

REPORT TO: COUNCIL

1. ITEM NUMBER

2. SUBJECT

QUARTERLY FINANCIAL REPORT: DECEMBER 2021

ONDERWERP

KWARTAALLIKSE FINANSIËLE VERSLAG: DESEMBER 2021

ISIHLOKO

INGXELO YEMALI YARHOQO NGEKOTA: EYOMNGA 2021

(LSUA1980)

3. DELEGATED AUTHORITY

In terms of delegation

This report is for NOTING BY

☐ **Committee name :**

☐ 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 31 December 2021.

Financial Implications ☒ None ☐ Opex ☐ Capex

☐ Capex: New Projects

☐ Capex: Existing projects requiring additional funding

☐ Capex: Existing projects with no Additional funding requirements

Policy and Strategy ☐ Yes ☒ No

Legislative Vetting ☐ Yes ☒ No

Legal Implications ☒ Yes ☐ No

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

Staff Implications ☐ Yes ☒ No

Risk Implications ☐ Yes The risks for approving and/or not approving the recommendations are listed below:

☐ No Report is for decision and has no risk implications.

☒ No Report is for noting only and has no risk implications.

POPIA Compliance	<input checked="" type="checkbox"/> Yes	It is confirmed that this report has been checked and considered for POPIA compliance.
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5. RECOMMENDATIONS

a) The quarterly financial report for the quarter ended 31 December 2021 is submitted for information and noting only.

AANBEVELING

a) Die kwartaallikse finansiële verslag vir die kwartaal geëindig 31 Desember 2021 word slegs ter inligting en kennisname voorgelê.

ISINDULULO

a) INgxelo yeMali yaRhoqo ngeKota yekota ephela ngowama- 31 eyoMnga 2021 ingeniselwa iinjongo zolwazi nokuqatshelwa kuphela.

ANNEXURES

Annexure A: Quarterly Financial Report (MFMA S52) – 31 December 2021

FOR FURTHER DETAILS CONTACT

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SIGNATURE : DIRECTOR			

EXECUTIVE DIRECTOR

NAME	KEVIN JACOBY	COMMENT:
DATE		
SIGNATURE		

The ED's signature represents support for report content and confirms POPIA compliance.

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

COMMENT:

DATE

SIGNATURE

EXECUTIVE MAYOR

NAME

GEORDIN HILL-LEWIS

COMMENT:

DATE

SIGNATURE



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE A

QUARTERLY FINANCIAL REPORT (MFMA S52)

DECEMBER 2021 (2022 Q2)

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MUNICIPAL MANAGER QUALITY CERTIFICATION

EXECUTIVE SUMMARY

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;..."

MAYOR'S QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2021

The Mayor's Quarterly Report is prepared in compliance to Section 52 of the MFMA and sets out financial particulars in the format prescribed by the MFMA and the MBRR.

It provides a high level overview of the organisation's financial viability and sustainability.

The '2020/21 Provisional Outcome' columns in the ensuing tables have been populated with pre-audited figures and are provisional where final figures are not available yet.

KEY DATA (PAGE 4 - 30)

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

IN YEAR BUDGET STATEMENT TABLES (PAGE 31 – 37)

This section provides the City's key tables in the format prescribed by the MBRR.

- **Table C1 (Page 31)** provides a high level summation of the operating and capital budgets, actuals to date, financial position and cash flow.
- **Table C2 (Pages 32)** is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification.
- **Table C3 (Pages 33)** shows budgeted financial performance in relation to the revenue and expenditure as well as the operating surplus or deficit.
- **Table C4 (Page 34)** is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type.
- **Table C5 (Pages 35)** 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 36)** reflects the performance to date in relation to the financial position of the municipality.
- **Table C7 (Page 37)** indicates the cash flow position and cash/cash equivalents.

IN YEAR BUDGET STATEMENT SUPPORTING TABLES (PAGE 38 – 86)

This section provides the City's supporting tables in the format prescribed by the MBRR.

MUNICIPAL COST CONTAINMENT REGULATIONS (MCCR) (PAGE 88 – 95)

KEY DATA**OPERATING BUDGET**

Operating Budget	Budget 2021/22	YearTD budget 2021/22	YearTD actual 2021/22	YTD variance	Full Year Forecast
Total Revenue ¹ (R'Thousands)	47 553 699	24 941 898	25 176 578	234 680	50 479 904
Total Expenditure ¹ (R'Thousands)	48 322 260	22 499 416	22 679 010	179 594	51 237 836
Surplus/(Deficit) ¹ (excl. capital transfers and contributions)	(768 561)	2 442 482	2 497 568	55 086	(757 931)

CAPITAL BUDGET

Capital Budget	Budget 2021/22	YearTD budget 2021/22	YearTD actual 2021/22	YTD variance	Full Year Forecast
Total Capital Expenditure (R'Thousands)	8 828 682	2 485 696	1 887 443	(598 253)	6 095 115

FINANCIAL POSITION

Working Capital	Provisional Outcome 2020/21	Original Budget 2021/22	Adjusted budget 2021/22	YearTD actual
Cost coverage ratio³ Cash and investments at period end less restricted cash/Monthly operating Expenditure	1,8:1	-	-	2,0:1
Liquidity Current Ratio (Current assets/current liabilities) ⁴	1.8	1.4	1.7	2.7
Borrowing Capital Charges to Operating Expenditure (Interest & principal paid/Operating Expenditure) ⁵	1.1%	2.4%	2.4%	2.4%
Borrowed funding of 'own' capital expenditure (Borrowings/Capital expenditure excl. transfers and grants) ⁶	0.0%	48.3%	43.9%	48.8%
Financial Position (R'Thousands)⁷ Total Assets	78 680 064	83 193 449	86 919 328	78 033 953
Total Liabilities	23 564 986	27 147 023	27 179 882	19 704 232
Cash Flow (R'Thousands) Cash/cash equivalents at month/year end	8 126 100	7 517 656	7 037 185	8 564 070

- **Cost coverage ratio³**

This ratio indicates a 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.

The ratio outcome for the period under review is 2.0 and falls within the norm of 1-3 months (MFMA Circular 71).

- **Current Ratio⁴**

This ratio is used to assess a municipality's ability to pay back its short-term liabilities (debt and payables) with its short-term assets (cash, inventory and receivables).

The year-to-date ratio outcome of 2.7 shows that the City has sufficient cash to meet its short-term financial obligations and is above the norm of 1.5 to 2.1 (MFMA Circular 71). However, the expected annual budgeted outcome of 1.9 falls within the norm.

- **Capital Charges to Operating Expenditure⁵**

This ratio indicates the cost required to service the borrowing of a municipality. It assesses the borrowing or payment obligation expressed as a percentage of total operating expenditure.

The year-to-date ratio of 2.4% is below the National Treasury norm of 6% to 8% (MFMA Circular 71). This ratio is budgeted at 2.4% for the 2021/22 financial year.

- **Borrowed funding of 'own' Capital Expenditure⁶**

The ratio indicates the extent of capital expenditure being financed from borrowed funding compared to own and other funding sources, excluding transfers and grant funded expenditure.

The year-to-date outcome is 48.8%, and is budgeted at 43.9% for the 2021/22 financial year.

- **Financial Position⁷**

Movements on the operating- and capital budget will impact on the financial position. Underspending on the capital budget will, for instance, lead to the property, plant and equipment result being less than budget. As such the outcome and related reasons for variances in the operating- and capital budget forms a critical link in determining the variance on the financial position of a municipality. The final outcomes for the financial position will only be known once year-end transactions have been finalised.

- **Cash Flow**

Cash and cash equivalents amount to R8 564 million as at 31 December 2021. This position is as a result of levels of cash realised in the previous financial year. The total includes all reserves and commitments required to be backed by cash. The funds are invested in compliance with the MFMA, and the City's Cash Management & Investment policy.

Debtors

Debt management is carried out in terms of the City's Credit Control and Debt Collection Bylaw and Policy. Outstanding debtors per category are reflected in the table below.

Debtors	Current - 0 to 30 days	31-60 Days	61 days and over	TOTAL
R Thousands				
Water	347 545	73 450	1 897 925	2 318 920
Electricity	673 975	39 935	432 041	1 145 951
Rates	712 643	119 990	1 380 831	2 213 463
Sewerage	182 334	28 608	729 874	940 817
Refuse	95 858	21 676	503 234	620 768

The 12-months moving average YTD collection ratio (reflected in the table below) is for the period January 2021 to December 2021 and therefore reflects a more favourable 12-months position.

The monthly collection ratio per service (reflected in the table below) is a more accurate reflection of the City's current collection ratio for property rates, electricity, water, sewerage and refuse, bearing in mind that this calculation is based on MFMA Circular 71, which takes the opening and closing balances, billing, write offs etc. into account.

Debtors Collection Rate %^s	Previous year 2020/21	Current year 2021/22 (Interim ratios)	12 Months moving average YTD collection ratio (Interim ratios)	Monthly Collection Ratio per Service
Electricity	100.91%	98.91%	100.97%	100.88%
Water	91.11%	92.80%	94.09%	91.85%
Sewerage	92.86%	95.56%	96.12%	91.11%
Refuse	89.85%	93.55%	94.44%	93.24%
Rates	95.42%	97.84%	97.97%	94.44%
Other	94.62%	100.94%	101.10%	101.12%

^s12 Months Collection Ratio. Calculated in to National Treasury Circular 71.

The overall collection ratio results for December 2021 are reflected in the table below:

Monthly Collection Rate	
Period	Current year
12 Months	97.73%
6 Months	99.28%
3 Months	99.84%
Monthly	96.36%

The 12 Months Moving Average Payment Ratio for the period ended 31 December 2021 is 97.73%.

Human Resources

Human Resources	Provisional Outcome 2020/21	Original Budget 2021/22	Adjusted Budget 2021/22	YearTD actual 2021/22
Employee and Councillor remuneration (R'Thousands)	15 274 440	15 792 336	15 798 851	7 751 239
Employee Costs (Employee costs/Total Revenue - capital revenue)	35.0%	32.9%	32.8%	30.5%
Total Cost of Overtime (R'Thousands)	942 386	838 145	836 273	384 239

Employee related costs are influenced by ongoing terminations, the turnaround time of filling vacancies and the internal filling of vacancies.

Details on senior managers' remuneration and the remuneration of other municipal staff can be found in *Councillor and staff benefits* on page 76.

Staff Complement

Municipal Employees (numbers)	As at 30 June 2021	Original Budget 2021/22	December 2021
Filled posts - Permanent	27 721	27 729	27 743
Filled posts - Temporary	1 663	1 941	1 649
Vacant posts - Permanent	3 088	2 932	3 819
	32 472	32 602	33 211

Municipal Councillors (numbers)	As at 30 June 2021	Original Budget 2021/22	December 2021
Municipal Councillors	228	231	230
Municipal Councillors - Vacancies	3	-	1
	231	231	231

The City had 3819 vacancies as at 31 December 2021; 2461 positions were filled (955 internal, 391 external, 1115 rehire), with 1053 terminations processed since the start of the financial year. Filling of vacancies is ongoing and seasonal staff are appointed as and when required.

The table below shows the number and value of vacancies per directorate for the period under review.

DIRECTORATE	VACANT POSTS (Permanent positions)		% of Posts Filled	Vacancy Rate
	Number of Posts	Value		
City Manager (Office of CM)	21	R10 550 150	94.91%	5.09%
Community Services and Health	368	R116 666 324	94.11%	5.89%
Corporate Services	236	R111 141 790	87.58%	12.42%
Economic Opportunities and Asset Management	101	R36 820 766	90.27%	9.73%
Energy & Climate Change	239	R76 755 069	91.45%	8.55%
Finance	192	R62 203 522	89.38%	10.62%
Human Settlements	125	R44 780 760	89.11%	10.89%
Safety and Security	764	R210 747 695	89.09%	10.91%
Spatial Planning and Environment	96	R39 295 921	90.15%	9.85%
Transport	327	R96 096 341	89.52%	10.48%
Urban Management	163	R48 476 610	70.55%	29.45%
Water and Waste	1187	R357 115 201	86.82%	13.18%
TOTAL	3 819	R1 210 650 148	89.35%	10.65%

The table below provides an age analysis of vacancies per directorate.

DIRECTORATE	Less Than 6 Months	6 to 12 Months	1 to 2 Years	More Than 2 Years	Grand Total
City Manager (Office of CM)	15	3	2	1	21
Community Services and Health	249	95	24	0	368
Corporate Services	149	72	11	4	236
Economic Opportunities & Asset Management	45	42	12	2	101
Energy and Climate Change	84	100	44	11	239
Finance	79	68	34	11	192
Human Settlements	73	31	13	8	125
Safety and Security	257	243	255	9	764
Spatial Planning and Environment	53	24	13	6	96
Transport	97	97	46	87	327
Urban Management	151	7	4	1	163
Water and Waste	460	358	183	186	1 187
Grand Total	1 712	1 140	641	326	3819

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

Description	Original Budget 2021/22	Adjusted Budget 2021/22	YearTD actual 2021/22	YearTD budget 2021/22	YTD variance
R'Thousands					
Total Revenue (excluding capital transfers and contributions)	47 509 600	47 553 699	25 176 578	24 941 898	234 680
Total Expenditure	48 274 839	48 322 260	22 679 010	22 499 416	179 594
Surplus/(Deficit)	(765 240)	(768 561)	2 497 568	2 442 482	55 086

Continuous identification of under-/over expenditure is taking place and communicated to line thereby affording line the opportunity to redirect potential savings to other needy/priority areas in their areas of responsibility.

Virementation of funds to prevent unauthorised expenditure are done on a regular basis.

Any instances of apparent non-compliance are addressed by the relevant finance officials.

REVENUE**Main revenue sources for 2021/22**

Description	Budget Year 2021/22						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Revenue By Source							
Property rates	10 984 132	10 984 132	5 220 667	5 492 066	(271 399)	-4.9%	10 983 815
Service charges - electricity revenue	15 734 566	15 734 566	8 253 547	8 245 634	7 914	0.10%	15 734 566
Service charges - water revenue	3 556 345	3 556 345	1 678 225	1 701 341	(23 116)	-1.4%	3 549 249
Service charges - sanitation revenue	1 775 113	1 775 113	833 037	851 044	(18 007)	-2.1%	1 791 914
Service charges - refuse revenue	1 330 442	1 330 442	613 881	665 221	(51 340)	-7.7%	1 222 313
Rental of facilities and equipment	350 647	350 647	182 213	175 324	6 889	3.9%	368 900
Interest earned - external investments	855 119	855 119	457 636	427 559	30 077	7.0%	895 923
Interest earned - outstanding debtors	449 452	449 452	186 708	212 921	(26 214)	-12.3%	361 774
Dividends received	–	–	–	–	–	–	–
Fines, penalties and forfeits	1 247 015	1 247 015	890 822	599 619	291 202	48.6%	1 250 376
Licences and permits	67 110	67 110	20 828	23 508	(2 680)	-11.4%	70 030
Agency services	261 614	261 614	135 447	127 186	8 261	6.5%	269 491
Transfers and subsidies	5 650 364	5 694 463	3 183 576	3 401 992	(218 416)	-6.4%	6 070 243
Other revenue	3 194 622	3 194 622	2 108 251	2 038 492	69 759	3.4%	3 200 322
Gains	2 053 058	2 053 058	1 411 739	979 990	431 749	44.1%	4 710 989
Total Revenue (excluding capital transfers and contributions)	47 509 600	47 553 699	25 176 578	24 941 898	234 680	0.9%	50 479 904

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

- Property Rates (R271.4 million under)**

The under-recovery is due to resolution of GV2018 objections and appeals, with changes in rating categories from commercial/business and residential to rating categories associated with a reduced rate-in-rand.

- **Service charges - refuse revenue (R51.3 million under)**

The variance is mainly on disposal coupon fees where disposal of general waste is consumption driven and currently lower than anticipated.

- **Fines, penalties and forfeits (R291.2 million over)**

The over-recovery is mainly due to more than planned fines issued and processed; and more outstanding fines collected than anticipated.

- **Transfers and subsidies (R218.4 million under)**

The variance reflects mainly in the following directorates:

- Economic Opportunities & Asset Management, due to delays in receipt of the National Skills Fund tranche payment as compliance checks are still underway.
- Human Settlements, mainly on:
 - Grant and Subsidies National, due to delays in the Survey project as a result of COVID-19 restrictions. This project entails door-to-door visits, which poses the risk of the COVID-19 virus spreading; and
 - Grant and Subsidies (Provincial), mainly on the Belhar/Pentech Strip, Gugulethu Infill Project and PHP Projects, due to poor performance of the provincial subcontractors, and unavailability of approved beneficiaries resulting in the late start of the project.
- Safety & Security, due to unprocessed year-to-date recoveries for the LEAP project, and the Transfer Payment Agreement (TPA) not being finalised as the amended business plan still needs to be approved.

- **Other Revenue (R69.8 million over)**

The over-recovery reflects mainly against the following categories:

- Collection Charges Recovered, due to an increase in the number of customers with outstanding debt being handed over to the lawyers.
- Cash Recoveries Claims, due to the recovery of various SASRIA claims in respect of riot/protest damage to several MyCiTi bus stations.
- Skills Development Levy, where revenue received to date is higher than planned as claims are unpredictable and difficult to plan accurately.
- Burial Fees, due to a higher demand for services linked to COVID-19 related burials.
- Discounts, due to an unanticipated payment from the Cape Municipal Pension Fund relating to an amount due to the City from the City's Employer Surplus Account.

- **Gains (R431.7 million over)**

The variance is mainly on Inventory Consumed: Price Adjustment Raw Water, where the creation of a new revenue element to correctly reflect inventory gains as per National Treasury's requirements resulted in misalignment of the period budget provisions and actuals to date.

Reasons for variances on revenue can be found in *Material variance explanations for operating revenue by source and by vote* on page 38.

EXPENDITURE**Main expenditure types for 2021/22**

Description R thousands	Budget Year 2021/22						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure By Type							
Employee related costs	15 612 510	15 619 025	7 671 705	7 769 653	(97 948)	-1.3%	15 849 607
Remuneration of councillors	179 826	179 826	79 535	83 398	(3 863)	-4.6%	179 826
Debt impairment	2 716 859	2 716 859	1 279 782	1 279 790	(8)	-	2 371 700
Depreciation & asset impairment	3 013 855	3 013 855	1 505 356	1 495 799	9 557	0.6%	3 073 473
Finance charges	794 747	794 747	369 083	366 768	2 315	0.6%	788 704
Bulk purchases - electricity	11 182 400	11 182 400	5 400 241	5 264 125	136 116	2.6%	11 218 900
Inventory consumed	3 703 850	3 707 293	1 919 663	1 708 418	211 245	12.4%	5 624 449
Contracted services	7 960 363	7 958 610	2 936 674	3 107 332	(170 658)	-5.5%	8 147 022
Transfers and subsidies	464 263	493 005	175 559	200 096	(24 537)	-12.3%	561 134
Other expenditure	2 632 043	2 642 516	1 176 824	1 217 101	(40 276)	-3.3%	2 775 275
Losses	14 124	14 124	164 589	6 936	157 653	2273.0%	647 747
Total Expenditure	48 274 839	48 322 260	22 679 010	22 499 416	179 594	0.8%	51 237 836

Reasons for major over-/under expenditure per type

- **Employee Related Costs (R97.9 million under)**

The variance is mainly due to the turnaround time in filling vacancies; internal filling of vacant positions; slower than planned implementation of job creation (EPWP) projects, and the hold placed on identified vacancies.

