

REPORT TO MAYORAL COMMITTEE / COUNCIL



CITY OF CAPE TOWN | ISIXEKO SASEKAPA | STAD KAAPSTAD

1. ITEM NUMBER : MC 10/02/12

2. SUBJECT
LSUA1980

QUARTERLY FINANCIAL REPORT: DECEMBER 2011

ONDERWERP
KWARTAALLIKSE FINANSIËLE VERSLAG: DESEMBER 2011

ISIHLOKO
INGXELO YEMALI YARHOQO NGEKOTA: DISEMBA 2011

3. PURPOSE

In terms of Section 52 (d) of the Municipal Finance Management Act, the Mayor is required to submit a quarterly report to Council on the implementation of the budget and the financial state of affairs of the municipality.

4. FOR DECISION BY

For noting by Council:

As prescribed by the Municipal Finance Management Act (MFMA), the quarterly financial report for the quarter ended 31 December 2011 is submitted for noting by Council.

5. EXECUTIVE SUMMARY

The Municipal Finance Management Act requires municipalities to submit regular reports on matters related to their financial performance. This quarterly financial report provides is submitted in accordance with MFMA stipulations (Section 52) and an overview of the City's budget implementation status and its financial viability and sustainability.

6. RECOMMENDATIONS

Not Delegated: for Decision by Council:

The Quarterly Financial Report for the quarter ended 31 December 2011 is submitted for information and noting only.

Nie gedelegeer nie: vir besluit deur die Raad:

Die kwartaallikse finansiële verslag vir die kwartaal geëindig 31 Desember 2011 word slegs ter inligting en kennisname voorgelê.

Asigunyaziswanga :isiGqibo seseBhunga:

INgxelo yeMali yaRhoqo ngeKota yekota ephela ngowama-31 Disemba 2011 ingeniselwa iinjongo zolwazi nokuqatshelwa kuphela.

7. DISCUSSION/CONTENTS

Annexure A to this report provides details of various budget- and related financial data sets which are indicative of an organisation's ability to execute its financial plan (budget) and its financial health.

No significant budget implementation variances to date, which warrant immediate interventions, are reported. Monthly, in-year monitoring actions, in accordance with Council policies and relevant legislation, are performed by senior management and selected governance fora such as the Executive Management Team, Finance Portfolio Committee and Mayoral Committee.

7.1. Constitutional and Policy Implications

In terms of the MFMA the Mayor must within 30 days after the end of a quarter submit a report to Council on the implementation and progress on the budget and financial state of affairs of the municipality.

7.2. Environmental implications

Does your report have any environmental implications: No Yes

7.3. Legal Implications

Compliance to the Municipal Finance Management Act, 2003 (Act 56 of 2003), Section 52.

7.4. Staff Implications

Does your report impact on staff resources, budget, grading, remuneration, allowances, designation, job description, location or your organisational structure?

No

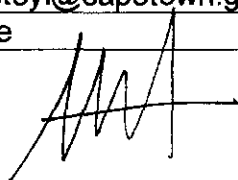
Yes




ANNEXURES

Annexure A: Financial report – 31 December 2011

FOR FURTHER DETAILS CONTACT:

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E-MAIL ADDRESS	johan.steyl@capetown.gov.za
DIRECTORATE	Finance
SIGNATURE : DIRECTOR	



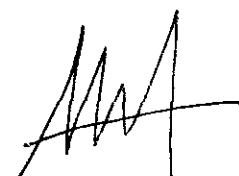
LEGAL COMPLIANCE

REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.

NON-COMPLIANT

NAME JEAN ROMAN
 TEL (021) 400 -2753
 DATE 23/01/2012

Comment:
For noting

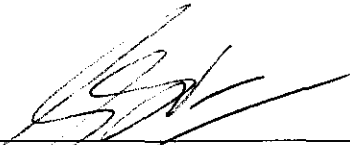

EXECUTIVE DIRECTOR J. STEYL.
 [Compulsory to Insert name]
 (Author to obtain signature before submission to Executive Support)

Comment:

DATE 20/1/2012

acting

COMMENT:



MAYORAL COMMITTEE MEMBER
(Author to obtain signature before submission to
Executive Support)

NAME

JD NELSON

DATE

2A/1/2012

Annexure A: Financial Report – December 2011

CONTENTS

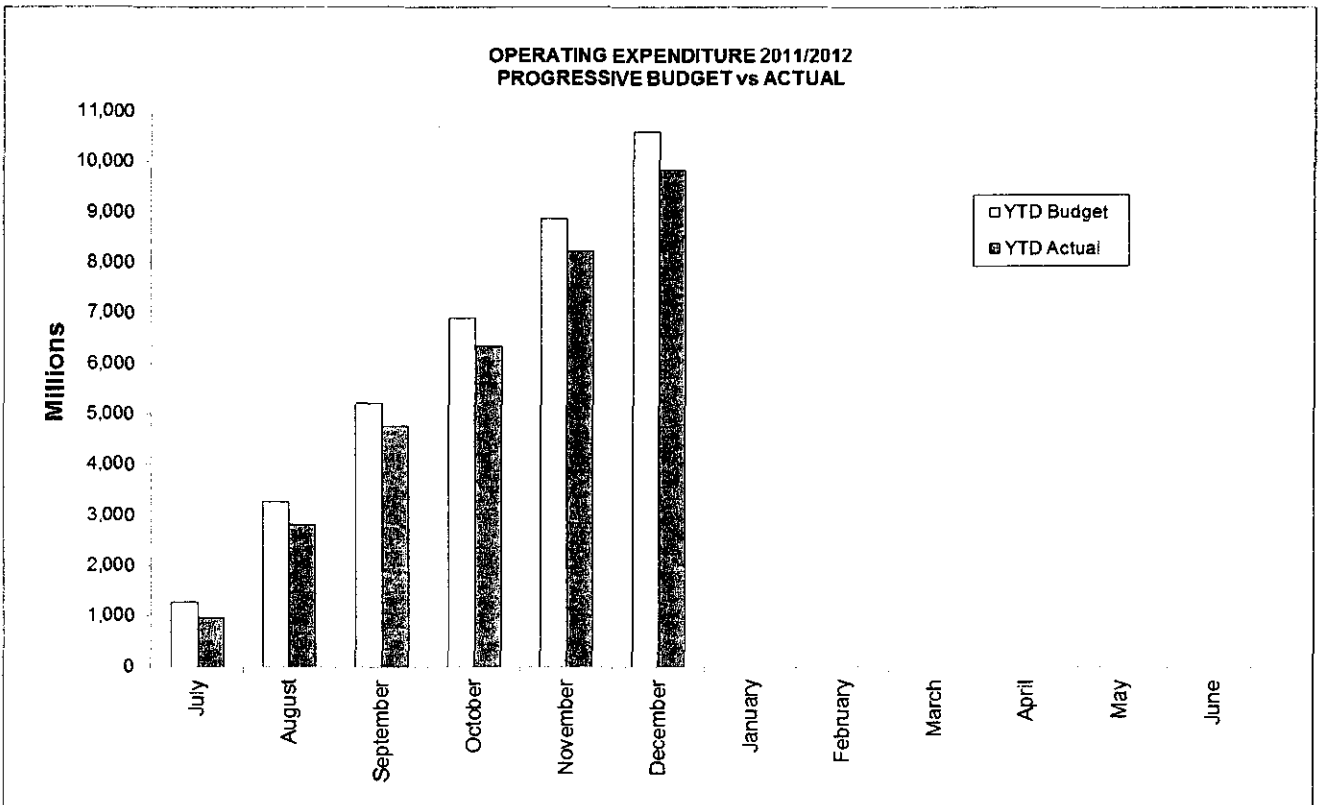
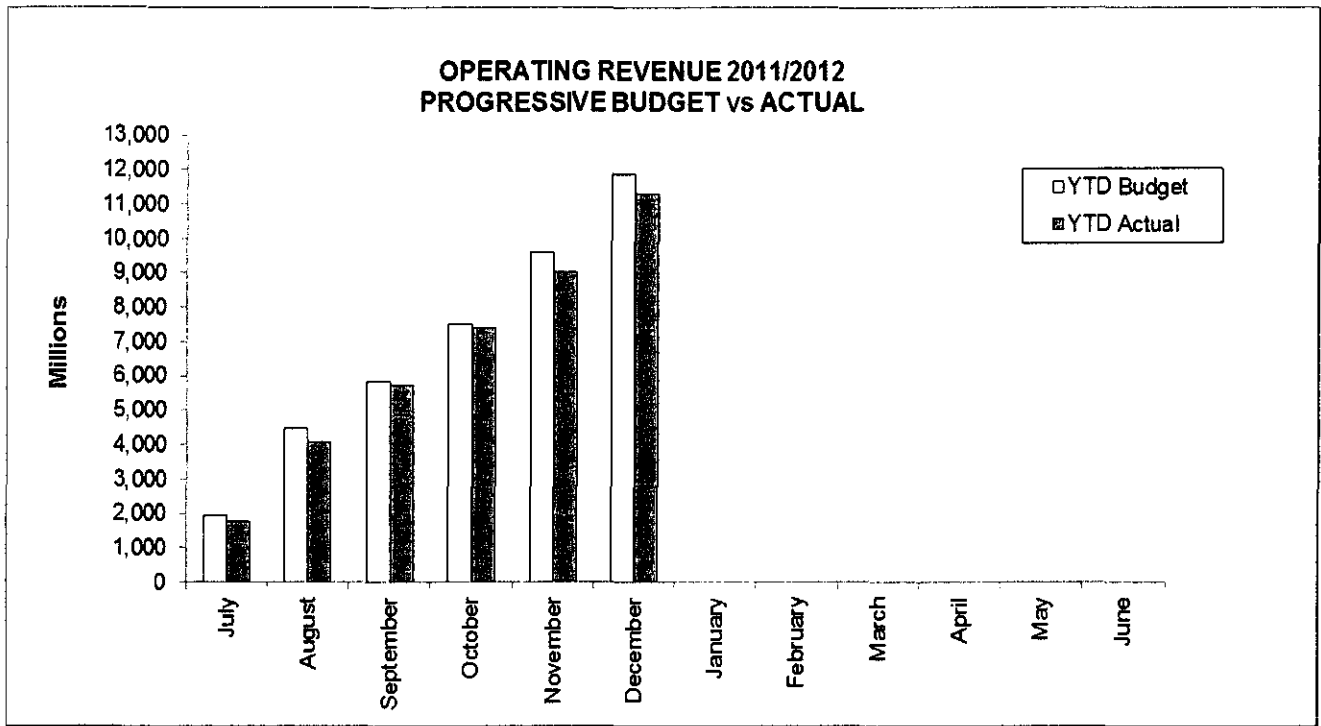
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PART 1 - IN-YEAR REPORT**1.1 In-year budget statement tables****1.1.1. Table C1: Monthly budget statement summary**

