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PART 1 - IN-YEAR REPORT

EXECUTIVE SUMMARY

Summary Statement of Financial Performance

Description	2016/2017 Budget R Thousand	YTD Budget R Thousand	YTD Actual R Thousand	YTD % Spend	Actual as % of Current Budget
Operating Revenue	36 882 293	18 236 710	18 979 674	104.1%	51.5%
Operating Expenditure	34 961 605	15 684 236	15 210 328	97.0%	43.5%

The summary statement of financial performance shows actual operating revenue of R18 980 million or 51.5% of the current budget and operating expenditure of R15 210 million or 43.5% of the current budget.

Details of revenue and expenditure by municipal vote are shown in Table C3 on page 6. Details of material variances and remedial action, where applicable, are shown on page 7 to page 13.

Details of revenue by source and expenditure by type are shown in Table C4 on page 14. Details of material variances and remedial action, where applicable, are shown on page 15 to page 18.

Summary Statement of Capital Budget Performance

2016/17 Budget R Thousand	YTD Budget R Thousand	YTD Actual R Thousand	YTD % Spend	Actual as % of Current Budget
6 631 744	1 958 551	2 191 503	111.9%	33.05%

The summary statement of capital budget performance indicates actual capital expenditure of R2 192 million or 33.05% of the current budget. The year-to-date spend of R2 192 million represents 30.32% (R1 322 million) on internally-funded projects and 38.26% (R870 million) on externally-funded projects.

Details of capital expenditure categorised by municipal vote, standard classification and by funding source are shown in Table C5 on page 19. Details of material variances and remedial action, where applicable, are shown on page 20 to page 22.

Table C1: Monthly Budget Statement summary

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

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

The ensuing tables provide further explanations on the year-to-date material variances reflected in the summary table.

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

Note: As per GFS classification, Trading Services expenditure above excludes Street Lighting provisions (included with Community and public safety).

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

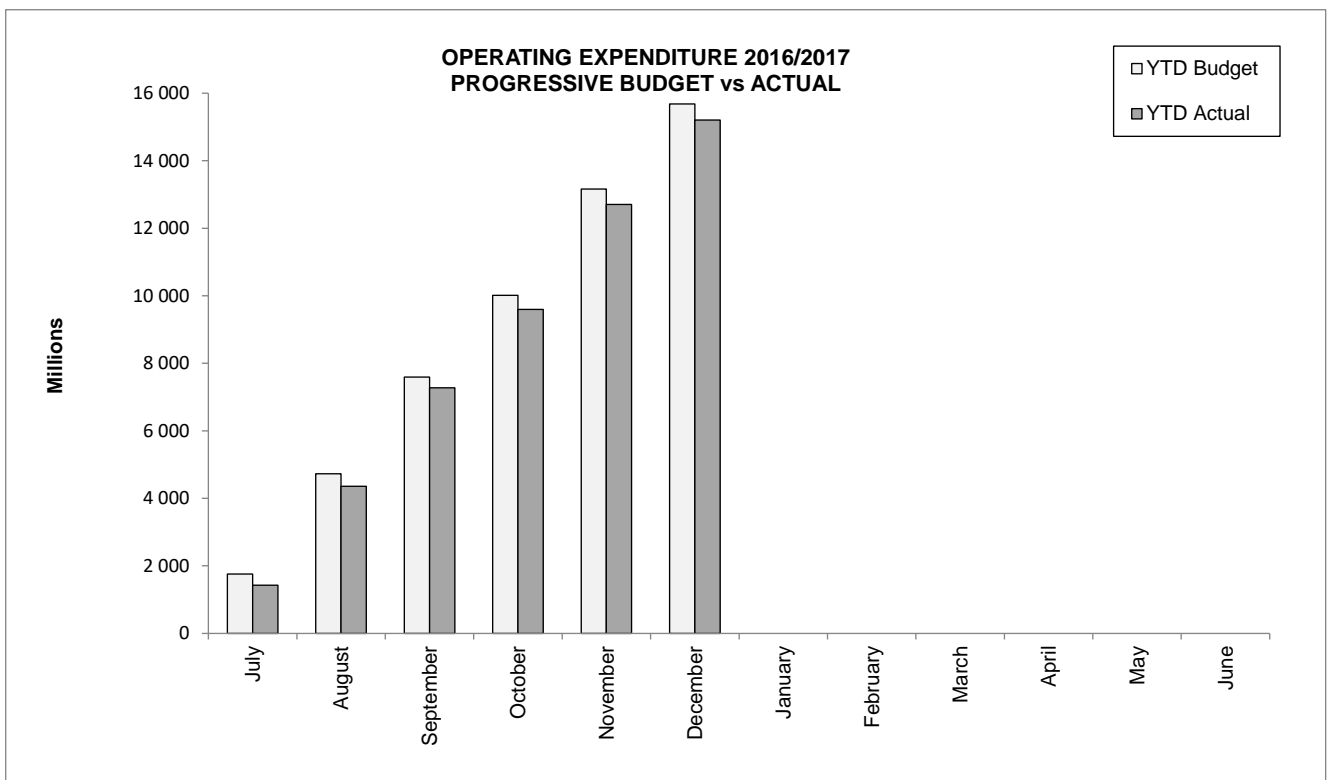
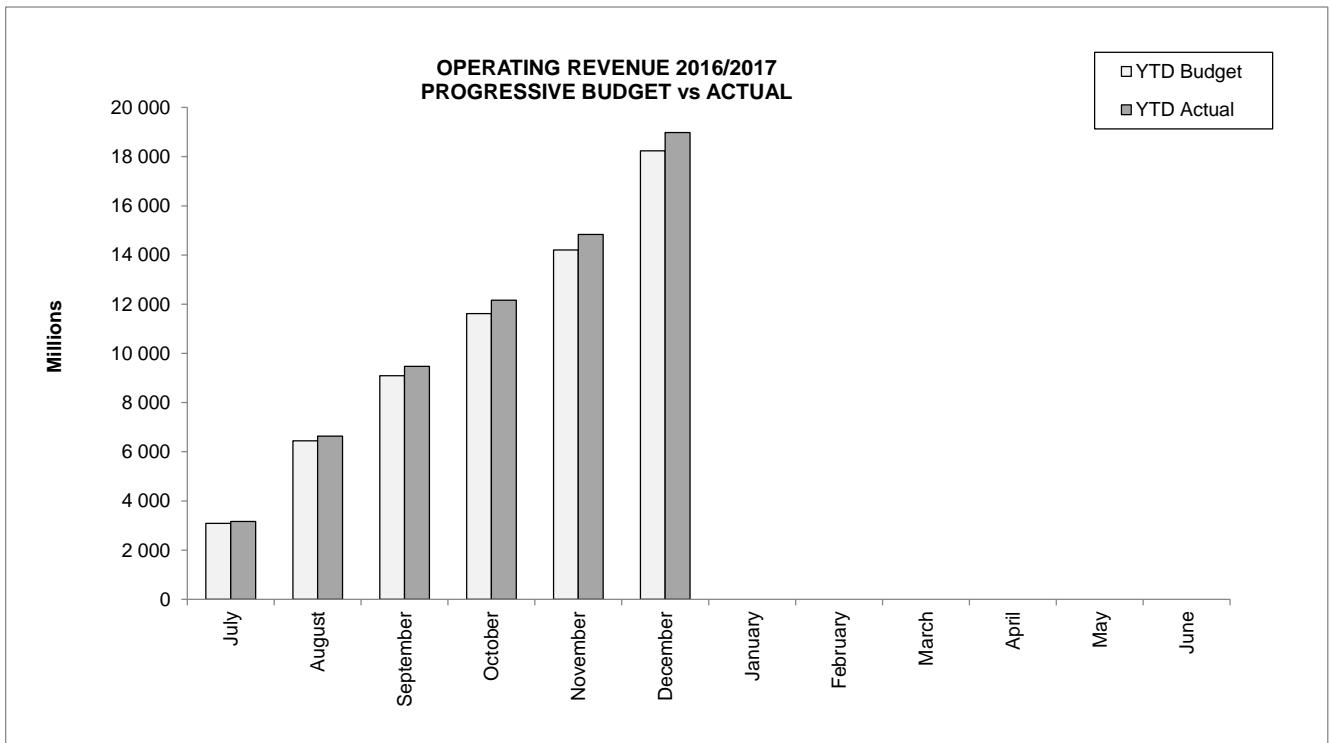


Table C3: Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote)

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

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

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

Annexure B reflects actual operating expenditure per vote including internal costs incurred across votes. (Refer to charge-in and -out columns.)