- **Bulk purchases – electricity (R136.1 million over)**

The variance is largely due to rectification of under billing of the Eskom main account in the previous financial year, an increase in purchases as a result of the partial lifting of COVID-19 lockdown restrictions and the subsequent economic recovery, and the increase in small-scale embedded generating customers feeding in more energy to the grid.

- **Inventory Consumed (R211.2 million over)**

Over expenditure reflects against the following elements:

- Fuel (Petrol, Diesel, Fuel Oil), due to higher than planned demand for fuel as well as the increase in the fuel price.
- Inventory Consumed: Bulk Water, due to adjustments/rework required to the full year budget provision in line with NT requirements.
- Inventory Consumed: Reticulation Water, due to the creation of a new cost element to reflect inventory correctly as per NT requirements.

- **Contracted Services (R170.7 million under)**

Under expenditure reflects against the following elements:

- Advisory Services - Project Management, where expenditure relating to the Walk-in Bus project and Citizens Deployment project was incurred against employee-related cost.
- R&M Contracted Services Buildings, due to the slower than anticipated start of maintenance programmes as well as savings realised as a result of changes made to implementation of the maintenance contract within the Customer Services section when responding to service notifications.
- Sludge removal, due to delays in commencement of the Augmentation project.
- R&M Contracted Services electrical, where the period budget provision was based on the previous financial year's periodic expenditure, although, similar expenditure trends were not experienced to date.
- Sewerage Services, due to outstanding invoices as well as misalignment of the budget and actual expenditure.
- Refuse Removal, where contractors were utilised to a lesser extent in the in-sourced areas as vehicle breakdowns were fewer than anticipated to date.
- Litter Picking and Street Cleaning, as the amount of waste removed from informal settlements is currently lower than anticipated.
- Cleaning Costs, as invoices were received after month-end.
- G&D Prof Serv Engineering Civil, due to delays in a number of projects and the incorrect allocation of expenditure against the cost centre instead of the grant-funded project.

- **Losses (R157.7 million over)**

The variance is mainly on Inventory Consumed (Water) - Various, due to new cost elements created to reflect inventory correctly as per National Treasury requirement.

Expenditure per vote (directorate)

Vote Description R thousands	Budget Year 2021/22						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure by Vote							
Vote 1 - Community Services & Health	4 203 855	4 203 870	1 968 878	2 000 782	(31 905)	-1.6%	4 364 284
Vote 2 - Corporate Services	2 270 723	2 270 735	1 011 019	1 023 806	(12 787)	-1.2%	2 268 119
Vote 3 - Economic Opportunities & Asset Managemnt	1 499 132	1 508 519	676 219	649 871	26 348	4.1%	1 516 393
Vote 4 - Energy & Climate Change	13 841 423	13 841 423	6 689 228	6 585 314	103 914	1.6%	13 900 983
Vote 5 - Finance	3 222 505	3 222 505	1 566 349	1 599 502	(33 153)	-2.1%	3 329 145
Vote 6 - Human Settlements	1 543 675	1 569 989	641 687	672 286	(30 599)	-4.6%	1 503 868
Vote 7 - Office of the City Manager	320 619	320 619	195 677	202 386	(6 709)	-3.3%	329 746
Vote 8 - Safety & Security	4 611 047	4 611 046	2 012 434	1 993 516	18 919	0.9%	4 567 779
Vote 9 - Spatial Planning & Environment	861 959	865 289	381 914	397 790	(15 876)	-4.0%	889 222
Vote 10 - Transport	3 673 960	3 680 679	1 585 770	1 544 519	41 252	2.7%	3 732 412
Vote 11 - Urban Management	1 080 086	1 081 732	486 153	485 650	503	0.1%	1 074 884
Vote 12 - Water & Waste	11 145 854	11 145 853	5 463 682	5 343 995	119 687	2.2%	13 761 002
Total Expenditure by Vote	48 274 839	48 322 260	22 679 010	22 499 416	179 594	0.8%	51 237 836

Reasons for over expenditure per vote (directorate)

The narrative below provides details of over expenditure within directorates with bottom-line **year-to-date over expenditure**.

Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget.

- **Economic Opportunities & Asset Management (R26.3 million over)**

Over expenditure reflects against Contracted Services within the following subcategories:

- R&M Contracted Services Building and R&M Electrical, where expenditure is higher than planned due to acceleration of R&M programmes; and
- Security Services: Municipal Facilities, due to an increase in security services required to avoid illegal occupation and damage to City properties that are vacant as a result of lease terminations.

- **Energy & Climate Change (R103.9 million over)**

Over expenditure reflects against Bulk Purchases, due to:

- Rectification of the Eskom main account for underbilling in the previous financial year;
- An increase in purchases due to the partial lifting of COVID-19 lockdown restrictions and the subsequent economic recovery; and
- An increase in small-scale embedded generating customers feeding in more energy to the grid.

- **Safety & Security (R18.9 million over)**

Over expenditure reflects against Employee Related Costs within the following subcategories:

- Salaries & Wages, due to the misalignment of the period budget provision and the actual expenditure relating to the appointment of command and control staff linked to the LEAP project;
- Bonuses, due to more staff qualifying for this benefit including contracted staff members; and
- Standby allowance, where staff shortages/vacancies resulted in the current available staff being on standby to assist with any emergency or urgent call-ups.

- **Transport (R41.3 million over)**

Over expenditure reflects against the following categories:

- Depreciation, due to assets being capitalised earlier than anticipated.
- Inventory Consumed, mainly on Fuel, due to the impact of numerous fuel price increases.
- Contracted Services, mainly on:
 - R&M Maintenance of Equipment, due to IRT Bus maintenance being more than planned for the period to date;
 - G&D Security Services & Charges, due to the increased requirement for security at PTIs; and

- G&D Transportation Services People, where expenditure relating to the new tender awarded for MyCiTi Station Management, which includes all costs relating to PTIs, was booked against this cost element.
- Other expenditure, mainly on Software Licences - Upgrades/ Protection, due to upgrade of the Facility Management Enterprise system at the Transport Management Centre (TMS), MyCiTi stations as well as PTIs, which is crucial for passenger safety.
- **Urban Management (R0.5 million over)**

Over expenditure reflects against Contracted Services, mainly against the following subcategories:

 - Advisory Services - Project Management, where the MURP MVSA Precincts project and the Community Ambassadors project is progressing faster than anticipated;
 - Event Promoters, where the Area Economic Development projects in respect of the Cape Town Summer Markets is progressing faster than anticipated;
 - R&M Gardening Service, due to sub council projects in respect of additional mowing and pruning, bush clearing and repair of recreation facilities progressing faster than anticipated; and
 - Alien Vegetation Control, due to sub council projects in respect of invasive plant clearing and control progressing faster than anticipated.
- **Water & Waste (R119.7 million over)**

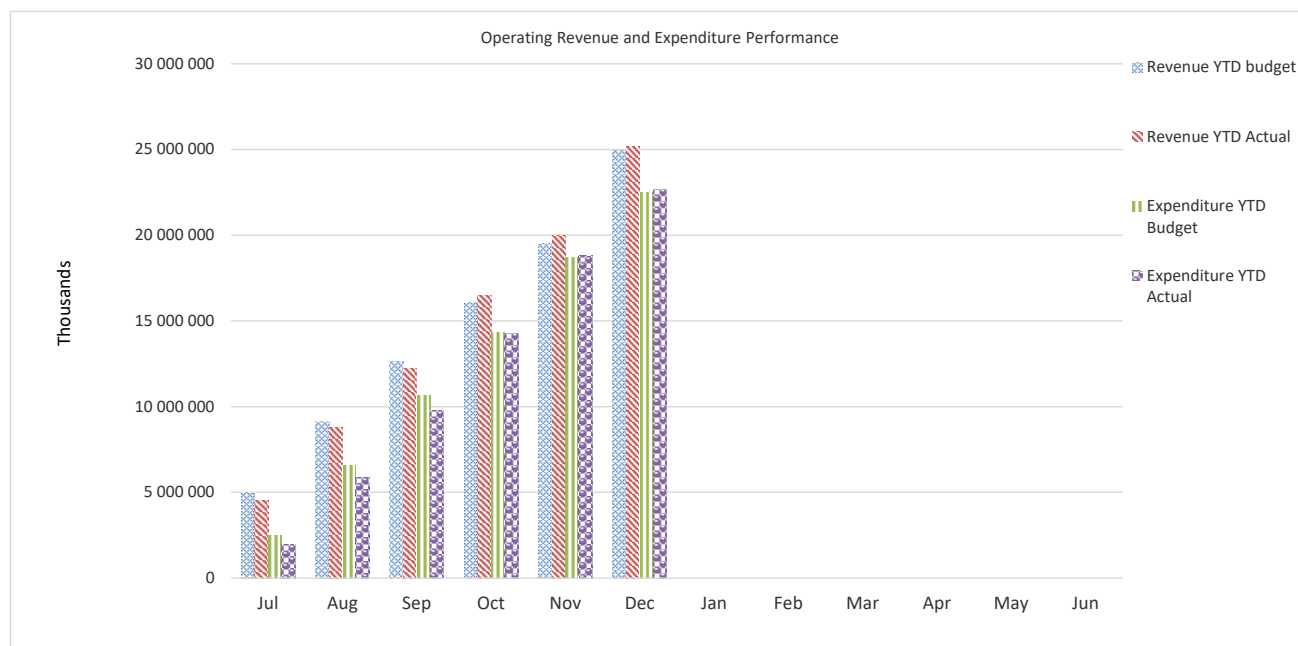
The variance reflects against the following categories:

 - Finance Charges, due to an unplanned court order payment.
 - Inventory Consumed, mainly on:
 - Inventory Consumed: Reticulation Water, due to creation of a new cost element to reflect inventory as per NT requirement;
 - Fuel (Petrol, Diesel and Fuel Oil), due to fluctuations in the fuel price; and
 - Cleansing Related Costs, where the number of bags issued for cleansing-related activities is higher than anticipated.
 - Other expenditure, mainly on:
 - Hire of LDV, P/Van, Bus, Special Vehicle, due to an increase in vehicles hired for additional drivers appointed and additional vehicles hired to transport staff to adhere to social distancing regulations;
 - Water Resource Management Charge DWS, where the water resource management charges relating to bulk purchases were split from other cost elements as per NT requirement; and
 - R&M Hire of LDV, Pvan, Bus, SpcVeh, due to an increase in hired vehicles required for maintenance-related work within the Stormwater section.
 - Losses, mainly due to new cost elements to be created to reflect inventory correctly as per NT requirement.

Details on variances for operating expenditure can be found in *Material variance explanations for operating expenditure by vote and by type* on page 46.

Monthly Operating Revenue and Expenditure Performance

The graph below shows the monthly actual operating revenue and expenditure against budget.



CAPITAL EXPENDITURE AND FUNDING

Summary Statement of Capital Budget Performance

Vote Description R thousands	Budget Year 2021/22						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Total Capital Expenditure	8 314 767	8 828 682	1 887 443	2 485 696	(598 253)	-24.1%	6 095 115
Funded by:							
National Government	3 050 778	3 050 778	612 492	624 980	(12 488)	-2.0%	1 705 493
Provincial Government	15 866	15 866	2 817	3 305	(488)	-14.8%	27 760
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	72 198	72 198	21 870	33 785	(11 916)	-35.3%	59 336
Transfers recognised - capital	3 138 842	3 138 842	637 179	662 070	(24 891)	-3.8%	1 792 589
Borrowing	2 500 000	2 500 000	609 787	733 105	(123 318)	-16.8%	1 200 000
Internally generated funds	2 675 925	3 189 840	640 477	1 090 521	(450 044)	-41.3%	3 102 526
Total Capital Funding	8 314 767	8 828 682	1 887 443	2 485 696	(598 253)	-24.1%	6 095 115

The summary statement of capital budget performance indicates actual capital expenditure of R1 887 million or 21.38% of the current budget.

The year-to-date spend represents 21.97% (R1 250 million) on internally-funded projects and 20.30% (R637 million) on externally-funded projects.

The current budget was reviewed in the mid-year review and performance assessment process and adjustments proposed in the January 2022 adjustments budget.

Capital budget by municipal vote for 2021/22

Vote Description	2020/21	Budget Year 2021/22						
	Provisional Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Vote 1 - Community Services & Health	294 831	299 732	323 511	83 371	119 682	(36 311)	-30.3%	298 971
Vote 2 - Corporate Services	208 287	248 768	258 834	25 350	95 449	(70 099)	-73.4%	211 465
Vote 3 - Economic Opportunities & Asset Managemnt	320 315	215 801	247 220	72 734	45 588	27 146	59.5%	259 575
Vote 4 - Energy & Climate Change	750 278	1 014 657	1 053 511	265 392	390 744	(125 352)	-32.1%	893 485
Vote 5 - Finance	248 489	25 515	25 929	2 327	5 503	(3 175)	-57.7%	16 542
Vote 6 - Human Settlements	737 971	827 201	835 682	332 567	248 762	83 805	33.7%	928 826
Vote 7 - Office of the City Manager	1 281	1 103	1 286	245	661	(417)	-63.0%	1 986
Vote 8 - Safety & Security	367 879	258 298	273 398	51 984	117 399	(65 415)	-55.7%	199 062
Vote 9 - Spatial Planning & Environment	105 564	141 722	168 027	28 589	38 952	(10 363)	-26.6%	96 463
Vote 10 - Transport	776 446	2 191 855	2 279 172	228 027	392 539	(164 511)	-41.9%	722 772
Vote 11 - Urban Management	48 608	46 729	65 399	9 704	26 463	(16 759)	-63.3%	52 472
Vote 12 - Water & Waste	2 668 524	3 043 384	3 296 712	787 153	1 003 955	(216 802)	-21.6%	2 413 497
Total Capital Expenditure	6 528 474	8 314 767	8 828 682	1 887 443	2 485 696	(598 253)	-24.1%	6 095 115

Reasons for major over/under expenditure (YTD) on the capital budget

- **Corporate Services directorate (R70.1 million under)**

The variance reflects on the following projects/programmes:

- ERP Annual Capacity Growth FY22, where the procurement of hardware has been deferred to January 2022 when newer equipment to provide for a better solution, which will benefit the City by processing data more efficiently and save on power consumption in the data centre, will be available.
- Enterprise Monitoring & Management Solution FY22, which was initially delayed due to the protracted process of loading pricing schedules on the SAP system for tender 92G/2020/21. Orders have now been placed; delivery is expected in January 2022.
- BIP Applications, which was initially delayed due to the original tender (365C/2018/19) being put on hold. This situation has been remedied by making use of alternative tender 254C/2020/21. The order for the professional service has been placed.
- Business Continuity FY22, where finalisation of the proposal for offsite storage took longer than anticipated, due to additional upgrade requirements identified by the service provider. Tenders 129S/2019/20, 265S/2019/20 and 50S/2018/19 are being utilised. Orders have been placed for other infrastructure equipment.
- Wayleave System, where the project is delayed due to a review of existing systems as a result of a change in the business process. The 2021/22 budget will be rephased to 2022/23 as there is an anticipated 9-month delay before the completed system will be ready.

- **Energy & Climate Change directorate (R125.4 million under)**

The negative variance reflects mainly on the following projects/programmes:

- SCADA Master Station Upgrade, which is behind schedule due to initial delays in establishing project teams as well as the partially delivery of third-party software.
- System Equipment Replacement: South Area S and North Area N FY22, which is behind schedule as tender 082Q/2020/21 was only awarded in October 2021 resulting in delays in implementing planned projects. Some projects have commenced on site with others to follow. The project programme has been reviewed and amended to only accommodate work that can be completed in this financial year in terms of material/equipment availability, tenders in place and contractor capacity & resources. There is anticipated slippage due to the inability to switch operations for capital projects due to extensive loadshedding.
- HV OH Line Refurbish (structures) FY22, which was delayed due to issues with the works project document (WPD) but commenced in December 2021. A meeting will be held with the contractor in January 2022 to resolve the WPD issues in order to proceed with planned works.
- Connection Infrastructure (Quote): East FY22, which is customer-demand driven. Applications for new- and upgraded supplies have been less than planned for the period under review.

- **Human Settlements directorate (R83.8 million over)**

The positive variance reflects on the following projects:

- Land Acquisition FY22, where some of the Marikana informal settlement land was purchased earlier than originally anticipated as a consequence of a Supreme Court of Appeal Arbitration (SCA) Order.
- Greenville Housing Project Phase 4, where the Tripartite Agreement was concluded earlier than anticipated. This project is managed by a developer in partnership with the City and the Western Cape Government's (WCG) Department of Human Settlements.
- Informal Settlements Upgrade FY22, where some emergency projects were completed earlier than anticipated as contractors were performing ahead of schedule.

- **Safety & Security directorate (R65.4 million under)**

The variance is mainly due to:

- Delays in the award of tender 317S/2020/2021 for the supply, installation and commissioning of Urban CCTV cameras and equipment.
- Price refresh on IT tender 60G/2018/19, which was only finalised at the end of October 2021 resulting in delays in placing orders.
- Delays in ordering the second tranche of the EPIC Programme Replacement Devices (Printers and Mobile handsets) as well as long lead-times for some devices already ordered.
- Delays in approval for use of professional services tender 194C/2020/21 for the Building Improvements project and LEAP Facilities project.
- Initial delays in approval of fleet requests for the Vehicles: Additional project.
- Delays in delivery of the remainder of vehicles for the LEAP Vehicles: Additional project as the supplier advised that the anticipated delivery date for the remainder of the vehicles will be at the end of February 2022.

- Delays in the LEAP Radios: Additional project as the previous tender (238G/2016/2017) for the ordering of radios reached its capacity and could not be increased again.
- Delays in the import of Fire & Rescue Services Specialised Vehicles.

- **Transport directorate (R164.5 million under)**

The directorate has a net negative variance, which is an accumulation of slower than anticipated expenditure on a number of projects, the most significant of which are:

- Grassy Park Non-Motorised Transport, which was initially delayed due to the re-evaluation of tenders; the contractor is now on site and construction is progressing well.
- Somerset West Public Transport Interchange, which had a late start as a result of a prolonged evaluation process. The newly appointed consultants (tender 385C/2016/17) are reviewing the previous work done and completing the tender document on a new template. The MOA between the City and contractor has been finalised with the contractor starting on site.
- IRT: Control Centre, where implementation was initially delayed due to outstanding approval of MFMA Section 116(3) process, which is required before any capital works can commence. The contract amendment was approved by BAC on 18 October 2021 and signed on 19 November 2021 with capital works starting on 29 November 2021.
- PTSM: Transport Intelligence Project, which is behind schedule due to delays in finalising the exact scope of work. The solution back-end was implemented on the server platform and data integration is currently underway. Business continuity infrastructure has to be procured and business cases for software development are still awaiting approval.

