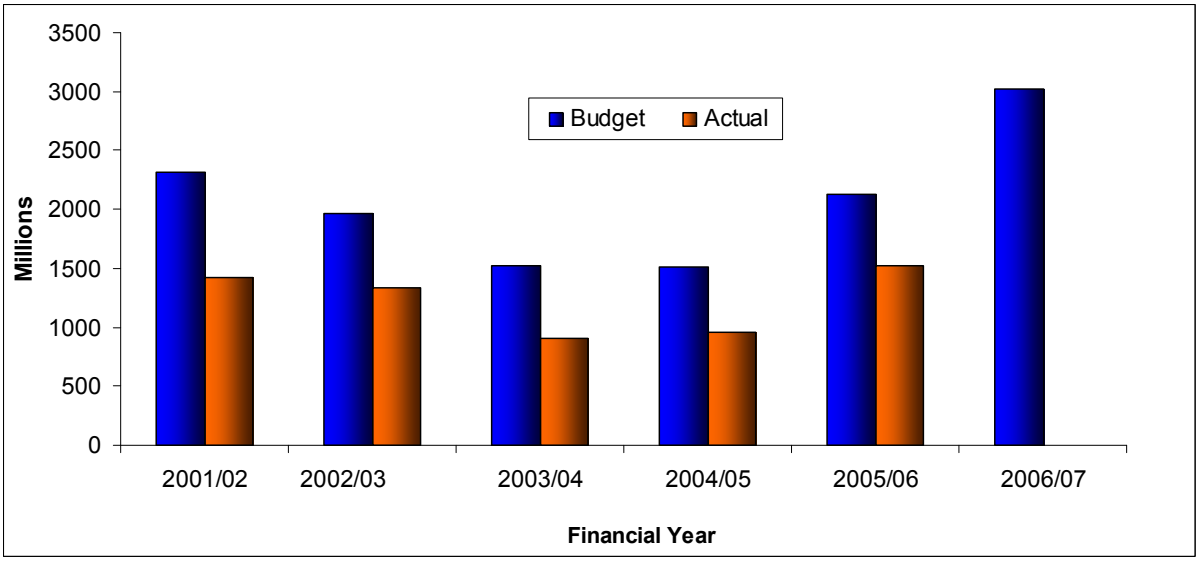


Fig 16: Growth in capital programme

2.2 OPERATING REVENUE

The revenue for the City Of Cape Town is predominantly raised through rates and tariffs. Grants and subsidies from National and Provincial government constitutes a relative small portion of the total revenue and thus the budget is based on a strong base of own sources.

Trading services such as Water and Electricity compromise on average 21% and 25% of the total revenue respectively.

Property rates for 2006/2007 are based on the value of land and improvements. For 2007/2008 the fair market value of a property will be applied in terms of the Property Rates Act. This source of revenue is a relative stable source as it is not based on consumption and is not substantially affected by economic cycles as is the case with other tariffs.

The table below illustrates the debtor revenue for the respective periods: (main services and property rates)

Debtor Revenue

Debtor Revenue	2003/2004 R'm	2004/2005 R'm	2005/2006 R'm
Revenue Billed		8,289	9,296
Revenue Collected		7,819	8,785
% Revenue Collected	92.00%	94.33%	94.50%

Table 20: Debtor Revenue for 2003/2004 to 2005/2006

The statutory requirement per the MFMA is that the budget be based on realistic forecasts for revenue recovery and over the said periods the collection of arrears as well as current account revenue averages 94 %.

The table below illustrates the outstanding consumer debtors per category at the end of each of the financial years as indicated:

Outstanding Consumer Debtors

Outstanding Debtors	2003/2004 R'm	2004/2005 R'm	2005/2006 R'm
Government	219	245	278
Business	961	668	751
Households	3,423	2,856	3,232
Other	573	525	572
Total	5,176	4,294	4,833

Table 21: Outstanding Consumer Debtors for 2003/2004 to 2005/2006

The table below illustrates the outstanding consumer debtors older than 90 days per category at the end of each of the financial years as indicated:

Consumer Debtors : Older than 90 days

Outstanding Debtors	2003/2004 R'm	2004/2005 R'm	2005/2006 R'm
Government	85	100	99
Business	281	332	330
Households	2,128	2,511	2,484
Other	426	502	496
Total	2,920	3,445	3,409

Table 22: Consumers older than 90 days at end of 2003/04 to 2005/06

2.3 OPERATING EXPENDITURE

The actual operating expenditure per expenditure category remains within the allocated budget amount for the periods reflected in the graph below.

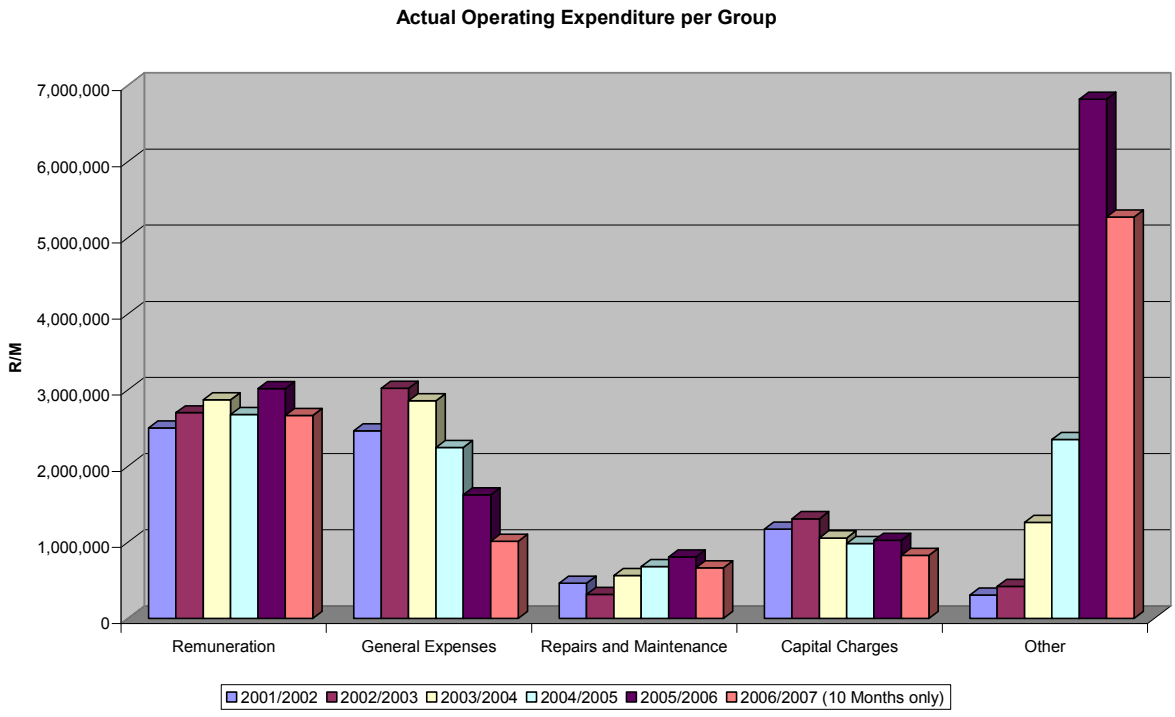


Fig 17: Actual Operating Expenditure per Group

2.3.1 Employee costs

The table below reflects actual staff costs incurred against planned budget over the past 5 financial periods:

Description	2001/02 R'm	2002/03 R'm	2003/04 R'm	2004/05 R'm	2005/06 R'm	2006/07 R'm
Budget	2,615	2,698	2,704	2,651	2,759	3,344
Actual	2,499	2,699	2,869	2,674	2,740	
Actual as % of Total Expenditure	**95.56%**	**100.04%**	**106.10%**	**100.87%**	**99.31%**	

Table 23: Employee Costs

2.4 CAPITAL PROGRAMME

The Unicity established in December 2000 amalgamated seven administrations and started with a combined capital programme in 2001/02 of R2 230 million. Actual performance in terms of the capital programme was as follows:

Description	2001/02 R'm	2002/03 R'm	2003/04 R'm	2004/05 R'm	2005/06 R'm	2006/07 R'm
Budget	2,230	1,969	1,523	1,505	2,129	3,023
Actual	1,417	1,333	910	951	1,520	
% Performance	**61.1%**	**67.7%**	**59.7%**	**63.1%**	**71.4%**	

Table 24: Capital programme actual performance

3. Long – Term investments and loans

The Budget assumes the following long term borrowings:

June 2007	R250 million
July 2007	R150 million
August 2007	R300 million
June 2008	R600 million

No new long term investments have been assumed.

