ANNEXURE A

CITY OF CAPE TOWN

2016/17 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

JANUARY 2017

CONTENTS

LIST OF ANNEXURES

GLOSSARY OF TERMS AND ABBREVIATIONS

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

Allocations – Money received from Provincial and National Treasury.

Budget – The financial plan of a municipality.

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

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

CGD – Capital Grants and Donations mainly comprising of National and Provincial Government allocations as well as public contributions and donations from external parties.

CCT – City of Cape Town

CRR – Capital Replacement Reserve. An internal funding source used for capital projects, which must at all times be cash-backed in line with Section 18 of the MFMA.

CTICC - Cape Town International Convention Centre (Convenco)

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

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

EFF – External Financing Fund. Internal funding mechanism and funded from borrowing for capital expenditure.

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

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

KPI – Key Performance Indicators. Measures of service output and/or outcome.

MBRR – Municipal Budget Reporting Regulations

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

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

NT – National Treasury

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

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

SDBIP – Service Delivery and Budget Implementation Plan

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

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

PART 1 - REPORT OF THE EXECUTIVE MAYOR[1]

1. Mayor's Report

1.1. High level assessment of MFMA S71 monthly statements for the first half of 2016/17

1.1.1. Against annual budget (original approved and latest adjustments)

Revenue by Source

Current revenue[2] is 4.1% or R743 million higher than the year-to-date budget projection for December 2016.

Under-/over-recovery reflects against the following categories:

Under-recovery

- **Service charges – Refuse**, due to lower than planned income from sale of Disposal Coupons. Tenders linked to collection services were not implemented as the vendors indicated that they are unable to render disposal services, thus the service is rendered in-house.

- **Transfers Recognised**, due to:
  - Delays in USDG WCG projects, which will be implemented by the Western Cape Housing Department. National Treasury advised that the Provincial Housing Department is acting as an agent and therefore the budget for these projects must be moved to the capital budget as ownership of these assets, once constructed and completed, will be transferred to the City's asset register. This was previously treated as donated assets and therefore reflected against the operating budget.
  - Peoples Housing Process (PHP) projects, where expenditure is dependent on the rate of progress achieved by the PHP projects. (These projects are all managed and controlled by communities ito the national PHP Programme.) It is difficult to estimate cash flows as many factors influence the rate of house construction by communities. A process of expediting PHP projects (including support) has been launched by the Human Settlements directorate. Various Top Structures projects have recently commenced.
  - Unfilled grant-funded vacancies in the Library & Information Services department.

- **Rental of Equipment & Facilities**, due to fewer than anticipated events held at the Cape Town Stadium.

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[1] Prepared as per MFMA Section 54 (1)
[2] Table C4 – Total Revenue by Source (excluding capital transfers and contributions)

- **Fines** (mainly on Traffic Fines Accruals), due to delays in processing monthly accruals resulting in the misalignment of the period budget and actuals to date.

- **Gains on disposal of PPE,** due to lower than anticipated sale of PPE. The actual sale of PPE is linked to demand and routine auctions and is therefore difficult to plan accurately.

Over-recovery

- **Property rates,** due to higher than planned revenue received to date. This over-recovery is influenced by the General Valuation 2015 outcome. The City has made good progress with the GV objection process with 78% of the objections being resolved by 8 December 2016. The City is now gearing for the appeal process. The over-recovery will cover the impact of valuation objections and appeals.

- **Service charges - electricity revenue,** due to periodic changes in consumption as a consequence of changing weather conditions, implementation of alternate energy sources, continuous movement of consumers between the various tariffs and changes to costs associated with the fixed charge as compared to the variable components of the tariff.

- **Service charges - water revenue**, where actual revenue was higher than planned as a result of water restrictions with sales volumes being higher than anticipated, the impact of billing cycles and billing corrections.

- **Service charges – other**, on various revenue elements in this category
  - Service Charges - Infrastructure, mainly due to higher than planned income received on Broadband and Radio Trunking Services.
  - Busfares - Transit products, due to increase in ridership as a result of the influx of people over the festive season as well as the cancellation and poor running of the Metrorail train service.
  - Fire fees, due to a higher number of fire incidences than anticipated.

- **Licence and Permits**, due to:
  - Higher than estimated applications received for learner licences, learner driver certificates and PDP operator certificates within the Safety & Security directorate.
  - Increased use of trenchless methodology resulting in forfeiting refundable deposits within the Transport for Cape Town directorate.

Operating expenditure by type

Current expenditure[3] is 3% or R474 million below the year-to-date budget projection for December 2016.

Under expenditure reflects against the following categories:

- **Employee related costs**, due to:
  - the turnaround time in filling vacancies and the internal filling of vacancies within the City,
  - appointment of seasonal workers and temporary staff, which is dependent on peak seasons as and when departments require additional capacity, and
  - medical aid increases for 2017 not yet implemented.

- **Depreciation & asset impairment**, where the variance is largely influenced by the capitalisation rate of assets, which is dependent on the progress and completion of capital projects. The write-back of depreciation on land further contributed to the variance.

- **Bulk purchases**:
  - Bulk Water (over), largely due to the charges for water from the Berg River being higher than anticipated.
  - Bulk Electricity (over), due to periodic changes in consumption as a consequence of changing weather conditions, implementation of alternate energy continuous movement of consumers between the various tariffs and changes to costs associated with the fixed charge as compared to the variable components of the tariff.

- **Other materials**, due to:
  - the slower than anticipated start on pro-active repairs and maintenance,
  - delays in the finalisation of tenders for meter reading and portable toilets projects (Water & Sanitation department), and
  - delays in roll-out of the Radio Frequency Identification Device project and implementation of EPWP projects (Solid Waste Management department and Water & Sanitation department).

- **Contracted services**, due to:
  - Delays in the finalisation of the grass cutting tender.
  - Lower than planned anticipated expenditure on R&M and other projects, largely due to delays in finalising tenders.
  - Delays in implementation of the haulage tender for transportation of refuse as well as submission of invoices from service providers/suppliers.

[3] **Table C4 – Total expenditure by type**

  - Misalignment of the period budget on various housing Top Structures projects including the Manenberg CRU and Thermal Efficiency Retrofit projects.

- **Other Expenditure,** on various expenditure items in this category:
  - Fuel, due to lower than anticipated YTD fuel cost resulting from price fluctuations, stricter control measure put in place to curb expenditure and lower fuel requirements for the gas turbines to generate electricity.
  - Cleaning costs, largely due to the incorrect booking of refuse bag expenditure against Materials.
  - Peoples Housing Process (PHP) payments, due to the lower than anticipated rate of expenditure on PHP projects, which is difficult to estimate per month as many factors influence the rate of house construction by communities.
  - Indigent Relief, which is linked to the number of applications received and which is currently lower than anticipated.
  - Subsidy on Homeowners Redemption, which is based on successful rebate applicants.
  - Hire Charges, due to a lower demand for hiring streetsweeper machinery as the City has purchased its own equipment.

Capital expenditure

Year-to-date expenditure on the capital budget amounts to R2.19 billion (Dec 2015: R1.89 billion), or 33% (Dec 2015: 27.6%), of the R6.6 billion approved budget[4], which is higher at 5.4% when compared to the expenditure against budget for the same time last year.

The year-to-date expenditure has been funded by means of grants (37.65%), borrowings (48.76%) and the balance from internally-generated funds and public contributions and donations.

The year-to-date expenditure is exceeding the year-to-date target by 11.9% or R233 million.

Reasons for material positive variances in capital expenditure:

- Delivery and installation of item/equipment ahead of schedule due to availability of stock by suppliers;
- Good contractor performance;
- Implementation being much faster than originally planned for on certain projects; and
- Purchase of a property was made earlier than anticipated.

[4] **Table C5 – Total capital expenditure (municipal vote, standard classification and funding)**

It should also be noted that under-expenditure was recorded on certain projects, mainly due to:

- Delay in appointing HR resources (e.g. business analyst, network developer);
- Protracted tender process;
- Poor contractor performance which in some cases already led to termination of contract;
- Amended scope of works and project plans have impacted on cash flows;
- Scope of work had to be renegotiated;
- Internal finishes and remedial work still outstanding;
- Complexities and nature of work associated with heritage buildings;
- Land invasion;
- Community unrest;
- Stricter new SCM requirements as per the Attorney General;
- Gang violence;
- Delay in the approval of term tenders;
- Delays in signing off of the service request form for internal architect services resulting from insufficient resources and capacity;
- Protracted delays in the negotiation of streetsweeper machinery; and
- Cash flows misalignments.

Cash Flow

The City's cash reserves are still strong at this stage and should they remain at the current levels, consideration will now be given to taking up the loan in the 2017/18 financial year to fund the capital expenditure of the current year so as to optimise the cash flow.