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

Table C3 (a): Material variance explanations for revenue by vote

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 1 - City Health	(4,017)	-1.3%	The variance is mainly due to: 1. Over-recovery on Operating Grants & Donations (Provincial - Conditional), due to higher than planned expenditure on grant-funded projects; primarily on ARV drugs and Vaccines. 2. Under-recovery on Operating Grants & Donations (Provincial - Unconditional), due to a monthly payment from PGWC that was still outstanding at month-end.	The budget will be adjusted in the January 2017 adjustments budget.
Vote 2 - City Manager	(38)	-13.4%	The under-recovery is mainly on Operating Grants & Donations for Area-based Service Delivery Model where the IT Specialist contract ended in September 2016 with no hours since then.	The project has been handed over to the Area-based Service Delivery project team and budgetary amendments will be made in the January 2017 adjustments budget.
Vote 3 - Community Services	4,234	7.5%	The variance is a combination of over-/under-recovery. 1. Camp/Resort Fees (under), due to the incorrect processing of revenue against Rental Income. 2. Rental Fixed Assets (over), due to incorrect processing of camp/resort fees revenue against Rental Income. 3. Capital Grants & Donations (over), due to good contractor performance on the following projects: a) Welmoed cemetery development, b) Upgrade Smart Park - Atlantis, c) Khayelitsha Wetlands Park upgrade, and d) Upgrade Smart Park - Seawinds. 4. Operating Grants & Donations (under), due to unfilled grant-funded Library vacancies.	Journals to rectify incorrect revenue allocations were submitted; awaiting processing.
Vote 4 - Corporate Services & Compliance	12,706	68.6%	The variance is mainly due to: 1. Service Charges (over), which relates to Broadband and Radio Trunking projects, where higher than planned revenue materialised for the year to date. 2. Operating Grants & Donations (National - Conditional) (over), due to earlier than anticipated grant income recognition in respect of the graduate intern programme . 3. Other Revenue - Skills Development Levy (over), where revenue is received based on claims submitted to the LGSETA.	The budget was reviewed during the mid year review and assessment process.
Vote 5 - Energy, Environmental & Spatial Planning	5,490	7.8%	The over-recovery is a result of: 1. Building Levies (over), due to the increase on building activities resulting in additional revenue. 2. Operating Grants & Donations (under), due to the Athlone Power Station Project progressing slower than anticipated. 3. Contributed assets (over), due to donation of the Wolfgat Environmental Education Centre to the City.	Amendments based on current trends will be made in the January 2017 adjustments budget.
Vote 6 - Finance	9,033	1.5%	The variance is a combination of over-/under-recoveries: 1. Handling fees (under), due to lower than anticipated income from rates clearance applications and credit card handling fees. 2. Interest earned (under), due to misalignment of the period budget with actuals to date. 3. CIDS-Commercial (over), due to adjustments to valuations on which CID Levies are based as well as new developments coming into stream. 4. Recoveries of Operational Expenditure (over), due to the incorrect allocation of a refund to the City related to an overcharge on a water tender.	A journal will be processed to rectify the incorrect entry on Recoveries of Operational Expenditure. Cash flows were adjusted in the January 2017 adjustments budget, where necessary.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 7 - Human Settlements	(105,689)	-20.7%	<p>The under-recovery is mainly on:</p> <ol style="list-style-type: none"> 1. Operating Grants & Donations, due to: <ol style="list-style-type: none"> a) Delays in USDG PGWC projects, which will be implemented by the Western Cape Housing Department as National Treasury advised that the Provincial Housing Department will act as an agent. The budget for these projects must therefore be moved to the capital budget as ownership of these assets, once constructed and completed, will be transferred to City's asset register. This was previously treated as a donated asset and therefore reflected against the operating budget. b) Peoples Housing Process (PHP) projects, where expenditure is dependent on the rate of progress achieved by the PHP projects. (These projects are all managed and controlled by communities into the national PHP programme.) It is difficult to estimate cash flows as many factors influence the rate of house construction by communities. A process of expediting PHP projects (including support) has been launched by the directorate. Various Top Structure projects have recently commenced. Cash flows will be amended in the January 2017 adjustments budget. 2. Capital Grants & Donations (under), mainly due to various projects (small and emergency) within the Informal Settlements department progressing slower than anticipated. <ol style="list-style-type: none"> a) Wallacedene TRA Access Tracks, due to the misalignment of the periodic budget with actual trend. b) Eagle Bar IDA: The variance is due to the misalignment of the periodic budget as the contract will only commence in January 2017. c) SHF Earthworks: The contractor has been appointed; awaiting wayleaves before construction can start. d) Backyarders Incremental Development Area - False Bay: The tender award currently in the appeal phase. e) Backyard Water Dispensing & Management: Contract was awarded, purchase order processed at end of October 2016. 	USDG PGWC projects: funds will be shifted from the operating budget to the capital budget in the January 2017 adjustments budget with the cash flow amended accordingly.
Vote 8 - Rates & Other	554,010	8.6%	<p>The over-recovery is mainly on:</p> <ol style="list-style-type: none"> 1. Property Rates (over), due to higher than planned revenue received to date. This over-recovery is influenced by the General Valuation 2015 outcome. The City has made good progress with the GV objection process with 78% of the objections being resolved by 8 December 2016. The City is now gearing for the appeal process. The over-recovery will cover the impact of valuation objections and appeals. 2. Income Forgone (under), due to applications received and properties that qualify to date. 	The budget was reviewed during the mid year review and assessment process.
Vote 9 - Safety & Security	(197,969)	-33.9%	<p>The variance is a combination of over-/under-recovery.</p> <ol style="list-style-type: none"> 1. Traffic Fines Accruals (under), due to delays in processing of fine accruals. 2. Licences and Permits (over), due to higher than planned applications received for learner licences, learner driver certificates and PDP operator certificates. 3. Fire fees (over), due to abnormally high fire incidences. 4. Capital grant-funded projects (over), due to the earlier than anticipated installation of the Shotspotter. 5. Hire of Municipal Staff (over), due to more requests for staff at events funded by various CIDS. 	No corrective action required.
Vote 10 - Social Dev & Early Childhood Development	6,660	2821.0%	The over-recovery is as a result of the donation of two ECD centres at Masiphumelele to the City.	This donation will be appropriated to the 2016/17 operating budget in the January 2017 adjustment budget.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote Vote 11 - Tourism, Events & Economic Development	(3,139)	-19.1%	The under-recovery is mainly due to: 1. Fewer than anticipated events held at the Cape Town Stadium. 2. Film fees, which is lower than anticipated with the seasonal increase anticipated between January and April 2017.	The situation is monitored by the finance manager.
Vote 12 - Transport for Cape Town	214,538	36.8%	The variance is a combination of over-/under-recovery. 1. Busfare (over), due to an increase in ridership resulting from the influx of people over the festive season as well as cancellation of trains and the impact of poor running of trains on the Metrorail Train Service. 2. Licences Road/Transport (over), due to the increased use of trenchless methodology resulting in forfeiting refundable deposits. 3. Development Levies (over), due to the higher rate of property development and increased collection of outstanding fees. 4. Capital grant-funded projects (over), due to contractors performing better than expected and projects progressing quicker than anticipated as community and other issues are resolved.	Budgetary amendments will be made and cash flows adjusted to reflect the high/low seasons, where necessary, in the January 2017 adjustments budget.
Vote 13 - Utility Services	247,144	2.7%	The over-recovery is a combination of over-/under-recovery. A. Cape Town Electricity: 1. Electricity Service Charges (R2.7 million over), due to periodic changes in consumption as a consequence of changing weather conditions, implementation of alternate energy sources, continuous movement of consumers between the various tariffs and changes to the costs associated to the fixed charge as compared to the variable components of the tariff. 2. Service Charges - Recoveries of Infrastructure Maintenance (under), due to customer demand. 3. Development Levies (over), due to higher than planned demand from property developments in the City. 4. Transfers recognised - Capital (under), due to Citywide Street lighting and Electrification projects, which are behind schedule. B. Water and Sanitation: The over-recovery is mainly on : 1. Water Service Charges Revenue (R175 million over) and Sanitation Service Charges Revenue (R58 million over), where actual revenue is higher than planned as a result of 30% water restrictions where sales volumes are higher than anticipated, the impact of the billing cycle and billing corrections. 2. Capital grant-funded projects (USDG) (over), due to the Borchards Quarry WWTW project and the Cape Flats Bulk Sewer project being ahead of schedule. 3. Interest earned on arrears (over), due to the actual collection ratio being lower than anticipated. C. Solid Waste Management: 1. Refuse Service Charges (R8.7 million under), due to lower than planned income from sale of Disposal Coupons. Tenders linked to collection services were not implemented as the vendors indicated that they are not able to render disposal service, thus the service is rendered in-house. 2. Forfeited Retentions and Penalties (over), due to an unforeseen retention amount not being paid to vendors/contractors. 3. Interest Earned - Outstanding Debtors (over), due to debtors in arrears being higher than planned.	The situation is monitored by the respective finance managers. Budgetary amendments will be made and cash flows amended, where necessary, in the January 2017 adjustments budget.