4. Inventory Management

The municipality stock holding and -movement is presented in the graph below. Stock value at 30 April 2007 totaled R134.0 million and the Stock Turn 2.31.

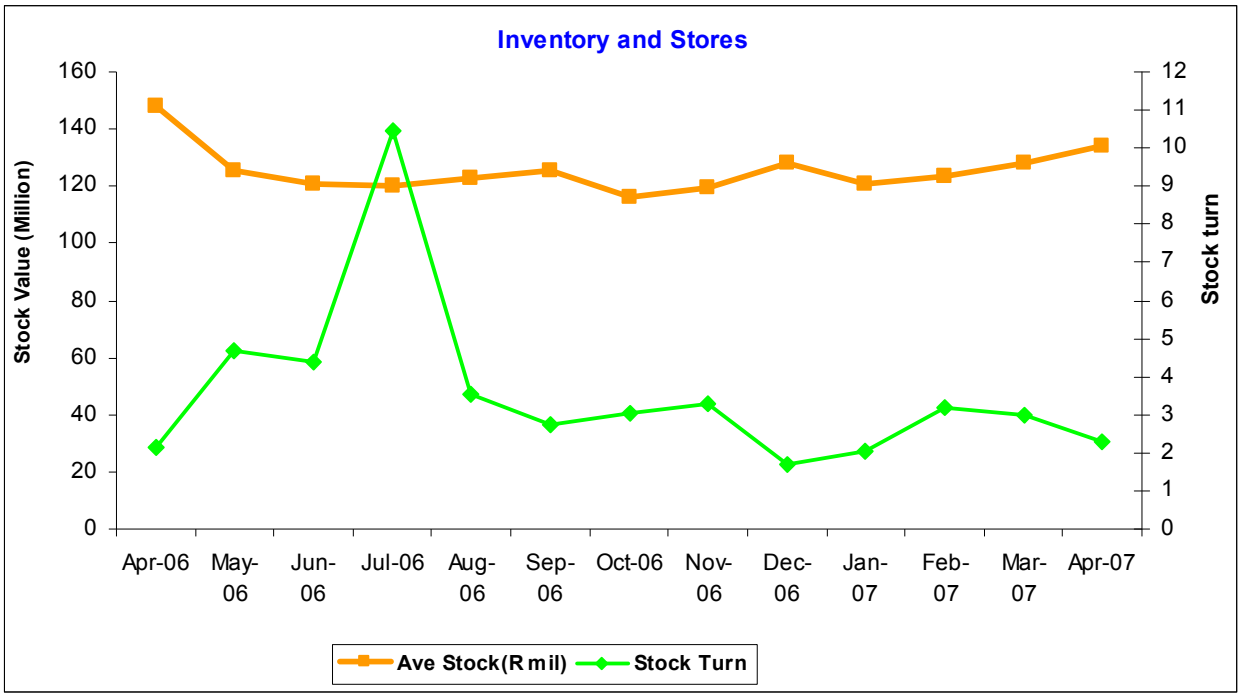


Fig 18: Stock holding and movement

5. Finance Management Reforms

The CoCT is one of the 'pilot' municipalities for the National Treasury's finance management reform initiative, first implemented in 2000.

The cornerstone of the reform initiative has been implemented through the Municipal Finance Management Act No. 56 of 2003 (MFMA), which became effective in July 2004 and is supported by the annual Division of Revenue Act. These pieces of legislation have been aligned with other local government legislation, such as the Structures Act, Systems Act, Property Rates Act and their regulations, to form a coherent package.

This management reform initiative includes the provision of a Finance Management Reform Grant.

6. Sources of Funding

6.1 Rates, tariffs and other charges

6.1.1 Assessment Rates

The proposed property rates are consistent with National Policies. Property Rates are to be levied in accordance with existing Council policies unless otherwise indicated and in terms of the Local Government Municipal Property Rates Act 2004 and the Local Government Municipal Finance Management Act 2003.

The report attached as Annexure 3 proposes rates to be levied for the financial year 2007 / 2008. It recommends revised rebates of rates for Senior Citizens and Disabled Persons and confirms existing rebates of rates to other categories of property owner or property use. The provisions of the Local Government Municipal Property Rates Act 2004, as applicable, have been incorporated into these determinations. The total Rates requirement increases by 28.52% which includes natural growth.

6.1.2 Water and Sanitation

The tariffs and rates for services provided by Water and Sanitation to external customers were last adjusted in the 2006/2007 financial year. It is now proposed that the tariffs and rates be adjusted with effect from 1 July 2007 to make allowance for the increased costs of Water and Sanitation. These increases are required as a result of the projected increase in operating costs which includes additional staff required by Water and Sanitation and the increased provision for bad debt. Increases are also required to address backlogs in infrastructure provision and maintenance resulting from severe financial constraints of the past years.

The MFMA does not allow for tariff changes to be made during the financial year. Three sets of volumetric based tariffs are therefore proposed for the 2007/2008 financial year to make allowance for various levels of restrictions that may be imposed on the City of Cape Town by the Department of Water Affairs and Forestry, as well as uncertainties in the demand for water. From the three sets of tariffs of 2006/07: 10% reduction in water demand, 20% restriction and 30% restriction, the 10% reduction option will apply as that level of water reduction has been set as the norm in the new Water and Sanitation By-law.

The Fixed Sanitation Tariff linked to property value is proposed to be dropped and replaced in total by a higher volumetric based tariff.

The Presidential State of the Nation Address 2006 requirement that all black bucket toilets in established (formal) areas should be replaced before the end of 2007 will be met as only a handful remain. Eradication of the 2 857 black buckets still in service in the informal settlements is a target for 2011/2012, along with the provision of basic sanitation to all residents of informal settlements, provided the accelerated 7-year programme is carried through.

The Miscellaneous Tariffs are charges for miscellaneous services provided by Water and Sanitation. These tariffs aim to cover the cost of the provision of these services. For historical reasons, the Miscellaneous Tariffs no longer correspond

to the actual cost of providing these services. An initiative was put in place this year to begin aligning the tariffs to the actual cost of service provision. Changes have therefore been made to the Miscellaneous Tariff structure and it is proposed that certain tariffs increase significantly to allow recovery of actual costs.
The tariff details are reflected in Annexure 5.

6.1.3 Electricity

The tariffs for electricity provided by Electricity Services to external customers were last adjusted on 1 July 2006. It is now proposed to adjust the tariffs with effect from 1 July 2007 to cater for the increased costs of energy purchased from Eskom and increases in the cost of materials, labour and transport. The changes are necessary to ensure that Council's costs are recovered in an equitable manner.

It is proposed to increase the consumption based tariffs by an average of 5.6% and the sundry and street lighting tariffs by an average of 5.1%.

Where the electricity purchased does not exceed 400 kWh per month, domestic consumers will continue to receive the nationally approved free basic supply of 50 kWh per month, bringing the total electricity provided to a maximum of 450 kWh per month. Should the electricity purchased exceed 400 kWh per month, then the free electricity portion will no longer be made available to the household.

Note: The electricity purchased of 400 kWh per month is an average measured over the twelve months up to June of the completed financial year.

The tariff details are reflected in Annexure 5.