1.2. High level Service Delivery and Budget Implementation Plan (SDBIP) overall performance

The mid-year corporate performance assessment contained in this report is based on the reviewed top level corporate SDBIP for the period 1 July 2016 to 31 December 2016 and is reported under separate cover as Annexure 1 to this report.

The mid-year corporate performance assessment report is discussed under part 3 (Service Delivery Performance) of this report.

1.3. 2015/16 Annual Report

The City received an unqualified audit opinion, as well as a clean audit status, from the Auditor-General of South Africa for the 13th and 4th consecutive years respectively. The audit report contains no issues for which management comments and corrective actions are required.

The items listed in the audit report under 'emphasis of matters' are self-explanatory and for reader interest only.

For the detailed Audit Report, see pages 146 and 148 of the 2015/16 Annual Report.

1.4. Municipal Entity - Cape Town International Convention Centre (CTICC)

The mid-year CTICC performance assessment for the period 1 July 2016 to 31 December 2016 is reported under separate cover as Annexure 3 to this report.

The 2015/16 CTICC Annual Report was tabled at Council as legislatively required.

2. Conclusion

The mid-year budget and performance assessment indicates that:

a. an adjustments budget for 2016/17 is required and this adjustments budget must be approved by Council by no later than 28 February 2017; and
b. the revised SDBIP, which forms the basis for the mid-year performance assessment, must include adjustments as a result of the adjustments budget and must be approved by Council.

PART 2 – FINANCIAL PERFORMANCE

The tables below were extracted from the December 2016 (M06 2017) in-year monthly budget statement (Section 71 report). Full year forecasts were revised as part of the mid-year assessment. Revised forecasts will inform the adjustments that are tabled for Council approval.

Table C1: Monthly Budget Statement - Summary

The table below provides a high-level summation of the City's operating- and capital budgets, actuals to date, financial position and cash flow.

Description	2015/16	Budget Year 2016/17						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance								
Property rates	6,745,047	6,959,000	6,959,000	4,026,674	3,465,702	560,972	16.2%	7,577,601
Service charges	17,363,596	18,353,075	18,353,075	9,216,581	8,973,063	243,518	2.7%	18,593,298
Investment revenue	642,628	595,694	595,694	352,382	355,585	(3,203)	-0.9%	595,694
Transfers recognised - operational	3,619,257	3,802,940	4,210,812	2,107,501	2,198,161	(90,660)	-4.1%	4,296,766
Other own revenue	4,417,262	4,489,436	4,489,436	2,389,885	2,559,629	(169,744)	-6.6%	4,431,231
Total Revenue (excluding capital transfers and contributions)	**32,787,790**	**34,200,144**	**34,608,016**	**18,093,024**	**17,552,141**	**540,884**	**3.1%**	**35,494,590**
Employee costs	9,357,740	10,597,571	10,592,227	5,204,113	5,299,087	(94,974)	-1.8%	10,357,614
Remuneration of Councillors	134,637	151,063	151,063	64,771	67,886	(3,115)	-4.6%	146,004
Depreciation & asset impairment	2,117,336	2,318,441	2,318,441	1,071,169	1,159,220	(88,052)	-7.6%	2,433,315
Finance charges	751,614	895,848	895,848	346,079	345,551	528	0.2%	895,848
Materials and bulk purchases	8,378,060	8,853,353	8,956,344	4,148,897	4,141,107	7,790	0.2%	9,034,388
Transfers and grants	148,246	174,833	178,146	64,301	96,443	(32,143)	-33.3%	124,353
Other expenditure	9,803,642	11,554,349	11,869,535	4,310,997	4,574,941	(263,943)	-5.8%	12,503,068
Total Expenditure	**30,691,275**	**34,545,457**	**34,961,605**	**15,210,328**	**15,684,236**	**(473,908)**	**-3.0%**	**35,494,590**
Surplus/(Deficit)	**2,096,516**	**(345,312)**	**(353,589)**	**2,882,696**	**1,867,905**	**1,014,792**	**54.3%**	**(0)**
Transfers recognised - capital	2,131,537	2,177,040	2,186,477	835,225	649,724	185,501	28.6%	2,192,106
Contributions & Contributed assets	61,589	87,800	87,800	51,424	34,845	16,579	47.6%	87,941
Surplus/(Deficit) after capital transfers & contributions	**4,289,641**	**1,919,528**	**1,920,688**	**3,769,346**	**2,552,474**	**1,216,872**	**47.7%**	**2,280,047**
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	-	–
Surplus/ (Deficit) for the year	**4,289,641**	**1,919,528**	**1,920,688**	**3,769,346**	**2,552,474**	**1,216,872**	**47.7%**	**2,280,047**
Capital expenditure & funds sources								
Capital expenditure	**5,489,834**	**6,501,277**	**6,631,744**	**2,191,503**	**1,958,551**	**232,952**	**11.9%**	**6,346,592**
Capital transfers recognised	2,187,425	2,177,040	2,186,477	835,225	732,915	102,310	14.0%	2,192,106
Public contributions & donations	61,488	87,800	87,800	34,912	34,845	67	0.2%	81,341
Borrowing	2,441,423	2,928,696	3,005,341	1,068,485	848,529	219,957	25.9%	2,917,300
Internally generated funds	799,498	1,307,740	1,352,126	252,880	342,262	(89,382)	-26.1%	1,155,845
Total sources of capital funds	**5,489,834**	**6,501,277**	**6,631,744**	**2,191,503**	**1,958,551**	**232,952**	**11.9%**	**6,346,592**
Financial position								
Total current assets	11,726,952	9,170,692	11,376,291	10,718,130				12,584,602
Total non current assets	42,136,829	46,400,477	46,550,640	43,455,130				45,819,491
Total current liabilities	8,859,315	8,502,016	10,850,826	5,254,355				8,814,356
Total non current liabilities	12,153,259	14,329,528	14,335,319	12,311,455				14,458,485
Community wealth/Equity	**32,851,207**	**32,739,626**	**32,740,786**	**36,607,449**				**35,131,253**
Cash flows								
Net cash from (used) operating	6,058,725	4,161,843	3,755,132	1,829,210	1,594,861	(234,349)	-14.7%	3,755,132
Net cash from (used) investing	(4,718,325)	(5,857,381)	(5,974,802)	(1,672,156)	(1,945,246)	(273,090)	14.0%	(5,974,802)
Net cash from (used) financing	(407,811)	2,038,733	2,038,733	(108,055)	(109,502)	(1,447)	1.3%	2,038,733
Cash/cash equivalents at the month/year end	**3,199,148**	**1,541,117**	**3,151,534**	**3,381,471**	**2,872,585**			**3,151,534**

Table C2: Monthly Budget Statement - Financial Performance (standard classification)[5]

The table below is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification.