Table C3 (b): Material variance explanations for expenditure by vote

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 1 - City Health	(21,945)	-4.0%	The main contributors to the variance are: 1. Employee-related costs (under), due to the turnaround time in filling vacancies and staff who were appointed at lower than budgeted total cost to company. 2. General Expenses (over), largely on G&D Pharmaceutical supplies and Vaccines as a result of stockpiling of ARV drugs and Vaccines for the December 2016/January 2017 holidays due to higher than anticipated demand. 3. Depreciation (under), due to a correction on depreciation of certain land assets to comply with recent interpretation of changes to GRAP17. 4. Contracted Services (under), mainly on Laboratory Services, due to the nature of re-active maintenance that cannot be predicted and planned per monthly cycle.	The recruitment and selection process is on-going. Cash flows will be amended, where necessary, and supplemental funds will be incorporated in the January 2017 adjustments budget. Budget on Depreciation was reviewed and adjusted during the January 2017 adjustments budget.
Vote 2 - City Manager	453	0.4%	The over expenditure is largely on : 1. Computer Services, due to the City Manager's screening interventions for 2017 projects. 2. Graphic Designing, due to a huge increase in demand from the Trade & Investment department for brandwork and web design work.	The situation is monitored by the finance manager and future savings will be used to cover over-expenditure via virementation of funds.
Vote 3 - Community Services	(127,271)	-14.5%	The variance is largely as a result of under expenditure on: 1. Employee-related costs, due to the turnaround time in filling vacancies and the impact of the internal filling of vacant posts. The misalignment of the period budget with the anticipated appointment of seasonal workers further contributed to this variance. 2. Contracted Services, due to: a) Lower than anticipated EPWP appointments made through Contracted Services, due to direct EPWP appointments. b) Delays in the finalisation of the grass cutting tender. c) Slower than anticipated progress on major construction projects, due to delays in the planning phase. 3. General Expenses (under), largely due to: a) Lower than anticipated expenditure on cleaning costs, electricity and fuel. b) Security Services, due to service providers being paid one month in arrears. 4. Depreciation, due to the re-classification of public open spaces to non-depreciable land, which resulted in an adjustment and reversal of prior depreciation charges.	Cash flows and budgetary provision will be adjusted ,where necessary, in the January 2017 adjustments budget.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 4 - Corporate Services & Compliance	(27,533)	-2.32%	The variance is a combination of under/over expenditure. 1. Employee related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacant posts. 2. Other Materials: R&M (under), due to the lower than anticipated expenditure on the re-active component of R&M. 3. General Expenses (under), mainly due to lower than anticipated expenditure on software licences. 4. Contracted Services (under), due to the lower than anticipated activity on R&M: Buildings and Equipment. 5. Depreciation (over), due to a correction on depreciation of certain land assets to comply with recent interpretation of changes to GRAP17. 6. Legal Cost (within Contracted Services) (over), due to higher than anticipated expenditure for the period. 7. Advertising (over), as a result of more than anticipated advertisements placed. 8. Security Services (over), due to the higher than expected demand for the period.	Recruitment and selection process is ongoing Cash flows and budgetary amendments will be addressed, where necessary, in the January 2017 adjustment budget.
Vote 5 - Energy, Environmental & Spatial Planning	(12,086)	-4.1%	The variance is largely due to under expenditure on : 1. Contracted Services, due the MOA for the PRASA project being finalised later than anticipated. 2. Depreciation, due to the re-classification of public open spaces to non-depreciable land, which resulted in an adjustment and reversal of prior depreciation charges.	A review of the depreciation provisions will be undertaken during the mid year review and assesment process and will be adjusted in the January 2017 adjustments budget. The finance manager is monitoring the situation.
Vote 6 - Finance	(8,544)	-0.8%	The variance is largely due to under expenditure on: 1. Employee-related costs, due to the turnaround time in filling vacancies and the impact of the internal filling of vacant posts. 2. Contracted Services, due to delays in the appointment of consultants for Property Management. 3. General Expenses, largely due to payments made to 2 new SRAs (Tygervalley and Little Mowbray/Rosebank). These SRA were approved by Council in 2015/16 but their budgets could only be incorporated in the January 2017 adjustments budget.	The recruitment and selection process is on-going. The directorate had 104 vacancies as at 31 December 2016. One hundred and eighteen positions (74 internal and 44 external) were filled with forty six (46) terminations processed for December 2016. Cash flows and budgetary amendments will be addressed in the January 2017 adjustments budget.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote Vote 7 - Human Settlements	(67,921)	-10.1%	<p>The main contributors to the variance are:</p> <ol style="list-style-type: none"> 1. Employee-related costs (under), due to the turnaround time in filling vacancies (mostly grant-funded positions). 2. Other Materials (over), due to the lower than anticipated expenditure demand for informal housing kits, which are linked to fire or flood-related incidents. 3. Contracted Services (under) largely due to: <ol style="list-style-type: none"> a) Various Top Structures projects progressing slower than anticipated as well as the misalignment of planned cash flows with the actual expenditure on Manenberg CRU and Thermal Efficiency Retrofit projects. b) R&M Contracted Services (over), due to the reactive component of maintenance on housing rental stock. 4. Transfers & Grants (under), due to delays in USDG PGWC projects, which will be implemented by Western Cape Housing Department. National Treasury advised that Provincial Housing Department will act as an agent therefore the budget for these projects must be moved to the capital budget as the ownership of the assets, once constructed and completed, will be transferred to City's asset register. This was previously treated as a donated asset and therefore reflected against the operating budget. 5. Other Expenditure (under), largely due to: <ol style="list-style-type: none"> a) Lower than anticipated rate of expenditure on Peoples Housing Process (PHP) projects, where expenditure is dependent on the rate of progress achieved by the PHP projects. (These projects are all managed and controlled by communities into the national PHP programme.) It is difficult to estimate cash flows as many factors influence the rate of house construction by communities. b) Subsidy on Homeowners Redemption (under), which relates to the Enhanced Extended Discount Benefit Scheme, which is lower than planned and dependent on the number of successful applications received for housing rebates. c) Indigent Relief (over), due to higher than anticipated applications for indigent relief received to date. 	<p>The recruitment and selection is on-going. Currently 86.85% of the directorate's positions are filled while 13.15% is vacant. This represents 113 positions of the directorate's total staff complement.</p> <p>The shifting of the USDG allocation for Top Structures to the capital budget as well as amending cash flows will be addressed in the January 2017 adjustments budget. A process of expediting PHP projects (including support) has been launched by the directorate. Various Top Structures projects have recently commenced. The finance manager will monitor the situation.</p>
Vote 8 - Rates & Other	(25,787)	-4.9%	<p>The variance is largely due to lower than planned expenditure on indigent relief refuse, water and Electricity (Eskom), which is linked to the number of applications received.</p>	<p>The budget will be adjusted in the January 2017 adjustment budget.</p>
Vote 9 - Safety & Security	(29,511)	-2.9%	<p>The variance is mainly on:</p> <ol style="list-style-type: none"> 1. Employee-related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacant posts. Further, the appointment of fire fighters is demand driven and difficult to accurately predict, resulting in misalignment of seasonalisation. 2. Contracted Services (under), due to a decrease in rapid response call outs and lower than planned expenditure on R&M for the period. 3. General Expenses (under), largely due to: <ol style="list-style-type: none"> a) Backlog in the delivery of uniforms, due to delays in finalising the uniform tender. b) Lower than anticipated fuel consumption, due to vehicles being repaired and not used during that period. c) Hire of cars (over), due to higher demand while vehicles are repaired. d) Lower than anticipated expenditure on fire services, due to aerial services for fire fighting which only commenced on 1 December 2016. 	<p>The recruitment and selection process is on-going. The directorate had 261 vacancies as at 31 December 2016.</p> <p>The situation is monitored. Cash flow and budgetary amendments will be addressed in the January 2017 adjustments budget.</p>

Table continues on next page.

Description	YTD Variance R	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 10 - Social Dev & Early Childhood Development	(2,726)	-3.0%	Immaterial variance.	No remedial action required.
Vote 11 - Tourism, Events & Economic Development	(18,117)	-6.8%	The variance is mainly on: 1. Depreciation and Asset Impairment, due to the writing back of depreciation charges for land previously allocated to the incorrect asset class. The land has since been reclassified and the depreciation charges reversed. 2. Employee-related costs, due to the turnaround time in filling vacancies and the impact of the internal filling of vacant posts. 3. Payments to various beneficiaries not processed due to non-compliance.	The finance manager will monitor the situation. Depreciation and Asset Impairment budget was reviewed and will be adjusted in the January 2017 adjustment budget. Budget and cash flows will be adjusted in the January 2017 adjustments budget.
Vote 12 - Transport for Cape Town	23,522	1.8%	The variance is a combination of under/over expenditure on various items. 1. Employee-related costs (under), due to the turnaround time of filling vacancies and the impact of internal filling of vacant posts. 2. Depreciation (under), where expenditure is largely linked to the capitalisation rate of assets. 3. Contracted Services (over), due to accelerated expenditure on the Freeway Management System, Transport Surveys and Data Collection projects as well as local road reseal and resurfacing programmes, which are ahead of target, due to good contractor performance. 4. General Expenses (under), due to fuel price fluctuations and stricter control measures put in place.	The recruitment and selection process is on-going. At the end of December 2016, the directorate had 164 vacancies, 126 appointments were made and 40 terminations processed. The expenditure trends are being monitored and budgetary amendments will be addressed, where necessary in the January 2017 adjustments budget.
Vote 13 - Utility Services	(156,443)	-2.0%	The variance is a combination of under/over expenditure. 1. Employee-related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacant posts. 2. Bulk purchases a) Bulk Water Levy (over), largely due to the Berg River charges being higher than anticipated. b) Bulk Electricity (slightly over), due to periodic changes in consumption as a consequence of changing weather conditions, implementation of alternate energy sources, continuous movement of consumers between the various tariffs as well as changes to the costs associated with the fixed charge as compared to the variable components of the tariff. 3) Contracted Services (under) due to: a) Lower than planned expenditure on the re-active component of R&M and delays with the initial implementation of planned R&M projects. Delays in finalising the Public lighting and FLR tender awards further contributed to this variance. b) Lower than planned expenditure on Haulage costs for transportation of refuse, due to a delay in awarding the tender. c) Lower than planned EPWP janitorial services, due to late appointments. 4. Other Expenditure (under), mainly on: a) R&M related expenditure items (reactive component), which are of an adhoc nature and difficult to plan accurately per monthly cycle. Delays in receipt of invoices from service providers further contributed to this variance. b) Fuel (under), due to the lower requirements for the gas turbine, the impact of price fluctuations and lower consumption. c) Hire charges, due to lower demand for hiring of street sweeper machinery as the City has purchased its own equipment. d) Chemicals, due to current weather patterns and water restrictions resulting in less treatment of water. 5. Other Materials (over), largely due to the incorrect posting of refuse bags against Materials General instead of cleaning related costs. Public lighting and FLR tender awards delayed, due to specifications clarification.	Utility Services had 835 vacancies, (SW 144, WS 452, ES 238 & PMU 1) out of 10 285 staff establishment as at 31 December 2016. As at end December the filled positions in the directorate were 91.88% of the total staff establishments. Since the beginning of 2016/17, the directorate has made 460 appointments of which 225 were internal appointments. For the same period there were 211 terminations. Cash flows and budgetary amendments will be amended in the January 2017 adjustments budget, where necessary.

