

MEMORANDUM

DATE	2016-05-16
TO	Pierrinne Leukes
TOPIC	CoCT pro-poor spending: 2015/16

1. PURPOSE OF THIS DOCUMENT

Provide a summary of the City of Cape Town's approach in determining what portion of its budget is targeted towards our poorest residents.

2. METHODOLOGY

The budgetary information relevant to the calculation of the “pro-poor spend” is sourced from line departments by interpreting “poor” as being poor by lack of resources, deprivation of human rights, absence of free basic services and capabilities to live at a standard considered comfortable or normal in a society. The focus is on informal settlements and poor formal areas, including backyarders.

The City's budget structure is not aligned with specific socio-demographic profiles. Line departments and functions calculate this indicator as an annual, ad-hoc exercise and in accordance with their respective understanding of the utilisation of their resources, in line with their own business plans and Service Delivery Implementation Plan (SDBIP), and per the definition of “poor” (see above). Line departments are requested to determine this quantum based on latest estimates and applying a consistent, year on year approach.

The City's budget covers more than 2 700 projects (from both the capital and operating budget) from 2858 cost centres.

3. PRO-POOR SPENDING BY DIRECTORATE 2015/16

The table on the next page summarises the breakdown of spending by department which contributes to the 67% of the City's budget that is targeted towards the poor.

Please note that the total budget of R29.9 billion excludes: (i) Demand-driven bulk purchases (Electricity & Water), and (ii) The balance of cross-cutting support services.

Directorate/Department	Operating Current Budget 2015/16	Capital Budget 2015/16	Total Service Budget Operating and Capital	Operating Budget - investment in poor areas and informal settlements	Capital Budget - investment in poor areas and informal settlements	Total investment	Total investment % of Service Delivery Budget to the Poor
City Health	996,804,439	15,672,732	1,012,477,171	847,283,773	14,050,325	861,334,098	85.1%
Community Services:							
- Libraries and Information Services	372,609,870	36,413,621	409,023,491	252,130,111	22,705,315	274,835,425	67.2%
- City Parks	585,568,030	81,239,905	666,807,935	224,674,262	54,274,471	278,948,733	41.8%
- Sport & Recreation	688,080,872	42,377,106	730,457,978	452,489,170	32,169,869	484,659,039	66.4%
Human Settlements	1,586,985,774	420,835,426	2,007,821,200	1,586,985,774	401,185,790	1,988,171,564	99.0%
Safety & Security	2,607,501,000	105,163,033	2,712,664,033	1,487,053,343	50,467,139	1,537,520,482	56.7%
Social and ECD	356,495,539	11,970,948	368,466,487	307,555,509	11,220,948	318,776,457	86.5%
Transport For Cape Town							
- Contract Operations	1,007,638,191	156,232,095	1,163,870,286	351,140,284	117,325,321	468,465,606	40.3%
- Infrastructure	198,080,116	1,137,661,341	1,335,741,457	95,534,040	880,326,088	975,860,128	73.1%
- Maintenance	1,019,440,813	38,861,694	1,058,302,507	566,346,914	19,352,609	585,699,523	55.3%
- Network Management	118,887,828	65,600,000	184,487,828	57,343,582	20,300,000	77,643,582	42.1%
- Planning	177,265,349		177,265,349	19,662,601		19,662,601	11.1%
- Regulations	54,174,670		54,174,670	8,667,947		8,667,947	16.0%
- TCT Performance & Coordination	78,918,181	1,250,000	80,168,181	34,566,163		34,566,163	43.1%
Utility Services:							
Cape Town Electricity (excluding bulk purchases)	2,557,107,189	1,417,218,441	3,974,325,630	1,535,968,896	487,352,931	2,023,321,827	50.9%
Solid Waste Management	2,212,819,024	297,715,126	2,510,534,150	1,194,289,504	169,697,622	1,363,987,126	54.3%
Water & Sanitation (excluding bulk purchases)	4,052,155,452	1,512,625,101	5,564,780,553	2,060,257,451	680,533,619	2,740,791,069	49.3%
Rates Rebates	1,248,121,655		1,248,121,655	1,248,121,655		1,248,121,655	100.0%
Contribution to indigent	487,361,650		487,361,650	487,361,650		487,361,650	100.0%
Cross cutting services supporting frontline service departments*	4,227,044,309	703,148,233	4,227,044,309	3,251,572,546	185,298,532	4,227,044,309	100.0%
Total	24,633,059,951	6,043,984,802	29,973,896,520	16,069,005,174	3,146,260,578	20,005,438,983	66.7%