

CITY OF CAPE TOWN

**2013/14 MID-YEAR BUDGET AND PERFORMANCE
ASSESSMENT**

TABLE OF CONTENTS

SECTION 1 – REPORT OF THE EXECUTIVE MAYOR	2
SECTION 2 – FINANCIAL PERFORMANCE	5
SECTION 3 – SERVICE DELIVERY PERFORMANCE	17
SECTION 5 – RECOMMENDATIONS	21
SECTION 6 - MUNICIPAL MANAGER'S QUALITY CERTIFICATION	22

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

DORA – Division of Revenue Act. Annual legislation 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.

IRT – Integrated Rapid Transport

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.

PI – Performance Indicators

PT – Provincial Treasury

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

SCM – Supply Chain Management

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.

SECTION 1 – REPORT OF THE EXECUTIVE MAYOR¹

1.1 High level assessment of MFMA S71 monthly statements for the first half of 2013/14

1.1.1 Against annual budget (original approved and latest adjustments)

Revenue by Source

Current revenue is 6.6%² or R0.87 billion below the year-to-date budget projections for December 2013.

Reasons for under- and over-recovery reflect against the following categories:

Under-recovery

- Electricity- and Water sales, due to inter alia consumer savings, seasonal fluctuations on consumer demand, high electricity tariff increases as well as water account queries and investigations.
- Traffic Fines, due to the withdrawal and/or reduction of fines by prosecutors, non-payment of fines and the capacity of courts to deal with the volumes of cases.
- Late receipt of the Fuel Levy payment.
- Income Forgone, due to lower than planned actual rebates to date as applications are still being adjudicated and processed as they are received.

Over-recovery

- Property Rates, which is done on a daily basis resulting in the misalignment of the monthly period budget with the actual billing per month as well as ongoing valuation adjustments/corrections.
- Agency Services Revenue, due to higher than anticipated motor vehicle licence renewals.
- Higher than anticipated revenue received on CID-Levies, Sale of Salvaged Items as well as Miscellaneous Income.

Operating expenditure by type

Current expenditure is 1.6%³ or R0.19 billion below the year-to-date budget projections for December 2013.

Under expenditure reflects against the following categories:

- Salaries, Wages & Allowances, due to the turnaround time in the filling of vacancies and delays in the appointment of seasonal workers.

¹ Prepared to meet the requirements of MFMA Section 54 (1)

² Table C4 – Total revenue by source (excluding capital transfers and contributions)

³ Table C4 – Total expenditure by type

- Bulk Purchases, due to consumer savings campaigns and the high electricity tariff increases, which affect consumer demand.
- Contracted Services, due to contracts approved later than anticipated, a lack of capacity to implement projects, the nonalignment of R&M programmes with the budget, delays in the roll out of EPWP projects as well as delays in the capturing of invoices.
- Transfers & Grants, due to delays with the finalising of MOA for various beneficiaries.
- Other Material, due to lower than anticipated demand for materials and the impact of the re-active component of R&M.

Capital expenditure

Year-to-date expenditure on the capital budget amounts to R1.62 billion (2013: R1.85 billion), or 28.9% (2013: 29.4%), of the R5.61 billion approved budget⁴, which is 0.5% lower than the equivalent achievement of expenditure against budget for this time last year.

The current expenditure has been funded by means of grants⁵ (45.7%), borrowings (42.1%) and the balance from the Capital Replacement Reserves, Public contributions & Donations or cash.

Reasons for material variances in capital expenditure are:

- Supply Chain Management (SCM) issues inter alia a change in the SCM policy, withdrawal of tender offers, S62 appeals, tender appeals and outstanding tax clearance certificates.
- Community interference.
- Project timeframes not being aligned to implementation rate.
- The national industrial action/strike that affected the building construction industry.
- Non-conformance issues relating to project specifications.
- Delays in or earlier delivery of equipment, furniture and fittings.

Cash flows

The City's total *cash and cash equivalents*⁶ amounted to R8.1 billion at the beginning of 2013/14 and it was considered unnecessary to raise any loans during the current year, but rather to fund the EFF capital programme from working capital reserves. The budgeted *cash and cash equivalents* at year-end of R6.6 billion is expected to

⁴ Table C5 – Total capital expenditure

⁵ Table C5 – Total capital expenditure (municipal vote, standard classification and funding)

⁶ For the purposes of the cash flow statement, cash and cash equivalents consist of cash balances and short term investment deposits.

be sufficient to cover the conditional funds that must be fully cash-backed in terms of the MFMA.

1.2 High level SDBIP overall performance

The Midyear performance assessment contained in this report is based on the reviewed top level corporate service delivery and budget implementation plan for the period 1 July 2013 to 31 December 2013.

The 2012/13 audit report by the Auditor-General of South Africa on auditing of the City's predetermined objectives and performance management is unqualified and 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.

The corporate level performance report is discussed under section 4 (service delivery performance) of this report.

1.3 2012/13 Annual Report

The 2012/13 audit report is unqualified and 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.

1.4 Municipal Entity – Cape Town International Convention Centre (CTICC)

The mid-year performance review of the CTICC is reported under separate cover and will be tabled in Council together with the Annual Report on 29 January 2014.

1.5 Conclusion

The mid-year budget and performance assessment indicates that:

- (a) An adjustments budget for 2013/14 is required and this must be approved by Council by no later than 28 February 2014; 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.

