



DATE:

REPORT TO: EXECUTIVE MAYOR

LC.19325

1. ITEM NUMBER C 42/10/17

2. SUBJECT

**QUARTERLY FINANCIAL REPORT: SEPTEMBER 2017**

LSUA1980

**ONDERWERP**

**KWARTAALLIKSE FINANSIËLE VERSLAG: SEPTEMBER 2017**

**ISIHLOKO**

**INGXELO YEMALI YARHOQO NGEKOTA: eyoMsintsi 2017**

3. DELEGATED AUTHORITY

In terms of delegation

This report is FOR NOTING BY

☐ Committee name :

☒ **The Executive Mayor to Delegated authority**

☐ The Executive Mayor together with the Mayoral Committee (MAYCO)

☐ Council

4. DISCUSSION

The Municipal Finance Management Act (MFMA) requires municipalities to submit regular reports on matters related to the municipality's financial performance.

The quarterly financial report is submitted in accordance with Section 52 of the MFMA and provides an overview of the City's budget implementation status and its financial viability and sustainability.

**This report presents the financial position of the abovementioned indicators as at 30 September 2017.**

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### Financial implications

☒ None ☐ Opex ☐ Capex

☐ Capex: New Projects

☐ Capex: Existing projects requiring additional funding

☐ Capex: Existing projects with no additional funding requirements

4.1. Legal Compliance ☒

Municipal Finance Management Act, 2003 (Act 56 of 2003), Section 52

4.2. Staff Implications ☐ Yes ☒ No

## 5. RECOMMENDATIONS

- a) The quarterly financial report for the quarter ended 30 September 2017 is submitted for information and noting only.

## AANBEVELING

- a) Die kwartaallikse finansiële verslag vir die kwartaal geëindig 30 September 2017 word slegs ter inligting en kennisname voorgelê.

## ISINDULULO

- a) INgxelo yeMali yaRhoqo ngeKota yekota ephele ngowama-30 eyoMsintsi 2017 ingeniselwa iinjongo zolwazi nokuqatshelwa kuphela.

## ANNEXURES

Annexure A Quarterly Financial Report – 30 September 2017

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## FOR FURTHER DETAILS CONTACT

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E-MAIL ADDRESS	johan.steyl@capetown.gov.za		
DIRECTORATE	Finance	FILE REF NO	-
SIGNATURE : DIRECTOR 			

## EXECUTIVE DIRECTOR: FINANCE (Acting)

NAME

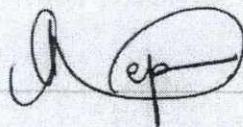
*Nthembu Lepheana*  
KEVIN JACOBY

COMMENT:

DATE

13/10/2017

SIGNATURE



## LEGAL COMPLIANCE

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

☐ NON-COMPLIANT

NAME

Joan-Mari Holb

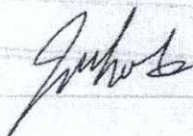
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For information. JMH

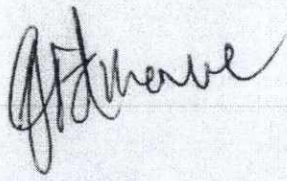
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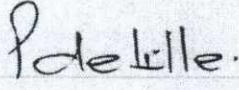
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**MAYORAL COMMITTEE MEMBER**NAME CLLR JOHANNES VAN DER MERWE

COMMENT: \_\_\_\_\_

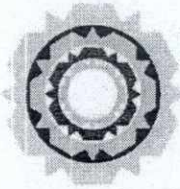
DATE 17/10/2017SIGNATURE **EXECUTIVE MAYOR**☒ SUPPORTED☐ NOT SUPPORTEDNAME ALD. PATRICIA DE LILLE

COMMENT: \_\_\_\_\_

DATE 18.10.2017SIGNATURE 

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CITY OF CAPE TOWN  
ISIXEKO SASEKAPA  
STAD KAAPSTAD

**ANNEXURE A**

# **S52 MAYOR'S QUARTERLY REPORT**

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**SEPTEMBER 2017 (2018 M03)**

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## **EXECUTIVE SUMMARY: CITY OF CAPE TOWN**

### **MAYOR'S QUARTERLY REPORT FOR THE PERIOD ENDING 30 SEPTEMBER 2017**

The purpose of the Mayor's Quarterly Report is to comply with Section 52 of the Municipal Finance Management Act (MFMA).

The report sets out the financial particulars in the format prescribed by the MFMA and the MBRR. It also provides a high level overview of the organisation's financial viability and sustainability.

### **BACKGROUND**

Section 52 of the MFMA states:

*"The mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality;"*

Regulation 31 of the MBRR states:

*"The S52 Mayor's Report must be in the format specified as per Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Municipal Management Finance Act; and must be consistent with the monthly budget statements for September, December, March and June as applicable;..."*

**KEY DATA: CITY OF CAPE TOWN (PAGE 4 - PAGE 19)**

This section includes certain Key Financial Performance Indicators for the City of Cape Town.

**IN YEAR BUDGET STATEMENT TABLES: CITY OF CAPE TOWN (PAGE 20 – PAGE 26)**

**Table C1 (Page 20)** provides a high level summation of the operating and capital budgets, actuals to date, financial position and cash flow.

**Table C2 (Page 21)** is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification.

**Table C3 (Page 22)** shows budgeted financial performance in relation to the revenue and expenditure as well as the operating surplus or deficit.

**Table C4 (Page 23)** is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type.

**Table C5 (Page 24)** reflects the 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.

**Table C6 (Page 25)** reflects the performance to date in relation to the financial position of the municipality.

**Table C7 (Page 26)** indicates the cash flow position and cash/cash equivalents.

**IN YEAR BUDGET STATEMENT SUPPORTING TABLES: CITY OF CAPE TOWN (PAGE 27 – PAGE 56)**

**KEY DATA: CITY OF CAPE TOWN**

The '2016/17 Audited Outcome' columns in the ensuing tables are populated with pre-audited figures and have been left blank in instances where figures are not available.

The adjusted budget column reflects the adjustments budget approved at Council in August 2017.

**Operating Budget**

Operating Budget	Adjusted Budget 2017/18	YearTD budget 2017/18	YearTD actual 2017/18	YTD variance	Full Year Forecast
Total Revenue* (R'Thousands)	38,482,865	9,982,383	9,873,306	(109,078)	38,482,865
Total Expenditure* (R'Thousands)	37,832,890	8,461,187	7,978,334	(482,853)	37,832,890
Surplus/(Deficit)	649,975	1,521,196	1,894,972	373,775	649,975
*(excl. capital transfers and contributions)					

Any surplus resulting from under expenditure and/or over-recovery on the operating budget will be allocated to the City's Water Resilience Programme in the 2017/18 financial year.

**Capital Budget**

Capital Budget	Adjusted Budget 2017/18	YearTD budget 2017/18	YearTD actual 2017/18	YTD variance	Full Year Forecast
Total Capital Expenditure (R'Thousands)	7,179,778	794,958	765,253	(29,706)	6,766,979

The year to date spend of R765 million represents 11.1% (R533 million) on internally-funded projects and 9.8% (R232 million) on externally-funded projects.

Of the projects currently on the capital budget, 94.3% is anticipated to be spent by the end of the financial year.

**Debtors**

Debtors	Current - 0 to 30 days	31-60 Days	61 days and over
	R Thousands		
Total	1,676,759	334,723	6,226,369
Rates	584,689	79,045	1,028,005
Electricity	755,405	44,742	261,859
Water	412,553	144,650	2,493,632

Debtors Collection Rate % <sup>2</sup>	Previous year 2016/17	Current year 2017/18	YTD collection Rate
Electricity	99.36%	99.14%	97.64%
Water	80.11%	78.64%	77.10%
Sewerage	87.05%	91.85%	86.53%
Refuse	90.78%	93.73%	92.74%
Rates	93.95%	101.17%	97.37%
Other	99.97%	97.20%	86.38%

<sup>2</sup>12 Months Collection Ratio. Calculated into National Treasury Circular 71)

**Human Resources**

Human Resources	Audited Outcomes 2016/17	Original Budget 2017/18	Adjusted budget 2017/18	YearTD actual 2017/18
Employee and Councillor remuneration (R'Thousands)	9,797,674	12,206,476	12,223,152	2,816,782
Employee Costs (Employee costs/Total Revenue - capital revenue)	26.8%	31.7%	31.4%	28.2%
Total Cost of Overtime (R'Thousands)	546,810	495,298	494,641	94,655
Number of permanent employees	26,436	26,261	26,553	26,379
Number of temporary employees	420	626	356	714

**Employee Related Costs** are influenced by ongoing terminations, turnaround time of filling of vacancies and the internal filling of vacancies. Remuneration of Councillors increases are expected be implemented retrospectively from 1 July 2017 when approved by the Minister of Co-corporative Governance & Traditional Affairs and Council.

**Overtime** has a structured and non-structured component. Line departments are phasing out reliance on non-structured overtime by ensuring that continuous shift rosters and stand-by allowances are put in place where 24 hour continuous services are required. Absenteeism and sick leave are also managed to to curb this expenditure.

**Financial position**

Working Capital	Audited Outcomes 2016/17	Original Budget 2017/18	Adjusted budget 2017/18	YearTD actual
<b>Ratios</b>				
Cost coverage ratio (Actual Cash and cash equivalents as at period end/Monthly operating Expenditure) <sup>3</sup>	2,27:1	-	-	2,44:1
<b>Liquidity</b>				
Current Ratio (Current assets/current liabilities) <sup>4</sup>	1.40	1.28	1.28	1.84
<b>Borrowing</b>				
Capital Charges to Operating Expenditure (Interest & principal paid/Operating Expenditure) <sup>5</sup>	1.0%	9.9%	9.8%	2.6%
Borrowed funding of 'own' capital expenditure (Borrowings/Capital expenditure excl. transfers and grants) <sup>6</sup>	46.4%	41.5%	41.7%	48.4%
<b>Financial Position (R'Thousands)</b>				
TOTAL ASSETS	58,821,083	63,460,560	62,628,334	59,069,016
TOTAL LIABILITIES	20,665,248	25,325,597	24,472,559	18,786,415
<b>Cash Flow (R'Thousands)</b>				
Cash/cash equivalents at month/year end:	3,450,193	4,425,075	3,398,520	5,233,505

<sup>3</sup>Cost coverage ratio

This ratio indicates the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue during that period. This ratio denotes that the City is within the norm of 1-3 months as per MFMA Circular 71.

<sup>4</sup>Current Ratio

This ratio indicates the municipality's ability to pay its current or short-term obligations. This ratio indicates that the City has sufficient cash to meet its short-term financial obligations and is within the norm of 1.5 to 2.1 as per MFMA Circular 71.

<sup>5</sup>Capital Charges to Operating Expenditure

This ratio indicates the cost required to service the borrowing of a municipality. The year-to-date ratio for September 2017 is below the norm of 6% to 8% (as per MFMA Circular 71). The ratio will normalise over the period to December 2017 as further interest and redemption payments on external loans are made in accordance with the loan repayment schedules. Capital charges (Debt servicing costs) are paid at specific intervals.

<sup>6</sup>Borrowed funding of 'own' capital expenditure

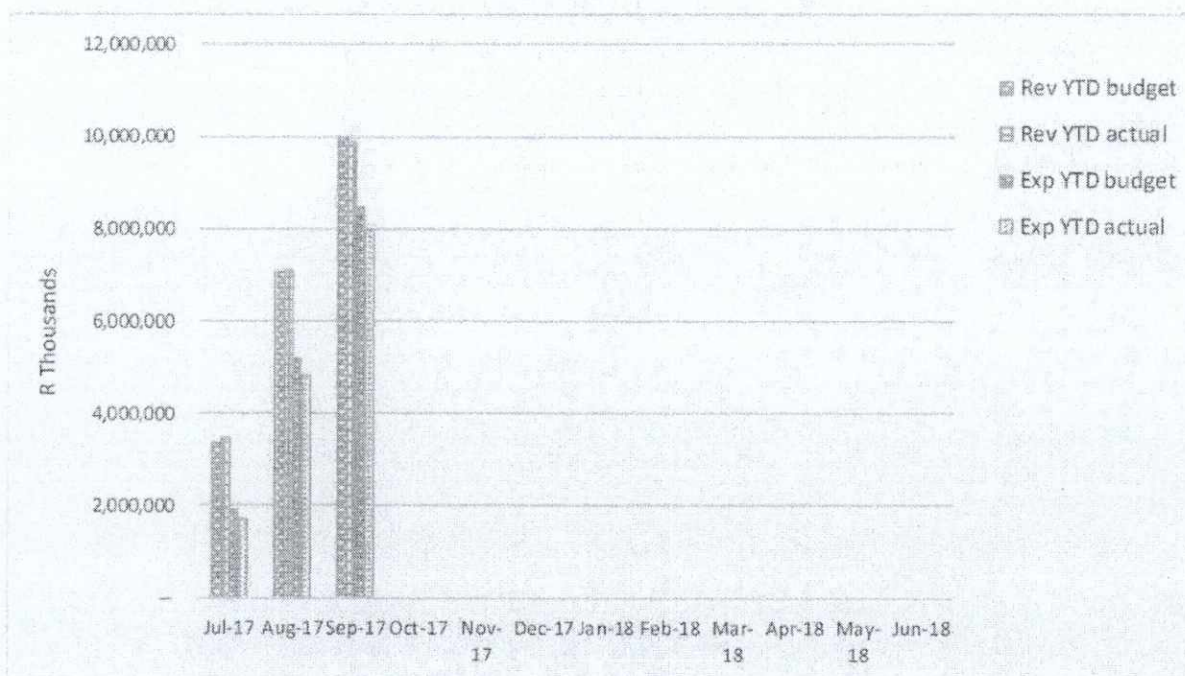
This ratio indicates the proportion of borrowed funding to actual capital expenditure to date (excluding transfers and grants). The ratio also indicates the extent of capital expenditure being financed from borrowed funding compared to own and other funding sources, excluding transfers and grant funded expenditure

## Cash Flow

The cash and cash equivalents of the City as at 30 September 2017 is R5 234 million. This funding is invested with various financial institutions in compliance with the MFMA.

**BUDGET PERFORMANCE ANALYSIS****Summary Statement of Financial Performance**

R'Thousands	Original Budget 2017/18	Adjusted Budget	YearTD actual 2017/18	YearTD budget 2017/18	YTD variance	YTD variance %	% of adjusted budget
Total Revenue (excluding capital transfers and contributions)	38,008,091	38,482,865	9,873,306	9,982,383	(109,078)	-1.1%	25.66%
Total Expenditure	37,358,116	37,832,890	7,978,334	8,461,187	(482,853)	-5.7%	21.09%
Surplus	649,975	649,975	1,894,972	1,521,196	373,775	24.6%	

**Monthly Operational Income and Expenditure Performance**

The City has financial controls in place to ensure that variances from planned budget are minimised. Detailed assessments at profit/cost centre level are performed in addition to the basic legislative requirements. Any instances of apparent non-compliance are addressed by the relevant finance official.

It is too early in the financial year to notice any particular trend and/or pattern in respect of income and expenditure; remedial action on major variances will be implemented in the ensuing months.

**REVENUE****Revenue per main source for 2017/18**

Description	Budget Year 2017/18						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>							
<b>Revenue By Source</b>							
Property rates	8,662,350	8,662,350	2,164,008	2,154,069	9,939	0.5%	8,662,350
Service charges - electricity revenue	11,942,587	11,942,587	3,183,150	3,182,971	180	0.0%	11,942,587
Service charges - water revenue	3,933,401	3,933,401	779,770	902,581	(122,811)	-13.6%	3,933,401
Service charges - sanitation revenue	2,092,272	2,092,272	368,687	477,484	(108,797)	-22.8%	2,092,272
Service charges - refuse revenue	1,341,882	1,341,882	322,403	335,471	(13,068)	-3.9%	1,341,882
Service charges - other	-	-	-	-	-	-	-
Rental of facilities and equipment	418,011	418,011	105,773	100,396	5,376	5.4%	418,011
Interest earned - external investments	773,657	773,657	215,233	193,972	21,261	11.0%	773,657
Interest earned - outstanding debtors	284,131	284,131	75,069	72,478	2,592	3.6%	284,131
Dividends received	-	-	-	-	-	-	-
Fines, penalties and forfeits	1,146,414	1,146,414	379,938	211,362	168,576	79.8%	1,146,414
Licences and permits	43,749	43,749	12,072	10,494	1,578	15.0%	43,749
Agency services	162,771	162,771	46,498	42,092	4,406	10.5%	162,771
Transfers and subsidies	6,455,942	6,930,716	2,017,970	2,118,784	(100,814)	-4.8%	6,930,716
Other revenue	709,425	709,425	199,958	170,604	29,354	17.2%	709,425
Gains on disposal of PPE	41,500	41,500	2,777	9,625	(6,848)	-71.1%	41,500
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>38,008,091</b>	<b>38,482,865</b>	<b>9,873,306</b>	<b>9,982,383</b>	<b>(109,078)</b>	<b>-1.1%</b>	<b>38,482,865</b>

**Corporate reasons for over-/under-recovery**

The majority of the variances relate to misalignment of the period budget with the actuals to date. If the trend continues over the next few months the monthly planned revenue estimates will be corrected.

**Reasons for major over-/under-recovery per revenue source**

- **Service Charges – water revenue (R123 million under) and sanitation revenue (R109 million under)**

The under-recovery is due to Level 4b water restrictions and Level 5 additional measures implemented from 03 September 2017 as well as the impact of the billing cycles and continuous billing corrections. The Water & Sanitation department has re-aligned the period budget with the anticipated trend for the budgeted Level 4 restriction level. It is important to note that Level 4 restrictions are 'unchartered water' in terms of restriction levels and no previous budget trends are available in this regard. Projections at the end of the first quarter (end September 2017) indicate that the Water & Sanitation department will under-recover against the Level 4 revenue budget. This is predominantly due to the additional restriction measures implemented flowing from the severity of the drought, above what was reasonably expected during the preparation of the 2017/18 original budget. Although, provision was made in the budget to absorb revenue under-recovery (i.e. expenditure budget was not fully committed to the same level as the revenue budget), the projections have moved past the point of what the expenditure budget can absorb. It is unlikely that the situation will improve as we have reached the end of winter and additional measures have been announced to reduce water consumption even further.

Current trends are closely monitored against the (untested) period budget. To absorb the under-recovery on revenue, the Water & Sanitation department will reduce expenditure on various items in the January 2018 adjustments budget. In addition, immediate internal cost cutting directives across directorates have been communicated and identified to try and soften the likely Rates and tariff increases in the short to medium term.

- **Interest earned on external investments (R21 million over)**

The over-recovery is due to favourable investments and cash fund balances

- **Fines, penalties & forfeits - (R169 million over)**

The over-recovery is mainly on Traffic Fines and Traffic Fines-Accruals as a result of more than planned fines issued and paid for the period.

- **Transfers & Subsidies (R101 million under)**

The under-recovery is due to a number of factors across various directorates i.e. Slow start on the MyCiTi communication/marketing and IT programmes; MyCiTi station management invoice being disputed and therefore not processed for payment; slower than anticipated start on Elsies River Investment Framework and the Integrated Public Transport Network project; lesser Top Structures payments in respect of the full subsidy per beneficiary as these are dependent on the actual building of housing units, which occur in phases; due to the VAT clawback realised on a number of USDG projects currently in progress; Health Service claims against grants and subsidies for September 2017 not yet processed.

Further details on variances for revenue by source can be found in *Table SC1: Material variance explanations for revenue by source* on page 27.

**EXPENDITURE****Main expenditure types for 2017/18**

Description	Budget Year 2017/18						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
<b>Expenditure By Type</b>							
Employee related costs	12,050,690	12,067,366	2,781,150	2,844,199	(63,049)	-2.2%	12,067,366
Remuneration of councillors	155,787	155,787	35,632	38,187	(2,554)	-6.7%	155,787
Debt impairment	2,508,738	2,508,738	557,745	559,333	(1,588)	-0.3%	2,508,738
Depreciation & asset impairment	2,574,607	2,574,607	626,524	643,930	(17,406)	-2.7%	2,574,607
Finance charges	1,131,010	1,135,637	205,956	216,023	(10,067)	-4.7%	1,135,637
Bulk purchases	8,540,135	8,540,135	2,083,935	2,098,559	(14,624)	-0.7%	8,540,135
Other materials	1,190,177	1,190,507	230,329	272,814	(42,485)	-15.6%	1,190,507
Contracted services	6,086,610	6,251,222	800,671	1,019,203	(218,531)	-21.4%	6,251,222
Transfers and subsidies	140,985	416,562	82,054	97,669	(15,615)	-16.0%	416,562
Other expenditure	2,978,990	2,991,942	574,143	671,186	(97,043)	-14.5%	2,991,942
Loss on disposal of PPE	387	387	194	84	110	131.1%	387
<b>Total Expenditure</b>	<b>37,358,116</b>	<b>37,832,890</b>	<b>7,978,334</b>	<b>8,461,187</b>	<b>(482,853)</b>	<b>-5.7%</b>	<b>37,832,890</b>

**Corporate reasons for over/under expenditure**

Misalignment of the period budget with the actuals to date. If the trend continues over the next few months the monthly planned spend will be corrected.

**Reasons for major over/under expenditure per type**

- **Employee Related Costs (R63.0 million under)**

This under expenditure is due to the turnaround time in the filling of vacancies and the internal filling of vacant posts, the appointment of seasonal workers and temporary staff, which is dependent on peak seasons as and when required and slower than expected implementation of job creation projects. Savings realised to date have been set aside and ring-fenced within investment accounts to address corporate initiatives and commitments such as the Water Resilience Programme.

- **Other Materials (R42.5 million under)**

The under expenditure is due to delays in awarding of maintenance tenders and lower than anticipated demand on fuel, stationery, printing and materials, which in turn resulted in the misalignment of the period budget with the actual expenditure. Alignment of the period budget with the actual expenditure is ongoing.

- **Contracted Services (R218.5 million under)**

The under expenditure is due to various factors i.e. late commencement of Security Services and Transportation services contracts for shift workers; delays in awarding of High Mast tender on Repairs and Maintenance; lower volume and demand for sewerage removal as a result of water restrictions; late award of tender for services within Informal Settlements; refuse removal currently being rendered in-house as the contract was terminated, lower than anticipated expenditure on various Human Settlement Development projects.

- **Other Expenditure (R97.0 million under)**

The under-recovery is due to inter alia software licences that have not yet been renewed; lower than anticipated expenditure on specialized IT services; lower electricity consumption at water pump stations as a result of current weather patterns and lower water demand; fewer training interventions and appointment of co-op students during this period.

Further details on variances for expenditure by type can be found in **Table SC1: Material variance explanations for expenditure by type** on page 35.

#### Expenditure per vote (directorate)

Vote Description	Budget Year 2017/18						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
<b>Expenditure by Vote</b>							
Vote 1 - Area-Based Service Delivery	547,009	547,477	114,769	116,382	(1,613)	-1.4%	547,477
Vote 2 - Assets & Facilities Management	1,851,509	1,851,509	406,146	426,789	(20,643)	-4.8%	1,851,509
Vote 3 - Corporate Services	1,741,551	1,741,551	348,070	359,410	(11,340)	-3.2%	1,741,551
Vote 4 - City Manager	22,198	22,198	14,680	14,766	(87)	-0.6%	22,198
Vote 5 - Directorate of the Mayor	557,664	557,664	132,724	147,308	(14,584)	-9.9%	557,664
Vote 6 - Energy	10,355,750	10,355,750	2,510,097	2,571,532	(61,435)	-2.4%	10,355,750
Vote 7 - Finance	3,370,596	3,370,596	760,196	772,247	(12,050)	-1.6%	3,370,596
Vote 8 - Informal Settlements, Water & Waste Services	7,739,299	7,748,075	1,508,062	1,664,379	(156,317)	-9.4%	7,748,075
Vote 9 - Safety & Security	3,148,512	3,152,551	705,735	722,660	(16,924)	-2.3%	3,152,551
Vote 10 - Social Services	3,463,150	3,463,601	663,160	743,633	(80,473)	-10.8%	3,463,601
Vote 11 - Transport & Urban Development Authority	4,560,879	5,021,918	814,696	922,082	(107,386)	-11.6%	5,021,918
<b>Total Expenditure by Vote</b>	<b>37,358,116</b>	<b>37,832,890</b>	<b>7,978,334</b>	<b>8,461,187</b>	<b>(482,853)</b>	<b>-5.7%</b>	<b>37,832,890</b>
<b>Surplus/ (Deficit) for the year</b>	<b>3,003,710</b>	<b>3,024,523</b>	<b>2,127,413</b>	<b>1,823,070</b>	<b>304,343</b>	<b>16.7%</b>	<b>3,024,523</b>

Details on variances for expenditure by vote can be found in **Table SC1: Material variance explanations for expenditure by vote** on page 32.

**VACANCY STATISTICS**

The table below provides a breakdown of vacant positions per directorate.

DIRECTORATE	VACANT POSTS (Permanent positions)		% of Posts Filled	Vacancy Rate
	Number of Posts	Value		
CITY MANAGER	0	R0	100.00%	0.00%
AREA-BASED SERVICE DELIVERY	47	R17,021,901	89.20%	10.80%
ASSETS AND FACILITIES MANAGEMENT	242	R72,788,458	85.76%	14.24%
CORPORATE SERVICES	149	R63,534,641	89.72%	10.28%
DIRECTORATE OF THE MAYOR	108	R62,961,070	75.12%	24.88%
ENERGY	302	R78,311,178	88.62%	11.38%
FINANCE	140	R41,664,385	91.86%	8.14%
INFORMAL SETTLEMENTS, WATER AND WASTE SERVICES	872	R212,804,913	89.42%	10.58%
SAFETY AND SECURITY	260	R58,080,874	94.17%	5.83%
SOCIAL SERVICES	376	R88,553,084	93.48%	6.52%
TRANSPORT & URBAN DEVELOPMENT AUTHORITY	341	R91,806,983	88.89%	11.11%
<b>TOTAL</b>	<b>2837</b>	<b>R787,527,487</b>	<b>90.52%</b>	<b>9.48%</b>

As from 1 July 2017 to date, 696 positions were filled (407 internal and 289 external) with 277 terminations processed. The internal filling of vacancies create consequential vacancies and therefore has a minimal impact on the vacancy rate.