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

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

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

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

Table C4 (a): Material variance explanations for revenue by source

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source				
Property rates	560,972	16.2%	The over-recovery is a combination of over-/under recovery. 1. Property Rates (over), due to higher than planned revenue received to date. This over-recovery is influenced by the General Valuation 2015 outcome. The City has made good progress with the GV objection process with 78% of the objections being resolved by 8 December 2016. The City is now gearing for the appeal process. The over-recovery will cover the impact of valuation objections and appeals . 2. Income Forgone (under), due to the applications received and properties that qualify to date.	The budget was reviewed during the mid year review and assessment process and will be adjusted in the January 2017 adjustments budget.
Service charges - electricity revenue	2,770	0.0%	The over-recovery is due to periodic changes in consumption as a consequence of changing weather conditions, implementation of alternate energy sources, continuous movement of consumers between the various tariffs and changes to costs associated with the fixed charge as compared to the variable components of the tariff.	The budget was reviewed during the mid year review and assessment process.
Service charges - water revenue	175,670	13.0%	The variance is mainly on Water Sales, where actual revenue was higher than planned as a result of water restrictions with sales volumes being higher than anticipated, the impact of billing cycles and billing corrections.	The budget was reviewed during the mid year review and assessment process.
Service charges - sanitation revenue	58,468	8.0%	The variance is mainly on Sewerage Sales. The charges on sewerage are demand driven and linked to water consumption and the factors influencing water consumption.	The budget was reviewed during the mid year review and assessment process.
Service charges - refuse revenue	(6,111)	-1.0%	The under-recovery is mainly on Disposal Coupons, due to lower than planned income from sale of Disposal Coupons. Tenders linked to collection services were not implemented as the vendors indicated that they are unable to render disposal services, thus the service is rendered in-house. In addition, higher than planned revenue was received for Special Waste fees (Hazardous Waste volumes were higher than planned) and Refuse collection charges.	The budget will be adjusted during the January 2017 adjustments budget.
Service charges - other	12,721	4.4%	The variance is a combination of over-/under-recovery on various revenue elements in this category. 1. Service Charges-Infrastructure (over), mainly due to higher than planned income received on Broadband and Radio Trunking Services. 2. Busfares-Transit products (over), due to increase in ridership as a result of the influx of people over the festive season as well as the cancellation and poor running of the Metrorail train service. 3. Camp/Resort Fees within Community Services (under), due to incorrect booking of revenue against revenue element (Rental Income). 4. Fire fees (over), due to a higher number of fire incidences than anticipated. 5. Recoveries of Infrastructure Maintenance (under) within Cape Town Electricity, due to consumer demand being lower than planned. 6. Building Levies/Scrutiny Fees (over), due to the increased level of building activities in the City.	Current trends are monitored and the budgetary amendments, where applicable, will be incorporated in the January 2017 adjustments budget.
Rental of facilities and equipment	(2,911)	-1.6%	The variance is within the following directorates: 1. TEED (under) ,mainly due to fewer events held at the Cape Town Stadium than anticipated. 2. Community Services (over), due to Camping Fees income incorrectly booked against Rental income.	Cash flows will be amended in the January 2017 adjustments budget.
Interest earned - external investments	(3,203)	-0.9%	The under-recovery is largely due to the periodic budget provision not being in line with actual trend of interest received.	The budget was reviewed during the mid year review and assessment process and will be adjusted in the January 2017 adjustments budget.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source				
Interest earned - outstanding debtors	5,174	4.1%	The variance is a combination of an under-recovery on Property Rates debtors and an over-recovery on Electricity, Water & Sanitation and Solid Waste debtors, which is related to the debtors payment ratio.	The budget was reviewed during the mid year review and assessment process and will be adjusted in the January 2017 adjustments budget.
Dividends received	-	-	-	-
Fines	(220,513)	-41.8%	The under-recovery is mainly on Traffic Fines Accruals, due to delays in processing monthly accruals resulting in the misalignment of the period budget and actuals to date.	The budget was reviewed during the mid year review and assessment process.
Licences and permits	11,840	84.9%	The over-recovery is mainly within: 1. Safety & Security, due to the higher than estimated applications received for learner licences, learner driver certificates and PDP operator certificates. 2. Transport for Cape Town, due to the increased use of trenchless methodology resulting in forfeiting refundable deposits.	Current trends are monitored .
Agency services	161	0.2%	Immaterial variance.	-
Transfers recognised - operational	(90,660)	-4.1%	The variance is mainly within: 1. Human Settlements (R79.3 million under), due to: a) Delays in USDG PGWC projects, which will be implemented by Western Cape Housing Department. National Treasury advised that Provincial Housing Department is acting as an agent and therefore the budget for these projects must be moved to the capital budget as ownership of these assets once constructed and completed will be transferred to the City's asset register. This was previously treated as a donated asset and therefore reflected against the operating budget. b) Peoples Housing Process (PHP) projects, where expenditure is dependent on the rate of progress achieved by the PHP projects. (These projects are all managed and controlled by communities into the national PHP programme.) It is difficult to estimate cash flows as many factors influence the rate of house construction by communities. A process of expediting PHP projects (including support) has been launched by the directorate. Various Top Structures projects have recently commenced. 2. Community Services (R 3.7 million under), due to unfilled grant-funded vacancies in Libraries. 3. EESP (R6.5 million under), due to the Athlone Power Station Project progressing slower than anticipated. 4. Corporate Services & Compliance (R2.7 million over), due to earlier than anticipated recognition of grant income for the graduate intern programme. 5. Health (R4.6 million over), due to the higher than planned expenditure on grant-funded projects, primarily on ARV drugs and Vaccines.	The situation is monitored by the respective finance managers. Corrective transactions will be undertaken where required. The cash flow will be amended in the January 2017 adjustments budget, where necessary.
Other revenue	38,755	2.4%	The main contributors to this over-recovery are: 1. Development Levies/BICL (over), within TCT, Cape Town Electricity department and Water & Sanitation department, due to higher than estimated revenue from development levies received from property developers. 2. Skills Development Levy, due to payment of claims submitted, being more than planned to date. 3. Hire of Municipal Staff (over), within Safety & Security, due to accruals raised for staff members for events funded by various CIDS. 4. CIDS: Commercial (over), due to adjustments to valuations on which CID Levies are based as well as new developments coming into stream. 5. Recoveries of Operational Expenditure (over), within Finance, due to the incorrect booking against the Finance directorate of a refund on a Water Tender, which will be rectified in January 2017.	The budget was reviewed during the mid year review and assessment process.
Gains on disposal of PPE	(2,250)	-100.0%	The under-recovery is mainly within the Corporate Services & Compliance directorate and the Water & Sanitation department and relates to the sale of plant and equipment , which is difficult to plan per monthly cycles.	The budget was reviewed during the mid year review and assessment process.