- **Water & Waste directorate (R216.8 million under)**

- **Solid Waste Management (R182.8 million under)**

Under expenditure reflects on the following projects/programmes:

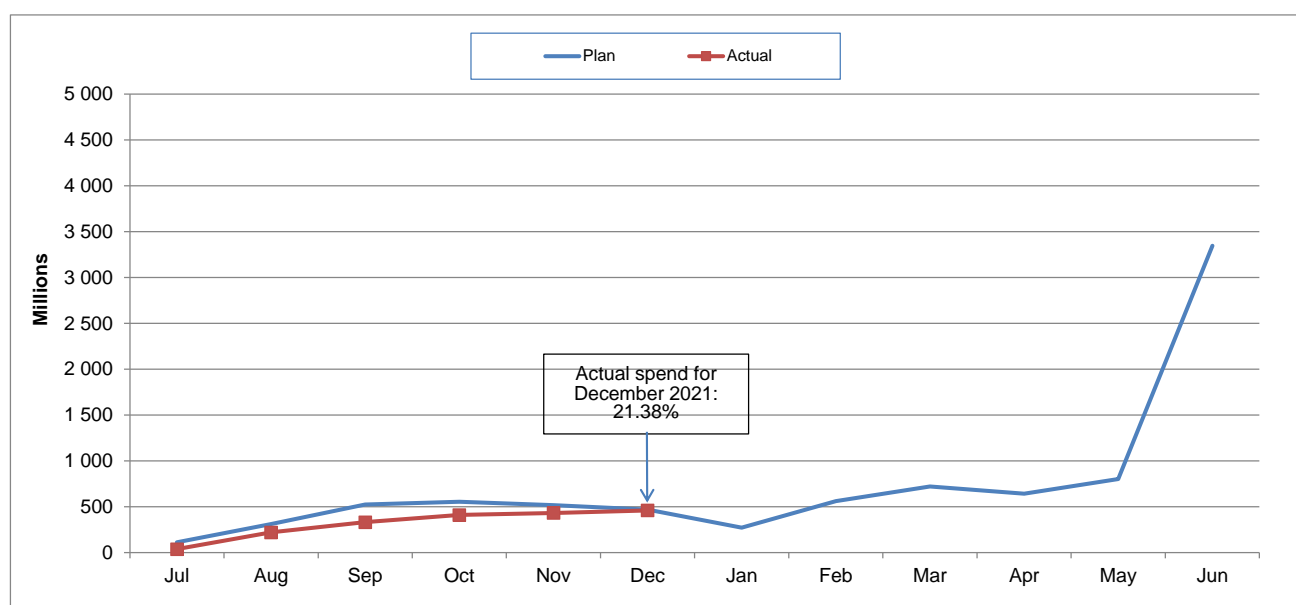
- Coastal Park - Design and Develop (MRF): The amicable settlement on tender 57Q/2017/18 has been finalised and payment has been made. However, the project was delayed as a result of negotiations on mechanical equipment tender 301Q/2020/21, which also impacted on the award of construction tender 107Q/2020/21.
- Vissershok North: Airspace development: Numerous delays were experienced relating to approval of the designs for the new airspace as required by the National Department of Water Services and Department of Forestry, Fisheries and the Environment (DFFE).
- De Grendel Drop-off Upgrade Waste Min: The construction tender is currently in the Bid Specification stage and advertisement of the tender document can only proceed once the land use management application is completed and approved.
- New Prince George Drop-off: Tender 310Q/2018/19 for construction is underway. It is anticipated that spend will increase significantly as the contractor progresses into building finishing works. Projects behind schedule due to outstanding invoice for December 2021.

- Construction of Workshop - Vissershok, where the detailed design is delayed as a result of the positioning of the building.
- **Water & Sanitation (R33.9 million under)**
The underspend is due to:
 - Delays in approval of tenders as a result of appeals received and extended bid specification process.
 - Misalignment of cash flows on some major projects, which include Potsdam Waste Water Treatment works, Contermanskloof Reservoir, Cape Flats Aquifer Recharge, and Meter Replacement Program.

Detailed explanations and remedial action on variances on the capital budget can be found in *Material variance explanations for capital expenditure by vote* on page 59.

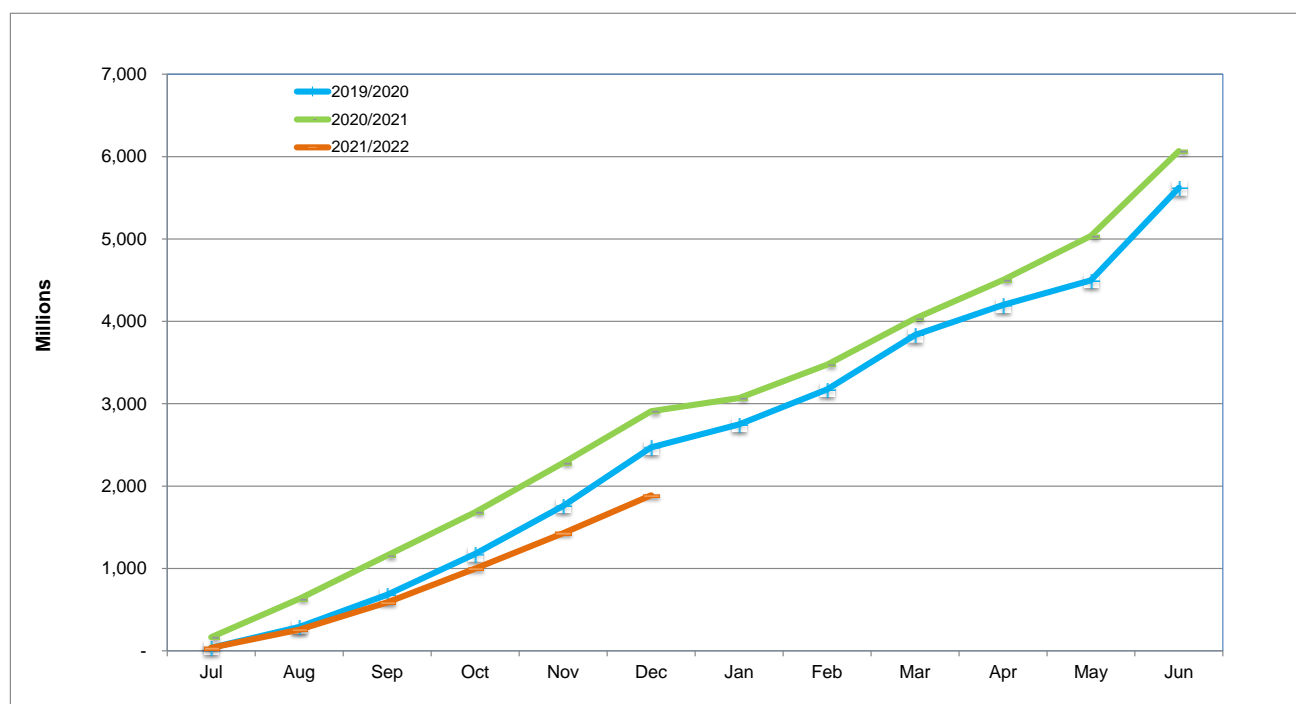
Monthly capital expenditure

The graph below reflects the City's monthly capital expenditure to date measured against the 2021/22 current budget.

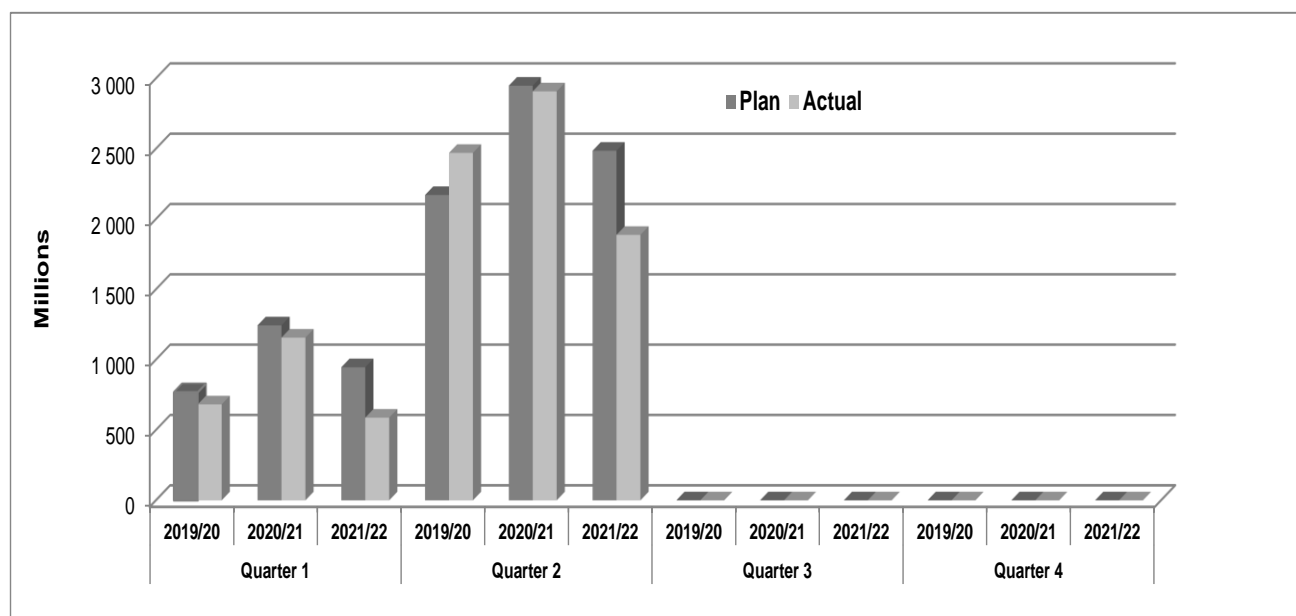


Capital expenditure trend over the current- and past two years

The graph below shows the City's capital expenditure trend for 2019/20, 2020/21 and 2021/22.



The capital expenditure quarterly trend for the 2019/20, 2020/21 and 2021/22 financial years is graphically illustrated below.



Status of major capital programmes/projects

Programme/Major Project	Current Budget	YTD Planned Spend	YTD Actual Spend	YTD Variance	Comments
IRT Phase 2 A	1 414 842 740	65 175 423	40 102 273	-25 073 150	The numerous properties required for the IRT phase 2A project are at different stages of the property acquisition process. Expenditure will be realised as these processes are finalised and the necessary approvals obtained. The project budget, which is primarily funded from the PTNG budget, will be reduced in the January 2022 adjustments budget and the PTNG-BFI budget reduced accordingly. Budget and cash flow to be amended in the January 2022 adjustments budget.
Potsdam WWTW - Extension	375 750 001	-	-	-	Professional services tender 300C/2016/17 is in place although the construction component will not be spent in the current financial year. The timeline for the construction component was realigned due to an extended bid specification process, which relates to the review and additions to the tender documentation as part of the due diligence process undertaken by the City's external service provider. This was not foreseen at the time of budget finalisation. The construction component will be rephased to the 2022/23 financial year in the January 2022 adjustments budget.
Zandvliet WWTW-Extension	374 435 312	130 913 273	177 997 731	47 084 458	The project is progressing ahead of plan due to good contractor performance and project management.
Coastal Park: Design and develop (MRF)	230 008 685	68 811 045	304 225	-68 506 820	Project initially delayed as a result of a disputed COVID-19 claim on tender 57Q/2017/18, which has since been resolved. The project was, however, further delayed due to negotiations with the preferred bidder on tender 301Q/2020/21 for mechanical equipment, which has now also been resolved. This had an impact on the award of the construction tender 107Q/2020/21. These delays have resulted in a portion of the budget being rephased to the 2022/23 financial year in the January 2022 adjustments budget.
Meter Replacement Programme	206 282 019	82 000 000	18 855 710	-63 144 290	Installation of replacement meters is behind schedule as tender 028Q/2020/21 is in the appeal period. Budget and cash flows will be amended in the January 2022 adjustments budget.
System Equipment Replacement: East	200 347 800	86 067 819	56 213 565	-29 854 254	The project is behind schedule as tender 082Q/2020/21 was only awarded in October 2021 resulting in delayed implementation. Some projects have commenced with others to follow. Budget to be reduced during the January 2022 adjustments budget as the project programme has been reviewed and amended to only accommodate work that can be completed in this financial year in terms of material/equipment availability, tenders in place and contractor capacity and resources.
Plant & Vehicles: Replacement	187 532 477	39 107 982	46 450 100	7 342 118	All orders have been placed. Initial delay as a result of issues with the Fuel Bozer that has now been resolved. As a result of the initial delay in the delivery of the vehicle the invoice will only be paid in January 2022. This will result in savings that can be re-prioritised to other priority projects. Budget and cash flows to be amended in the January 2022 adjustments budget.
Cape Flats Aquifer Recharge	172 574 825	54 436 485	5 475 144	-48 961 341	The project is behind programme due to delays in finalising the outcome of the appeal received against the award of tender 348Q/2018/19. A portion of the budget will be rephased to outer financial years. Budget and cash flows will be amended in the January 2022 adjustments budget.
Athlone WWTW-Capacity Extension-phase 1	145 345 103	49 172 755	54 399 957	5 227 202	This project is ahead of plan due to good project management and service provider performance. However, a portion of the project will be rephased to the 2023/24 financial year due to time lost with the cancellation of tender 293C/2019/20, and tender 194C/2020/21 only being approved by Council recently.

Table continues on next page.

City of Cape Town: S52 Annexure A – 2022 Q2 (December 2021)

Programme/Major Project	Current Budget	YTD Planned Spend	YTD Actual Spend	YTD Variance	Comments
Cape Flats Rehabilitation	142 157 479	13 247 479	47 332 043	34 084 564	Professional services tender 70C/2017/18 (Design) is in place with payment made earlier than anticipated due to good contractor performance. Tender 176Q/2018/19 (Rehabilitation of Cape Flats 1 and 2 Bulk Sewers) has been awarded with contractors busy on site with five works projects.
Urbanisation: Backyards/Infrm Settl Upgr	116 150 000	56 432 365	88 853 120	32 420 755	Budget to be utilised for City-wide ad hoc and emergency projects. Some projects were completed earlier than anticipated due to good contractor performance. A portion of the budget to be reprioritised in the January 2022 adjustments budget.
Contermanskloof Reservoir	115 694 097	80 000 000	60 200 208	-19 799 792	Cash flows and actual project implementation are misaligned. The environmental authorisation is in place and land acquisition has been concluded. The progress on site for work relating to floor slabs, column bases, ancillary building, placing of beams and hollow core roof slabs, and laying of outlet pipes between Contermanskloof Road and the Voëlvlei Pipeline connection is satisfactory.
Land Acquisition (USDG)	115 642 912	7 271 398	86 337 864	79 066 466	This budget is required as a consequence of the Supreme Court of Appeal Arbitration (SCA) Order (dated 17 June 2021) whereby the City was instructed to compensate eight private property owners in Philippi whose properties are currently illegally occupied by the Marikana Informal Settlement residents. Some of these acquisitions have been completed ahead of schedule. The budget will be increased in the January 2022 adjustments budget for additional land acquisitions.
Table Mountain Group Aquifer	85 541 896	34 000 000	40 086 828	6 086 828	The project is ahead of schedule due to good project management and service provider performance.
FS Replacement Vehicles	80 604 365	23 927 947	48 693 090	24 765 143	Some vehicle items have been delivered earlier than anticipated, however, delivery of some items has been delayed due to the manufacturer experiencing manufacturing capacity as a result of the COVID-19 pandemic. Further orders to be raised upon conclusion of the award of tender 174G/2020/21. Some deliveries are only expected in the fourth quarter of the current financial year as a result of long lead-times. Additional funds will be added from the Capital Replacement Reserve to accelerate the fleet replacement programme. Budget and cash flows will be amended in the January 2022 adjustments budget.
Bulk Water Infrastructure Replacement	80 000 000	27 000 000	22 909 069	-4 090 931	This programme consists of multiple active contracts to replace/refurbish infrastructure at bulk water plants. Orders have been placed; awaiting delivery. There have been some delays in the delivery of valves and flowmeters due to the impact of the pandemic on manufacturing and shipping. Budget and cash flows will be amended in the January 2022 adjustments budget.

Table continues on next page.

City of Cape Town: S52 Annexure A – 2022 Q2 (December 2021)

Programme or Major Project	Current Budget	YTD Planned Spend	YTD Actual Spend	YTD Variance	Comments
PPDR Radio Network Upgrade	77 522 000	-	-	-	Deviation DP6554G for the sole provider (System Update Package for the Radio Trunking Master Switching Office and Dispatch Consoles) is currently in progress. Project will be executed once approved. Savings were realised as a result of the change in procurement strategy. Savings will be reprioritised to other priority projects in the January 2022 adjustments budget.
Sir Lowry's Pass River Upgrade	76 850 000	-	-	-	Approval of term tender 194C/2020/21 (Provision of multi-disciplinary professional services) is taking longer than anticipated, which is putting the budget at risk of not being fully spent. The budget provision will therefore be reduced and rephased in the January 2022 adjustments budget in order to mitigate the risk of under expenditure.
Replace & Upgrade Water Network	76 320 000	24 000 000	21 484 061	-2 515 939	The purchase orders for the new works projects could not be provided earlier due to the target value cap being reached on tender 64Q/2018/19 and approvals that needed to be obtained in order for the target value cap to be lifted to release the purchase orders. This has resulted in projects starting later than initially planned.
Service Connections: Quote	75 050 000	25 950 000	26 263 842	313 842	This is customer demand driven. Work required on the dedicated network to provide capacity for new- and upgraded supplies has been more than anticipated for the period under review. Cash flow to be amended in the January 2022 adjustments budget.
MV System Infrastructure	73 500 000	29 690 655	14 539 351	-15 151 304	The project is behind schedule as tender 218Q/2015/16 expired in September 2021. The replacement tender 082Q/2020/21 was only awarded in October 2021 but there are still challenges in finalising the pricing schedules, which has resulted in project implementation delays. Cash flow to be amended in the January 2022 adjustments budget.
Rd Rehab:Jakes Gerwel - N2 & N1	73 217 150	27 650 000	29 828 493	2 178 493	Contract commenced on 18 January 2021. Roadworks commenced in early November 2021 and expenditure is accelerating due to roadworks and materials being produced. Contractor on schedule in accordance with the revised programme. A portion of the budget will be rephased to the 2022/23 financial year as a result of extension of time being granted. Expenditure has accelerated significantly now that road works have commenced and materials are being produced. Budget and cash flows to be amended in the January 2022 adjustments budget.
Replace & Upgr Sewer City wide	71 450 000	29 000 000	26 674 630	-2 325 370	Project is behind schedule as less work was done due to the impact of the builders holiday, which was understated in the cash flow. Additional funding is required as some contractors have indicated that they have capacity to take on work planned for future years. Budget and cash flows will be amended in the January 2022 adjustments budget.
Cape Flats Aquifer	65 149 600	25 000 000	38 296 915	13 296 915	The project is ahead of schedule due to good contract management and supplier performance.
Inf Settlm Upgr: Kosovo	63 328 400	25 000 000	28 966 418	3 966 418	The project is ahead of schedule due to good contractor performance.
	4 695 296 861	1 003 854 626	980 264 637	-23 589 989	

COMMITMENTS AGAINST CASH AND INVESTMENTS

Cash and Investments

For the month under review, the cash and cash equivalents amounted to R8 564 million. This position is mainly due to the levels of cash realised in the 2020/21 financial year.

Commitments against cash and investments on hand (current and non-current investments)

The table below shows that the City's cash and investments on hand is capable of funding the City's reserves with the residual balance used for working capital.