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	2018/11	Budget Year 2011/12						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Financial Performance								
Property rates	4,529,932	4,667,744	4,667,744	2,348,647	2,312,055	36,592	2%	4,667,744
Service charges	10,359,727	12,390,657	12,390,657	5,797,626	6,022,465	(224,839)	-4%	12,390,657
Investment revenue	522,070	410,761	410,761	261,422	205,381	56,041	27%	410,761
Transfers recognised - operational	1,400,627	1,897,816	1,885,626	686,104	1,110,407	(424,303)	-38%	1,885,626
Other own revenue	2,348,286	2,614,256	2,615,427	1,531,298	1,537,496	(6,198)	-	2,615,427
Total Revenue (excluding capital transfers and contributions)	19,160,642	21,981,234	21,978,215	18,625,097	11,187,884	(566,707)	-5%	21,970,215
Employee costs	6,123,768	7,091,648	7,159,847	3,230,893	3,669,095	(438,202)	-12%	7,159,847
Remuneration of Councillors	88,621	108,786	108,786	45,413	56,392	(10,979)	-19%	108,786
Depreciation & asset impairment	1,271,965	1,392,823	1,392,823	673,575	680,412	(6,837)	-1%	1,392,823
Finance charges	717,476	766,367	766,367	324,886	339,978	(15,092)	-4%	766,367
Materials and bulk purchases	4,899,378	6,104,892	6,105,284	2,733,488	2,863,005	(129,517)	-5%	6,105,284
Transfers and grants	93,382	96,419	97,439	41,664	45,674	(4,010)	-9%	97,439
Other expenditure	5,453,917	6,580,941	6,500,310	2,776,842	2,928,991	(152,149)	-5%	6,500,310
Total Expenditure	18,648,587	22,141,876	22,138,856	9,826,761	18,583,547	(756,786)	-7%	22,130,856
Surplus/(Deficit)	512,135	(160,642)	(168,641)	798,336	604,257	194,879	32%	(160,641)
Transfers recognised - capital	1,173,315	2,661,159	2,763,928	627,842	656,982	(29,140)	-4%	2,763,928
Contributions & Contributed assets	46,728	54,200	66,816	24,772	19,660	5,112	26%	66,816
Surplus/(Deficit) after capital transfers & contributions	1,732,178	2,554,717	2,670,103	1,450,950	1,288,899	170,051	13%	2,678,103
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	1,732,178	2,554,717	2,670,103	1,450,950	1,288,899	170,051	13%	2,678,183
Capital expenditure & funds sources								
Capital expenditure	2,857,760	5,089,866	5,615,371	1,218,847	1,397,765	(178,918)	-13%	4,371,342
Capital transfers recognised	1,173,329	2,664,499	2,772,330	628,697	656,269	(27,572)	-4%	2,116,946
Public contributions & donations	46,715	50,860	58,414	23,916	19,337	4,579	24%	50,303
Borrowing	992,283	1,357,386	1,552,157	362,130	429,631	(67,501)	-16%	1,358,802
Internally generated funds	645,435	1,017,122	1,232,473	204,184	292,528	(88,424)	-30%	845,291
Total sources of capital funds	2,857,762	5,089,867	5,615,374	1,218,847	1,397,765	(178,918)	-13%	4,371,342
Financial position								
Total current assets	9,409,804	7,664,200	9,847,942	9,847,942				9,847,942
Total non current assets	21,882,485	27,199,565	26,662,116	26,662,116				26,662,116
Total current liabilities	5,964,150	5,282,869	6,827,885	6,827,885				6,827,885
Total non current liabilities	8,932,939	10,488,998	10,495,785	10,495,785				10,495,785
Community wealth/Equity	16,395,200	19,091,898	19,186,388	18,186,388				19,186,388
Cash flows								
Net cash from (used) operating	3,644,516	4,187,459	4,220,656	2,611,077	1,689,319	921,758	55%	3,378,636
Net cash from (used) investing	(4,755,444)	(5,171,557)	(5,531,081)	(2,689,783)	(1,347,162)	(1,342,621)	100%	(2,694,324)
Net cash from (used) financing	(248,995)	1,325,535	1,460,262	(646)	667,285	(667,931)	-100%	1,334,570
Cash/cash equivalents at the month/year end	3,151,256	3,233,858	5,362,966	3,071,905	3,901,863	(829,958)	-21%	5,170,139

The graphs below illustrate the Operating revenue and Operating expenditure trend per month.



1.1.2. 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.

	2010/11	Budget Year 2011/12						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD Variance %	Full Year Forecast
R thousands								
Revenue by Vote								
Vote 01 - Community Services	124,539	145,824	179,466	58,509	59,280	(771)	-1.0%	179,466
Vote 02 - Corporate Services	30,053	29,281	29,289	13,458	5,452	8,006	147.0%	29,289
Vote 03 - Economic and Social Development	68,821	180,138	182,098	61,029	62,083	(1,054)	-2.0%	182,098
Vote 04 - Finance Services	487,925	390,052	393,612	250,627	194,004	56,623	29.0%	393,612
Vote 05 - Health	320,113	374,065	371,309	150,017	198,198	(48,181)	-24.0%	371,309
Vote 06 - Human Settlements	652,949	1,089,240	995,246	399,634	265,993	133,641	50.0%	995,246
Vote 07 - Internal Audit	17	-	860	457	860	(403)	-47.0%	860
Vote 08 - Office of the City Manager	19,504	16,244	14,001	(1,486)	9,091	(10,577)	-116.0%	14,001
Vote 09 - Rates & Other	6,847,309	7,226,170	7,226,160	3,819,337	4,094,426	(275,089)	-7.0%	7,226,160
Vote 10 - Safety & Security	230,655	235,416	239,214	110,896	115,278	(4,382)	-4.0%	239,214
Vote 11 - Strategy and Planning	84,722	76,729	84,956	40,873	41,752	(879)	-2.0%	84,956
Vote 12 - Transport, Roads and Major Projects	820,780	2,194,594	2,218,550	429,423	653,792	(224,389)	-34.0%	2,218,550
Vote 13 - Utility Services	10,693,298	12,738,842	12,866,200	5,944,933	6,164,237	(219,304)	-4.0%	12,866,200
Total Revenue by Vote	20,388,685	24,696,595	24,800,961	11,277,707	11,864,446	(586,739)	-5.0%	24,800,961
Expenditure by Vote								
Vote 01 - Community Services	1,128,757	1,239,456	1,231,376	542,017	580,704	(38,687)	-7.0%	1,231,376
Vote 02 - Corporate Services	1,610,126	1,626,754	1,632,372	769,735	802,763	(33,028)	-4.0%	1,632,372
Vote 03 - Economic and Social Development	250,655	325,458	325,458	135,348	155,879	(20,531)	-13.0%	325,458
Vote 04 - Finance Services	1,382,895	1,567,388	1,570,501	708,150	755,210	(47,060)	-6.0%	1,570,501
Vote 05 - Health	610,207	707,404	707,104	328,124	362,517	(34,393)	-9.0%	707,104
Vote 06 - Human Settlements	601,308	762,814	763,814	348,697	332,480	16,217	5.0%	763,814
Vote 07 - Internal Audit	28,615	32,964	33,684	14,218	17,318	(3,100)	-18.0%	33,684
Vote 08 - Office of the City Manager	257,864	325,440	336,251	141,797	173,362	(31,565)	-18.0%	336,251
Vote 09 - Rates & Other	351,317	679,090	685,648	310,314	332,370	(22,056)	-7.0%	685,648
Vote 10 - Safety & Security	1,117,422	1,260,297	1,274,133	605,085	649,697	(44,612)	-7.0%	1,274,133
Vote 11 - Strategy and Planning	358,531	389,297	392,227	183,986	195,049	(11,063)	-6.0%	392,227
Vote 12 - Transport, Roads and Major Projects	1,329,483	1,855,943	1,824,627	635,268	743,158	(107,890)	-15.0%	1,822,851
Vote 13 - Utility Services	9,621,326	11,369,576	11,373,665	5,104,028	5,483,020	(378,992)	-7.0%	11,373,665
Total Expenditure by Vote	18,648,506	22,141,879	22,130,860	9,026,767	10,583,547	(756,780)	-7.0%	22,129,084
Surplus/ (Deficit) for the year	1,732,179	2,554,716	2,670,101	1,450,940	1,280,899	170,041	13.8%	2,671,877

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

The following tables reflect the percentage variance for revenue and expenditure by vote, reasons for material deviations and the remedial action thereof.

Material variance explanations for revenue by vote (refer Table C3)

Description R thousands	YTD Variance	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 01 - Community Services	(771)	-1%	The under-recovery is due to the non-alignment of the actual revenue trends with the planned budget. It is mainly within Libraries where Operational Grants & Donations funded projects are progressing slower than planned due to slow rate of appointment of contract staff.	The situation is monitored by the finance manager. Corrective actions will be implemented during the adjustments budget in January 2012.
Vote 02 - Corporate Services	8 006	147%	The over-recovery relates to mandatory payments received from LGSETA in respect of 2010/11 training expenditure. In addition, payment for 2011/12 was received, which is more than what was anticipated for.	Recommendations from Treasury and External Auditors on the accounting treatment of the revenue to be implemented.
Vote 03 - Economic and Social Development	(1 054)	-2%	The under-recovery is mainly on the Profit on Sale of Assets. The response from the Property Industry is lower than anticipated, due to the current economic climate and sales not progressing as planned.	The situation is monitored by the finance manager. Corrective actions will be implemented during the adjustments budget in January 2012.
Vote 04 - Finance Services	56 623	29%	The over-recovery is due to higher than expected interest earned on the favourable cash/investment balances available in December, which resulted in the non-alignment of the period budget with the actuals realised. Higher than planned revenue from Other Income, due to Credit Card Usage fees charged, further contributed to the over-recovery.	The situation is monitored by the finance manager and corrective actions will be implemented when necessary. A further review will be undertaken in the adjustments budget in January 2012.
Vote 05 - Health	(48 181)	-24%	The under-recovery is mainly on Operating Grants & Donations funded projects where payments are received one month in arrears, as expenditure must be incurred prior to submitting claims to Provincial Government. In addition, certain transactions were not reflected on the relevant projects as it was booked against cost centres and not directly against the projects.	Alignment of the period budgets with actuals will be undertaken and corrections will be done during the adjustments budget in January 2012.
Vote 06 - Human Settlements	133 641	50%	The over-recovery mainly relates to a number of Operating Grants & Donations Projects and Capital Grants & Donations Projects, which are in various stages of completion. Their progress is influenced by funding approvals by Province, environmental issues, procurement processes and the impact of community dynamics. The accurate calculation of monthly budgets and monthly planned progress are not possible.	Progress is monitored by the Finance Manager on a monthly basis. Corrective action will be undertaken in the adjustments budget in January 2012.
Vote 07 - Internal Audit	(403)	-47%	The under-recovery relates to a Capital Grants & Donations project that is not on schedule.	The situation is monitored on a monthly basis and adjustments will be made in the adjustments budget in January 2012.
Vote 08 - Office of the City Manager	(10 577)	-118%	The under-recovery is mainly on VPUJ Capital Grants & Donations projects where delays were experienced as a result of safety issues in the building structures. The project is now on track and completion is planned for April 2012.	The period budgets will be amended in the adjustments budget in January 2012.
Vote 09 - Rates & Other	(275 089)	-7%	The under-recovery mainly relates to the non-receipt of the Equitable Share payment of R323 million in November 2011. A combination of over-/under-recovery on Property Rates and Rates Rebates further contributed to the variance. This is due to difficulties in aligning the Rates period budget with actual billing, lower than planned number of rates rebates applications received to date as well as a number of applications still to be processed.	Frequent communication with National Treasury on the non-payment of the Equitable Share will solve the matter in the short term. Adjustments will be effected in the adjustments budget in January 2012. The due date for Rate Rebate applications was extended to allow more submissions.
Vote 10 - Safety & Security	(4 382)	-4%	The under-recovery relates mainly to Fines, which is less than planned because of a reduction in the number of fines issued and fines reviewed by the municipal court.	The situation is monitored by the finance manager and corrective actions will be implemented when necessary.
Vote 11 - Strategy and Planning	(879)	-2%	The under-recovery relates mainly to an Operating Grants & Donations project, where payment is awaited from SANBI before expenditure can be incurred. In addition, an under-recovery on a Capital Grants & Donations project reflects, where the project is in the tender stage and will only commence in the second half of the financial year.	The situation is monitored on a monthly basis and adjustments will be made in the adjustments budget in January 2012.
Vote 12 - Transport, Roads and Major Projects	(224 369)	-34%	The under-recovery is mainly on (a) Operating/Capital Grants & Donations (R97 million and R80 million respectively), due to the implementation rate being slower than planned on a number of projects; (b) the MyCiti Bus fares where the utilisation of the service is less than expected and the manual fare system is still in use as the automated system for the RT bus service is not fully implemented yet; and (c) the Development Levy income where actual trend is less than expected, due to a slower rate of property development in the City.	Budgets will be amended in the adjustments budget in January 2012. The marketing campaign on the RT Bus Service is on-going with the view to improve utilisation of services offered. A pilot of the Automated Fare Collection System is operational since October 2011 with full roll-out envisaged by January 2012.
Vote 13 - Utility Services	(219 304)	-4%	The under-recovery relates mainly to Electricity Service, with an under-recovery of R177 million. The under-recovery is on (a) Electricity Sales (R82 million), as a result of consumer savings on consumption and over-budgeting of expected revenue; (b) Fixed Basic Charges (R79 million) where the new tariff design for electricity resulted in less revenue received than in previous years; and (c) Development Levies (R17 million) where the revenue is less than planned but is expected to improve in future months.	The situation is monitored and amendments / corrections will be done in the adjustments budget in January 2012.