Description	2015/16	Budget Year 2016/17						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Standard								
Governance and administration	**12,270,213**	**12,567,409**	**12,547,048**	**7,657,044**	**7,096,764**	**560,280**	**7.9%**	**13,282,993**
Executive and council	301,714	314,011	293,650	147,092	156,643	(9,551)	-6.1%	317,354
Budget and treasury office	11,685,985	11,971,769	11,971,769	7,423,648	6,865,061	558,587	8.1%	12,723,229
Corporate services	282,514	281,629	281,629	86,304	75,060	11,245	15.0%	242,411
Community and public safety	**2,884,043**	**3,315,492**	**3,731,166**	**1,021,484**	**1,325,733**	**(304,248)**	**-22.9%**	**3,583,068**
Community and social services	102,673	96,804	96,804	32,682	40,023	(7,342)	-18.3%	113,511
Sport and recreation	86,704	123,770	123,770	37,790	28,051	9,740	34.7%	136,011
Public safety	1,225,034	1,194,620	1,194,620	371,525	582,404	(210,879)	-36.2%	1,197,453
Housing	1,203,138	1,605,746	2,021,420	406,000	511,687	(105,687)	-20.7%	1,833,976
Health	266,493	294,552	294,552	173,488	163,567	9,921	6.1%	302,119
Economic and environmental services	**2,054,199**	**1,904,756**	**1,926,474**	**978,334**	**744,441**	**233,893**	**31.4%**	**2,011,486**
Planning and development	283,224	305,929	305,929	158,092	153,950	4,142	2.7%	321,020
Road transport	1,763,369	1,592,599	1,613,666	809,916	587,094	222,822	38.0%	1,681,834
Environmental protection	7,606	6,227	6,878	10,326	3,397	6,929	204.0%	8,632
Trading services	**17,771,781**	**18,675,252**	**18,675,252**	**9,322,787**	**9,069,039**	**253,748**	**2.8%**	**18,895,284**
Electricity	11,498,496	12,089,547	12,089,547	6,127,657	6,144,097	(16,440)	-0.3%	12,094,347
Water	3,172,543	3,258,167	3,258,167	1,609,985	1,437,487	172,498	12.0%	3,430,385
Waste water management	1,985,565	2,079,484	2,079,484	973,394	877,411	95,983	10.9%	2,139,590
Waste management	1,115,177	1,248,054	1,248,054	611,750	610,043	1,707	0.3%	1,230,962
Other	**680**	**2,076**	**2,353**	**25**	**734**	**(709)**	**-96.6%**	**1,806**
Total Revenue - Standard	**34,980,916**	**36,464,984**	**36,882,293**	**18,979,674**	**18,236,710**	**742,964**	**4.1%**	**37,774,637**
Expenditure - Standard								
Governance and administration	**5,393,765**	**6,359,899**	**6,337,784**	**2,820,863**	**2,926,677**	**(105,814)**	**-3.6%**	**6,688,627**
Executive and council	865,599	1,112,285	1,055,033	423,052	470,812	(47,760)	-10.1%	1,105,414
Budget and treasury office	2,447,166	2,816,141	2,810,213	1,261,639	1,290,103	(28,465)	-2.2%	2,996,164
Corporate services	2,081,000	2,431,473	2,472,539	1,136,173	1,165,762	(29,590)	-2.5%	2,587,049
Community and public safety	**6,504,178**	**7,662,160**	**8,077,639**	**2,985,619**	**3,213,442**	**(227,823)**	**-7.1%**	**7,894,710**
Community and social services	582,385	651,428	651,725	304,630	322,670	(18,040)	-5.6%	634,526
Sport and recreation	1,314,740	1,543,845	1,543,582	612,310	725,047	(112,737)	-15.5%	1,539,053
Public safety	2,486,830	2,729,102	2,723,490	937,563	956,044	(18,481)	-1.9%	2,677,711
Housing	1,249,275	1,786,141	2,201,085	627,838	695,656	(67,818)	-9.7%	2,072,992
Health	870,947	951,643	957,756	503,279	514,025	(10,746)	-2.1%	970,428
Economic and environmental services	**3,425,691**	**3,829,922**	**3,863,328**	**1,755,005**	**1,755,594**	**(588)**	**0.0%**	**3,931,741**
Planning and development	756,784	879,635	876,586	399,595	425,557	(25,962)	-6.1%	881,692
Road transport	2,555,180	2,831,720	2,864,353	1,295,760	1,270,907	24,853	2.0%	2,927,958
Environmental protection	113,727	118,568	122,388	59,651	59,130	521	0.9%	122,091
Trading services	**15,311,365**	**16,628,216**	**16,617,722**	**7,618,640**	**7,757,266**	**(138,626)**	**-1.8%**	**16,914,987**
Electricity	9,340,359	10,022,681	10,022,485	4,690,031	4,736,692	(46,660)	-1.0%	10,017,089
Water	2,714,350	2,782,122	2,782,191	1,268,911	1,288,607	(19,697)	-1.5%	3,042,394
Waste water management	1,474,008	1,628,232	1,617,865	701,479	726,791	(25,311)	-3.5%	1,722,944
Waste management	1,782,647	2,195,181	2,195,181	958,219	1,005,177	(46,958)	-4.7%	2,132,559
Other	**56,276**	**65,260**	**65,133**	**30,200**	**31,256**	**(1,057)**	**-3.4%**	**64,526**
Total Expenditure - Standard	**30,691,275**	**34,545,457**	**34,961,605**	**15,210,328**	**15,684,236**	**(473,908)**	**-3.0%**	**35,494,590**
Surplus/ (Deficit) for the year	**4,289,641**	**1,919,528**	**1,920,688**	**3,769,346**	**2,552,474**	**1,216,872**	**47.7%**	**2,280,047**

[5] As per GFS classification, Trading Services expenditure above excludes Street lighting provisions (included with Community and public safety).

Table C3: Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

The table below reflects the budgeted financial performance in relation to revenue and expenditure by vote as well as the operating surplus or deficit.

Vote Description	2015/16	Budget Year 2016/17						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote								
Vote 1 - City Health	527,275	570,674	570,674	308,149	312,166	(4,017)	-1.3%	575,363
Vote 2 - City Manager	886	51	333	246	284	(38)	-13.4%	241
Vote 3 - Community Services	168,043	201,433	201,433	60,430	56,196	4,234	7.5%	230,380
Vote 4 - Corporate Services & Compliance	64,264	77,336	77,336	31,236	18,529	12,706	68.6%	77,707
Vote 5 - Energy, Environmental & Spatial Planning	134,086	139,984	140,635	76,141	70,651	5,490	7.8%	152,737
Vote 6 - Finance	1,455,311	1,136,601	1,136,601	598,912	589,879	9,033	1.5%	1,277,791
Vote 7 - Human Settlements	1,203,134	1,605,739	2,021,414	405,999	511,687	(105,689)	-20.7%	1,830,738
Vote 8 - Rates & Other	10,602,471	11,207,217	11,207,217	6,968,871	6,414,862	554,010	8.6%	11,785,818
Vote 9 - Safety & Security	1,235,498	1,196,990	1,196,990	385,564	583,533	(197,969)	-33.9%	1,199,823
Vote 10 - Social Dev & Early Childhood Development	680	533	533	6,896	236	6,660	2821.0%	7,260
Vote 11 - Tourism, Events & Economic Development	27,166	27,613	27,890	13,330	16,468	(3,139)	-19.1%	27,343
Vote 12 - Transport for Cape Town	1,761,390	1,602,394	1,602,817	797,028	582,490	214,538	36.8%	1,690,985
Vote 13 - Utility Services	17,800,712	18,698,420	18,698,420	9,326,873	9,079,729	247,144	2.7%	18,918,452
Total Revenue by Vote	**34,980,916**	**36,464,984**	**36,882,293**	**18,979,673**	**18,236,710**	**742,964**	**4.1%**	**37,774,637**
Expenditure by Vote								
Vote 1 - City Health	920,192	1,050,049	1,050,049	528,043	549,987	(21,945)	-4.0%	1,060,872
Vote 2 - City Manager	189,381	229,281	229,564	119,281	118,827	453	0.4%	228,951
Vote 3 - Community Services	1,566,085	1,826,771	1,826,771	749,394	876,665	(127,271)	-14.5%	1,808,587
Vote 4 - Corporate Services & Compliance	2,183,354	2,563,425	2,563,425	1,158,218	1,185,750	(27,533)	-2.32%	2,693,524
Vote 5 - Energy, Environmental & Spatial Planning	538,045	609,264	609,915	279,826	291,913	(12,086)	-4.1%	597,573
Vote 6 - Finance	1,892,536	2,234,102	2,234,102	1,013,815	1,022,359	(8,544)	-0.8%	2,392,444
Vote 7 - Human Settlements	1,219,300	1,748,780	2,163,724	607,668	675,590	(67,921)	-10.1%	2,036,252
Vote 8 - Rates & Other	971,040	1,076,794	1,076,794	501,310	527,097	(25,787)	-4.9%	1,099,044
Vote 9 - Safety & Security	2,549,529	2,833,419	2,833,419	978,462	1,007,973	(29,511)	-2.9%	2,797,703
Vote 10 - Social Dev & Early Childhood Development	178,551	206,578	206,578	87,570	90,296	(2,726)	-3.0%	196,947
Vote 11 - Tourism, Events & Economic Development	537,038	570,071	570,348	249,725	267,842	(18,117)	-6.8%	573,998
Vote 12 - Transport for Cape Town	2,616,468	2,932,751	2,932,745	1,299,676	1,276,153	23,522	1.8%	3,107,163
Vote 13 - Utility Services	15,329,755	16,664,171	16,664,171	7,637,340	7,793,783	(156,443)	-2.0%	16,901,531
Total Expenditure by Vote	**30,691,275**	**34,545,457**	**34,961,605**	**15,210,328**	**15,684,236**	**(473,908)**	**-3.0%**	**35,494,590**
Surplus/ (Deficit) for the year	**4,289,641**	**1,919,528**	**1,920,688**	**3,769,346**	**2,552,474**	**1,216,872**	**47.7%**	**2,280,047**

Table C4: Monthly Budget Statement – Financial Performance (revenue by source and expenditure by type)

The table below is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type.