Item	Previous Month R Thousand	Current Month R Thousand
Closing Cash and Investment Balance	17 185 282	18 021 074
Total Commitments	10 833 875	10 555 690
Unspent Conditional Grants	1 974 319	1 871 132
Housing Development	417 583	418 736
MTAB	26 634	25 385
Trust Funds	939	942
Insurance reserves	595 510	589 004
CRR / Revenue	4 557 840	4 389 442
Other contractual commitments	3 261 050	3 261 050
Uncommitted Funds	6 351 407	7 465 384
Closing Cash and Investment Balance	17 185 282	18 021 074
Non Current Investments	3 509 917	3 535 257
Current Investments	5 947 088	5 921 747
Cash and Cash Equivalents as per Cash flow statement (Table C7)	7 728 277	8 564 070

Details on the cash flow can be found in *Cash Flow* on page 37.

The City's investment portfolio breakdown can be found in *Investment portfolio* on page 71.

The monthly actual and targets can be found in *Actual and revised targets for cash receipts and cash flows* on page 79.

GRANT UTILISATION

Description R thousands	Budget Year 2021/22						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Total operating expenditure of Transfers and Grants	5 646 931	5 691 030	619 545	858 093	(238 548)	-27.8%	5 730 643
Total capital expenditure of Transfers and Grants	3 138 842	3 138 842	637 179	662 070	(24 891)	-3.8%	1 770 158
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	8 785 773	8 829 872	1 256 724	1 520 163	(263 439)	-17.3%	7 500 801

Detailed information on transfers and grants per funding source is reflected in *Transfers and grants expenditure* on page 74.

CREDITORS**Creditors Analysis**

R thousands	Budget Year 2021/22								
	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	16 250	(0)	–	–	11	–	–	–	16 261

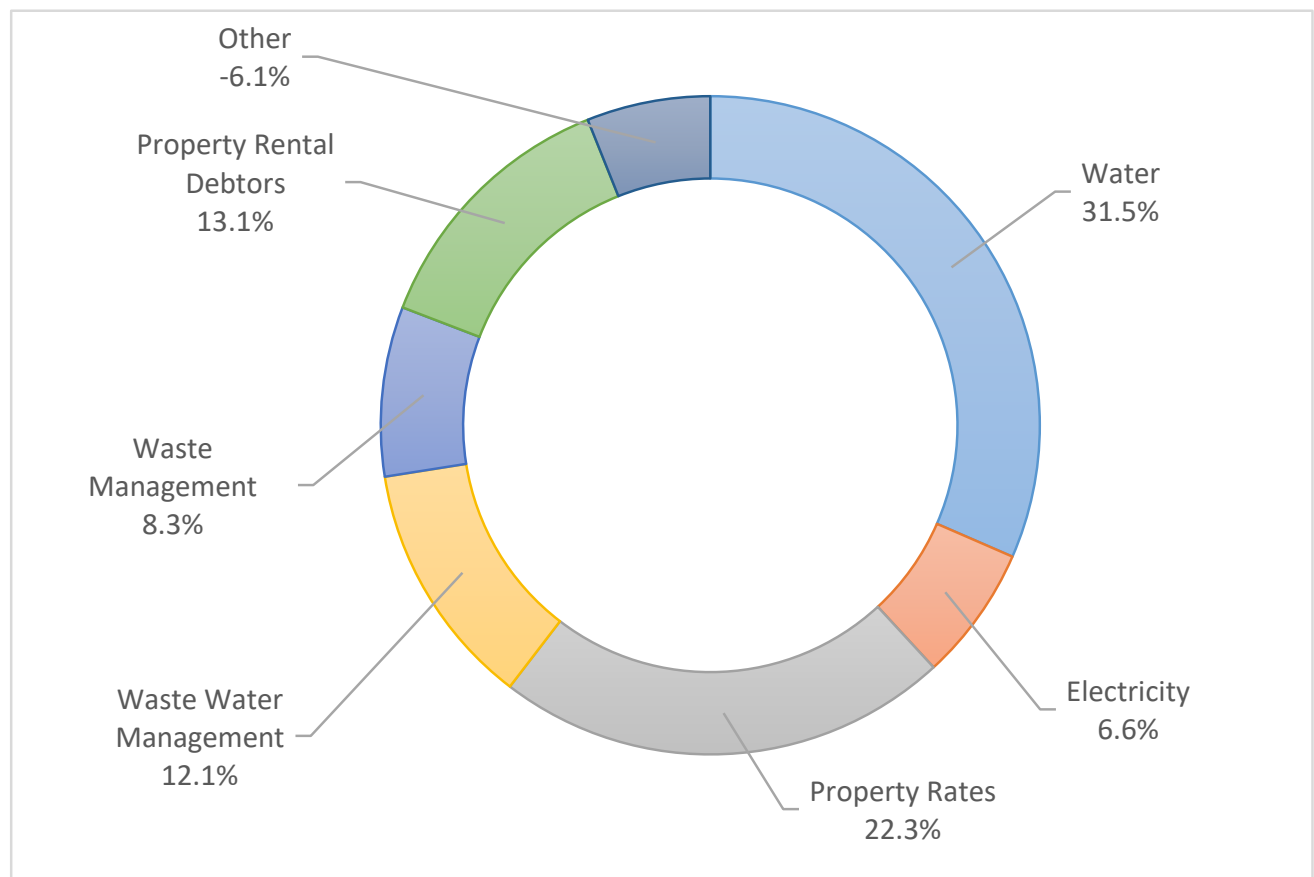
The City's creditors are paid within 30 days as stipulated in the MFMA. Creditors older than 31 days are due to debit balances to be deducted from the next payment run and a manual clearing to be processed on payment.

The City has a continuous management follow-up control system in place to facilitate the ultimate payment of these invoices.

DEBTORS**Debtors Age Analysis**

Description	Budget Year 2021/22								
	0-30 Days		31-60 Days		61-90 Days		Total over 90 days		Total
	R Thousands	%	R Thousands	%	R Thousands	%	R Thousands	%	R Thousands
Total By Income Source	2 055 157	26.9%	248 225	3.2%	226 206	3.0%	5 123 171	66.9%	7 652 759
2020/21 - totals only	1 966 528	21.0%	431 301	4.6%	270 707	2.9%	6 682 649	71.5%	9 351 184
Movement	88 629		(183 076)		(44 501)		(1 559 477)		(1 698 425)
% Increase/(Decrease) year on year		4.5%		-42.4%		-16.4%		-23.3%	-18.16%

Graphical Analysis of debtors older than 90 days



Top 10 Commercial debtors - Age Analysis

Account Owner Name	Total	Current	30 days	60 days	90 days	120 days	150 days	365 days	>365 days	Comments
Basfour 2295 (Pty) Ltd	R27 780 310.75	R1 505 937.98	R1 542 599.09	R0.00	R1 449 176.36	R23 285 628.32	R0.00	R0.00	-R3 031.00	Although there is an arrangement on the account, the last payment of R1.7 million was received on 2 December 2021.
Basfour 2295 (Pty) Ltd	R26 776 979.58	R3 143 751.45	R3 118 633.88	R2 554 124.43	R1 122 221.24	R0.00	R0.00	R10 931 494.59	R5 906 753.99	In December 2021, a total of R4 397 455 was made on the instalment plan with account dispute pending finalisation. A settlement offer for the various accounts is in the process of being negotiated with the client.
S A Rail Commuter Corporation	R19 407 855.57	R1 029 807.31	R964 426.77	R1 047 334.02	R959 472.86	R1 072 029.89	R931 661.40	R6 078 634.64	R7 324 488.68	In the previous meetings held with PRASA, they reported that they have no budget to pay most of their accounts. The last payment of R854 374.30 was made in October 2021.
UCT Graduate School of Business	R15 463 847.36	R105 228.68	R626 458.71	R1 169 204.56	R91 063.36	R619 411.95	R615 790.45	R3 688 740.43	R8 547 949.22	The City is still waiting on a decision from the Valuation Appeal Board before further action can be instituted.
The Business Manager	R14 742 200.80	R553 312.82	R522 230.06	R461 492.96	R588 969.70	R514 072.98	R537 695.04	R2 927 962.54	R8 636 464.70	This is a PRASA account for water. The last payment of R2.6 million was made in December 2020. The Water & Sanitation Services department has been reminded to confirm the readings that have been reported by PRASA.
S A Rail Commuter Corporation	R16 568 395.15	R97 713.25	R1 160 491.65	R2 265 850.15	R61 653.23	R2 215 222.10	R61 056.07	R8 676 448.80	R2 029 959.90	In the previous meetings held with PRASA, they reported that they have no budget to pay most of their accounts. The last payment of R8 million was made in February 2021.
Mitchells Plain Foundation	R11 143 557.71	R186 388.89	R184 087.13	R213 762.08	R195 484.92	R183 901.76	R176 437.85	R691 917.59	R9 311 577.49	The property is a frail care PBO. There has been various attempts to request the client to make payment arrangements or apply for debt write-off, but to no avail. To date no arrangements have been made. The account has an active valuation lock up to 31 January 2022.

Table continues on next page.

City of Cape Town: S52 Annexure A – 2022 Q2 (December 2021)

Account Owner Name	Total	Current	30 days	60 days	90 days	120 days	150 days	365 days	>365 days	Comments
Cape Town Community Housing Co Pty	R 10 739 296.36	R 274 735.76	R 266 905.54	R 284 861.09	R 270 693.46	R 269 445.25	R 273 640.31	R 1 376 153.83	R 7 722 861.12	This is a delayed transfer. The developer refuses to make payment as the property is a remainder erf of the development. The account was handed over to the attorneys and a case has been opened.
Cornucopia Trust	R 12 847 495.52	R 1 508 193.54	R 0.00	R 1 534 253.56	R 2 374 446.44	R 170.80	R 1 831 274.20	R 2 448 067.96	R 3 151 089.02	A payment of R1 625 000 was made on 12 December 2021. This is less than the payment arrangement of R3 million.
Church Methodist	R 9 229 885.01	R 25 340.82	R 59 448.01	R 57 299.14	R 127 829.76	R 93 843.30	R 93 410.54	R 259 600.21	R 8 513 113.23	The property is receiving attention from the Water & Sanitation Services department in addressing water meter related issues as the debt relates to water only. There are various other issues being discussed as the property has beneficiaries although it is occupied by informal settlements.
TOTALS	R 164 699 823.81	R 8 430 410.50	R 8 445 280.84	R 9 588 181.99	R 7 241 011.33	R 28 253 726.35	R 4 520 965.86	R 37 079 020.59	R 61 141 226.35	

Top 10 Commercial debtors service charges breakdown

Account Owner Name	Other	Electricity	Water	Sewerage	Refuse	Rates	CIDS	Security deposit	Sundries	TOTAL
Basfour 2295 (Pty) Ltd	R 0.00	R 0.00	R 101 903.69	R 74 466.13	R 0.00	R 20 765 550.11	R 6 841 421.82	-R 3 031.00	R 0.00	R 27 780 310.75
Basfour 2295 (Pty) Ltd	R 0.00	R 27 000 979.58	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	-R 224 000.00	R 0.00	R 26 776 979.58
S A Rail Commuter Corporation	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 19 407 855.57	R 0.00	R 0.00	R 0.00	R 19 407 855.57
UCT Graduate School of Business	R 11.82	R 0.00	R 0.00	R 0.00	R 0.00	R 15 463 835.54	R 0.00	R 0.00	R 0.00	R 15 463 847.36
The Business Manager	R 9.75	R 0.00	R 14 742 191.05	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 14 742 200.80
S A Rail Commuter Corporation	R 0.00	R 0.00	R 0.00	R 1 190.47	R 0.00	R 16 431 475.35	R 0.00	R 0.00	R 135 729.33	R 16 568 395.15
Mitchells Plain Foundation	R 27 413.44	R 5 168 313.02	R 2 345 474.97	R 1 679 773.58	R 373 180.23	R 1 547 141.63	R 0.00	R 0.00	R 2 260.84	R 11 143 557.71
Cape Town Community Housing Co Pty	R 19.50	R 0.00	R 8 132.22	R 5 548.05	R 8 458.23	R 10 717 138.36	R 0.00	R 0.00	R 0.00	R 10 739 296.36
Cornucopia Trust	R 0.00	R 12 847 495.52	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 12 847 495.52
Church Methodist	R 811.67	R 0.00	R 9 134 024.13	R 95 049.21	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 9 229 885.01

Top 10 Residential debtors - Age Analysis

Account Owner Name	Total	Current	30 days	60 days	90 days	120 days	150 days	365 days	>365 days	Comments
Amakhaya Ngoku ("Homes Now")	R18 863 150.91	R401 705.90	R343 745.16	R331 977.18	R284 519.61	R391 687.62	R326 963.60	R1 674 854.63	R15 107 697.21	The director of the Housing Development department, together with the Human Settlements directorate's management committee, decided to abstain from solving the ownership issue as the beneficiaries of this entity are individual owners of the units and will not be willing to surrender their private property to the City and become tenants of the City.
Ndabeni Communal Property	R7 665 608.78	R125 915.84	R130 861.90	R121 167.97	R110 643.53	R119 364.97	R108 727.96	R634 787.46	R6 314 139.15	A response is awaited from the client's attorneys who requested a debt write-off, as they were advised to present a full and final offer with a motivation as to why the full amount cannot be settled.
Sandpiper Mansions Body Corp	R5 724 170.19	R93 760.54	R100 544.67	R89 905.27	R211 433.71	R40 633.90	R40 372.65	R314 155.69	R4 833 363.76	A payment of R200 000 was made on 9 December 2021 without an arrangement in place.
Silvermist	R4 906 971.64	R90 209.87	R766 173.17	R0.00	R0.00	R0.00	R0.00	R462 414.39	R3 588 174.21	The client made a payment of R62 987 on 14 December 2021. Their detailed statement disputing the City's invoices is awaiting a resolution.
Kimbili Mr SB & Another	R2 054 353.46	R24 616.13	R23 940.85	R25 551.51	R25 288.48	R24 406.69	R24 208.24	R77 727.22	R1 828 614.34	The property has no WMD installation although a "piggy-backing" electricity prepaid meter has a 51% debt recovery action. The tenants refuse entry to officials for disconnection of services. A service order to replace the water meter was created and sent to a contracted service provider on 5 November 2021.
Rapidough Properties 560 CC	R2 174 316.60	R86 409.24	R83 447.30	R91 699.12	R67 800.73	R0.00	R0.00	R177 230.45	R1 667 729.76	The instalment plan has short payment as only R60 000 was received on 7 December 2021. A water disconnection notice has been served.
Rawna Investments	R1 892 392.73	R0.00	R0.00	R0.00	R0.00	R0.00	R449.35	R29 291.59	R1 862 651.79	Although there is a collection case opened for the further collection of debt by the City's attorneys, a payment of R2000 was received on 15 December 2021 honouring the payment arrangement.

Table continues on next page.

City of Cape Town: S52 Annexure A – 2022 Q2 (December 2021)

Account Owner Name	Total	Current	30 days	60 days	90 days	120 days	150 days	365 days	>365 days	Comments
Ms VW Pedro	R1 928 907.31	R14 270.42	R23 557.31	R24 022.73	R23 499.98	R24 676.36	R23 299.61	R74 383.30	R1 721 197.60	This is an estate late property and an ITC letter of demand was sent on 13 December 2021. The last payment amounting to R500 was made on 1 February 2010.
Nowinothi Dede	R1 876 291.59	R14 166.74	R25 182.55	R22 516.18	R23 972.56	R25 719.46	R23 212.58	R55 757.82	R1 685 763.70	This is a vacant land with no rates charges. A high water consumption is recorded though, which warrants further investigation.
Welgelegen Body Corporate	R1 970 648.31	R18 776.59	R143 502.99	R20 059.95	R23 394.67	R23 483.73	R39 376.29	R82 552.45	R1 619 501.64	A payment of R173 512.32 was received in December 2021. A warning letter for water disconnection was delivered on 10 December 2021.
TOTALS	R 49 056 811.52	R 869 831.27	R 1 640 955.90	R 726 899.91	R 770 553.27	R 649 972.73	R 586 610.28	R 3 583 155.00	R 40 228 833.16	

Top 10 Residential debtors service charges breakdown

Account Owner Name	Other	Electricity	Water	Sewerage	Refuse	Rates	Sundries	Security deposit	TOTAL
Amakhaya Ngoku ("Homes Now")	R 1 214.37	R 0.00	R 8 961 268.59	R 8 695 216.61	R 1 207 659.52	R 0.00	R 0.00	-R 2 208.18	R 18 863 150.91
Ndabeni Communal Property	R 30 571.07	R 0.00	R 7 953.22	R 7 953.22	R 7 571.21	R 6 994 589.60	R 616 970.46	R 0.00	R 7 665 608.78
Sandpiper Mansions Body Corp	R 372.33	R 0.00	R 2 706 132.85	R 2 556 958.38	R 460 706.63	R 0.00	R 0.00	R 0.00	R 5 724 170.19
Silvermist	R 18.24	R 4 352 970.35	R 505 901.16	R 0.00	R 48 081.89	R 0.00	R 0.00	R 0.00	R 4 906 971.64
Kimbili Mr SB & Another	R 1 718.09	R 0.00	R 1 933 719.53	R 91 487.66	R 8 724.70	R 18 703.48	R 0.00	R 0.00	R 2 054 353.46
Rapidough Properties 560 CC	R 120.94	R 0.00	R 1 129 113.35	R 1 044 564.98	R 0.00	R 517.33	R 0.00	R 0.00	R 2 174 316.60
Rawna Investments	R 1 646 838.51	R 6 179.98	R 48 337.30	R 130 458.10	R 11 045.29	R 49 533.55	R 0.00	R 0.00	R 1 892 392.73
Ms VW Pedro	R 117 598.69	R 0.00	R 1 647 357.87	R 121 631.57	R 16 481.72	R 25 837.46	R 0.00	R 0.00	R 1 928 907.31
Nowinothi Dede	R 2 549.21	R 0.00	R 1 754 529.74	R 107 142.57	R 12 070.07	R 0.00	R 0.00	R 0.00	R 1 876 291.59
Welgelegen Body Corporate	R 0.00	R 0.00	R 930 946.94	R 843 094.83	R 196 606.54	R 0.00	R 0.00	R 0.00	R 1 970 648.31