6.1.4 Solid Waste

The rates and tariffs for services provided by Solid Waste Management Services to internal and external customers were last adjusted on 1 July 2006. Following a decision to discontinue the Solid Waste Rate in a bid to keep the number of Rates to a minimum, it is proposed that Disposal be converted to a Rates funded service and that the Solid Waste Rate be absorbed into the Corporate Rate.

It is proposed that the Consumptive as well as the Sundry Tariffs be adjusted with effect from 1 July 2007 to cater for cost increases. The changes are necessary to ensure that Council's costs are recovered in an equitable manner.

It is proposed that the Collections Consumptive and Sundry Tariffs be increased by 11% each and the Disposal Sundry Tariffs be increased by an average of 6%.

The revised tariffs will be published for comment by the public prior to being implemented.
The tariff details are reflected in Annexure 5.

6.1.5 Tariffs and Charges Book

Council is permitted to levy rates, tariffs, fees and charges in accordance with the Local Government Municipal Property Rates Act, the Local Government: Municipal Systems Act, Act 32 of 2000, Section 75A and the Municipal Finance Management Act, No. 56 of 2003, 17 (a)(ii).

The Tariffs and Charges Book is attached as Annexure 6 and contains all levies, rates and service charges determined for all functions or services performed by the municipality for which a charge is made.

All Levies, Rates and Service Charges are determined in compliance with:

Local Government Municipal Property Rates Act 2004

Municipal Finance Management Act 56 of 2003

Local Government Municipal Systems Act 32 of 2000

7. Savings and efficiencies

Ensuring enhanced service delivery with efficient institutional arrangements						
Core Objectives	Base Line 30.6.2007	Target 30.6.2008	Target 30.6.2009	Target 30.6.2010	Target 30.6.2011	Target 30.6.2012
1. Development and adherence to a comprehensive HR development strategy	Comprehensive HR development strategy Plan as per statutory requirements completed and approved.	100% compliance with plan specifications of Year 1	100% compliance with plan specifications of Year 2	100% compliance with plan specifications of Year 3	100% compliance with plan specifications of Year 4	100% compliance with plan specifications of Year 5
2. Development and implementation of Quality Management Programme	Quality Management Programme developed and approved	10%of identified services / functions ISO certified	20% of identified services / functions ISO certified	50% of identified services / functions ISO certified	70% of identified services / functions ISO certified	100% of identified services / functions ISO certified
3. Improved turnaround time of tender procurement processes in accordance with procurement plan	8 weeks	8 weeks	8 weeks	7 weeks	7 weeks	6 weeks
4. Development of and percentage adherence to Project Plan for integration of GIS, LIS and SAP	Integration Project Plan developed and approved	100% compliance with strategy specifications for Year 1	100% compliance with strategy specifications for Year 2	100% compliance with strategy specifications for Year 3	100% compliance with strategy specifications for Year 4	100% compliance with strategy specifications for Year 5
5. Gearing the City for improved Service Delivery	Council approved Operating Model implemented by Council	100% compliance with strategy specifications for Year 1	100% compliance with strategy specifications for Year 2	100% compliance with strategy specifications for Year 3	100% compliance with strategy specifications for Year 4	100% compliance with strategy specifications for Year 5

Table 25: Ensuring enhanced service delivery with efficient institutional arrangements

5.6 Disclosure on allocations made by the municipality

GRANT ALLOCATIONS	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
					Budget Year 2007/08	Budget Year 2008/09	Budget Year 2009/10
	Pre Audited Actual R'000	Approved Budget R'000	Adjusted Budget R'000	Full Year Forecast R'000	Budget R'000	Budget R'000 *	Budget R'000 *
Allocations to Other Municipalities[1]							
1.							
TOTAL ALLOCATIONS TO MUNICIPALITIES	0	0	0	0	0	0	0
Allocations to Entities & Other External Mechanisms[2]							
Khayelitsha Community Trust	1,719	10,894	10,894	10,894	7,634	0	
TOTAL ALLOCATIONS TO ENTITIES ETC	**1,719**	**10,894**	**10,894**	**10,894**	**7,634**	**0**	**0**
Allocations to Other Organs of State[3]							
1.							
TOTAL ALLOCATIONS TO OTHER ORGANS OF STATE							
Allocations to Other Organisations[4]							
Executive Mayor's Discretionary Fund	705	216	316	316	227	0	
Public Partcipation	34	0	0	0	0	0	0
International Relations	19	0	0	0	0	0	0
Ward Allocations - Various Allocations to Subcouncils	2,260	0	2,299	2,299	0	0	0
2010 World Cup Soccer - Reconfigure Golf Course	0	0	0	0	3,050	0	0
Meadowridge Football Club (R4 500 per quarter)	18	18	18	18	18	0	0
St. Augustine's Cricket Club (R18 750 per quarter)	75	75	75	75	75	0	0
Groenewald Road Sports Association R 25 000 (R 6 250 per quarter	25	25	25	25	25	0	0
Retreat Sports Board of Control R 80 000 (R 20 000 per quarter)	80	80	80	80	80	0	0
Noordhoek District Civic Association R 36 000 (R 9 000 per quarter)	36	36	36	36	36	0	0
Noordhoek District Civic Association R 12 000 per annum	12	12	12	12	12	0	0
Fish Hoek Sports Association R 32 463,96 (R 2 705,33 per month)	30	32	32	32	32	0	0
Sea Point Parks - Co Gardens Information Sentre	85	0	0	0	0	0	0
Wynberg Parks - Ottery Sports Board	30	30	30	30	30	0	0
Claremont Cricket Club (R30000) and False Bay Rugby Football Club (R24000)	54	54	54	54	54	0	0
SANPARKS Table Mountain Fund (Nature Conservation)	3,090	1,645	1,645	1,645	0	0	0
SANPARKS Table Mountain Fund (Environmental Planning)	3,250	1,625	1,625	1,625	0	0	0
SPORT AND RECREATION: Local Sport and Recreation Councils or Associations etc to apply for grants in new financial year.	1,299	1,271	1,337	1,337	1,149	0	0
Minstrels and Cape Town Festival	3,438	3,506	3,506	3,506	3,685	0	0
Annual Carnival Project	0	0	0	0	933	0	0
SOCIAL DEVELOPMENT: External organisations to apply for grant in new financial year	2,191	2,309	2,309	2,309	2,425	0	0
Nocedo Nkqintamo Community Project	3	0	0	0	0	0	0
Philani Nutrtion Project Klipfontein Sub District	302	0	177	177	196	0	0
Klipfontein MSAT	15	0	0	0	0	0	0
Ward Allocations Klipfontein Sub District	130	0	0	0	0	0	0
Philani Nutrition Project Khayelitsha Sub District	95	0	0	0	0	0	0
Ma Tikkun Africa Eastern Sub District	153	0	187	187	186	0	0
SANCA Sensible Drinking Project	238	0	0	0	0	0	0
Cape Shark Spotters		0	0	0	683	0	0
Cape Town Community Housing Company	0	2,000	2,000	2,000	2,500	0	0
City Emergency Services: Training, Education and Awareness Marketing (TEAM)	0	0	350	350	0	0	0
Cape Town Central City Partnership	2,000	2,100	2,100	2,100	5,500	0	0
Adderly Street Night Market	300	315	315	315	331	0	0
Business Area Network	0	0	0	0	0	0	0
South African Labour Research Institute	350	375	375	375	375	0	0
South African Oil & Gas Alliance	301	262	262	262	262	0	0
Sithengi	250	460	460	460	262	0	0
Cape Town Boat Building and Technology Initiative (CTBBTi)	250	262	262	262	262	0	0
CT Boatshow	0	75	75	75	75	0	0
Cape Film Commission	650	625	625	625	1,100	0	0
Cape IT Initiative - CITI	350	700	700	700	796	0	0
Calling the Cape	600	1,680	1,680	1,680	899	0	0
Cape Craft and Design Institute (CCDI)	350	451	451	451	474	0	0
Wesgro	6,923	7,050	7,050	7,050	7,800	0	0
Cape Ship Repair	0	0	0	0	650	0	0
Philippi East Development Initiative (PEDI)	0	150	150	150	150	0	0
Library Business Corners	527	300	300	300	300	0	0
Open for Business	500	500	500	500	500	0	0
Northlink College	250	300	300	300	400	0	0
Casidra	500	500	500	500	750	0	0
SEDA	1,000	1,000	0	0	500	0	0
Artisans Skills Development Programe	0	0	0	0	0	0	0
Big News for Small Businesses	-	-	-	-	265.00	-	-
Airport Business Opportunities Project	0	150	150	150	0	0	0
Establishment of CTVSA	246	0	0	0	0	0	0
SOLID WASTE: Applications for grants through a formal RFP procedure to allocate grants to organisations who promote recycling and the useful application of waste.	1,639	2,000	2,000	2,000	2,102	0	0
	34,651	**32,190**	**34,368**	**34,368**	**39,148**	**0**	**0**
Subsidy Homeowners Redemption	7,057	6,000	6,000	6,000	6,500	0	0
Cape Town Routes Unlimited	30,000	32,000	32,000	32,000	34,000	0	0
TOTAL ALLOCATIONS TO OTHER ORGANISATIONS	**73,427**	**81,084**	**83,262**	**83,262**	**87,282**	**0**	**0**