The underspend on staff is currently being assessed for potential use to absorb the financial impact of drought (Water Resilience Programme) over the medium term.

In addition, there is a moratorium on the filling of all vacancies older than 1 year (excluding grant-funded positions) effective October 2017. Filling of vacancies < 1 year (i.e. including consequential vacancies, extension of contracts, conversion of contractors to permanency and the appointment of labour brokers) will be subject to motivation to the City Manager. This is one of the proposed drought relief measures proposed for implementation to soften a likely Rates and tariff increases in the short-to medium term.

The table below provides an age analysis of vacant positions per directorate.

DIRECTORATE	Less Than 6 Months	6 to 12 Months	1 to 2 Years	More Than 2 Years	Grand Total
AREA-BASED SERVICE DELIVERY	29	17	1	0	47
ASSETS AND FACILITIES MANAGEMENT	149	41	32	20	242
CORPORATE SERVICES	74	44	25	6	149
DIRECTORATE OF THE MAYOR	79	18	10	1	108
ENERGY	148	108	38	8	302
FINANCE	110	22	8	0	140
SAFETY AND SECURITY	127	79	42	12	260
SOCIAL SERVICES	230	110	24	12	376
INFORMAL SETTLEMENTS, WATER AND WASTE SERVICES	442	216	150	64	872
TRANSPORT & URBAN DEVELOPMENT AUTHORITY	107	112	88	34	341
<b>Grand Total</b>	<b>1495</b>	<b>767</b>	<b>418</b>	<b>157</b>	<b>2837</b>

The contributing factors for vacancies 12 months and older are:

- A number of vacancies are where scarce skills are needed.
- Positions are often advertised more than twice in order to get the right candidates for the job.
- Capacity issues at corporate recruitment and selection level.
- Lack of dove-tailing on current recruitment and selection processes to ensure consequential vacancies are timeously filled.
- Administrative failures on filling of lower level positions i.e. filling of newer vacancies instead of older vacancies in same category when doing bulk recruitment.

Details on senior managers remuneration and the remuneration of other municipal staff can be found in *Table SC8 Monthly Budget Statement - councillor and staff benefits* on page 47.

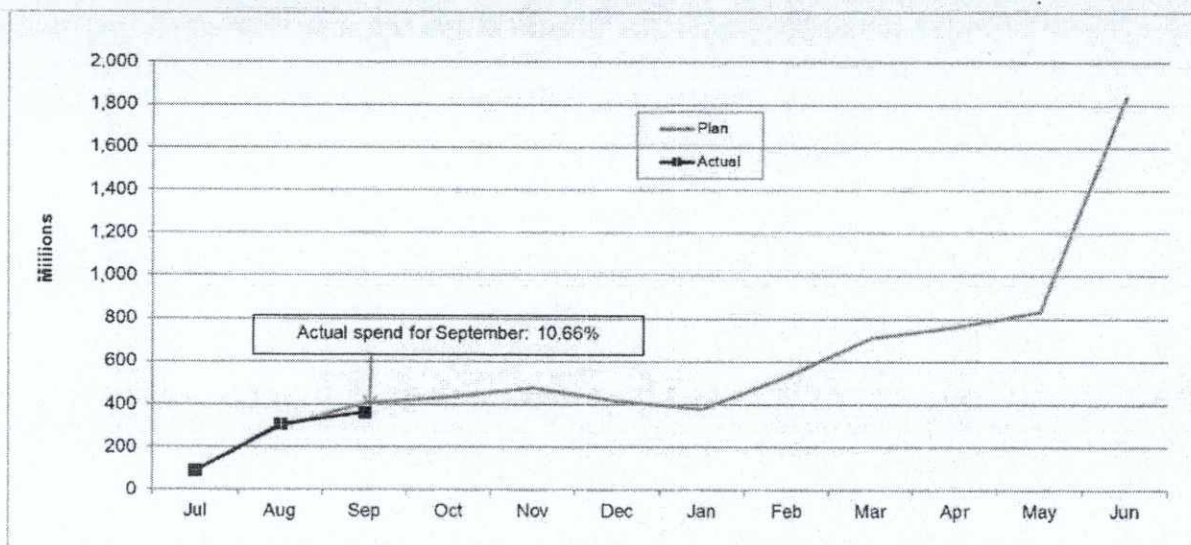
## CAPITAL EXPENDITURE AND FUNDING

### Summary Statement of Capital Budget Performance

Vote Description	Budget Year 2017/18						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
<b>Total Capital Expenditure</b>	<b>6,975,220</b>	<b>7,179,778</b>	<b>765,253</b>	<b>794,958</b>	<b>(29,706)</b>	<b>-3.7%</b>	<b>6,766,979</b>
<b>Funded by:</b>							
National Government	2,189,832	2,210,645	212,280	274,935	(62,656)	-22.8%	2,152,012
Provincial Government	79,002	79,002	4,419	8,990	(4,571)	-50.8%	76,543
Transfers recognised - capital	2,268,835	2,289,647	216,698	283,925	(67,227)	-23.7%	2,228,555
Public contributions & donations	84,900	84,900	15,743	13,000	2,743	21.1%	84,900
Borrowing	2,894,482	2,992,706	370,074	264,242	105,832	40.1%	2,824,438
Internally generated funds	1,727,003	1,812,524	162,738	233,791	(71,054)	-30.4%	1,629,086
<b>Total Capital Funding</b>	<b>6,975,220</b>	<b>7,179,778</b>	<b>765,253</b>	<b>794,958</b>	<b>(29,706)</b>	<b>-3.7%</b>	<b>6,766,979</b>

### Monthly capital expenditure

The graph below reflects the City's monthly expenditure-to-date measured against the 2017/18 current budget.



**Capital budget by municipal vote for 2017/18**

Vote Description	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<b>Multi-Year expenditure appropriation</b>								
Vote 1 - Area-Based Service Delivery	12,384	39,430	39,843	325	897	(572)	-64%	39,643
Vote 2 - Assets & Facilities Management	358,089	395,019	413,304	41,411	50,302	(8,891)	-18%	411,806
Vote 3 - Corporate Services	244,883	351,686	358,010	10,057	3,323	6,734	203%	356,968
Vote 4 - City Manager	321	222	222	9	9	0	0%	172
Vote 5 - Directorate of the Mayor	22,022	17,108	17,132	3,395	3,275	120	4%	17,082
Vote 6 - Energy	1,248,887	1,292,814	1,366,034	181,642	191,080	(9,439)	-5%	1,267,691
Vote 7 - Finance	23,989	17,136	17,136	2,589	2,208	381	17%	13,117
Vote 8 - Informal Settlements, Water & Waste Services	1,828,616	2,445,238	2,483,251	279,063	233,513	45,549	20%	2,290,702
Vote 9 - Safety & Security	114,816	191,120	191,488	18,398	11,468	6,929	60%	191,126
Vote 10 - Social Services	243,958	283,413	286,073	15,239	21,334	(6,095)	-29%	265,870
Vote 11 - Transport & Urban Development Authority	1,806,655	1,942,035	2,007,284	213,126	277,549	(64,423)	-23%	1,912,802
<b>Total Capital Multi-year expenditure</b>	<b>5,904,621</b>	<b>6,975,220</b>	<b>7,179,778</b>	<b>765,253</b>	<b>794,958</b>	<b>(29,706)</b>	<b>-4%</b>	<b>6,766,979</b>

Variances due to cash flow misalignments will continue as cash flows may only be corrected in the January 2018 adjustments budget.

**Reasons for major over/under expenditure on the capital**

- **Energy directorate (R9.4 million under)**

There are challenges in the implementation of the Bloemhof: Stores Upgrade project, due to poor soil conditions experienced during excavation of the foundations and the late delivery of steel as well as the Bloemhof Network Control centre project, due to delays in demolishing the old network control centre building and massive amounts of water that was found on site during excavation of the foundations. A 92.8% spend is forecasted for the projects currently on the budget

- **Informal Settlements, Water & Waste Services directorate (R45.6 million over)**

*Solid Waste Management department - R37.8 million under*

The under expenditure relates to the Plant & Vehicles Replacement FY2018 project, where the tender is in place but the department delayed the placement of orders, due to re-prioritisation of vehicle requirements.

*Water & Sanitation department - R94.4 million over*

The positive variance is due to good contractor performance and implementation being faster than originally planned on various projects within the department. A 99.7% spend is forecasted for the projects currently on the budget.

- **Transport & Urban Development Authority directorate (R64.4 million under)**

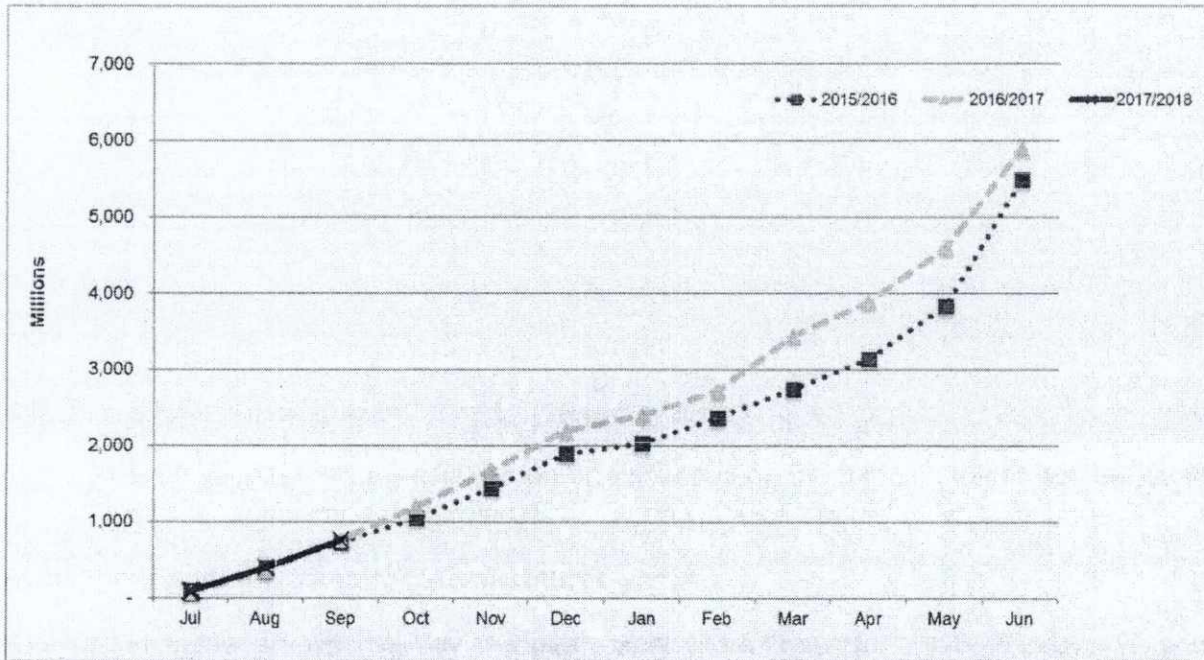
A combination of factors attributed to the directorate's negative variance i.e. IRT vehicle acquisition of busses are only scheduled for delivery in March 2018; machinery breakdown on road rehabilitation projects are delaying progress; appeals against the appointment of consultants for Langa Hostels still underway; the IRT Phase 2 A Stock and Strandfontein Road projects are delayed as the long term consultant appointments for the conceptual and detail design of Phase 2A components are awaiting clarification and confirmation on the operational plan. A 95.3% spend is forecasted for the projects currently on the budget.

City of Cape Town: Annexure A: S52 -2018 Q1 (September 2017)

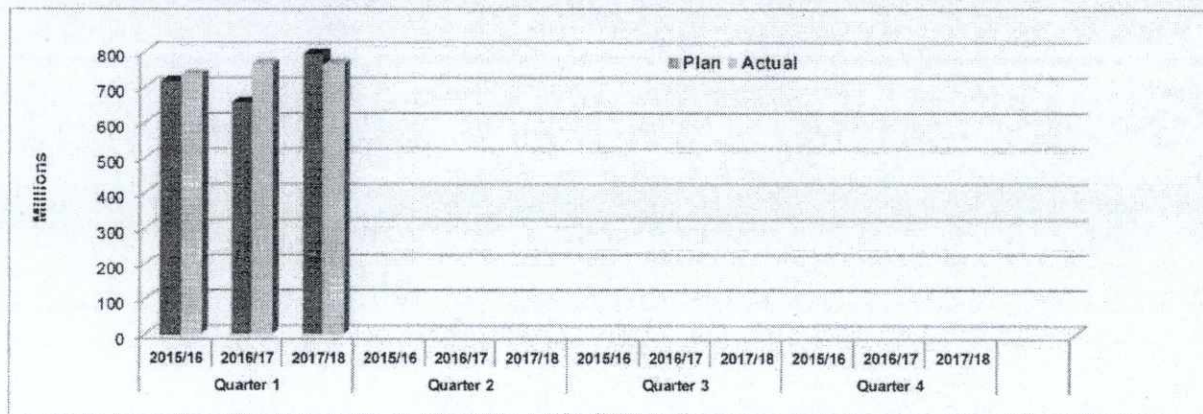
Detailed explanations and remedial action on variances on the capital budget can be found in *Table SC1: Material variance explanations for capital expenditure by vote on page 37.*

### Capital expenditure trend for the past three years

The graph below shows the City's capital expenditure trend for 2015/16, 2016/17 and 2017/18.



The capital expenditure quarterly trend for the 2015/16, 2016/17 and 2017/18 financial years is graphically illustrated below.



**Status of certain major capital programmes/projects in the City**

Programme or Major Project	Current Budget	YTD Planned Spend	YTD Actual Spend	YTD Variance	Status of project - September
Acquisition & Commissioning of large Generators	91,149,954	27,500,000	30,276,692.78	2,776,692.78	Manufacturing is underway and some of the equipment arrived earlier than planned. The balance of the funding available on the project will be utilised for the procurement of cables required as part of the installation of generators.
Asset Management Programme	85,000,000	18,954,999	784,475.28	18,170,523.72	Cash flow misaligned. Order has been issued to term tender contractor. Work scheduled to commence in October 2017.
Borchards Quarry WWTW	95,500,000	6,545,000	8,223,238.97	1,678,238.97	Project consists of several tenders and all contractors are on site of which some is progressing ahead of programme due to good contractor performance.
Congestion Relief Projects	91,118,683	6,300,000	1,477,143.92	4,822,856.08	Cashflows misaligned. This programme contributes to various multifunded projects, including R300/Bottelary, Sir Lowry's Pass Village, Wetton & Plantation, Voortrekker Roads and Brackenfell Blvd.
Construction of new Head Office	129,662,507	28,658,002	62,951,148.40	34,293,146.40	Cash flow misaligned. Construction currently underway. Project progressing as per schedule.
Contermanskloof Reservoir	83,100,000	12,605,000	16,714,102.67	4,109,102.67	Environmental Authorisation in place and land acquisition complete. Professional Services contract (Tender 415C/2012/13) is 55 weeks behind programme. Extension of Time claim pending (due completion of 1st Period of Performance 27 February 2015) [R8 587 567]. Tender 142Q/2015/16 (Contermanskloof Reservoir construction) after delays in evaluation, contract commenced on 27 February 2017 and on programme (revised) (due Completion Date 1 March 2019). R4 900 000 to be viremented to CPX.0001839-F1 (Bulk Water Infrastructure Replacement) due to overstatement of required funds in 2017/18 budget preparation process.
Dark Fibre Broadband Infrastructure	249,910,776	1,250,000	7,522,549.90	6,272,549.90	The positive variance is as a result of some 2016/17 projects relating to routes in Atlantis, Stellenbosch and Somerset/Zandvliet that were completed in the 2017/18 financial year. New routes for this financial year were dependent on approval to utilise tender 170S/16/17, which has now granted. Request for quotes in progress.
Electricity Facilities	108,550,018	13,084,008	8,512,887.52	4,571,120.48	Tender was advertised on 18 August 2017. Site clarification meeting was held on 29 August 2017. Closing date was 18 September 2017. Awaiting receipt of tender responses to be adjudicated. Department to investigate the possibility of reprioritising funding of to other critical projects.
Emergency Water Resource Schemes	40,000,000	1,200,000	-	1,200,000.00	Cash flow misaligned. Commenced conceptual design for Cape Flats Aquifer and Atlantis/Silverstroom Aquifers. Term tenders for drilling and equipping boreholes advertised 22 September 2017 with a closing date of 13 October 2017.
IRT Phase 2 A	312,287,436	62,700,000	62,361,036.16	338,963.84	Cashflow misaligned. This project is currently funding the Stock and Strandfontein Road projects as well as the long term consultant appointments for the conceptual and detail design of the various IRT Phase 2 components. Additional work packages are either in the evaluation process or about to go out to tender.
IRT Vehicle Acquisition	128,874,854	5,000,000	-	5,000,000.00	Cashflow misaligned. First bus completed and will be sent up to Pretoria for homologation (to ensure the bus meets the regulatory standards and specifications, such as safety and technical requirements). Only when the first bus passes the homologation test, will assembly of the remaining 10 chassis commence. Cashflow to be amended in the January 2018 adjustments budget.
Non-Motorised Transport Programme	155,485,000	30,300,000	31,044,328.81	744,328.81	There are a number of ongoing NMT projects in the construction stage at present, as well as others that are ready to go out to tender. Delays in putting a number of projects out to tender have been offset by better than anticipated expenditure on the existing construction contracts. The net effect is a slight upward variance on the cashflow for this programme.
Upgrading Solid Waste facilities	91,341,200	2,963,812	1,725,653.82	1,238,158.18	Delays in the finalisation of detailed designs and late submission of the consultants invoices has resulted in under-expenditure. Project manager liaising with consultant on outstanding invoice.
Water Reclamation from Waste Water	80,000,000	2,400,000	-	2,400,000.00	Cash flow misaligned. Zandvliet: engaging service provider via deviation report. Design (BW-WP005) in progress; Fisantekraal: Design (BW-WP029) in progress.
Zandvliet WWTW-Extension	199,080,000	5,804,350	8,001,753.56	2,197,403.56	Several tenders have been awarded and contractors are on site of which some are progressing faster than anticipated. Tenders 84Q/2016/17 & 85Q/2016/17 for Zandvliet waste water projects (R200 million) are lagging behind due to the time it takes for a Section 33 approval.
	1,941,060,428	225,265,171	239,595,011.79	14,329,840.79	

**CASH AND CASH EQUIVALENTS**

The cash and cash equivalents of the City is R5 234 million as at 30 September 2017.

Outstanding commitments against Cash and Cash Equivalents are reflected in the table below.

Item	Previous Month	Current Month
<b>RThousands</b>		
Closing Cash Balance	10,373,335	9,444,822
Unspent Conditional Grants	1,508,536	1,410,101
Housing Development	282,568	286,398
MTAB	15,214	14,660
Trust Funds	736	740
Financial commitments	134,500	134,500
Sinking Funds	-	-
Insurance reserves	490,075	486,328
CRR	2,834,616	2,760,892
<b>TOTAL</b>	<b>5,266,245</b>	<b>5,093,619</b>
<b>TOTAL cash resources - committed working capital</b>	<b>5,107,090</b>	<b>4,351,003</b>

Details on the cash flow can be found in *Table C7: Monthly Budget Statement - Cash Flow* on page 26.

The monthly actual and targets can be found in *Table SC9: Monthly Budget Statement - Actual and revised targets for cash receipts and cash flows* on page 49.

The City's investment portfolio breakdown can be found in *Table SC5 Monthly Budget Statement investment portfolio* on page 43.

**GRANT UTILISATION**

Description	Budget Year 2017/18						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>							
Total operating expenditure of Transfers and Grants:	4,038,307	4,512,935	214,472	333,897	(119,425)	-35.8%	4,512,935
Total capital expenditure of Transfers and Grants	2,353,735	2,374,547	232,441	296,925	(64,484)	-21.7%	2,313,455
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>6,392,042</b>	<b>6,887,483</b>	<b>446,913</b>	<b>630,822</b>	<b>(183,909)</b>	<b>-29.2%</b>	<b>6,826,390</b>

Detailed information on transfers and grants per funding source is reflected on *Table SC7* on page 45.

**CREDITORS****Creditors Analysis**

R thousands	Budget Year 2017/18								
	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 Creditors	1,369,706	5,616	(93)	(165)	16	-	(18)	(7,210)	1,367,852

Creditors are normally paid within 30 days as stipulated by the MFMA.

Reasons for non-payment within the stipulated time are, inter alia, credit notes to be deducted from next payment, late submission of invoices, bank rejections due to incorrect banking details, and outstanding directive from the City's Legal department.

**DEBTORS****Debtors Age Analysis**

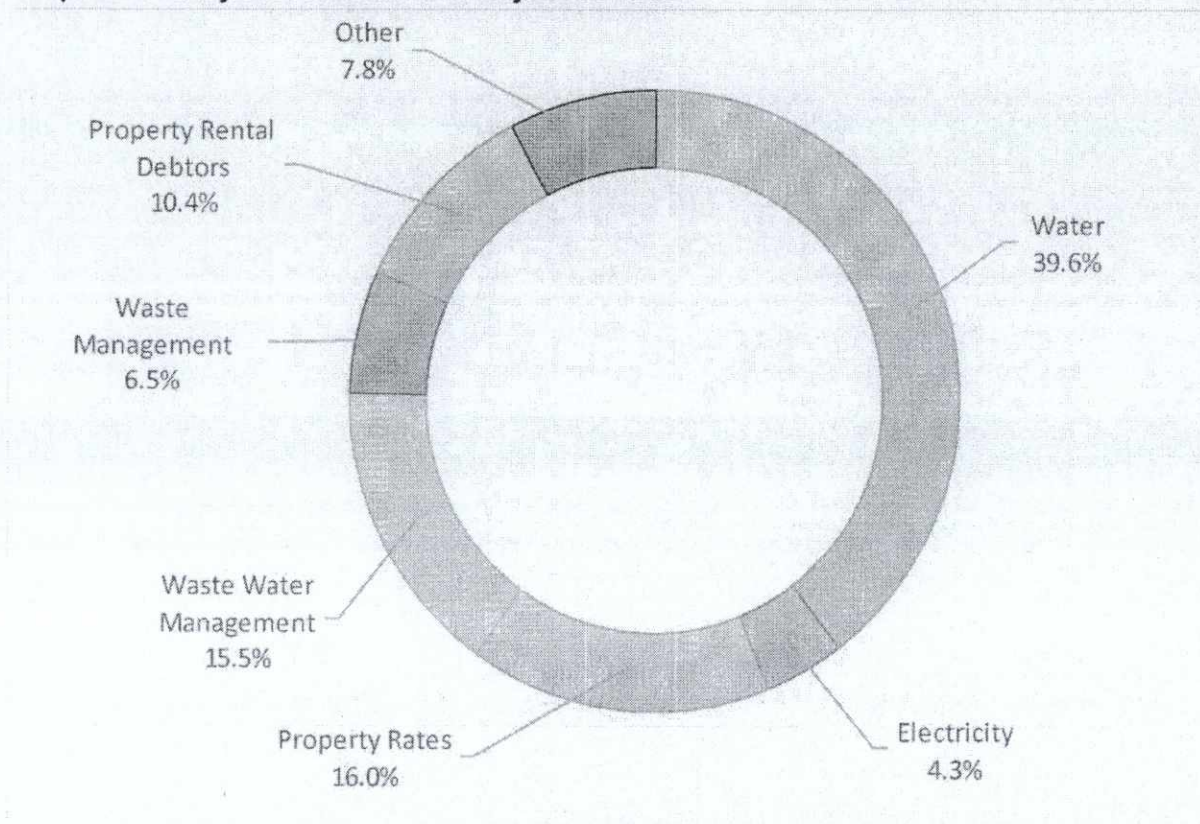
Description	Budget Year 2017/18								
	0-30 Days		31-60 Days		61-90 Days		Total over 90 days		Total
	R Thousand	%	R Thousand	%	R Thousand	%	R Thousand	%	R Thousand
Total By Income Source	1,676,759	20.4%	334,723	4.1%	280,273	3.4%	5,946,096	72.2%	8,237,852
2016/17 - totals only	1,609,692	22.0%	261,191	3.6%	237,848	3.2%	5,211,737	71.2%	7,320,468
Movement	67,068		73,532		42,425		734,359		917,384
% Increase/(Decrease) year on year		4.2%		28.2%		17.8%		14.1%	