SECTION 2 – FINANCIAL PERFORMANCE

The tables included in section 2 are from the December 2013 in-year monthly budget statement (section 71 report). The full year forecasts have been revised as part of the mid-year assessment. The 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	2012/13	Budget Year 2013/14						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Financial Performance								
Property rates	5 161 502	5 527 109	5 527 109	2 796 858	2 729 672	67 186	2%	5 527 109
Service charges	13 099 805	14 442 391	14 442 391	6 816 458	7 089 030	(272 573)	-4%	14 254 547
Investment revenue	368 324	284 618	284 618	190 044	141 770	48 273	34%	282 078
Transfers recognised - operational	1 985 809	2 595 904	2 581 301	1 365 183	1 453 709	(88 526)	-6%	2 603 947
Other own revenue	3 296 766	3 045 068	3 045 068	1 168 357	1 794 227	(625 869)	-35%	3 057 433
Total Revenue (excluding capital transfers and contributions)	23 912 206	25 895 089	25 880 486	12 336 899	13 208 408	(871 509)	-7%	25 725 114
Employee costs	7 446 199	8 253 458	8 249 096	4 212 479	4 280 377	(67 898)	-2%	8 219 948
Remuneration of Councillors	111 673	123 721	123 721	56 940	61 861	(4 921)	-8%	123 721
Depreciation & asset impairment	1 627 385	1 934 741	1 934 741	944 865	957 420	(12 555)	-1%	1 957 724
Finance charges	720 766	863 894	863 894	385 090	385 131	(41)	-0%	863 894
Materials and bulk purchases	6 675 379	7 257 562	7 257 388	3 277 742	3 422 470	(144 728)	-4%	6 940 884
Transfers and grants	103 144	39 544	93 734	56 355	58 398	(2 043)	-3%	116 409
Other expenditure	7 235 181	7 671 163	7 606 904	3 508 693	3 473 002	35 691	1%	7 745 143
Total Expenditure	23 919 727	26 144 082	26 129 479	12 442 164	12 638 659	(196 495)	-2%	25 967 723
Surplus/(Deficit)	(7 521)	(248 993)	(248 993)	(105 265)	569 749	(675 014)	-118%	(242 610)
Transfers recognised - capital	3 414 645	2 535 058	2 567 723	886 545	802 896	83 649	10%	2 868 417
Contributions & Contributed assets	36 603	48 250	49 820	54 882	17 634	37 249	211%	75 302
Surplus/(Deficit) after capital transfers & contributions	3 443 726	2 334 315	2 368 550	836 163	1 390 279	(554 117)	-40%	2 701 109
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	3 443 726	2 334 315	2 368 550	836 163	1 390 279	(554 117)	-40%	2 701 109
Capital expenditure & funds sources								
Capital expenditure	5 780 762	5 450 592	5 612 765	1 623 283	1 738 184	(114 901)	-7%	5 600 388
Capital transfers recognised	3 414 645	2 537 158	2 569 823	886 552	793 889	92 663	12%	2 860 517
Public contributions & donations	35 076	46 150	47 720	23 699	16 534	7 165	43%	52 025
Borrowing	1 665 377	2 149 497	2 228 669	553 634	731 982	(178 349)	-24%	2 030 433
Internally generated funds	665 664	717 788	766 554	159 398	195 779	(36 381)	-19%	657 413
Total sources of capital funds	5 780 762	5 450 592	5 612 765	1 623 283	1 738 184	(114 901)	-7%	5 600 388
Financial position								
Total current assets	12 900 815	11 085 279	11 370 810	11 755 508				11 370 810
Total non current assets	29 033 827	33 525 815	35 848 981	29 525 905				35 848 981
Total current liabilities	7 988 696	8 556 364	10 979 467	5 783 749				10 979 467
Total non current liabilities	11 488 750	11 249 547	11 402 697	11 303 408				11 402 697
Community wealth/Equity	22 457 196	24 805 183	24 837 627	24 194 255				24 837 627
Cash flows								
Net cash from (used) operating	5 506 919	4 194 026	4 317 630	2 967 831	2 782 140	(185 691)	-7%	4 317 629
Net cash from (used) investing	(5 820 775)	(5 109 063)	(5 544 435)	(2 998 166)	(2 871 578)	126 588	-4%	(5 544 435)
Net cash from (used) financing	2 252 382	(345 066)	(598 143)	(183 831)	(309 110)	(125 279)	41%	(598 143)
Cash/cash equivalents at the month/year end	8 099 366	6 279 360	6 274 417	7 885 200	7 140 915	(744 285)	-10%	6 274 417

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

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

Description	2012/13	Budget Year 2013/14						Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	
R thousands								
Revenue - Standard								
<i>Governance and administration</i>	8 899 313	9 117 905	9 114 227	4 579 256	5 097 855	(518 599)	-10%	9 123 306
Executive and council	2 202	2 498	2 498	251	1 249	(998)	-80%	4 482
Budget and treasury office	8 699 491	8 899 708	8 899 708	4 514 153	5 027 022	(512 868)	-10%	8 897 917
Corporate services	197 620	215 699	212 022	64 852	69 585	(4 733)	-7%	220 907
<i>Community and public safety</i>	1 884 082	2 299 263	2 339 231	931 799	990 981	(59 182)	-6%	2 435 288
Community and social services	74 967	100 274	100 346	26 932	40 483	(13 552)	-33%	78 770
Sport and recreation	131 674	197 733	202 132	37 517	59 335	(21 819)	-37%	203 580
Public safety	208 010	283 945	286 435	122 411	139 015	(16 605)	-12%	279 748
Housing	1 079 234	1 284 802	1 317 660	549 321	540 482	8 839	2%	1 430 707
Health	390 196	432 509	432 658	195 618	211 665	(16 046)	-8%	442 482
<i>Economic and environmental services</i>	2 902 638	2 010 294	2 004 087	801 709	648 088	153 620	24%	2 245 500
Planning and development	197 527	219 262	227 912	104 667	102 839	1 828	2%	228 068
Road transport	2 674 412	1 767 700	1 749 721	688 521	536 204	152 317	28%	1 977 398
Environmental protection	30 699	23 332	26 454	8 520	9 045	(525)	-6%	40 034
<i>Trading services</i>	13 675 771	15 046 323	15 035 869	6 965 530	7 290 010	(324 480)	-4%	14 861 675
Electricity	9 141 319	10 020 983	10 018 983	4 891 361	5 024 604	(133 243)	-3%	9 904 328
Water	2 245 107	2 506 465	2 491 930	1 013 415	1 082 725	(69 310)	-6%	2 483 050
Waste water management	1 325 054	1 485 615	1 481 418	577 452	635 411	(57 959)	-9%	1 460 110
Waste management	964 291	1 033 259	1 043 538	483 301	547 269	(63 969)	-12%	1 014 188
<i>Other</i>	1 650	4 613	4 613	34	2 004	(1 970)	-98%	3 064
Total Revenue - Standard	27 363 454	28 478 397	28 498 029	13 278 327	14 028 938	(750 612)	-5.4%	28 668 832
Expenditure - Standard								
<i>Governance and administration</i>	4 692 783	4 947 550	4 939 680	2 464 503	2 437 172	27 331	1%	4 911 009
Executive and council	302 624	354 000	354 073	164 899	179 475	(14 576)	-8%	339 462
Budget and treasury office	1 984 028	2 324 556	2 314 525	1 173 505	1 114 713	58 793	5%	2 292 542
Corporate services	2 406 131	2 268 994	2 271 083	1 126 098	1 142 985	(16 887)	-1%	2 279 005
<i>Community and public safety</i>	4 510 510	5 217 765	5 193 539	2 504 319	2 510 282	(5 963)	0%	5 248 099
Community and social services	499 201	502 666	503 569	273 483	251 105	22 378	9%	518 999
Sport and recreation	1 180 475	1 261 439	1 262 458	595 546	623 126	(27 580)	-4%	1 278 306
Public safety	1 430 306	1 593 632	1 595 135	785 524	819 691	(34 168)	-4%	1 586 283
Housing	748 757	1 104 778	1 077 127	480 281	429 821	50 460	12%	1 100 260
Health	651 772	755 250	755 251	369 485	386 539	(17 053)	-4%	764 252
<i>Economic and environmental services</i>	2 329 216	2 723 045	2 726 341	1 258 625	1 274 912	(16 287)	-1%	2 808 117
Planning and development	513 609	589 928	590 709	278 139	298 205	(20 066)	-7%	569 124
Road transport	1 582 628	1 894 433	1 895 224	856 148	853 271	2 877	0%	1 983 816
Environmental protection	232 979	238 683	240 408	124 338	123 436	902	1%	255 178
<i>Trading services</i>	12 311 362	13 168 418	13 176 614	6 165 836	6 362 962	(197 126)	-3%	12 907 060
Electricity	7 649 552	8 315 138	8 313 138	3 830 216	3 944 008	(113 792)	-3%	8 024 763
Water	1 998 723	2 145 890	2 145 954	989 370	1 087 579	(98 210)	-9%	2 150 332
Waste water management	1 077 344	1 104 045	1 103 897	581 274	538 348	42 925	8%	1 134 529
Waste management	1 585 743	1 603 345	1 613 624	764 977	793 027	(28 050)	-4%	1 597 435
<i>Other</i>	75 856	87 305	93 305	48 881	53 331	(4 450)	-8%	93 437
Total Expenditure - Standard	23 919 727	26 144 082	26 129 479	12 442 164	12 638 659	(196 495)	-1.6%	25 967 723
Surplus/ (Deficit) for the year	3 443 726	2 334 315	2 368 550	836 163	1 390 279	(554 117)	-39.9%	2 701 109

Note: 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 shows budgeted financial performance in relation to the revenue and expenditure by vote as well as the operating surplus or deficit.