* Not yet determined

Table 26: Allocations made by the City

Disclosure of salaries, allowances and benefits

DISCLOSURE OF SALARIES, ALLOWANCES & BENEFITS	Salary Rand ('000) pa	Social Contributions[4] Rand ('000) pa	Allowances Rand ('000) pa	Performance Bonuses Rand ('000) pa	Total Package Rand ('000) pa
Councillors					
Executive Mayor (x1)	580	222			802
Executive Deputy Mayor (x1)	464	169			633
Speaker (x1)	464	169			633
Mayoral Committee Member (x10)	4,349	1,594			5,943
Whip (x1)	435	159			594
Chairperson of Sub-Council (x23)	10,003	3,666			13,669
Total for all other councillors (x173)	35,113	13,260			48,373
Officials of the Municipality					
Municipal Manager (MM)	954	213		116	1,283
Chief Finance Officer	687	268		100	1,055
Executive Director - Community Development	741	204		100	1,045
Executive Director - Economic and Social Development	646	232		93	971
Executive Director - Safety and Security	755	91		89	935
Executive Director - Health	635	287		98	1,019
Executive Director - Transport, Roads and Stormwater	788	95		93	976
Executive Director - Service Delivery Integration	826	234		111	1,171
Executive Director - Integrated Human Settlement Services	604	288		95	987
Executive Director - Corporate Services	691	235		98	1,024
Executive Director - Strategy and Planning	930	0		98	1,028
Chief Audit Executive	878	0		92	970
Executive Director - Utility Services	817	170		104	1,090
ENTITIES					
CONVENCO					
Chief Executive Officer (CEO):	1,039				1,039
KHAYELITSHA COMMUNITY TRUST					
Director - Chairperson (x1) = R2 646 per meeting Director (x4) = R1 965 per meeting					
Chief Executive Officer (CEO):	557				557
Project Manager	445				445
TOTAL COST OF REMUNERATION TO MUNICIPALITY	63,401	21,557	0	1,285	86,243

Table 27: Salaries, allowances and benefits

Summary of total salaries, wages, allowances, etc

SUMMARY OF TOTAL SALARIES, WAGES, ALLOWANCES etc	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
					Budget Year 2007/08	Budget Year 2008/09	Budget Year 2009/10
	Pre Audited Actual R'000	Approved Budget R'000	Adjusted Budget R'000	Full Year Forecast R'000	Budget R'000	Budget R'000	Budget R'000
Councillors (Political Office Bearers plus Other)							
Basic Salaries	35,240	38,470	47,436	49,611	51,409	53,619	56,032
Pension Contributions	4,602	5,177	5,177	6,831	6,619	6,904	7,214
Medical Aid Contributions	1,087	972	972	381	-	-	-
Allowances	10,870	11,547	11,547	9,020	12,620	13,163	13,755
Sub Total - Councillors	51,801	56,167	65,133	65,843	70,648	73,685	77,001
Senior Managers of the Municipality (s 57 of Systems Act)							
Basic Salaries	8,434	9,222	9,222	7,586	9,952	10,380	10,847
Pension Contributions	556	560	560	758	1,113	1,161	1,213
Medical Aid Contributions	-	-	-	142	175	183	191
Allowances	660	502	502	549	1,032	1,076	1,125
Performance Bonus	930	1,919	1,919	962	1,285	1,340	1,401
Sub Total - Senior Managers of Municipality	10,580	12,203	12,203	9,997	13,557	14,140	14,776
Other Municipal Staff							
Basic Salaries	1,845,646	1,930,732	1,856,499	1,848,951	2,203,568	2,298,321	2,401,745
Pension Contributions	287,814	297,195	289,356	303,381	324,364	338,312	353,536
Medical Aid Contributions	190,091	202,097	196,708	192,672	222,132	231,684	242,109
Allowances	549,622	709,856	881,756	810,434	996,887	1,039,753	1,086,542
Overtime	117,349	94,419	116,140	127,713	122,066	127,315	133,044
Performance Bonus	0	0					
Sub Total - Other Municipal Staff	2,990,521	3,234,299	3,340,459	3,283,151	3,869,017	4,035,384	4,216,976
Board Members of Entities							
Basic Salaries			112	297	224	237	251
Pension Contributions							
Medical Aid Contributions							
Allowances							
Board Fees							
Sub Total - Board Members of Entities	0	0	112	297	224	237	251
Senior Managers of Entities							
Basic Salaries	2,408	2,230	1,250	1,250	1,596	1,690	1,791
Pension Contributions	28	23	23	23			
Medical Aid Contributions							
Allowances	114	127	34	34			
Performance Bonus							
Sub Total - Senior Managers of Entities	2,550	2,380	1,307	1,307	1,596	1,690	1,791
Other Staff of Entities (incl Subsidary)							
Basic Salaries	8,561	21,338	22,554	22,054	23,203	25,376	27,994
Pension Contributions (incl other Social Contributions)	4,216	10	10				
Medical Aid Contributions							
Allowances	210						
Overtime							
Performance Bonus	1,549						
Sub Total - Other Staff of Entities	14,536	21,348	22,564	22,054	23,203	25,376	27,994
TOTAL EMPLOYEE COSTS	3,069,987	3,326,396	3,441,778	3,382,649	3,978,244	4,150,513	4,338,790

Table 28: Summary of Salaries, wages and allowances

Summary of personnel numbers

SUMMARY OF PERSONNEL NUMBERS	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
					Budget Year 2007/08	Budget Year 2008/09	Budget Year 2009/10
	Pre Audited Actual	Approved Budget	Adjusted Budget	Full Year Forecast	Budget	Budget (Estimated)	Budget (Estimated)
Municipality							
Councillors (Political Office Bearers plus Other)	200	210	210	210	210	210	210
Senior Managers including Municipal Manager (s 57 of Systems Act)	12	11	13	13	13	13	13
Other Managers	225	266	266	266	272	272	272
Technical / Professional Staff	2,720	2,720	2,720	2,720	2,720	2,720	2,720
Other Staff (clerical, labourers etc)	20,239	19,069	19,067	19,067	19,067	19,067	19,067
Sub Total - Municipality	23,396	22,276	22,276	22,276	22,282	22,282	22,282
Entities							
Board Members	24	24	23	23	17	17	17
Senior Managers including CEO	3	3	1	2	2	2	2
Other Managers					1	1	1
Technical / Professional Staff							
Other Staff (clerical, labourers etc)	2	2	2	3	1	1	1
Sub Total - Entities	29	29	26	28	21	21	21
TOTAL PERSONNEL NUMBERS	23,425	22,305	22,302	22,304	22,303	22,303	22,303