**Top 20 debtors: Commercial**

Name	Total	Current	30 days	60 days	90 days	120 days	150 days	180-365 days	365 days
Victoria Mxerge Housing Dev	R 30,962,884	R 1,916,770	R 995,572	R 1,589,975	R 1,103,703	R 1,971,704	R 1,234,723	R 7,263,973	R 14,886,464
Moslem Cemetery Board Trustees	R 11,953,429	R 64,763	R 66,894	R 66,661	R 64,561	R 66,422	R 64,587	R 492,945	R 11,096,607
Zonnebloem College	R 9,908,275	R 208,674	R 188,931	R 183,119	R 0	R 0	R 202,161	R 1,690,427	R 7,434,962
Baskur 2295 (Proprietary) Limited	R 6,288,981	R 1,673,605	R 0	R 1,708,717	R 1,748,763	R 1,528,523	R 1,696,511	R 935,222	-R 2,680
Mitchells Plain Foundation	R 8,619,018	R 87,168	R 95,414	R 64,275	R 97,977	R 117,562	R 125,174	R 851,974	R 7,179,474
Transnet Limited	R 6,185,725	R 71,485	R 87,730	R 5,934	R 8,040,575	R 0	R 0	R 0	R 0
Cape Killarney Prop Investment (Pty) Ltd	R 6,444,993	R 49,009	R 59,157	R 48,649	R 588,639	R 0	R 0	R 0	R 5,699,338
Hamilton Naki Square Pty Ltd	R 5,706,083	R 0	R 0	R 276,657	R 1,073,608	R 1,042,325	R 1,041,910	R 1,914,621	R 356,762
E B Steam Utility Co - Sa Breweries	R 5,556,029	R 9	R 0	R 0	R 0	R 0	R 0	R 0	R 5,556,020
Paramount Property Fund Limited	R 5,494,852	R 904,119	R 0	R 0	R 0	R 0	R 0	R 0	R 4,590,733
Hencetrade 110 (Pty) Ltd	R 5,435,905	R 404,519	R 485,405	R 622,194	R 0	R 0	R 0	R 2,469,241	R 1,454,547
The Silvermyn Equestrian Village H O A	R 5,153,933	R 40,706	R 160,932	R 131,932	R 135,705	R 107,548	R 3,951,156	R 625,954	R 0
Church Methodist	R 5,121,582	R 430,061	R 508,640	R 365,980	R 297,928	R 208,427	R 446,729	R 1,419,543	R 1,444,274
Northern Value Share Block Pty Ltd	R 4,932,093	R 10,950	R 56,744	R 54,298	R 56,823	R 51,867	R 50,263	R 471,118	R 4,180,031
Oil Hotel And Resorts Cape Town (Pty) Ltd	R 4,611,186	R 163,098	R 145,611	R 1,292	R 290,960	R 0	R 59,838	R 296,360	R 3,654,027
Hamilton Naki Square Pty Ltd	R 4,479,286	R 1,094,946	R 24,059	R 899,584	R 1,763,065	R 0	R 816,268	R 0	-R 635
Burgundy Estate Master Home Owners Association	R 4,434,691	R 30,434	R 32,874	R 99,146	R 0	R 26,482	R 25,199	R 2,558,000	R 1,862,555
Springfontyn Property Holdings Pty Ltd	R 4,123,786	R 61,091	R 58,742	R 74,993	R 24,847	R 88,941	R 59,093	R 565,508	R 3,190,571
Athlone School For The Blind	R 3,791,880	R 240,201	R 244,258	R 229,018	R 225,299	R 181,841	R 303,722	R 1,291,178	R 1,076,363
Myriad Trust	R 3,517,922	R 979,577	R 956,376	R 458,416	R 909,410	R 214,143	R 0	R 0	R 0

**Top 20 debtors: Residential**

Name	TOTAL	Current	30 days	60 days	90 days	120 days	150 days	150><365 days	365 days
Amakhaya Ngoku	R 9,785,007	R 258,573	R 242,843	R 188,590	R 245,110	R 238,531	R 131,707	R 1,456,141	R 7,023,511
Silvermist Mountain Lodge Body Corporate	R 4,312,383	R 116,302	R 104,386	R 106,483	R 134,315	R 2,592,031	R 0	R 389,518	R 889,348
Ndabeni Communal Property Trust	R 3,301,651	R 104,931	R 134,809	R 163,641	R 21,160	R 205,150	R 112,416	R 662,823	R 1,896,722
Body Corp Sandpiper Mansions	R 2,688,252	R 78,717	R 63,733	R 100,913	R 98,396	R 93,783	R 89,290	R 688,801	R 1,474,618
Nurses War Memorial Cape Province	R 2,275,065	R 295,456	R 0	R 0	R 0	R 0	R 0	R 0	R 1,979,609
Friends Of Bathandwa Trust	R 1,901,733	R 179,087	R 185,141	R 117,930	R 55,729	R 96,632	R 136,156	R 683,851	R 467,206
Jacobs Ntongolo	R 1,843,441	R 11,375	R 109,121	R 102,284	R 91,158	R 109,518	R 113,450	R 512,995	R 793,539
Guguletu Community Development Trust	R 1,791,630	R 24,745	R 23,785	R 22,977	R 24,127	R 22,352	R 23,893	R 155,472	R 1,494,300
Jacobs Trust	R 1,412,397	R 8,095	R 8,470	R 8,461	R 8,095	R 16,263	R 7,729	R 247,890	R 1,107,303
Equity Holdings Inc	R 1,348,149	R 14,261	R 16,450	R 15,301	R 13,782	R 14,909	R 13,290	R 100,194	R 1,159,962
Ntuthuzelo Mashalaba	R 1,339,700	R 21,502	R 10,746	R 10,668	R 21,184	R 8,315	R 32	R 156,893	R 1,110,360
Abdullah Abduljabbara Alanizi	R 1,286,865	R 19,062	R 19,698	R 29,078	R 18,203	R 18,494	R 26,143	R 120,871	R 1,038,116
Chi Mimam Mehlomakhulu	R 1,239,577	R 10,147	R 20,228	R 0	R 9,514	R 10,180	R 9,912	R 507,147	R 672,350
Oseman Hassan	R 1,202,445	R 19	R 28	R 19	R 19	R 19	R 28	R 633,692	R 568,621
Isibane Sakho Masikhanye	R 1,147,525	R 24,728	R 34,314	R 23,595	R 26,861	R 21,597	R 30,732	R 166,534	R 819,164
Ahmed Hassan	R 1,095,504	R 10,936	R 10,616	R 10,412	R 6,888	R 13,815	R 18,253	R 180,400	R 844,383
Karbonkelberg Flats Body Corporate	R 1,092,461	R 32,296	R 17,253	R 15,087	R 13,114	R 12,640	R 8,225	R 198,193	R 795,653
Pinewood Trust	R 1,085,539	R 86,718	R 81,111	R 82,888	R 76,295	R 73,227	R 81,926	R 507,805	R 95,569
Victor September	R 1,076,421	R 6,323	R 7,567	R 7,406	R 9,100	R 63,827	R 68,944	R 359,573	R 553,681
Antonius Joseph Maria Van Haaster	R 1,050,681	R 10,869	R 11,467	R 23,055	R 10,128	R 11,080	R 5,269	R 128,033	R 850,780

**Graphical Analysis of debtors 90 days and older**

**IN YEAR BUDGET STATEMENT TABLES: CITY OF CAPE TOWN****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	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Financial Performance</b>								
Property rates	8,105,126	8,662,350	8,662,350	2,164,008	2,154,069	9,939	0.5%	8,662,350
Service charges	18,619,106	19,310,141	19,310,141	4,654,010	4,898,507	(244,497)	-5.0%	19,310,141
Investment revenue	768,224	773,657	773,657	215,233	193,972	21,261	11.0%	773,657
Transfers and subsidies	5,864,445	6,455,942	6,930,716	2,017,970	2,118,784	(100,814)	-4.8%	6,930,716
Other own revenue	2,711,751	2,806,001	2,806,001	822,084	617,051	205,033	33.2%	2,806,001
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>36,068,652</b>	<b>38,008,091</b>	<b>38,482,865</b>	<b>9,873,306</b>	<b>9,982,393</b>	<b>(109,078)</b>	<b>-1.1%</b>	<b>38,482,865</b>
Employee costs	9,659,300	12,050,690	12,067,366	2,781,150	2,844,199	(63,049)	-2.2%	12,067,366
Remuneration of Councillors	138,374	155,787	155,787	35,632	38,187	(2,554)	-6.7%	155,787
Depreciation & asset impairment	2,313,471	2,574,607	2,574,607	626,524	643,930	(17,406)	-2.7%	2,574,607
Finance charges	731,823	1,131,010	1,135,637	205,956	216,023	(10,067)	-4.7%	1,135,637
Materials and bulk purchases	8,914,151	9,730,312	9,730,642	2,314,264	2,371,373	(57,109)	-2.4%	9,730,642
Transfers and subsidies	111,829	140,985	416,562	82,054	97,669	(15,615)	-16.0%	416,562
Other expenditure	10,988,767	11,574,725	11,752,289	1,932,753	2,249,806	(317,053)	-14.1%	11,752,289
<b>Total Expenditure</b>	<b>32,857,715</b>	<b>37,358,116</b>	<b>37,832,890</b>	<b>7,978,334</b>	<b>8,461,187</b>	<b>(482,853)</b>	<b>-5.7%</b>	<b>37,832,890</b>
<b>Surplus/(Deficit)</b>	<b>3,210,937</b>	<b>649,975</b>	<b>649,975</b>	<b>1,894,972</b>	<b>1,521,196</b>	<b>373,775</b>	<b>24.6%</b>	<b>649,975</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,005,297	2,268,835	2,289,647	216,698	288,874	(72,176)	-25.0%	2,289,647
Contributions & Contributed assets	88,397	84,900	84,900	15,743	13,000	2,743	21.1%	84,900
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>5,304,632</b>	<b>3,003,710</b>	<b>3,024,523</b>	<b>2,127,413</b>	<b>1,823,070</b>	<b>304,343</b>	<b>16.7%</b>	<b>3,024,523</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>5,304,632</b>	<b>3,003,710</b>	<b>3,024,523</b>	<b>2,127,413</b>	<b>1,823,070</b>	<b>304,343</b>	<b>16.7%</b>	<b>3,024,523</b>
<b>Capital expenditure &amp; funds sources</b>								
<b>Capital expenditure</b>	<b>5,904,621</b>	<b>6,975,220</b>	<b>7,179,778</b>	<b>765,253</b>	<b>794,958</b>	<b>(29,706)</b>	<b>-3.7%</b>	<b>6,766,979</b>
Capital transfers recognised	2,055,507	2,268,835	2,289,647	216,698	283,925	(67,227)	-23.7%	2,288,555
Public contributions & donations	71,882	84,900	84,900	15,743	13,000	2,743	21.1%	84,900
Borrowing	2,739,196	2,894,482	2,992,706	370,074	264,242	105,832	40.1%	2,824,438
Internally generated funds	1,038,037	1,727,003	1,812,524	162,738	233,791	(71,054)	-30.4%	1,629,086
<b>Total sources of capital funds</b>	<b>5,904,621</b>	<b>6,975,220</b>	<b>7,179,778</b>	<b>765,253</b>	<b>794,958</b>	<b>(29,706)</b>	<b>-3.7%</b>	<b>6,766,979</b>
<b>Financial position</b>								
Total current assets	12,250,660	13,804,580	12,778,025	10,312,774	-	-	-	12,778,025
Total non current assets	46,570,423	49,655,980	49,850,309	48,756,243	-	-	-	49,850,309
Total current liabilities	8,766,303	10,811,468	9,958,429	5,617,172	-	-	-	9,958,429
Total non current liabilities	11,898,945	14,514,129	14,514,129	13,169,244	-	-	-	14,514,129
<b>Community wealth/Equity</b>	<b>38,155,835</b>	<b>38,134,963</b>	<b>38,155,775</b>	<b>40,282,601</b>	-	-	-	<b>38,155,775</b>
<b>Cash flows</b>								
Net cash from (used) operating	6,601,206	5,500,155	5,051,421	1,472,719	1,424,946	(47,773)	-3.4%	5,051,421
Net cash from (used) investing	(6,102,676)	(7,059,015)	(7,232,869)	(628,023)	(1,175,368)	(547,344)	46.6%	(7,232,869)
Net cash from (used) financing	(380,806)	2,103,124	2,103,124	911,945	910,519	(1,426)	-0.2%	2,103,124
<b>Cash/cash equivalents at the month/year end</b>	<b>3,450,193</b>	<b>4,425,075</b>	<b>3,398,520</b>	<b>5,233,505</b>	<b>4,636,962</b>	<b>(596,543)</b>	<b>-12.9%</b>	<b>3,398,520</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>								
Total By Income Source	1,676,759	334,723	280,273	256,348	211,708	1,168,708	4,068,850	8,237,852
<b>Creditors Age Analysis</b>								
Total Creditors	1,369,706	5,616	(93)	16	-	(18)	(7,210)	1,367,852

**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	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue - Functional</b>								
<b>Governance and administration</b>	14,070,329	14,882,934	14,884,279	4,374,829	4,227,535	147,294	3.5%	14,884,279
Executive and council	1,400	3,126	3,594	171	43	128	299.9%	3,594
Finance and administration	14,068,927	14,879,801	14,880,678	4,374,658	4,227,490	147,167	3.5%	14,880,678
Internal audit	2	8	8	0	2	(2)	-89.7%	8
<b>Community and public safety</b>	1,833,039	1,956,529	2,317,240	266,266	398,636	(132,370)	-33.2%	2,317,240
Community and social services	105,403	120,972	116,766	20,533	20,519	14	0.1%	116,766
Sport and recreation	106,473	114,329	117,659	8,308	10,744	(2,435)	-22.7%	117,659
Public safety	24,889	22,293	22,293	4,715	3,525	1,190	33.7%	22,293
Housing	1,279,471	1,328,591	1,689,728	156,358	281,122	(124,764)	-44.4%	1,689,728
Health	316,802	370,343	370,794	76,352	82,727	(6,375)	-7.7%	370,794
<b>Economic and environmental services</b>	3,237,399	3,224,458	3,337,177	630,015	625,573	4,442	0.7%	3,337,177
Planning and development	324,404	342,034	342,034	88,090	84,028	4,062	4.8%	342,034
Road transport	2,896,258	2,860,418	2,993,137	541,678	541,043	634	0.1%	2,993,137
Environmental protection	16,736	2,006	2,006	247	501	(255)	-50.8%	2,006
<b>Trading services</b>	19,016,621	20,291,096	20,311,908	4,831,365	5,029,321	(197,957)	-3.9%	20,311,908
Energy sources	12,083,270	12,256,796	12,256,796	3,255,654	3,239,257	16,397	0.5%	12,256,796
Water management	3,659,066	4,123,369	4,134,182	834,860	940,462	(105,602)	-11.2%	4,134,182
Waste water management	2,059,709	2,547,543	2,557,543	411,292	509,084	(97,791)	-19.2%	2,557,543
Waste management	1,216,576	1,363,387	1,363,387	329,559	340,519	(10,960)	-3.2%	1,363,387
<b>Other</b>	2,958	6,809	6,809	3,273	3,192	81	2.5%	6,809
<b>Total Revenue - Functional</b>	<b>38,162,346</b>	<b>40,361,826</b>	<b>40,857,413</b>	<b>10,105,747</b>	<b>10,284,257</b>	<b>(178,510)</b>	<b>-1.7%</b>	<b>40,857,413</b>
<b>Expenditure - Functional</b>								
<b>Governance and administration</b>	6,365,494	8,555,458	8,542,563	1,812,752	1,888,268	(75,516)	-4.0%	8,542,563
Executive and council	359,348	443,599	448,692	109,312	109,296	17	0.0%	448,692
Finance and administration	5,968,906	8,061,212	8,043,224	1,692,008	1,767,140	(75,131)	-4.3%	8,043,224
Internal audit	37,240	50,646	50,646	11,431	11,833	(402)	-3.4%	50,646
<b>Community and public safety</b>	4,789,292	5,318,872	5,687,143	1,047,581	1,190,839	(143,258)	-12.0%	5,687,143
Community and social services	847,987	931,712	931,326	186,930	201,182	(14,252)	-7.1%	931,326
Sport and recreation	1,088,036	1,212,821	1,216,395	231,245	249,020	(17,775)	-7.1%	1,216,395
Public safety	508,298	600,875	600,725	122,671	130,731	(8,060)	-6.2%	600,725
Housing	1,340,014	1,498,817	1,859,954	266,879	359,359	(92,480)	-25.7%	1,859,954
Health	1,004,957	1,074,647	1,078,743	239,856	250,546	(10,691)	-4.3%	1,078,743
<b>Economic and environmental services</b>	5,681,165	6,351,857	6,514,733	1,349,783	1,398,647	(48,863)	-3.5%	6,514,733
Planning and development	785,632	1,042,799	1,049,241	241,776	262,811	(21,035)	-8.0%	1,049,241
Road transport	4,779,345	5,186,599	5,343,034	1,082,904	1,110,577	(27,673)	-2.5%	5,343,034
Environmental protection	116,188	122,458	122,458	25,103	25,258	(155)	-0.6%	122,458
<b>Trading services</b>	15,886,407	17,026,865	16,982,964	3,747,604	3,959,233	(211,629)	-5.3%	16,982,964
Energy sources	9,573,670	9,929,327	9,929,287	2,423,790	2,473,350	(49,561)	-2.0%	9,929,287
Water management	3,067,938	3,225,897	3,223,861	622,534	679,167	(56,633)	-8.3%	3,223,861
Waste water management	1,643,752	1,990,882	1,952,556	345,666	396,335	(50,669)	-12.8%	1,952,556
Waste management	1,601,046	1,880,759	1,877,259	355,615	410,380	(54,765)	-13.3%	1,877,259
<b>Other</b>	135,357	105,064	105,488	20,614	24,200	(3,587)	-14.8%	105,488
<b>Total Expenditure - Functional</b>	<b>32,857,715</b>	<b>37,358,116</b>	<b>37,832,890</b>	<b>7,978,334</b>	<b>8,461,187</b>	<b>(482,853)</b>	<b>-5.7%</b>	<b>37,832,890</b>
<b>Surplus/ (Deficit) for the year</b>	<b>5,304,631</b>	<b>3,003,710</b>	<b>3,024,523</b>	<b>2,127,413</b>	<b>1,823,070</b>	<b>304,343</b>	<b>16.7%</b>	<b>3,024,523</b>

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

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

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

Vote Description	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue by Vote</b>								
Vote 1 - Area-Based Service Delivery	176,748	204,290	204,758	52,708	50,572	2,136	4.2%	204,758
Vote 2 - Assets & Facilities Management	414,050	453,587	453,587	106,419	110,101	(3,682)	-3.3%	453,587
Vote 3 - Corporate Services	64,771	68,073	68,073	17,701	8,984	8,717	97.0%	68,073
Vote 4 - City Manager	0	-	-	-	-	-	-	-
Vote 5 - Directorate of the Mayor	852	3,324	3,324	2,335	2,252	83	3.7%	3,324
Vote 6 - Energy	12,083,675	12,256,918	12,256,918	3,255,662	3,239,287	16,375	0.5%	12,256,918
Vote 7 - Finance	13,563,360	14,307,250	14,307,250	4,249,574	4,104,130	145,444	3.5%	14,307,250
Vote 8 - Informal Settlements, Water & Waste Services	7,044,676	8,212,622	8,242,211	1,589,501	1,820,510	(231,009)	-12.7%	8,242,211
Vote 9 - Safety & Security	1,402,526	1,267,627	1,271,667	296,117	242,910	53,207	21.9%	1,271,667
Vote 10 - Social Services	790,613	904,664	905,115	170,885	182,351	(11,467)	-6.3%	905,115
Vote 11 - Transport & Urban Development Authority	2,621,074	2,683,471	3,144,510	364,846	523,161	(158,314)	-30.3%	3,144,510
<b>Total Revenue by Vote</b>	<b>38,162,346</b>	<b>40,361,826</b>	<b>40,857,413</b>	<b>10,105,747</b>	<b>10,284,257</b>	<b>(178,510)</b>	<b>-1.7%</b>	<b>40,857,413</b>
<b>Expenditure by Vote</b>								
Vote 1 - Area-Based Service Delivery	412,259	547,009	547,477	114,769	116,382	(1,613)	-1.4%	547,477
Vote 2 - Assets & Facilities Management	1,564,514	1,851,509	1,851,509	406,146	426,789	(20,643)	-4.8%	1,851,509
Vote 3 - Corporate Services	1,437,795	1,741,551	1,741,551	348,070	359,410	(11,340)	-3.2%	1,741,551
Vote 4 - City Manager	21,436	22,198	22,198	14,680	14,766	(87)	-0.59%	22,198
Vote 5 - Directorate of the Mayor	406,474	557,664	557,664	132,724	147,308	(14,584)	-9.9%	557,664
Vote 6 - Energy	9,885,010	10,355,750	10,355,750	2,510,097	2,571,532	(61,435)	-2.4%	10,355,750
Vote 7 - Finance	2,417,454	3,370,596	3,370,596	760,196	772,247	(12,050)	-1.6%	3,370,596
Vote 8 - Informal Settlements, Water & Waste Services	6,807,396	7,739,299	7,748,075	1,508,062	1,664,379	(156,317)	-9.4%	7,748,075
Vote 9 - Safety & Security	2,832,243	3,148,512	3,152,551	705,735	722,660	(16,924)	-2.3%	3,152,551
Vote 10 - Social Services	2,956,947	3,463,150	3,463,601	663,160	743,633	(80,473)	-10.8%	3,463,601
Vote 11 - Transport & Urban Development Authority	4,116,187	4,560,879	5,021,918	814,696	922,082	(107,386)	-11.6%	5,021,918
<b>Total Expenditure by Vote</b>	<b>32,857,715</b>	<b>37,358,116</b>	<b>37,832,890</b>	<b>7,978,334</b>	<b>8,461,187</b>	<b>(482,853)</b>	<b>-5.7%</b>	<b>37,832,890</b>
<b>Surplus/ (Deficit) for the year</b>	<b>5,304,632</b>	<b>3,003,710</b>	<b>3,024,523</b>	<b>2,127,413</b>	<b>1,823,070</b>	<b>304,343</b>	<b>16.7%</b>	<b>3,024,523</b>

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.)

**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	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Revenue By Source</b>								
Property rates	8,105,126	8,662,350	8,662,350	2,164,008	2,154,069	9,939	0.5%	8,662,350
Service charges - electricity revenue	11,755,893	11,942,587	11,942,587	3,183,150	3,182,971	180	0.0%	11,942,587
Service charges - water revenue	3,443,725	3,933,401	3,933,401	779,770	902,581	(122,811)	-13.6%	3,933,401
Service charges - sanitation revenue	1,609,916	2,092,272	2,092,272	368,687	477,484	(108,797)	-22.8%	2,092,272
Service charges - refuse revenue	1,081,307	1,341,882	1,341,882	322,403	335,471	(13,068)	-3.9%	1,341,882
Service charges - other	728,264	-	-	-	-	-	-	-
Rental of facilities and equipment	358,497	418,011	418,011	105,773	100,396	5,376	5.4%	418,011
Interest earned - external investments	768,224	773,657	773,657	215,233	193,972	21,261	11.0%	773,657
Interest earned - outstanding debtors	278,063	284,131	284,131	75,069	72,478	2,592	3.6%	284,131
Dividends received	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	1,241,129	1,146,414	1,146,414	379,938	211,362	168,576	79.8%	1,146,414
Licences and permits	47,741	43,749	43,749	12,072	10,494	1,578	15.0%	43,749
Agency services	188,238	162,771	162,771	46,498	42,092	4,406	10.5%	162,771
Transfers and subsidies	5,864,445	6,455,942	6,930,716	2,017,970	2,118,784	(100,814)	-4.76%	6,930,716
Other revenue	411,300	709,425	709,425	199,958	170,604	29,354	17.2%	709,425
Gains on disposal of PPE	186,784	41,500	41,500	2,777	9,825	(6,848)	-71.1%	41,500
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>36,068,652</b>	<b>38,008,091</b>	<b>38,482,865</b>	<b>9,873,306</b>	<b>9,982,383</b>	<b>(109,078)</b>	<b>-1.1%</b>	<b>38,482,865</b>
<b>Expenditure By Type</b>								
Employee related costs	9,659,300	12,050,690	12,067,366	2,781,150	2,844,199	(63,049)	-2.2%	12,067,366
Remuneration of councillors	138,374	155,787	155,787	35,632	38,187	(2,554)	-6.7%	155,787
Debt impairment	2,323,482	2,508,738	2,508,738	557,745	559,333	(1,588)	-0.3%	2,508,738
Depreciation & asset impairment	2,313,471	2,574,607	2,574,607	626,524	643,930	(17,406)	-2.70%	2,574,607
Finance charges	731,823	1,131,010	1,135,637	205,956	216,023	(10,067)	-4.7%	1,135,637
Bulk purchases	8,438,102	8,540,135	8,540,135	2,083,935	2,098,559	(14,624)	-0.7%	8,540,135
Other materials	476,049	1,190,177	1,190,507	230,329	272,814	(42,485)	-15.6%	1,190,507
Contracted services	4,171,039	6,086,610	6,251,222	800,671	1,019,203	(218,531)	-21.4%	6,251,222
Transfers and subsidies	111,829	140,985	416,562	82,054	97,669	(15,615)	-16.0%	416,562
Other expenditure	4,486,870	2,978,990	2,991,942	574,143	671,186	(97,043)	-14.5%	2,991,942
Loss on disposal of PPE	7,376	387	387	194	84	110	131.1%	387
<b>Total Expenditure</b>	<b>32,857,715</b>	<b>37,358,116</b>	<b>37,832,890</b>	<b>7,978,334</b>	<b>8,461,187</b>	<b>(482,853)</b>	<b>-5.7%</b>	<b>37,832,890</b>
<b>Surplus/(Deficit)</b>	<b>3,210,937</b>	<b>649,975</b>	<b>649,975</b>	<b>1,894,972</b>	<b>1,521,196</b>	<b>373,775</b>	<b>24.6%</b>	<b>649,975</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	2,005,297	2,268,835	2,289,647	216,698	288,874	(72,176)	24.6%	2,289,647
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	71,882	84,900	84,900	15,743	13,000	2,743	21.1%	84,900
Transfers and subsidies - capital (in-kind - all)	16,516	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>5,304,632</b>	<b>3,003,710</b>	<b>3,024,523</b>	<b>2,127,413</b>	<b>1,823,070</b>			<b>3,024,523</b>
Taxation	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after taxation</b>	<b>5,304,632</b>	<b>3,003,710</b>	<b>3,024,523</b>	<b>2,127,413</b>	<b>1,823,070</b>			<b>3,024,523</b>
Attributable to minorities	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>	<b>5,304,632</b>	<b>3,003,710</b>	<b>3,024,523</b>	<b>2,127,413</b>	<b>1,823,070</b>			<b>3,024,523</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>5,304,632</b>	<b>3,003,710</b>	<b>3,024,523</b>	<b>2,127,413</b>	<b>1,823,070</b>			<b>3,024,523</b>