Material variance explanations for expenditure by vote (refer Table C3)

Description R thousands	YTD Variance	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 01 - Community Services	(38 687)	-7%	The variance is mainly as a result of the 3 month turnaround time in filling vacant posts, the impact of internal filling of vacancies and the lower than budgeted salary increases implemented for 2011/12. Delays in the renewal of the Repairs & Maintenance tender for Parks as well as the roll-out of maintenance programmes within Library Services further contributed to the under-expenditure. Other Expenditure reflects over-expenditure mainly on Security Services and Charges as a result of increased levels of crime and vandalism at facilities as well as the impact of higher than initially budgeted for security costs.	Recruitment and selection processes are on-going. The Parks tender is expected to be finalised soon and a new security strategy is being implemented to reduce the security cost. Further monitoring will be done by the finance manager on an on-going basis and budgetary alignment or corrective action will be undertaken where necessary.
Vote 02 - Corporate Services	(33 028)	-4%	The variance is mainly as a result of the 3 month turnaround time in filling vacant posts, the impact of internal filling of vacancies and the lower than budgeted salary increases implemented for 2011. Under expenditure on Contracted Services further contributed to this variance, mainly due to late processing of invoices (one month in arrears) within the IS&T department.	The expenditure trend is being monitored on a monthly basis by the finance manager and budgetary alignment will be undertaken where necessary
Vote 03 - Economic and Social Development	(20 531)	-13%	The variance is mainly as a result of (a) the 3 month turnaround time in filling vacant posts, the impact of internal filling of vacancies and the lower than budgeted salary increases implemented for 2011/12; and (b) under expenditure on Contracted Services, mainly due to delays in the implementation of the Streetpeople- and Early Childhood Development projects.	The recruitment and selection process is on-going. Actual spending on Social Developments Contracted Services will improve with the implementation of the Business Plan Projects towards the latter part of the financial year. The situation is being monitored by the Finance Manager and corrective action be taken where necessary.
Vote 04 - Finance Services	(47 060)	-6%	The variance is mainly as a result of the 3 month turnaround time in filling vacant posts, the impact of internal filling of vacancies, lower than budgeted salary increases implemented for 2011/12 and the late processing of the December 2011 External Interest payment, which will be effected in January 2012.	The recruitment and selection processes are on-going. The expenditure trend will be monitored by the finance manager on a monthly basis and corrective action will be undertaken where necessary. The December interest payment will reflect in January 2012.
Vote 05 - Health	(34 393)	-9%	The variance is mainly as a result of the 3 month turnaround time in filling vacant posts, the impact of internal filling of vacancies and the lower than budgeted salary increases implemented for 2011/12.	The recruitment and selection processes are on-going. The expenditure trend will be monitored by the finance manager on a monthly basis and corrective action will be undertaken where necessary.
Vote 06 - Human Settlements	16 217	5%	The variance is mainly as a result of over-expenditure on Contracted Services and Other Expenditure, due to the accelerated implementation of various housing projects and higher than planned payments on National Housing Projects, which is influenced by the rate of construction and thus difficult to plan accurately per monthly cycles. Employee related costs reflects under-expenditure, mainly as a result of the 3 month turnaround time in filling vacant posts, the impact of internal filling of vacancies and the lower than budgeted salary increases implemented for 2011/12.	Cash flows for the various housing projects will be adjusted to align the period budget with the actuals in the January 2012 adjustment budget. Further monitoring of the expenditure trend will be done by the finance manager on an on-going basis. The recruitment and selection processes are on-going.

Table continues on next page.

Description R thousands	YTD Variance	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 07 - Internal Audit	(3 100)	-18%	The variance is mainly as a result of the 3 month turnaround time in filling vacant posts, the impact of internal filling of vacancies and the lower than budgeted salary increases implemented for the year.	The recruitment and selection processes are on-going.
Vote 08 - Office of the City Manager	(31 585)	-18%	The variance is mainly as a result of the 3 month turnaround time in filling vacant posts, the impact of internal filling of vacancies and the lower than budgeted salary increases implemented in September. A further contributor to the variance is under-expenditure on Councillor Remuneration, mainly due to councillor vacancies, the late finalisation of sub-council structures and appointment of sub-council chairpersons as well as the non-implementation of the increments on councillor allowances. Other expenditure also reflects under-expenditure, mainly due to the late finalisation of sub-council and mayoral projects.	On-going monitoring is performed by the Finance Manager on the recruitment and selection processes. The councillor increases is expected to be implemented in February 2012 and the Sub-Council projects will be included in the January 2012 adjustment budget. Mayoral projects are only implemented as and when identified by the Mayor.
Vote 09 - Rates & Other	(22 056)	-7%	The variance is mainly due to the budgetary provision for the freedom of association of medical aid increases, which is budgeted centrally while the actuals are incurred across all directorates. Other expenditure reflects under-expenditure mainly on (a) Indigent Relief: Eskom areas, due to invoices being paid one month in arrears; (b) Indigent Relief R30, which is mainly dependent on the number of applicants that qualify for the relief and therefore difficult to plan accurately; and (c) Indigent Relief: Refuse, which reflects over-expenditure, mainly due to higher than estimated billings.	Alignment of the budgetary provisions to be addressed in the adjustments budget in January 2012.
Vote 10 - Safety & Security	(44 612)	-7%	The variance is mainly as a result of the 3 month turnaround time in filling vacant posts, the impact of internal filling of vacancies and the lower than budgeted salary increases implemented for 2011/12.	The recruitment and selection processes are on-going with appointments made for December 2011 and January 2012. The finance manager will monitor the expenditure and corrective action will be taken where necessary.
Vote 11 - Strategy and Planning	(11 063)	-6%	The variance is mainly as a result of the 3 month turnaround time in filling vacant posts, the impact of internal filling of vacancies and the lower than budgeted salary increases implemented in September 2011.	The recruitment and selection processes are on-going. The expenditure trend will be monitored by the finance manager on a monthly basis and corrective action will be undertaken where necessary.
Vote 12 - Transport, Roads and Major Projects	(107 890)	-15%	The variance is mainly as a result of the 3 month turnaround time in filling vacant posts, the impact of internal filling of vacancies, the late finalisation of the two IRT department structures and the lower than budgeted salary increases implemented in September 2011. Contracted services reflects under-expenditure, mainly due to delays in the submission of invoices from the IRT Vehicle Operators and lower than estimated expenditure on operator contracts, due to delays in the roll-out of various projects. Further under-expenditure reflects on Other Expenditure, mainly due to delays in the roll out of some National Land Transport Act and Municipal Land Transport Fund projects as well as on IRT grant-funded projects.	The recruitment and selection processes are on-going. Further monitoring will be performed by the finance manager and corrective action to amend the period budgets will be undertaken where necessary. The provision for Contracted Services for the IRT projects will be adjusted during the January 2012 adjustment budget.
Vote 13 - Utility Services	(378 992)	-7%	The main contributors to this variance are (a) Employee Related Costs, mainly as a result of the internal filling of vacancies, the three month turnaround time in filling vacancies and the impact of the lower than budgeted salary increases implemented for 2011/12; (b) Other Materials, as a result of the non-alignment of the period budget with the actual expenditure on Repairs & Maintenance as well as the impact of the non-finalisation of tender for the Water Demand Management Device project; (c) Contracted Services as a result of delays in finalising contracts within Electricity Services as well as non-alignment of the period budget with the expected implementation dates of various Solid Waste projects; (d) Bulk Purchases, mainly as a result of consumer savings on Electricity and unresolved queries relating to bulk water invoices with the Department of Water Affairs; and (e) Other Expenditure, which is largely demand driven items and difficult to plan accurately per monthly cycles.	The provision for bulk electricity purchases will be reviewed in the mid-year review and adjustments budget in January 2012. Further monitoring will be done by the finance manager on a monthly basis and corrective action will be undertaken where necessary. Budgetary alignment for the Solid Waste Landfill Rehabilitation provision will be undertaken during the adjustment budget in January 2012.