Description	2015/16	Budget Year 2016/17						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source								
Property rates	6,745,047	6,959,000	6,959,000	4,026,674	3,465,702	560,972	16.2%	7,577,601
Property rates - penalties & collection charges	–	–	–	–	–	–	-	–
Service charges - electricity revenue	11,198,441	11,807,918	11,807,918	5,998,380	5,995,609	2,770	0.0%	11,807,918
Service charges - water revenue	2,984,859	3,066,664	3,066,664	1,531,119	1,355,449	175,670	13.0%	3,251,696
Service charges - sanitation revenue	1,534,981	1,628,277	1,628,277	785,508	727,040	58,468	8.0%	1,691,777
Service charges - refuse revenue	1,090,550	1,232,929	1,232,929	597,225	603,336	(6,111)	-1.0%	1,216,925
Service charges - other	554,766	617,287	617,287	304,350	291,629	12,721	4.4%	624,981
Rental of facilities and equipment	350,954	383,550	383,550	183,927	186,838	(2,911)	-1.6%	385,266
Interest earned - external investments	642,628	595,694	595,694	352,382	355,585	(3,203)	-0.9%	595,694
Interest earned - outstanding debtors	221,609	284,710	284,710	130,087	124,913	5,174	4.1%	244,710
Dividends received	–	–	–	–	–	–	-	–
Fines	1,088,073	1,055,743	1,055,743	307,309	527,821	(220,513)	-41.8%	1,055,676
Licences and permits	41,494	27,893	27,893	25,787	13,947	11,840	84.9%	35,893
Agency services	183,260	153,993	153,993	85,374	85,213	161	0.19%	153,993
Transfers recognised - operational	3,619,257	3,802,940	4,210,812	2,107,501	2,198,161	(90,660)	-4.1%	4,296,766
Other revenue	2,405,372	2,504,046	2,504,046	1,657,402	1,618,647	38,755	2.4%	2,515,192
Gains on disposal of PPE	126,501	79,500	79,500	–	2,250	(2,250)	-100.0%	40,500
Total Revenue (excluding capital transfers	**32,787,790**	**34,200,144**	**34,608,016**	**18,093,024**	**17,552,141**	**540,884**	**3.1%**	**35,494,590**
Expenditure By Type								
Employee related costs	9,357,740	10,597,571	10,592,227	5,204,113	5,299,087	(94,974)	-1.8%	10,357,614
Remuneration of councillors	134,637	151,063	151,063	64,771	67,886	(3,115)	-4.6%	146,004
Debt impairment	1,898,476	2,003,203	2,003,203	604,057	598,198	5,859	0.98%	2,257,845
Depreciation & asset impairment	2,117,336	2,318,441	2,318,441	1,071,169	1,159,220	(88,052)	-7.6%	2,433,315
Finance charges	751,614	895,848	895,848	346,079	345,551	528	0.2%	895,848
Bulk purchases	8,073,336	8,515,180	8,515,180	3,952,421	3,933,092	19,329	0.5%	8,515,180
Other materials	304,724	338,172	441,164	196,477	208,015	(11,539)	-5.5%	519,207
Contracted services	3,421,785	4,396,163	4,704,260	1,530,679	1,665,651	(134,973)	-8.1%	4,708,789
Transfers and grants	148,246	174,833	178,146	64,301	96,443	(32,143)	-33.3%	124,353
Other expenditure	4,475,263	5,154,983	5,162,072	2,176,261	2,311,091	(134,830)	-5.8%	5,536,434
Loss on disposal of PPE	8,118	–	–	–	–	–	-	–
Total Expenditure	**30,691,275**	**34,545,457**	**34,961,605**	**15,210,328**	**15,684,236**	**(473,908)**	**-3.0%**	**35,494,590**
Surplus/(Deficit)	**2,096,516**	**(345,312)**	**(353,589)**	**2,882,696**	**1,867,905**	**1,014,792**	**54.3%**	**(0)**
Transfers recognised - capital	2,131,537	2,177,040	2,186,477	835,225	649,724	185,501	28.6%	2,192,106
Contributions recognised - capital	61,488	87,800	87,800	34,912	34,845	67	0.2%	81,341
Contributed assets	100	–	–	16,512	–	16,512	100.0%	6,600
Surplus/(Deficit) after capital transfers & contributions	**4,289,641**	**1,919,528**	**1,920,688**	**3,769,346**	**2,552,474**			**2,280,047**
Taxation	–	–	–	–	–			–
Surplus/(Deficit) after taxation	**4,289,641**	**1,919,528**	**1,920,688**	**3,769,346**	**2,552,474**			**2,280,047**
Attributable to minorities	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality	**4,289,641**	**1,919,528**	**1,920,688**	**3,769,346**	**2,552,474**			**2,280,047**
Share of surplus/ (deficit) of associate	–	–	–	–	–			–
Surplus/ (Deficit) for the year	**4,289,641**	**1,919,528**	**1,920,688**	**3,769,346**	**2,552,474**			**2,280,047**

Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

The table below reflects the City's capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and funding sources required to fund the capital budget, including information on capital transfers from National and Provincial departments.

Vote Description	2015/16	Budget Year 2016/17						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation								
Vote 1 - City Health	17,122	37,520	39,458	10,618	2,771	7,846	283.1%	28,163
Vote 2 - City Manager	18,925	17,946	17,962	8,507	8,555	(48)	-0.6%	19,690
Vote 3 - Community Services	193,009	186,340	189,644	61,332	47,289	14,043	29.7%	212,278
Vote 4 - Corporate Services & Compliance	448,054	386,908	399,515	82,749	105,434	(22,685)	-21.5%	447,000
Vote 5 - Energy, Environmental & Spatial Planning	62,977	61,359	61,630	13,432	15,560	(2,128)	-13.7%	59,490
Vote 6 - Finance	39,080	148,866	149,871	29,366	40,440	(11,074)	-27.4%	97,738
Vote 7 - Human Settlements	336,606	499,542	527,855	79,319	95,793	(16,474)	-17.2%	562,269
Vote 8 - Rates & Other	–	–	–	–	–	–	-	–
Vote 9 - Safety & Security	149,895	132,043	132,056	39,767	28,647	11,120	38.8%	116,396
Vote 10 - Social Dev & Early Childhood Development	15,660	17,460	17,460	13,409	10,713	2,696	25.2%	20,288
Vote 11 - Tourism, Events & Economic Development	40,824	42,150	42,242	17,669	22,284	(4,616)	-20.7%	50,033
Vote 12 - Transport for Cape Tow n	1,424,447	1,442,311	1,505,466	739,757	573,117	166,640	29.1%	1,524,490
Vote 13 - Utility Services	2,743,234	3,528,831	3,548,586	1,095,578	1,007,947	87,632	8.7%	3,208,757
Total Capital Expenditure	**5,489,834**	**6,501,277**	**6,631,744**	**2,191,503**	**1,958,551**	**232,952**	**11.9%**	**6,346,592**
Capital Expenditure - Standard Classification								
Governance and administration	**520,726**	**571,966**	**585,454**	**129,744**	**158,561**	**(28,817)**	**-18.2%**	**702,672**
Executive and council	45,771	39,349	41,045	18,733	12,652	6,081	48.1%	164,264
Budget and treasury office	15,367	15,997	16,121	3,817	7,604	(3,788)	-49.8%	24,265
Corporate services	459,588	516,620	528,288	107,194	138,304	(31,110)	-22.5%	514,143
Community and public safety	**770,004**	**936,453**	**970,623**	**226,200**	**221,337**	**4,863**	**2.2%**	**1,011,921**
Community and social services	85,337	69,742	71,331	20,795	21,601	(806)	-3.7%	90,535
Sport and recreation	142,704	148,513	150,285	56,903	43,413	13,489	31.1%	165,029
Public safety	187,892	185,098	185,541	58,794	57,689	1,105	1.9%	169,866
Housing	336,949	499,611	527,924	79,359	95,862	(16,504)	-17.2%	562,338
Health	17,122	33,490	35,542	10,349	2,771	7,578	273.4%	24,153
Economic and environmental services	**1,529,423**	**1,534,557**	**1,597,611**	**763,367**	**601,783**	**161,583**	**26.9%**	**1,493,772**
Planning and development	58,135	70,524	70,339	21,915	26,431	(4,516)	-17.1%	69,664
Road transport	1,454,254	1,448,117	1,511,356	740,843	575,042	165,801	28.8%	1,412,060
Environmental protection	17,034	15,916	15,916	609	310	299	96.3%	12,048
Trading services	**2,669,181**	**3,458,301**	**3,478,056**	**1,072,193**	**976,871**	**95,322**	9.8%	**3,138,227**
Electricity	1,016,911	1,536,812	1,541,511	464,457	469,489	(5,032)	-1.1%	1,305,937
Water	719,005	883,225	916,112	320,688	162,090	158,598	97.8%	902,519
Waste w ater management	680,773	800,774	778,039	258,370	269,470	(11,100)	-4.1%	747,690
Waste management	252,491	237,491	242,393	28,678	75,821	(47,143)	-62.2%	182,081
Other	**500**	**–**	**–**	**–**	**–**	–	-	**–**
Total Capital Expenditure - Standard Classification	**5,489,834**	**6,501,277**	**6,631,744**	**2,191,503**	**1,958,551**	**232,952**	**11.9%**	**6,346,592**
Funded by:								
National Government	2,030,362	2,079,122	2,079,122	810,637	716,094	94,543	13.2%	2,139,786
Provincial Government	156,729	97,918	107,356	24,588	16,821	7,767	46.2%	52,320
District Municipality	–	–	–	–	–	–	-	–
Other transfers and grants	333	–	–	–	–	–	-	–
Transfers recognised - capital	**2,187,425**	**2,177,040**	**2,186,477**	**835,225**	**732,915**	**102,310**	**14.0%**	**2,192,106**
Public contributions & donations	61,488	87,800	87,800	34,912	34,845	67	0.2%	81,341
Borrowing	2,441,423	2,928,696	3,005,341	1,068,485	848,529	219,957	25.9%	2,917,300
Internally generated funds	799,498	1,307,740	1,352,126	252,880	342,262	(89,382)	-26.1%	1,155,845
Total Capital Funding	**5,489,834**	**6,501,277**	**6,631,744**	**2,191,503**	**1,958,551**	**232,952**	**11.9%**	**6,346,592**