**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	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Multi-Year expenditure appropriation</b>								
Vote 1 - Area-Based Service Delivery	12,384	39,430	39,843	325	897	(572)	-63.7%	39,643
Vote 2 - Assets & Facilities Management	358,089	395,019	413,304	41,411	50,302	(8,891)	-17.7%	411,806
Vote 3 - Corporate Services	244,883	351,686	358,010	10,057	3,323	6,734	202.7%	356,968
Vote 4 - City Manager	321	222	222	9	9	0	0.0%	172
Vote 5 - Directorate of the Mayor	22,022	17,108	17,132	3,395	3,275	120	3.7%	17,082
Vote 6 - Energy	1,246,887	1,292,814	1,366,034	181,642	191,080	(9,439)	-4.9%	1,267,691
Vote 7 - Finance	23,989	17,136	17,136	2,589	2,208	381	17.2%	13,117
Vote 8 - Informal Settlements, Water & Waste Services	1,828,616	2,445,238	2,483,251	279,063	233,513	45,549	19.5%	2,290,702
Vote 9 - Safety & Security	114,816	191,120	191,488	18,398	11,468	6,929	60.4%	191,126
Vote 10 - Social Services	243,958	283,413	286,073	15,239	21,334	(6,095)	-28.6%	265,870
Vote 11 - Transport & Urban Development Authority	1,806,655	1,942,035	2,007,284	213,126	277,549	(64,423)	-23.2%	1,912,802
<b>Total Capital Expenditure</b>	<b>5,904,621</b>	<b>6,975,220</b>	<b>7,179,778</b>	<b>765,253</b>	<b>794,958</b>	<b>(29,706)</b>	<b>-3.7%</b>	<b>6,766,979</b>
<b>Capital Expenditure - Standard Classification</b>								
<b>Governance and administration</b>	<b>1,073,026</b>	<b>1,244,434</b>	<b>1,284,223</b>	<b>179,845</b>	<b>182,652</b>	<b>(2,808)</b>	<b>-1.5%</b>	<b>1,237,363</b>
Executive and council	9,164	3,594	24,973	193	94	99	105.2%	24,923
Finance and administration	1,063,731	1,239,881	1,258,292	179,651	182,308	(2,657)	-1.5%	1,211,481
Internal audit	131	959	959	-	250	(250)	-100.0%	959
<b>Community and public safety</b>	<b>773,993</b>	<b>955,697</b>	<b>895,253</b>	<b>50,101</b>	<b>99,913</b>	<b>(49,811)</b>	<b>-49.9%</b>	<b>828,847</b>
Community and social services	127,329	151,270	148,387	14,705	14,397	308	2.1%	145,682
Sport and recreation	127,927	105,711	110,556	3,935	3,102	833	26.8%	104,221
Public safety	18,865	46,799	46,799	181	1,800	(1,619)	-90.0%	46,799
Housing	476,876	606,733	543,704	29,594	77,093	(47,498)	-61.6%	486,338
Health	22,996	45,183	45,807	1,685	3,520	(1,835)	-52.1%	45,807
<b>Economic and environmental services</b>	<b>1,578,032</b>	<b>1,662,703</b>	<b>1,792,830</b>	<b>208,595</b>	<b>249,914</b>	<b>(41,319)</b>	<b>-16.5%</b>	<b>1,741,863</b>
Planning and development	70,697	44,786	45,276	8,446	9,412	(965)	-10.3%	45,276
Road transport	1,495,384	1,599,888	1,729,526	195,856	236,692	(40,837)	-17.3%	1,678,559
Environmental protection	11,951	18,028	18,028	4,293	3,810	483	12.7%	18,028
<b>Trading services</b>	<b>2,474,957</b>	<b>3,104,956</b>	<b>3,200,039</b>	<b>325,355</b>	<b>261,298</b>	<b>64,057</b>	<b>24.5%</b>	<b>2,951,474</b>
Energy sources	1,131,636	1,183,872	1,225,172	155,935	152,854	3,081	2.0%	1,149,238
Water management	608,426	853,967	888,806	116,013	63,455	52,558	82.8%	884,239
Waste water management	659,092	684,576	702,039	32,664	32,306	358	1.1%	702,705
Waste management	75,803	382,541	384,022	20,743	12,683	8,061	63.6%	215,292
<b>Other</b>	<b>4,613</b>	<b>7,432</b>	<b>7,432</b>	<b>1,356</b>	<b>1,182</b>	<b>174</b>	<b>14.7%</b>	<b>7,432</b>
<b>Total Capital Expenditure - Standard Classification</b>	<b>5,904,621</b>	<b>6,975,220</b>	<b>7,179,778</b>	<b>765,253</b>	<b>794,958</b>	<b>(29,706)</b>	<b>-3.7%</b>	<b>6,766,979</b>
<b>Funded by:</b>								
National Government	2,009,376	2,189,832	2,210,645	212,280	274,935	(62,658)	-22.8%	2,152,012
Provincial Government	46,130	79,002	79,002	4,419	8,990	(4,571)	-50.8%	76,543
District Municipality	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>2,055,507</b>	<b>2,268,835</b>	<b>2,289,647</b>	<b>216,698</b>	<b>283,925</b>	<b>(67,227)</b>	<b>-23.7%</b>	<b>2,228,555</b>
<b>Public contributions &amp; donations</b>	<b>71,882</b>	<b>84,900</b>	<b>84,900</b>	<b>15,743</b>	<b>13,000</b>	<b>2,743</b>	<b>21.1%</b>	<b>84,900</b>
<b>Borrowing</b>	<b>2,739,196</b>	<b>2,894,482</b>	<b>2,992,706</b>	<b>370,074</b>	<b>264,242</b>	<b>105,832</b>	<b>40.1%</b>	<b>2,824,438</b>
<b>Internally generated funds</b>	<b>1,038,037</b>	<b>1,727,003</b>	<b>1,812,524</b>	<b>162,738</b>	<b>233,791</b>	<b>(71,054)</b>	<b>-30.4%</b>	<b>1,629,086</b>
<b>Total Capital Funding</b>	<b>5,904,621</b>	<b>6,975,220</b>	<b>7,179,778</b>	<b>765,253</b>	<b>794,958</b>	<b>(29,706)</b>	<b>-3.7%</b>	<b>6,766,979</b>

**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	2016/17	Budget Year 2017/18			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	506,037	103,918	103,918	172,059	103,918
Call investment deposits	4,603,568	6,599,932	5,573,377	4,603,568	5,573,377
Consumer debtors	5,724,864	5,635,475	5,635,475	4,121,361	5,635,475
Other debtors	1,077,455	1,135,110	1,135,110	1,057,910	1,135,110
Current portion of long-term receivables	14,201	18,845	18,845	14,201	18,845
Inventory	324,536	311,300	311,300	343,675	311,300
<b>Total current assets</b>	<b>12,250,660</b>	<b>13,804,580</b>	<b>12,778,025</b>	<b>10,312,774</b>	<b>12,778,025</b>
<b>Non current assets</b>					
Long-term receivables	40,973	46,655	46,655	36,434	46,655
Investments	4,877,663	3,842,589	3,842,589	6,929,293	3,842,589
Investment property	586,427	586,473	586,473	586,427	586,473
Investments in Associate	-	-	-	-	-
Property, plant and equipment	40,377,585	44,648,942	44,843,272	40,516,314	44,843,272
Agricultural	-	-	-	-	-
Biological assets	-	-	-	-	-
Intangible assets	678,871	522,272	522,272	678,871	522,272
Other non-current assets	8,904	9,049	9,049	8,904	9,049
<b>Total non current assets</b>	<b>46,570,423</b>	<b>49,655,980</b>	<b>49,850,309</b>	<b>48,756,243</b>	<b>49,850,309</b>
<b>TOTAL ASSETS</b>	<b>58,821,083</b>	<b>63,460,560</b>	<b>62,628,334</b>	<b>59,069,016</b>	<b>62,628,334</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	5,298	-	-	-	-
Borrowing	334,185	428,372	428,372	334,185	428,372
Consumer deposits	351,710	392,806	392,806	365,217	392,806
Trade and other payables	7,110,818	8,766,074	7,913,036	3,960,242	7,913,036
Provisions	964,293	1,224,215	1,224,215	957,529	1,224,215
<b>Total current liabilities</b>	<b>8,766,303</b>	<b>10,811,468</b>	<b>9,958,429</b>	<b>5,617,172</b>	<b>9,958,429</b>
<b>Non current liabilities</b>					
Borrowing	5,789,616	7,770,349	7,770,349	6,712,409	7,770,349
Provisions	6,109,330	6,743,780	6,743,780	6,456,835	6,743,780
<b>Total non current liabilities</b>	<b>11,898,945</b>	<b>14,514,129</b>	<b>14,514,129</b>	<b>13,169,244</b>	<b>14,514,129</b>
<b>TOTAL LIABILITIES</b>	<b>20,665,248</b>	<b>25,325,597</b>	<b>24,472,559</b>	<b>18,786,415</b>	<b>24,472,559</b>
<b>NET ASSETS</b>	<b>38,155,835</b>	<b>38,134,963</b>	<b>38,155,775</b>	<b>40,282,601</b>	<b>38,155,775</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	34,382,649	35,341,724	35,447,911	36,617,527	35,447,911
Reserves	3,773,186	2,793,239	2,707,864	3,665,073	2,707,864
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>38,155,835</b>	<b>38,134,963</b>	<b>38,155,775</b>	<b>40,282,601</b>	<b>38,155,775</b>

**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	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>								
Property rates	8,105,126	8,344,028	8,344,028	2,076,079	2,182,727	(106,648)	-4.9%	8,344,028
Service charges	18,619,105	17,459,005	17,459,005	4,235,185	4,595,965	(360,780)	-7.8%	17,459,005
Other revenue	617,854	1,357,994	1,357,994	681,988	342,701	339,287	99.0%	1,357,994
Government - operating	3,633,883	6,455,942	6,455,942	2,224,708	2,108,313	116,395	5.5%	6,455,942
Government - capital	2,014,869	2,353,735	2,374,547	801,081	809,595	(8,513)	-1.1%	2,374,547
Interest	999,822	773,657	773,657	157,024	157,426	(403)	-0.3%	773,657
Dividends	-	-	-	-	-	-	-	-
<b>Payments</b>								
Suppliers and employees	(26,611,461)	(30,121,395)	(30,316,007)	(8,529,121)	(8,599,007)	(69,886)	0.8%	(30,316,007)
Finance charges	(666,163)	(981,827)	(981,827)	(174,225)	(172,773)	1,451	-0.8%	(981,827)
Transfers and Grants	(111,829)	(140,985)	(415,920)	-	-	-	-	(415,920)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>6,601,206</b>	<b>5,500,155</b>	<b>5,051,421</b>	<b>1,472,719</b>	<b>1,424,946</b>	<b>(47,773)</b>	<b>-3.4%</b>	<b>5,051,421</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
<b>Receipts</b>								
Proceeds on disposal of PPE	198,742	41,500	41,500	-	-	-	-	41,500
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (Increase) other non-current receivables	13,614	2,456	2,456	-	-	-	-	2,456
Decrease (increase) in non-current investments	(410,412)	(212,908)	(212,908)	-	-	-	-	(212,908)
<b>Payments</b>								
Capital assets	(5,904,620)	(6,890,062)	(7,063,936)	(628,023)	(1,175,368)	(547,344)	46.6%	(7,063,936)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(6,102,676)</b>	<b>(7,059,015)</b>	<b>(7,232,889)</b>	<b>(628,023)</b>	<b>(1,175,368)</b>	<b>(547,344)</b>	<b>46.6%</b>	<b>(7,232,889)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>								
<b>Receipts</b>								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	2,500,000	2,500,000	1,000,000	1,000,000	-	-	2,500,000
Increase (decrease) in consumer deposits	27,077	35,710	35,710	-	-	-	-	35,710
<b>Payments</b>								
Repayment of borrowing	(407,883)	(432,586)	(432,586)	(88,055)	(89,481)	(1,426)	1.6%	(432,586)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(380,806)</b>	<b>2,103,124</b>	<b>2,103,124</b>	<b>911,945</b>	<b>910,519</b>	<b>(1,426)</b>	<b>-0.2%</b>	<b>2,103,124</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>117,724</b>	<b>544,264</b>	<b>(78,344)</b>	<b>1,756,641</b>	<b>1,160,098</b>			<b>(78,344)</b>
Cash/cash equivalents at beginning:	3,332,469	3,880,811	3,476,864	3,476,864	3,476,864			3,476,864
Cash/cash equivalents at month/year end:	3,450,193	4,425,075	3,398,520	5,233,505	4,636,962			3,398,520

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.

**SUPPORTING DOCUMENTATION: CITY OF CAPE TOWN****Table SC1: Material variance explanations for revenue by source**

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue By Source</b>				
Property rates	9,939	0.5%	Over-recovery on Property Rates due to higher than planned revenue received to date. Batch 1 of Supplemental Valuation (SV) 02 was finalised during August 2017 and was sent through for billing with an effective date of 01/09/2017. This batch included over 2400 properties, which had an impact on the revenue stream.	The situation is continuously being monitored. At this stage no corrective action is required.
Service charges - electricity revenue	180	0.0%	The over-recovery is due to periodic changes in consumption as a consequence of weather conditions as well as implementation of alternative energy sources, etc. In addition, the continuous movement of consumers between the various tariffs, account adjustments and changes to the costs associated with the fixed charge further contributes to this variance.	The situation is continuously being monitored. At this stage no corrective action is required.
Service charges - water revenue	(122,811)	-13.6%	The under-recovery is due to Level 4b water restrictions and Level 5 additional measures implemented from 03 September 2017 as well as the impact of the billing cycles and continuous billing corrections. The Water & Sanitation department has re-aligned the period budget with the anticipated trend for the budgeted Level 4 restriction level. It is important to note that Level 4 restrictions are 'unchartered water' in terms of restriction levels and no previous budget trends are available in this regard. Projections at the end of the first quarter (end September 2017) indicate that the Water & Sanitation department will under-recover against the Level 4 revenue budget. This is predominantly due to the additional restriction measures implemented flowing from the severity of the drought, above what was reasonably expected during the preparation of the 2017/18 original budget. Although, provision was made in the budget to absorb revenue under-recovery (i.e. expenditure budget was not fully committed to the same level as the revenue budget), the projections have moved past the point of what the expenditure budget can absorb. It is unlikely that the situation will improve as we have reached the end of winter and additional measures have been announced to reduce water consumption even further.	The current trends are closely monitored against the (untested) period budget. To absorb the under-recovery on revenue, the Water & Sanitation department will reduce expenditure on various items in the January 2018 adjustments budget. In addition, immediate internal cost cutting directives across directorates have been communicated and identified to try and soften the likely Rates and tariff increases in the short to medium term.  The finance manager is continuously monitoring all streams of revenue.
Service charges - sanitation revenue	(108,797)	-22.8%	The under-recovery is influenced by the same factors and conditions that apply to the water revenue i.e. impact of Level 4b water restrictions and Level 5 additional measures implemented from 03 September 2017 as well as the impact of the billing cycles and continuous billing corrections. The Water & Sanitation department have re-aligned the period budget to the anticipated trends for the budgeted Level 4 restriction level. It is important to note that Level 4 restriction are 'unchartered water' in terms of restriction levels and no previous budget trends in this regard are available. Projections at the end of the first quarter (July to September 2017) indicate that the Water & Sanitation department will under-recover against the Level 4 revenue budget. This is predominantly due to the additional restriction measures implemented flowing from the severity of the drought, above what was reasonably expected during the preparation of the 2017/18 original budget. Although, provision was made in the budget to absorb revenue under-recovery (i.e. expenditure budget was not fully committed to the same level of the revenue budget), the projections have moved past the point of what the expenditure budget can absorb. It is unlikely that the situation will improve as we have reached the end of winter and additional measures have been announced to reduce water consumption even further.	Current trends are closely monitored against the (untested) period budget. To absorb the under-recovery on revenue the Water & Sanitation department will reduce expenditure on various items in the January 2018 adjustments budget. In addition, immediate internal cost cutting directives across directorates have been identified to try and soften likely Rates and tariff increases in the short to medium term.  The finance manager is continuously monitoring all streams of revenue.
Service charges - refuse revenue	(13,058)	-3.9%	The under-recovery is mainly on: 1. Disposal Coupons, where external contracts had to be re-advertised resulting from the non-performance of the contractor. Currently the service is being rendered in-house with new contracts to be awarded in March 2018. 2. Special Waste, where the disposal of hazardous waste is consumptive based and is currently lower than anticipated.	The finance manager is continuously monitoring the revenue and corrective steps will be implemented where required.

Table continues on next page.

## City of Cape Town: Annexure A: S52 -2018 Q1 (September 2017)

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue By Source</b>				
Service charges - other	-	-	-	-
Rental of facilities and equipment	5,376	5.4%	The over-recovery is mainly within the Assets & Facilities Management directorate in respect of the Property Management Rental Alignment Project, which encompasses the clean-up of lease agreement data to ensure correct recovery of lease payments as per the relevant lease agreements.	No corrective action is required.
Interest earned - external investments	21,261	11.0%	The over-recovery is within the Finance directorate and is due to the favourable Investments and Cash fund balances.	No corrective action is required.
Interest earned - outstanding debtors	2,592	3.6%	The over-recovery is due to higher than planned revenue received for interest charges on debtor arrears related to Electricity, Water & Sanitation and Solid Waste.	No corrective action is required.
Dividends received	-	-	-	-
Fines, penalties and forfeits	168,576	79.8%	The over-recovery is mainly within the Safety & Security directorate in respect of Traffic Fines and Traffic Fines-Accruals, due to more than planned fines issued and paid for in the period to date.	No corrective action is required.
Licences and permits	1,578	15.0%	The over-recovery is mainly within the Safety & Security directorate, due to higher than planned revenue received for Learners Licences applications, Learners Certificates and PDP Operators permits.	No corrective action is required.
Agency services	4,406	10.5%	The over-recovery is mainly within the Finance directorate and is due to licence renewal tariff increases and an increase in the number of renewals processed as a result of a drive by the City and Provincial Government to enforce the renewal of licences.	No corrective action is required at the moment.
Transfers and subsidies	(100,814)	-4.8%	The variance is a combination of over-/under-recovery and is mainly within: 1. Transport & Urban Development Authority (under), due to: a) Slow start on the MyCiTi communication/marketing and IT programmes. b) A MyCiTi station management invoice being disputed and therefore not processed for payment. c) Slower than anticipated start on Elsie's River Investment Framework and the Integrated Public Transport Network project. d) Lesser Top Structures payments in respect of the full subsidy per beneficiary as these are dependent on the actual building of housing units, which occur in phases. 2. Finance (over), due to the VAT clawback realised on a number of USDG projects currently in progress. 3. Social Services (under), due to Health Service claims against grants and subsidies for September 2017 not yet processed.	The period budget provisions will be amended to be in line with the actual trends of revenue recognition where required. Finance managers are in the process of investigating and resolving the issues experienced on the different projects.
Other revenue	29,354	17.2%	The variance is a combination of over-/under-recovery on the following revenue elements: 1. Collection Charges Recovered (over), due to unbudgeted collection charges recovered. 2. Service Charges - Infrastructure (over), due to the higher than planned recovery of charges. 3. Cash Recoveries - Claims (over), due to the recovery of a SASRIA claim, which was not budgeted for. 4. Skills Development Levy (over), due to the unpredictable nature of payments from SETA and the misalignment of period budgets. 5. Admission Fees & Camp/Resorts (under), where lower than anticipated revenue was received during winter as the use and demand for facilities were lower than expected. 6. Busfares (under), due to delays in processing MyCiTi busfare revenue as system delays were experienced. 7. Fire Fees (over), due to higher than planned revenue received relating to the number of fires extinguished. 8. Development Levy/BICL (over), due to higher than planned revenue received for Development Levies as a result of the extent of property development in the City. 9. Recoveries of Operational Expenditure (over), due to expenditure recovered from external customers not planned for.	Finance managers are continuously monitoring the situation and issues identified will be addressed in the appropriate way, where applicable.
Gains on disposal of PPE	(6,848)	-71.1%	The under-recovery is mainly within the Assets & Facilities Management directorate (Property Management department) and is due to property transactions (write-offs), which are still to be processed.	The processing of transactions will be expedited.

**Table SC1: Material variance explanations for revenue by vote**

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue by Vote</b>				
Vote 1 - Area-Based Service Delivery	2,136	4.2%	The variance is on CIDS Commercial, due to higher than planned revenue received to date.	No corrective action required. Continuous monitoring is being done.
Vote 2 - Assets & Facilities Management	(3,682)	-3.3%	The variance is a combination of over-/under-recovery mainly on: 1. Rental of Facilities and Equipment (over), due to the Property Management Rental Alignment Project, which encompasses the clean-up of lease agreement data to ensure correct recovery of lease payments as per the relevant lease agreements. 2. Gains on Disposal of PPE (under), due to write-off of assets that still needs to be processed.	The processing of transactions will be expedited. Continuous monitoring is being performed.
Vote 3 - Corporate Services	8,717	97.0%	The variance is mainly on: 1. Service Charges-Infrastructure, due to higher than planned revenue received for the provision of Broadband services. 2. Recoveries of Operational Expenditure, due to higher than planned legal costs recovered from third parties. 3. Skills Development Levies, due to higher than planned receipt of Skills Development Levy payments. The receipt of payments is unpredictable in nature and has resulted in the misalignment of the period budget with the actual trend.	No corrective action is required at the moment. Periodic budget provisions will be reviewed and amended where required.
Vote 4 - City Manager	-	-	-	-
Vote 5 - Directorate of the Mayor	83	3.7%	Immaterial variance.	-
Vote 6 - Energy	16,375	0.5%	The variance is a combination of over-/under-recovery. 1. Service Charges - Electricity Revenue (under), due to periodic changes in consumption as a consequence of weather conditions as well as implementation of alternative energy sources. The continuous movement of consumers between the various tariffs, account adjustments and changes to the costs associated with the fixed charge further contributed to this variance. 2. Fines, penalties and forfeits (over), due to clearing of long outstanding (more than three years) credits (i.e. unclaimed down payments, refunds etc.) from debtors' accounts. 3. Other Revenue (over), due to Development Levies, is demand driven and difficult to plan.	No corrective action is required at the moment. Periodic budget provisions will be reviewed and amended where required.
Vote 7 - Finance	145,444	3.5%	The over-recovery reflects against: 1. Property Rates, due to higher than planned revenue received to date. Batch 1 of Supplemental Valuation (SV) 02 was finalised during August 2017, and was sent through for billing with an effective date of 01/09/2017. This batch included over 2400 properties, which had impact on the revenue stream. 2. Interest earned on external investments, due to favourable Investments and Cash fund balances. 3. Fines, penalties and forfeits, due to clearing of long outstanding (over three years) credits (i.e. unclaimed down payments, refunds etc.) from debtors' accounts. 4. Transfers and subsidies, where Vat clawback revenue was realised on a number of USDG projects. 5. Agency Services, due to licence renewal tariff increases and an increase in the number of renewals processed as a result of a drive by the City and Provincial Government to enforce renewal of licences. 6. Other Revenue, mainly on: a) Collection Charges Recovered, due to effective automation process and efficient debt collection. b) Cash Recoveries Claims, due to unplanned ad hoc SASRIA insurance recovery claims received.	The finance manager will monitor actual income and adjust the period budget accordingly.