IN YEAR BUDGET STATEMENT TABLES

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	2020/21	Budget Year 2021/22						
	Provisional Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Financial Performance								
Property rates	10 275 271	10 984 132	10 984 132	5 220 667	5 492 066	(271 399)	-4.9%	10 983 815
Service charges	20 275 960	22 396 466	22 396 466	11 378 690	11 463 240	(84 549)	-0.7%	22 298 043
Investment revenue	896 540	855 119	855 119	457 636	427 559	30 077	7.0%	895 923
Transfers and subsidies	5 793 196	5 650 364	5 694 463	3 183 576	3 401 992	(218 416)	-6.4%	6 070 243
Other own revenue	5 917 410	7 623 518	7 623 518	4 936 008	4 157 041	778 967	18.7%	10 231 880
Total Revenue (excluding capital transfers and contributions)	43 158 377	47 509 600	47 553 699	25 176 578	24 941 898	234 680	0.9%	50 479 904
Employee costs	15 108 022	15 612 510	15 619 025	7 671 705	7 769 653	(97 948)	-1.3%	15 849 607
Remuneration of Councillors	166 417	179 826	179 826	79 535	83 398	(3 863)	-4.6%	179 826
Depreciation & asset impairment	2 863 255	3 013 855	3 013 855	1 505 356	1 495 799	9 557	0.6%	3 073 473
Finance charges	831 478	794 747	794 747	369 083	366 768	2 315	0.6%	788 704
Inventory consumed and bulk purchases	11 463 610	14 886 250	14 889 693	7 319 904	6 972 543	347 361	5.0%	16 843 349
Transfers and subsidies	401 555	464 263	493 005	175 559	200 096	(24 537)	-12.3%	561 134
Other expenditure	12 325 923	13 323 388	13 332 109	5 557 869	5 611 159	(53 290)	-0.9%	13 941 743
Total Expenditure	43 160 260	48 274 839	48 322 260	22 679 010	22 499 416	179 594	0.8%	51 237 836
Surplus/(Deficit)	(1 883)	(765 240)	(768 561)	2 497 568	2 442 482	55 086	2.3%	(757 931)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 616 023	3 066 644	3 066 644	617 309	662 531	(45 222)	-6.8%	1 733 253
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	440 280	206 182	206 182	105 671	100 777	4 893	4.9%	210 717
Surplus/(Deficit) after capital transfers & contributions	2 054 420	2 507 586	2 504 265	3 220 548	3 205 790	14 757	0.5%	1 186 038
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	2 054 420	2 507 586	2 504 265	3 220 548	3 205 790	14 757	0.5%	1 186 038
Capital expenditure & funds sources								
Capital expenditure	6 528 474	8 314 767	8 828 682	1 887 443	2 485 696	(598 253)	-24.1%	6 095 115
Capital transfers recognised	1 676 001	3 138 842	3 138 842	637 179	662 070	(24 891)	-3.8%	1 792 589
Borrowing	(1 281)	2 500 000	2 500 000	609 787	733 105	(123 318)	-16.82%	1 200 000
Internally generated funds	4 853 753	2 675 925	3 189 840	640 477	1 090 521	(450 044)	-41.3%	3 102 526
Total sources of capital funds	6 528 474	8 314 767	8 828 682	1 887 443	2 485 696	(598 253)	-24.1%	6 095 115
Financial position								
Total current assets	18 044 543	16 853 068	19 620 610	16 518 969				16 244 681
Total non current assets	60 635 521	66 340 381	67 298 718	61 514 984				63 324 319
Total current liabilities	9 902 651	11 660 078	11 692 937	6 216 578				9 432 885
Total non current liabilities	13 662 335	15 486 945	15 486 945	13 487 654				13 789 999
Community wealth/Equity	55 115 078	56 046 426	59 739 446	58 329 720				56 346 117
Cash flows								
Net cash from (used) operating	6 427 873	5 769 282	5 875 539	2 759 520	3 538 330	778 810	22.0%	4 473 874
Net cash from (used) investing	(7 317 202)	(8 523 340)	(9 110 069)	(2 135 803)	(3 936 022)	(1 800 219)	45.7%	(6 372 955)
Net cash from (used) financing	(351 140)	2 145 615	2 145 615	(185 747)	(185 747)	–	–	916 175
Cash/cash equivalents at the month/year end	8 126 100	7 517 656	7 037 185	8 564 070	7 542 661	(1 021 408)	-13.5%	7 143 195
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis								
Total By Income Source	2 055 157	248 225	226 206	(1 644)	124 119	858 409	3 945 487	7 652 759
Creditors Age Analysis								
Total Creditors	16 250	(0)	–	11	–	–	–	16 261

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 R thousands	2020/21	Budget Year 2021/22						
	Provisional Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional								
Governance and administration	16 364 564	16 555 169	16 556 815	8 793 863	8 938 149	(144 287)	-1.6%	16 747 429
Executive and council	1 307	1 325	2 971	1 242	162	1 080	667.6%	17 336
Finance and administration	16 363 257	16 553 841	16 553 841	8 792 618	8 937 986	(145 368)	-1.6%	16 730 089
Internal audit	1	3	3	2	2	1	55.1%	3
Community and public safety	3 424 098	3 768 707	3 795 041	1 880 099	1 770 155	109 944	6.2%	3 932 058
Community and social services	102 164	110 743	110 743	52 822	41 472	11 349	27.4%	107 692
Sport and recreation	49 376	44 660	44 660	18 602	20 830	(2 228)	-10.7%	42 419
Public safety	1 605 703	1 662 159	1 662 159	907 076	803 404	103 672	12.9%	1 640 349
Housing	1 203 248	1 426 546	1 452 861	690 468	656 551	33 918	5.2%	1 650 311
Health	463 607	524 600	524 618	211 131	247 898	(36 767)	-14.8%	491 288
Economic and environmental services	2 374 868	3 323 940	3 340 059	735 422	848 472	(113 050)	-13.3%	1 995 163
Planning and development	433 171	530 303	539 703	231 670	237 386	(5 716)	-2.4%	570 600
Road transport	1 892 477	2 742 355	2 749 075	489 611	598 215	(108 604)	-18.2%	1 373 509
Environmental protection	49 220	51 281	51 281	14 141	12 870	1 271	9.9%	51 053
Trading services	23 050 397	27 129 505	27 129 505	14 487 871	14 145 877	341 993	2.4%	29 789 119
Energy sources	14 689 026	16 224 903	16 224 903	8 522 463	8 529 112	(6 649)	-0.1%	16 204 165
Water management	4 569 126	6 907 736	6 907 736	3 990 539	3 581 861	408 678	11.4%	9 540 612
Waste water management	2 086 936	2 160 243	2 160 243	998 165	1 004 125	(5 960)	-0.6%	2 172 101
Waste management	1 705 309	1 836 622	1 836 622	976 703	1 030 779	(54 075)	-5.2%	1 872 241
Other	753	5 105	5 105	2 303	2 552	(249)	-9.8%	5 105
Total Revenue - Functional	45 214 680	50 782 426	50 826 524	25 899 558	25 705 206	194 351	0.8%	52 468 873
Expenditure - Functional								
Governance and administration	9 158 064	9 828 627	9 809 416	4 335 982	4 578 499	(242 517)	-5.3%	9 742 720
Executive and council	548 399	664 033	666 727	340 417	349 422	(9 004)	-2.6%	673 792
Finance and administration	8 559 137	9 114 249	9 092 344	3 969 256	4 203 336	(234 080)	-5.6%	9 015 870
Internal audit	50 528	50 346	50 346	26 310	25 742	568	2.2%	53 058
Community and public safety	8 889 478	9 036 851	9 065 373	4 206 437	4 068 478	137 959	3.4%	9 105 510
Community and social services	1 026 947	970 743	971 078	494 733	479 808	14 925	3.1%	1 015 586
Sport and recreation	1 320 836	1 159 619	1 159 470	576 759	528 664	48 095	9.1%	1 233 016
Public safety	3 584 092	3 972 218	3 971 377	1 752 089	1 709 662	42 427	2.5%	3 892 793
Housing	1 457 421	1 534 627	1 560 728	637 060	668 571	(31 510)	-4.7%	1 494 548
Health	1 500 182	1 399 645	1 402 720	745 796	681 774	64 022	9.4%	1 469 567
Economic and environmental services	5 205 563	5 282 640	5 311 806	2 366 960	2 358 822	8 138	0.3%	5 487 684
Planning and development	1 355 201	1 433 576	1 452 366	663 148	686 647	(23 499)	-3.4%	1 503 049
Road transport	3 615 195	3 609 570	3 616 615	1 599 465	1 564 198	35 267	2.3%	3 723 644
Environmental protection	235 167	239 495	242 825	104 347	107 977	(3 629)	-3.4%	260 992
Trading services	19 767 213	23 921 216	23 930 142	11 680 164	11 405 782	274 383	2.4%	26 679 070
Energy sources	11 826 795	13 555 616	13 560 882	6 572 023	6 450 821	121 203	1.9%	13 622 655
Water management	3 332 820	5 286 244	5 293 046	2 823 787	2 525 182	298 606	11.8%	7 810 547
Waste water management	2 161 929	2 569 535	2 566 393	1 096 713	1 196 905	(100 192)	-8.4%	2 624 752
Waste management	2 445 669	2 509 821	2 509 821	1 187 641	1 232 875	(45 234)	-3.7%	2 621 116
Other	139 942	205 505	205 523	89 465	87 835	1 631	1.9%	222 852
Total Expenditure - Functional	43 160 260	48 274 839	48 322 260	22 679 010	22 499 416	179 594	0.8%	51 237 836
Surplus/ (Deficit) for the year	2 054 420	2 507 586	2 504 265	3 220 548	3 205 790	14 757	0.5%	1 231 038

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

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	2020/21	Budget Year 2021/22						
	Provisional Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue by Vote								
Vote 1 - Community Services & Health	1 220 474	1 006 695	1 006 714	469 297	496 188	(26 891)	-5.4%	1 128 776
Vote 2 - Corporate Services	57 245	90 525	90 525	46 291	38 409	7 882	20.5%	93 485
Vote 3 - Economic Opportunities & Asset Managemnt	252 287	270 274	279 673	114 307	128 428	(14 121)	-11.0%	270 025
Vote 4 - Energy & Climate Change	14 477 227	15 982 719	15 982 719	8 340 772	8 347 438	(6 666)	-0.1%	15 961 981
Vote 5 - Finance	16 823 143	17 564 399	17 564 399	9 762 734	9 931 201	(168 468)	-1.7%	17 895 000
Vote 6 - Human Settlements	1 071 885	1 165 880	1 192 195	494 868	461 026	33 842	7.3%	1 389 535
Vote 7 - Office of the City Manager	153	7	7	9	3	6	181.2%	14 372
Vote 8 - Safety & Security	1 967 579	1 717 028	1 717 028	923 227	820 628	102 599	12.5%	1 707 495
Vote 9 - Spatial Planning & Environment	187 261	235 548	235 548	89 427	84 801	4 626	5.5%	241 653
Vote 10 - Transport	1 612 651	2 700 909	2 707 628	480 287	586 902	(106 615)	-18.2%	1 334 063
Vote 11 - Urban Management	275 524	302 124	303 770	148 123	149 397	(1 274)	-0.9%	325 295
Vote 12 - Water & Waste	7 269 251	9 746 317	9 746 317	5 030 215	4 660 784	369 431	7.9%	12 107 193
Total Revenue by Vote	45 214 680	50 782 426	50 826 524	25 899 558	25 705 206	194 351	0.8%	52 468 873
Expenditure by Vote								
Vote 1 - Community Services & Health	4 231 746	4 203 855	4 203 870	1 968 878	2 000 782	(31 905)	-1.6%	4 364 284
Vote 2 - Corporate Services	2 568 521	2 270 723	2 270 735	1 011 019	1 023 806	(12 787)	-1.2%	2 268 119
Vote 3 - Economic Opportunities & Asset Managemnt	1 392 703	1 499 132	1 508 519	676 219	649 871	26 348	4.1%	1 516 393
Vote 4 - Energy & Climate Change	12 131 526	13 841 423	13 841 423	6 689 228	6 585 314	103 914	1.6%	13 900 983
Vote 5 - Finance	3 074 201	3 222 505	3 222 505	1 566 349	1 599 502	(33 153)	-2.1%	3 329 145
Vote 6 - Human Settlements	1 469 250	1 543 675	1 569 989	641 687	672 286	(30 599)	-4.6%	1 503 868
Vote 7 - Office of the City Manager	242 392	320 619	320 619	195 677	202 386	(6 709)	-3.3%	329 746
Vote 8 - Safety & Security	4 392 221	4 611 047	4 611 046	2 012 434	1 993 516	18 919	0.9%	4 567 779
Vote 9 - Spatial Planning & Environment	798 435	861 959	865 289	381 914	397 790	(15 876)	-4.0%	889 222
Vote 10 - Transport	3 205 869	3 673 960	3 680 679	1 585 770	1 544 519	41 252	2.7%	3 732 412
Vote 11 - Urban Management	1 074 188	1 080 086	1 081 732	486 153	485 650	503	0.1%	1 074 884
Vote 12 - Water & Waste	8 579 208	11 145 854	11 145 853	5 463 682	5 343 995	119 687	2.2%	13 761 002
Total Expenditure by Vote	43 160 260	48 274 839	48 322 260	22 679 010	22 499 416	179 594	0.8%	51 237 836
Surplus/ (Deficit) for the year	2 054 420	2 507 586	2 504 265	3 220 548	3 205 790	14 757	0.5%	1 231 038

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.)

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	2020/21	Budget Year 2021/22						
	Provisional Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue By Source								
Property rates	10 275 271	10 984 132	10 984 132	5 220 667	5 492 066	(271 399)	-4.9%	10 983 815
Service charges - electricity revenue	14 241 794	15 734 566	15 734 566	8 253 547	8 245 634	7 914	0.1%	15 734 566
Service charges - water revenue	3 226 406	3 556 345	3 556 345	1 678 225	1 701 341	(23 116)	-1.4%	3 549 249
Service charges - sanitation revenue	1 604 014	1 775 113	1 775 113	833 037	851 044	(18 007)	-2.1%	1 791 914
Service charges - refuse revenue	1 203 747	1 330 442	1 330 442	613 881	665 221	(51 340)	-7.7%	1 222 313
Rental of facilities and equipment	329 574	350 647	350 647	182 213	175 324	6 889	3.9%	368 900
Interest earned - external investments	896 540	855 119	855 119	457 636	427 559	30 077	7.0%	895 923
Interest earned - outstanding debtors	454 919	449 452	449 452	186 708	212 921	(26 214)	-12.3%	361 774
Dividends received	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1 571 762	1 247 015	1 247 015	890 822	599 619	291 202	48.6%	1 250 376
Licences and permits	44 655	67 110	67 110	20 828	23 508	(2 680)	-11.4%	70 030
Agency services	270 810	261 614	261 614	135 447	127 186	8 261	6.5%	269 491
Transfers and subsidies	5 793 196	5 650 364	5 694 463	3 183 576	3 401 992	(218 416)	-6.4%	6 070 243
Other revenue	3 174 093	3 194 622	3 194 622	2 108 251	2 038 492	69 759	3.4%	3 200 322
Gains	71 597	2 053 058	2 053 058	1 411 739	979 990	431 749	44.1%	4 710 989
Total Revenue (excluding capital transfers and contributions)	43 158 377	47 509 600	47 553 699	25 176 578	24 941 898	234 680	0.9%	50 479 904
Expenditure By Type								
Employee related costs	15 108 022	15 612 510	15 619 025	7 671 705	7 769 653	(97 948)	-1.3%	15 849 607
Remuneration of councillors	166 417	179 826	179 826	79 535	83 398	(3 863)	-4.6%	179 826
Debt impairment	2 854 651	2 716 859	2 716 859	1 279 782	1 279 790	(8)	–	2 371 700
Depreciation & asset impairment	2 863 255	3 013 855	3 013 855	1 505 356	1 495 799	9 557	0.6%	3 073 473
Finance charges	831 478	794 747	794 747	369 083	366 768	2 315	0.6%	788 704
Bulk purchases - electricity	10 130 965	11 182 400	11 182 400	5 400 241	5 264 125	136 116	2.6%	11 218 900
Inventory consumed	1 332 645	3 703 850	3 707 293	1 919 663	1 708 418	211 245	12.4%	5 624 449
Contracted services	7 195 014	7 960 363	7 958 610	2 936 674	3 107 332	(170 658)	-5.5%	8 147 022
Transfers and subsidies	401 555	464 263	493 005	175 559	200 096	(24 537)	-12.3%	561 134
Other expenditure	2 179 010	2 632 043	2 642 516	1 176 824	1 217 101	(40 276)	-3.3%	2 775 275
Losses	97 246	14 124	14 124	164 589	6 936	157 653	2273.0%	647 747
Total Expenditure	43 160 260	48 274 839	48 322 260	22 679 010	22 499 416	179 594	0.8%	51 237 836
Surplus/(Deficit)	(1 883)	(765 240)	(768 561)	2 497 568	2 442 482	55 086	2.3%	(757 931)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 616 023	3 066 644	3 066 644	617 309	662 531	(45 222)	-6.8%	1 733 253
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	315 069	206 182	206 182	105 671	100 777	4 893	4.9%	210 717
Transfers and subsidies - capital (in-kind - all)	125 211	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	2 054 420	2 507 586	2 504 265	3 220 548	3 205 790			1 186 038
Taxation	–	–	–	–	–			–
Surplus/(Deficit) after taxation	2 054 420	2 507 586	2 504 265	3 220 548	3 205 790			1 186 038
Attributable to minorities	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality	2 054 420	2 507 586	2 504 265	3 220 548	3 205 790			1 186 038
Share of surplus/ (deficit) of associate	–	–	–	–	–			–
Surplus/ (Deficit) for the year	2 054 420	2 507 586	2 504 265	3 220 548	3 205 790			1 186 038

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	2020/21	Budget Year 2021/22						
	Provisional Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Multi-Year expenditure appropriation								
Vote 1 - Community Services & Health	294 831	299 732	323 511	83 371	119 682	(36 311)	-30.3%	298 971
Vote 2 - Corporate Services	208 287	248 768	258 834	25 350	95 449	(70 099)	-73.4%	211 465
Vote 3 - Economic Opportunities & Asset Managemnt	320 315	215 801	247 220	72 734	45 588	27 146	59.5%	259 575
Vote 4 - Energy & Climate Change	750 278	1 014 657	1 053 511	265 392	390 744	(125 352)	-32.1%	893 485
Vote 5 - Finance	248 489	25 515	25 929	2 327	5 503	(3 175)	-57.7%	16 542
Vote 6 - Human Settlements	737 971	827 201	835 682	332 567	248 762	83 805	33.7%	928 826
Vote 7 - Office of the City Manager	1 281	1 103	1 286	245	661	(417)	-63.0%	1 986
Vote 8 - Safety & Security	367 879	258 298	273 398	51 984	117 399	(65 415)	-55.7%	199 062
Vote 9 - Spatial Planning & Environment	105 564	141 722	168 027	28 589	38 952	(10 363)	-26.6%	96 463
Vote 10 - Transport	776 446	2 191 855	2 279 172	228 027	392 539	(164 511)	-41.9%	722 772
Vote 11 - Urban Management	48 608	46 729	65 399	9 704	26 463	(16 759)	-63.3%	52 472
Vote 12 - Water & Waste	2 668 524	3 043 384	3 296 712	787 153	1 003 955	(216 802)	-21.6%	2 413 497
Total Capital Expenditure	6 528 474	8 314 767	8 828 682	1 887 443	2 485 696	(598 253)	-24.1%	6 095 115
Capital Expenditure - Functional Classification								
Governance and administration	996 767	893 761	1 002 059	195 433	288 180	(92 747)	-32.2%	917 581
Executive and council	14 904	5 052	10 720	1 579	4 715	(3 136)	-66.5%	8 110
Finance and administration	981 766	888 469	991 070	193 854	283 276	(89 422)	-31.6%	909 202
Internal audit	98	240	269	—	189	(189)	-100.0%	269
Community and public safety	1 446 713	1 211 834	1 245 823	429 647	409 297	20 351	5.0%	1 272 618
Community and social services	87 604	74 151	86 509	17 938	24 920	(6 982)	-28.0%	78 033
Sport and recreation	300 069	98 585	95 339	27 522	22 511	5 011	22.3%	79 264
Public safety	264 183	154 854	173 057	33 197	79 083	(45 886)	-58.0%	129 639
Housing	737 971	827 201	835 682	332 567	248 762	83 805	33.7%	928 826
Health	56 885	57 042	55 235	18 424	34 021	(15 597)	-45.8%	56 856
Economic and environmental services	918 709	2 367 117	2 492 400	263 276	448 387	(185 111)	-41.3%	857 512
Planning and development	77 284	89 433	109 713	15 794	33 927	(18 133)	-53.4%	89 946
Road transport	777 047	2 190 255	2 276 888	227 882	391 689	(163 807)	-41.8%	719 779
Environmental protection	64 377	87 428	105 799	19 600	22 771	(3 171)	-13.9%	47 787
Trading services	3 154 273	3 831 805	4 077 774	997 378	1 336 318	(338 940)	-25.4%	3 036 845
Energy sources	734 756	1 012 157	1 043 854	265 303	390 244	(124 941)	-32.0%	891 685
Water management	1 109 478	966 786	1 069 517	309 633	413 977	(104 344)	-25.2%	1 002 643
Waste water management	969 082	1 350 020	1 409 204	369 538	290 701	78 837	27.1%	952 341
Waste management	340 956	502 843	555 199	52 904	241 396	(188 493)	-78.1%	190 176
Other	12 012	10 250	10 626	1 708	3 514	(1 806)	-51.39%	10 559
Total Capital Expenditure - Functional Classification	6 528 474	8 314 767	8 828 682	1 887 443	2 485 696	(598 253)	-24.1%	6 095 115
Funded by:								
National Government	1 602 827	3 050 778	3 050 778	612 492	624 980	(12 488)	-2.0%	1 705 493
Provincial Government	13 195	15 866	15 866	2 817	3 305	(488)	-14.8%	27 760
District Municipality	—	—	—	—	—	—	—	—
Other transfers and grants	59 979	72 198	72 198	21 870	33 785	(11 916)	-35.3%	59 336
Transfers recognised - capital	1 676 001	3 138 842	3 138 842	637 179	662 070	(24 891)	-3.8%	1 792 589
Borrowing	(1 281)	2 500 000	2 500 000	609 787	733 105	(123 318)	-16.82%	1 200 000
Internally generated funds	4 853 753	2 675 925	3 189 840	640 477	1 090 521	(450 044)	-41.3%	3 102 526
Total Capital Funding	6 528 474	8 314 767	8 828 682	1 887 443	2 485 696	(598 253)	-24.1%	6 095 115