Table C4 (b): Material variance explanations for expenditure by type

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure By Type				
Employee related costs	(94 974)	-1.8%	The variance is mainly due to: 1. The turnaround time in filling vacancies (mainly grant-funded positions). 2. The appointment of seasonal workers and temporary staff, which is dependent on peak seasons and line departments' capacity requirements.	The City had 2 284 vacancies as at 31 December 2016. As from 1 July 2016 to date, 2 233 positions were filled (712 internal and 1 521 external), with 705 terminations processed. The filling of vacancies is on-going and seasonal staff are appointed as and when required. Savings realised to date have been set aside and ring-fenced within investment accounts to address corporate initiatives and commitments.
Remuneration of councillors	(3 115)	-4.6%	The variance is largely due to the delayed implementation of councillor salary increases, which is dependent on the approval of the Minister of Co-corporative Governance & Traditional Affairs and Council.	The increase was approved and gazetted in December 2016. A report to approve the increases will be submitted to the Council meeting in January 2017 and implemented retrospectively.
Debt impairment	5 859	0.98%	Immaterial variance.	-
Depreciation & asset impairment	(88 052)	-7.6%	The variance is largely influenced by the capitalisation rate of assets, which is dependent on the progress and completion of capital projects. The write-back of depreciation on land further contributed to the variance.	The situation is monitored by the respective finance manager and adjustments will be made in the January 2017 adjustments budget.
Finance charges	528	0.2%	Immaterial variance.	-
Bulk purchases	19 329	0.5%	1. Bulk Water (over), largely due to the Berg River charges being higher than anticipated. 2. Bulk Electricity (over), due to periodic changes in consumption as a consequence of changing weather conditions, implementation of alternate energy sources, continuous movement of consumers between the various tariffs as well as changes to the costs associated with the fixed charge as compared to the variable components of the tariff.	The budget will be amended in the January 2017 adjustments budget.
Other materials	(11 539)	-5.5%	Immaterial variance.	-
Contracted services	(134 973)	-8.1%	The variance is largely due to: 1. Delays in the finalisation of the grass cutting tender. 2. Lower than planned anticipated expenditure on R&M and other projects, largely due to delays in finalising tenders. 3. Delays in implementation of the haulage tender for transportation of refuse as well as submission of invoices from service providers/suppliers. 4. Misalignment of the period budget on various housing Top Structures projects including the Manenberg CRU and Thermal Efficiency Retrofit projects.	The situation is monitored by the respective finance manager. Amendments will be made in the January 2017 adjustments budget with ongoing review of the period budget.
Transfers and grants	(32 143)	-33.3%	The variance is largely due to delays in USDG PGWC projects, which will be implemented by the Western Cape Housing Department. National Treasury advised that the Provincial Housing Department will act as an agent. The budget for these projects must therefore be moved to the capital budget as ownership of these assets, once constructed and completed, will be transferred to the City's asset register. This was previously treated as a donated asset and therefore reflected against the operating budget.	Shifting of the budget from the operating budget to the capital budget will be addressed in the January 2017 adjustments budget.

Table continues on next page.

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Expenditure By Type</u> Other expenditure Loss on disposal of PPE	(134,830) -	-5.8% -	The variance is largely on: 1. Fuel, due to lower than anticipated YTD fuel cost resulting from price fluctuations, stricter control measure put in place to curb expenditure and lower fuel requirements for the gas turbines to generate electricity. 2. Cleaning costs, largely due to the incorrect booking of refuse bag expenditure on materials. 3. Peoples Housing Process (PHP) payments, due to lower than anticipated rate of expenditure on PHP projects, which is difficult to estimate per month as many factors influence the rate of house construction by communities. 4. Indigent Relief, which is linked to the number of applications received and is lower than anticipated. 5. Subsidy on Homeowners Redemption, which is based on successful rebate applicants. 6. Hire Charges, due to a lower demand for hiring Streetsweeper machinery as the City has purchased its own equipment.	Cash flows and budgetary amendments will be addressed in the January 2017 adjustments budget. -

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

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

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

The ensuing tables reflect the percentage variance for capital expenditure by vote as well as reasons for material deviations and the remedial action thereof, where required.

Table C5 (a): Material variance explanations for capital expenditure

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote				
Vote 1 - City Health	7,846	283.1%	1. Equipment was delivered ahead of schedule on the following projects: a. Furniture, Tools and Equipment, b. National Core Standards Compliance, and c. IT Equipment 2. New Fisantekraal Clinic: Land was acquired earlier than anticipated.	The cash flows will be reviewed and adjusted, where necessary, in the January 2017 adjustments budget.
Vote 2 - City Manager	(48)	-0.6%	Immaterial variance.	None required.
Vote 3 - Community Services	14,043	29.7%	City Parks: The positive variance is due to good contractor performance on the following projects: a. Welmoed Cemetery Development, b. Khayelitsha Wetlands Park Upgrade c. Upgrade Smart Park – Atlantis d. Upgrade Smart Park - Seawinds e. New Cemetery Development Library & Information Services: a. Books, Periodicals & Subscriptions: Orders were placed and delivered earlier than anticipated.	None required.
Vote 4 - Corporate Services & Compliance	(22,685)	-21.5%	Dark Fibre Broadband Infrastructure: Project delayed due to the protracted tender process.	The cash flows will be amended in the January 2017 adjustments budget.
Vote 5 - Energy, Environmental & Spatial Planning	(2,128)	-13.7%	1. Poor contractor performance on both the Pampoenkraal and Imizamu Yethu Sporting Precinct projects have delayed project progress, but it should be noted that progress on Pampoenkraal has improved slightly and is being closely monitored. 2. Resource Efficiency & Renewable Energy project: Amended scope of works and project plans have impacted on cash flows. Awaiting revised invoice from vendor. 3. E-Systems enhancements: The delay in appointing resources has resulted in the project being behind schedule.	1. The City's legal department is in the process of terminating the contract for the Imizamu Yethu project. The contractor for the Pampoenkraal project has submitted written communication on how he intends to speed up the rate of progress, which is currently being monitored. 2. The amended invoice is expected in January 2017. 3. Some contractors have been appointed; project to commence in January 2017. Cash flows will have to be amended in the January 2017 adjustment budget to rectify project spend.
Vote 6 - Finance	(11,074)	-27.4%	1. Basement Parking & Access: a. Basement Parking: The project is behind schedule, due to the scope of work, which is being renegotiated. b. Access to CTICC: Construction of basement and access structure completed but internal finishes and remedial work are still outstanding. 2. Granary Project - Multi-funded project: Project slightly behind schedule, due to the complexities and nature of work on heritage buildings.	1. Property Management to appoint quantity surveyor to verify scope of works. Cash flows to be amended in the January 2017 adjustments budget. 2. Budget and cash flow to be amended in the January 2017 adjustments budget.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote				
Vote 7 - Human Settlements	(16 474)	-17.2%	<p>1. Witsand Housing Project Phase 2 Atlantis: Land invasion and community unrest delayed the rehabilitation of land.</p> <p>2. Belhar/Pentech Housing Project - 350 Units: The contract was terminated due to poor performance.</p> <p>3. Delft - The Hague Housing Project: Delay in approval of revised report tabled at the Bid Adjudication Committee in November 2016, resulting in delays in the progress of the project.</p> <p>4. Imizamo Yethu Housing Project (Phase 3): The lowest bidder on bulk services was R30 million higher than anticipated. Approval of additional funding was needed resulting in a delay in the project.</p> <p>5. Macassar BNG Housing Project: Stricter new SCM requirements as per the Attorney General are causing a delay in the start of the project.</p> <p>6. CRU projects in Manenberg & Ottery: Completion delayed, due to gang violence.</p> <p>7. Urbanisation - Backyards/Informal Settlements Upgrade: Delay in the approval of term tenders, which has been earmarked to implement these projects.</p>	<p>1. Land rehabilitation work will still be carried out in 2016/17. The cash flow will be revised in the January 2017 adjustment budget.</p> <p>2. Procurement process underway to appoint new contractor. The budget will be revised in the January 2017 adjustment budget and project rephased to 2017/18 to align with construction timelines.</p> <p>3. Report approved. The cash flows will be revised in the January 2017 adjustments budget.</p> <p>4. Additional funding approved. Contractor appointed and will be on site in February 2017.</p> <p>5. Reports are being redrafted. Anticipated award of tender expected by April/May 2017.</p> <p>6. Projects expected to be completed by April 2017.</p> <p>7. Budget and some projects rephased to 2017/18 in the January 2017 adjustments budget to align with construction timelines.</p> <p>Project managers have revised cash flows of all projects based on current data. The revised cash flows will be included in the January 2017 adjustments budget.</p>
Vote 8 - Rates & Other	–	-	-	-
Vote 9 - Safety & Security	11 120	38.8%	<p>Delivery and installation of items earlier than anticipated, due to availability of stock by suppliers in respect of the following projects:</p> <p>a. Shotspotter installation;</p> <p>b. Harden Emergency Response vehicle;</p> <p>c. Vehicles Replacement;</p> <p>d. Law Enforcement Volunteer Base; and</p> <p>e. CCTV installations.</p>	Ongoing monitoring of project progress.
Vote 10 - Social Dev & Early Childhood Development	2 696	25.2%	<p>1. Early Childhood Development Centre in Delft: The construction is ahead of schedule, due to good contractor performance.</p> <p>2. Furniture and Equipment: Delivered earlier than anticipated.</p>	Projects will be monitored and completed before financial year-end.
Vote 11 - Tourism, Events & Economic Development	(4 616)	-20.7%	<p>1. Events- Film & Events Permitting System: Project behind schedule, due to the delay in securing the services of a business analyst and a network developer. Both services have since been secured and anticipated to commence January 2017.</p> <p>2. Arts & Culture - Delft Centre: Delays in signing off of the service request form for internal architect services. The project will not be completed in this financial year, due to insufficient resources and capacity.</p>	Budget and cash flow to be amended in the January 2017 adjustments budget.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote				
Vote 12 - Transport for Cape Town	166,640	29.1%	The positive variance relates to good implementation progress on the following programmes: a. Metro roads, b. Non-motorised transport, c. Public transport infrastructure, d. Road rehabilitation, e. Infrastructure supporting housing projects, and f. Congestion relief.	Budget and cash flow to be amended in the January 2017 adjustments budget.
Vote 13 - Utility Services	87,632	8.7%	Currently the directorate is ahead of planned spend, due to good contractor performance and implementation being much faster than originally planned for on certain projects. Refer below for further comments per department.	There is on-going ED engagements with line directors and project managers to ensure that tracking and monitoring of projects are within the prescribed timeframes and that corrective actions are processed timeously. Refer below for further comments per department.
Utility Services Support	(0)	-0.1%	Immaterial variance.	None.
Water & Sanitation	147,498	34.2%	1. Meter Replacement Programme: Project ahead of schedule, due to good contractor performance and faster than planned implementation. 2. Acquisition and registration of servitude: The payment for the purchase of property was made earlier than anticipated.	Project managers will continue to closely monitor and track all projects and tenders. Cash flows to be amended in the January 2017 adjustments budget.
Solid Waste Management	(47,143)	-62.2%	Plant & Vehicles - Replacement: There were protracted delays in the negotiation of the Streetsweeper machinery, which has impacted on the expected delivery date and planned cash flow.	The revised expected delivery for the Streetsweeper machinery is end January 2017. Cash flow to be amended in the January 2017 adjustments budget.
Cape Town Electricity	(12,723)	-2.5%	Immaterial variance.	-