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Description	YTD Variance R thousand s	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue by Vote</b> Vote 8 - Informal Settlements, Water & Waste Services	(231,009)	-12.7%	<p>The variance is a combination of over-/under-recovery.</p> <p>1. Service Charges -Water &amp; Sanitation Revenue (R123 million &amp; R109 million under respectively), due to Level 4b water restrictions and Level 5 additional measures implemented from 03 Sept 2017 as well as the impact of the billing cycles and continuous billing corrections. The Water &amp; Sanitation department has re-aligned the period budget with anticipated trends for the budgeted Level 4 restriction level. It is important to note that Level 4 restrictions are 'unchartered water' in terms of restriction levels and no previous budget trends in this regard are available. Projections at the end of the first quarter (July to September 2017) indicate that the Water &amp; Sanitation department will under-recover against the Level 4 revenue budget. This is predominantly due to the additional restriction measures implemented flowing from the severity of the drought, above what was reasonably expected during the preparation of the 2017/18 original budget. Although, provision was made in the budget to absorb revenue under-recovery (i.e. expenditure budget was not fully committed to the same level of the revenue budget), the projections have moved past the point of what the expenditure budget can absorb. It is unlikely that the situation will improve as we have reached the end of winter and additional measures have been announced to reduce water consumption even further.</p> <p>2. Service Charges Refuse Revenue (under) on:</p> <p>a) Disposal Coupons, where external contracts had to be re-advertised, due to non-performance of the contractor. Currently the service is being rendered in-house with new contracts to be awarded in March 2018.</p> <p>b) Special Waste, where disposal of hazardous waste is consumptive based and is currently lower than anticipated.</p> <p>3. Interest Earned-Outstanding Debtors (over), due to higher than planned revenue received to date, which is linked to outstanding debtor balances that are higher than estimated.</p> <p>4. Transfers and Subsidies - Operating (under), within Informal Settlements, due to:</p> <p>a) Sir Lowry's Pass Project, where the tender for repairs and maintenance closed on 18 September 2017. The report will be submitted to BAC.</p> <p>b) Sweet Homes project, where the City is awaiting invoices from the contractor.</p> <p>c) Erf 160-Philippi, where the lease agreement from the contractor - Curoprop company - is still outstanding.</p> <p>6. Transfers and Subsidies - Capital (under), due to a combination of over-/under-recovery.</p> <p>A) Informal Settlements (R12 million under):</p> <p>a) Upgrading of Informal Settlement Program (UISP): 8ste Laan -Valhalla Park, where the project was suspended due to gang violence.</p> <p>b) Urbanisation backyards Informal settlements cash flows misalignment.</p> <p>c) Informal Settlements Sanitation, where a new contract was only approved in August 2017 with work to start in October 2017.</p> <p>d) Ravensmead Incremental Development Area (IDA) project, due to non-performance of contractor, which delayed expenditure and resulted in misalignment of cash flows.</p> <p>e) Water Manager Dispensing Meters project cash flow misalignment.</p> <p>f) False Bay Incremental Development Area (IDA) project cash flow misalignment.</p> <p>B) Water &amp; Sanitation (over), due to capital expenditure being ahead of plan on the Zandvliet WWTW, Borchards Quarry WWTW and Contermanskloof projects as well as more than planned meter installations at new developments.</p>	<p>The finance managers are continuously monitoring all streams of revenue and any issues identified will be investigated and corrective steps implemented where required.</p> <p>Periodic budget provisions will be reviewed and adjusted where required to be in line with the actual and anticipated trends.</p> <p>Water &amp; Sanitation department: The current trends are closely monitored against the (untested) period budget. To absorb the under-recovery on revenue the Water &amp; Sanitation department will reduce expenditure on various items in the January 2018 adjustments budget. In addition, immediate internal cost cutting directives across directorates have been identified to try and soften the likely Rates and tariff increases in the short to medium term. The finance manager is continuously monitoring all streams of revenue.</p>

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Revenue by Vote</b>				
Vote 9 - Safety & Security	53,207	21.9%	<p>The variance is mainly on:</p> <ol style="list-style-type: none"> <li>1. Fines, Penalties and Forfeits, due to higher than planned revenue received from traffic fines issued and paid to date.</li> <li>2. Licences and Permits, due to higher than planned revenue received for Learners Licences applications, Learners Certificates and PDP Operators permits.</li> <li>3. Other Revenue, due to: <ol style="list-style-type: none"> <li>a) Higher than expected use of municipal staff to perform duties at events.</li> <li>b) Higher than planned revenue received on Fire fees as a result of the number of fires extinguished.</li> </ol> </li> </ol>	The finance manager will continue to monitor actual income received and adjust period budgets where required.
Vote 10 - Social Services	(11,467)	-6.3%	<p>The under-recovery reflects against:</p> <ol style="list-style-type: none"> <li>1. Transfers and Subsidies, as a result of Health Service claims against grants and subsidies not yet processed for September 2017.</li> <li>2. Other Revenue, mainly on: <ol style="list-style-type: none"> <li>a) Camp/Resort fees &amp; Admission fees, due to lower than anticipated revenue received during winter for the use of facilities, which was lower than expected.</li> <li>b) Recoveries: GIF, due to the misalignment of the period budget with the actual revenue trend.</li> </ol> </li> </ol>	The finance manager will monitor actual income and adjust the period budget where required.
Vote 11 - Transport & Urban Development Authority	(158,314)	-30.3%	<p>The variance is a combination of over-/under-recovery.</p> <ol style="list-style-type: none"> <li>1. Transfers and Subsidies - Operating (under), due to: <ol style="list-style-type: none"> <li>a) Slow start on the MyCiti communication/marketing and IT programmes.</li> <li>b) A MyCiti station management invoice, which is being disputed and therefore not processed for payment.</li> <li>c) Slower than anticipated start on the Elsie's River Investment Framework and the Integrated Public Transport Network projects.</li> <li>d) Fewer Top Structures payments in respect of the full subsidy per beneficiary as these are dependent on the actual building of housing units, which occurs in phases.</li> </ol> </li> <li>2. Other revenue (over), mainly on: <ol style="list-style-type: none"> <li>a) Development Contribution Levies &amp; BICL (over), where revenue is dependent on property development and difficult to predict accurately.</li> <li>b) Busfares (under), due to delays in the processing of MyCiti busfare revenue as system delays were experienced.</li> </ol> </li> <li>3. Transfers and Subsidies - Capital (under), due to: <ol style="list-style-type: none"> <li>a) IRT Phase 2A, where the project is being reviewed at present.</li> <li>b) IPT PH2A - Stock Road, where the contractor is suffering months of delays, due to Eskom infrastructure that must be removed for the project to continue.</li> <li>c) Road Rehabilitation Bishop Lavis, where the project is delayed as a result of the surfacing subcontractor experiencing breakdowns.</li> </ol> </li> </ol>	<p>Cash flows to be revised.</p> <p>Busfares: Corrective journals to post actual revenue to be processed in October 2017.</p> <p>Transfers and Subsidies - Capital:</p> <ol style="list-style-type: none"> <li>a) IRT Phase 2A: Budget will be distributed to individual projects once review of overall project is completed.</li> <li>b) IPT PH2A - Stock Road: An extension has been granted to the contractor based on a new approved programme.</li> </ol>

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**Table SC1: Material variance explanations for expenditure by vote**

Description	YTD Variance R	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Expenditure by Vote</b>				
Vote 1 - Area-Based Service Delivery	(1,613)	-1.4%	The under expenditure is mainly on: 1. Employee related costs, which is influenced by the turnaround time in filling vacancies, the internal filling of vacancies and slower than anticipated implementation of job creation projects. 2. Contracted services, due to delays in finalising roles and responsibilities for approved Informal Trading projects in various areas. The misalignment of the budgetary provision on the re-active repairs & maintenance component further contributed to this variance.	The directorate currently has 47 vacancies which are in various stages of recruitment and selection.  Project prioritisation and implementation resume as finality has been achieved regarding roles and responsibilities and the finance manager is monitoring the situation. Adjustment of period budget will be undertaken on Repairs and Maintenance.
Vote 2 - Assets & Facilities Management	(20,643)	-4.8%	The variance is a combination of over-/under expenditure on: 1. Employee related costs (under), due to the turnaround time in filling vacancies and the impact of internal filling of vacancies. 2. Contracted Services (over), mainly due to the budget provision, which is reflected on the incorrect cost element (Other Expenditure) while the expenditure was incurred on Contracted Services. 3. Indigent Relief (over), where expenditure is linked to the number of applications received and therefore difficult to plan accurately. 4. Subsidy on Home-owners Redemption (under), which is dependent on the number of applications received. 5. Finance charges - Operating leases (under), as some leases were terminated/cancelled.	Virements to reflect the budget in the correct cost element will be processed. Alignment of the period budget with the actual expenditure is ongoing.
Vote 3 - Corporate Services	(11,340)	-3.2%	The variance is a combination of over-/under expenditure on: 1. Employee related costs (under), due to the turnaround time in filling vacancies. 2. Other expenditure (under), due to: a) Software licences, where the Microsoft Enterprise Agreement has not yet been renewed while other alternatives are being assessed. b) Specialised IT services, due to lower than anticipated expenditure incurred as contract staff are in process of being converted to permanent employees and no new/additional contract staff are appointed until the conversion process is completed. c) Training, due to fewer than anticipated training interventions and appointment of co-op students during this period. 3. Contracted Services (over), largely due to the roll out of a reviewed Repairs & Maintenance strategy in the Information Systems & Technology department to simplify tenders and facilitate faster implementation of R&M programmes. This has resulted in the misalignment of the period budget with actual expenditure to date.	The directorate has 155 vacancies, which are currently in various stages of the recruitment and selection process. Alignment of the period budget will be undertaken where necessary.
Vote 4 - City Manager	(87)	-0.59%	Immaterial variance	-
Vote 5 - Directorate of the Mayor	(14,584)	-9.9%	The variance is a combination of over-/under expenditure mainly on: 1. Salaries and Wages (under), due to the turnaround time in the filling of vacancies. 2. Contracted Services (under), due to: a) Tranche payment to vendor, which is delayed due to expiry of Tax clearance certificate. b) Misalignment of period budget with the actuals on Event Promoters cost element. c) Reduced demand for outsourced services such as labour brokers and security staff. d) Research and communication initiatives, which is only to be undertaken during the latter half of the financial year. 3. Transfers and Subsidies (over), due to the misalignment of the period budget with actual expenditure. 4. Other Expenditure (under), mainly due to cutting down on Travelling, Entertainment and advertising expenses during the period under review. 5. Transfers and Subsidies (over), as a result of an urgent disbursement in lieu of retrenchment packages to Cape Town Partnership staff due to the termination of the contract agreement with the City.	1. The directorate has 108 vacancies, which are in various stages of the recruitment and selection process. The current vacancy rate is 24.88%. 2. The finance manager is monitoring the situation and period budgets will be adjusted in line with anticipated spend.

Table continues on next page.

City of Cape Town: Annexure A: S52 -2018 Q1 (September 2017)

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Expenditure by Vote</b>				
Vote 6 - Energy	(61,435)	-2.4%	<p>The under expenditure is largely on:</p> <ol style="list-style-type: none"> <li>1. Employee related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacant posts.</li> <li>2. Bulk Purchases (under), due to consumption pattern fluctuations for the period under review.</li> <li>3. Contracted services (under), mainly on: <ol style="list-style-type: none"> <li>a) Security Services and Transportation services for shift workers, due to later than anticipated commencement of contracts.</li> <li>b) Repairs and Maintenance – Electrical, due to delays in awarding of High Mast tender, where the contract expired on 30 June 2017 and was recently renewed.</li> <li>c) Professional Services – Geoinformatic, due to the expiry of the vendor Tax clearance certificate and awaiting approval of a contractor to implement professional services on the geoinformatics project.</li> </ol> </li> <li>4. Other expenditure (under), mainly on: <ol style="list-style-type: none"> <li>a) Commission on Prepaid Electricity, due to a reduced number of prepaid electricity vendors.</li> <li>b) Lower than anticipated demand on Electricity Supplies.</li> <li>c) The metering mobi project, which was postponed, due to further consultation with other directorates (Water Services metering project) with a view to potentially align with other directorates solutions and ERP opinion.</li> </ol> </li> <li>5. Other Materials (under), due to the impact of delays in awarding the High Mast Maintenance tender and lower than anticipated fuel consumption as no energy generation from the gas turbine was required to date.</li> </ol>	<p>The recruitment and selection process is on-going. The directorate had 302 vacancies as at 30 September 2017. 36 Positions (25 internal and 11 external) were filled with 21 terminations processed for September 2017.</p> <p>Alignment of the period budget with the actual will be undertaken where required and the finance manager is monitoring the situation.</p>
Vote 7 - Finance	(12,050)	-1.6%	<p>The variance is largely on:</p> <ol style="list-style-type: none"> <li>1. Employee related costs, due to the turnaround time in filling vacancies and the impact of the internal filling of vacant posts.</li> <li>2. Finance charges, due to misalignment of period budget with actual expenditure.</li> <li>3. Other expenditure, mainly on: <ol style="list-style-type: none"> <li>a) Insurance Claims, due to the adhoc nature of insurance claims, where payments are processed subject to approval of the submitted claim.</li> <li>b) Deeds and Transfers, due to the dispute on shared information (related to property clearance certificates, move-in and move-out on transfer of properties etc.) between the Deeds Office and the City. Payment will only be processed and settled as soon as these disputes are resolved.</li> </ol> </li> </ol>	<p>The recruitment and selection process is on-going. The directorate had 140 vacancies as at 30 September 2017. 53 Positions (38 internal and 15 external) were filled with 14 terminations processed for September 2017.</p> <p>Alignment of the period budget with the actual will be undertaken where required and the finance manager is monitoring the situation.</p>
Vote 8 - Informal Settlements, Water & Waste Services	(156,317)	-9.4%	<p>The variance is a combination of over/under expenditure.</p> <ol style="list-style-type: none"> <li>1. Employee related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacant posts.</li> <li>2. Bulk Purchases (over), due to actuals not being in line with the budget as projections were based on previous trends.</li> <li>3. Other Materials (under), largely due to misalignment of the period budgets with the actual expenditure on chemicals, fuel and Materials/Consumables.</li> <li>4. Contracted Services (under), mainly on: <ol style="list-style-type: none"> <li>a) Chipping, due to lower than anticipated expenditure incurred to date.</li> <li>b) Refuse removal, where the service is currently being rendered in-house as the contract was terminated as a result of poor performance. The tender has subsequently been re-advertised.</li> <li>c) Sewerage services, due to lower volumes of sewerage removal as a result of water restrictions resulting in lower than planned costs. Late awarding of the tender for services within Informal Settlements further contributed to this variance.</li> <li>d) Litter picking and Street Cleaning (under), due to misalignment of the period budgets with the actual costs.</li> <li>e) Professional Services Engineering-Civil (over), mainly due to costs related to the Water Resilience Plan incurred against this cost element while the budget is being reflected on Other Expenditure category.</li> </ol> </li> <li>5. Other Expenditure (under), mainly on: <ol style="list-style-type: none"> <li>a) Operating Leases, due to fewer than planned hired vehicles and equipment required.</li> <li>b) Rehabilitation of closed Landfill Sites (under), due to delays in awarding the tender to rehabilitate the old landfill site at Waterkloof.</li> <li>c) Electricity (under), due to the reduction in water consumption resulting in less pumping of wastewater to the treatment plants.</li> </ol> </li> </ol>	<p>Vacancies are at various stages of recruitment and selection. The directorate (ISWWS) has 872 vacancies out of 8243 staff establishment as at 30 September 2017. Filled positions in the directorate was 89.42% of the total staff establishment. Since the beginning of the 2017/18 financial year, 170 appointments (98 internal) were made and 76 terminations processed.</p> <p>Finance managers are continuously monitoring the situation and the alignment of the period budget with the actual expenditure trends will be undertaken where necessary. Payments will be processed where required.</p>

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## City of Cape Town: Annexure A: S52 -2018 Q1 (September 2017)

Description	YTD Variance R	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Expenditure by Vote</b>				
Vote 9 - Safety & Security	(16,924)	-2.3%	<p>The under expenditure is mainly on:</p> <ol style="list-style-type: none"> <li>1. Salaries and Wages, due to the turnaround time in filling vacancies and the impact of the internal filling of vacant posts.</li> <li>2. Contracted Services, due to lower than anticipated expenditure on security costs and repairs and maintenance during the period under review.</li> <li>3. Other Materials, mainly on: <ol style="list-style-type: none"> <li>a) Fuel, due to a more vehicles being booked for repairs and maintenance.</li> <li>b) Materials Consumables, where demand was lower than anticipated for the period under review.</li> </ol> </li> <li>4. Transfers and subsidies, due to misalignment of the period budget with actual expenditure.</li> <li>5. Other expenditure, mainly due to: <ol style="list-style-type: none"> <li>a) Lower than anticipated expenditure on hire of vehicles and LDV a result of outstanding invoices and lower demand for heavy plant equipment during the period under review.</li> <li>b) Uniform and Protective clothing, which will be paid in October 2017.</li> <li>c) Software Licenses, which are only renewed later in the year.</li> </ol> </li> </ol>	<p>The directorate currently has 260 vacancies, which are in various stages of recruitment and selection with a vacancy rate of 5.83%.</p> <p>The finance manager is monitoring the situation and will adjust the period budget where necessary.</p>
Vote 10 - Social Services	(80,473)	-10.8%	<p>The under expenditure is mainly on:</p> <ol style="list-style-type: none"> <li>1. Employee related costs, due to the turnaround time in filling vacancies, the impact of the internal filling of vacancies.</li> <li>2. Contracted Service, due to: <ol style="list-style-type: none"> <li>a) Accounts for security services, which are paid one month in arrears.</li> <li>b) Slower than expected implementation of programmes (Recreation, Sport, Tourism &amp; Social Development), due to delays in the finalisation of the scope of work related to these programmes.</li> <li>c) Laboratory services as a result of the September 2017 account, which has not yet been received for payment.</li> </ol> </li> <li>3. Other Materials, mainly on Pharmaceutical and Fuel, where invoices for September 2017 have not yet been received.</li> <li>4. Other Expenditure, due to: <ol style="list-style-type: none"> <li>a) Electricity invoices for September 2017, which has not yet been received.</li> <li>b) Delays in rolling-out the work skills plans for 2017/18.</li> </ol> </li> </ol>	<p>The directorate currently has 376 vacancies, which are in various stages of recruitment and selection.</p> <p>The finance manager is monitoring the situation and alignment of the period budget with the actual expenditure will be undertaken where necessary.</p>
Vote 11 - Transport & Urban Development Authority	(107,386)	-11.6%	<p>The variance reflects on various items.</p> <ol style="list-style-type: none"> <li>1. Employee related costs, due to the turnaround time of filling vacancies.</li> <li>2. Depreciation &amp; asset impairment, due to assets not being capitalised timeously and delays or postponement in acquisition of assets resulting in assets being brought into use and capitalised later than planned.</li> <li>3. Contracted Services, largely due to: <ol style="list-style-type: none"> <li>a) Termination of contract (Belhar/Pentech) and delays with progress on various projects (Delft The Hague Phase 1) as a result of poor contractor performance.</li> <li>b) Request from contractor (Atlantis Kanonkop) to terminate, due to vandalism and armed robberies experienced on site.</li> <li>c) Delays in awarding tenders as a result of bids which are higher than the allowed subsidy (Delft The Hague Phase 2)</li> <li>d) Delays with Morkel's Cottage project as the City had to obtain access to the site via the Provincial Department of Public Works.</li> </ol> </li> <li>4. Transfers and subsidies, due to lower than anticipated payments on People's Housing Process (PHP) projects, which depends on the rate of housing units constructed.</li> <li>5. General Expenses, due to: <ol style="list-style-type: none"> <li>a) Specialised Information Technology services being slower than anticipated.</li> <li>b) Advertising/marketing of MyCITI being slower than anticipated.</li> </ol> </li> </ol>	<p>The directorate currently has 341 vacancies, which are in various stages of the recruitment and selection process. From the beginning of the financial year, 21 vacancies were filled and 11 posts were terminated.</p> <p>Contracted Services:</p> <ol style="list-style-type: none"> <li>a) Belhar/Pentech project: The tender for the civil infrastructure was awarded and the contractor is now on site. A contractor from the Provincial Government will be appointed for the Top Structures and building work is anticipated to commence during November 2017. The Delft The Hague Phase 1: The contract will be terminated and a contractor from Provincial Government will be appointed to complete the project. Anticipated start is January 2018.</li> <li>b) The City approached Provincial Government to assist with a contractor from their database for the Atlantis Kanonkop project. The contractor is anticipated to be on site during October 2017.</li> <li>c) The preferred bidder status for Delft The Hague Phase 2 project was approved on 02 May 2017 and management is currently negotiating a lower price with the bidder. Anticipated commencement during October 2017.</li> <li>d) Morkel's Cottage project: Internal services for the first 71 sites were completed during June 2017, while civil services for the remaining 230 sites of Phase 1 will be completed in November 2017. The same contractor will start with the construction of the Top Structures towards the end of November 2017.</li> </ol>

**Table SC1: Material variance explanations for expenditure by type**

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Expenditure By Type</b>				
Employee related costs	(63,049)	-2.2%	The variance is mainly due to: 1. The turnaround time in filling vacancies and the internal filling of vacant posts. 2. The appointment of seasonal workers and temporary staff, which is dependent on peak seasons as and when departments required additional labour. 3. Slower than expected implementation of job creation projects.	The City had 2 837 vacancies as at 30 September 2017. As from 1 July 2017 to date, 696 positions were filled (407 internal and 289 external) with 277 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 the financial implications of the water resilience programme.
Remuneration of councillors	(2,554)	-6.7%	The variance is largely due to councillor increases not yet finalised and approved by the Minister of Co-operative Governance & Traditional Affairs and Council.	Councillor increases to be implemented retrospectively from 1 July 2017 when approved.
Debt impairment	(1,588)	-0.3%	Immaterial variance.	Period budget to be re-aligned with actual trend.
Depreciation & asset impairment	(17,406)	-2.7%	The variance is largely affected by the capitalisation rate of assets, based on the completion, progress of capital projects and delivery of moveable assets.	No action required.
Finance charges	(10,067)	-4.7%	Variance due to the misalignment of the period budget with actual to date and the impact of some of the leases that were cancelled or terminated within the Assets & Facilities Management directorate.	Alignment of the period budget with the actual expenditure will be undertaken.
Bulk purchases	(14,624)	-0.7%	The variance on Bulk Purchases: Electricity is due to consumption pattern fluctuations while the variance on Bulk Purchases: Water is due to actuals not being in line with the period budget, where projections were based on previous trends.	Alignment of the period budget with the actual expenditure will be undertaken.
Other materials	(42,485)	-15.6%	The variance is largely due to delays in awarding of maintenance tenders and lower than anticipated demand on fuel, stationery, printing and materials, which in turn resulted in the misalignment of the period budget with the actual expenditure.	Expenditure trend is monitored and corrective actions will be taken where necessary.
Contracted services	(218,531)	-21.4%	The variance is largely due to: 1. Late commencement of Security Services and Transportation services contracts for shift workers. 2. Delays in awarding of High Mast tender on Repairs and Maintenance, where the contract, which expired on 30 June 2017 had to be renewed. 3. Lower volume and demand for sewerage removal as a result of water restrictions resulting in lower costs than planned. The late awarding of tender for services within Informal Settlements further contributed to this variance. 4. Refuse removal is currently being rendered in-house as the contract was terminated, due to poor performance and has subsequently been re-advertised. 5. Lower than anticipated expenditure on various Human Settlement Development projects, due to: a) delays in awarding tenders, b) termination of contracts as a result of poor contractor performance and, c) the impact of vandalism and armed robberies experienced by contractors resulting in project delays and termination of contracts.	Expenditure trends are monitored and corrective actions will be taken where necessary.

Table continues on next page.

City of Cape Town: Annexure A: S52 -2018 Q1 (September 2017)

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	
<b>Expenditure By Type</b>				
Transfers and subsidies	(15,615)	-16.0%	The variance is largely due to: 1. Lower than anticipated People's Housing Process (PHP) payments, which is dependent on the rate of housing units constructed. 2. Misalignment of period budget with actual expenditure trends.	Situation is monitored by the respective finance manager and alignment of period budgets will be undertaken.
Other expenditure	(97,043)	-14.5%	The variance is largely on: 1. Software licences, where the Microsoft Enterprise Agreement has not yet been renewed while other alternatives are being assessed. 2. Specialised IT services, due to lower than anticipated expenditure incurred as contract staff are in process of being converted to permanent employees and no new or additional contract staff are appointed until the conversion process is completed. 3. Electricity costs, largely due to lower electricity consumption at water pump stations as a result of current weather patterns and lower water demand. 4. Training, due to fewer than anticipated training interventions and appointment of co-op students during this period.	Situation is monitored by respective finance managers and alignment of period budgets will be undertaken.
Loss on disposal of PPE	110	131.1%	The over-recovery is due to various assets, which were written off as a result of theft/lost items.	Budgetary realignment will be addressed in the January 2018 adjustments budget as the Virement Policy prohibits transfer of funds to/from this expenditure item.

**Table SC1: Material variance explanations for capital expenditure by vote**

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Capital Expenditure by Vote</b>				
Vote 1 - Area-Based Service Delivery	(572)	-63.7%	1. IT Equipment: Initially delayed, due to the changes in specifications. 2. Upgrade of Informal Markets and Facilities: The delays in finalising site visits and quotes have resulted in underspend on this project.	1. Orders have been placed for IT equipment; awaiting delivery. 2. Some quotes have been received and orders will be placed once all quotes are received.
Vote 2 - Assets & Facilities Management	(8,891)	-17.7%	Home Ownership Transfer, Tenancy Management and Staff Housing Department - Asset Management Programme: Cash flow misaligned. Order has been placed via term tender contractors. Work scheduled to commence in October 2017.	Cash flows to be amended in the January 2018 adjustments budget.
Vote 3 - Corporate Services	6,734	202.7%	Dark Fibre Broadband Infrastructure project: The positive variance is as a result of some 2016/17 projects relating to routes in Atlantis, Stellenbosch and Somerset/Zandvliet that were completed in the 2017/18 financial year.	Cash flows to be amended in the January 2018 adjustments budget.
Vote 4 - City Manager	0	0.0%	-	-
Vote 5 - Directorate of the Mayor	120	3.7%	Immaterial variance.	-
Vote 6 - Energy	(9,439)	-4.9%	The negative variance relates to the following projects that are behind schedule: 1. Bloemhof: Stores Upgrade: Poor soil conditions experienced during excavation of the foundations and the late delivery of steel, which caused further delays at the start of the project. 2. Bloemhof Network Control Centre: Delays in demolishing the old network control centre building and massive amounts of water found during excavation of the foundations led to further delays. All demolition work has now been completed. Casting of foundations is almost completed. 3. Newfields Transformer Replacement: Cash flows misaligned as the advance payment was made in the previous financial year already. Order for the Power Transformers is in place and manufacturing has commenced. Installation of first unit planned to commence in October 2017.	There are on-going engagements with Directors and project managers to ensure that tracking and monitoring of projects are within the prescribed timeframes and that corrective actions are processed timeously, so as to ensure maximum spend.
Vote 7 - Finance	381	17.2%	Revenue Department: Security equipment delivered earlier than anticipated.	Department to monitor and spend according to project plan.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Capital Expenditure by Vote</b>				
Vote 8 - Informal Settlements, Water & Waste Services	45,549	19.5%	The directorate is ahead of planned spend for the period under review. Refer below for further comments per department.	There are 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, so as to ensure maximum spend.
Management: Inf Settlements, Water & Waste	(9)	-46.1%	The variance against the Computer Equipment project, due to IT equipment that was incorrectly purchased against the Furniture Fittings and Equipment project.	Reposting to be processed in October 2017.
Informal Settlements & Backyards	(11,128)	-45.6%	The negative variance is as a result of:- 1. Cash flow misalignment against the following projects: a) Incremental Development Area - False Bay b) Backyard Water Dispensing & Management c) Urbanisation: Backyards/Informal Settlement Upgrade 2. Informal Settlements Sanitation Installation: Quotations have been received, however the contract price adjustment delayed the creation of Purchase Requisitions. This resulted in delays to the planned start dates and project spend. Revised construction start date is October 2017.	Project managers will continue to closely monitor and track all projects and tenders. Relevant corrective actions will be implemented timeously, if and where required to ensure maximum spend.  Where cash flows are misaligned - planned spend will be realigned during the January 2018 adjustment budget process.
Solid Waste Management	(37,754)	-64.4%	The under expenditure relates to the Plant & Vehicles Replacement FY2018 project, where the tender is in place but the department delayed the placement of orders, due to re-prioritisation of vehicle requirements.	Cash flow to be amended during the January 2018 adjustment budget process.
Water & Sanitation	94,441	62.8%	The positive variance is due to good contractor performance and implementation being faster than originally planned for the following projects: 1. Meter Replacement Programme 2. Construction of new Office Accommodation. 3. Trenchless Rehabilitation: Black-Mac network 4. EAM Depot Realignment - 5 Nodal System	Project managers will continue to closely monitor and track all projects and tenders, so as to ensure maximum spend.
Vote 9 - Safety & Security	6,929	60.4%	Delivery of vehicles and equipment earlier than anticipated, due to availability of stock in respect of the following projects: a. Replacement of Vehicles Directorate; b. Integrated Contract Centre; c. Vehicle Replacements; and d. Furniture, Tools and Equipment: Additional FY2018.	Ongoing monitoring of project progress and monitoring.