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	2010/11	Budget Year 2011/12						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								
Revenue By Source								
Property rates	4,435,764	4,581,985	4,581,985	2,302,227	2,269,175	33,052	1%	4,581,985
Property rates - penalties & collection charges	94,168	85,759	85,759	46,420	42,880	3,540	8%	85,759
Service charges - electricity revenue	6,578,085	8,158,108	8,158,108	3,951,792	4,046,897	(95,105)	-2%	8,158,108
Service charges - water revenue	1,649,307	1,828,095	1,828,095	802,896	809,341	(6,445)	-1%	1,828,095
Service charges - sanitation revenue	903,204	991,118	991,118	451,614	469,946	(16,332)	-4%	991,118
Service charges - refuse revenue	754,178	820,410	820,410	399,190	405,705	(6,515)	-2%	820,410
Service charges - other	474,953	592,926	592,926	192,134	290,576	(98,442)	-34%	592,926
Rental of facilities and equipment	250,316	264,043	264,043	163,657	140,784	22,873	16%	264,043
Interest earned - external investments	291,679	192,426	192,426	141,743	96,213	45,530	47%	192,426
Interest earned - outstanding debtors	230,391	218,335	218,335	119,679	109,168	10,511	10%	218,335
Dividends received	-	-	-	-	-	-	-	-
Fines	166,476	186,692	186,692	80,215	87,341	(7,126)	-8%	186,692
Licences and permits	37,645	30,046	30,046	19,440	16,081	3,359	21%	30,046
Agency services	115,991	115,993	115,993	59,806	57,197	2,611	5%	115,993
Transfers recognised - operational	1,400,627	1,897,616	1,885,626	686,104	1,110,407	(424,303)	-38%	1,885,626
Other revenue	1,757,278	1,912,282	1,913,453	1,208,212	1,221,985	(13,773)	-1%	1,913,453
Gains on disposal of PPE	20,580	105,000	105,000	(34)	14,108	(14,142)	-100%	105,000
Total Revenue (excluding capital transfers and contributions)	19,160,642	21,981,234	21,970,215	10,625,097	11,187,804	(562,707)	-5%	21,970,215
Expenditure By Type								
Employee related costs	6,123,768	7,091,648	7,159,847	3,230,893	3,669,095	(438,202)	-12%	7,159,847
Remuneration of councillors	88,621	106,786	108,786	45,413	56,392	(10,979)	-19%	108,788
Debt impairment	773,226	1,039,970	1,040,005	520,002	520,002	-	-	1,040,005
Depreciation & asset impairment	1,271,965	1,392,823	1,392,623	673,575	880,412	(6,837)	-1%	1,392,823
Finance charges	717,476	766,367	766,367	324,886	339,976	(15,092)	-4%	766,367
Bulk purchases	4,620,105	5,785,576	5,785,576	2,804,857	2,705,572	(100,715)	-4%	5,785,576
Other materials	279,273	319,316	319,706	128,831	157,433	(26,802)	-18%	319,708
Contracted services	2,007,766	2,320,166	2,361,835	891,620	993,464	(101,844)	-10%	2,361,835
Transfers and grants	93,382	96,419	97,439	41,664	45,674	(4,010)	-9%	97,439
Other expenditure	2,669,396	3,220,803	3,098,470	1,365,212	1,415,525	(50,313)	-4%	3,098,470
Loss on disposal of PPE	3,529	-	-	6	-	6	-	-
Total Expenditure	18,648,507	22,141,876	22,130,856	9,826,761	10,583,547	(756,786)	-7%	22,130,856
Surplus/(Deficit)	512,135	(160,642)	(160,641)	798,336	604,257	(194,079)	-32%	(160,641)
Transfers recognised - capital	1,173,315	2,661,159	2,763,928	627,842	656,982	(29,140)	-	2,763,926
Contributions recognised - capital	46,728	54,200	66,816	24,772	19,660	5,112	-	66,816
Contributed assets	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	1,732,178	2,554,717	2,670,103	1,450,950	1,280,899	(5,867)	-	2,678,103
Taxation	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	1,732,178	2,554,717	2,670,103	1,450,950	1,280,899	(12,704)	-	2,670,103
Attributable to minorities	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality	1,732,178	2,554,717	2,670,103	1,450,950	1,280,899	(113,419)	-	2,670,103
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	1,732,178	2,554,717	2,670,103	1,450,950	1,280,899	(215,263)	-	2,670,103

The following tables reflect the percentage variance for revenue by source and expenditure by type, reasons for material deviations and the remedial action thereof.

Material variance explanations for revenue by source (refer Table C4)

Description R thousands	YTD Variance	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source				
Property rates	33 052	1%	The variance is a combination of over-/under-recovery on Property Rates and Rates Rebates. This is due to difficulties in aligning the period budget with actual billing, lower than planned rebate applications received to date as well as a number of rebate applications still to be processed.	The trends are monitored on a monthly basis and adjustments will be effected when necessary.
Property rates - penalties & collection charges	3 540	8%	The over-recovery is due to higher than expected penalties imposed on outstanding Rates Debtors. Debtors balances are higher than planned as arrears were not written off as Water Demand Management meters were not installed as required.	The situation is monitored on a monthly basis and adjustments will be effected when so necessary.
Service charges - electricity revenue	(95 105)	-2%	The sale of electricity is influenced by consumer savings and the high electricity prices implemented. Electricity sales credit meters reflect under-collection of R25 million and Electricity Prepaid an under-collection of R 56 million.	Adjustments will be made in the adjustment budget in January 2012.
Service charges - water revenue	(6 445)	-1%	The bulk of the variance relates to Availability charges, due to the cleaning up of debtor records, resulting in a higher number of debtors liable for payment of Availability Charges. Furthermore, the actual revenue for Sale of Water is influenced by consumer demand, seasonal factors and billing corrections.	The situation is monitored on a monthly basis and adjustments will be effected when so necessary.
Service charges - sanitation revenue	(18 332)	-4%	The under-recovery is attributable to billing corrections on Consumer Accounts made to date, which resulted in the non-alignment of the period budget with the actuals.	The situation is monitored on a monthly basis and adjustments will be effected when so necessary.
Service charges - refuse revenue	(8 515)	-2%	The over-recovery is due to revenue being incorrectly recorded as Rental Income instead of Builders Rubble, which forms part of this category.	Further evaluation will be done during the mid-year review process in January 2012.
Service charges - other	(98 442)	-34%	The major contributors to this under-recovery are (a) the manual IRT fare system, which is still in use as the automated system is not fully implemented yet, resulting in delays in processing of recognised revenue within Transport Roads & Major Projects; (b) Lower than planned utilisation of the MyCiti service by consumers; and (c) The new tariff design for electricity resulting in less revenue received on Fixed Basic Charges.	A marketing campaign has been intensified to attract a larger ridership of the MyCiti Starter Service and thus improve revenue. A pilot of the Automated Fare Collection system commenced in October 2011 with full roll-out envisaged for January 2012. Adjustment to the Fixed Basic Charges budget within Electricity will be made during the adjustment budget in January 2012.
Rental of facilities and equipment	22 873	16%	The over-recovery is mainly within Property Services due to improved billing and credit control processes as well as improved procedures relating to rental income being applied.	Situation is being monitored on a monthly basis and adjustments will be effected when necessary.
Interest earned - external investments	45 530	47%	The over-recovery is due to a higher than expected interest earned on the favourable cash investment balances available in December, which resulted in the non-alignment of the period budget with the actuals realised.	The situation is monitored on a monthly basis and adjustments will be effected when necessary.
Interest earned - outstanding debtors	10 511	10%	The over-recovery is mainly due to higher than expected interest earned on Water User Charges Debtors. A conservative approach was applied in the initial calculation of the budget provision.	The situation is monitored on a monthly basis and adjustments will be effected when necessary.
Fines	(7 126)	-8%	The under-recovery is mainly within Safety & Security, due to a reduction in the number of fines issued and reviewed by the municipal court.	The situation is monitored on a monthly basis and adjustments will be effected when necessary.
Licences and permits	3 359	21%	The over-recovery is due to an increased number of licences and permits issued and improved administrative processes by Safety & Security as well as Roads Services.	The situation is monitored on a monthly basis and adjustments will be effected when necessary.
Agency services	2 611	5%	The over-recovery is due to the non-alignment of the period budget with the actual revenue received on Agency Income to date.	The situation is monitored on a monthly basis and adjustments will be effected when necessary.
Transfers recognised - operational	(424 303)	-38%	The main contributors to the under-recovery are: (a) Health, where payments are received one month in arrears as expenditure must be incurred first prior to submitting claims to Provincial Government; (b) Housing, where a number of projects are running ahead of the planned schedule; (c) Transport Roads & Major Projects, with the slow rate of implementation of IRT projects where the period budgets are not aligned with the actual progress of projects; (d) Rates, where the payment of Equitable Share for November of R323 million was not received by month end.	The situation is being monitored. Alignment of the period budgets with the actuals and other changes will be undertaken during the adjustments budget in January 2012.
Other revenue	(13 773)	-1%	The under-recovery is mainly on revenue from BICL/Development Levy within Transport Roads & Major Projects and Electricity Services. Revenue is dependent on new developments undertaken in the City and currently there is a general economic slump in the market resulting in less than expected developments.	The situation is being monitored. Alignment of the period budgets with the actuals and other changes will be undertaken during the adjustments budget in January 2012.
Gains on disposal of PPE	(14 142)	-100%	The under-recovery is due to difficulties in planning the finalisation date of various sales of property and transactions that are in progress. The response from the Property Industry is lower than anticipated due to the current economic climate.	Majority of revenue is only expected to materialise towards the latter part of the year. The situation is being closely monitored and adjustments will be effected during the adjustments budget in January 2012.

Material variance explanations for expenditure by type (refer Table C4)

Description	YTD Variance	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure By Type				
Employee related costs	(438 202)	-12%	The variance is mainly as a result of the 3 month turn around time in filling vacancies, the impact of internal filling of vacancies and the lower than budgeted salary increases implemented for the 2011/2 financial year.	The recruitment and selection processes are on-going.
Remuneration of councillors	(10 979)	-19%	The main reasons for the variance are the late finalisation of sub-council structures, appointment of sub-council chairpersons as well as the non-implementation of the increments on councillor allowances to date.	The increments was approved by the Minister of Co-operative Governance and Traditional Affairs in December 2011 and will be submitted to Council for implementation in February 2012. The expenditure trend is expected to improve thereafter.
Debt impairment	-	0%	Immaterial variance.	-
Depreciation & asset impairment	(6 837)	-1%	Immaterial variance.	-
Finance charges	(15 092)	-4%	The variance is due to the late processing of the external interest payment for December 2011.	Payment will reflect in January 2012.
Bulk purchases	(100 715)	-4%	The variance is mainly due to consumer savings on electricity consumption resulting in lesser demand for bulk purchases from Eskom as well as un-resolved queries on bulk water invoices with Department of Water Affairs.	The Electricity bulk purchases provision will be amended during the adjustment budget process in January 2012. The Water Services department has contacted the Department of Water Affairs to resolve the outstanding invoices issue. This will be monitored by the respective finance managers.
Other materials	(28 802)	-18%	The variance is largely due to under-expenditure on the re-active component for Repairs & Maintenance (Mainly Electricity Services), which are demand driven and difficult to plan accurately per monthly cycle. Further contributing factors are the mis-alignment of the period budget with the expected implementation dates of the Winter Readiness-, Autumn and Fastive programs within Solid Waste and under-expenditure on the Water Demand Management project, due to delays in the finalisation of tender.	Improvement is expected as tenders and contracts are approved and projects implemented. The finance managers will be monitoring the expenditure trend and budgetary alignment relating to the Solid Waste projects will be undertaken during the mid-year review and adjustment budget in January 2012.
Contracted services	(101 844)	-10%	The variance is mainly due to (a) under-expenditure on Repairs & Maintenance, largely within the Electricity department resulting from delays in awarding contracts; (b) lower than anticipated expenditure on the IRT project and delays in the submission of invoices from the IRT Vehicle Operators; and (c) the non-alignment of the period budget with the expected implementation dates of various Solid Waste projects.	The provision relating to the IRT project as well as the budgetary alignment relating to the Solid Waste projects will be adjusted during the January adjustment budget. The expenditure rate is expected to improve as contracts are awarded and projects implemented in the upcoming months. Monitoring and corrective action will be taken by the respective finance managers, where necessary.
Transfers and grants	(4 010)	-9%	The variance is mainly due to delays in submission of documents from various beneficiaries in respect of Grants-In-Aid (i.e. Khayalitsha Community Trust and Ward Allocations on Grants-In-Aid).	Payments will only be processed once all documents are submitted and municipal accounts are up to date. This will be monitored by the respective finance managers and corrective action taken where necessary.
Other expenditure	(50 313)	-4%	The variance is mainly due the non-alignment of the period budget with the actual expenditure on the Solid Waste Landfill Rehabilitation provision and under-expenditure on various expenditure items, which are largely demand driven and difficult to plan accurately per monthly cycle. This includes under-expenditure on (a) Collection Fees in Safety & Security mainly as a result of a lower tender issued for third party payments as well as in Electricity Services, due to lesser commission paid to pre-paid electricity vendors; and (b) Consultant Fees in Housing, which is dependent on the implementation rate of various grant-funded housing projects as well as in Water Services, due to the non-finalisation of the Water Demand Management project tender.	Budgetary alignment for the Solid Waste Landfill Rehabilitation provision will be undertaken during the adjustment budget in January 2012.
Loss on disposal of PPE	8	-	Immaterial variance	-

1.1.3. 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.