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

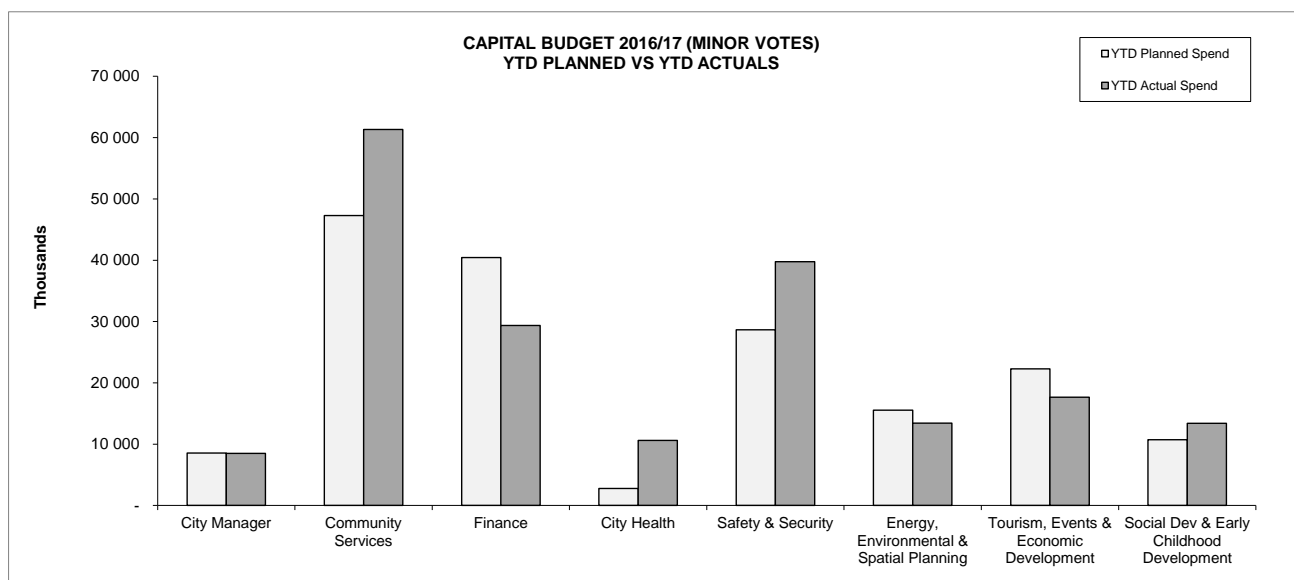
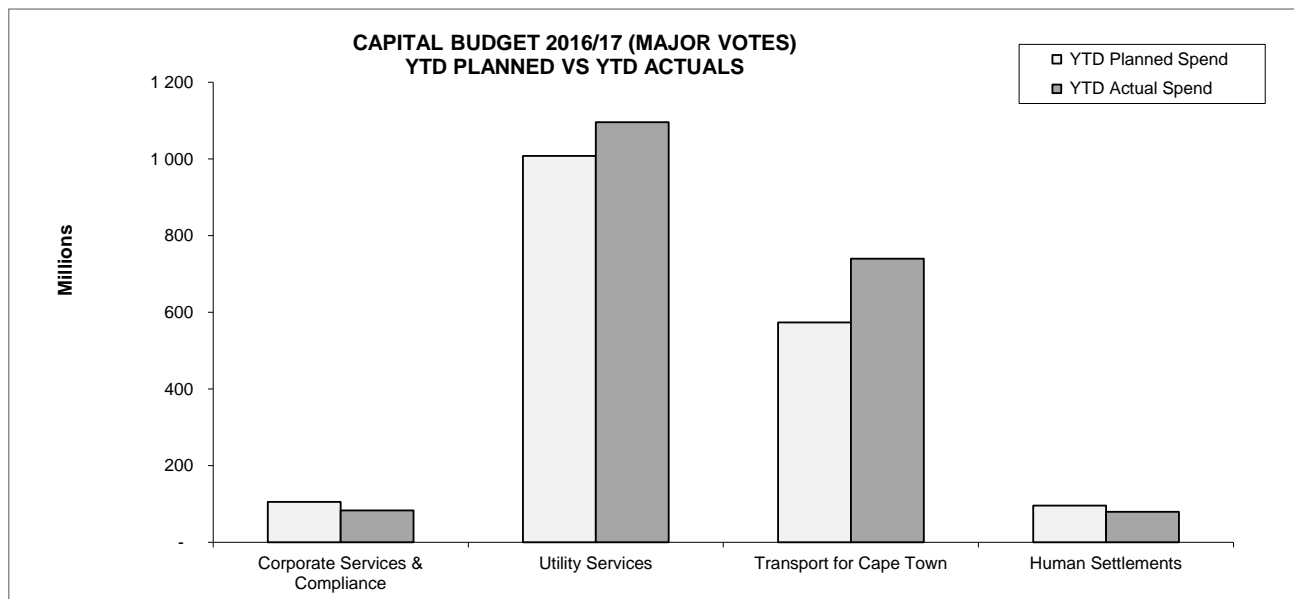


Table C6: Monthly Budget Statement - Financial Position

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

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

The definitions for the financial position categories are shown in the ensuing table.

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	Is 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) Reserves	The surplus of an entity that has accumulated since the beginning of the entity's existence. Funds set aside from accumulated surpluses for statutory as well as specific requirements.

Table C7: Monthly Budget Statement - Cash Flow

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

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

The table below reflects the variances for cash flow position and cash/cash equivalent outcome as well as reasons for material deviations and remedial action, where required.

Description	YTD variance R Thousands	YTD variance %	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands				
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates, penalties & collection charges	403,051	10.9%	More income received than originally budgeted for.	No corrective action required at this time.
Service charges	263,627	3.1%	Immaterial variance.	No corrective action required at this time.
Other revenue	147,912	7.4%	Immaterial variance.	No corrective action required at this time.
Government - operating	(44,209)	-1.9%	Immaterial variance.	No corrective action required at this time.
Government - capital	(2,670)	-0.2%	Immaterial variance.	No corrective action required at this time.
Interest	(232)	-0.1%	Immaterial variance.	No corrective action required at this time.
Payments				
Suppliers and employees	546,422	-3.4%	Immaterial variance.	No corrective action required at this time.
Finance charges	(0)	0.0%	-	-
Transfers and Grants	(13,293)	91.4%	The variance is mainly due to agreements and approval of beneficiaries that still needs to be finalised and approved by Council.	The expenditure budget will be aligned in the January 2017 adjustments budget.
NET CASH FROM/(USED) OPERATING ACTIVITIES	(234,349)	-14.7%		
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	-	-		
Decrease (Increase) in non-current debtors	-	-		
Decrease (increase) other non-current receivables	-	-		
Decrease (increase) in non-current investments	-	-		
Payments				
Capital assets	(273,090)	14.0%	Slower cash outflow than originally expected.	No corrective action required at this time.
NET CASH FROM/(USED) INVESTING ACTIVITIES	(273,090)	14.0%		
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	-	-		
Borrowing long term/refinancing	-	-		
Increase (decrease) in consumer deposits	-	-		
Payments				
Repayment of borrowing	(1,447)	1.3%	Immaterial variance.	No corrective action required at this time.
NET CASH FROM/(USED) FINANCING ACTIVITIES	(1,447)	1.3%		