Table C6: Monthly Budget Statement - Financial Position

The table below reflects the performance to date in relation to the financial position of the City.

Description	2015/16	Budget Year 2016/17			
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS					
Current assets					
Cash	93,003	103,411	103,411	160,984	103,411
Call investment deposits	5,394,645	2,908,391	5,113,990	5,394,645	5,841,847
Consumer debtors	5,106,634	4,903,207	4,903,207	3,850,545	5,351,344
Other debtors	858,306	894,630	894,630	985,975	987,052
Current portion of long-term receivables	17,093	21,871	21,871	17,093	17,948
Inventory	257,273	339,182	339,182	308,888	283,000
Total current assets	**11,726,952**	**9,170,692**	**11,376,291**	**10,718,130**	**12,584,602**
Non current assets					
Long-term receivables	51,695	67,980	67,980	41,401	49,110
Investments	3,966,188	4,029,279	4,055,497	4,094,023	4,055,497
Investment property	588,191	589,382	589,382	589,382	588,191
Investments in Associate	–	–	–	–	–
Property, plant and equipment	36,892,544	40,996,392	41,120,336	38,012,879	40,488,482
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	629,161	708,383	708,383	708,383	629,162
Other non-current assets	9,050	9,062	9,062	9,062	9,049
Total non current assets	**42,136,829**	**46,400,477**	**46,550,640**	**43,455,130**	**45,819,491**
TOTAL ASSETS	**53,863,781**	**55,571,170**	**57,926,931**	**54,173,259**	**58,404,093**
LIABILITIES					
Current liabilities	–	–	–	–	–
Bank overdraft	–	–	–	–	–
Borrowing	469,936	501,208	501,208	469,936	501,208
Consumer deposits	324,632	329,432	329,432	351,495	357,096
Trade and other payables	6,995,469	6,579,621	8,928,431	3,424,880	6,811,925
Provisions	1,069,277	1,091,755	1,091,755	1,008,044	1,144,126
Total current liabilities	**8,859,315**	**8,502,016**	**10,850,826**	**5,254,355**	**8,814,356**
Non current liabilities					
Borrowing	6,036,905	8,058,439	8,058,439	5,919,184	8,058,439
Provisions	6,116,354	6,271,089	6,276,880	6,392,271	6,400,046
Total non current liabilities	**12,153,259**	**14,329,528**	**14,335,319**	**12,311,455**	**14,458,485**
TOTAL LIABILITIES	**21,012,574**	**22,831,544**	**25,186,145**	**17,565,810**	**23,272,840**
NET ASSETS	**32,851,207**	**32,739,626**	**32,740,786**	**36,607,449**	**35,131,253**
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	29,846,771	31,269,262	31,322,984	33,791,023	32,160,660
Reserves	3,004,436	1,470,363	1,417,803	2,816,426	2,970,593
TOTAL COMMUNITY WEALTH/EQUITY	**32,851,207**	**32,739,626**	**32,740,786**	**36,607,449**	**35,131,253**

Table C7: Monthly Budget Statement - Cash Flow

The City's cash flow position and cash/cash equivalent outcome is shown in the table below.

Description	2015/16	Budget Year 2016/17						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates, penalties & collection charges	6,018,735	6,864,644	6,864,644	4,109,436	3,706,385	403,051	10.9%	6,864,644
Service charges	13,768,730	16,910,000	16,910,000	8,826,454	8,562,827	263,627	3.1%	16,910,000
Other revenue	3,351,237	3,205,429	3,205,429	2,138,292	1,990,380	147,912	7.4%	3,205,429
Government - operating	3,251,460	3,802,940	3,802,940	2,228,039	2,272,247	(44,209)	-1.9%	3,802,940
Government - capital	2,423,179	2,264,840	2,274,277	1,151,015	1,153,685	(2,670)	-0.2%	2,274,277
Interest	735,298	595,694	595,694	283,925	284,157	(232)	-0.1%	595,694
Dividends	–	–	–	–	–	–	-	–
Payments								
Suppliers and employees	(22,780,459)	(28,554,433)	(28,970,581)	(16,584,388)	(16,037,966)	546,422	-3.4%	(28,970,581)
Finance charges	(709,455)	(812,118)	(812,118)	(322,321)	(322,321)	(0)	0.0%	(812,118)
Transfers and Grants	–	(115,154)	(115,154)	(1,243)	(14,536)	(13,293)	91.4%	(115,154)
NET CASH FROM/(USED) OPERATING ACTIVITIES	**6,058,725**	**4,161,843**	**3,755,132**	**1,829,210**	**1,594,861**	**(234,349)**	**-14.7%**	**3,755,132**
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	91,419	79,500	79,500	–	–	–	-	79,500
Decrease (Increase) in non-current debtors	–	–	–	–	–	–	-	–
Decrease (increase) other non-current receivables	28,800	3,578	3,578	–	–	–	-	3,578
Decrease (increase) in non-current investments	361,949	(89,310)	(89,310)	–	–	–	-	(89,310)
Payments								
Capital assets	(5,200,493)	(5,851,149)	(5,968,570)	(1,672,156)	(1,945,246)	(273,090)	14.0%	(5,968,570)
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(4,718,325)**	**(5,857,381)**	**(5,974,802)**	**(1,672,156)**	**(1,945,246)**	**(273,090)**	**14.0%**	**(5,974,802)**
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	–	–	–	–	–	–	-	–
Borrowing long term/refinancing	–	2,500,000	2,500,000	–	–	–	-	2,500,000
Increase (decrease) in consumer deposits	(97,959)	29,948	29,948	–	–	–	-	29,948
Payments								
Repayment of borrowing	(309,852)	(491,216)	(491,216)	(108,055)	(109,502)	(1,447)	1.3%	(491,216)
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(407,811)**	**2,038,733**	**2,038,733**	**(108,055)**	**(109,502)**	**(1,447)**	**1.3%**	**2,038,733**
NET INCREASE/ (DECREASE) IN CASH HELD	**932,589**	**343,195**	**(180,937)**	**48,999**	**(459,886)**			**(180,937)**
Cash/cash equivalents at beginning:	2,266,559	1,197,922	3,332,472	3,332,472	3,332,472			3,332,472
Cash/cash equivalents at month/year end:	3,199,148	1,541,117	3,151,534	3,381,471	2,872,585			3,151,534

Debtors' Analysis

The debtor analysis provides an age analysis by revenue source and customer category.