	2012/13	Budget Year 2013/14						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue by Vote								
Vote 1 - City Health	390 874	433 136	433 285	195 846	211 978	(16 132)	-8%	443 109
Vote 2 - City Manager	30	41	41	10	21	(11)	-53%	1 041
Vote 3 - Community Services	182 524	218 688	219 017	57 624	79 171	(21 546)	-27%	198 890
Vote 4 - Compliance and Auxiliary Services	3 713	2 963	2 963	333	1 482	(1 149)	-78%	3 947
Vote 5 - Corporate Services	60 045	37 936	32 936	7 955	10 777	(2 822)	-26%	43 700
Vote 6 - Deputy City Manager	36 517	33 859	33 645	8 189	17 396	(9 207)	-53%	31 667
Vote 7 - Economic, Environment & Spatial Planning	104 240	100 661	112 647	51 798	45 460	6 337	14%	129 961
Vote 8 - Finance	1 130 680	694 205	694 205	378 470	320 438	58 032	18%	703 536
Vote 9 - Human Settlements	1 081 268	1 287 635	1 320 494	550 308	541 895	8 413	2%	1 433 541
Vote 10 - Rates & Other	7 923 871	8 605 150	8 605 150	4 314 756	4 880 204	(565 448)	-12%	8 605 150
Vote 11 - Safety & Security	185 764	261 949	265 762	117 307	129 123	(11 816)	-9%	257 475
Vote 12 - Social and Early Childhood Development	1 027	401	401	73	200	(128)	-64%	401
Vote 13 - Tourism, Events and Marketing	26 770	87 930	92 071	8 266	24 650	(16 384)	-66%	90 521
Vote 14 - Transport, Roads and Stormwater	2 556 563	1 656 659	1 638 680	621 020	474 614	146 406	31%	1 853 357
Vote 15 - Utility Services	13 679 568	15 057 184	15 046 730	6 966 373	7 291 531	(325 158)	-4%	14 872 536
Total Revenue by Vote	27 363 454	28 478 397	28 498 029	13 278 327	14 028 938	(750 612)	-5.4%	28 668 832
Expenditure by Vote								
Vote 1 - City Health	727 932	835 227	835 227	410 497	428 295	(17 798)	-4%	844 133
Vote 2 - City Manager	83 276	101 051	101 129	52 589	54 237	(1 648)	-3%	107 863
Vote 3 - Community Services	1 339 644	1 376 911	1 376 911	699 513	703 416	(3 904)	-1%	1 372 388
Vote 4 - Compliance and Auxiliary Services	409 724	485 863	485 346	225 314	237 713	(12 400)	-5%	477 944
Vote 5 - Corporate Services	1 864 105	1 612 797	1 612 797	773 685	800 881	(27 196)	-3%	1 596 337
Vote 6 - Deputy City Manager	79 282	115 861	115 576	24 764	57 810	(33 046)	-57%	71 571
Vote 7 - Economic, Environment & Spatial Planning	465 087	515 983	519 105	259 001	259 755	(754)	0%	537 690
Vote 8 - Finance	1 623 529	1 860 619	1 858 369	994 303	917 745	76 558	8%	1 853 859
Vote 9 - Human Settlements	771 861	1 124 016	1 096 365	491 592	439 778	51 814	12%	1 119 218
Vote 10 - Rates & Other	744 135	837 495	838 695	402 115	404 404	(2 289)	-1%	818 287
Vote 11 - Safety & Security	1 381 203	1 520 375	1 514 865	748 933	783 600	(34 667)	-4%	1 512 067
Vote 12 - Social and Early Childhood Development	73 392	77 095	78 226	42 496	38 120	4 376	11%	100 814
Vote 13 - Tourism, Events and Marketing	419 741	530 824	530 824	253 108	255 598	(2 490)	-1%	571 001
Vote 14 - Transport, Roads and Stormwater	1 565 311	1 896 136	1 903 936	857 018	852 397	4 621	1%	1 992 348
Vote 15 - Utility Services	12 371 505	13 253 830	13 262 109	6 207 238	6 404 910	(197 672)	-3%	12 992 203
Total Expenditure by Vote	23 919 727	26 144 082	26 129 479	12 442 164	12 638 659	(196 495)	-1.6%	25 967 723
Surplus/ (Deficit) for the year	3 443 726	2 334 315	2 368 550	836 163	1 390 279	(554 117)	-39.9%	2 701 109

Note: the above table includes capital grant and donations (CGD).