Table continues on next page.

City of Cape Town: Annexure A: S52 -2018 Q1 (September 2017)

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Capital Expenditure by Vote</b>				
Vote 10 - Social Services	(6,095)	-28.6%	The directorate has a net negative variance R2,1 million, due to slower than expected implementation of the following projects: - Library Upgrades; - Construction of new Pelican Park clinic; and - Construction of the new Delft and Strand ECDs However, the following projects are running ahead of schedule, due to good contractor performance and delivery being earlier than anticipated: - Upgrade of road infrastructure at Maitland Cemetery; and - Library Books	Project Managers will continue to closely monitor implementation of projects within the prescribed timelines and track tenders. Relevant remedial action will be implemented to ensure maximum capital spend at year-end.
Vote 11 - Transport & Urban Development Authority	(64,423)	-23.2%	A combination of factors attributed to this variance: 1. Machinery breakdown on road rehabilitation projects, which is delaying progress; 2. Appeals against the appointment of consultants for Langa Hostels that is still underway; 3. IRT Phase 2 A Stock and Strandfontein Road projects are delayed as the long term consultant appointments for the conceptual and detail design of Phase 2A components are awaiting clarification and confirmation on the operational plan.	Situation is being monitored and where needed, improved contract management is instilled to address performance of contractors and demand management to ensure implementation readiness.

**Table SC1: Material variance explanations for cash flow**

Description	YTD variance R Thousands	YTD variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>R thousands</b>				
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Receipts</b>				
Property rates	(106,648)	-4.9%	Less revenue received than originally expected taking into account previous trends.	Revenue collection is being monitored and material variances will be investigated and communicated, however, at this time no remedial action is required.
Service charges	(360,780)	-7.8%	Less revenue received than originally expected due to the implementation of water restrictions.	Revenue collection is being monitored and material variances will be investigated and communicated, however, at this time no remedial action is required.
Other revenue	339,267	99.0%	VAT refund received earlier than envisaged and additional revenue not allocated at the time of reporting.	No remedial action required at this time.
Government - operating	116,395	5.5%	The variance resulted from more transfers received than originally budgeted for.	No remedial action required at this time.
Government - capital	(8,513)	-1.1%	Immaterial variance.	No remedial action required.
Interest	(403)	-0.3%	Immaterial variance.	No remedial action required.
<b>Payments</b>				
Suppliers and employees	(69,886)	0.8%	Immaterial variance.	No remedial action required.
Finance charges	1,451	-0.8%	Immaterial variance.	No remedial action required.
Transfers and Grants	-			
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>(47,773)</b>	<b>-3.4%</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Receipts</b>				
Proceeds on disposal of PPE	-			
Decrease (increase) in non-current debtors	-			
Decrease (increase) other non-current receivables	-			
Decrease (increase) in non-current investments	-			
<b>Payments</b>				
Capital assets	(547,344)	46.6%	Less capital expenditure pertaining to previous financial year than expected.	No remedial action required at this time however, the budget will be aligned with the mid-year review and adjustments budget process in December 2017/January 2018.
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(547,344)</b>	<b>46.6%</b>		
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Receipts</b>				
Short term loans	-			
Borrowing long term/refinancing	-			
Increase (decrease) in consumer deposits	-			
<b>Payments</b>				
Repayment of borrowing	(1,426)	1.6%	Immaterial variance.	No remedial action required.
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(1,426)</b>	<b>-0.2%</b>		

**Table SC1: Measureable performance indicators and reasons for material deviations**

There are no material variances to report on for the quarter 1 of 2018 (July 2017 to September 2017).

**Table SC2: Monthly Budget Statement - performance indicators**

Description of financial indicator	Basis of calculation	2016/17	Budget Year 2017/18			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b><u>Borrowing Management</u></b>						
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	1.0%	9.9%	9.8%	2.6%	3.4%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	46.4%	41.5%	41.7%	48.4%	41.7%
<b><u>Safety of Capital</u></b>						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	34.7%	44.5%	42.2%	27.3%	42.2%
Gearing	Long Term Borrowing/ Funds & Reserves	153.4%	278.2%	287.0%	183.1%	287.0%
<b><u>Liquidity</u></b>						
Current Ratio	Current assets/current liabilities	139.7%	127.7%	128.3%	183.6%	128.3%
Liquidity Ratio	Monetary Assets/Current Liabilities	58.3%	62.0%	57.0%	85.0%	57.0%
<b><u>Revenue Management</u></b>						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	19.0%	18.0%	17.8%	53.0%	17.8%
<b><u>Other Indicators</u></b>						
Employee costs	Employee costs/Total Revenue - capital revenue	26.8%	31.7%	31.4%	28.2%	31.4%
Interest & Depreciation	I&D/Total Revenue - capital revenue	8.4%	9.7%	9.6%	2.1%	3.4%

**Table SC3 Monthly budget statement Aged Debtors**

Description	Budget Year 2017/18										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	412,553	144,650	139,621	118,307	128,210	103,354	531,384	1,472,755	3,050,836	2,354,011	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	755,405	44,742	8,893	3,204	8,982	9,545	82,494	148,642	1,062,006	252,966	-	-
Receivables from Non-exchange Transactions - Property Rates	564,589	79,045	77,764	45,009	47,797	35,812	181,839	639,784	1,691,740	950,241	-	-
Receivables from Exchange Transactions - Waste Water Management	167,191	45,731	38,730	31,689	34,929	27,851	177,759	850,064	1,173,743	922,092	-	-
Receivables from Exchange Transactions - Waste Management	85,939	19,438	18,922	13,385	14,314	11,608	73,308	271,687	508,603	364,303	-	-
Receivables from Exchange Transactions - Property Rental Debtors	70,165	12,124	(1,324)	11,490	9,896	12,119	85,069	519,407	698,946	617,980	-	-
Interest on Arrear Debtor Accounts	58,147	26,057	25,186	26,447	21,647	21,787	105,961	602,979	888,212	778,821	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Other	(457,330)	(37,064)	(27,521)	(9,048)	(9,427)	(10,266)	(49,105)	(236,468)	(836,233)	(314,317)	-	-
Total By Income Source	1,676,759	334,723	280,273	240,482	256,348	211,708	1,168,708	4,068,850	8,237,852	5,946,096	-	-
2016/17 - totals only	1,609,692	261,191	237,848	222,257	181,741	190,622	881,495	3,735,623	7,320,468	5,211,737	-	-
Debtors Age Analysis By Customer Group												
Organs of State	(239,600)	25,920	18,255	10,926	11,327	7,228	26,351	46,821	(92,772)	102,654	-	-
Commercial	1,049,295	75,601	49,698	32,855	29,545	18,979	109,598	373,703	1,739,335	564,680	-	-
Households	1,079,939	285,482	243,320	210,165	219,779	186,965	1,011,541	3,693,617	6,910,788	5,322,067	-	-
Other	(212,875)	(32,321)	(30,999)	(13,454)	(4,303)	(1,463)	21,217	(45,291)	(319,499)	(43,304)	-	-
Total By Customer Group	1,676,759	334,723	280,273	240,482	256,348	211,708	1,168,708	4,068,850	8,237,852	5,946,096	-	-

**Table SC4 Monthly Budget Statement Aged Creditors**

Description	Budget Year 2017/18									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	
R thousands										
Creditors Age Analysis By Customer Type										
Bulk Electricity	-	-	-	-	-	-	-	-	-	-
Bulk Water	-	-	-	-	-	-	-	-	-	-
PAYE deductions	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	-	-	-	-	-	-	-	-	-	-
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	1,369,706	5,616	(93)	(165)	16	-	(18)	(7,210)	1,367,852	214,614
Auditor General	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1,369,706	5,616	(93)	(165)	16	-	(18)	(7,210)	1,367,852	214,614

Table SC5 Monthly Budget Statement investment portfolio

Investments by maturity Name of institution & Investment ID R thousands	Period of Investment Yrs/Months	Type of Investment	Expiry date of Investment	Accrued interest for the month	Yield for the month (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
ABSA Bank	48	Fixed deposit	2017/10/02	805	7.00%	140,000	805	140,805
ABSA Bank	57	Fixed deposit	2017/10/13	232	7.05%	40,000	232	40,232
ABSA Bank	60	Fixed deposit	2017/10/20	260	7.03%	45,000	260	45,260
ABSA Bank	66	Fixed deposit	2017/10/27	203	7.05%	35,000	203	35,203
ABSA Bank	65	Fixed deposit	2017/10/27	145	7.05%	25,000	145	25,145
ABSA Bank	64	Fixed deposit	2017/10/27	145	7.05%	25,000	145	25,145
ABSA Bank	64	Fixed deposit	2017/10/31	87	7.05%	15,000	87	15,087
ABSA Bank	42	Fixed deposit	2017/10/25	86	6.95%	25,000	86	25,086
ABSA Bank	57	Fixed deposit	2017/11/10	65	7.00%	20,000	65	20,065
ABSA Bank	67	Fixed deposit	2017/11/24	88	7.05%	35,000	88	35,088
ABSA Bank	45	Fixed deposit	2017/11/03	46	6.93%	20,000	46	20,046
ABSA Bank	62	Fixed deposit	2017/11/27	38	7.00%	40,000	38	40,038
ABSA Bank	61	Fixed deposit	2017/11/27	42	7.00%	55,000	42	55,042
ABSA Bank	60	Fixed deposit	2017/11/27	29	7.00%	50,000	29	50,029
Firststrand	48	Fixed deposit	2017/10/02	697	6.78%	125,000	697	125,697
Firststrand	48	Fixed deposit	2017/10/02	919	6.78%	165,000	919	165,919
Firststrand	57	Fixed deposit	2017/10/13	224	6.80%	40,000	224	40,224
Firststrand	60	Fixed deposit	2017/10/20	113	6.85%	20,000	113	20,113
Firststrand	66	Fixed deposit	2017/10/27	225	6.85%	40,000	225	40,225
Firststrand	65	Fixed deposit	2017/10/27	141	6.85%	25,000	141	25,141
Firststrand	64	Fixed deposit	2017/10/27	141	6.85%	25,000	141	25,141
Firststrand	64	Fixed deposit	2017/10/31	169	6.85%	30,000	169	30,169
Firststrand	50	Fixed deposit	2017/10/25	217	6.78%	45,000	217	45,217
Firststrand	29	Fixed deposit	2017/10/05	184	6.73%	40,000	184	40,184
Firststrand	42	Fixed deposit	2017/10/25	67	6.78%	20,000	67	20,067
Firststrand	57	Fixed deposit	2017/11/10	79	6.80%	25,000	79	25,079
Firststrand	63	Fixed deposit	2017/11/17	105	6.85%	35,000	105	35,105
Firststrand	67	Fixed deposit	2017/11/24	110	6.85%	45,000	110	45,110
Firststrand	45	Fixed deposit	2017/11/03	44	6.76%	20,000	44	20,044
Firststrand	43	Fixed deposit	2017/11/03	83	6.75%	45,000	83	45,083
Firststrand	62	Fixed deposit	2017/11/27	47	6.83%	50,000	47	50,047
Firststrand	60	Fixed deposit	2017/11/27	6	6.83%	10,000	6	10,006
Firststrand	181	Fixed deposit	2018/03/29	4	7.71%	10,000	4	10,004
Firststrand	181	Fixed deposit	2018/03/29	5	7.71%	12,000	5	12,005
Firststrand	181	Fixed deposit	2018/03/29	4	7.71%	9,000	4	9,004
Firststrand	181	Fixed deposit	2018/03/29	5	7.71%	12,000	5	12,005
Investec Bank	48	Fixed deposit	2017/10/02	382	7.15%	65,000	382	65,382
Investec Bank	48	Fixed deposit	2017/10/02	59	7.15%	10,000	59	10,059
Investec Bank	57	Fixed deposit	2017/10/13	89	7.20%	15,000	89	15,089
Investec Bank	60	Fixed deposit	2017/10/20	59	7.20%	10,000	59	10,059
Investec Bank	66	Fixed deposit	2017/10/27	58	7.05%	10,000	58	10,058
Investec Bank	65	Fixed deposit	2017/10/27	58	7.10%	10,000	58	10,058
Investec Bank	64	Fixed deposit	2017/10/27	59	7.15%	10,000	59	10,059
Investec Bank	64	Fixed deposit	2017/10/31	302	7.35%	50,000	302	50,302
Investec Bank	50	Fixed deposit	2017/10/25	52	7.25%	10,000	52	10,052
Investec Bank	29	Fixed deposit	2017/10/05	98	7.15%	20,000	98	20,098
Investec Bank	57	Fixed deposit	2017/11/10	50	7.20%	15,000	50	15,050
Investec Bank	63	Fixed deposit	2017/11/17	110	7.20%	35,000	110	35,110

Table continues on next page.

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Investments by maturity Name of institution & Investment ID R thousands	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
	Yrs/Months							
investec Bank	67	Fixed deposit	2017/11/24	38	7.20%	15,000	38	15,038
investec Bank	45	Fixed deposit	2017/11/03	24	7.20%	10,000	24	10,024
investec Bank	43	Fixed deposit	2017/11/03	39	7.15%	20,000	39	20,039
Nedbank	48	Fixed deposit	2017/10/02	811	7.05%	140,000	811	140,811
Nedbank	57	Fixed deposit	2017/10/13	201	7.00%	35,000	201	35,201
Nedbank	60	Fixed deposit	2017/10/20	201	7.00%	35,000	201	35,201
Nedbank	66	Fixed deposit	2017/10/27	174	7.05%	30,000	174	30,174
Nedbank	65	Fixed deposit	2017/10/27	173	7.00%	30,000	173	30,173
Nedbank	64	Fixed deposit	2017/10/27	115	7.00%	20,000	115	20,115
Nedbank	64	Fixed deposit	2017/10/31	230	7.00%	40,000	230	40,230
Nedbank	50	Fixed deposit	2017/10/25	173	6.95%	35,000	173	35,173
Nedbank	29	Fixed deposit	2017/10/05	328	6.85%	70,000	328	70,328
Nedbank	42	Fixed deposit	2017/10/25	68	6.90%	20,000	68	20,068
Nedbank	57	Fixed deposit	2017/11/10	49	7.00%	15,000	49	15,049
Nedbank	63	Fixed deposit	2017/11/17	107	7.00%	35,000	107	35,107
Nedbank	67	Fixed deposit	2017/11/24	87	7.00%	35,000	87	35,087
Nedbank	45	Fixed deposit	2017/11/03	45	6.90%	20,000	45	20,045
Nedbank	43	Fixed deposit	2017/11/03	85	6.90%	45,000	85	45,085
Nedbank	62	Fixed deposit	2017/11/27	29	6.95%	30,000	29	30,029
Nedbank	61	Fixed deposit	2017/11/27	38	7.00%	50,000	38	50,038
Nedbank	60	Fixed deposit	2017/11/27	29	7.00%	50,000	29	50,029
Standard Bank	48	Fixed deposit	2017/10/02	992	6.90%	175,000	992	175,992
Standard Bank	48	Fixed deposit	2017/10/02	567	6.90%	100,000	567	100,567
Standard Bank	57	Fixed deposit	2017/10/13	255	6.90%	45,000	255	45,255
Standard Bank	60	Fixed deposit	2017/10/20	142	6.90%	25,000	142	25,142
Standard Bank	66	Fixed deposit	2017/10/27	227	6.90%	40,000	227	40,227
Standard Bank	65	Fixed deposit	2017/10/27	170	6.90%	30,000	170	30,170
Standard Bank	64	Fixed deposit	2017/10/27	142	6.90%	25,000	142	25,142
Standard Bank	64	Fixed deposit	2017/10/31	292	7.10%	50,000	292	50,292
Standard Bank	50	Fixed deposit	2017/10/25	172	6.90%	35,000	172	35,172
Standard Bank	29	Fixed deposit	2017/10/05	328	6.85%	70,000	328	70,328
Standard Bank	42	Fixed deposit	2017/10/25	84	6.85%	25,000	84	25,084
Standard Bank	57	Fixed deposit	2017/11/10	82	7.00%	25,000	82	25,082
Standard Bank	63	Fixed deposit	2017/11/17	61	6.95%	20,000	61	20,061
Standard Bank	67	Fixed deposit	2017/11/24	136	6.95%	55,000	136	55,136
Standard Bank	45	Fixed deposit	2017/11/03	45	6.90%	20,000	45	20,045
Standard Bank	43	Fixed deposit	2017/11/03	103	6.85%	55,000	103	55,103
Standard Bank	62	Fixed deposit	2017/11/27	38	6.95%	40,000	38	40,038
Standard Bank	60	Fixed deposit	2017/11/27	6	6.95%	10,000	6	10,006
ABSA Bank Call		Call Notice		1,767	6.75%	335,382	(28,233)	307,150
Firststrand Bank Call		Call Notice		231	6.35%	105,618	(75,388)	30,231
investec Bank Call		Call Notice		303	6.55%	65,359	(5,056)	60,303
Nedbank Call		Call Notice		287	6.35%	120,643	(75,356)	45,287
Standard Bank Call		Call Notice		621	6.40%	171,255	(30,635)	140,621
ABSA current account		Current account		868	6.35%	88,411	64,859	153,271
Fund Managers		-		-	0.00%	4,781,573	31,657	4,813,230
Liberty, RMB and Nedbank sinking fund		-		-	0.00%	538,314	16,805	555,119
Cash in transit		-		-	0.00%	21,688	599	22,287
TOTAL INVESTMENTS AND INTEREST				18,201		9,531,245	(86,623)	9,444,622

The investment portfolio analysis includes information on the institution where funds are invested, period of investment, type of investment and accrued interest for the month.

**Allocation and grant receipts and expenditure****Table SC7 Monthly Budget Statement transfers and grants expenditure**

Description	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Operating expenditure of Transfers and Grants</b>								
<b>National Government:</b>	<b>353,550</b>	<b>2,849,944</b>	<b>2,849,944</b>	<b>63,519</b>	<b>71,830</b>	<b>(8,312)</b>	<b>-11.6%</b>	<b>2,849,944</b>
Equitable share	-	2,292,908	2,292,908	-	-	-	-	2,292,908
Finance Management grant	1,050	1,050	1,050	267	271	(4)	-1.4%	1,050
Urban Settlements Development Grant	41,560	215,798	215,798	5,970	6,413	(443)	-6.9%	215,798
Energy Efficiency and Demand Side Management Grant	568	400	400	44	-	44	100.0%	400
Dept of Environ Affairs and Tourism	5,868	-	-	-	-	-	-	-
Expanded Public Works Programme	31,340	13,783	13,783	7,184	2,204	4,980	225.9%	13,783
Integrated City Development Grant	6,290	8,944	8,944	-	913	(913)	-100.0%	8,944
Public Transport Infrastructure & Systems Grant	32,413	19,636	19,636	2,690	4,746	(2,058)	-43.3%	19,636
Infrastructure Skills Development	7,365	9,393	9,393	2,537	2,075	462	22.3%	9,393
Public Transport Network Grant	232,093	288,032	288,032	44,827	55,207	(10,380)	-18.8%	288,032
Dept Public Service: Tirelo Boshu Programme	190	-	-	-	-	-	-	-
LGSETA: Post Graduate Internship Programme	(3)	-	-	-	-	-	-	-
Public Transport Network Operations Grant	(5,183)	-	-	-	-	-	-	-
<b>Provincial Government:</b>	<b>801,687</b>	<b>1,176,026</b>	<b>1,639,519</b>	<b>146,863</b>	<b>257,033</b>	<b>(110,171)</b>	<b>-42.9%</b>	<b>1,639,519</b>
Cultural Affairs and Sport - Provincial Library Services	37,626	37,449	37,449	7,965	9,132	(1,147)	-12.6%	37,449
Human Settlements - Human Settlement Development Grant	424,143	592,286	1,055,311	61,509	165,806	(104,296)	-62.9%	1,055,311
Human Settlements - Municipal Accreditation Assistance	6,111	5,000	5,000	1,897	1,250	647	51.8%	5,000
Human Settlement - Settlement Assistance	697	1,500	1,500	243	375	(132)	-35.1%	1,500
Health - TB	25,626	27,112	27,112	5,139	4,800	339	7.1%	27,112
Health - ARV	179,967	217,701	217,701	62,417	50,624	11,793	23.3%	217,701
Health - Nutrition	4,733	5,572	5,572	1,273	1,392	(119)	-8.5%	5,572
Health - Vaccines	80,874	82,134	82,134	4,640	20,534	(15,894)	-77.4%	82,134
Comprehensive Health	-	188,146	188,146	-	-	-	-	188,146
Transport and Public Works - Provision for persons with special needs	10,089	10,000	10,000	1,698	1,000	698	69.8%	10,000
Community Development Workers	469	886	1,354	(0)	261	(261)	-100.0%	1,354
Planning, Maintenance and Rehabilitation of Transport Systems and Infrastructure	5,674	-	-	-	-	-	-	-
Community Safety - Law Enforcement Auxiliary Services	25,620	3,500	3,500	-	675	(675)	-100.0%	3,500
Finance Management Capacity Building Grant	-	240	240	-	60	(60)	-100.0%	240
Transport Safety and Compliance - Rail Safety	56	-	-	(0)	-	(0)	-	-
Finance Management Support Grant	4	-	-	-	-	-	-	-
Provincial Government Commercial Mediation Training	-	-	-	-	-	-	-	-
Library Services: Transfer funding to enable City of Cape Town to procure periodicals and newspapers	-	4,500	4,500	62	1,125	(1,063)	-94.5%	4,500
<b>Other grant providers:</b>	<b>34,632</b>	<b>12,337</b>	<b>23,472</b>	<b>4,090</b>	<b>5,033</b>	<b>(943)</b>	<b>-18.7%</b>	<b>23,472</b>
Tourism	-	2,000	2,000	2,000	2,000	-	-	2,000
CMTF	1,811	2,575	2,575	742	1,115	(373)	-33.5%	2,575
CID	4,224	3,572	3,572	804	885	(80)	-9.1%	3,572
Century City Property Owners Association	782	837	837	146	219	(72)	-33.1%	837
Traffic Free Flow	644	-	-	-	-	-	-	-
V & A Waterfront Holdings	291	772	772	25	193	(168)	-87.2%	772
DBSA - Green Fund	24,110	-	6,790	-	-	-	-	6,790
Rustenberg Girls	38	41	41	4	10	(6)	-56.2%	41
Westcott Primary	38	41	41	4	10	(6)	-56.2%	41
Rockefeller Philanthropy Advisor's Inc	-	1,166	1,166	225	223	3	1.1%	1,166
University of Connecticut	-	-	451	-	45	(45)	-100.0%	451
Stellenbosch University: POPART	244	-	-	-	-	-	-	-
Airports Company South Africa SOC Ltd	1,333	1,333	1,333	139	333	(195)	-58.4%	1,333
Big Bay Master Property Owners Association	-	-	-	-	-	-	-	-
The South African Breweries	-	-	3,894	-	-	-	-	3,894
Sustainable Energy Africa	187	-	-	-	-	-	-	-
Stellenbosch University: POPART	929	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>	<b>1,189,869</b>	<b>4,038,307</b>	<b>4,512,935</b>	<b>214,472</b>	<b>333,897</b>	<b>(119,425)</b>	<b>-35.8%</b>	<b>4,512,935</b>

Table continues on next page.