Financial Position

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

Description	2020/21	Budget Year 2021/22			
	Provisional Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
<u>ASSETS</u>					
Current assets					
Cash	215 607	134 904	134 904	128 022	134 903
Call investment deposits	10 794 362	6 686 030	9 453 572	10 794 362	8 641 706
Consumer debtors	5 256 966	7 940 433	7 940 433	3 803 011	6 228 608
Other debtors	1 302 943	1 616 220	1 616 220	1 262 045	749 236
Current portion of long-term receivables	7 600	4 889	4 889	7 600	4 311
Inventory	467 065	470 592	470 592	523 929	485 917
Total current assets	18 044 543	16 853 068	19 620 610	16 518 969	16 244 681
Non current assets					
Long-term receivables	1 397	212	212	2 502	215
Investments	6 573 136	6 240 856	6 685 279	7 069 405	6 241 472
Investment property	582 962	577 820	577 820	582 962	577 861
Investments in Associate	–	–	–	–	–
Property, plant and equipment	52 770 368	58 952 744	59 508 963	53 152 455	55 951 008
Biological	–	–	–	–	–
Intangible	697 380	524 765	483 205	697 380	542 589
Other non-current assets	10 280	43 983	43 239	10 280	11 173
Total non current assets	60 635 521	66 340 381	67 298 718	61 514 984	63 324 319
TOTAL ASSETS	78 680 064	83 193 449	86 919 328	78 033 953	79 569 000
<u>LIABILITIES</u>					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	440 239	1 565 429	1 565 429	440 239	1 486 784
Consumer deposits	439 775	455 824	455 824	458 607	543 494
Trade and other payables	7 449 967	7 497 681	7 530 540	3 756 598	5 717 652
Provisions	1 572 671	2 141 143	2 141 143	1 561 134	1 684 955
Total current liabilities	9 902 651	11 660 078	11 692 937	6 216 578	9 432 885
Non current liabilities					
Borrowing	6 547 823	7 589 127	7 589 127	6 373 143	6 360 401
Provisions	7 114 512	7 897 818	7 897 818	7 114 512	7 429 598
Total non current liabilities	13 662 335	15 486 945	15 486 945	13 487 654	13 789 999
TOTAL LIABILITIES	23 564 986	27 147 023	27 179 882	19 704 232	23 222 884
NET ASSETS	55 115 078	56 046 426	59 739 446	58 329 720	56 346 116
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	49 616 547	51 800 220	55 035 454	53 178 924	50 915 099
Reserves	5 498 532	4 246 206	4 703 992	5 150 796	5 431 017
TOTAL COMMUNITY WEALTH/EQUITY	55 115 078	56 046 426	59 739 446	58 329 720	56 346 117

Cash Flow

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

Description	2020/21	Budget Year 2021/22						
	Provisional Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	10 005 031	10 544 767	10 544 767	5 145 679	5 345 882	(200 203)	-3.7%	10 544 463
Service charges	21 101 782	21 640 699	21 640 699	11 304 722	10 959 231	345 490	3.2%	21 610 703
Other revenue	2 747 064	4 049 121	4 049 121	3 484 787	2 549 367	935 420	36.7%	4 060 272
Transfers and Subsidies - Operational	5 781 742	5 650 364	5 694 463	2 719 906	2 701 156	18 750	0.7%	6 070 243
Transfers and Subsidies - Capital	1 616 702	3 200 628	3 272 826	1 778 002	1 901 337	(123 336)	-6.5%	1 943 969
Interest	1 304 749	855 119	855 119	479 464	402 848	76 616	19.0%	895 923
Dividends	–	–	–	–	–	–	–	–
Payments								
Suppliers and employees	(35 397 699)	(39 430 834)	(39 479 110)	(21 797 584)	(19 966 079)	1 831 505	9.2%	(39 388 219)
Finance charges	(731 498)	(740 582)	(702 345)	(355 457)	(355 414)	43	-0.01%	(702 345)
Transfers and Grants	–	–	–	–	–	–	–	(561 134)
NET CASH FROM/(USED) OPERATING ACTIVITIES	6 427 873	5 769 282	5 875 539	2 759 520	3 538 330	778 810	22.0%	4 473 874
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	84 028	124 139	51 942	–	–	–	–	54 741
Decrease (increase) in non-current receivables	(32 484)	(751)	(751)	–	–	–	–	(3)
Decrease (increase) in non-current investments	(840 273)	(331 962)	(332 578)	–	–	–	–	(332 578)
Payments								
Capital assets	(6 528 473)	(8 314 767)	(8 828 682)	(2 135 803)	(3 936 022)	(1 800 219)	-45.7%	(6 095 115)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(7 317 202)	(8 523 340)	(9 110 069)	(2 135 803)	(3 936 022)	(1 800 219)	-45.7%	(6 372 955)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	–	–	–	–	–	–	–	–
Borrowing long term/refinancing	–	2 500 000	2 500 000	–	–	–	–	1 200 000
Increase (decrease) in consumer deposits	20 354	17 110	17 110	–	–	–	–	87 669
Payments								
Repayment of borrowing	(371 494)	(371 495)	(371 495)	(185 747)	(185 747)	–	–	(371 495)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(351 140)	2 145 615	2 145 615	(185 747)	(185 747)	–	–	916 175
NET INCREASE/ (DECREASE) IN CASH HELD	(1 240 469)	(608 444)	(1 088 915)	437 969	(583 439)			(982 906)
Cash/cash equivalents at beginning:	9 366 569	8 126 100	8 126 100	8 126 100	8 126 100			8 126 100
Cash/cash equivalents at month/year end:	8 126 100	7 517 656	7 037 185	8 564 070	7 542 661			7 143 195

SUPPORTING DOCUMENTATION

Material variance explanations for operating revenue by source and by vote

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Revenue By Source</u>				
Property rates	(271 399)	-4.9%	The variance is due to the resolution of GV2018 objections and appeals, changes in rating categories from commercial/business and residential to rating categories associated with a reduced rate-in-rand.	No immediate corrective action required. The Valuations department is undertaking various projects to ensure that income not yet identified through the standard Property Value Chain is identified and billed.
Service charges - electricity revenue	7 914	0.1%	Immaterial variance.	-
Service charges - water revenue	(23 116)	-1.4%	Immaterial variance.	-
Service charges - sanitation revenue	(18 007)	-2.1%	Immaterial variance.	-
Service charges - refuse revenue	(51 340)	-7.7%	The variance is mainly on disposal coupon fees where disposal of general waste is consumption driven and currently lower than anticipated.	Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget.
Rental of facilities and equipment	6 889	3.9%	Immaterial variance.	-
Interest earned - external investments	30 077	7.0%	The variance is mainly on Interest Received: Short Term and Call Accounts, due to improved investment returns as a result of higher than expected investment balances. The slight increase of 0.25% in the interest rate during November 2021 further contributed to the over-recovery.	No immediate corrective action required.
Interest earned - outstanding debtors	(26 214)	-12.3%	The variance is due to the write-off of debtors as well as interest on debtor accounts resulting in reduced outstanding debtor balances and lower than planned interest billed.	Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget.

Table continues on next page.

City of Cape Town: S52 Annexure A – 2022 Q2 (December 2021)

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Revenue By Source</u>				
Dividends received	–	-		-
Fines, penalties and forfeits	291 202	48.6%	The variance is mainly within the following sub categories: 1. Traffic Fine Accruals, due to more than planned fines issued and processed; and 2. Fine Income collected, as a result of more outstanding fines collected than anticipated.	No immediate corrective action required.
Licences and permits	(2 680)	-11.4%	The variance is mainly on Permits: Roads & Transport, due to fewer than planned wayleave permits issued for road trenches.	No immediate corrective action required.
Agency services	8 261	6.5%	The variance is mainly due to an increase in motor vehicle registrations and license renewals, which was largely influenced by the extensions granted for registrations and renewals.	Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget.
Transfers and subsidies	(218 416)	-6.42%	The variance is a combination of over-/under-recovery and reflects mainly in the following directorates: 1. Economic Opportunities & Asset Management (under), due to the initial delays of the tranche payment by the National Skills Fund as a result of compliance checks on reporting requirements. 2. Human Settlements (under), mainly on: a) Grants and Subsidies: National, due to delays in the survey project, which was impacted by the COVID-19 lockdown restrictions as it entails door-to-door visits. b) Grant and Subsidies: Provincial, mainly on the Belhar/Pentech project and Gugulethu Infill project, due to poor performance of the provincial subcontractors, as well as the late start of PHP projects as approved beneficiaries are not timeously available. 3. Safety & Security (under), where recoveries for the year-to-date in respect of the LEAP project have not been processed. This is as a result of the TPA (transfer payment agreement) only being finalised in December 2021. 4. Finance (over), due to misalignment of the period budget provision on income realised on the VAT portion of grant-funded projects currently in progress.	Outstanding invoices will be processed on receipt thereof. LEAP Recoveries will be processed in the next reporting period. Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget.

Table continues on next page.

City of Cape Town: S52 Annexure A – 2022 Q2 (December 2021)

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Revenue By Source</u>				
Other revenue	69 759	3.42%	The variance is a combination of over-/under-recovery against the following categories: 1. Collection Charges Recovered (over), due to an increase in the number of customers with outstanding debt being handed over to the lawyers. 2. Cash Recoveries Claims (over), due to the recovery of various SASRIA claims in respect of riot/protest damage to several MyCiTi bus stations. 3. Skills Development Levy (over), where revenue received to date is higher than planned as claims are unpredictable and difficult to plan accurately. 4. Burial Fees (over), due to a higher demand for services linked to COVID-19 related burials. 5. Busfares - Transit Products (under), due to the impact of adjusted COVID-19 restriction levels, which resulted in reduced utilisation of services on some routes, and the delayed recommencement of the N2 Express Way, which is projected to become operational in January 2022. 6. Discounts (over), due to an unanticipated payment from the Cape Municipal Pension Fund relating to an amount due to the City from the City's Employer Surplus Account.	No immediate corrective action required. Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget.
Gains	431 749	44.06%	The variance is mainly on Inventory consumed: Price Adjustment Raw Water, where the creation of a new revenue element to correctly reflect inventory gains as per National Treasury's (NT) requirements resulted in misalignment of the period budget provisions and actuals to date.	Budgetary alignment to conform to NT requirements will be effected in the January 2022 adjustments budget.

Table continues on next page.

City of Cape Town: S52 Annexure A – 2022 Q2 (December 2021)

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 1 - Community Services & Health	(26 891)	-5.4%	Immaterial variance.	-
Vote 2 - Corporate Services	7 882	20.5%	The variance is a combination of over-/under-recovery on the following categories: 1. Transfers and Subsidies (under), where the incorrect allocation of expenditure resulted in incorrect recognition of grant revenue. 2. Other revenue (over), mainly on: a) Skills Development Levy, where revenue received to date is higher than planned as claims are unpredictable and difficult to plan accurately; and b) Recoveries of operational expenditure, due to the recovery of legal costs where court rulings were in favour of the City.	Reposting of expenditure against grant funding to ensure correct revenue recognition will be effected in the next reporting period.
Vote 3 - Economic Opportunities & Asset Managemnt	(14 121)	-11.0%	The under-recovery is mainly on: 1. Rental of facilities and equipment (combination of over-/under-recovery), mainly on: a) Rental Fixed assets: Non-market related (under), due to the cancellation and expiration of non-market related rental contracts, and the current lockdown, which negatively affected the usage/hiring of facilities; and b) Rental Fixed assets: Market related (over), where more than planned rental agreements were concluded in preceding months. 2. Transfers and subsidies, due to initial delays in receipt of the tranche payment by the National Skills Fund as a result of compliance checks on reporting requirements. 3. Gains (under), where transactions for quarter two must still be processed. Awaiting approval of land sale write-off schedules by the Corporate Assets section.	Rental of facilities and equipment: Budget was reviewed in the mid-year review and performance assessment process and adjustments have been proposed in the January 2022 adjustments budget. Transfers and subsidies: The first payment was received in December 2021 and further payments are expected as soon as reporting requirements are verified. Gains: Outstanding transactions to be processed in January 2022.

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 4 - Energy & Climate Change	(6 666)	-0.1%	Immaterial variance.	-
Vote 5 - Finance	(168 468)	-1.7%	<p>The variance is a combination of over-/under-recovery mainly on:</p> <ol style="list-style-type: none"> 1. Property Rates (under), due to resolution of GV2018 objections and appeals. Further under-recovery was caused by a change in rating category from commercial/ business and residential to rating categories associated with a reduced rate-in-rand. 2. Service charges - refuse revenue (over), where the cost of extending indigent relief is higher than anticipated due to an increase in the number of qualifying customers. 3. Interest earned - external investments (over), mainly on Interest Received: Short Term and Call Accounts, due to improved investment returns as a result of higher than expected investment balances. The slight increase of 0.25% in the interest rate in November 2021 also contributed to the over-recovery. 4. Interest earned - outstanding debtors (under)(a combination of over-/under-recovery) mainly on: <ol style="list-style-type: none"> a) Interest on Arrear Rates (under), due to write-offs processed resulting in lower than anticipated interest earned on outstanding property rates accounts; and b) Interest Earned on Arrears - Other Services (over), due to unplanned interest accrued on arrears relating to sundry revenue/charges. 5. Agency services (over), due to an increase in motor vehicle registrations and licence renewals, which is largely attributable to the extension granted for registrations and renewals last year. 6. Transfers and subsidies (over), due to misalignment of the period budget provision on income realised on the VAT portion of grant-funded projects currently in progress. 7. Other Revenue (over), mainly on: <ol style="list-style-type: none"> a) Collection Charges Recovered, due to an increase in the number of customers handed over to lawyers for outstanding debt; b) Discounts, due to an unplanned payment from the Cape Municipal Pension Fund relating to an amount due to the City from the City's Employer Surplus Account; and c) Cash Recoveries Claims, due to the recovery of various SASRIA claims in respect of Riot/Protest damage to several MyCiTi bus stations. 	<p>The Valuations department is undertaking various projects to ensure that income not yet identified through the standard Property Value Chain is identified and billed.</p> <p>Service charges – refuse revenue: The budget for Indigent Relief: Refuse Removal will be moved to the Solid Waste Management department in the January 2022 adjustments budget.</p> <p>Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget.</p>

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City of Cape Town: S52 Annexure A – 2022 Q2 (December 2021)

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Revenue by Vote</u>				
Vote 6 - Human Settlements	33 842	7.3%	<p>The variance is a combination of over-/under-recovery against the following categories:</p> <p>1. Rental of facilities and Equipment (over), mainly as a result of:</p> <p>a) Indigent relief and Subsidies/Rebates (under), which is demand driven and dependent on eligibility of tenants who qualifies for assistance; and</p> <p>b) Rental Fixed Assets: Non Market Related (under), as a result of more than planned rental units being transferred to owners, more than planned vacant rental units and tenants defaulting on payments as a result of prevailing economic conditions.</p> <p>2. Transfers & Subsidies - Operating (under), mainly on:</p> <p>a) Grants and Subsidies: National, due to delays with the survey project, which was impacted by the COVID-19 restrictions as the project entails door-to-door visits; and</p> <p>b) Grant and Subsidies: Provincial, mainly on the Belhar/Pentech project and Gugulethu Infill project, due to poor performance of the provincial sub-contractors, and the late start of PHP projects as approved beneficiaries are not timeously available.</p> <p>3. Revenue - Capital (over), largely on the following projects:</p> <p>a) Informal Settlements Upgrade FY22, where some emergency projects undertaken in July 2021 were completed earlier than anticipated as the contractor is performing well and ahead of schedule;</p> <p>b) Greenville Housing Project Phase 4, where the project is ahead of schedule due to good contractor performance; and</p> <p>c) Land Acquisition FY22 Project, as the land was purchased sooner than originally anticipated.</p>	<p>Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget.</p> <p>Grants and Transfers: Provincial: The contractors' scope have been reduced and a new service provider procurement process is underway. Project managers will engage with beneficiaries to ensure the timeous submission of subsidy claims.</p>
Vote 7 - Office of the City Manager	6	181.2%	Immaterial variance.	-
Vote 8 - Safety & Security	102 599	12.5%	<p>The variance is a combination of over-/under-recovery.</p> <p>1. Fines, penalties and forfeits (over), mainly on:</p> <p>a) Traffic Fine Accruals, due to higher than planned fines issued and processed; and</p> <p>b) Fine Income collected, due to more than planned collection of outstanding fines.</p> <p>2. Transfers & Subsidies (under), where recoveries for the year-to-date in respect of the LEAP project have not been processed. This is as a result of the TPA (transfer payment agreement) only being finalised in December 2021.</p>	<p>Transfers & Subsidies: The TPA was finalised in December 2021. Recoveries will be processed in the next reporting period.</p> <p>Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget.</p>
Vote 9 - Spatial Planning & Environment	4 626	5.5%	Immaterial variance.	-

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City of Cape Town: S52 Annexure A – 2022 Q2 (December 2021)