Note: The above personnel numbers are as at February 2007

Table 29: Summary of Personnel numbers

5.8 Monthly Cash Flow

MONTHLY CASH FLOWS	Jul-07 Budget R'000	Aug-07 Budget R'000	Sep-07 Budget R'000	Oct-07 Budget R'000	Nov-07 Budget R'000	Dec-07 Budget R'000	Jan-08 Budget R'000	Feb-08 Budget R'000	Mar-08 Budget R'000	Apr-08 Budget R'000	May-08 Budget R'000	Jun-08 Budget R'000	TOTAL 2007/08 R'000
OPENING CASH BALANCE	1,851,672	1,769,543	1,768,241	1,657,041	1,724,239	1,948,478	1,677,458	1,550,704	2,049,174	1,856,730	1,601,211	1,447,516	1,851,672
RECEIPTS													
Rates & Service Charges	553,461	646,328	742,706	734,648	689,681	650,749	576,064	564,660	644,478	561,443	612,124	619,054	7,595,396
Rents, Fees & Other Charges	36,376	36,376	36,376	36,376	36,376	36,376	36,376	36,376	36,376	36,376	36,376	36,384	436,520
Grants & Subsidies	197,563	84,089	115,365	112,014	213,270	157,252	133,610	327,068	196,162	222,784	301,719	567,759	2,628,656
Investment Interest	13,116	12,534	12,525	11,737	12,213	13,802	11,882	10,984	14,515	13,152	11,342	10,253	148,056
New External Loans	150,000	300,000	0	0	0	0	0	0	0	0	0	600,000	1,050,000
Rsc Levies (Grant In Lieu)	369,081	0	0	0	276,810	0	0	461,351	0	0	0	0	1,107,242
VAT	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	840,000
Other External Income	8,343	8,343	8,343	8,343	8,343	8,343	8,343	8,343	8,343	8,343	8,343	8,350	100,123
TOTAL RECEIPTS	1,397,940	1,157,670	985,315	973,118	1,306,694	936,522	836,275	1,478,783	969,874	912,098	1,039,904	1,911,800	13,905,993
PAYMENTS													
Staff Expenses	275,971	285,348	289,014	286,895	425,767	318,193	291,890	293,355	304,422	304,625	297,349	297,426	3,670,255
Eskom	223,015	244,635	238,755	136,792	139,308	137,659	131,649	130,130	130,781	137,833	134,368	147,715	1,932,640
Other Bulk Services	22,575	22,575	22,575	22,575	22,575	22,575	22,575	22,575	22,575	22,575	22,575	22,579	270,904
External Loan Charges	92,651	2,875	42,382	6,635	2,875	191,852	9,154	2,875	45,853	2,875	2,875	195,760	598,662
Capital Contract Payments	462,328	303,307	194,535	158,608	151,743	191,407	244,420	195,984	312,688	324,130	378,668	540,376	3,458,196
VAT	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	70,000	840,000
Other External Payments	333,529	230,231	239,254	224,414	270,187	275,855	193,342	265,393	275,999	305,580	287,764	328,226	3,229,774
TOTAL PAYMENTS	1,480,069	1,158,971	1,096,515	905,919	1,082,455	1,207,541	963,030	980,312	1,162,318	1,167,618	1,193,599	1,602,082	14,000,431
SURPLUS/ (DEFICIT) FOR MONTH	(82,129)	(1,301)	(111,201)	67,199	224,238	(271,019)	(126,755)	498,470	(192,444)	(255,520)	(153,695)	309,718	(94,438)
CLOSING CASH BALANCE	**1,769,543**	**1,768,241**	**1,657,041**	**1,724,239**	**1,948,478**	**1,677,458**	**1,550,704**	**2,049,174**	**1,856,730**	**1,601,211**	**1,447,516**	**1,757,234**	**1,757,234**

FUNDED BY:

EFF	(1,676,793)	(1,370,427)	(1,393,187)	(1,402,238)	(1,422,557)	(1,543,571)	(1,563,107)	(1,617,971)	(1,685,019)	(1,758,125)	(1,881,789)	(1,662,920)	(1,662,920)
CRR	491,478	480,561	458,874	438,342	411,142	399,348	396,334	348,750	299,243	240,568	154,715	337,660	337,660
CG&D	495,983	496,733	497,483	498,233	498,983	499,733	500,483	501,233	501,983	502,733	503,483	504,233	504,233
Insurance	481,929	488,646	490,265	496,912	503,513	510,038	516,721	523,181	529,660	536,057	542,124	546,967	546,967
Housing Development	195,895	195,765	195,360	194,980	194,429	193,648	193,068	191,986	190,848	189,469	187,390	182,972	182,972
MTAB	125,820	126,711	127,609	128,513	129,423	130,340	131,263	132,193	133,129	134,072	135,022	135,978	135,978
Trust Funds	3,542	3,312	3,312	3,618	3,643	3,669	3,695	3,721	3,748	3,774	3,801	3,828	3,828
Revenue	1,651,688	1,346,939	1,277,325	1,365,880	1,629,901	1,484,253	1,372,246	1,966,081	1,883,139	1,752,661	1,802,771	1,708,517	1,708,517
TOTAL CLOSING BALANCE	**1,769,543**	**1,768,241**	**1,657,041**	**1,724,239**	**1,948,478**	**1,677,458**	**1,550,704**	**2,049,174**	**1,856,730**	**1,601,211**	**1,447,516**	**1,757,234**	**1,757,234**

Table 30: Monthly cashflows

1. Draft Corporate Scorecard for 2007 – 2012

Core Objective/Indicator	Baseline 30.6.2007	Target 30.6.2008	Target 30.6.2009	Target 30.6.2010	Target 30.6.2011	Target 30.6.2012	Evidence
Strategic focus area 1: Shared Economic Growth and Development							
1A Create an enabling environment for the economy to grow (objective 1.1 – 1.10)							
1A.1 Number of direct job opportunities created (NKPI)	> 7000	7700	8600	9700	11000	13000	Annual report
1A.2 Rand Value of direct investment	> or = R 2 billion	R2,2 bn	R2,5bn	R2,6bn	R3,1bn	R3,6 bn	Annual report
1B Preparations for hosting the FIFA 2010 World Cup in accordance with FIFA's requirements and the City's developmental objectives (Objective 1.11)							
1B.1 Conformity with agreed programme to the City's Business Plan	New	100%	100%	100%			Annual report
1.B.2 Long term operator to manage stadium appointed	New	Operator appointed	Finalise base design for long term requirements and sustainability	100% Compliance with lease agreement	100% Compliance with lease agreement	100% Compliance with lease agreement	Annual report
Strategic focus area 2: Sustainable Urban Infrastructure and Services							
2A Universal access to basic service (objectives 2.1)							
2A.1 Percentage of households with access to basic levels of sanitation (NKPI)	96,9%	97,5%	98,1%	98,8%	99,4%	100%	Quarterly reports 5-year plan to eradicate
2A.2 Percentage of households with access to basic level of water (NKPI)	100%	100%	100%	100%	100%	100%	Quarterly reports

Core Objective/Indicator	Baseline 30.6.2007	Target 30.6.2008	Target 30.6.2009	Target 30.6.2010	Target 30.6.2011	Target 30.6.2012	Evidence
2A.3 Percentage of households with access to basic levels of Electricity (NKPI)	90%	91,8%	92,8%	93,8%	94,8%	95,8%	Quarterly reports
2A .4 Percentage of households with access to basic levels of solid waste removal (NKPI)	99%	99%	99%	99%	99%	99%	Quarterly reports
2B Conservation of natural resources (Objectives 2.2 – 2.5)							
2B.1 Percentage reduction in unconstrained water demand	29%	30%	33%	36%	38%	40%	Annual report
2B.2 Percentage compliance with 4 critical DWAF effluent standards (E-coli count, Ammonia content, Oxygen demanding substances, Total suspended solids)	76%	79%	85%	90%	95%	98%	Annual report
2B.3 Percentage of recreational waters sampling points (i.e. bathing beaches, vleis, lagoons, etc) comply with applicable Department of Water Affairs standards	75%	76%	78%	80%	82%	85%	Annual report
2B.4 Percentage cleanliness of the City (Metropolitan Cleanliness/ Photographic index)	61%	67%	70%	73%	76%	80%	Quarterly report
2B.5 Percentage of airspace saved in relation to the volume of waste generated	14%	14.5%	15%	15.5%	16%	16.5%	Quarterly reports
2C Effective management of City's Infrastructure and Resources (Objectives 2.6 – 2.7)							
2.C.1 Development and Implementation of a planned infrastructure maintenance programme iro Electricity, Sewerage, Water, Transport, Roads & Stormwater and Solid	New	Integrated Infrastructure Plan developed and approved	100% compliance with plan specifications for Year 1	100% compliance with plan specifications for Year 2	100% compliance with plan specifications for Year 3	100% compliance with plan specifications for Year 4	Quarterly reports