## City of Cape Town: Annexure A: S52 -2018 Q1 (September 2017)

Description	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Capital expenditure of Transfers and Grants</b>								
<b>National Government:</b>	<b>1,959,166</b>	<b>2,189,832</b>	<b>2,210,645</b>	<b>212,280</b>	<b>274,935</b>	<b>(62,656)</b>	<b>-22.8%</b>	<b>2,152,012</b>
Cooperative Governance: Emergency Disaster Relief Grant	-	-	20,812	-	4,000	(4,000)	-100.0%	20,812
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	14,400	9,600	9,600	1,243	200	1,043	521.5%	9,600
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	-	5,000	5,000	-	550	(550)	-100.0%	5,000
National Treasury: Expanded Public Works Programme	400	400	400	-	-	-	-	400
National Treasury: Infrastructure Skills Development Grant	989	1,000	1,000	29	-	29	100.0%	1,000
National Treasury: Integrated City Development Grant	35,756	52,319	52,319	9,792	8,785	1,007	11.5%	42,885
National Treasury: Local Government Restructuring Grant	-	50	50	-	1	(1)	-100.0%	50
National Treasury: Neighbourhood Development Partnership Grant	23,802	2,109	2,109	-	-	-	-	2,109
National Treasury: Urban Settlements Development Grant	1,252,464	1,278,988	1,278,988	92,399	136,015	(43,616)	-32.1%	1,226,943
Urban Renewal	2,194	-	-	-	-	-	-	-
Transport: Public Transport Infrastructure & Systems Grant	22,681	128,875	128,875	(0)	5,000	(5,000)	-100.0%	128,875
Transport: Public Transport Infrastructure Grant	(33,331)	-	-	(0)	-	(0)	-	-
Transport: Public Transport Network Grant	639,812	711,492	711,492	108,817	120,384	(11,567)	-9.6%	714,338
<b>Provincial Government:</b>	<b>46,130</b>	<b>79,002</b>	<b>79,002</b>	<b>4,419</b>	<b>8,990</b>	<b>(4,571)</b>	<b>-50.8%</b>	<b>76,543</b>
Cultural Affairs and Sport Library Services (Conditional Grant)	14,078	15,850	15,850	4,349	125	4,224	3379.3%	15,850
Cultural Affairs and Sport Library Services: Metro Library Grant	8,512	10,000	10,000	69	1,591	(1,621)	-95.9%	7,541
Planning, Maintenance and Rehabilitation of Transport Systems and Infrastructure	15,219	-	-	-	-	-	-	-
Transport Safety and Compliance - Rail Safety	256	-	-	-	-	-	-	-
Cultural Affairs and Sport Delft Sportsfield Development	20	-	-	-	-	-	-	-
Macassar Treatment Works	5,500	-	-	-	-	-	-	-
Integrated Community Access Network	127	-	-	-	-	-	-	-
Housing: Integrated Housing and Human Settlement Development Grant	2,268	53,002	53,002	(0)	7,174	(7,174)	-100.0%	53,002
Provincial Government: Community Development Workers	150	150	150	-	-	-	-	150
<b>Other grant providers:</b>	<b>71,882</b>	<b>84,900</b>	<b>84,900</b>	<b>15,743</b>	<b>13,000</b>	<b>2,743</b>	<b>21.1%</b>	<b>84,900</b>
Other: Other	71,882	84,900	84,900	15,743	13,000	2,743	21.1%	84,900
<b>Total capital expenditure of Transfers and Grants</b>	<b>2,077,178</b>	<b>2,353,735</b>	<b>2,374,547</b>	<b>232,441</b>	<b>296,925</b>	<b>(64,484)</b>	<b>-21.7%</b>	<b>2,313,455</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>3,267,048</b>	<b>6,392,042</b>	<b>6,887,483</b>	<b>446,913</b>	<b>630,822</b>	<b>(183,909)</b>	<b>-29.2%</b>	<b>6,826,390</b>

**Expenditure on councillor and board members' allowances and employee benefits****Table SC8 Monthly Budget Statement - councillor and staff benefits**

Summary of Employee and Councillor remuneration	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b><u>Councillors (Political Office Bearers plus Other)</u></b>								
Basic Salaries and Wages	122,846	138,588	138,588	31,250	34,647	(3,397)	-9.8%	138,588
Pension and UIF Contributions	4,115	-	-	1,157	-	1,157	100.0%	-
Cellphone Allowance	4,903	5,640	5,640	1,312	1,410	(98)	-7.0%	5,640
Other benefits and allowances	6,510	11,558	11,558	1,913	2,130	(217)	-10.2%	11,558
<b>Sub Total - Councillors</b>	<b>138,374</b>	<b>155,786</b>	<b>155,786</b>	<b>35,632</b>	<b>38,187</b>	<b>(2,555)</b>	<b>-6.7%</b>	<b>155,786</b>
<b>% increase</b>		<b>12.6%</b>	<b>12.6%</b>					<b>12.6%</b>
<b><u>Senior Managers of the Municipality</u></b>								
Basic Salaries and Wages	30,689	27,665	27,665	6,359	6,916	(557)	-8.1%	27,665
Pension and UIF Contributions	1,499	1,580	1,580	502	395	107	27.1%	1,580
Medical Aid Contributions	160	151	151	35	38	(3)	-7.9%	151
Motor Vehicle Allowance	382	284	284	103	71	32	45.1%	284
Cellphone Allowance	115	184	184	34	46	(12)	-26.1%	184
Other benefits and allowances	103	63	63	69	16	53	331.3%	63
Payments in lieu of leave	1,617	-	-	-	-	-		-
<b>Sub Total - Senior Managers of Municipality</b>	<b>34,565</b>	<b>29,927</b>	<b>29,927</b>	<b>7,102</b>	<b>7,482</b>	<b>(380)</b>	<b>-5.1%</b>	<b>29,927</b>
<b>% increase</b>		<b>-13.4%</b>	<b>-13.4%</b>					<b>-13.4%</b>
<b><u>Other Municipal Staff</u></b>								
Basic Salaries and Wages	5,934,755	8,295,797	8,310,010	1,909,747	1,955,648	(45,901)	-2.3%	8,310,010
Pension and UIF Contributions	1,068,818	1,571,082	1,573,306	376,431	393,529	(17,098)	-4.3%	1,573,306
Medical Aid Contributions	660,098	729,604	729,604	171,544	182,513	(10,969)	-6.0%	729,604
Overtime	546,610	495,298	494,641	94,655	72,357	22,298	30.8%	494,641
Motor Vehicle Allowance	191,177	206,029	206,086	47,949	51,424	(3,475)	-6.8%	206,086
Cellphone Allowance	16,599	17,502	17,507	4,150	4,375	(225)	-5.1%	17,507
Housing Allowances	56,862	56,026	56,026	15,013	15,039	(26)	-0.2%	56,026
Other benefits and allowances	221,178	227,271	227,937	60,492	55,622	4,870	8.8%	227,937
Payments in lieu of leave	675,494	122,318	122,486	27,252	31,266	(4,014)	-12.8%	122,486
Long service awards	23,642	68,288	68,288	11,421	17,057	(5,636)	-33.0%	68,288
Post-retirement benefit obligations	229,302	231,548	231,548	55,394	57,887	(2,493)	-4.3%	231,548
<b>Sub Total - Other Municipal Staff</b>	<b>9,624,735</b>	<b>12,020,763</b>	<b>12,037,439</b>	<b>2,774,048</b>	<b>2,836,717</b>	<b>(62,669)</b>	<b>-2.2%</b>	<b>12,037,439</b>
<b>% increase</b>		<b>24.9%</b>	<b>25.1%</b>					<b>25.1%</b>
<b>Total Parent Municipality</b>	<b>9,797,674</b>	<b>12,206,476</b>	<b>12,223,152</b>	<b>2,816,782</b>	<b>2,882,386</b>	<b>(65,604)</b>	<b>-2.3%</b>	<b>12,223,152</b>

## City of Cape Town: Annexure A: S52 -2018 Q1 (September 2017)

The table below reflects the percentage variance for councilor and staff benefits, reasons for material deviations and the remedial action thereof.

Description	YTD Variance R'Thousand	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<b>Councillors (Political Office Bearers plus Other)</b>				
Basic Salaries and Wages	(3,397)	-10%	The variance is largely due to councillor increases not yet finalised and approved by the Minister of Co-operative Governance & Traditional Affairs and Council.	Councillor increases to be implemented retrospectively from 1 July 2017 when approved.
Pension and UIF Contributions	1,157	100%	Immaterial variance.	-
Cellphone Allowance	(98)	-7%	Immaterial variance.	-
Other benefits and allowances	(217)	-10%	Immaterial variance.	-
<b>Senior Managers of the Municipality</b>				
Basic Salaries and Wages	(557)	-8%	Immaterial variance.	-
Pension and UIF Contributions	107	27%	Immaterial variance.	-
Medical Aid Contributions	(3)	-8%	Immaterial variance.	-
Motor vehicle	32	45%	Immaterial variance.	-
Cellphone Allowance	(12)	-26%	Immaterial variance.	-
Other benefits or allowances	53	331%	Immaterial variance.	-
<b>Other Municipal Staff</b>				
Basic Salaries and Wages	(45,901)	-2.3%	The variance is largely due to: a) The turnaround time in filling vacancies and the internal filling of vacant posts. b) The appointment of seasonal workers and temporary staff, which is dependent on peak seasons as and when departments require additional labour. c) Slower than expected implementation of job creation projects.	The City had 2 837 vacancies as at 30 September 2017. As from 1 July 2017 to date, 696 positions were filled (407 internal and 289 external) with 277 terminations processed. The filling of vacancies is on-going and seasonal staff are appointed as and when required. These savings will be utilised to address the financial impact of the water resilience programme.
Pension and UIF Contributions	(17,098)	-4%	The variance is due to the turnaround time in filling vacancies and the internal filling of vacant posts.	Savings realised to date have been set aside and ring-fenced within investment accounts to address the financial impact of the water resilience programme.
Medical Aid Contributions	(10,969)	-6%	The variance is due to the turnaround time in filling vacancies, the internal filling of vacant posts and the annual medical aid increases which will be implemented in January 2018.	Annual medical aid increment is implemented in the latter half of the financial year.
Overtime	22,298	31%	Main contributors to the variance are: 1. Informal Settlements, Water & Waste Services (R4.6 million), due to the need to address all water-related requests as soon as possible i.e. burst water mains, broken leadings and sewer blockages. The Water Inspectorate is also working overtime to address the strict enforcement of bylaws. 2. Safety & Security (R15.9 million), as a result of overtime worked in operations such as strikes and fires since July 2017.	Alignment of period budget with actual expenditure will be undertaken.
Motor Vehicle Allowance	(3,475)	-7%	The variance is mainly due the turnaround time in filling vacancies and the impact of termination of staff who were in receipt of car allowances.	-
Cellphone Allowance	(225)	-5%	Immaterial variance.	-
Housing Allowances	(26)	0%	Immaterial variance.	-
Other benefits and allowances	4,870	9%	The variance is mainly due to the once off payment to medical staff for their annual uniform purchases and Law Enforcement staff who are required to be on standby as a result of service delivery strikes in the City.	Alignment of the period budget with the actual expenditure will be undertaken.
Payments in lieu of leave	(4,014)	-13%	Payments are dependent on resignation and retirement of employees, which is difficult to plan accurately.	1. The balance of the budgetary provisions will be transferred to the leave provision in accordance with GRAP 19, as these relate to the vested leave benefits owed to employees.
Long service awards	(5,636)	-33%	Payments are dependent on when qualifying employees exercise their option to convert leave days to cash, which is difficult to plan accurately.	The balance of the budgetary provisions will be transferred to the leave provision in accordance with GRAP 19, as these relate to the vested leave benefits owed to employees.
Post-retirement benefit obligations	(2,493)	-4%	Immaterial variance.	-

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

Description	Budget Year 2017/18												2017/18 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Budget	Nov Budget	Dec Budget	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands															
<b>Cash Receipts By Source</b>															
Property rates	667,268	697,753	711,058	651,503	710,262	691,893	717,769	701,496	694,265	705,096	680,440	715,225	8,344,028	8,977,045	9,552,504
Service charges - electricity revenue	1,028,349	1,137,632	1,028,104	1,064,076	968,013	952,411	956,393	991,329	981,262	969,706	980,413	727,244	11,784,933	12,865,599	13,909,745
Service charges - water revenue	173,381	175,055	171,746	241,644	261,843	237,492	256,400	251,325	247,298	261,426	273,580	438,657	2,989,847	3,366,900	3,779,701
Service charges - sanitation revenue	97,372	108,577	105,153	139,732	151,068	143,604	153,097	159,528	140,730	158,926	166,167	329,577	1,853,531	2,071,507	2,307,087
Service charges - refuse	68,010	72,932	68,874	82,938	74,243	85,992	83,630	78,267	82,409	86,909	82,298	(35,807)	830,695	956,404	1,053,841
Service charges - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental of facilities and equipment	16,532	31,677	21,160	8,483	8,459	8,678	8,419	8,276	8,895	9,082	8,838	(80,629)	57,870	77,904	72,764
Interest earned - external investments	52,023	54,940	50,061	54,102	54,190	50,538	51,111	54,519	53,844	53,479	52,569	192,280	773,657	826,409	857,479
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	24,539	28,187	22,882	18,181	19,572	19,347	19,474	19,280	19,337	19,455	18,622	407	229,283	241,892	255,196
Licences and permits	15,562	16,094	23,113	25,764	15,969	21,641	20,009	16,128	17,746	14,303	11,855	8,338	206,520	217,971	229,960
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer receipts - operating	855,297	1,334,455	34,956	89,505	649,088	1,348,281	249,269	525,847	1,485,639	-	-	(116,395)	6,455,942	6,996,655	7,635,571
Other revenue	-	362,738	119,504	43,237	85,981	34,152	54,301	102,137	18,142	59,618	70,560	(86,050)	864,322	925,990	976,932
<b>Cash Receipts by Source</b>	<b>2,998,333</b>	<b>4,020,040</b>	<b>2,356,611</b>	<b>2,419,166</b>	<b>2,998,688</b>	<b>3,594,029</b>	<b>2,569,873</b>	<b>2,908,131</b>	<b>3,749,568</b>	<b>2,338,000</b>	<b>2,345,343</b>	<b>2,092,847</b>	<b>34,390,627</b>	<b>37,524,276</b>	<b>40,630,779</b>
<b>Other Cash Flows by Source</b>															
Transfer receipts - capital	562,955	51,199	186,928	227,043	114,377	93,762	81,448	802,800	192,451	-	-	61,585	2,374,547	2,188,936	2,294,102
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	41,500	41,500	43,263	45,643
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	1,000,000	-	-	-	-	-	-	-	-	-	-	1,500,000	2,500,000	2,500,000	2,700,000
Increase in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	35,710	35,710	39,281	43,209
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	2,456	2,456	2,333	2,216
Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	(212,908)	(212,908)	(238,708)	(267,859)
<b>Total Cash Receipts by Source</b>	<b>4,561,288</b>	<b>4,071,238</b>	<b>2,543,538</b>	<b>2,646,209</b>	<b>3,113,065</b>	<b>3,687,791</b>	<b>2,651,321</b>	<b>3,710,931</b>	<b>3,942,018</b>	<b>2,338,000</b>	<b>2,345,343</b>	<b>3,521,189</b>	<b>39,131,932</b>	<b>42,059,381</b>	<b>45,448,090</b>

Table continues on next page.

## City of Cape Town: Annexure A: S52 -2018 Q1 (September 2017)

Description	Budget Year 2017/18												2017/18 Medium Term Revenue & Expenditure Framework		
	July	August	Sept	October	Nov	Dec	January	Feb	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands	Outcome	Outcome	Outcome	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget	Budget			
<b>Cash Payments by Type</b>															
Employee related costs	840,618	860,562	860,103	880,314	1,612,898	888,707	892,238	928,570	942,397	923,926	934,339	1,431,900	11,996,573	12,898,587	14,049,587
Remuneration of councillors	11,241	11,300	11,283	12,628	12,683	12,698	12,894	12,801	12,833	12,898	14,220	18,309	155,787	165,913	176,697
Interest paid	-	-	174,225	-	-	316,152	-	-	169,674	-	-	321,777	981,827	1,394,804	1,761,705
Bulk purchases - Electricity	980,520	7,620	1,007,952	583,422	568,963	540,351	572,975	526,434	565,475	543,595	691,000	1,506,493	8,094,800	8,742,384	9,441,775
Bulk purchases - Water & Sewer	39,245	31,270	32,588	31,726	35,034	35,843	34,251	43,000	40,175	43,404	40,403	38,397	445,335	485,000	525,860
Other materials	-	-	-	99,420	105,358	104,892	89,534	88,380	84,106	92,990	86,404	439,603	1,190,686	1,271,125	1,354,022
Contracted services	-	-	-	540,589	572,879	570,343	486,838	480,561	457,322	505,627	469,817	2,172,705	6,256,679	6,649,779	7,170,612
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	-	-	-	-	-	-	-	-	-	-	-	415,920	415,920	147,473	155,584
General expenses	1,490,689	687,051	1,037,077	266,579	282,502	281,251	240,073	236,977	225,517	249,338	231,679	(3,052,586)	2,176,147	2,355,754	2,493,293
<b>Cash Payments by Type</b>	<b>3,362,314</b>	<b>1,597,804</b>	<b>3,123,228</b>	<b>2,414,677</b>	<b>3,190,315</b>	<b>2,750,235</b>	<b>2,328,803</b>	<b>2,316,722</b>	<b>2,497,499</b>	<b>2,371,778</b>	<b>2,467,861</b>	<b>3,292,517</b>	<b>31,713,754</b>	<b>34,110,620</b>	<b>37,129,136</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	755,446	231,610	260,968	145,364	345,685	595,739	206,559	167,866	414,797	467,205	611,726	2,860,971	7,063,936	6,021,100	6,521,951
Repayment of borrowing	-	-	88,055	-	-	130,291	-	-	89,481	-	-	124,759	432,586	549,253	712,345
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Payments by Type</b>	<b>4,117,759</b>	<b>1,829,413</b>	<b>3,472,251</b>	<b>2,560,041</b>	<b>3,536,000</b>	<b>3,476,266</b>	<b>2,535,362</b>	<b>2,484,588</b>	<b>3,001,777</b>	<b>2,838,983</b>	<b>3,079,588</b>	<b>6,278,247</b>	<b>39,210,276</b>	<b>40,680,972</b>	<b>44,363,432</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>443,529</b>	<b>2,241,825</b>	<b>(928,713)</b>	<b>86,168</b>	<b>(422,935)</b>	<b>211,526</b>	<b>115,959</b>	<b>1,226,343</b>	<b>940,242</b>	<b>(500,984)</b>	<b>(734,245)</b>	<b>(2,757,058)</b>	<b>(78,344)</b>	<b>1,378,408</b>	<b>1,084,657</b>
Cash/cash equivalents at the month/year beginning:	3,476,864	3,920,393	6,162,218	5,233,505	5,319,673	4,896,738	5,108,263	5,224,223	6,450,565	7,390,807	6,889,823	6,155,578	3,476,864	3,398,520	4,776,928
Cash/cash equivalents at the month/year end:	3,920,393	6,162,218	5,233,505	5,319,673	4,896,738	5,108,263	5,224,223	6,450,565	7,390,807	6,889,823	6,155,578	3,398,520	3,398,520	4,776,928	5,861,586

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### 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	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands								
<b>Monthly expenditure performance trend</b>								
July	63,237	111,756	89,613	91,966	89,613	(2,353)	-2.6%	1.3%
August	295,257	299,493	298,204	307,806	298,204	(9,602)	-3.2%	4.4%
September	406,869	398,596	407,142	673,286	705,345	32,059	4.5%	9.7%
October	439,522	415,304	435,155		1,140,501	-		
November	470,880	455,542	476,517		1,617,017	-		
December	515,739	401,199	416,176		2,033,193	-		
January	208,692	356,667	381,545		2,414,738	-		
February	357,064	525,129	532,138		2,946,875	-		
March	690,785	697,804	708,952		3,655,827	-		
April	441,974	771,412	762,910		4,418,737	-		
May	712,803	769,731	833,007		5,251,744	-		
June	1,301,599	1,772,587	1,838,420		7,090,165	-		
<b>Total Capital expenditure</b>	<b>5,904,621</b>	<b>6,975,220</b>	<b>7,179,778</b>					

**Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class**

Description	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>								
<b>Infrastructure</b>	<b>1,975,083</b>	<b>2,680,268</b>	<b>2,748,329</b>	<b>281,483</b>	<b>298,292</b>	<b>(16,809)</b>	<b>-5.6%</b>	<b>2,501,904</b>
Roads Infrastructure	899,325	965,975	1,274,892	136,213	168,336	(32,123)	-19.1%	1,197,388
Roads	899,325	965,975	1,274,892	136,213	168,336	(32,123)	-19.1%	1,197,388
Storm water Infrastructure	3,845	124,492	5,764	280	800	(520)	-65.0%	5,764
Drainage Collection	3,845	124,492	5,764	280	800	(520)	-65.0%	5,764
Electrical Infrastructure	536,290	558,956	577,872	88,407	78,746	9,661	12.3%	518,756
Power Plants	412	-	-	-	-	-	-	-
HV Substations	452,519	414,601	461,218	71,740	66,645	5,094	7.6%	402,102
MV Networks	19,257	74,600	46,900	6,331	7,100	(769)	-10.8%	46,900
LV Networks	64,102	69,754	69,754	10,336	5,000	5,336	106.7%	69,754
Water Supply Infrastructure	208,170	518,930	486,453	25,974	37,103	(11,130)	-30.0%	478,987
Reservoirs	81,564	369,977	407,915	17,188	31,153	(13,966)	-44.8%	405,349
Bulk Mains	99,300	32,600	32,600	3,184	3,650	(466)	-12.8%	32,600
Distribution	27,306	116,353	45,938	5,602	2,300	3,302	143.6%	41,038
Sanitation Infrastructure	154,686	124,311	69,896	4,359	5,020	(661)	-13.2%	72,563
Reticalation	151,686	118,304	63,889	4,359	5,020	(661)	-13.2%	66,556
Waste Water Treatment Works	3,000	6,007	6,007	-	-	-	-	6,007
Solid Waste Infrastructure	41,443	198,077	194,442	18,874	7,286	11,588	159.0%	89,437
Landfill Sites	41,443	198,077	194,442	18,874	7,286	11,588	159.0%	89,437
Information and Communication Infrastructure	131,324	189,528	139,009	7,376	1,000	6,376	637.6%	139,009
Data Centres	131,324	189,528	139,009	7,376	1,000	6,376	637.6%	139,009
<b>Community Assets</b>	<b>291,625</b>	<b>328,343</b>	<b>308,770</b>	<b>14,731</b>	<b>29,760</b>	<b>(15,029)</b>	<b>-50.5%</b>	<b>330,570</b>
Community Facilities	291,615	327,993	308,061	14,731	29,760	(15,029)	-50.5%	329,861
Centres	-	30,181	23,717	-	-	-	-	23,717
Clinics/Care Centres	25,620	41,168	40,668	1,443	8,337	(6,895)	-82.7%	40,668
Fire/Ambulance Stations	3,905	24,436	11,700	-	1,000	(1,000)	-100.0%	11,700
Testing Stations	-	1,345	1,345	-	-	-	-	1,345
Museums	-	3,000	3,000	-	-	-	-	3,000
Libraries	11,634	23,410	23,410	4,333	4,596	(263)	-5.7%	23,710
Cemeteries/Crematoria	2,417	7,000	10,513	-	17	(17)	-100.0%	10,513
Public Open Space	165,321	69,570	68,056	-	-	-	-	68,056
Nature Reserves	8,984	14,843	14,843	4,293	3,810	483	12.7%	14,843
Taxi Ranks/Bus Terminals	73,735	113,040	110,808	4,662	12,000	(7,338)	-61.1%	132,308
Sport and Recreation Facilities	10	350	709	-	-	-	-	709
Outdoor Facilities	10	350	709	-	-	-	-	709
<b>Investment properties</b>	<b>81</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating	81	-	-	-	-	-	-	-
Improved Property	81	-	-	-	-	-	-	-
<b>Other assets</b>	<b>227,060</b>	<b>291,535</b>	<b>266,469</b>	<b>74,134</b>	<b>44,381</b>	<b>29,753</b>	<b>67.0%</b>	<b>267,285</b>
Operational Buildings	223,804	225,494	212,928	74,134	37,277	36,857	98.9%	213,744
Municipal Offices	179,214	194,994	185,294	71,035	37,277	33,759	90.6%	186,110
Yards	368	500	665	35	-	35	100.0%	665
Depots	44,223	30,000	26,970	3,063	-	3,063	100.0%	26,970
Housing	3,255	66,041	53,541	-	7,104	(7,104)	-100.0%	53,541
Social Housing	3,255	66,041	53,541	-	7,104	(7,104)	-100.0%	53,541
<b>Intangible Assets</b>	<b>500</b>	<b>2,000</b>	<b>2,000</b>	<b>519</b>	<b>200</b>	<b>319</b>	<b>159.4%</b>	<b>2,000</b>
Licences and Rights	500	2,000	2,000	519	200	319	159.4%	2,000
Computer Software and Applications	500	2,000	2,000	519	200	319	159.4%	2,000
<b>Computer Equipment</b>	<b>153,488</b>	<b>207,103</b>	<b>259,758</b>	<b>8,150</b>	<b>5,475</b>	<b>2,675</b>	<b>48.9%</b>	<b>255,008</b>
Computer Equipment	153,488	207,103	259,758	8,150	5,475	2,675	48.9%	255,008
<b>Furniture and Office Equipment</b>	<b>130,198</b>	<b>78,554</b>	<b>88,164</b>	<b>14,660</b>	<b>8,456</b>	<b>6,204</b>	<b>73.4%</b>	<b>129,964</b>
Furniture and Office Equipment	130,198	78,554	88,164	14,660	8,456	6,204	73.4%	129,964
<b>Machinery and Equipment</b>	<b>152,897</b>	<b>126,788</b>	<b>127,337</b>	<b>33,205</b>	<b>27,910</b>	<b>5,295</b>	<b>19.0%</b>	<b>126,732</b>
Machinery and Equipment	152,897	126,788	127,337	33,205	27,910	5,295	19.0%	126,732
<b>Transport Assets</b>	<b>62,793</b>	<b>51,970</b>	<b>52,133</b>	<b>4,599</b>	<b>-</b>	<b>4,599</b>	<b>100.0%</b>	<b>52,333</b>
Transport Assets	62,793	51,970	52,133	4,599	-	4,599	100.0%	52,333
<b>Total Capital Expenditure on new assets</b>	<b>2,993,724</b>	<b>3,766,562</b>	<b>3,852,960</b>	<b>431,481</b>	<b>414,474</b>	<b>17,007</b>	<b>4.1%</b>	<b>3,665,796</b>