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 10 - Transport	(106 615)	-18.2%	<p>The variance is a combination of over-/under-recovery on the following:</p> <ol style="list-style-type: none"> 1. Fines, penalties and forfeits (over), due to the accrual of expired MyCiTi cards with credit balances to revenue. 2. Licences and Permits: Road and Transport (under), due to fewer than planned wayleave permits issued for road trenches. 3. Transfers & Subsidises (under), mainly due to unfilled grant-funded vacancies, and no expenditure incurred on Dial-a-Ride funded from the Western Cape Government (WCG) as the Memorandum of Agreement with the WCG has not yet been signed. 4. Other revenue (under), mainly on: <ol style="list-style-type: none"> a) Busfares - Transit Products, due to the impact of adjusted COVID-19 restriction levels, which resulted in reduced utilisation of services on some routes, and the delayed recommencement of the N2 Express Way, which is projected to only become operational in January 2022; b) Parking fees, due to delays in the award of the new Parking Management tender as the request for quotations has been advertised twice; and c) Service Charges - Infrastructure and Facilities, where the contract with the Table Mountain Aerial Cable Company for providing the MyCiTi service up to Kloofnek has not yet been renewed. 5. Revenue - Capital (under), mainly on the following projects: <ol style="list-style-type: none"> a) Somerset West PTI, as the project is currently in the bid specification process; b) IRT: Control Centre, due to slower than anticipated progress on the Advanced Public Transport Management System (APTMS); and c) Bellville: Public Transport Hub: Area 2, which is still in the Conceptual Design phase. 6. Development Contribution/BICL (over), where revenue is dependent on property development applications and unpredictable in nature. 	<p>Parking fees: A new negotiated agreement effective from 1 January 2022 has been signed with the vendor.</p> <p>Outstanding matters on tenders and agreements are being resolved.</p> <p>Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget.</p>
Vote 11 - Urban Management	(1 274)	-0.9%	Immaterial variance.	-

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City of Cape Town: S52 Annexure A – 2022 Q2 (December 2021)

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote Vote 12 - Water & Waste	369 431	7.9%	<p>The variance is a combination of over-/under-recovery on the following categories:</p> <ol style="list-style-type: none"> 1. Service charges - water revenue (under), due to service charges for water sales domestic full and water sales miscellaneous being slightly lower than anticipated. 2. Service Charges - Sanitation revenue (under), due to service charges for sewerage sales for domestic full and domestic cluster being lower than anticipated. 3. Services charges - Refuse revenue (under), mainly on disposal coupon fees where disposal of general waste is consumption driven and lower than anticipated to date. 4. Interest earned - outstanding debtors (under), due to the impact of Council's decision to write off all interest on arrears up to the end of May 2021. 5. Transfers & subsidies (under), due to misalignment of the period budget provision and actual implementation and progress of grant-funded projects. 6. Gains (over), mainly on Inventory consumed: Price Adjustment Raw Water, where the creation of a new revenue element to correctly reflect inventory gains as per National Treasury's (NT) requirements resulted in misalignment of the period budget provisions and actuals to date. 7. Capital Transfers & subsidies capital: National- and Provincial Treasury (over), where periodic budget provisions are not in line with project plans and actuals. 	<p>Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget.</p> <p>Budgetary alignments to conform to NT requirements will be effected in the January 2022 adjustments budget.</p>

Material variance explanations for operating expenditure by vote and by type

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Expenditure by Vote</u> Vote 1 - Community Services & Health	(31 905)	-1.6%	<p>The variance is a combination of over-/under expenditure against the following categories:</p> <ol style="list-style-type: none"> 1. Employee related costs (over), due to the natural staff attrition target provision, differentiated vacancy provisions, and the filling of vacancies. 2. Inventory Consumed (over), mainly on: <ol style="list-style-type: none"> a) Materials, consumables, tools and equipment, due to lower than planned requirements for the period under review; and b) Pharmaceutical supplies, G&D Pharmaceutical supplies, G&D Nutrition-Milk Formula, due to outstanding invoices. 3. Contracted Services (under), mainly on: <ol style="list-style-type: none"> a) G&D Laboratory Services - Medical, due to outstanding invoices; b) Recreation, Sport, Tourism & Social development, due to lower than expected implementation of ward allocation projects and departmental development programmes; c) R&M Contracted Services Buildings and R&M Electricity, due to the slower than expected start on maintenance programmes; and d) Medical Staff, due to lower than anticipated demand for Labour Broker services. 4. Transfers and Subsidies (grants-in-aid) (over), where the payment to Khulisa Solutions was processed earlier than anticipated. 5. Other Expenditure (under), mainly on: <ol style="list-style-type: none"> a) Hire charges, due to lower than expected implementation of ward allocation projects and departmental development programmes; b) Telecommunication: Cell Phone Subscriptions, due to lower than anticipated year-to-date demand for services; c) Electricity, due to outstanding ESKOM invoices; d) Hire of LDV, where fewer community-related programmes were implemented as a result of the COVID-19 restriction levels; and e) Uniforms and Protective clothing, due to the slower than planned implementation of EPWP projects. 	<p>The directorate has 368 vacancies in various stages of the recruitment and selection process; 685 posts were filled while 360 positions were terminated since the beginning of the financial year.</p> <p>Realignments/virements to be processed to address variances where so identified.</p> <p>Outstanding invoices to be processed on receipt thereof.</p> <p>Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget.</p>

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Expenditure by Vote</u>				
Vote 2 - Corporate Services	(12 787)	-1.2%	Immaterial variance.	The directorate has 236 vacancies in various stages of the recruitment and selection process; 28 positions were filled and 19 terminations processed since the start of the financial year.
Vote 3 - Economic Opportunities & Asset Management	26 348	4.1%	<p>The variance is a combination of over-/under expenditure mainly on:</p> <ol style="list-style-type: none"> 1. Employee related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Contracted services (over)(combination of over-/under expenditure) on: <ol style="list-style-type: none"> a) R&M Contracted Services Building and R&M Electrical (over), where expenditure is higher than planned due to acceleration of R&M programmes; b) Cleaning Costs (under), due to outstanding invoices; and c) Security Services: Municipal Facilities (over), due to an increase in security services required to avoid illegal occupation and damage to City properties that are vacant as a result of lease terminations. 3. Transfers and subsidies (under), due to the initial delayed release of the tranche payment by the National Skills Fund as a result of compliance checks of reporting requirements. The first payment was received in December 2021 and further payments are expected as soon as reporting requirements are verified. 	<p>The overall over expenditure to date is due to the Facilities Management department's security budget that is underfunded. Savings will be identified to cover the shortfall.</p> <p>Budget provisions were reviewed during the mid-year review and performance assessment and amendments proposed in the January 2022 adjustments budget.</p> <p>The directorate has 101 vacancies in various stages of the recruitment and selection process; 29 positions were filled and 26 terminations processed since the beginning of the financial year.</p>

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote Vote 4 - Energy & Climate Change	103 914	1.6%	<p>The variance is a combination of over/under expenditure mainly on:</p> <ol style="list-style-type: none"> Employee related costs (under), due to: <ol style="list-style-type: none"> The turnaround time in filling vacancies and the impact of the internal filling of vacancies; Expenditure for Long Service Award being booked to the incorrect cost element; and Only 130 out of 198 apprentices (non-permanent Staff), being appointed as a result of the COVID-19 social distancing requirements. Bulk Purchases (over), due to: <ol style="list-style-type: none"> Rectification of the Eskom main account for underbilling in the previous financial year; An increase in purchases due to the partial lifting of COVID-19 lockdown restrictions and the subsequent economic recovery; and An increase in small-scale embedded generating customers feeding in more energy to the grid. Contracted services (under)(combination of over/under) mainly on: <ol style="list-style-type: none"> Advisory Services - Project Management (under), due to the expiration and non-renewal of a project management tender as well as delays in the Athlone Power Station decommissioning project as a result of a heritage site consideration appeal; R&M Electrical (under), due to delays in award of the Public Lighting Maintenance contract; R&M Contracted Serv Building (over), due to more than anticipated building maintenance taking place; R&M Maintenance of Equipment (under), due to delays in invoicing by service providers; Cleaning Costs (under), due to an appeal against the cleaning services tender that led to delays in the award of the tender, which is currently being addressed by the appeals authority; Security Services: Municipal Facilities (over), due to an increase in theft and vandalism. In addition, invoices for security services rendered in the previous financial year was only paid in this financial year due to invoice disputes; Professional Services -Geoinformatic (over), where the GIS Data Capture project is running ahead of schedule; and Meter Management (under), due to reduced meter management services being performed as a result of COVID-19 lockdown regulations. Other Expenditure (under), due to: <ol style="list-style-type: none"> Uniform & Protective Clothing, which is dependent on the demand for Personal Protective Equipment (PPE); Training, due to the moratorium on all internal training issued by the City Manager in June 2021, which included all non-statutory training by external service providers at their training venues. Statutory training continued under the guidelines; and Telecommunication: Cell Phone Subscriptions, due to actual expenditure being lower than planned as the IS&T department still has to distribute costs to directorates after discrepancies on invoices were resolved with MTN. Inventory Consumed (under), mainly on R&M Mat General & Consumables, due to delays in the award of the Public Lighting Maintenance contract. 	<p>The overall over expenditure in the directorate is mainly as a result of the current over expenditure on Bulk Purchases.</p> <p>Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget.</p> <p>Cash flow alignment and virements to be effected, where so identified.</p> <p>The Public Lighting Maintenance contract was awarded in December 2021 and expenditure is anticipated to occur shortly.</p> <p>The directorate has 239 vacancies in various stages of the recruitment and selection process; 87 positions were filled and 48 terminations processed since the beginning of the financial year.</p>

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Expenditure by Vote</u>				
Vote 5 - Finance	(33 153)	-2.1%	<p>The variance is a combination of over-/under expenditure on:</p> <ol style="list-style-type: none"> 1. Employee related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Transfers and subsidies (over), due to the misalignment of period budget provisions and actuals for the Cape Town Stadium entity grant, which will be corrected in the January 2022 adjustments budget. 3. Other expenditure (under), mainly on insurance claims due to less than estimated claims received to date. 	<p>The directorate has 192 vacancies in various stages of the recruitment and selection process; 53 vacancies were filled and 43 posts terminated since the start of the financial year.</p> <p>Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget.</p>
Vote 6 - Human Settlements	(30 599)	-4.6%	<p>The variance is a combination of over/under expenditure.</p> <ol style="list-style-type: none"> 1. Employee related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Depreciation and asset impairment (under), due to delays in completion of capital infrastructure for housing developments. 3. Contracted Services (over)(combination of over-/under expenditure) on: <ol style="list-style-type: none"> a) Quality Control (under), due to the incorrect allocation of budget; b) Professional Services - Engineering Civil (over), Legal Cost - Legal Advice and Litigation (over) and Building Contractors (over), due to grant-funded expenditure that needs to be reposted/reallocated to the correct grant cost elements; c) G&D Prof Serv Engineering Civil and Industrial (under), due to delays in a number of projects as well as the incorrect posting of expenditure against the cost centre instead of the grant project; d) R&M Contracted Service Building (under), due to outstanding invoices; e) Cleaning Costs (under), where the contracts for cleaning services at the City's Rental Units were unavailable as a result of delays in finalising the procurement of the required tenders. The tenders have now been awarded and are at the appeals stage; and f) Security Services: Municipal Facilities (over), due to the more than planned year-to-date expenditure. 4. Transfers and Subsidies (under), mainly on G&D Housing PHP Payment, due to delays in implementation of projects as approved beneficiaries are not available for certain projects. 5. Other expenditure (over)(combination of over-/under expenditure) largely on: <ol style="list-style-type: none"> a) Subsidy on Homeowners Redemption (over), which relates to the accounting treatment/entry of the redemption of the unrealised portion of the housing fund and is linked to the transfer of properties in respect of saleable Council Rental Units for which individuals were eligible for the Enhanced Extended Discount Benefit Scheme (EEDBS) subsidy; and b) G&D Survey Expenses (under), due to delays in the survey project as a result of the COVID-19 restrictions as the project entails door-to-door visits. Expenditure is expected to increase in ensuing reporting periods as restrictions were eased to Level 1. 	<p>The directorate has 125 vacancies in various stages of the recruitment and selection process; 79 posts were filled while 21 positions were terminated since the beginning of the financial year.</p> <p>Poor contractor performance is being addressed through contract management procedures.</p> <p>Outstanding invoices to be processed when received.</p> <p>Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget.</p>

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Expenditure by Vote</u>				
Vote 7 - Office of the City Manager	(6 709)	-3.3%	Immaterial variance.	The directorate has 21 vacancies in various stages of the recruitment and selection process; 14 positions were filled since the start of the financial year and 22 were terminated.
Vote 8 - Safety & Security	18 919	0.9%	The variance reflects against the following categories: 1. Employee related costs (over), mainly on: a) Salaries & Wages, due to the misalignment of the period budget provision and the actual expenditure relating to the appointment of command and control staff linked to the LEAP project; b) Bonuses, due to more staff qualifying for this benefit including contracted staff members; and c) Standby allowance, where staff shortages/vacancies resulted in the current available staff being on standby to assist with any emergency or urgent call-ups. 2. Depreciation (under), due to less than planned capital items procured and capitalised. 3. Other Expenditure (under), mainly due to under expenditure on Training, and Uniforms and Protective Clothing relating to the LEAP project.	The overall overspend is as a result of the appointment of command and control staff linked to the LEAP project. In addition, vacancies and staff shortages within the department resulted in the increased need for current available staff to be on standby to assist with emergencies/urgent call-ups resulting in more standby allowances being paid. Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget. The directorate has 764 vacancies in various stages of the recruitment and selection process; 835 posts were filled while 105 were terminated since the beginning of the financial year.
Vote 9 - Spatial Planning & Environment	(15 876)	-4.0%	Immaterial variance.	The directorate has 96 vacancies in various stages of the recruitment and selection process; 59 posts were filled and 17 positions terminated since the start of the financial year.

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Expenditure by Vote</u>				
Vote 10 - Transport	41 252	2.7%	<p>The variance is a combination of over-/under expenditure against the following categories:</p> <ol style="list-style-type: none"> 1. Employee related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Depreciation (over), due to assets being capitalised earlier than anticipated. 3. Inventory Consumed (over), mainly on Fuel, due to the impact of numerous fuel price increases. 4. Contracted Services (over), mainly on: <ol style="list-style-type: none"> a) R&M Maintenance of Equipment, due to IRT Bus maintenance being more than planned for the period to date; b) G&D Security Services & Charges, due to the increased requirement for security at PTIs; and c) G&D Transportation Services People, where expenditure relating to the new tender awarded for MyCiTi Station Management, which includes all costs relating to PTIs, was booked against this cost element. 5. Other expenditure (over), mainly on Software Licences - Upgrades/ Protection, due to upgrade of the Facility Management Enterprise system at the Transport Management Centre (TMS), MyCiTi stations as well as PTIs, which is crucial for passenger safety. 	<p>The overall over expenditure is due to misalignment of the period budget provision and actuals to date on Contracted Services.</p> <p>Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget.</p> <p>The directorate has 327 vacancies in various stages of the recruitment and selection process; 110 posts were filled while 52 terminations were processed since the beginning of the financial year.</p>

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Expenditure by Vote</u>				
Vote 11 - Urban Management	503	0.1%	<p>The variance is a combination of over-/under expenditure mainly on:</p> <ol style="list-style-type: none"> 1. Employee related costs (under): <ol style="list-style-type: none"> a) Non-Permanent Staff - S56 Employees (under), due to a vacant executive director position; b) Salaries and wages and Pensions (under), mainly due to the turnaround time in filling vacancies and the internal filling of vacancies; and c) Non-permanent staff (under), where a number of political appointments for the new term of office has not yet been concluded. 2. Remuneration Councillors (under), where remuneration increases for councillors have not been implemented yet. 3. Contracted Services (over), mainly on : <ol style="list-style-type: none"> a) Advisory Services - Project Management, where the MURP MVSA Precincts project and the Community Ambassadors project is progressing faster than anticipated; b) Event Promoters, where the Area Economic Development projects in respect of the Cape Town Summer Markets is progressing faster than anticipated; c) R&M Gardening Service, due to sub council projects in respect of additional mowing and pruning, bush clearing and repair of recreation facilities progressing faster than anticipated; and d) Alien Vegetation Control, due to sub council projects in respect of invasive plant clearing and control progressing faster than anticipated. 4. Transfers and Subsidies (Grants/Sponsorships) (under), due to misalignment of period budget provision as the 2nd tranche payment to the Philippi Economic Development Initiative is only due at the end of January 2022. 	<p>The overall over expenditure is due to misalignment of the period budget provision and actuals to date on Contracted Services.</p> <p>Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget.</p> <p>The directorate has 163 vacancies in various stages of the recruitment and selection process; 78 positions were filled while 146 were terminated since the beginning of the financial year.</p>

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Expenditure by Vote</u>				
Vote 12 - Water & Waste	119 687	2.2%	<p>The variance reflects against the following categories:</p> <ol style="list-style-type: none"> 1. Employee related costs (under), due to the turnaround time in filling vacancies and the internal filling of vacancies. 2. Finance Charges (over), due to an unplanned court order payment. 3. Inventory Consumed (over)(combination of over-/under expenditure) mainly on: <ol style="list-style-type: none"> a) Inventory Consumed: Reticulation Water (over), due to creation of a new cost element to reflect inventory as per NT requirement; b) Fuel (Petrol, Diesel and Fuel Oil) (over), due to fluctuations in the fuel price; c) Cleansing Related Costs (over), where the number of bags issued for cleansing-related activities is higher than anticipated; d) R&M Mat General & Consumables (under), where savings were realised as a result of the changes made to the implementation of the maintenance contract within the Customer Services section when responding to service notifications; e) Materials Consumables Tools & Equipment (under), where fewer refuse containers were purchased as it is based on the rate at which bins are stolen/damaged, which is lower than anticipated; and f) Inventory Consumed: Bulk Water (under), due to adjustments/rework required to the full year budget provision in line with NT requirements; 4. Contracted Services (under)(combination of over-/under expenditure) mainly on: <ol style="list-style-type: none"> a) R&M Contracted Services Building (under), where savings were realised as a result of the changes made to implementation of the maintenance contract within the Customer Services section when responding to service notifications; b) R&M Electrical (under), where the period budget provision was based on the previous financial year's periodic expenditure, however, similar expenditure trends have not been experienced in the first quarter; c) Sewerage Services (under), due to a number of outstanding invoices as well as the periodic plan not being aligned with actual expenditure. It is anticipated that the full budget provision will be overspent due to additional requirements at the Zandvliet Wastewater plant; d) Refuse Removal (under), where contractors are being utilised to a lesser extent in the in-sourced areas as vehicle breakdowns is less than anticipated; e) Advisory Services - Research & Advisory (under), due to initial delays in finalising the main professional services tender, which has since been approved with project managers busy finalising works packages; <p><i>Continued on next page.</i></p>	<p>The overall status currently reflects a perceived over expenditure, which is mainly due to misalignment of the budget provision and actual expenditure to accurately reflect water inventory to conform to NT requirements.</p> <p>Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget.</p> <p>Invoices to be processed on receipt thereof.</p> <p>The directorate has 1187 vacancies in various stages of the recruitment and selection process; 354 vacancies were filled while 161 were terminated since the beginning of the financial year.</p>

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Expenditure by Vote</u>				
Vote 12 - Water & Waste	See previous page	See previous page	<p>f) Sludge removal (under), due to delays in commencement of the Augmentation project;</p> <p>g) Litter Picking and Street Cleaning (under), where the amount of waste being removed from informal settlements is consumption driven and currently lower than anticipated;</p> <p>h) G&D Contracted Services Building (under), due to misalignment of the budget provision and actual expenditure to date;</p> <p>i) Professional Services - Engineering: Civil (under), due to initial delays in finalising the main professional services tender, which has since been approved with project managers in the process of signing contracts with successful tenderers;</p> <p>j) Advisory Services - Project Management (under), where tender 123C 2020/21 was cancelled with the specifications being modified before it can be re-advertised;</p> <p>k) Waste Minimisation (over), where chipping of green waste is consumption driven and more than anticipated to date;</p> <p>l) Meter Management (over), due to an increase in warning letters issued for actions relating to debt management and excessive use procedures; and</p> <p>m) R&M Maintenance of Equipment (over), where equipment repairs were finalised earlier than anticipated.</p> <p>5. Other expenditure (over)(combination of over-/under expenditure) mainly on:</p> <p>a) Rehabilitation Costs (under), where the rehabilitation of the Coastal Park Landfill Site is running behind schedule;</p> <p>b) Rehabilitation of Closed Landfill Sites (under), where the rehabilitation of the Radnor Landfill Site is running behind schedule;</p> <p>c) Hire of LDV, P/Van, Bus, Special Vehicle (over), due to an increase in vehicles hired for additional drivers appointed and additional vehicles hired to transport staff to adhere to social distancing regulations;</p> <p>d) Water Resource Management Charge DWS (over), where the water resource management charges relating to bulk purchases were split from other cost elements as per NT requirement;</p> <p>e) R&M Hire of LDV, Pvan, Bus, SpcVeh (over), due to an increase in hired vehicles required for maintenance-related work within the Stormwater section; and</p> <p>f) R&M Hire Charges (under), due to incorrect expenditure settlement.</p> <p>6. Transfers and subsidies (under), due to delays in final approval of the alien vegetation project. The agreement has since been finalised and the report is currently in the process of being approved.</p> <p>7. Losses (over), mainly due to new cost elements to be created to reflect inventory correctly as per NT requirement.</p>	See previous page.