Core Objective/Indicator	Baseline 30.6.2007	Target 30.6.2008	Target 30.6.2009	Target 30.6.2010	Target 30.6.2011	Target 30.6.2012	Evidence
Waste disposal							
Strategic focus area 3: Public Transport Systems							
3A Improve public transport system and services (Objectives3.1 – 3.6)							
3A.1 Reduction of average commuter travel time (home to work – peak period- public transport)	45 min	40 min	38 min	37 min	36 min	35 min	Annual report
3A.2 Cumulative kilometres of critical and feeder commuter routes as per Annual Transport Plan with dedicated public transport lanes	45km	5 km on baseline	12 km on baseline	15 km on baseline	20 km on baseline	35 km on baseline	Annual report
3A.3 Progressive evolution towards a single point of authority for transport	Intergovernmental transport agreement drafted	Creation of a single transport authority	Transport authority fully operational				Annual report
Strategic focus area 4: Integrated Human Settlements							
4A Improve and develop Integrated Human Settlements (Objectives 4.1 – 4.3)							
4A.1 % Adherence to Integrated Human Development programme	Framework Plan approved	100% Programme compliance	100% compliance with plan specifications	100% compliance with plan specifications	100% compliance with plan specifications	100% compliance with plan specifications	Annual report
4A.2 Maintain Community Facilities according to defined minimum maintenance standards	50%	70%	80%	85%	90%	95%	Annual report
4B Delivery of housing* opportunities *(Objectives 4.4 – 4.8)							

Core Objective/Indicator	Baseline 30.6.2007	Target 30.6.2008	Target 30.6.2009	Target 30.6.2010	Target 30.6.2011	Target 30.6.2012	Evidence
4B.1 Number of new housing opportunities provided per year	8 335	10 200	11 000	12 000	12 000	12 000	Quarterly reports
4B.2 % Implementation of Informal Settlement Upgrade programme	Framework plan approved (including essential services)	100% Programme compliance	100% compliance with plan specifications	100% compliance with plan specifications	100% compliance with plan specifications	100% compliance with plan specifications	Annual Report
Strategic focus area 5: Safety and Security							
5A Foster a safe and secure environment (Objectives 5.1 – 5.6)							
5.A.1 Percentage Adherence to Metropolitan Police Plan	Plan completed and approved	100% compliance with plan specifications	100%	100%	100%	100%	Annual Report
5A.2 Percentage implementation of Disaster Plans according to legislative requirements	Disaster Management Plan as per statutory requirements completed and approved	Disaster Management Plan developed and approved	100% compliance with plan specifications	100% compliance with plan specifications	100% compliance with plan specifications	100% compliance with plan specifications	Annual Report
Strategic focus area 6: Social and Human Capital Development							
6A Facilitating the development of a healthy and socially inclusive society (Objectives 6.1 – 6.5)							
6A.1 Number of new Child Care facilities provided in partnership with governmental and non-governmental organisations	new	2	3	4	4	4	
6A.2 Number of partnerships implemented focussing on HIV/AIDS orphans	9	11	13	14	16	17	
6A.3 Number of partnerships	2	4 (excluding	5	5	6	6	

Core Objective/Indicator	Baseline 30.6.2007	Target 30.6.2008	Target 30.6.2009	Target 30.6.2010	Target 30.6.2011	Target 30.6.2012	Evidence
implemented with Early Childhood Development sector		baseline)					
6A.4 Number of local drug action committees established	2	8	16	24	32	40	
6A.5 Increase number of strategic sporting partnerships and events implemented	10	17	13	15	17	18	
6A.6 Number of street people taken off the street	280	300	330	413	516	645	6 Monthly report
6A.7 Number of days when air pollution exceeds WHO guidelines	148	144	140	137	135	133	
6A.8 Reduction of the infant mortality rate (Number infant deaths per 1000 live births)	21,38	20,6	20	19,5	19,2	19	
6A.9 Slow the rate of increase of TB per 100 000 of Cape Town Population	878	980	1040	1090	1120	1140	
6A.10 Slow the rate of increase of the City's ante-natal HIV prevalence	16%	18,5%	19	19,3	19,6	19,8	
6A.11 Number of job opportunities created through the Expanded Public Works Programme (EPWP), to contribute to the reduction of poverty and unemployment	4 000	12 000					
Strategic focus area 7: Good governance and regulatory form							
7A Ensuring enhanced service delivery with efficient institutional arrangements (Objectives 7.1 – 7.2; 7.4 & 7.6)							
7A.1 Development and adherence to a comprehensive HR development strategy	Comprehensive HR development strategy *Plan as per statutory requirements*	100% compliance with plan specifications of Year 1	100% compliance with plan specifications of year 2	100% compliance with plan specifications of year 3	100% compliance with plan specifications of year 4	100% compliance with plan specifications of year 5	

Core Objective/Indicator	Baseline 30.6.2007	Target 30.6.2008	Target 30.6.2009	Target 30.6.2010	Target 30.6.2011	Target 30.6.2012	Evidence
	completed and approved						
7A2 Development and implementation of Quality Management Programme	Quality Management Programme developed and approved	10% of identified services/ functions ISO certified	20% of identified services/ functions ISO certified	50% of identified services/ functions ISO certified	70% of identified services/ functions ISO certified	100% of identified services/ functions ISO certified	
7A.3 Improved turnaround time of tender procurement processes in accordance with procurement plan	8 weeks	8 weeks	8 weeks	7 weeks	7 weeks	6 weeks	
7A.4 Development of and adherence to Project Plan for Integrated Spatial Information System to link GIS, LIS and SAP	Integration Project Plan (blueprint) developed and approved	100% compliance with strategy specifications for Year 1	100% compliance with strategy specifications for Year 2	100% compliance with strategy specifications for Year 3	100% compliance with strategy specifications for Year 4	100% compliance with strategy specifications for Year 5	
7A.5 % Implementation of Operating Model	Council approved Operating Model implemented by Council	100% compliance with strategy specifications for Year 1	100% compliance with strategy specifications for Year 2	100% compliance with strategy specifications for Year 3	100% compliance with strategy specifications for Year 4	100% compliance with strategy specifications for Year 5	
7B Management of key financial areas such as income control, cash flow, indigent support, alternative income opportunities, asset management and risk management. (Objective 7.5 – 7.6)							
7B.1 Net Debtors to Annual Income [Ratio of outstanding service debtors to revenue actually received for services (NKPI)]	21.07%	20%	20%	19,75%	19,75%	19,70%	Annual Financial Statement
7B.2 Debt coverage by own billed revenue (NKPI)	4.31:1	4.31:1	4.31:1	4.30:1	4.30:1	4.30:1	Annual Financial Statement