Table SC3 Monthly Budget Statement - Aged Debtors

Description	Budget Year 2016/17											
R thousands	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Year	Over 1 Year	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	395,502	102,020	102,955	73,525	75,218	72,180	439,013	1,375,635	2,636,047	2,035,571	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	696,998	31,079	17,802	4,321	12,889	4,903	31,132	129,247	928,371	182,492	–	–
Receivables from Non-exchange Transactions - Property Rates	612,712	88,680	74,085	39,481	35,984	29,310	163,748	626,233	1,670,232	894,755	–	–
Receivables from Exchange Transactions - Waste Water Management	190,549	43,435	39,410	27,693	27,219	25,511	166,975	625,632	1,146,424	873,030	–	–
Receivables from Exchange Transactions - Waste Management	85,561	22,253	18,809	13,273	13,780	11,602	67,529	253,804	486,610	359,988	–	–
Receivables from Exchange Transactions - Property Rental Debtors	56,176	8,497	(2,287)	8,779	18,236	9,516	59,698	504,774	663,390	601,004	–	–
Interest on Arrear Debtor Accounts	55,158	24,177	23,378	20,138	19,219	23,686	101,497	577,221	844,474	741,761	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–	–	–	–
Other	(143,118)	(102,869)	(164,799)	(35,901)	(7,707)	(2,062)	(50,994)	(290,950)	(798,400)	(387,615)	–	–
Total By Income Source	**1,949,537**	**217,273**	**109,352**	**151,307**	**194,838**	**174,647**	**978,598**	**3,801,597**	**7,577,148**	**5,300,986**	**–**	**–**
2015/16 - totals only												
Debtors Age Analysis By Customer Group												
Organs of State	57,095	(57,582)	(128,154)	(15,976)	10,073	7,027	45,104	56,264	(26,150)	102,492	–	–
Commercial	1,068,381	64,206	48,253	24,051	21,811	18,211	94,031	385,357	1,724,300	543,460	–	–
Households	1,005,709	244,807	212,629	159,165	167,390	152,577	876,625	3,485,254	6,304,156	4,841,011	–	–
Other	(181,648)	(34,158)	(23,376)	(15,933)	(4,436)	(3,167)	(37,162)	(125,277)	(425,158)	(185,976)	–	–
Total By Customer Group	**1,949,537**	**217,273**	**109,352**	**151,307**	**194,838**	**174,647**	**978,598**	**3,801,597**	**7,577,148**	**5,300,986**	**–**	**–**

Additional debtor's information

Monthly Collection Rate			YTD Collection Rate
Period	Current year	Previous year	
12 Months	**95.30%**	**96.81%**	**95.66%**
6 Months	**96.20%**	**97.04%**	**97.32%**
3 Months	**95.07%**	**93.79%**	**97.64%**
Monthly	**89.78%**	**92.98%**	**96.10%**

12 Months Collection Ratio per Services			
Services	Current year	Previous year	YTD collection Rate
Electricity	**99.72%**	**98.40%**	**99.51%**
Water	**83.19%**	**87.48%**	**82.12%**
Sewerage	**89.20%**	**89.41%**	**89.91%**
Refuse	**91.53%**	**90.13%**	**92.38%**
Rates	**96.21%**	**98.59%**	**95.40%**
Other	**100.78%**	**99.42%**	**102.61%**

2016/17 Billings vs Receipts		
Month	Billing R	Receipts R
July	**2,532,477,639.24**	**2,271,384,976.61**
August	**2,728,066,886.37**	**2,800,626,610.60**
September	**2,868,283,390.84**	**2,840,450,482.67**
October	**2,723,413,273.81**	**2,672,019,173.12**
November	**2,691,280,977.58**	**2,620,216,583.67**
December	**2,732,355,663.51**	**2,452,982,940.04**

Creditors' Analysis

The creditors' analysis below contains an aged analysis by customer type.

Table SC4 Monthly Budget Statement - Aged Creditors

Description R thousands	Budget Year 2016/17									Prior year totals (same period)
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type										
Bulk Electricity	–	–	–	–	–	–	–	–	**–**	–
Bulk Water	–	–	–	–	–	–	–	–	**–**	–
PAYE deductions	–	–	–	–	–	–	–	–	**–**	–
VAT (output less input)	–	–	–	–	–	–	–	–	**–**	–
Pensions / Retirement deductions	–	–	–	–	–	–	–	–	**–**	–
Loan repayments	–	–	–	–	–	–	–	–	**–**	–
Trade Creditors	263,660	123	–	(5)	98	(4)	–	(7,219)	**256,654**	239,571
Auditor General	–	–	–	–	–	–	–	–	**–**	–
Other	–	–	–	–	–	–	–	–	**–**	–
Total By Customer Type	**263,660**	**123**	**–**	**(5)**	**98**	**(4)**	**–**	**(7,219)**	**256,654**	**239,571**

Outstanding commitments against Cash and Cash Equivalents

Item	Previous Month R Thousands	Current Month R Thousands
Closing Cash Balance	**6,836,085**	**7,279,067**
Unspent Conditional Grants	1,847,600	1,569,181
Housing Development	263,475	263,557
MTAB	13,534	13,614
Trust Funds	698	702
Financial commitments	134,500	134,500
Sinking Funds	-	-
Insurance reserves	474,178	476,986
CRR	2,029,291	1,948,962
TOTAL	**4,763,276**	**4,407,502**
TOTAL cash resources - committed working capital	**2,072,809**	**2,871,565**

Transfers and Grants

Transfers and grant expenditure per allocation or grant is provided in the table below.

Table SC7 Monthly Budget Statement - Transfers and Grants Expenditure

Description	2015/16	Budget Year 2016/17						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Operating expenditure of Transfers and Grants								
National Government:	**594,660**	**2,566,742**	**2,567,676**	**117,544**	**155,796**	**(38,252)**	**-24.6%**	**2,646,092**
Equitable share	1,281	2,012,945	2,012,945	–	–	–	-	2,012,945
Finance Management grant	1,050	1,050	1,050	551	544	8	1.4%	1,050
Urban Settlements Development Grant	171,610	229,991	229,991	7,663	54,232	(46,568)	-85.9%	222,103
Energy Efficiency and Demand Side Management Grant	424	600	600	132	123	8	6.6%	600
Dept. of Environ Affairs and Tourism	4,613	4,432	5,083	665	2,424	(1,759)	-72.6%	7,127
Expanded Public Works Programme	23,216	31,340	31,340	12,043	7,835	4,208	53.7%	31,340
Integrated City Development Grant	2,915	6,721	6,721	–	6,721	(6,721)	-100.0%	6,721
Public Transport Infrastructure & Systems Grant	20,998	20,694	20,694	4,485	8,197	(3,712)	-45.3%	85,728
Infrastructure Skills Development	6,932	9,416	9,416	2,771	–	2,771	100.0%	8,416
Public Transport Network Grant	283,209	249,554	249,554	89,112	75,438	13,675	18.1%	269,784
Department of Public Service and Administration	1,183	–	283	190	283	(92)	-32.6%	190
Public Transport Network Operations Grant	58,569	–	–	(55)	–	(55)	-	–
Human Settlements Capacity Grant	18,743	–	–	–	–	–	-	–
LGSETA	–	–	–	(15)	–	(15)	-	–
Department of Water Affairs	–	–	–	–	–	–	-	88
Public Transport Infrastructure Grant	(83)	–	–	–	–	–	-	–
Provincial Government:	**771,527**	**1,204,425**	**1,610,662**	**412,110**	**448,588**	**(36,479)**	**-8.1%**	**1,602,845**
Cultural Affairs and Sport - Provincial Library Services	32,142	38,515	38,515	16,606	20,330	(3,724)	-18.3%	39,815
Human Settlements - Human Settlement Development Grant	428,773	688,585	1,094,822	220,566	256,821	(36,255)	-14.1%	1,064,306
Human Settlements - Municipal Accreditation Assistance	6,584	10,000	10,000	2,745	3,531	(786)	-22.3%	11,264
Human Settlement - Settlement Assistance	–	1,500	1,500	392	332	61	18.3%	1,740
Health - TB	24,535	25,626	25,626	9,297	9,200	97	1.1%	25,626
Health - ARV	162,829	169,844	169,844	112,478	110,410	2,069	1.9%	179,967
Health - Nutrition	4,169	5,208	5,208	2,783	2,350	433	18.4%	5,208
Health - Vaccines	71,152	77,631	77,631	46,180	38,815	7,364	19.0%	80,874
Comprehensive Health	–	170,203	170,203	–	–	–	0.0%	170,203
Transport and Public Works - Provision for persons with	10,112	10,000	10,000	60	5,000	(4,940)	-98.8%	10,089
Community Development Workers	1,446	794	794	–	–	–	-	939
Planning, Maintenance and Rehabilitation of Transport Systems and Infrastructure	7,527	3,400	3,400	(1)	–	(1)	-	9,074
Community Safety - Law Enforcement Auxiliary Services	21,715	3,000	3,000	1,003	1,800	(797)	-44.3%	3,280
Finance Management Capacity Building Grant	–	120	120	–	–	–	-	120
Finance Management Support Grant	303	–	–	–	–	–	-	224
Transport Safety and Compliance - Rail Safety	48	–	–	–	–	–	-	116
Cultural Affairs and Sport - Library Metro Grant	147	–	–	–	–	–	-	–
Interactive Community Access Network	43	–	–	–	–	–	-	–
Other grant providers:	**30,522**	**31,773**	**32,473**	**11,102**	**13,094**	**(1,993)**	**-15.2%**	**47,829**
Tourism	222	2,000	2,277	–	710	(710)	-100.0%	1,730
CMTF	1,196	200	200	–	200	(200)	-100.0%	10,370
CID	2,908	3,709	3,709	1,624	1,550	74	4.8%	4,585
Traffic Free Flow	1,123	–	–	–	–	–	-	1,009
V & A Waterfront - Traffic Officer	268	–	–	–	–	–	-	509
Century City Property Owners Association	553	788	788	385	385	0	0.0%	788
DBSA - Green Fund	22,550	25,000	25,000	9,055	10,000	(945)	-9.4%	25,000
Rustenberg Girls	–	38	38	19	19	(0)	0.0%	38
Westcott Primary	–	38	38	19	19	(0)	0.0%	38
Sustainable Energy Africa	–	–	424	–	212	(212)	-100.0%	424
Stellenbosch University	839	–	–	–	–	–	-	929
University of Connecticut	–	–	–	–	–	–	-	451
Acucap Investment (Pty) Ltd	–	–	–	–	–	–	-	307
Airports Company South Africa SOC Ltd	–	–	–	–	–	–	-	1,333
Big Bay Master Property Owners Association	–	–	–	–	–	–	-	146
Camps Bay Business Forum	–	–	–	–	–	–	-	172
Mamre Fencing	17	–	–	–	–	–	-	–
Carnegie	846	–	–	–	–	–	-	–
Total operating expenditure of Transfers and Grants:	**1,396,709**	**3,802,940**	**4,210,812**	**540,755**	**617,479**	**(76,724)**	**-12.4%**	**4,296,766**

Table continues on next page.