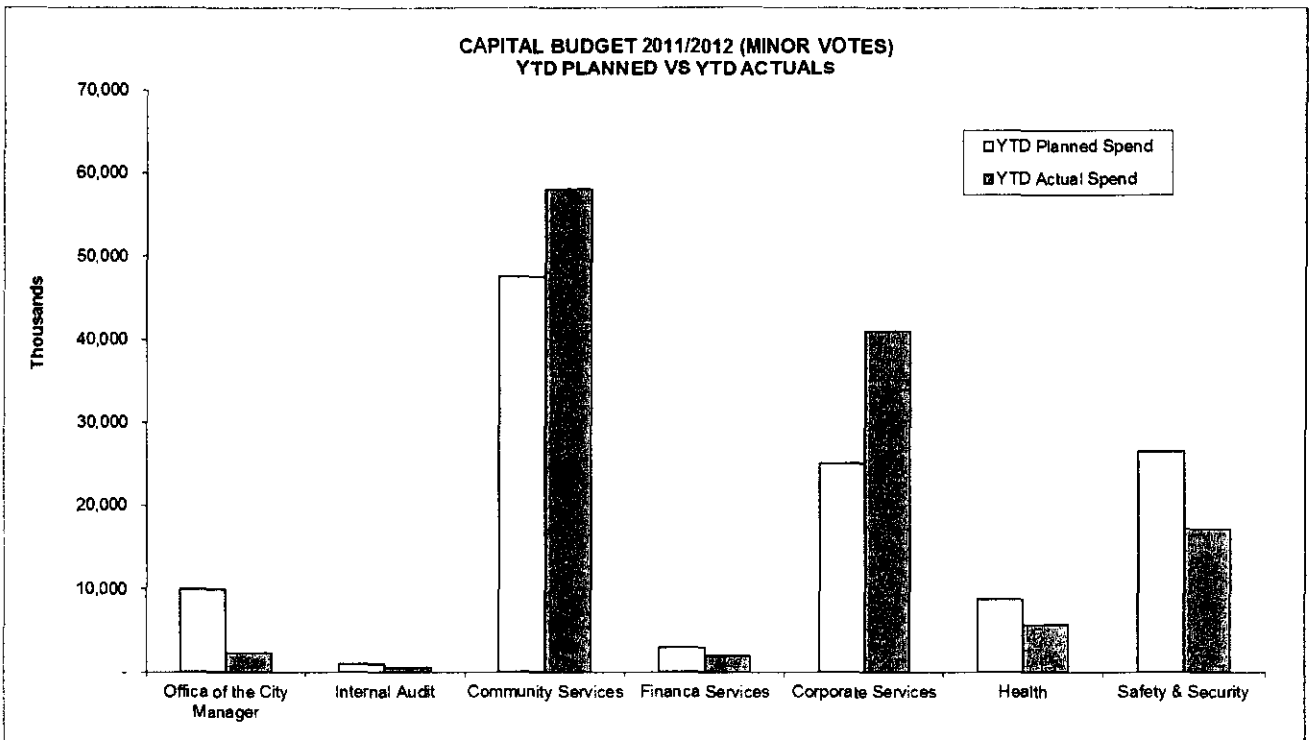
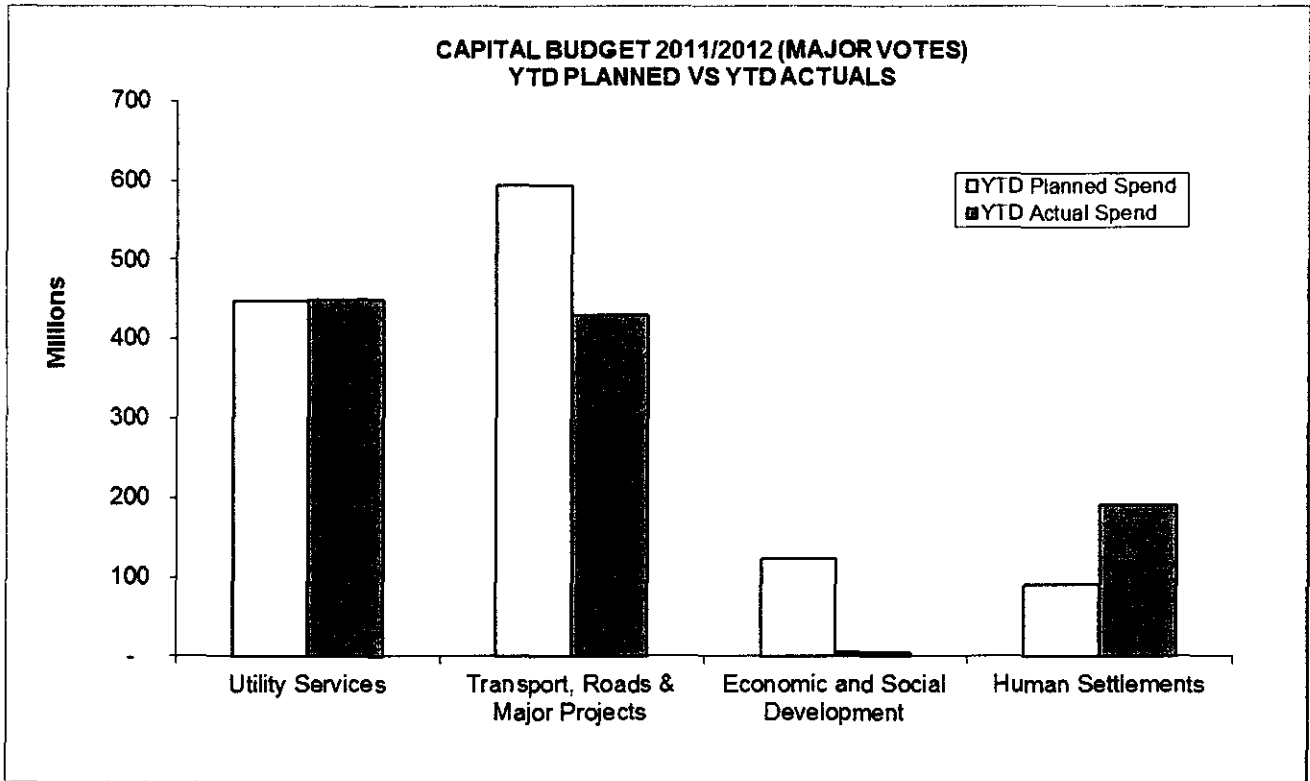
Vote Description	2010/11	Budget Year 2011/12						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Multi-Year expenditure appropriation								
Vote 01 - Community Services	120,115	137,007	186,677	58,121	47,583	10,538	22%	172,808
Vote 02 - Corporate Services	131,411	208,631	223,443	40,943	25,155	15,788	63%	183,984
Vote 03 - Economic and Social Development	14,636	172,051	181,918	4,152	123,214	(119,062)	-97%	173,509
Vote 04 - Finance Services	12,754	5,062	4,407	1,995	2,934	(939)	-32%	4,322
Vote 05 - Health	12,355	24,848	24,229	5,704	8,769	(3,065)	-35%	22,218
Vote 06 - Human Settlements	323,436	751,081	657,217	190,743	90,265	100,478	111%	504,500
Vote 07 - Internal Audit	186	171	1,031	553	957	(404)	-42%	1,006
Vote 08 - Office of the City Manager	22,624	20,054	23,187	2,312	9,836	(7,624)	-77%	27,337
Vote 09 - Rates & Other	-	-	-	-	-	-	-	-
Vote 10 - Safety & Security	27,378	41,100	54,578	17,221	26,528	(9,307)	-35%	50,859
Vote 11 - Strategy and Planning	43,415	46,569	56,787	17,499	19,143	(1,644)	-9%	39,677
Vote 12 - Transport, Roads and Major Projects	826,754	1,876,637	2,053,356	430,315	594,555	(164,240)	-28%	1,411,227
Vote 13 - Utility Services	1,322,696	1,806,655	2,148,541	449,289	448,726	563	0%	1,779,895
Total Capital Expenditure	2,857,760	5,089,866	5,615,371	1,218,847	1,397,765	(178,918)	-13%	4,371,342
Capital Expenditure - Standard Classification								
Governance and administration	169,483	385,584	413,107	51,958	146,290	(94,332)	-64%	375,849
Executive and council	7,960	6,504	11,756	682	2,196	(1,514)	-69%	11,652
Budget and treasury office	11,711	10,290	12,576	2,270	4,117	(1,847)	-45%	12,873
Corporate services	149,812	368,790	388,775	49,006	139,977	(90,971)	-65%	351,324
Community and public safety	627,386	1,026,490	1,109,324	292,345	298,730	(6,385)	-2%	894,877
Community and social services	61,661	60,108	85,683	18,597	21,975	(3,378)	-15%	68,388
Sport and recreation	167,278	134,650	264,734	53,699	141,520	(87,821)	-62%	201,556
Public safety	63,385	66,534	86,999	24,346	36,427	(12,081)	-33%	101,453
Housing	322,710	740,500	648,829	190,501	90,039	100,462	112%	502,412
Health	12,352	23,898	23,079	5,202	8,769	(3,567)	-41%	21,068
Economic and environmental services	753,835	1,885,578	1,961,657	433,389	503,418	(70,029)	-14%	1,349,525
Planning and development	30,794	36,995	36,114	11,408	14,214	(2,806)	-20%	21,908
Road transport	715,575	1,821,233	1,892,415	416,610	482,234	(65,624)	-14%	1,310,734
Environmental protection	7,466	27,350	33,128	5,371	6,970	(1,599)	-23%	16,883
Trading services	1,307,057	1,793,216	2,131,286	441,155	449,325	(8,170)	-2%	1,751,891
Electricity	708,894	812,480	1,036,310	237,868	220,696	17,172	8%	833,247
Water	176,302	316,493	319,664	55,064	50,407	4,657	9%	267,196
Waste water management	223,077	377,922	469,055	79,383	115,532	(36,149)	-31%	405,285
Waste management	198,374	284,271	302,247	68,040	60,180	7,860	13%	241,153
Other	410	2,060	4,010	800	2,510	(1,710)	-68%	4,210
Total Capital Expenditure - Standard Classification	2,857,761	5,089,868	5,615,374	1,218,847	1,397,763	(178,916)	-13%	4,371,342
Funded by:								
National Government	865,987	2,363,713	2,417,589	477,598	585,728	(108,130)	-18%	1,796,699
Provincial Government	304,847	297,446	346,339	150,243	70,218	80,025	114%	313,103
District Municipality	-	-	-	-	-	-	-	-
Other transfers and grants	2,495	3,340	8,402	856	323	533	165%	7,144
Transfers recognised - capital	1,173,328	2,664,499	2,772,330	628,697	656,269	(27,572)	-4%	2,116,946
Public contributions & donations	46,715	50,860	58,414	23,916	19,337	4,579	24%	50,303
Borrowing	992,283	1,357,386	1,552,157	362,130	429,631	(67,501)	-16%	1,358,802
Internally generated funds	645,435	1,017,122	1,232,473	204,104	292,528	(88,424)	-30%	845,291
Total Capital Funding	2,857,762	5,089,867	5,615,374	1,218,847	1,397,765	(178,918)	-13%	4,371,342

The following table reflects the percentage variance for capital expenditure by vote as well as reasons for material deviations and the remedial action thereof.