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**Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class**

Description	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>								
<b>Infrastructure</b>	<b>964,880</b>	<b>984,916</b>	<b>1,014,538</b>	<b>163,298</b>	<b>128,254</b>	<b>35,044</b>	<b>27.3%</b>	<b>973,449</b>
Roads Infrastructure	255,149	185,678	230,385	35,329	55,600	(20,271)	-36.5%	233,487
Roads	255,149	185,678	230,385	35,329	55,600	(20,271)	-36.5%	233,487
Stormwater Infrastructure	27,082	48,495	12,000	681	2,000	(1,319)	-66.0%	12,000
Drainage Collection	27,082	48,495	12,000	681	2,000	(1,319)	-66.0%	12,000
Electrical Infrastructure	318,839	468,543	471,959	44,640	52,139	(7,499)	-14.4%	426,868
HV Substations	59,822	157,543	160,558	4,023	13,489	(9,465)	-70.2%	141,498
MV Substations	63,740	101,000	101,402	12,313	9,900	2,413	24.4%	86,370
MV Networks	168,591	155,000	155,000	22,056	22,950	(894)	-3.9%	155,000
LV Networks	25,685	55,000	55,000	6,247	5,801	447	7.7%	44,000
Water Supply Infrastructure	283,770	260,500	266,400	76,771	13,240	63,531	479.8%	270,300
Reservoirs	11,145	5,500	6,500	292	240	52	21.8%	5,500
Bulk Mains	46,989	20,000	24,900	3,529	1,000	2,529	252.9%	29,800
Distribution	225,636	235,000	235,000	72,950	12,000	60,950	507.9%	235,000
Sanitation Infrastructure	78,916	20,200	30,794	5,878	5,275	603	11.4%	27,794
Pump Station	-	500	500	-	-	-	-	500
Reticulation	25,343	3,500	2,500	-	275	(275)	-100.0%	2,500
Waste Water Treatment Works	34,107	6,200	14,794	878	-	878	100.0%	14,794
Outfall Sewers	19,466	10,000	13,000	5,000	5,000	-	-	10,000
Solid Waste Infrastructure	985	-	-	-	-	-	-	-
Landfill Sites	985	-	-	-	-	-	-	-
Information and Communication Infrastructure	138	1,500	3,000	-	-	-	-	3,000
Data Centres	138	1,500	3,000	-	-	-	-	3,000
<b>Community Assets</b>	<b>2,643</b>	<b>39,500</b>	<b>11,069</b>	<b>-</b>	<b>1,500</b>	<b>(1,500)</b>	<b>-100.0%</b>	<b>11,069</b>
Community Facilities	2,643	39,500	11,069	-	1,500	(1,500)	-100.0%	11,069
Centres	-	35,000	-	-	-	-	-	-
Clinics/Care Centres	127	2,000	2,000	-	-	-	-	2,000
Libraries	719	2,000	2,033	-	500	(500)	-100.0%	2,033
Public Open Space	1,751	500	7,036	-	1,000	(1,000)	-100.0%	7,036
Nature Reserves	46	-	-	-	-	-	-	-
<b>Heritage assets</b>	<b>-</b>	<b>650</b>	<b>650</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>650</b>
Monuments	-	650	650	-	-	-	-	650
<b>Other assets</b>	<b>115,592</b>	<b>94,150</b>	<b>104,657</b>	<b>5,052</b>	<b>23,080</b>	<b>(18,028)</b>	<b>-78.1%</b>	<b>101,589</b>
Operational Buildings	66,406	9,150	14,232	4,268	3,975	293	7.4%	11,164
Municipal Offices	57,043	8,100	13,175	4,217	3,975	243	6.1%	11,114
Training Centres	2,807	-	-	-	-	-	-	-
Depots	6,756	1,050	1,057	50	-	50	100.0%	50
Housing	49,186	85,000	90,425	784	19,105	(18,321)	-95.9%	90,425
Social Housing	49,186	85,000	90,425	784	19,105	(18,321)	-95.9%	90,425
<b>Intangible Assets</b>	<b>-</b>	<b>2,500</b>	<b>2,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,500</b>
Licences and Rights	-	2,500	2,500	-	-	-	-	2,500
Computer Software and Applications	-	2,500	2,500	-	-	-	-	2,500
<b>Computer Equipment</b>	<b>70,328</b>	<b>75,080</b>	<b>78,263</b>	<b>2,690</b>	<b>3,011</b>	<b>(321)</b>	<b>-10.7%</b>	<b>77,633</b>
Computer Equipment	70,328	75,080	78,263	2,690	3,011	(321)	-10.7%	77,633
<b>Furniture and Office Equipment</b>	<b>13,047</b>	<b>18,362</b>	<b>16,854</b>	<b>377</b>	<b>1,527</b>	<b>(1,150)</b>	<b>-75.3%</b>	<b>13,843</b>
Furniture and Office Equipment	13,047	18,362	16,854	377	1,527	(1,150)	-75.3%	13,843
<b>Machinery and Equipment</b>	<b>6,318</b>	<b>31,113</b>	<b>37,176</b>	<b>19,267</b>	<b>14,032</b>	<b>5,234</b>	<b>37.3%</b>	<b>35,481</b>
Machinery and Equipment	6,318	31,113	37,176	19,267	14,032	5,234	37.3%	35,481
<b>Transport Assets</b>	<b>272,011</b>	<b>182,714</b>	<b>217,145</b>	<b>11,520</b>	<b>47,731</b>	<b>(36,211)</b>	<b>-75.9%</b>	<b>213,145</b>
Transport Assets	272,011	182,714	217,145	11,520	47,731	(36,211)	-75.9%	213,145
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>1,444,820</b>	<b>1,428,986</b>	<b>1,482,851</b>	<b>202,204</b>	<b>219,135</b>	<b>(16,931)</b>	<b>-7.7%</b>	<b>1,429,359</b>

**Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class**

Description	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>								
<b>Infrastructure</b>	<b>994,996</b>	<b>1,080,155</b>	<b>1,114,262</b>	<b>87,355</b>	<b>99,743</b>	<b>(12,388)</b>	<b>-12.4%</b>	<b>1,041,182</b>
Roads Infrastructure	268,155	281,382	293,356	24,007	31,565	(7,558)	-23.9%	227,899
Roads	268,155	281,382	293,356	24,007	31,565	(7,558)	-23.9%	227,899
Stormwater Infrastructure	25,054	12,925	10,748	1,872	1,862	10	0.5%	10,748
Drainage Collection	25,054	12,925	10,748	1,872	1,862	10	0.5%	10,748
Electrical Infrastructure	208,812	88,376	113,144	30,060	32,769	(2,709)	-8.3%	115,022
HV Substations	208,812	88,376	113,144	30,060	32,769	(2,709)	-8.3%	115,022
Water Supply Infrastructure	67,841	122,037	120,282	7,336	5,581	1,755	31.4%	120,282
Reservoirs	5,346	46,230	46,230	2,377	1,000	1,377	137.7%	46,230
Distribution	82,495	75,807	74,052	4,959	4,581	378	8.2%	74,052
Sanitation Infrastructure	391,707	550,435	551,548	24,056	27,633	(3,576)	-12.9%	551,548
Pump Station	32,243	12,000	12,000	1,920	350	1,570	448.7%	12,000
Reticulation	57,533	67,255	66,500	1,950	7,630	(5,680)	-74.4%	66,500
Waste Water Treatment Works	301,931	470,180	472,048	20,186	19,153	1,033	5.4%	473,048
Outfall Sewers	-	1,000	1,000	-	500	(500)	-100.0%	1,000
Solid Waste Infrastructure	10,933	25,000	25,183	24	333	(309)	-92.9%	15,683
Landfill Sites	10,933	25,000	25,183	24	333	(309)	-92.9%	15,683
Information and Communication Infrastructure	2,497	-	-	-	-	-	-	-
Data Centres	2,497	-	-	-	-	-	-	-
<b>Community Assets</b>	<b>214,956</b>	<b>233,736</b>	<b>238,621</b>	<b>9,219</b>	<b>14,397</b>	<b>(5,178)</b>	<b>-36.0%</b>	<b>187,994</b>
Community Facilities	157,723	179,887	180,800	7,381	11,527	(4,146)	-36.0%	139,648
Halls	811	3,020	3,077	46	51	(5)	-9.2%	3,077
Centres	1,247	8,234	8,234	474	50	424	848.5%	8,234
Clinics/Care Centres	7,090	14,921	15,122	44	131	(87)	-66.5%	15,122
Fire/Ambulance Stations	4,442	1,700	-	-	-	-	-	-
Testing Stations	1,647	2,141	2,141	-	-	-	-	2,141
Museums	3,182	3,000	3,000	-	-	-	-	3,000
Theatres	133	-	67	-	-	-	-	67
Libraries	4,942	7,060	7,271	450	1,917	(1,467)	-76.5%	4,812
Cemeteries/Crematoria	15,293	16,700	11,494	898	130	768	590.5%	11,816
Public Open Space	89,428	87,811	73,329	4,203	3,230	973	30.1%	67,514
Nature Reserves	343	60	60	-	-	-	-	60
Public Ablution Facilities	22,990	16,000	16,010	473	10	463	4567.5%	16,010
Markets	307	80	87	-	7	(7)	-100.0%	87
Taxi Ranks/Bus Terminals	5,667	39,160	40,708	792	8,000	(5,208)	-86.8%	7,708
Sport and Recreation Facilities	57,234	53,849	58,021	1,838	2,870	(1,032)	-35.9%	48,346
Outdoor Facilities	57,234	53,849	58,021	1,838	2,870	(1,032)	-35.9%	48,346
<b>Heritage assets</b>	<b>38,955</b>	<b>6,800</b>	<b>6,800</b>	<b>5,414</b>	<b>6,293</b>	<b>(879)</b>	<b>-14.0%</b>	<b>6,800</b>
Monuments	38,955	6,800	6,800	5,414	6,293	(879)	-14.0%	6,800
<b>Other assets</b>	<b>196,678</b>	<b>393,354</b>	<b>416,886</b>	<b>22,222</b>	<b>36,277</b>	<b>(14,055)</b>	<b>-38.7%</b>	<b>377,034</b>
Operational Buildings	174,396	377,456	403,207	19,829	35,455	(15,626)	-44.1%	361,355
Municipal Offices	141,951	210,309	241,653	17,895	30,328	(12,433)	-41.0%	242,577
Training Centres	1,457	-	43	-	43	(43)	-100.0%	43
Depots	30,989	167,147	161,510	1,934	5,084	(3,150)	-62.0%	118,735
Housing	24,283	15,897	15,680	2,393	822	1,572	191.3%	15,680
Social Housing	24,283	15,897	15,680	2,393	822	1,572	191.3%	15,680
<b>Intangible Assets</b>	<b>3,931</b>	<b>29,756</b>	<b>17,769</b>	<b>705</b>	<b>1,000</b>	<b>(295)</b>	<b>-29.5%</b>	<b>17,769</b>
Licences and Rights	3,931	29,756	17,769	705	1,000	(295)	-29.5%	17,769
Computer Software and Applications	3,931	29,756	17,769	705	1,000	(295)	-29.5%	17,769
<b>Computer Equipment</b>	<b>1,355</b>	<b>6,100</b>	<b>13,606</b>	<b>3,647</b>	<b>2,674</b>	<b>973</b>	<b>36.4%</b>	<b>13,606</b>
Computer Equipment	1,355	6,100	13,606	3,647	2,674	973	36.4%	13,606
<b>Furniture and Office Equipment</b>	<b>8,670</b>	<b>19,771</b>	<b>24,023</b>	<b>3,005</b>	<b>440</b>	<b>2,565</b>	<b>583.0%</b>	<b>24,023</b>
Furniture and Office Equipment	8,670	19,771	24,023	3,005	440	2,565	583.0%	24,023
<b>Machinery and Equipment</b>	<b>4,534</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>	<b>525</b>	<b>(525)</b>	<b>-100.0%</b>	<b>3,417</b>
Machinery and Equipment	4,534	10,000	10,000	-	525	(525)	-100.0%	3,417
<b>Total Capital Expenditure on upgrading of existing assets</b>	<b>1,466,077</b>	<b>1,779,672</b>	<b>1,843,967</b>	<b>131,568</b>	<b>161,349</b>	<b>(29,782)</b>	<b>-18.5%</b>	<b>1,671,825</b>

### Repairs and maintenance - Table SC13c Monthly Budget Statement - expenditure on repairs and maintenance by asset class

Description	2016/17	Budget Year 2017/18						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>								
<b>Infrastructure</b>	2,045,722	2,031,486	2,031,486	362,689	428,538	(65,849)	-15.4%	2,031,486
Roads Infrastructure	609,310	664,923	664,923	87,508	94,927	(7,418)	-7.8%	664,923
Roads	609,310	664,923	664,923	87,508	94,927	(7,418)	-7.8%	664,923
Electrical Infrastructure	504,116	523,507	523,507	101,982	125,315	(23,334)	-18.6%	523,507
Power Plants	21,805	18,788	18,788	5,853	4,600	1,253	27.2%	18,788
HV Substations	32,077	27,853	27,853	6,231	6,658	(428)	-6.4%	27,853
MV Substations	364,116	366,551	366,551	74,408	87,769	(13,361)	-15.2%	366,551
LV Networks	86,118	110,315	110,315	15,490	26,289	(10,798)	-41.1%	110,315
Water Supply Infrastructure	482,019	421,887	421,887	81,566	112,242	(30,677)	-27.3%	421,887
Reservoirs	35,896	41,336	41,336	6,443	9,700	(3,258)	-33.6%	41,336
Pump Stations	31,692	46,444	46,444	6,860	10,658	(3,798)	-35.6%	46,444
Water Treatment Works	36,683	33,966	33,966	8,500	9,738	(1,238)	-12.7%	33,966
Bulk Mains	41,830	12,716	12,716	3,878	3,271	607	18.6%	12,716
Distribution	335,918	287,425	287,425	55,885	78,875	(22,990)	-29.1%	287,425
Sanitation Infrastructure	447,780	418,866	418,866	91,142	95,476	(4,335)	-4.5%	418,866
Reticulation	326,001	291,490	291,490	60,471	66,899	(6,428)	-9.6%	291,490
Waste Water Treatment Works	114,517	116,402	116,402	30,010	25,822	4,188	16.2%	116,402
Outfall Sewers	7,262	10,973	10,973	661	2,755	(2,094)	-76.0%	10,973
Solid Waste Infrastructure	2,497	2,303	2,303	491	576	(85)	-14.7%	2,303
Landfill Sites	2,497	2,303	2,303	491	576	(85)	-14.7%	2,303
<b>Community Assets</b>	496,931	548,047	548,047	51,160	82,667	(31,507)	-38.1%	548,047
Community Facilities	115,109	100,442	100,442	13,491	15,570	(2,080)	-13.4%	100,442
Halls	48,752	25,417	25,417	3,631	4,966	(1,335)	-26.9%	25,417
Centres	7,603	6,322	6,322	1,834	440	1,394	316.6%	6,322
Clinics/Care Centres	13,326	5,921	5,921	3,504	1,488	2,016	135.5%	5,921
Fire/Ambulance Stations	2,244	2,477	2,477	163	430	(267)	-62.1%	2,477
Libraries	16,349	32,362	32,362	1,694	4,261	(2,567)	-60.2%	32,362
Cemeteries/Crematoria	13,433	16,860	16,860	792	2,374	(1,582)	-66.6%	16,860
Nature Reserves	4,936	4,180	4,180	926	810	116	14.3%	4,180
Public Ablution Facilities	7,701	6,657	6,657	947	802	145	18.1%	6,657
Markets	765	248	248	-	-	-	-	248
Sport and Recreation Facilities	381,822	447,605	447,605	37,669	67,097	(29,427)	-43.9%	447,605
Indoor Facilities	1,331	5	5	1	0	0	101.0%	5
Outdoor Facilities	380,490	447,600	447,600	37,669	67,096	(29,428)	-43.9%	447,600
<b>Heritage assets</b>	1,647	1,812	1,812	94	9	84	907.3%	1,812
Works of Art	1,647	1,812	1,812	94	9	84	907.3%	1,812
<b>Investment properties</b>	19,001	19,800	19,804	7,959	2,974	4,984	167.6%	19,804
Revenue Generating	259	64	68	29	32	(3)	-9.1%	68
Improved Property	259	64	68	29	32	(3)	-9.1%	68
Non-revenue Generating	18,742	19,735	19,735	7,930	2,943	4,987	169.5%	19,735
Unimproved Property	18,742	19,735	19,735	7,930	2,943	4,987	169.5%	19,735
<b>Other assets</b>	140,548	144,517	144,136	20,719	30,369	(9,650)	-31.8%	144,136
Operational Buildings	140,548	144,517	144,136	20,719	30,369	(9,650)	-31.8%	144,136
Municipal Offices	138,744	139,025	138,644	20,513	29,255	(8,742)	-29.9%	138,644
Laboratories	1,340	1,391	1,391	152	100	52	52.4%	1,391
Training Centres	424	624	624	54	157	(103)	-65.9%	624
Depots	40	3,477	3,477	-	857	(857)	-100.0%	3,477
<b>Computer Equipment</b>	179,935	312,785	312,789	47,269	58,469	(11,201)	-19.2%	312,789
Computer Equipment	179,935	312,785	312,789	47,269	58,469	(11,201)	-19.2%	312,789
<b>Furniture and Office Equipment</b>	424,463	504,006	504,399	72,119	113,624	(41,505)	-36.5%	504,399
Furniture and Office Equipment	424,463	504,006	504,399	72,119	113,624	(41,505)	-36.5%	504,399
<b>Transport Assets</b>	453,049	471,840	471,840	97,896	97,546	350	0.4%	471,840
Transport Assets	453,049	471,840	471,840	97,896	97,546	350	0.4%	471,840
<b>Total Repairs and Maintenance Expenditure</b>	3,761,297	4,034,293	4,034,312	659,904	814,197	(154,292)	-19.0%	4,034,312

**Depreciation - Table SC13d Monthly Budget Statement - depreciation by asset class**

Description	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								
<b>Depreciation by Asset Class/Sub-class</b>								
<b>Infrastructure</b>	594,912	1,154,472	1,154,472	283,273	288,618	(5,345)	-1.9%	1,154,472
Roads Infrastructure	190,264	370,548	370,548	89,278	92,637	(3,359)	-3.6%	370,548
Roads	190,264	370,548	370,548	89,278	92,637	(3,359)	-3.6%	370,548
Stormwater Infrastructure	-	45,940	45,940	10,400	11,485	(1,085)	-9.4%	45,940
Drainage Collection	-	45,940	45,940	10,400	11,485	(1,085)	-9.4%	45,940
Electrical Infrastructure	187,775	215,517	215,517	55,169	53,879	1,290	2.4%	215,517
Power Plants	5,712	6,951	6,951	1,739	1,738	1	0.1%	6,951
HV Substations	55,440	28,971	28,971	4,827	7,243	(2,416)	-33.4%	28,971
MV Substations	118,780	36,656	36,656	10,654	9,164	1,490	16.3%	36,656
MV Networks	-	91,791	91,791	23,978	22,948	1,031	4.5%	91,791
LV Networks	9,844	51,147	51,147	13,971	12,787	1,184	9.3%	51,147
Water Supply Infrastructure	107,575	209,828	209,828	50,036	52,407	(2,372)	-4.5%	209,828
Reservoirs	13,467	18,982	18,982	5,251	4,745	505	10.6%	18,982
Pump Stations	1,879	3,015	3,015	1,213	754	459	60.9%	3,015
Water Treatment Works	1,369	24,216	24,216	6,538	6,054	484	8.0%	24,216
Bulk Mains	303	19,301	19,301	2,551	4,825	(2,274)	-47.1%	19,301
Distribution	90,557	144,114	144,114	34,483	36,029	(1,546)	-4.3%	144,114
Sanitation Infrastructure	106,372	229,208	229,208	56,161	57,302	(1,141)	-2.0%	229,208
Pump Station	-	7,336	7,336	913	1,834	(921)	-50.2%	7,336
Reticalation	38,517	141,227	141,227	33,498	35,307	(1,809)	-5.1%	141,227
Waste Water Treatment Works	67,350	78,017	78,017	19,622	19,504	118	0.6%	78,017
Outfall Sewers	505	2,628	2,628	2,128	657	1,471	223.9%	2,628
Solid Waste Infrastructure	2,925	58,352	58,352	14,273	14,588	(315)	-2.2%	58,352
Landfill Sites	2,925	58,352	58,352	14,273	14,588	(315)	-2.2%	58,352
Information and Communication Infrastructure	-	25,281	25,281	7,956	6,320	1,636	25.9%	25,281
Data Centres	-	25,281	25,281	7,956	6,320	1,636	25.9%	25,281
<b>Community Assets</b>	297,765	313,120	313,120	78,902	78,280	622	0.8%	313,120
Community Facilities	60,318	95,023	95,023	24,432	23,756	676	2.8%	95,023
Halls	12,170	2,167	2,167	667	542	125	23.2%	2,167
Centres	7,300	3,934	3,934	911	984	(72)	-7.4%	3,934
Clinics/Care Centres	3,385	5,447	5,447	1,433	1,362	71	5.2%	5,447
Fire/Ambulance Stations	5,543	1,687	1,687	449	422	27	6.4%	1,687
Testing Stations	-	1,056	1,056	268	264	4	1.4%	1,056
Museums	(19)	166	166	48	41	7	15.3%	166
Theatres	-	51	51	12	13	(1)	-7.8%	51
Libraries	24,100	5,262	5,262	1,340	1,315	24	1.8%	5,262
Cemeteries/Crematoria	5,710	3,663	3,663	797	916	(119)	-13.0%	3,663
Public Open Space	-	14,025	14,025	3,371	3,506	(135)	-3.9%	14,025
Nature Reserves	1,395	578	578	94	144	(49)	-34.4%	578
Public Ablution Facilities	744	1,845	1,845	468	461	6	1.4%	1,845
Markets	(9)	1,498	1,498	375	374	0	0.1%	1,498
Airports	-	4	4	1	1	0	0.0%	4
Taxi Ranks/Bus Terminals	-	53,643	53,643	14,200	13,411	789	5.9%	53,643
Sport and Recreation Facilities	237,447	218,096	218,096	54,471	54,524	(54)	-0.1%	218,096
Indoor Facilities	168	8,649	8,649	2,240	2,162	78	3.6%	8,649
Outdoor Facilities	237,279	209,447	209,447	52,231	52,362	(131)	-0.3%	209,447
<b>Investment properties</b>	1,077	1,718	1,718	428	429	(1)	-0.2%	1,718
Revenue Generating	236	1,718	1,718	428	429	(1)	-0.2%	1,718
Improved Property	238	1,718	1,718	428	429	(1)	-0.2%	1,718
<b>Other assets</b>	77,490	232,195	232,195	61,115	58,049	3,066	5.3%	232,195
Operational Buildings	77,490	133,733	133,733	38,856	33,433	3,423	10.2%	133,733
Municipal Offices	73,532	113,264	113,264	31,554	28,316	3,238	11.4%	113,264
Yards	-	212	212	53	53	(0)	0.0%	212
Laboratories	3,838	116	116	30	29	1	4.2%	116
Training Centres	13	371	371	72	93	(20)	-22.1%	371
Depots	8	19,770	19,770	5,147	4,943	204	4.1%	19,770
Housing	-	98,463	98,463	24,259	24,616	(356)	-1.4%	98,463
Social Housing	-	98,463	98,463	24,259	24,616	(356)	-1.4%	98,463
<b>Intangible Assets</b>	-	106,890	106,890	37,184	27,001	10,183	37.7%	106,890
Licences and Rights	-	106,890	106,890	37,184	27,001	10,183	37.7%	106,890
Computer Software and Applications	-	34,988	34,988	19,639	8,747	10,892	124.9%	34,988
Unspecified	-	71,903	71,903	17,545	18,254	(709)	-3.9%	71,903
<b>Computer Equipment</b>	158,069	242,774	242,774	55,865	60,694	(4,829)	-8.0%	242,774
Computer Equipment	158,069	242,774	242,774	55,865	60,694	(4,829)	-8.0%	242,774
<b>Furniture and Office Equipment</b>	986,637	146,972	146,972	26,724	36,743	(10,019)	-27.3%	146,972
Furniture and Office Equipment	986,637	146,972	146,972	26,724	36,743	(10,019)	-27.3%	146,972
<b>Machinery and Equipment</b>	-	78,106	78,106	13,404	19,527	(6,123)	-31.4%	78,106
Machinery and Equipment	-	78,106	78,106	13,404	19,527	(6,123)	-31.4%	78,106
<b>Transport Assets</b>	97,426	298,359	298,359	69,629	74,590	(4,961)	-6.7%	298,359
Transport Assets	97,426	298,359	298,359	69,629	74,590	(4,961)	-6.7%	298,359
<b>Total Depreciation</b>	2,213,796	2,574,607	2,574,607	626,524	643,930	(17,406)	-2.7%	2,574,607

## 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 **September 2017** has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name

*Achmat Ebrahim*

Municipal Manager of City of Cape Town (CPT)

Signature



Date

*16-10-2017*