Description R thousands	2015/16 Audited Outcome	Budget Year 2016/17 Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure of Transfers and Grants								
National Government:	**1,974,475**	**2,079,122**	**2,079,122**	**810,637**	**716,094**	**3,591**	**0.5%**	**2,136,317**
Minerals and Energy: Energy Efficiency and Demand Side	11,217	14,400	14,400	2,497	4,000	(1,503)	-37.6%	14,400
Minerals and Energy: INEP	4,997	–	–	–	–	–	-	–
National Treasury: Expanded Public Works Programme	454	400	400	256	200	56	28.0%	400
National Treasury: Urban Renewal	643	–	–	–	–	–	-	–
National Treasury: Integrated City Development Grant	51,365	38,084	38,084	11,106	1,000	10,106	1010.6%	38,084
National Treasury: Restructuring Grant	100	–	–	–	–	–	-	–
National Treasury: Infrastructure Skills Development	497	–	–	–	–	–	-	–
National Treasury: Neighbourhood Development Partnership	38,179	12,215	12,215	3,919	8,000	(4,081)	-51.0%	12,215
National Treasury: Urban Settlements Development Grant	1,080,570	1,193,513	1,193,513	356,626	357,611	(986)	-0.3%	1,350,939
Housing: Human Settlements Capacity Grant	465	–	–	–	–	–	-	–
Transport: Public Transport Infrastructure & Systems Grant	(55,622)	120,000	120,000	–	–	–	-	40,000
Transport: Public Transport Infrastructure Grant	407,069	–	–	(1)	–	(1)	-	–
Transport: Public Transport Network Grant	434,540	700,509	700,509	436,234	345,283	90,951	26.3%	680,279
Provincial Government:	**157,062**	**92,418**	**101,856**	**24,588**	**16,821**	**7,767**	**46.2%**	**48,579**
Cultural Affairs and Sport: Library Services (Conditional Grant)	9,140	11,150	11,150	1,128	2,518	(1,390)	-55.2%	14,126
Cultural Affairs and Sport: Library Services: Metro Library Grant	3,938	7,500	7,500	1,614	1,800	(186)	-10.3%	8,537
Housing: Integrated Housing and Human Settlement Development Grant	115,556	58,873	68,310	7,534	6,503	1,031	15.9%	10,547
Dept. of Environ Affairs and Tourism: Interactive Community Access Network	50	–	–	–	–	–	-	–
CMTF	333	–	–	–	–	–	-	–
Cultural Affairs and Sport - Three Anchor Bay tennis Court	126	–	–	–	–	–	-	–
Provincial Government: Community Development Workers (CDW) Operational Grant Support	291	295	295	–	–	–	-	150
Provincial Government: Department of the Premier (Broadband)	10,181	–	–	–	–	–	-	–
Transport Safety and Compliance - Rail Safety	406	–	–	–	–	–	-	–
Transport and Public Works: Planning, Maintenance and Rehabilitation of Transport System and Infrastructure	17,041	14,600	14,600	14,311	6,000	8,311	138.5%	15,219
Other grant providers:	**61,488**	**93,300**	**93,300**	**34,912**	**34,845**	**67**	**0.2%**	**81,341**
Other: Other	61,488	93,300	93,300	34,912	34,845	67	0.2%	81,341
Total capital expenditure of Transfers and Grants	**2,193,025**	**2,264,840**	**2,274,277**	**870,137**	**767,760**	**11,426**	**1.5%**	**2,266,238**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	**3,589,734**	**6,067,780**	**6,485,089**	**1,410,892**	**1,385,239**	**(65,298)**	**-4.7%**	**6,563,004**

Reasons for revision of the full-year forecasts on transfers and grants

- Roll-over of unspent 2015/16 conditional grants approved by National Treasury in terms of Section 22 (2) of the Division of Revenue Act (DORA) (Act No. 1 of 2015), dated 07 October 2016.
- Roll-over of unspent 2015/16 conditional grants approved by Provincial Treasury in terms of Section 10 (2) of the Western Cape Appropriation Act 2015 (Act No. 2 of 2015), dated 20 December 2016.
- Revised Provincial Treasury allocations published in the Provincial Gazette Extraordinary 7705, dated 24 November 2016.
- Administrative transfers/virements of budgetary provisions as approved in terms of Council's System of Delegations of Powers and the Virement Policy.
- Updated implementation programmes of projects funded from external sources such as Capital Grants & Donations (CGD) as well as internal sources such as the City's Capital Replacement Reserve (CRR) and External Financing Fund (EFF). Whilst backed by approved business plans, local conditions often require amendments to implementation procedures, as agreed with donors (CGD funded projects).
- Shifting of funding to/from the operating/capital budget.
- Addition/reduction of grant funding on various projects.

Expenditure on Councillor Allowances and Employee Benefits

Table SC8 Monthly Budget Statement - Councillor and Staff Benefits

Summary of Employee and Councillor remuneration	2015/16	Budget Year 2016/17						
R thousands	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Councillors (Political Office Bearers plus Other)								
Basic Salaries and Wages	117,484	82,429	82,429	57,293	57,704	(411)	-0.7%	78,911
Pension and UIF Contributions	5,051	54,286	54,286	1,890	3,008	(1,118)	-37.2%	52,608
Medical Aid Contributions	–	–	–	–	–	–	-	–
Motor Vehicle Allowance	–	–	–	–	–	–	-	–
Cellphone Allowance	7,459	5,184	5,184	2,394	2,592	(198)	-7.6%	5,321
Housing Allowances	–	–	–	–	–	–	-	–
Other benefits and allowances	4,643	9,154	9,164	3,194	4,582	(1,388)	-30.3%	9,164
Sub Total - Councillors	**134,637**	**151,053**	**151,063**	**64,771**	**67,886**	**(3,115)**	**-4.6%**	**146,004**
% increase		**12.2%**	**12.2%**					**8.4%**
Senior Managers of the Municipality								
Basic Salaries and Wages	20,347	22,462	22,462	15,097	11,231	3,866	34.4%	22,462
Pension and UIF Contributions	1,359	1,362	1,362	609	681	(72)	-10.6%	1,362
Medical Aid Contributions	215	223	223	93	112	(19)	-17.0%	223
Overtime	–	–	–	–	–	–	-	–
Performance Bonus	–	–	–	–	–	–	-	–
Motor Vehicle Allowance	568	567	567	239	283	(44)	-15.5%	567
Cellphone Allowance	122	191	191	50	96	(46)	-47.9%	191
Housing Allowances	–	–	–	–	–	–		–
Other benefits and allowances	74	69	69	26	34	(8)	-23.5%	69
Payments in lieu of leave	408	–	–	205	–	205	100.0%	–
Long service awards	–	–	–	–	–	–	-	–
Post-retirement benefit obligations	–	–	–	–	–	–	-	–
Sub Total - Senior Managers of Municipality	**23,093**	**24,874**	**24,874**	**16,319**	**12,437**	**3,882**	**31.2%**	**24,874**
% increase		**7.7%**	**7.7%**					**7.7%**
Other Municipal Staff								
Basic Salaries and Wages	5,722,147	7,242,965	7,237,605	3,652,270	3,683,895	(31,625)	-0.9%	7,039,524
Pension and UIF Contributions	910,752	1,353,454	1,343,194	595,934	638,121	(42,187)	-6.6%	1,248,461
Medical Aid Contributions	546,210	657,553	657,553	319,291	328,376	(9,085)	-2.8%	657,553
Overtime	389,657	428,072	435,431	214,763	199,954	14,809	7.4%	488,237
Performance Bonus	–	–	–	–	–	–	-	–
Motor Vehicle Allowance	189,840	205,766	206,682	95,478	102,412	(6,934)	-6.8%	206,564
Cellphone Allowance	13,569	16,545	16,694	8,313	8,333	(20)	-0.2%	18,156
Housing Allowances	28,439	55,668	55,668	28,461	27,842	619	2.2%	55,668
Other benefits and allowances	186,332	228,584	230,070	109,448	115,130	(5,682)	-4.9%	238,020
Payments in lieu of leave	84,746	125,376	125,742	54,042	59,503	(5,461)	-9.2%	122,776
Long service awards	19,968	51,078	51,078	10,255	19,792	(9,537)	-48.2%	50,145
Post-retirement benefit obligations	6,191	207,636	207,636	99,539	103,292	(3,753)	-3.6%	207,636
Sub Total - Other Municipal Staff	**8,097,851**	**10,572,697**	**10,567,353**	**5,187,794**	**5,286,650**	**(98,856)**	**-1.9%**	**10,332,740**
% increase		**30.6%**	**30.5%**					**27.6%**
Total Parent Municipality	**8,255,581**	**10,748,624**	**10,743,290**	**5,268,884**	**5,366,973**	**(98,089)**	**-1.8%**	**10,503,618**