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	2012/13	Budget Year 2013/14						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue By Source								
Property rates	5 076 445	5 427 388	5 427 388	2 758 562	2 679 812	78 750	3%	5 427 388
Property rates - penalties & collection charges	85 057	99 720	99 720	38 295	49 860	(11 565)	-23%	99 720
Service charges - electricity revenue	8 852 928	9 668 405	9 668 405	4 758 239	4 882 208	(123 970)	-3%	9 483 473
Service charges - water revenue	2 053 577	2 343 850	2 343 850	954 043	1 027 197	(73 154)	-7%	2 333 850
Service charges - sanitation revenue	1 091 897	1 243 019	1 243 019	529 004	589 465	(60 461)	-10%	1 243 019
Service charges - refuse revenue	869 210	947 126	947 126	458 781	473 561	(14 780)	-3%	950 808
Service charges - other	232 192	239 991	239 991	116 391	116 599	(208)	0%	243 397
Rental of facilities and equipment	306 605	336 471	336 471	164 084	162 345	1 740	1%	336 823
Interest earned - external investments	368 324	284 618	284 618	190 044	141 770	48 273	34%	282 078
Interest earned - outstanding debtors	183 192	118 805	118 805	54 459	59 243	(4 784)	-8%	121 617
Dividends received	-	-	-	-	-	-	-	-
Fines	100 524	183 257	183 257	66 750	86 719	(19 969)	-23%	168 710
Licences and permits	41 843	35 601	35 601	22 677	18 898	3 779	20%	39 281
Agency services	132 469	121 993	121 993	73 226	67 066	6 159	9%	134 993
Transfers recognised - operational	1 985 809	2 595 904	2 581 301	1 365 183	1 453 709	(88 526)	-6%	2 603 947
Other revenue	2 445 384	2 179 942	2 179 942	786 836	1 396 589	(609 753)	-44%	2 187 009
Gains on disposal of PPE	86 747	69 000	69 000	324	3 366	(3 041)	-90%	69 000
Total Revenue (excluding capital transfers and contributions)	23 912 206	25 895 089	25 880 486	12 336 899	13 208 408	(871 509)	-7%	25 725 114
Expenditure By Type								
Employee related costs	7 446 199	8 253 458	8 249 096	4 212 479	4 280 377	(67 898)	-2%	8 219 948
Remuneration of councillors	111 673	123 721	123 721	56 940	61 861	(4 921)	-8%	123 721
Debt impairment	926 812	866 192	866 192	433 096	433 096	(0)	0%	881 192
Depreciation & asset impairment	1 627 385	1 934 741	1 934 741	944 865	957 420	(12 555)	-1%	1 957 724
Finance charges	720 766	863 894	863 894	385 090	385 131	(41)	0%	863 894
Bulk purchases	6 391 186	6 898 881	6 898 881	3 124 041	3 250 206	(126 165)	-4%	6 607 911
Other materials	284 193	358 681	358 508	153 701	172 263	(18 562)	-11%	332 973
Contracted services	2 825 946	3 192 182	3 157 094	1 292 917	1 350 732	(57 814)	-4%	3 338 889
Transfers and grants	103 144	39 544	93 734	56 355	58 398	(2 043)	-3%	116 409
Other expenditure	3 480 981	3 612 788	3 583 618	1 782 680	1 689 174	93 505	6%	3 525 062
Loss on disposal of PPE	1 443	-	-	-	-	-	-	-
Total Expenditure	23 919 727	26 144 082	26 129 479	12 442 164	12 638 659	(196 495)	-2%	25 967 723
Surplus/(Deficit)	(7 521)	(248 993)	(248 993)	(105 265)	569 749	(675 014)	-118%	(242 610)
Transfers recognised - capital	3 414 645	2 535 058	2 567 723	886 545	802 896	83 649	10%	2 868 417
Contributions recognised - capital	34 076	48 250	49 820	23 705	17 634	6 072	34%	44 125
Contributed assets	2 527	-	-	31 177	-	31 177	-	31 177
Surplus/(Deficit) after capital transfers & contributions	3 443 726	2 334 315	2 368 550	836 163	1 390 279			2 701 109
Taxation	-	-	-	-	-			-
Surplus/(Deficit) after taxation	3 443 726	2 334 315	2 368 550	836 163	1 390 279			2 701 109
Attributable to minorities	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality	3 443 726	2 334 315	2 368 550	836 163	1 390 279			2 701 109
Share of surplus/ (deficit) of associate	-	-	-	-	-			-
Surplus/ (Deficit) for the year	3 443 726	2 334 315	2 368 550	836 163	1 390 279			2 701 109

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	2012/13	Budget Year 2013/14						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Multi-Year expenditure appropriation								
Vote 1 - City Health	22 778	23 716	27 129	6 017	11 887	(5 870)	-49%	30 096
Vote 2 - City Manager	1 147	842	842	510	421	89	21%	14 095
Vote 3 - Community Services	178 223	222 027	226 934	48 028	56 033	(8 005)	-14%	209 126
Vote 4 - Compliance and Auxiliary Services	5 094	10 465	15 844	1 918	1 621	297	18%	3 604
Vote 5 - Corporate Services	232 756	258 892	255 103	90 690	93 144	(2 454)	-3%	294 109
Vote 6 - Deputy City Manager	25 085	40 450	39 767	13 093	21 279	(8 185)	-38%	27 739
Vote 7 - Economic, Environment & Spatial Planning	41 429	58 459	57 922	12 850	11 399	1 451	13%	64 469
Vote 8 - Finance	21 613	11 784	41 111	2 053	6 944	(4 891)	-70%	44 204
Vote 9 - Human Settlements	565 694	626 894	666 389	268 598	306 799	(38 201)	-12%	772 040
Vote 10 - Rates & Other	-	-	-	-	-	-	-	-
Vote 11 - Safety & Security	55 708	67 927	71 852	16 787	28 357	(11 570)	-41%	58 080
Vote 12 - Social and Early Childhood Development	6 791	5 460	7 838	631	1 879	(1 249)	-66%	7 838
Vote 13 - Tourism, Events and Marketing	91 037	28 661	39 418	5 606	17 417	(11 811)	-68%	26 530
Vote 14 - Transport, Roads and Stormwater	2 493 517	1 415 743	1 431 843	551 702	351 191	200 511	57%	1 612 231
Vote 15 - Utility Services	2 039 890	2 679 272	2 730 775	604 800	829 814	(225 015)	-27%	2 436 227
Total Capital Expenditure	5 780 762	5 450 592	5 612 765	1 623 283	1 738 184	(114 901)	-7%	5 600 388
Capital Expenditure - Standard Classification								
Governance and administration	276 777	294 502	328 246	100 529	111 153	(10 625)	-10%	356 991
Executive and council	4 266	9 250	14 442	1 279	1 038	241	23%	2 256
Budget and treasury office	10 471	5 349	5 444	1 365	3 548	(2 184)	-62%	6 286
Corporate services	262 041	279 903	308 360	97 885	106 567	(8 682)	-8%	348 449
Community and public safety	961 937	1 024 512	1 086 467	363 351	433 543	(70 193)	-16%	1 151 013
Community and social services	37 716	80 545	79 770	11 124	12 743	(1 619)	-13%	66 522
Sport and recreation	233 146	170 922	189 349	42 511	60 173	(17 662)	-29%	173 451
Public safety	103 000	122 934	124 331	35 101	41 942	(6 841)	-16%	109 404
Housing	565 694	626 894	666 389	268 598	306 799	(38 201)	-12%	772 040
Health	22 382	23 216	26 629	6 017	11 887	(5 870)	-49%	29 596
Economic and environmental services	2 528 595	1 500 104	1 512 576	570 588	373 484	197 104	53%	1 697 460
Planning and development	31 631	65 452	63 589	19 660	21 044	(1 384)	-7%	62 479
Road transport	2 482 101	1 412 268	1 425 861	549 821	349 857	199 964	57%	1 604 685
Environmental protection	14 864	22 384	23 126	1 107	2 583	(1 476)	-57%	30 296
Trading services	2 013 453	2 631 474	2 685 476	588 816	820 004	(231 188)	-28%	2 394 924
Electricity	1 194 512	1 404 107	1 426 870	337 801	453 999	(116 198)	-26%	1 313 311
Water	303 326	478 465	494 681	130 013	176 600	(46 587)	-26%	477 601
Waste water management	304 581	481 115	492 835	86 765	101 165	(14 400)	-14%	462 840
Waste management	208 174	264 938	267 856	33 841	86 763	(52 922)	-61%	139 505
Other	2 860	2 849	3 234	395	1 476	(1 081)	-73%	1 666
Total Capital Expenditure - Standard Classification	5 780 762	5 450 592	5 612 765	1 623 283	1 738 184	(114 901)	-7%	5 600 388
Funded by:								
National Government	3 056 018	2 191 297	2 252 888	743 220	633 957	109 263	17%	2 501 455
Provincial Government	354 954	343 761	314 835	143 269	158 832	(15 562)	-10%	357 962
District Municipality	-	-	-	-	-	-	-	-
Other transfers and grants	3 673	2 100	2 100	62	1 100	(1 038)	-94%	1 100
Transfers recognised - capital	3 414 645	2 537 158	2 569 823	886 552	793 889	92 663	12%	2 860 517
Public contributions & donations	35 076	46 150	47 720	23 699	16 534	7 165	43%	52 025
Borrowing	1 665 377	2 149 497	2 228 669	553 634	731 982	(178 349)	-24%	2 030 433
Internally generated funds	665 664	717 788	766 554	159 398	195 779	(36 381)	-19%	657 413
Total Capital Funding	5 780 762	5 450 592	5 612 765	1 623 283	1 738 184	(114 901)	-7%	5 600 388