Material variance explanations for capital expenditure (refer Table C5)

Description R thousands	YTD Variance	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote				
Vote 01 - Community Services	10 538	22%	Some vehicles and equipment were delivered ahead of time while 4 projects (Welmoed cemetery, Wallacedene cemetery, Monwabisi chalet and Turfhal stadium) were accelerated to ensure completion before the summer season.	Budget and cash flows to be amended in the Adjustments Budget in January 2012.
Vote 02 - Corporate Services	15 788	63%	Certain projects were accelerated, due to planning and prioritisation processes being completed sooner than anticipated. Due to delays in implementation, certain multi-year projects will be re-phased during the adjustments budget process while the anticipated spend has already been adjusted accordingly.	Cash flow projections for applicable projects to be reviewed and amended. Project milestones for all multi-year projects will be reviewed during the adjustments budget process with the intention of re-phasing and re-aligning budgets.
Vote 03 - Economic and Social Development	(119 062)	-97%	The variance is as a result of a delay in the processing of a R106 million payment for the acquisition of land. The payment will be processed in February 2012.	Cash flow to be amended in the Adjustments Budget in January 2012.
Vote 04 - Finance Services	(939)	-32%	Certain projects were delayed due to the re-prioritisation of the 2012/13 General Valuation and other small projects, resulting in incorrect cash flows.	Budget and cash flows to be amended in the Adjustments Budget in January 2012.
Vote 05 - Health	(3 065)	-35%	The variance is mainly caused by the slow pace of work on the new facility in Eerste River and delays in the electrical installation at the Ikhwazi Clinic by suppliers such as Eskom.	Meeting with the contractor and consultants regarding progress on site and following up with Eskom on the status of installations. Budget and cash flows to be amended in the Adjustments Budget in January 2012.
Vote 06 - Human Settlements	100 478	111%	Housing projects are at various stages of planning and construction. A number of projects are on or ahead of schedule but are all fully approved and funded.	Budgets and cash flows to be amended in line with revised project timeframes and funding approvals in the Adjustment Budget in January 2012.
Vote 07 - Internal Audit	(404)	-42%	Order placed and awaiting delivery of service.	Budget and cash flows to be amended in the Adjustments Budget in January 2012.
Vote 08 - Office of the City Manager	(7 824)	-77%	Variance due to a number of factors: (a) Poor performance on site by one of the contractors; (b) Awaiting approval of deviation report in respect of a new site for sub-council offices from Supply Chain Management; (c) Quotations for furniture, fittings & equipment came in less than anticipated; and (d) Awaiting delivery of equipment.	Remedial action is as follows: (a) The City has notified the contractor of its intention to terminate the contract due to poor performance; (b) Following up with Supply Chain Management; (c) Budget and cash flows to be amended in the Adjustments Budget in January 2012; and (d) Following up with suppliers to expedite deliveries.
Vote 10 - Safety & Security	(9 307)	-35%	The variance is due to (a) Orders placed for furniture and equipment; (b) Late approval for the Melkbosstrand Fire project; (c) Delays in the construction of the Upgrade Centre Traffic Services project, due to objections received; (d) The delays in the delivery of vehicles are as a result of the vendor requesting extension due to an upgraded vehicle model to be launched in January 2012; and (e) Tender evaluations on various projects have been finalised.	Remedial action is as follows: (a) Awaiting delivery; (b) Contractor on site; (c) Objections have been finalised and tender will be advertised in January 2012; (d) Vehicles will be delivered after launch; and (e) Awaiting final approval to award the tenders from the Bid Adjudication Committee. Budget and cash flows to be amended in the Adjustments Budget in January 2012.
Vote 11 - Strategy and Planning	(1 644)	-9%	Slight delays were experienced in respect of the False Bay Ecology Park resulting in an anticipated completion date in February 2012. The Demand Side Electricity project's tender has been advertised and submissions are currently being reviewed for recommendation and finalisation to the Supply Chain Bid Adjudication Committee.	Budget and cash flows to be amended in the Adjustments Budget in January 2012.
Vote 12 - Transport, Roads and Major Projects	(164 240)	-28%	The variance can be attributed to: (a) Extended delays on Green Point Common projects due to heritage and EIA issues; (b) Over-optimistic cash flow forecasting by some project managers; (c) Non-confirmation from NDOT (National Department of Transport) of use of PT&SG funding for non-IRT projects; (d) Late receipt of invoices; (e) Extended periods required for resolution of section 62 appeals; (f) Ongoing IRT route and infrastructure design changes resulting in delayed implementation; and (g) Delayed delivery of IRT Fare management equipment as well as IRT buses.	Cash flow and budget to be amended in the Adjustments Budget in January 2012.
Vote 13 - Utility Services	563	0%	Immaterial variance	-

The graphs below illustrate the capital budget versus actual expenditure per vote.



1.1.4. 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	2010/11	Budget Year 2011/12			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	3 151 257	-	-	3 071 905	-
Call investment deposits	2 146 596	3 233 856	5 417 632	2 146 596	5 417 632
Consumer debtors	3 709 111	3 840 680	3 840 645	2 681 343	3 840 645
Other debtors	148 398	356 608	356 608	242 539	356 608
Current portion of long-term receivables	19 193	15 776	15 776	19 193	15 776
Inventory	235 249	217 281	217 281	244 759	217 281
Total current assets	9 409 804	7 664 200	9 847 942	8 406 335	9 847 942
Non current assets					
Long-term receivables	115 526	107 450	107 450	103 619	107 450
Investments	150 245	586 741	646 860	1 609 274	646 860
Investment property	470 557	84 236	84 236	478 301	84 236
Property, plant and equipment	21 146 157	26 414 579	25 817 011	21 683 053	25 817 011
Agricultural	-	-	-	-	-
Biological assets	-	-	-	-	-
Intangible assets	-	6 559	6 559	-	6 559
Other non-current assets	-	-	-	-	-
Total non current assets	21 882 485	27 199 565	26 662 116	23 874 247	26 662 116
TOTAL ASSETS	31 292 289	34 863 765	36 510 058	32 280 582	36 510 058
LIABILITIES					
Current liabilities					
Bank overdraft	-	-	-	-	-
Borrowing	228 587	168 658	296 600	305 353	296 600
Consumer deposits	233 493	277 284	277 284	266 615	277 284
Trade and other payables	4 745 133	4 006 159	5 423 233	3 989 476	5 423 233
Provisions	756 937	830 768	830 768	765 667	830 768
Total current liabilities	5 964 150	5 282 869	6 827 885	5 327 111	6 827 885
Non current liabilities					
Borrowing	5 420 602	6 679 271	6 686 058	5 310 069	6 686 058
Provisions	3 512 337	3 809 727	3 809 727	3 612 602	3 809 727
Total non current liabilities	8 932 939	10 488 998	10 495 785	8 922 671	10 495 785
TOTAL LIABILITIES	14 897 089	15 771 867	17 323 670	14 249 782	17 323 670
NET ASSETS	16 395 200	19 091 898	19 186 388	18 030 800	19 186 388
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	14 080 082	13 403 485	13 607 208	15 847 063	13 607 208
Reserves	2 315 118	5 688 413	5 579 180	2 183 737	5 579 180
TOTAL COMMUNITY WEALTH/EQUITY	16 395 200	19 091 898	19 186 388	18 030 800	19 186 388

The definitions for the categories in the financial position table is on the next page.

Definitions of financial position categories

Description	Definition
Cash	Cash includes cash on hand, cash with banks, notice deposits and deposits with a maturity of three months or less, readily convertible to cash without significant change in value.
Call investment deposits	Call investment deposits include short-term bank and other deposits with a maturity of more than three months but less than twelve months.
Consumer debtors	A customer of an entity who has not yet paid for municipal goods and services rendered.
Other debtors	A customer or an entity who has not yet paid for sundry services rendered and/or fines imposed.
Current portion of long-term receivables	That portion of Long-term receivables that will become due in the next operating year.
Inventory	Inventory consists of goods purchased and held for resale and goods produced by the City. Inventory also includes raw materials and supplies to be used in works and processes.
Long-term receivables	Receivables that become due only in the financial years after the next one.
Investments	Investments include bank and other deposits with a maturity of more than twelve months.
Investment property	Its land and buildings held to earn rentals or for capital appreciation or both, as opposed to being used for production or for the supply of goods or services or for administrative purposes, or intended for sale in the normal course of operations.
Investments in Associate	It is an investment in an entity in which the investor has significant influence but is neither a controlled entity nor a joint venture of the City.
Property, plant and equipment	Are tangible assets that are held for use in the production or supply of goods or services, for rentals to others or for administrative purposes, and are expected to have a useful life of more than one reporting period.
Agricultural	The management of an agricultural activity for the biological transformation and harvest of biological assets for sale or conversion into agricultural produce or into additional biological assets.
Biological assets	Consists of assets undergoing the biological transformation in terms of the processes of growth, degeneration, production and procreation that cause qualitative or quantitative changes in a biological asset.
Intangible assets	Identifiable non-monetary asset without physical substance or form, held for use in the production or supply of goods or services, for rental to others or for administrative purposes.
Bank overdraft	Bank overdraft includes that amount overdrawn on the bank account and represents a short-term debt facility repayable to the Bank. The city has not negotiated any overdraft facilities.
Borrowing	Borrowing is that portion of loans taken up by the Council which are due and payable within the next twelve months.
Consumer deposits	Amounts held by the City as security over the provision of services on credit and repayable on termination of accounts.
Trade and other payables	Liabilities owed to suppliers for purchases of goods or services already rendered to the municipality.
Provisions	A present obligation arising from past events, the settlement of which is expected to result in an outflow of resources and will be taking place in the next 12 months.
Borrowing	Borrowing is that portion of loans taken up by the Council which are due and payable longer than the twelve months (i.e. exclude that amount of total loans included under current liabilities).
Provisions	A present obligation arising from past events, the settlement of which is expected to result in an outflow of resources and will be taking place not in the next 12 months.
Accumulated Surplus/(Deficit)	The surplus of an entity that has accumulated since the beginning of the entity's existence.
Reserves	Funds set aside from accumulated surpluses for statutory as well as specific requirements.