PART 3 - SERVICE DELIVERY PERFORMANCE

3.1 Introduction

The Service Delivery and Budget Implementation Plan (SDBIP) forms an integral part of the City's strategic planning, implementation, measuring and performance reporting process. The SDBIP functions as the connection between the strategic plan (Integrated Development Plan (IDP)), budget and management performance agreements, and includes detailed information on how the budget will be implemented, by means of forecast cash flows, service delivery targets and performance indicators.

The detail regarding performance management is stipulated in the City's performance management policy framework and guidelines.

3.2 About the Corporate Scorecard

The corporate scorecard offers stakeholders and interested parties a comprehensive overview of the City's performance. As such, the content of the corporate scorecard is aligned with the strategic focus areas and underlying objectives of the City's five-year IDP.

To achieve its vision, the City builds on the strategic focus areas that it has identified as the cornerstones of a successful and thriving city, and which form the foundation of its five-year IDP. The five strategic focus areas are:

- **THE OPPORTUNITY CITY**
- **THE SAFE CITY**
- **THE CARING CITY**
- **THE INCLUSIVE CITY**
- **THE WELL-RUN CITY**

The City of Cape Town takes an integrated approach to realising its vision of ensuring that all residents of and visitors to Cape Town experience the best services, facilities and opportunities.

3.3 Service Delivery Performance

3.3.1 Summary of the Corporate Scorecard performance

The full detailed corporate scorecard and entity scorecard are attached as annexure 1 and 2 to this document.

3.3.2 Some highlights from the Corporate Scorecard

3.3.2.1 OBJECTIVE 1.1
Creating an enabling environment to attract investment that generates economic growth and job creation

- **Maintaining a strong financial position**
  Over the past four years, the City has invested R22 billion in infrastructure, R11 billion of which came from national- and provincial grants and R2.4 billion from external loans, while the remaining R9 billion was funded from the City's own cash flow. The latter clearly indicates the strong financial status maintained by the City.

- **Programme 1.2(d): Expanded Public Works Programme (EPWP)**

  City earns another EPWP accolade
  The City of Cape Town's EPWP earned yet another accolade when it was named best municipality for excellence in the implementation of the EPWP social sector as part of the Kamoso awards.
  The national Department of Public Works introduced the Kamoso awards in 2007 to recognise and reward best-performing public sector bodies that excelled in the implementation of EPWP in the preceding year. This latest achievement follows on the success the City achieved at the 2013 Kamoso awards ceremony, where it scooped the awards for both best municipality in the social sector and best metropolitan municipality in the environment and culture sector.

- **Programme 1.3(b): Water conservation and water demand management strategy**

  Reducing water demand and wastage
  A key priority for the City of Cape Town is the funding of water demand management strategies to enable planned programmes to be implemented to reduce the demand for, and wastage of, water across Cape Town.

  These programmes continued, and achieved combined estimated cumulative water savings of 30,23 million kℓ. This equates to a monetary saving of around R120,90 million for the 2015/16 financial year. These major and minor pressure management projects have proved to sustainably reduce system water losses, pipe bursts and internal leaks, while prolonging the reticulation lifespan.

  In addition to the above, the replacement of piping in water and sewerage networks continuous as an ongoing process. This is undertaken at an average cost of R1,4 million per kilometre of water piping (32,8 km replaced) and R1,46 million for sewer piping (25,97 km replaced) during the previous financial year.

Committed to innovative waste minimisation

The City is committed to achieving citywide waste minimisation. Steps in this regard include developing and running waste management facilities, incorporating materials recovery facilities, public drop-off sites, composting, and crushing facilities for builder's rubble. The City continued its focus on waste streams with the largest impact on airspace, namely greens and organic waste, recyclables and builder's rubble.

3.3.2.2 OBJECTIVE 1.4
Ensure mobility through the implementation of an effective public transport system

- **Programme 1.4(c): Bus rapid transit (BRT) programme**
  Progress on the overall performance of the MyCiTi project includes the completion of phase 1A, 1B and the N2 Express service areas, as well as the initiation of phase 2A.

3.3.2.3 OBJECTIVE 2.2
Resource departments in pursuit of optimum operational functionality

The City's Safety & Security directorate has established 14 specialised policing units to focus on specific priority crimes, particularly through intelligence-driven policing.

3.3.2.4 OBJECTIVE 3.5
Provide Effective Environmental Health Services

- **Programme 3.5(a): Environmental healthcare programme**

Ensuring water quality

To ensure that all Cape Town residents have the safest possible tap water to drink, the City fully supports and complies with strict water quality checks as prescribed by the DWS. This means that water quality must be closely monitored, with many water samples constantly being analysed according to the stringent South African National Standards (SANS) 241 requirements. The water quality graph below reflects the percentage compliance measured against the standards set in SANS 241. These standards prescribe chemical and microbiological components. The City sets its own internal targets and has since 2009 continued to exceed these.

3.3.2.5 OBJECTIVE 4.2
Provide facilities that make citizens feel at home

- **Programme 4.2(a): Community amenities programme (provide and maintain)**

  Sixth spray park opened in Dunoon
  In the year under review, the City opened its sixth spray park, which had been constructed at a cost of R2 million. The spray park, located in Dunoon, offers a safe, inclusive and waterwise recreational space for young and old to enjoy.

  Spray parks are one of the City's most innovative recreational facilities and consist of a series of spray features or structures that create a water-wise play environment for children by means of different spray nozzles and interactive collecting and dumping features.

  The water in spray parks is treated through a process similar to that of a swimming pool filtration system and recirculates through the spray park.

3.3.2.6 OBJECTIVE 5.2
Establish an efficient and productive administration that prioritises delivery

- **Programme 5.2(d): Information and knowledge management framework – Development Information Resource Centre (DIRC)**

  DIRC is a knowledge hub on the City's intranet that provides a central resource of development-related data, information and knowledge to all City of Cape Town employees. The City believes that sharing knowledge helps its employees work in a more integrated and efficient way to support development and service delivery. DIRC allows staff users to both extract and contribute data, information and knowledge.

  Some of the elements contained in DIRC include a spatial information portal, a section on statistics and indicators for Cape Town, a research hub, a reports repository and a data directory.

3.4 Conclusion

During the first half of the 2016/17 financial year the City performed well in achieving its set targets. In cases where targets were not met, the City initiated remedial measures to improve the likelihood of achieving its set targets. In some instances, targets will also be amended to accommodate changed circumstances.

PART 4 – RECOMMENDATIONS[6]

4.1 Adjustments Budget

It is recommended that an *adjustments budget for 2016/17* be prepared and approved by Council by no later than 28 February 2017. The adjustments budget will take into account inter alia approved roll-overs received from National- and Provincial Treasury for unspent 2015/16 external grant allocations, roll-over of internal funds where the funding will not be spent in the current financial year and the re-alignment of sundry budgetary provisions resulting from updated implementation programmes.

4.2 Mid-year changes to Corporate Scorecard

Following the approval of the adjustments budget, the revised SDBIP, which forms the basis of the mid-year assessment, be approved by Council.

[6] **Required as per MFMA Section 72 (3)**

MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, Achmat Ebrahim, municipal manager of City of Cape Town, hereby certify that the **mid-year budget and performance assessment for the 2016/17 financial year** has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print Name ______________________________

Municipal Manager of City of Cape Town (CPT)

Signature ______________________________

Date ______________________________