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	2012/13	Budget Year 2013/14			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	4 730 197	–	–	79 940	–
Call investment deposits	3 430 794	6 200 954	6 198 800	8 055 313	6 198 800
Consumer debtors	4 172 233	4 217 354	4 454 964	3 140 607	4 454 964
Other debtors	290 496	370 198	407 218	192 328	407 218
Current portion of long-term receivables	20 546	17 832	16 940	20 546	16 940
Inventory	256 550	278 941	292 888	266 773	292 888
Total current assets	12 900 815	11 085 279	11 370 810	11 755 508	11 370 810
Non current assets					
Long-term receivables	101 665	89 644	85 161	88 751	85 161
Investments	173 426	1 203 274	133 505	–	133 505
Investment property	–	–	–	–	–
Investments in Associate	–	–	–	–	–
Property, plant and equipment	28 758 736	32 232 897	35 630 315	29 437 153	35 630 315
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	–	–	–	–	–
Other non-current assets	–	–	–	–	–
Total non current assets	29 033 827	33 525 815	35 848 981	29 525 905	35 848 981
TOTAL ASSETS	41 934 642	44 611 094	47 219 791	41 281 412	47 219 791
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	418 166	478 860	387 991	418 166	387 991
Consumer deposits	308 217	332 682	365 950	353 034	365 950
Trade and other payables	5 445 079	6 592 362	8 992 393	2 991 339	8 992 393
Provisions	1 817 235	1 152 460	1 233 133	2 021 210	1 233 133
Total current liabilities	7 988 696	8 556 364	10 979 467	5 783 749	10 979 467
Non current liabilities					
Borrowing	6 936 237	6 493 327	6 646 477	6 750 895	6 646 477
Provisions	4 552 513	4 756 220	4 756 220	4 552 513	4 756 220
Total non current liabilities	11 488 750	11 249 547	11 402 697	11 303 408	11 402 697
TOTAL LIABILITIES	19 477 446	19 805 911	22 382 164	17 087 157	22 382 164
NET ASSETS	22 457 196	24 805 183	24 837 627	24 194 255	24 837 627
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	20 159 377	22 790 759	22 824 993	22 048 849	22 824 993
Reserves	2 297 819	2 014 424	2 012 634	2 145 407	2 012 634
TOTAL COMMUNITY WEALTH/EQUITY	22 457 196	24 805 183	24 837 627	24 194 255	24 837 627

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	2012/13	Budget Year 2013/14						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Ratepayers and other	18 963 843	21 960 571	21 960 571	12 230 850	11 527 821	703 029	6%	21 960 571
Government - operating	1 979 795	2 595 904	2 581 301	1 507 017	1 614 987	(107 970)	-7%	2 581 301
Government - capital	3 414 645	2 583 308	2 572 752	1 678 255	1 653 278	24 977	2%	2 572 752
Interest	592 319	403 422	284 618	222 505	142 110	80 396	57%	284 618
Payments								
Suppliers and employees	(18 797 472)	(22 599 729)	(22 292 356)	(12 278 334)	(11 749 608)	528 725	-4%	(22 292 356)
Finance charges	(646 211)	(749 449)	(749 563)	(386 600)	(386 600)	(0)	0%	(749 563)
Transfers and Grants	-	-	(39 694)	(5 862)	(19 847)	(13 985)	70%	(39 694)
NET CASH FROM/(USED) OPERATING ACTIVITIES	5 506 919	4 194 026	4 317 630	2 967 831	2 782 140	(185 691)	-7%	4 317 629
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	93 472	69 000	-	-	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	(3 125)	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	(42 313)	-	-	-	-	-	-	-
Payments								
Capital assets	(5 868 809)	(5 178 063)	(5 544 435)	(2 998 166)	(2 871 578)	126 588	-4%	(5 544 435)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(5 820 775)	(5 109 063)	(5 544 435)	(2 998 166)	(2 871 578)	126 588	-4%	(5 544 435)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	2 384 420	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	33 273	-	-	-	-	-	-	-
Payments								
Repayment of borrowing	(165 311)	(345 066)	(598 143)	(183 831)	(309 110)	(125 279)	41%	(598 143)
NET CASH FROM/(USED) FINANCING ACTIVITIES	2 252 382	(345 066)	(598 143)	(183 831)	(309 110)	(125 279)	41%	(598 143)
NET INCREASE/ (DECREASE) IN CASH HELD								
Cash/cash equivalents at beginning:	6 160 840	7 539 463	8 099 366	8 099 366	8 099 366			8 099 366
Cash/cash equivalents at month/year end:	8 099 366	6 279 360	6 274 417	7 885 200	7 700 818			6 274 417

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 2013/14									Actual Bad Debts Written Off against Debtors	Impairment Bad Debts i.t.o Council Policy	
	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			
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	251 332	59 060	77 728	56 034	51 278	43 683	289 494	1 194 849	2 023 460	1 635 339	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	616 031	37 752	22 743	14 136	9 832	9 515	34 440	63 775	808 224	131 698	-	-
Receivables from Non-exchange Transactions - Property Rates	424 249	22 431	(7 983)	37 071	36 238	27 666	168 133	643 396	1 351 200	912 503	-	-
Receivables from Exchange Transactions - Waste Water Management	136 092	28 378	37 653	27 806	24 192	26 935	133 937	572 711	987 704	785 581	-	-
Receivables from Exchange Transactions - Waste Management	67 092	14 399	14 822	10 725	11 341	9 031	43 827	200 714	371 950	275 637	-	-
Receivables from Exchange Transactions - Property Rental Debtors	52 520	9 145	9 195	(585)	9 127	423 445	-	-	502 847	431 987	-	-
Interest on Arrear Debtor Accounts	42 235	16 515	19 318	18 507	17 767	17 204	88 514	488 487	708 547	630 479	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Other	(133 948)	(67 404)	(37 731)	(9 471)	(7 020)	(7 014)	(32 125)	(109 667)	(404 380)	(165 297)	-	-
Total By Income Source	1 455 603	120 275	135 747	154 223	152 756	550 464	726 219	3 054 265	6 349 551	4 637 926	-	-
2012/13 - totals only												
Debtors Age Analysis By Customer Group												
Organs of State	12 714	(74 403)	(55 019)	5 695	6 691	5 984	16 588	44 738	(37 012)	79 696	-	-
Commercial	474 276	44 022	41 195	29 183	25 962	24 454	117 459	358 163	1 114 714	555 221	-	-
Households	747 696	144 821	154 621	125 043	126 051	522 763	594 935	2 651 300	5 067 229	4 020 092	-	-
Other	220 917	5 836	(5 049)	(5 699)	(5 948)	(2 737)	(2 763)	64	204 621	(17 082)	-	-
Total By Customer Group	1 455 603	120 275	135 747	154 223	152 756	550 464	726 219	3 054 265	6 349 551	4 637 926	-	-