1.1.5. 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	Budget Year 2011/12							
	2010/11 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								
Ratapayers and other	16,462,410	19,105,632	19,432,410	9,565,103	9,625,065	(59,962)	-1%	19,250,129
Government - operating	1,385,535	1,897,816	1,885,626	682,090	871,124	(189,034)	-22%	1,742,248
Government - capital	1,173,315	2,715,359	2,830,743	656,627	1,159,879	(503,252)	-43%	2,319,757
Interest	503,857	410,761	410,761	261,422	205,381	56,041	27%	410,761
Dividends	-	-	-	-	-	-	-	-
Payments								
Suppliers and employees	(15,163,125)	(19,175,742)	(19,572,517)	(8,229,279)	(9,789,946)	(1,559,667)	16%	(19,577,892)
Finance charges	(717,476)	(766,367)	(766,367)	(324,886)	(383,184)	(58,298)	15%	(766,367)
Transfers and Grants	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	3,644,616	4,187,459	4,220,656	2,611,077	1,689,319	921,768	65%	3,378,636
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	63,218	105,000	105,000	-	42,500	(42,500)	-100%	85,000
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	1,819	6,486	6,486	(11,907)	3,368	(15,275)	-454%	6,736
Decrease (increase) in non-current investments	(1,962,720)	(183,176)	(307,962)	(1,459,029)	797,657	(2,256,686)	-283%	1,595,314
Payments								
Capital assets	(2,857,761)	(5,089,867)	(5,334,605)	(1,218,847)	(2,190,687)	(971,840)	44%	(4,381,374)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(4,766,444)	(6,171,667)	(6,631,081)	(2,689,783)	(1,347,162)	1,342,621	-100%	(2,694,324)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	1,500,000	1,500,000	-	750,000	(750,000)	-100%	1,500,000
Increase (decrease) in consumer deposits	4,332	25,208	25,208	33,122	11,675	21,447	184%	23,349
Payments								
Repayment of borrowing	(253,327)	(199,673)	(64,946)	(33,768)	(94,390)	(60,622)	64%	(188,779)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(248,995)	1,325,535	1,460,262	(646)	667,285	667,931	100%	1,334,670
NET INCREASE/ (DECREASE) IN CASH HELD	(1,369,823)	341,437	149,837	(79,362)	1,009,442	-	-	2,018,882
Cash/cash equivalents at beginning:	4,511,179	2,892,421	5,213,129	3,151,257	2,892,421	-	-	3,151,257
Cash/cash equivalents at month/year end:	3,151,256	3,233,858	5,362,966	3,071,905	3,901,863	-	-	5,170,139

1.1.6. SC9: Monthly Budget Statement - Actual and revised targets for cash receipts and cash flows

Description	Budget Year 2011/12												2011/12 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousands															
Cash Receipts By Source															
Property rates	285,616	396,008	388,378	307,183	319,909	320,725	339,840	338,653	374,409	371,532	370,088	525,653	4,337,994	4,802,587	5,189,872
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	576,208	716,843	705,542	733,425	726,499	668,897	623,306	621,128	686,708	681,432	678,783	464,353	7,883,124	9,675,201	11,884,200
Service charges - water revenue	125,317	125,350	125,924	136,167	132,859	132,965	123,902	123,469	136,505	135,456	134,930	135,896	1,568,740	1,747,853	1,933,025
Service charges - sanitation revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - refuse	193,567	194,505	194,505	210,327	205,217	205,380	191,381	190,713	210,848	209,229	208,415	122,255	2,336,342	2,586,578	2,855,478
Service charges - other	-	10,064	11,990	7,207	10,101	10,168	-	-	-	-	-	36,952	86,482	80,214	84,190
Rental of facilities and equipment	11,728	14,878	14,188	16,937	16,125	16,102	6,112	6,091	6,734	6,682	6,656	68,572	190,805	191,757	189,596
Interest earned - external investments	34,077	29,100	29,316	32,352	29,992	34,485	13,558	13,510	14,937	14,822	14,764	(89,487)	171,426	197,422	249,677
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	14,248	13,796	14,218	12,718	13,144	12,004	14,781	14,729	16,284	16,159	16,097	(34,420)	123,758	126,725	126,158
Licences and permits	6,903	20,901	9,076	20,079	18,710	18,556	4,481	4,466	4,937	4,899	4,880	(79,033)	38,855	125,574	123,765
Agency services	119,484	137,442	148,032	178,744	150,185	99,914	-	-	-	-	-	1,066,199	1,900,000	2,000,000	2,100,000
Transfer receipts - operating	436,672	269,999	200,213	40,426	136,101	559,701	61,827	493,480	557,389	65,259	65,304	450,234	3,336,605	3,716,017	3,854,864
Other revenue	43,781	40,207	15,782	16,550	14,988	60,109	13,977	13,928	15,399	15,280	15,221	(88,399)	176,823	129,411	147,851
Cash Receipts by Source	1,847,601	1,969,093	1,857,164	1,712,115	1,773,830	2,139,006	1,393,165	1,820,167	2,824,160	1,520,750	1,515,138	2,578,775	22,150,954	25,379,339	28,738,676
Other Cash Flows by Source															
Transfer receipts - capital	1,181,227	403,499	543,328	69,413	204,151	68,211	235,406	308,366	209,067	192,509	191,953	(611,678)	2,795,452	2,656,318	2,711,539
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	1,500,000	1,500,000	1,400,000	1,500,000
increase in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	3,828,828	2,372,592	2,400,492	1,781,528	1,977,981	2,207,217	1,628,571	2,128,533	2,233,217	1,713,259	1,787,891	3,267,097	26,446,406	29,435,657	32,950,215

Table continues on next page

Description	Budget Year 2011/12												2011/12 Medium Term Revenue & Expenditure Framework		
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2011/12	Budget Year +1 2012/13	Budget Year +2 2013/14
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget			
Cash Payments by Type															
Employee related costs	478,315	471,650	533,625	499,335	761,605	503,003	533,824	531,960	588,125	583,607	581,338	754,051	6,820,438	7,450,881	8,191,291
Remuneration of councillors	7,005	7,410	7,722	7,674	7,625	7,652	9,065	9,065	9,065	9,065	9,065	18,373	108,786	115,857	123,272
Interest paid	4,473	-	123,910	-	-	177,273	-	-	156,268	-	-	175,024	636,948	760,184	874,443
Bulk purchases - Electricity	551,542	686,567	693,722	385,651	375,242	368,709	435,770	434,248	480,097	476,408	474,556	147,419	5,509,931	7,042,593	8,844,385
Bulk purchases - Water & Sewer	48,612	6,425	33,893	16,947	16,947	16,947	25,124	25,037	27,680	27,467	27,361	45,236	317,676	367,011	373,576
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	220,246	154,172	166,681	118,391	121,811	141,717	-	-	-	-	-	976,982	1,900,000	2,000,000	2,100,000
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General expenses	852,389	560,427	426,700	410,390	389,323	566,654	443,430	441,881	488,535	484,782	482,897	(198,482)	5,348,926	6,055,639	6,915,784
Cash Payments by Type	2,162,582	1,886,651	1,988,253	1,438,388	1,672,553	1,781,955	1,447,213	1,442,191	1,749,778	1,581,329	1,575,217	1,918,603	20,642,705	23,792,165	27,422,751
Other Cash Flows/Payments by Type															
Capital assets	343,191	62,823	138,277	262,086	285,793	315,797	359,171	357,916	395,706	392,665	391,139	2,120,663	5,425,227	4,916,356	4,972,026
Repayment of borrowing	1,730	-	8,574	-	-	43,321	-	-	94,059	-	-	248,610	396,294	464,660	582,105
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	2,507,503	1,949,474	2,133,184	1,700,474	1,958,346	2,141,073	1,806,384	1,800,107	2,239,535	1,973,994	1,966,356	4,287,876	28,464,226	29,173,181	32,976,882
NET INCREASE/(DECREASE) IN CASH HELD	521,325	423,118	267,388	81,054	19,635	86,144	(177,813)	328,428	(8,318)	(280,735)	(259,265)	(1,820,779)	(17,820)	282,476	(26,687)
Cash/cash equivalents at the month/year beginning:	5,213,129	5,734,454	6,157,572	6,424,960	6,506,014	6,525,649	6,591,793	6,413,980	6,742,406	6,736,088	6,475,353	6,216,088	5,213,129	5,195,309	5,457,785
Cash/cash equivalents at the month/year end:	5,734,454	6,157,572	6,424,960	6,506,014	6,525,649	6,591,793	6,413,980	6,742,406	6,736,088	6,475,353	6,216,088	5,195,309	5,195,309	5,457,785	5,431,118

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PART 2 - SUPPORTING DOCUMENTATION

Section 1 - Debtors' analysis

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

1.1 SC3 Monthly budget statement Aged Debtors

Description	Budget Year 2011/12									>98 days
	8-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	
R thousands										
Debtors Age Analysis By Revenue Source										
Rates	327,150	76,394	102,338	52,058	55,839	42,579	244,352	705,573	1,606,283	1,100,401
Electricity	478,515	39,768	27,863	16,162	10,244	7,793	49,251	87,629	717,225	171,079
Water	225,006	75,780	65,037	71,374	59,815	53,825	295,580	1,285,747	2,132,164	1,766,341
Sewerage / Sanitation	120,161	40,532	38,738	32,960	32,115	26,227	150,410	534,120	975,263	775,832
Refuse Removal	64,738	15,989	14,581	12,092	11,555	8,950	54,077	201,317	383,299	287,991
Housing (Rental Revenue)	29,014	9,588	9,220	(143)	9,030	389,994	-	-	446,703	398,861
Other	(78,908)	(66,508)	(117,370)	(10,259)	(4,724)	(5,583)	(15,721)	(70,697)	(369,770)	(106,984)
Total By Revenue Source	1,165,676	191,543	140,407	174,244	173,874	523,785	777,949	2,743,689	5,891,167	4,393,541
2810/11 - totals only	1,187,392	181,966	133,387	165,532	165,180	497,696	739,052	2,606,505	5,596,809	4,173,865
Debtors Age Analysis By Customer Category										
Government	17,379	1,955	(77,959)	(787)	8,371	4,382	27,118	76,764	57,223	
Business	663,408	73,944	89,657	35,583	46,522	25,460	123,575	275,105	1,313,234	
Households	630,635	169,867	164,337	138,938	127,168	498,009	619,698	2,391,001	4,739,853	
Other	(145,945)	(54,224)	(15,628)	529	(8,169)	(4,066)	7,559	819	(219,145)	
Total By Customer Category	1,165,677	191,542	140,407	174,243	173,872	523,785	777,950	2,743,689	5,891,165	

1.2 Additional debtor's information

Monthly collection rate			
Period	Current year	Previous year	YTD collection rate
12 Month	96,16%	95,23%	95,75%
6 month	97,49%	95,63%	97,75%
3 month	98,28%	97,15%	98,52%
Monthly	93,43%	93,99%	97,40%