Core Objective/Indicator	Baseline 30.6.2007	Target 30.6.2008	Target 30.6.2009	Target 30.6.2010	Target 30.6.2011	Target 30.6.2012	Evidence
7B.3 Percentage of City's annual Capital budget spent (NKPI)	95%	95%	96%	97%	98%	98%	Audited financial statements
7B.4 Percentage of City's operating budget spent	98%	98%	98%	98%	98%	98%	Audited financial statements
7B.5 Ratio of cost coverage maintained	2.60:1	2.60:1	2.50:1	2.45:1	2.45:1	2.46:1	Annual Financial Statement
7B.6 Revenue collected as a percentage of billed amount	94%	95,5%	96%	97%	98%	98%	Finance Management Report
7B.7 Percentage reduction in the number of recurring findings emanating from Internal Audit	New	50%	60%	70%	80%	90%	Quarterly Audit Committee Report
7B.8 Unqualified Audit from Auditor General	Unqualified audit received from AG	Unqualified audit received from AG	Unqualified audit received from AG	Unqualified audit received from AG	Unqualified audit received from AG	Unqualified audit received from AG	Receipt of clean audit report for financial year 2006/2007
7B.9 Maintain City's credit rating	A1+ (short term) AA- (long term)	A1+ (short term) AA- (long term)	A1+(short term) AA- (long term)	A1+ (short term) AA- (long term)	A1+ (short term) AA- (long term)	A1+ (short term) AA- (long term)	Credit Rating report
7C Establish effective community engagement channels (Objective 7.7 – 7.8)							
7C.1 Number of functioning ward participatory structures	0	105	105	105	105	105	
7C.2 Community satisfaction score measured in terms of the Likert scale (1-5)	New	3	4	4	4	5	6 Monthly Customer Perception Survey report

Addendum to Scorecard
Plans That Have To Be Completed And Approved For Implementation During The 2007/08 Financial Year

FIFA 2010 City's Business Plan. Preparations for hosting the FIFA 2010 World Cup in accordance with FIFA's requirements and the City's developmental objectives (Objective 1.11)
Stadium Operator Management Plan Lease agreement for long term operator to manage stadium
Integrated Human Development Plan
Informal Settlement Upgrade plan
Single Transport Authority Plan
Quality Management Programme/ Plan
Project Plan for Integrated Spatial Information System to link GIS, LIS and SAP
Community satisfaction Survey (Score measured in terms of the Likert scale)
Operations Integration Plan (Including Administrative Support Model)
Anti-corruption strategy
Comprehensive HR development strategy
Staff skills development plan (WPSP)

Table 31: Balanced Scorecard

2. Restructuring Grant targets

Target / Indicator	Pre Audited Actuals 2005/06	Annual Targets (Annexure C2 of Restructuring Grant Agreement)		
		2006/07	2007/08	2008/09
Debt to income	21.22%	32.44%	30.06%	35%
Capital Charges to operating expenditure	7.25%	14.15%	15.35%	15%
Capital Expenditure budget indicator	73.39%	94%	95%	95%
Annualised debtors collection	95.15%	94.50%	95%	97%
Net debtors to annual income	20.68%	22.28%	17%	15%
Personnel costs to total income	31.63%	32.29%	31%	28%
Creditors days	30	45	45	45
Repairs and Maintenance to operating income	5.91%	6%	8%	10%

Table 32: Restructuring Grant targets

5.10 Disclosure of implementation of MFMA and other legislation

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

- **Financial reporting**: 100% compliance of monthly and quarterly electronic reporting to National Treasury.

- **Municipal Entities**: Four municipal entities were consolidated into the 2005/2006 Annual Financial Statements.

- **Internship Programme:** The City of Cape Town in participating in the Municipal Finance Management Internship Programme has employed a number of interns undergoing training in various finance departments. Three of the interns complete their two year training period at the end of March 2007 and have taken up permanent employment within Finance. Two interns have recently been appointed in the Accounting department.

Municipal Entity 1: RED1

CATEGORIES	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
					Budget Year 2007/08	Budget Year 2008/09	Budget Year 2009/10
	Audited Actual R'000	Approved Budget R'000	Adjusted Budget R'000	Full Year Forecast R'000	Budget R'000	Budget R'000	Budget R'000
Operating Revenue by Source							
Property rates							
Property rates - penalties imposed and collection charges							
Service charges - electricity revenue from tariff billings							
Service charges - water revenue from tariff billings							
Service charges - sanitation revenue from tariff billings							
Service charges - refuse removal from tariff billings							
Service charges - other							
Regional Service Levies - turnover							
Regional Service Levies - remuneration							
Rental of facilities and equipment / Rental Agreements	(1,554)	(106)	(1,198)	(1,198)			
Interest earned - external investments			(0)	(0)			
Interest earned - outstanding debtors							
Fines							
Licenses and permits							
Income from agency services							
Capital, Grants and Donations							
Grants & Subsidies (Conditional)							
Grants & Subsidies (Unconditional)							
Gain on disposal of property plant and equipment							
Other Income	(5,572)		(6,016)	(6,016)			
Total Operating Revenue	(7,126)	(106)	(7,215)	(7,215)	0	0	0
Operating Expenditure by Type							
Employee related Cost	3,234	6,687	1,771	1,771			
Remuneration of Councillors							
Bad debts							
Collection Costs							
Depreciation	2		9	9			
Repairs and maintenance	7						
Interest Paid							
Bulk Purchases							
Contracted services	2	2,835	2,719	2,719			
Grants and subsidies paid							
General expenses	3,881	11,323	2,716	2,716			
Losses on disposal of PPE							
Accumulative Surplus	7,126	20,845	7,215	7,215	0	0	0
(Surplus) / Deficit	**0**	**20,739**	**0**	**0**	**0**	**0**	**0**

Table 33: RED1

Municipal Entity 2: Convenco

Operating Budget

CATEGORIES	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
					Budget Year 2007/08	Budget Year 2008/09	Budget Year 2009/10
	Pre Audited Actual	Approved Budget	Adjusted Budget	Full Year Forecast	Budget	Budget	Budget
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Operating Revenue by Source							
Property rates							
Property rates - penalties imposed and collection charges							
Service charges - electricity revenue from tariff billings							
Service charges - water revenue from tariff billings							
Service charges - sanitation revenue from tariff billings							
Service charges - refuse removal from tariff billings							
Service charges - other							
Regional Service Levies - turnover							
Regional Service Levies - remuneration							
Rental of facilities and equipment	(70,695)	(33,761)	(38,761)	(37,782)	(36,714)	(39,233)	(44,166)
Interest earned - external investments	(2,765)	(1,500)	(2,000)	(2,000)	(2,841)	(2,691)	(3,336)
Interest earned - outstanding debtors							
Fines							
Licenses and permits							
Income from agency services							
Capital, Grants and Donations							
Grants & Subsidies (Conditional)							
Grants & Subsidies (Unconditional)							
Gain on disposal of property plant and equipment							
Other Income	(8,755)	(42,494)	(42,494)	(48,040)	(51,148)	(54,204)	(57,456)
Total Operating Revenue	(82,215)	(77,755)	(83,255)	(87,821)	(90,704)	(96,128)	(104,958)
Operating Expenditure by Type							
Employee related Cost	14,349	19,975	21,068	21,068	22,627	24,767	27,348
Remuneration of Councillors							
Bad debts	772	600	600	200	200	200	200
Collection Costs							
Depreciation	341,262	32,500	24,793	24,793	24,377	26,638	15,463
Repairs and maintenance	5,875	4,500	4,500	4,500	4,725	4,961	5,209
Interest Paid	62						
Bulk Purchases							
Contracted services	5,659						
Grants and subsidies paid							
General expenses	41,491	44,704	48,122	48,158	50,321	52,790	55,109
Losses on disposal of PPE	144						
Accumulative Surplus	409,614	102,279	99,083	98,719	102,251	109,356	103,329
(Surplus) / Deficit	**327,399**	**24,524**	**15,828**	**10,897**	**11,547**	**13,227**	**(1,629)**