Additional debtor's information

Period	Monthly collection rate		YTD collection rate
	Current year	Previous year	
12 Month	96.62%	95.53%	96.08%
6 month	97.42%	96.00%	97.44%
3 month	100.76%	94.97%	98.38%
Monthly	87.75%	88.09%	97.61%

12 month collection ratio per source			
Source	Current year	Previous year	YTD collection rate
Electricity	99.25%	99.10%	99.30%
Water	87.13%	93.52%	87.86%
Sewerage	87.38%	92.05%	87.28%
Refuse	91.55%	97.07%	93.58%
Rates	100.35%	99.52%	99.89%
Other	99.38%	99.27%	99.71%

2013/14 Billing vs Receipts		
Month	Billing R	Receipts R
July	1 739 291 454.99	1 714 732 901.35
Aug	2 044 598 211.80	1 812 832 339.21
Sept	2 043 265 177.86	1 959 477 714.04
Oct	1 850 842 512.48	2 193 301 229.87
Nov	1 865 171 790.63	1 806 443 167.91
Dec	1 961 193 914.74	1 720 874 082.01

Creditors' analysis

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

Table SC4 Monthly budget Statement Aged Creditors

Description	Budget Year 2013/14									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	175 047	139	(445)	(179)	1 277	569	76	54	176 538	176 378
Auditor General	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	175 047	139	(445)	(179)	1 277	569	76	54	176 538	176 378

Outstanding commitments against Cash and Cash Equivalents

Item	Previous Month	Current Month
R Thousands		
Closing Cash Balance	8 219 473	7 885 200
Unspent Conditional Grants	2 091 756	1 723 621
Housing Development	372 103	364 707
MTAB	45 416	45 184
Trust Funds	1 380	1 386
Committed rollovers	660 000	570 000
Sinking Funds	1 174 488	1 327 728
Insurance reserves	476 559	447 348
CRR	1 197 022	1 162 997
TOTAL	6 018 724	5 642 971
TOTAL cash resources not committed	2 200 749	2 242 229

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	2012/13	Budget Year 2013/14						Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	39 306	1 743 572	1 699 098	107 649	183 273	(75 624)	-41.3%	1 722 026
Restructuring	-	3 379	3 379	-	595	(595)	-100.0%	3 379
Finance Management grant	1 250	1 250	1 200	147	275	(128)	-46.7%	530
Equitable share	-	1 248 993	1 248 993	-	2 715	(2 715)	-100.0%	1 245 785
Urban Settlements Development Grant	-	113 705	58 014	25 192	25 612	(420)	-1.6%	76 174
Public Transport Network Operations Grant	-	272 521	272 521	64 309	118 839	(54 530)	-45.9%	272 521
Energy Efficiency and Demand Side Management Grant	-	1 980	1 980	-	-	-	-	1 980
Dept. of Environ Affairs and Tourism	155	200	2 819	1 240	408	832	204.0%	5 258
Housing Accreditation	-	200	200	21	70	(49)	-69.9%	200
Expanded Public Works Programme	29 484	31 980	40 629	16 863	19 760	(2 897)	-14.7%	40 947
Integrated City Development Grant	-	10 364	10 364	-	-	-	-	10 364
2014 African Nations Championship Host City Operating Grant	-	59 000	59 000	-	15 000	(15 000)	-100.0%	59 000
Public Transport Infrastructure & Systems Grant	-	-	-	(123)	-	(123)	-	4 452
LGSETA: Post Graduate Internship Programme	522	-	-	-	-	-	-	-
Natural Resource Management	7 895	-	-	-	-	-	-	-
LGSETA	-	-	-	-	-	-	-	536
Infrastructure Skills Development Grant	-	-	-	-	-	-	-	900
Provincial Government:	865 610	844 953	872 029	272 720	257 962	14 758	5.7%	858 207
Cultural Affairs and Sport - Provincial library Services	23 470	24 409	24 409	12 639	12 567	72	0.6%	22 009
Human Settlements - Human Settlement Development Grant	641 612	436 831	463 907	160 300	138 164	22 135	16.0%	440 663
Human Settlements - Municipal Accreditation Assistance	10 000	10 000	10 000	1 992	4 990	(2 998)	-60.1%	10 000
Human Settlement - Settlement Assistance	1 000	1 000	1 000	-	-	-	-	1 000
Health - TB	12 408	11 207	11 207	6 577	4 858	1 718	35.4%	11 207
Health - Global Fund	3 722	34 753	34 753	15 457	13 763	1 693	12.3%	36 323
Health - ARV	22 606	77 627	77 627	39 185	33 077	6 109	18.5%	88 729
Health - Nutrition	4 056	4 400	4 400	3 446	2 200	1 246	56.7%	4 400
Health - Vaccines	67 811	79 995	79 995	33 125	39 997	(6 873)	-17.2%	74 264
Comprehensive Health	67 569	147 132	147 132	-	-	-	-	147 132
Transport and Public Works - Provision for persons with special needs	10 000	10 000	10 000	-	4 545	(4 545)	-100.0%	11 896
Municipal Land Transport Fund	-	5 600	5 600	-	2 800	(2 800)	-100.0%	5 600
Transport Safety and Compliance - Rail Safety	-	2 000	2 000	-	1 000	(1 000)	-100.0%	2 000
ABET adult Education	4	-	-	-	-	-	-	-
Transport Vehicle Impound Facility	1 352	-	-	-	-	-	-	-
Community Development Workers	-	-	-	-	-	-	-	984
Dept. of Environ Affairs and Tourism	-	-	-	-	-	-	-	2 000
Other grant providers:	6 314	7 379	10 173	3 278	4 451	(1 173)	-26.3%	23 715
Tourism	-	2 000	2 000	-	-	-	-	2 000
Carnegie	-	1 258	1 258	413	619	(205)	-33.2%	1 664
CMTF	-	170	970	-	570	(570)	-100.0%	9 140
Other	-	15	-	-	-	-	-	-
Mamre Trust	12	150	150	-	-	-	-	-
CID	2 271	2 905	3 006	1 493	1 493	(0)	-	3 006
Century City Property Owners Association	409	196	196	98	98	(0)	-	196
NGK Ceranuc Company	-	686	686	686	686	-	-	686
Traffic Free Flow (Pty) Ltd	1 116	-	1 389	354	695	(340)	-49.0%	1 746
Finnish Government	-	-	201	79	201	(121)	-60.4%	201
City for Climate Protection	-	-	144	104	40	64	161.1%	144
ICLEI Carbon Taxes	-	-	111	50	50	-	-	111
Mamre Fencing	-	-	63	-	-	-	-	63
Disaster Management Fund	256	-	-	-	-	-	-	-
Mayoress Charity Fund	651	-	-	-	-	-	-	-
Give Responsibly Campaign	8	-	-	-	-	-	-	-
South African National Biodiversity Institute	1 591	-	-	-	-	-	-	-
ATKV	-	-	-	-	-	-	-	5
SANBI	-	-	-	-	-	-	-	3 047
Sustainable Energy Africa	-	-	-	-	-	-	-	424
University Stellenbosch	-	-	-	-	-	-	-	1 283
Total operating expenditure of Transfers and Grants	911 230	2 595 904	2 581 301	383 648	445 686	(62 038)	-13.9%	2 603 947

Table continues on next page.