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

Description	Budget Year 2016/17												2016/17 Medium Term Revenue & Expenditure Framework			
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	
R thousands	Outcome	Outcome	Outcome	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget				
Cash Receipts By Source																
Property rates	589,654	728,180	826,302	623,728	748,903	592,669	517,769	531,496	564,265	515,096	530,440	96,141	6,864,644	7,310,945	7,832,252	
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Service charges - electricity revenue	989,309	1,120,506	1,070,415	1,086,102	1,007,378	955,997	916,393	901,329	981,262	969,706	1,004,213	747,362	11,749,971	13,479,841	15,559,347	
Service charges - water revenue	177,400	193,175	203,105	209,471	239,945	209,478	206,400	211,325	197,298	201,426	193,580	101,940	2,344,542	2,705,537	3,021,136	
Service charges - sanitation revenue	108,984	117,068	120,940	115,063	137,140	123,454	123,097	129,528	118,730	128,926	116,167	115,340	1,454,435	1,622,951	1,804,195	
Service charges - refuse	60,428	65,250	68,500	62,938	74,243	65,992	73,630	68,267	62,409	66,909	62,298	68,522	799,386	867,725	936,469	
Service charges - other	36,824	39,510	40,034	39,083	35,582	53,144	49,193	46,245	45,214	42,166	49,104	85,566	561,665	583,838	615,645	
Rental of facilities and equipment	19,969	22,613	24,504	22,641	25,753	25,520	9,419	9,276	9,895	9,082	9,838	(76,314)	112,196	115,713	110,840	
Interest earned - external investments	45,868	45,846	46,641	42,965	43,122	59,483	49,111	49,519	49,844	49,479	52,569	61,246	595,694	624,661	672,891	
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines	21,255	21,959	21,103	22,196	22,567	21,839	16,474	18,280	19,337	19,455	18,622	(12,023)	211,065	223,116	235,388	
Licences and permits	12,144	32,772	10,992	25,075	45,093	13,365	10,009	11,128	17,746	14,303	8,855	(19,595)	181,886	183,420	185,039	
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer receipts - operating	853,048	297,254	-	86,298	449,035	542,403	234,484	125,847	731,526	47,044	27,051	408,949	3,802,940	4,004,790	4,270,147	
Other revenue	11,680	754,841	13,755	60,275	61,689	824,690	54,301	52,137	739,351	59,618	50,560	17,383	2,700,282	2,901,763	3,133,699	
Cash Receipts by Source	2,926,563	3,438,973	2,446,292	2,395,835	2,890,450	3,488,035	2,260,281	2,154,376	3,536,878	2,123,210	2,123,297	1,594,518	31,378,707	34,624,300	38,377,049	
Other Cash Flows by Source																
Transfer receipts - capital	605,690	83,129	120,776	227,043	114,377	-	76,746	168,355	192,451	45,734	-	639,977	2,274,277	2,246,932	2,433,776	
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	79,500	79,500	49,500	49,500	
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	2,500,000	2,500,000	1,500,000	2,000,000	
Increase in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	29,948	29,948	32,943	36,238	
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	3,578	3,578	3,399	3,229	
Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	(89,310)	(89,310)	(212,908)	(238,708)	
Total Cash Receipts by Source	3,532,253	3,522,102	2,567,067	2,622,878	3,004,827	3,488,035	2,337,027	2,322,731	3,729,328	2,168,944	2,123,297	4,758,211	36,176,700	38,244,166	42,661,084	

Table continues on next page.

Annexure A: S52 – 2017 Q2 (December 2016)

Description	Budget Year 2016/17												2016/17 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 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousands															
Cash Payments by Type															
Employee related costs	777,320	785,663	778,459	780,314	1,212,898	778,707	836,626	836,690	842,397	823,926	834,339	1,058,161	10,345,500	11,301,392	12,386,597
Remuneration of councillors	10,410	9,534	9,763	10,389	10,526	11,022	11,894	13,501	12,133	12,098	14,220	25,574	151,063	160,882	171,339
Interest paid	-	-	178,816	-	-	143,505	-	-	174,216	-	-	315,581	812,118	928,327	1,098,571
Bulk purchases - Electricity	935,553	1,028,092	989,481	593,705	587,733	574,749	572,162	525,648	564,696	542,829	691,018	490,134	8,095,800	9,223,280	10,646,220
Bulk purchases - Water & Sewer	32,125	28,076	30,952	28,726	28,034	30,843	32,515	31,478	49,175	43,404	40,403	43,650	419,380	472,446	516,781
Other materials	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contracted services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	1,160	45	-	-	-	38	936	2,116	2,205	50	269	108,334	115,154	133,190	140,515
General expenses	1,613,536	888,205	1,026,801	984,519	1,057,803	950,451	757,748	767,331	745,554	824,304	869,142	(526,556)	9,958,837	10,144,647	10,880,990
Cash Payments by Type	3,370,103	2,739,614	3,014,273	2,397,653	2,896,993	2,489,314	2,211,881	2,176,764	2,390,376	2,246,611	2,449,390	1,514,878	29,897,852	32,364,163	35,841,013
Other Cash Flows/Payments by Type															
Capital assets	594,360	80,693	100,315	115,364	245,685	535,739	185,487	219,091	414,797	467,205	611,726	2,398,107	5,968,570	4,964,152	5,295,155
Repayment of borrowing	-	-	88,055	-	-	20,000	-	-	89,481	-	-	293,680	491,216	465,919	549,253
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	3,964,463	2,820,307	3,202,643	2,513,018	3,142,678	3,045,053	2,397,369	2,395,855	2,894,653	2,713,817	3,061,116	4,206,665	36,357,638	37,794,234	41,685,420
NET INCREASE/(DECREASE) IN CASH HELD	(432,210)	701,795	(635,576)	109,860	(137,851)	442,982	(60,342)	(73,124)	834,675	(544,873)	(937,819)	551,546	(180,937)	449,932	975,663
Cash/cash equivalents at the month/year beginning:	3,332,472	2,900,261	3,602,056	2,966,480	3,076,340	2,938,489	3,381,471	3,321,129	3,248,005	4,082,680	3,537,807	2,599,988	3,332,472	3,151,534	3,601,466
Cash/cash equivalents at the month/year end:	2,900,261	3,602,056	2,966,480	3,076,340	2,938,489	3,381,471	3,321,129	3,248,005	4,082,680	3,537,807	2,599,988	3,151,534	3,151,534	3,601,466	4,577,129

PART 2 - SUPPORTING DOCUMENTATION

Debtors analysis

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

Table SC3 Monthly budget statement Aged Debtors

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

Additional debtors information

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

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

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

Creditors analysis

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

Table SC4 Monthly budget Statement Aged Creditors

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

Outstanding commitments against Cash and Cash Equivalents

Item	Previous Month	Current Month
	R'000	R'000
Closing Cash Balance	6 836 085	7 279 067
Unspent Conditional Grants	1 847 600	1 569 181
Housing Development	263 475	263 557
MTAB	13 534	13 614
Trust Funds	698	702
Financial commitments	134 500	134 500
Sinking Funds	-	-
Insurance reserves	474 178	476 986
CRR	2 029 291	1 948 962
TOTAL	4 763 276	4 407 502
TOTAL cash resources - committed working capital	2 072 809	2 871 565

Allocation and grant receipts and expenditure

Table SC7 Monthly Budget Statement transfers and grants expenditure

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

Table continues on next page.

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

Material variance explanations for corporate performance for Quarter 2 2017

Description of Indicator	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<p>5.D Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the City's approved employment equity plan (EE)</p>	<p>-17.59%</p>	<p>The positions in levels 1-3 are characterised by scarce skills categories in terms of senior management and leadership category. The City is not the only competitor for these skills and despite the City attraction strategy we are not always able to attract, appoint and retain designated groups at this level.</p>	<p>There is continuous monitoring of this indicator. Guiding EE presentations to all line directorates. The City's Corporate Services & Compliance directorate is in the process of revisiting (on a broad City-wide basis) the City's attraction and retention strategies. Succession planning and identification of talent in the designated groups at lower levels and the positioning of these talents for identified senior positions is seriously considered and an on-going priority.</p> <p>The signing of the notice of appointment (NOA) by the EE: Manager has been introduced to curb further deviations from targets.</p> <p>EMT has recently adopted a standard operating procedure (SOP) that deals with the application of Employment Equity within Recruitment & Selection.</p> <p>Responsible person: Michael Siyolo Due date: On-going (end of the EE plan)</p>