Note: Depreciation charge of CTICC R308 292 720 impairment of assets

Table 34: Convenco Operating Budget

Municipal Entity 2: Convenco

Capital Budget

CAPITAL EXPENDITURE BY CATEGORY	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
					Budget Year 2007/08	Budget Year 2008/09	Budget Year 2009/10
	Pre Audited Actual R'000	Approved Budget R'000	Adjusted Budget R'000	Full Year Forecast R'000	Budget R'000	Budget R'000	Budget R'000
INFRASTRUCTURE							
Roads, Pavements, Bridges & Storm Water	0	0	0	0	0	0	0
Water Reservoirs & Reticulation	0	0	0	0	0	0	0
Car Parks, Bus Terminals and Taxi Ranks	0	0	0	0	0	0	0
Electricity Reticulation	0	0	0	0	0	0	0
Sewerage Purification & Reticulation	0	0	0	0	0	0	0
Housing	0	0	0	0	0	0	0
Street Lighting	0	0	0	0	0	0	0
Refuse sites	0	0	0	0	0	0	0
Gas	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
COMMUNITY							
Establishment of Parks & Gardens	0	0	0	0	0	0	0
Sportsfields	0	0	0	0	0	0	0
Community Halls	0	0	0	0	0	0	0
Libraries	0	0	0	0	0	0	0
Recreational Facilities	0	0	0	0	0	0	0
Clinics	0	0	0	0	0	0	0
Museums & Art Galleries	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0
							0
HERITAGE ASSETS	0	0	0	0	0	0	0
INVESTMENT PROPERTIES	0	0	0	0	0	0	0
OTHER ASSETS							
Other motor vehicles	0	0	0	0	0	0	0
Plant & equipment	0	0	0	0	0	0	0
Office equipment	0	0	0	0	0	0	0
Abattoirs	0	0	0	0	0	0	0
Markets	0	0	0	0	0	0	0
Airports	0	0	0	0	0	0	0
Security Measures	0	0	0	0	0	0	0
Civic Land and Buildings	0	0	0	0	0	0	0
Other Land and Buildings	0	0	0	0	0	0	0
Other	0	0	0	0	9,750	19,578	14,700
SPECIALISED VEHICLES							
Refuse	0	0	0	0	0	0	0
Fire	0	0	0	0	0	0	0
Conservancy	0	0	0	0	0	0	0
Ambulances	0	0	0	0	0	0	0
Buses	0	0	0	0	0	0	0
TOTAL CAPITAL EXPENDITURE	**0**	**0**	**0**	**0**	**9,750**	**19,578**	**14,700**

Table 35: Convenco Capital Budget

Municipal Entity 3: Khayelitsha Community Trust

CATEGORIES	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
					Budget Year 2007/08	Budget Year 2008/09	Budget Year 2009/10
	Pre Audited Actual R'000	Approved Budget R'000	Adjusted Budget R'000	Full Year Forecast R'000	Budget R'000	Budget R'000	Budget R'000
Operating Revenue by Source							
Property rates							
Property rates - penalties imposed and collection charges							
Service charges - electricity revenue from tariff billings							
Service charges - water revenue from tariff billings							
Service charges - sanitation revenue from tariff billings							
Service charges - refuse removal from tariff billings							
Service charges - other							
Regional Service Levies - turnover							
Regional Service Levies - remuneration							
Rental of facilities and equipment	(95)						
Interest earned - external investments	(88)						
Interest earned - outstanding debtors							
Fines							
Licenses and permits							
Income from agency services							
Capital, Grants and Donations							
Grants & Subsidies (Conditional)	(2,214)	-10,894	(10,894)	(5,226)	(7,634)	(5,251)	(6,708)
Grants & Subsidies (Unconditional)							
Gain on disposal of property plant and equipment							
Other Income							
Total Operating Revenue	(2,397)	-10,894	(10,894)	(5,226)	(7,634)	(5,251)	(6,708)
Operating Expenditure by Type							
Employee related Cost		852	852	282	1,357	1,436	1,522
Remuneration of Councillors							
Bad debts							
Collection Costs							
Depreciation							
Repairs and maintenance							
Interest Paid							
Bulk Purchases							
Contracted services	1,248	9,720	9,720	4,400	5,500	2,925	4,228
Grants and subsidies paid							
General expenses	119	322	322	544	777	891	958
Losses on disposal of PPE							
Accumulative Surplus	1,367	10,894	10,894	5,226	7,634	5,251	6,708
(Surplus) / Deficit	**(1,030)**	**0**	**0**	**0**	**0**	**0**	**0**

Table 36: Khayelitsha Community Trust

5.12 Summary of detailed capital plans

Capital programme per NT category

CAPITAL EXPENDITURE BY CATEGORY	Preceding Year 2005/06	Current Year 2006/07			Medium Term Revenue and Expenditure Framework		
					Budget Year 2007/08	Budget Year 2008/09	Budget Year 2009/10
	Pre Audited Actual R'000	Approved Budget R'000	Adjusted Budget R'000	Full Year Forecast R'000	Budget R'000	Budget R'000	Budget R'000
INFRASTRUCTURE							
Roads, Pavements, Bridges & Storm Water	263,441	730,421	466,662	466,662	711,845	753,551	806,150
Water Reservoirs & Reticulation	237,438	313,947	190,016	190,016	289,991	128,886	132,860
Car Parks, Bus Terminals and Taxi Ranks	47,758	136,582	57,056	57,056	95,388	90,968	100,333
Electricity Reticulation	249,531	496,749	290,899	290,899	467,153	380,988	376,685
Sewerage Purification & Reticulation	102,552	265,491	136,417	136,417	391,859	371,060	272,156
Housing	176,317	90,699	201,801	201,801	178,016	94,210	70,767
Street Lighting	4,656	14,049	13,081	13,081	7,950	9,325	13,325
Refuse sites	32,878	94,490	63,290	63,290	161,200	190,600	111,450
Gas	0	0	0	0	0	0	0
Other	56,837	74,138	46,309	46,309	11,260	5,838	5,684
COMMUNITY							
Establishment of Parks & Gardens	10,425	15,176	27,800	27,800	11,675	10,189	12,748
Sportsfields	72,334	130,950	498,725	498,725	1,046,377	1,017,563	370,329
Community Halls	5,560	7,800	30,604	30,604	5,221	0	3,518
Libraries	17,121	13,480	17,120	17,120	4,774	0	0
Recreational Facilities	15,593	103,827	92,420	92,420	147,639	111,583	54,502
Clinics	9,829	21,005	18,987	18,987	27,050	9,877	8,553
Museums & Art Galleries	0	0	20	20	600	320	0
Other	33,922	0	18,129	18,129	55,288	47,299	51,938
HERITAGE ASSETS	813	3,850	5,559	5,559	1,845	526	439
INVESTMENT PROPERTIES	0	0	0	0	0	0	0
OTHER ASSETS							
Other motor vehicles	53,812	67,331	102,849	102,849	71,655	56,473	63,018
Plant & equipment	28,820	34,974	70,368	70,368	73,416	50,986	51,335
Office equipment	49,518	155,634	68,656	68,656	98,569	67,084	61,014
Abattoirs	0	0	0	0	0	0	0
Markets	1,209	20,000	4,287	4,287	5,255	0	0
Airports	0	0	0	0	0	0	0
Security Measures	7,112	122,165	10,575	10,575	5,210	6,116	4,439
Civic Land and Buildings	2,554	0	3,251	3,251	0	0	0
Other Land and Buildings	5,430	106,132	28,717	28,717	183,218	116,766	73,834
Other	26,255	0	28,959	28,959	7,500	0	0
SPECIALISED VEHICLES							
Refuse	0	0	27,000	27,000	7,000	0	10,000
Fire	8,929	4,600	25,261	25,261	5,965	3,000	0
Conservancy	0	0	0	0	0	0	0
Ambulances	0	0	0	0	0	0	0
Buses	0	0	0	0	0	0	0
TOTAL CAPITAL EXPENDITURE	**1,520,642**	**3,023,489**	**2,544,818**	**2,544,818**	**4,072,917**	**3,523,208**	**2,655,074**

Table 37: Capital programme per Category

Refer to Annexure 2 for the detailed 2007/08 Medium-term Capital Programme.