Description	2012/13	Budget Year 2013/14						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Capital expenditure of Transfers and Grants	-	-	-	-	-	-	-	-
National Government:	3 056 018	2 191 297	2 252 888	743 220	633 957	109 263	17.2%	2 501 455
City Manager: Infrastructure Skills Development Grant	-	-	-	-	-	-	-	100
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	(44)	-	-	-	-	-	-	-
Mineral Energy: Energy Efficiency and Demand Side Management Grant	5 287	9 020	9 020	-	1 200	(1 200)	-100.0%	14 020
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	-	24 500	24 500	1 997	20 364	(18 367)	-90.2%	24 500
National Government - Other: Previous years' Dora allocations	609	200	200	9	-	9	0.0%	100
National Treasury: Expanded Public Works Programme	-	100	730	257	100	157	157.1%	412
National Treasury: Local Government Finance Management Grant	-	-	50	48	50	(2)	-3.4%	869
National Treasury: Local Government Restructuring Grant	200	-	-	-	-	-	-	-
National Treasury: Neighbourhood Development Partnership Grant	48 361	30 000	30 000	6 720	25 253	(18 534)	-73.4%	42 435
National Treasury: Other	9 392	17 443	18 523	4 021	10 392	(6 371)	-61.3%	16 052
National Treasury: Urban Settlements Development Grant	911 363	1 079 792	1 135 483	278 225	364 567	(86 342)	-23.7%	1 183 598
Sport & Recreation SA: 2010 Fifa World Cup Stadiums Development Grant	2 517	-	4 141	1 594	1 656	(63)	-3.8%	4 141
Sport Recreation: 2014 African Nation Championship Host City Operating Grant	-	4 000	4 000	960	1 600	(640)	-40.0%	4 000
Transport: Public Transport Infrastructure & Systems Grant	2 078 333	-	-	(101)	-	(101)	0.0%	184 987
Transport: Public Transport Infrastructure Grant	-	946 241	946 241	342 512	208 775	133 736	64.1%	946 241
Transport: Public Transport Network Operations Grant	-	80 000	80 000	106 980	-	106 980	0.0%	80 000
Provincial Government:	358 628	343 761	314 835	143 269	158 832	(15 562)	-9.8%	357 962
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	-	874	874	137	-	137	0.0%	874
Cultural Affairs and Sport: Library Services (Conditional Grant)	2 654	1 350	1 387	5	287	(282)	-98.3%	2 787
Economic Development and Tourism: False Bay Ecology	11	-	-	-	-	-	-	1 093
Health: Global Fund	-	-	-	-	-	-	-	-
Housing: Integrated Housing and Human Settlement Development Grant	321 652	319 388	292 312	138 850	150 005	(11 155)	-7.4%	315 556
Housing: Previous years' allocations	-	5 000	5 000	-	-	-	-	5 000
Other: Other	488	740	740	-	500	(500)	-100.0%	740
Provincial Government: Fibre Optic Broadband Roll Out	-	10 000	5 000	2 725	5 000	(2 275)	-45.5%	5 000
Transport: Municipal Land Transport Fund	-	5 000	5 000	-	1 736	(1 736)	-100.0%	5 000
Transport and Public Works: Cape Metropolitan Transport Fund	31 841	1 409	3 199	517	529	(12)	-2.2%	20 589
Health: Luvuyo Clinic Extension	1 375	-	-	-	-	-	-	-
ABET adult Education	9	-	-	-	-	-	-	-
Transport Vehicle Impound Facility	60	-	-	-	-	-	-	-
Transport and Public Works - Provision for persons with special needs	261	-	-	-	-	-	-	-
Transport and Public Works: Other	277	-	1 322	1 035	776	259	33.4%	1 322
Other grant providers:	35 074	48 250	49 820	23 761	17 634	6 127	34.7%	53 125
Other grant providers:	35 074	48 250	49 820	23 761	17 634	6 127	34.7%	53 125
Total capital expenditure of Transfers and Grants	3 449 720	2 583 308	2 617 543	910 251	810 423	99 828	12.3%	2 912 542
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	4 360 951	5 179 212	5 198 843	1 293 899	1 256 109	37 790	3.0%	5 516 489

The reasons for revision of the full year forecasts are:

- Roll-overs of the 2012/13 unspent conditional grants approved by National- and Provincial Treasury in terms of Section 21 (2) of the Division of Revenue Act, (Act No. 5 of 2012) dated 10 October 2013 and Section 10(2) of the Western Cape Appropriation Act 2012, (Act No. 2 of 2012) dated 18 December 2013, respectively.
- Revised allocations as published in the amended DORA (Act no 29 of 2013) dated 30 December 2013 and Provincial Gazette Extraordinary 7198 dated 21 November 2013.
- Shifting of funding to and from the operating/capital budget.
- Additional revenue received from interest accrued on the Public Transport Infrastructure Systems Grant (PTI&SG) within the Transport Roads & Stormwater directorate.