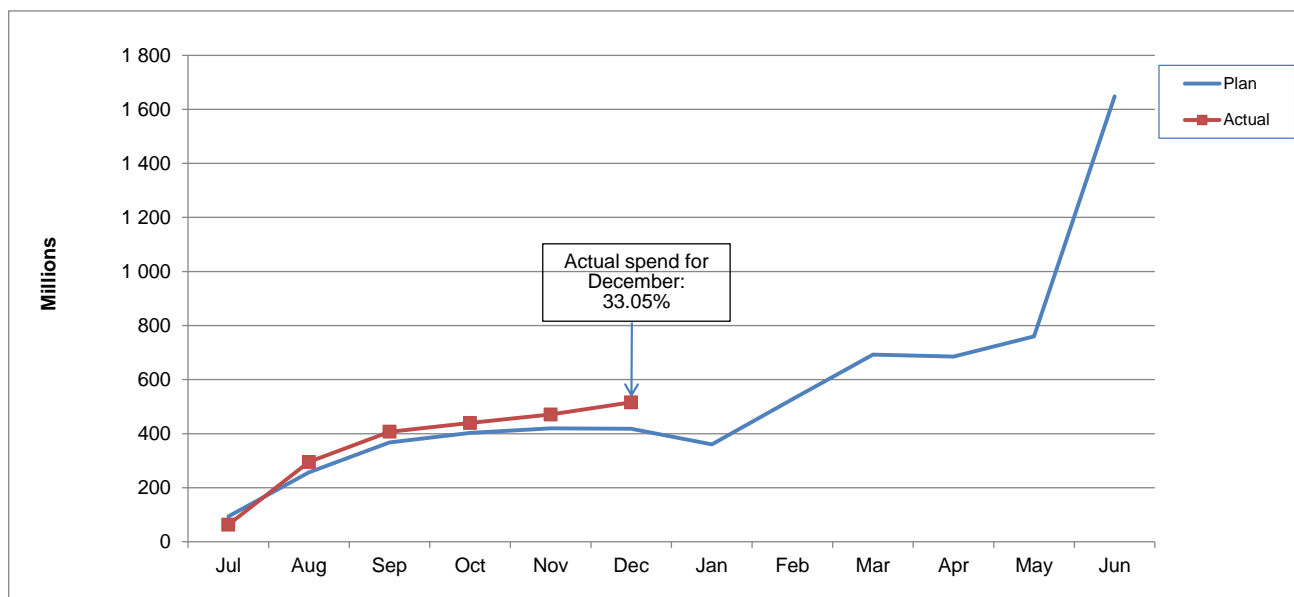
Capital programme performance

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

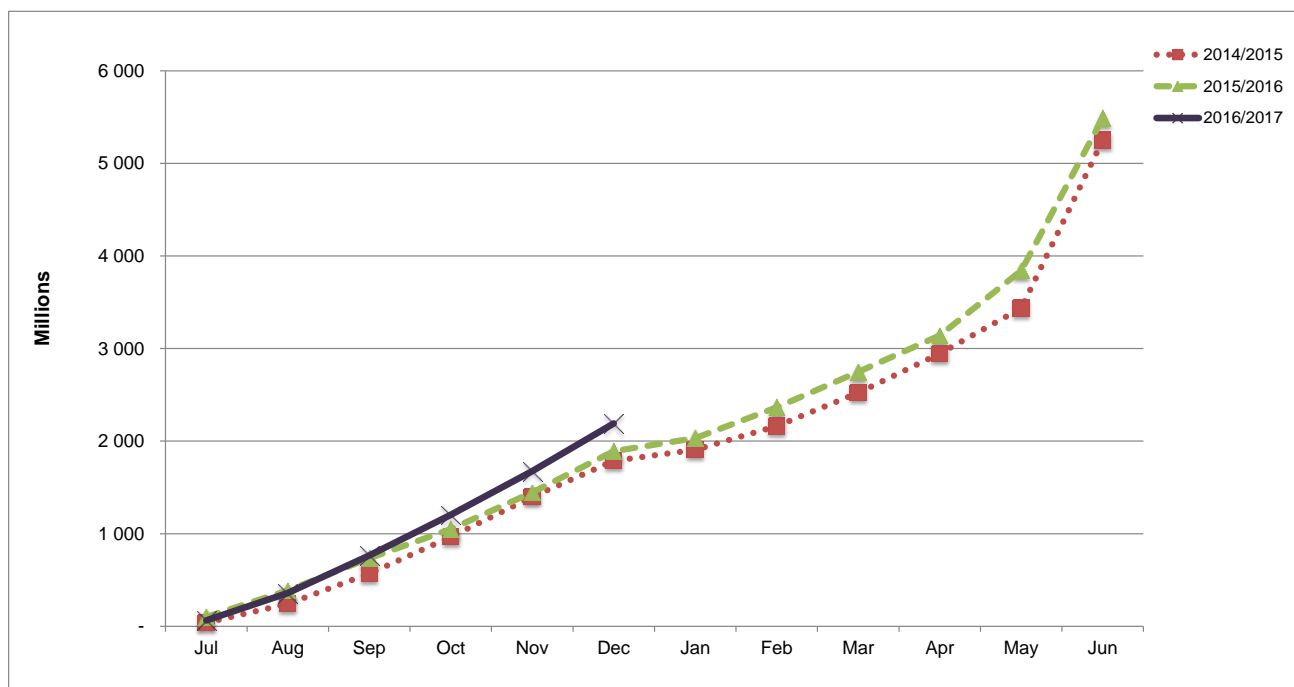
Table SC12 Monthly Budget Statement - capital expenditure trend

Month	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	99,708	101,391	93,596	63,237	63,237	93,596	30,359	32.4%	1.0%
August	287,144	227,871	257,166	295,257	358,494	350,763	(7,731)	-2.2%	5.5%
September	348,428	321,938	367,267	406,869	765,363	718,030	(47,333)	-6.6%	11.8%
October	315,151	364,642	402,579	439,522	1,204,885	1,120,610	(84,275)	-7.5%	18.5%
November	395,133	407,644	420,018	470,880	1,675,764	1,540,628	(135,137)	-8.8%	25.8%
December	446,641	326,494	417,923	515,739	2,191,503	1,958,551	(232,952)	-11.9%	33.7%
January	140,970	287,297	360,554	-	-	2,319,105	-	-	-
February	332,370	492,712	527,551	-	-	2,846,657	-	-	-
March	381,748	597,307	692,496	-	-	3,539,153	-	-	-
April	394,450	684,973	685,084	-	-	4,224,237	-	-	-
May	700,145	824,670	759,761	-	-	4,983,998	-	-	-
June	1,647,945	1,864,339	1,647,747	-	-	6,631,744	-	-	-
Total Capital expenditure	5,489,834	6,501,277	6,631,744	2,191,503					

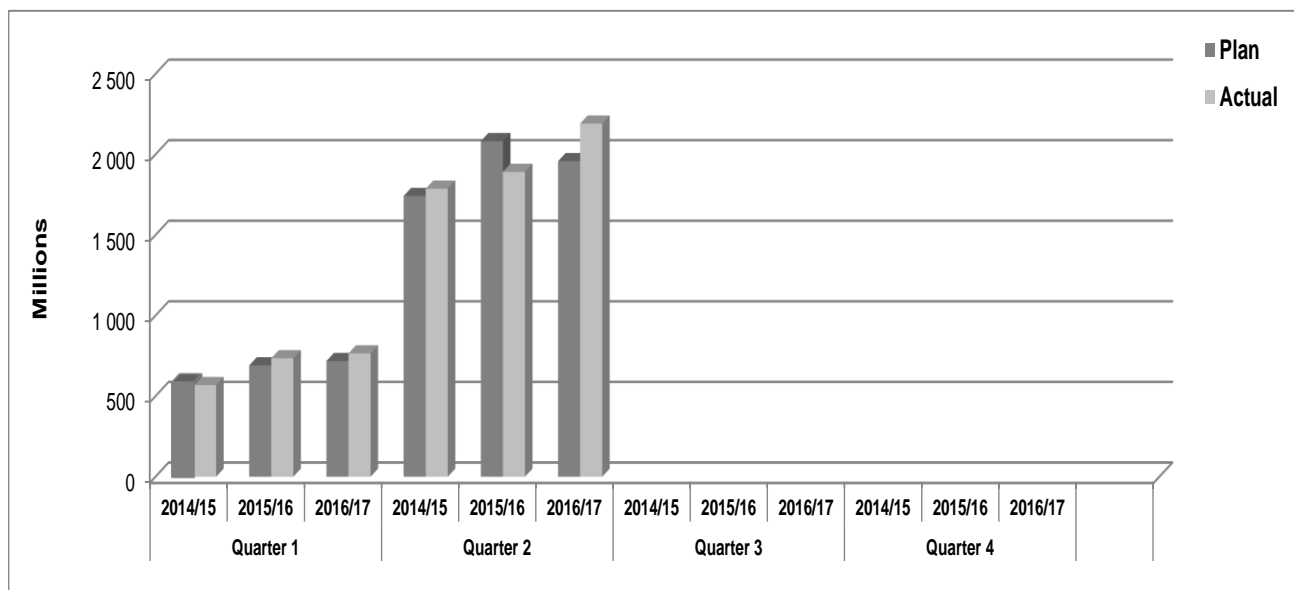
The graph below reflects the City’s monthly expenditure-to-date measured against the total 2016/17 current budget.



The City’s capital expenditure trend for 2014/15, 2015/16 and 2016/17 is graphically illustrated below.



The capital expenditure quarterly trend for the 2014/15, and 2015/16 and 2016/17 financial years is graphically illustrated below.



MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, **Achmat Ebrahim**, the municipal manager of City of Cape Town, hereby certifies that the quarterly report on the implementation of the budget and financial state affairs of the municipality, for the period ended **December 2016** has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name -----

Municipal Manager of City of Cape Town (CPT)

Signature -----

Date -----