2011/12 Billing vs Receipts		
Month	Billing R	Receipts R
July	1,471,763,567	1,359,442,814
August	1,761,878,034	1,777,280,455
September	1,750,333,555	1,683,339,027
October	1,626,583,581	1,611,832,659
November	1,603,547,514	1,643,320,633
December	1,665,478,057	1,556,099,075

12 month collection ratio per source			
Source	Current year	Previous year	YTD collection rate
Electricity	99,74%	96,44%	99,04%
Water	91,61%	93,36%	90,94%
Sewerage	86,99%	88,99%	86,95%
Refuse	94,77%	89,66%	93,87%
Rates	99,02%	96,50%	98,56%
Other	99,95%	99,78%	99,80%

Section 2 - Creditors' analysis

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

2.1 SC4 Monthly budget Statement Aged Creditors

Description	Budget Year 2011/12									Prior year totals (same period)
	0 - 38 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										
Creditors Age Analysis By Customer Type										
Bulk Electricity	-	-	-	-	-	-	-	-	-	-
Bulk Water	-	-	-	-	-	-	-	-	-	-
PAYE deductions	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	109,476	1,324	2,247	649	294	71	13	8,042	122,116	123,979
Auditor General	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	109,476	1,324	2,247	649	294	71	13	8,042	122,116	123,979

Section 3 - Allocation and grant receipts and expenditure

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

3.1 SC7 - Monthly Budget Statement - transfers and grants expenditure

Description	2010/11	Budget Year 2011/12						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Operating expenditure of Transfers and Grants								
National Government:	88,546	1,356,841	1,344,528	32,457	66,138	(33,681)	-50,8%	1,323,459
Restructuring	1,911	7,024	8,557	797	4,200	(3,403)	-81,0%	3,620
Finance Management grant	832	1,210	1,631	241	815	(573)	-70,3%	637
Department of Water Affairs	3,227	-	7,833	3,105	2,357	748	31,7%	748
Municipal Infrastructure Grant	2,479	-	-	-	-	-	-	-
Electricity Demand Side Management	27,780	-	877	-	-	-	-	-
Public Transport Infrastructure & Systems Grant	31,885	340,782	316,605	19,143	46,511	(27,368)	-58,8%	313,414
Dept of Environ Affairs and Tourism	13,426	193	193	-	96	(96)	-99,6%	96
Equitable share	7,528	981,689	981,689	3,155	4,008	(853)	-21,3%	980,836
Housing Accreditation	227	890	890	275	375	(100)	-26,7%	790
Local Government SETA	250	504	504	129	252	(123)	-48,8%	381
South African National Biodiversity Institute	-	550	550	-	-	-	-	550
Urban Settlements Development Grant	-	24,000	24,000	5,611	7,224	(1,613)	-22,3%	22,387
Neighbourhood Development Partnership Grant	-	-	1,200	-	300	(300)	-100,0%	(300)
Provincial Government:	314,688	522,085	522,047	200,487	167,842	32,564	18,4%	554,650
Local Government and Housing - Fire-fighting Assistance	434	-	-	-	-	-	-	-
Cultural Affairs and Sport - Library Services	14,194	16,464	16,875	7,390	8,822	(1,432)	-16,2%	15,032
Local Government and Housing - Housing	148,491	181,330	181,330	103,847	69,506	34,341	48,4%	215,671
Local Government and Housing - Accreditation	251	1,700	1,700	424	850	(426)	-50,1%	1,274
Local Government and Housing - Settlement Assistance	676	-	-	-	-	-	-	-
Sustainable Transport	-	-	-	-	-	-	-	-
Health - TB	12,431	9,644	9,644	5,452	4,822	630	13,1%	10,274
Health - Global Fund	19,031	26,034	25,734	6,902	12,867	(5,965)	-46,4%	20,069
Health - ARV	52,362	66,589	66,589	22,253	33,295	(11,042)	-33,2%	55,548
Health - Nutrition	3,454	4,020	4,020	1,837	2,010	(173)	-8,6%	3,847
Health - Vaccines	56,974	67,261	67,261	43,760	33,631	10,129	30,1%	77,390
Comprehensive Health	-	134,609	134,609	-	-	-	-	134,609
Other	149	-	316	-	464	(464)	-100,1%	(464)
Table Mountain Biosphere	68	-	-	-	136	(136)	-99,9%	(136)
Mamre Fencing	-	94	94	-	-	-	-	94
Heritage Audit	-	250	250	-	250	(250)	-100,0%	-
Community Development Workers	2,000	-	877	-	-	-	-	-
Mobility Strategy	4,182	10,000	8,657	7,485	-	7,485	-	17,485
Comprehensive Integrated Transport Plan	-	2,900	2,900	-	-	-	-	2,900
Rail Park and Ride facilities	-	1,190	1,190	1,057	1,190	(133)	-11,2%	1,057
Other grant providers:	17,181	18,889	19,050	3,552	11,694	(8,142)	-68,8%	16,747
<i>Sunwest International</i>	350	-	-	-	-	-	-	-
<i>Tourism</i>	2,083	4,000	4,000	-	-	-	-	4,000
<i>Carnegie</i>	8,444	13,940	4,855	1,111	2,075	(964)	-46,5%	12,976
<i>CMTF</i>	2,513	150	4,467	-	5,842	(5,842)	-100,0%	(5,692)
<i>Other</i>	824	30	30	11	-	11	#DIV/0!	41
<i>Mamre Trust</i>	-	150	150	-	-	-	-	150
<i>MSF Funding</i>	454	-	-	-	-	-	-	-
<i>Baboon Management</i>	300	-	-	-	-	-	-	-
<i>Solar Energy</i>	-	146	146	-	146	(146)	-99,9%	-
<i>Cities for Climate Protection</i>	-	329	329	9	150	(141)	-94,0%	188
<i>Neil Desai Skills Development Project</i>	37	-	-	-	-	-	-	-
<i>ICLEI: Carbon Taxes</i>	-	144	144	35	144	(109)	-75,6%	35
<i>CID</i>	1,992	-	2,354	1,008	1,230	(223)	-18,1%	(223)
<i>Outsurance</i>	-	-	-	-	-	-	-	-
<i>Rietmei Conservation Fund</i>	-	-	305	-	305	(305)	-	(305)
<i>National Lottery Board</i>	-	-	-	-	-	-	-	-
<i>University of Columbia</i>	100	-	-	-	-	-	-	-
<i>NGK Ceramic Company</i>	-	-	1,068	1,068	1,068	-	-	-
<i>South African National Biodiversity Institute</i>	85	-	1,202	310	733	(423)	-57,7%	(423)
Total operating expenditure of Transfers and Grants	421,423	1,897,915	1,865,625	236,416	245,674	(9,258)	-3,8%	1,898,856

Table continues on next page

Description	2810/11	Budget Year 2011/12						
	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:	865,988	2,363,713	2,417,590	477,598	585,727	(108,129)	-18,5%	1,796,699
Department of Environmental Affairs & Tourism: Marine & Coastal Management	6	-	-	-	-	-	-	-
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	6,577	-	414	232	-	232	-	414
Minerals and Energy: Electricity Demand Side Management (Eskom) Grant	17,010	17,544	16,667	2,427	4,983	(2,556)	-51,3%	18,190
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	4,434	4,386	4,386	2,763	1,700	1,063	62,5%	4,397
National Government - Other: Previous years' Dora allocations	64	350	350	12	100	(88)	-88,0%	-
National Treasury: Local Government Finance Management Grant	1,777	40	41	40	41	(1)	-2,4%	96
National Treasury: Local Government Restructuring Grant	6,931	-	976	535	916	(381)	-41,6%	976
National Treasury: Neighbourhood Development Partnership Grant	47,141	77,500	76,300	27,993	25,001	2,992	12,0%	109,287
National Treasury: Other	3,980	25,650	28,805	9,128	9,241	(113)	-1,2%	23,848
National Treasury: Urban Settlements Development Grant	-	779,025	800,030	125,925	151,664	(25,739)	-17,0%	731,177
Provincial and Local Government: Municipal Infrastructure Grant (MIG Cities)	247,294	-	-	-	-	-	-	-
Sport & Recreation SA: 2010 FIFA World Cup Stadiums Development Grant	57,997	-	7,551	1,011	5,000	(3,989)	-	7,551
Transport: Public Transport Infrastructure & Systems Grant	472,777	1,459,218	1,482,070	307,532	387,081	(79,549)	-20,6%	900,763
Provincial Government:	304,847	297,446	346,338	150,243	78,218	88,825	114,8%	313,103
Cultural Affairs and Sport Development of Sport and Recreation Facilities	103	-	-	-	-	-	-	-
Cultural Affairs and Sport Library Services (Conditional Grant)	9,756	6,300	7,190	2,432	1,958	474	24,2%	7,190
Health: Global Fund	211	2,230	2,674	69	700	(631)	-90,1%	2,674
Housing: Integrated Housing and Human Settlement Development Grant	266,745	261,415	305,453	145,327	58,126	87,201	150,0%	292,856
Housing: Previous years' Gazetted allocations	194	-	122	66	-	66	-	122
Local Government: Multi-Purpose Centres	8	-	8	-	8	(8)	-100,0%	8
Provincial Government: Previous years' Gazetted allocations	-	1,101	1,101	-	-	-	-	-
Transport and Public Works: Cape Metropolitan Transport Fund	27,830	23,100	26,890	2,094	7,526	(5,432)	-72,2%	7,353
Transport and Public Works: Other	-	3,300	2,900	255	1,900	(1,645)	-86,6%	2,900
Other grant providers:	49,210	54,288	66,816	24,772	19,668	5,112	26,80%	57,447
Other: Other	49,210	54,200	66,816	24,772	19,660	5,112	26,0%	57,447
Total capital expenditure of Transfers and Grants	1,220,045	2,715,359	2,838,744	652,613	675,685	(22,992)	-3,4%	2,167,249
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	1,641,468	4,613,174	4,716,369	889,829	921,279	(32,251)	-3,5%	4,856,185

Section 4 - Capital programme performance

The capital programme performance tables provide details of capital expenditure by month; and summaries of capital expenditure by asset class and sub-class.

4.1 SC12 Monthly Budget Statement - capital expenditure trend

Month	2010/11	Budget Year 2011/12					
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	% spend of Original Budget
R thousands							
Monthly expenditure performance trend							
July	34 580	369 461	45 592	6 439	45 592	(39 153)	0.1%
August	156 719	211 665	159 909	182 820	205 501	(22 681)	3.6%
September	185 797	236 817	194 544	354 886	400 045	(45 159)	7.0%
October	211 260	312 067	432 947	617 258	832 992	(215 734)	12.1%
November	169 433	300 604	308 928	903 051	1 141 920	(238 869)	17.7%
December	230 295	381 425	255 842	1 218 848	1 397 762	(178 914)	24.0%
January	48 322	229 193	283 223		1 680 985	-	
February	233 913	399 063	498 181		2 179 166	-	
March	212 817	497 362	681 995		2 861 161	-	
April	194 405	588 717	748 949		3 610 110	-	
May	273 582	619 218	827 347		4 437 457	-	
June	906 639	944 274	1 177 914		5 615 371	-	
Total Capital expenditure	2 857 762	5 089 866	5 615 371				

The progressive expenditure to date measured against the 2011/12 budget is graphically illustrated below.