Expenditure on councillor allowances and employee benefits

Table SC8 Monthly Budget Statement - councillor and staff benefits

Summary of Employee and Councillor remuneration	2012/13	Budget Year 2013/14						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<u>Councillors (Political Office Bearers plus Other)</u>								
Basic Salaries and Wages	98 484	115 515	115 515	49 296	57 758	(8 462)	-15%	115 515
Pension and UIF Contributions	4 488	-	-	2 277	-	2 277	-	-
Other benefits and allowances	8 701	8 206	8 206	5 367	4 103	1 264	31%	8 206
Sub Total - Councillors	111 673	123 721	123 721	56 940	61 861	(4 921)	-8%	123 721
% increase		10.8%	10.8%					10.8%
<u>Senior Managers of the Municipality</u>								
Basic Salaries and Wages	17 631	19 060	19 060	10 751	9 530	1 221	13%	19 060
Pension and UIF Contributions	1 273	3 729	3 729	706	1 865	(1 159)	-62%	3 729
Medical Aid Contributions	237	265	265	114	132	(18)	-14%	265
Motor Vehicle Allowance	431	420	420	256	210	46	22%	420
Cellphone Allowance	137	102	102	76	51	25	49%	102
Other benefits and allowances	287	74	74	125	37	88	238%	74
Post-retirement benefit obligations	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality	20 141	23 650	23 650	12 127	11 825	302	3%	23 650
% increase		17.4%	17.4%					17.4%
<u>Other Municipal Staff</u>								
Basic Salaries and Wages	4 634 751	5 653 862	5 669 143	2 972 228	2 987 204	(14 976)	-1%	5 670 615
Pension and UIF Contributions	753 113	996 761	992 500	488 252	495 972	(7 720)	-2%	993 703
Medical Aid Contributions	439 337	483 170	483 170	232 710	241 716	(9 006)	-4%	483 170
Overtime	328 082	302 073	299 086	143 634	146 237	(2 603)	-2%	304 883
Motor Vehicle Allowance	180 012	193 218	193 218	92 538	96 978	(4 440)	-5%	193 592
Cellphone Allowance	13 230	13 929	13 929	6 869	6 976	(107)	-2%	13 938
Housing Allowances	29 266	28 176	28 176	13 441	14 088	(647)	-5%	28 176
Other benefits and allowances	172 265	222 484	222 484	90 843	111 244	(20 401)	-18%	201 466
Payments in lieu of leave	76 816	130 297	130 297	64 574	65 121	(547)	-1%	130 297
Long service awards	73 013	49 059	49 059	21 815	24 529	(2 714)	-11%	49 059
Post-retirement benefit obligations	495 852	156 778	156 778	73 448	78 389	(4 941)	-6%	156 778
Sub Total - Other Municipal Staff	7 195 737	8 229 807	8 237 840	4 200 352	4 268 454	(68 102)	-2%	8 225 677
% increase		14.4%	14.5%					14.3%
Total Parent Municipality	7 327 551	8 377 178	8 385 211	4 269 419	4 342 140	(72 721)	-2%	8 373 048

SECTION 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 (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 Integrated Development Plan. These focus areas form the foundation of the City’s five-year Integrated Development Plan (and related Five-Year Corporate Scorecard) and are as follows:

 THE OPPORTUNITY CITY
Pillar 1: Ensure that Cape Town continues to grow as an **OPPORTUNITY CITY**

 THE SAFE CITY
Pillar 2: Make Cape Town an increasingly **SAFE CITY**

 THE CARING CITY
Pillar 3: Make Cape Town even more of a **CARING CITY**

 THE INCLUSIVE CITY
Pillar 4: Ensure that Cape Town is an **INCLUSIVE CITY**

 THE WELL-RUN CITY
Pillar 5: Make sure Cape Town continues to be a **WELL-RUN CITY**





These five focus areas inform all the City of Cape Town’s plans and policies.

The City 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

For full detailed Corporate Scorecard and entity scorecard see attached annexure 1 and 2.

3.3.1 Summary of the Corporate Scorecard performance







Rating	Number	Percentage
 - Well above  - Above	30	62%
 - Below  - Well below	10	20%
Annual Indicator not measured at midyear	6	12%
Indicator information not available at 21.1.2014	2	4%
Indicator information only reported during the 3 rd and 4 th quarter	1	2%
Total	49	100%

3.3.2 Some highlights out of Corporate Scorecard

3.3.2.1 Creating opportunities for development

The City is committed to encouraging and enabling the development of Cape Town’s built environment. The 2012/13 financial year saw 80,7% of building development applications submitted to the City finalised within the agreed timeframes (against a target of 80%). Mid-year performance to date indicates that the City will continue to perform well in this critical strategic area.

The 2013/14 Mid-year performance for building plans is as follows:








Perspectives, KPIs	Status	Target	Actual	Reason for variance	Remedial action
Well Above  Above  On target  Below  Well below 					AT - Annual Target
An Opportunity City					
1.A % of building plans approved within statutory timeframes (30-60 days)		82%	91%	Well above target	Maintain the Momentum

The City is in the process of developing a new electronic building plan development application management system, aimed at improving efficiency within all its departments.

3.3.2.2 Prioritising repairs and maintenance and rand value of capital invested in engineering infrastructure

One of the key areas of expenditure that differentiates the City from other South African municipalities is that this metro prioritises repairs and maintenance and investment in engineering infrastructure. This is the reason for the visible difference in Cape Town, primarily in terms of roads and utilities infrastructure. In this regard, the City spent a record R2,6 billion in the 2012/13 financial year and well underway to even better this achievement during this 2013/14 financial year.

The performance for these two indicators is as follows:

Perspectives, KPIs	Status	Target	Actual	Reason for variance	Remedial action
Well Above  Above  On target  Below  Well below 					AT - Annual Target
An Opportunity City					
1.C. Rand value of capital invested in engineering infrastructure		R0,61bn	R0,73bn	Well above target	Maintain the Momentum
1.E. % Spend on repairs and maintenance		45,46%	46,06%	Target Achieved	Maintain the Momentum

3.3.2.3 Number of passenger journeys on the MyCiti public transport system

The performance during the first six months was lower than expected. Slower than expected implementation of the planned MyCiti transport service plan has resulted in under achievement of the set target. Due to the delays the rollout plan was revised and the target was also amended to cater for the new revised scenario.

During the previous financial year the MyCiti bus service undertook 3 301 328 passenger journeys.

3.4 Challenges and way forward

The following challenges will be addressed during the remaining of the financial year:

3.4.1 The performance reporting on external service providers

In terms of section 46(1)(a) of the Municipal Systems Act, 2000 (Act No. 32 of 2000) a municipality must prepare for each financial year a performance report reflecting the performance of the municipality and of each external service provider during the financial year. In future such reporting must include a comparison to the performance of the service providers in prior years. The City is preparing a rollout plan to implement this requirement in a phased-in manner.

3.4.2 The implementation of MFMA Circular 63 on annual reporting guidelines

The City is in a process to roll out the Circular 63 reporting requirements in a phased manner over the next three years in order to ensure reliability and auditability of performance data.

3.4.3 Refining of performance indicators to reflect value added

The City is also refining performance reporting to reflect the value that was added by the municipality in achieving the performance targets stipulated in the Corporate Performance Scorecard.

3.5 Conclusion

During the first half of the 2013/14 financial year the City has performed well in achieving its annual targets. In the case where targets have not been met, the City has initiated remedial measures to improve the likelihood of achieving its annual targets. In some instances targets will also be amended to accommodate changed circumstances such as in the case of the number of passengers utilising the My-City bus service. This target had to be adjusted downwards due to unforeseen delays in the implementation of the roll-out of the bus service.

Important to note: No issues were raised by the Auditor-General during the annual auditing of the City's 2012/13 Annual Performance Report.

SECTION 5 – RECOMMENDATIONS⁷

4.1 Adjustments Budget

An adjustments budget for 2013/14 be prepared and approved by Council by no later than 28 February 2014. The adjustments budget will take into account inter alia approved roll-overs received from National- and Provincial Treasury for unspent 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.

⁷ Required as per MFMA S72 (3)

SECTION 6 - MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, **Achmat Ebrahim**, the municipal manager of **City of Cape Town**, hereby certify that the **mid-year budget and performance assessment for the 2013/14 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

Signature -----

Date -----