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Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure By Type				
Employee related costs	(97 948)	-1.3%	The variance is mainly due to: 1. The turnaround time in filling vacancies; 2. The internal filling of vacancies; 3. Slower than planned implementation of job creation projects (EPWP) as a result of delayed submission of Project Identification Documents (PID) and challenges with identifying workers from the sub council database of registered community members; and 4. The hold placed on identified vacancies.	The City had 3819 vacancies as at 31 December 2021; 2461 positions were filled (955 internal, 391 external, 1115 rehire) with 1053 terminations processed since the start of the financial year. Filling of vacancies is ongoing and seasonal staff are appointed as and when required. The appointment of EPWP workers through the roll-out of programmes is ongoing.
Remuneration of councillors	(3 863)	-4.6%	Immaterial variance.	-
Debt impairment	(8)	-	Immaterial variance.	-
Depreciation & asset impairment	9 557	0.6%	Immaterial variance.	-
Finance charges	2 315	0.6%	Immaterial variance.	-
Bulk purchases - electricity	136 116	2.6%	The variance is due to: 1. Rectification of the Eskom main account for under billing in the previous financial year; 2. An increase in purchases due to the partial lifting of COVID-19 lockdown restrictions and the subsequent economic recovery; and 3 An increase in small-scale embedded generating customers feeding in more energy to the grid.	Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget.

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Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Expenditure By Type</u> Inventory Consumed	211 245	12.4%	<p>The variance is a combination of over-/under expenditure.</p> <ol style="list-style-type: none"> 1. Pharmaceutical supplies, G&D Pharmaceutical supplies (under), due to outstanding invoices. 2. Fuel (Petrol, Diesel, Fuel Oil) (over), due to higher than planned demand for fuel as well as the increase in the fuel price. 3. Inventory Consumed: Bulk Water (under), due to adjustments/rework required to the full year budget provision in line with NT requirements. 4. Inventory Consumed: Reticulation Water (over), due to the creation of a new cost element to reflect inventory correctly as per NT requirements. 5. R&M Material General & Consumables (under), due to delays in the award of the Public Lighting Maintenance contract and the building tender as well as impact of changes made to the implementation of the maintenance contract when responding to service notifications. 6. Materials Consumables Tools & Equipment (under), due to lower than planned requirements for the period to date. 	<p>Outstanding transactions and invoices will be processed in the next reporting period.</p> <p>Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget.</p>

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Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Expenditure By Type</u> Contracted services	(170 658)	-5.5%	<p>The variance is a combination of over-/under expenditure against the following elements:</p> <ol style="list-style-type: none"> 1. Advisory Services - Project Management (under), where expenditure relating to the Walk-in Bus project and Citizens Deployment project was incurred against employee-related cost. 2. R&M Contracted Services Buildings (under), due to the slower than anticipated start of maintenance programmes as well as savings realised as a result of changes made to implementation of the maintenance contract within the Customer Services section when responding to service notifications. 3. Sludge removal (under), due to delays in commencement of the Augmentation project. 4. Security Services Municipal Facilities (over), due to an increase in security services required to avoid illegal occupation and damage/vandalism to City property and infrastructure. 5. R&M Contracted Services electrical (under), where the period budget provision was based on the previous financial year's periodic expenditure, although, similar expenditure trends were not experienced to date. 6. Sewerage Services (under), due to outstanding invoices as well as misalignment of the budget and actual expenditure. 7. Refuse Removal (under), where contractors were utilised to a lesser extent in the in-sourced areas as vehicle breakdowns were fewer than anticipated to date. 8. Litter Picking and Street Cleaning (under), as the amount of waste removed from informal settlements is currently lower than anticipated. 9. G&D Transportation Services People (over), where expenditure relating to the new tender for MyCiTi Station Management, which includes all costs related to Public Transport Interchanges (PTI), was booked against this cost element. 10. R&M Gardening Service (over), where ward allocation projects in respect of additional mowing and pruning, bush clearing and repair of recreation facilities are progressing faster than anticipated. 11. Cleaning Costs (under), as invoices were received after month-end. 12. Building Contractors (over) and G&D Contracted services Buildings (under), due to the incorrect booking of grant-funded expenditure against the cost centre instead of the project. 13. G&D Prof Serv Engineering Civil (under), due to delays in a number of projects and the incorrect allocation of expenditure against the cost centre instead of the grant-funded project. 	<p>Outstanding invoices to be processed on receipt thereof.</p> <p>Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget.</p>

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City of Cape Town: S52 Annexure A – 2022 Q2 (December 2021)

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Expenditure By Type</u>				
Transfers and subsidies	(24 537)	-12.3%	The variance is a combination of over-/under expenditure in the following directorates: 1. Community Services & Health (over), due to the payment to Khulisa Solutions being processed earlier than anticipated. 2. Economic Opportunities & Asset Management (under), due to the initial delayed release of the tranche payment by the National Skills Fund as a result of compliance checks of reporting requirements. The first payment was received in December 2021 and further payments are expected as soon as reporting requirements are verified. 3. Finance (over), due to misalignment of period budget provisions and actuals for the Cape Town Stadium entity grant. 4. Water & Waste (under), due to delays in final approval of the alien vegetation project, however, the agreement has now been finalised and the report is currently in the process of being approved. 5. Human Settlements (under), mainly on G&D Housing PHP Payment, due to delays in implementation of projects as approved beneficiaries are not available for certain projects.	Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget.
Other expenditure	(40 276)	-3.3%	The variance is a combination of over-/under expenditure mainly on: 1. Hire of LDV (over), due to an increase in vehicles hired for additional drivers appointed within the Informal Settlements section, and additional vehicles hired to transport staff to adhere to social distancing regulations. 2. Insurance Public Liability Claims (under), due to less than anticipated claims received to date. 3. Subsidy on Homeowners Redemption (over), which relates to the accounting treatment/entry of the redemption of the unrealised portion of the housing fund and is linked to the transfer of properties in respect of saleable Council Rental Units for which individuals were eligible for the Enhanced Extended Discount Benefit Scheme (EEDBS) subsidy. 4. Rehabilitation Costs (under), where rehabilitation of the Coastal Park Landfill Site is running behind schedule. 5. Rehabilitation of Closed Landfill Sites (under), where rehabilitation of the Radnor Landfill Site is running behind schedule. 6. Specialised Information Technology Services (under), as a result of delays in receiving invoices for services rendered. 7. Water Resource Management Charge DWS (over), due to the water resource management charges, relating to bulk purchases, being split from other cost elements as per NT requirement. 8. G&D Uniform & Protective Clothing and G&D Training (under), due to less than planned expenditure relating to the LEAP project being incurred for the year-to-date.	Budget provisions were reviewed during the mid-year review and performance assessment process and amendments proposed in the January 2022 adjustments budget.
Losses	157 653	2273.0%	The variance is mainly on Inventory Consumed (Water) - Various, due to new cost elements created to reflect inventory correctly as per NT's requirements.	Alignment of the budget and actual expenditure to be done in the January 2022 adjustments budget.

Material variance explanations for capital expenditure by vote

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote Vote 1 - Community Services & Health	(36 311)	-30.3%	The negative variance reflects on the following projects/programmes: 1. Site C, Blue Ridge and Delft Integrated Recreation Facilities, where implementation is slower than expected, due to: a) the process of engagement with key stakeholders that took longer than anticipated; b) unavailability of a professional services tender 030C/2018/19; and c) outstanding compliance certificates. 2. Upgrade of Security at Clinics FY22, where implementation is slower than expected due to delays in the procurement process. 3. Bloekombos Community Hall Upgrade, which is delayed due to the protracted approval process of tender 253Q/2020/21. 4. IT Modernisation project, which was initially delayed as a result of appeals lodged against replacement tender 56S/2020/21. 5. Various National Core Standard Projects at City Clinics, where implementation is slower than anticipated mainly due to outstanding USDG applications. Some orders were placed with contractors to proceed. 6. Upgrade Maitland Crematorium, which is delayed due to the protracted process of appointing a service provider. 7. Mayoral Art Collection FY22 project, which is behind schedule due to delays in reworking the content of the exhibition.	Project managers together with the support of the finance manager/heads will: a) Continue to closely monitor and ensure that projects are implemented within the prescribed timelines by ensuring all payment certificates are received timeously. b) Engage with the community in order to mitigate community concerns raised. c) Identify challenges and process virements where applicable to ensure maximum capital spend at financial year-end. d) Resolve SCM delays. e) Utilise the January 2022 adjustments budget to align projects to implementation readiness as a result of challenges experienced in the current financial year. f) Speedup the implementation of all projects that are currently behind implementation schedules.

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Capital Expenditure by Vote</u> Vote 2 - Corporate Services	(70 099)	-73.4%	<p>The variance reflects on the following projects/programmes:</p> <ol style="list-style-type: none"> 1. ERP Annual Capacity Growth FY22, where the procurement of hardware has been deferred to January 2022 when newer equipment to provide for a better solution, which will benefit the City by processing data more efficiently and save on power consumption in the data centre, will be available. 2. Enterprise Monitoring & Management Solution FY22, which was initially delayed due to the protracted process of loading pricing schedules on the SAP system for tender 92G/2020/21. Orders have now been placed; delivery is expected in January 2022. 3. BIP Applications, which was initially delayed due to the original tender (365C/2018/19) being put on hold. This situation has been remedied by making use of alternative tender 254C/2020/21. The order for the professional service has been placed. 4. Business Continuity FY22, where finalisation of the proposal for offsite storage took longer than anticipated, due to additional upgrade requirements identified by the service provider. Tenders 129S/2019/20, 265S/2019/20 and 50S/2018/19 are being utilised. Orders have been placed for other infrastructure equipment. 5. Wayleave System, where the project is delayed due to a review of existing systems as a result of a change in the business process in the City. The 2021/22 budget will be rephased to 2022/23 as there is an anticipated 9-month delay before the completed system will be ready. 	<p>Budget and cash flows to be amended in the January 2022 adjustments budget.</p>

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote				
Vote 3 - Economic Opportunities & Asset Managemnt	27 146	59.5%	The positive variance reflects on the Fleet Management - FS Fleet Replacement FY22 programme, which is ahead of planned spend, due to the earlier than anticipated delivery of some items as all tenders are in place.	Budget and cash flows to be amended in the January 2022 adjustments budget.
Vote 4 - Energy & Climate Change	(125 352)	-32.1%	<p>The negative variance reflects mainly on the following projects:</p> <ol style="list-style-type: none"> 1. SCADA Master Station Upgrade, which is behind schedule due to initial delays in establishing project teams as well as the partially delivery of third-party software. 2. System Equipment Replacement: South Area S and North Area N FY22, which is behind schedule as tender 082Q/2020/21 was only awarded in October 2021 resulting in delays in implementing planned projects. Some projects have commenced on site with others to follow. The project programme has been reviewed and amended to only accommodate work that can be completed in this financial year in terms of material/equipment availability, tenders in place and contractor capacity & resources. Anticipated slippage due to the inability to switch operations for capital projects due to extensive loadshedding. 3. HV OH Line Refurbish (structures) FY22, which was delayed due to issues with the works project document (WPD) but commenced in December 2021. A meeting will be held with the contractor in January 2022 to resolve the WPD issues in order to proceed with planned works. 4. Connection Infrastructure (Quote): East FY22, which is customer-demand driven. Applications for new- and upgraded supplies have been less than planned for the period under review. 	<ol style="list-style-type: none"> 1. Project manager is following-up on the balance of outstanding software; cash flows will be amended in the January 2022 adjustments budget. 2. Budget to be reduced in the January 2022 adjustments budget. 3. There are on-going engagements with project managers to ensure all orders are placed timeously, projects are implemented within the prescribed timeframes and that corrective action is processed as and when required so as to ensure maximum spend. 4. Cash flows to be amended in the January 2022 adjustments budget.

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Capital Expenditure by Vote</u>				
Vote 5 - Finance	(3 175)	-57.7%	1. Upgrade Cash (MVR) Offices FY22, where the project is delayed as consultation with the Facility Management (FM) department is taking longer than anticipated. 2. System Enhancement Revenue, which was initially delayed due to the late award of tender 056S/2020/21.	1. Revenue and FM departments to engage regarding the upgrade of offices and reprioritise if necessary. 2. Tender 056S/2020/21 has now been awarded and the debt collection project has commenced. Line will monitor and ensure that systems are upgraded in line with expected deliverables. ERP is busy appointing staff for the Business Partner Project (BPP).
Vote 6 - Human Settlements	83 805	33.7%	The positive variance reflects on the following projects: 1. Land Acquisition FY22, where some of the Marikana informal settlement land was purchased earlier than originally anticipated as a consequence of a Supreme Court of Appeal Arbitration (SCA) Order. 2. Greenville Housing Project Phase 4, where the Tripartite agreement was concluded earlier than anticipated. This project is managed by a developer in partnership with the City and the Western Cape Government's (WCG) Department of Human Settlements. 3. Informal Settlements Upgrade FY22, where some emergency projects were completed earlier than anticipated as contractors were performing ahead of schedule.	Budget and cash flows to be amended in the January 2022 adjustments budget.
Vote 7 - Office of the City Manager	(417)	-63.0%	The reasons for the negative variance are mainly due to delays in delivery resulting from the current worldwide shortage of computer chips, which is affecting the supply and delivery of desktop computers and laptops on the following projects: 1. Computers: Additional FY22; 2. Computers: Replacement FY22, and 3. Computer Hardware: Replacement FY22.	Further orders to be placed in the next month and cash flow projections to be reviewed in the January 2022 adjustments budget.

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Capital Expenditure by Vote</u> Vote 8 - Safety & Security	(65 415)	-55.7%	<p>The reasons for the variance are mainly due to:</p> <ol style="list-style-type: none"> 1. Delays in the award of tender 317S/2020/2021 for the supply, installation and commissioning of Urban CCTV cameras and equipment. 2. IT Tender 60G/2018/19 price refresh, which was only finalised at the end of October 2021 resulting in delays in placing orders. 3. Delays in ordering the second tranche of the EPIC Programme Replacement Devices (Printers and Mobile handsets) as well as long lead-times for some devices already ordered. 4. Delays in approval for use of professional services tender 194C/2020/21 for the Building Improvements project and LEAP Facilities project. 5. Initial delays in approval of fleet requests for the Vehicles: Additional project. 6. Delays in delivery of the remainder of vehicles for the LEAP Vehicles: Additional project as the supplier advised that the anticipated delivery date for the remainder of the vehicles will be at the end of February 2022. 7. Delays in the LEAP Radios: Additional project as the previous tender 238G/2016/2017 for the ordering of radios reached its capacity and could not be increased again. 8. Delays in the import of Fire & Rescue Services Specialised Vehicles. 	<ol style="list-style-type: none"> 1. Budget will be rephased to the 2022/23 financial year in the January 2022 adjustments budget as there is insufficient time to procure and install CCTV equipment before the end of June 2022. 2. IT equipment orders were placed in November and December 2021; awaiting delivery. 3. It is anticipated that the current order of devices will be delivered late January 2022 and the remainder of the orders will be placed for delivery by May 2022. The timeline relates to supply as well as the department's capabilities to deploy the hardware. Cash flows will be aligned in the January 2022 adjustments budget. 4. Tender 194C/2020/21 is being finalised with work to commence shortly. 5. Additional vehicle orders were placed; awaiting delivery. 6. Continuous monitoring and cash flows to be aligned in the January 2022 adjustments budget. 7. The new tender 002G/2021/2022 was finalised in December 2021 with new orders to be placed in January 2022. 8. Cash flows will be adjusted in the January 2022 adjustments budget as delivery of the imported replacement specialised vehicles might take longer than anticipated.

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Capital Expenditure by Vote</u> Vote 9 - Spatial Planning & Environment	(10 363)	-26.6%	The negative variance reflects on the following projects: 1. Helderberg Environmental Education Centre, where practical completion for the construction was achieved in December 2021 with a number of snags identified. Final payment certificates can only be paid once all items on the snag list has been rectified. 2. Asanda Village Wetland Rehabilitation project, where construction commencement was delayed due to illegal goat farmers occupying the site. Negotiations to relocate the farmers, which started a year ago, have failed. Legal processes have started for the removal of the goat farmers. 3. Philippi Fresh Produce Market Refurbishment, where the budget is aligned to the latest National Treasury gazetted allocations as well as delays in accessing transversal tenders 339Q/2018/19 and 286Q/2018/19. 4. Table Bay Upgrade and Tygerberg Nature Reserve Upgrade are delayed as a result of tender 339Q/2018/19 not being available for use. A contractor will be secured as soon as the transversal use application of tender 339Q/2018/19 is approved.	1. Project manager to liaise with contractor and ensure all items on the snag list are rectified before any payments are made. 2. Budget to be rephased to 2022/23 in the January 2022 adjustments budget. 3. & 4. Ongoing engagement with respective tender owners with regard to the transversal access and utilisation.

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote Vote 10 - Transport	(164 511)	-41.9%	<p>The directorate has a net negative variance, which is an accumulation of slower than anticipated expenditure on a number of projects, the most significant of which are:</p> <ol style="list-style-type: none"> 1. Grassy Park Non-Motorised Transport: Project was initially delayed due to the re-evaluation of tenders; the contractor is now on site and construction is progressing well. 2. Somerset West Public Transport Interchange: Project had a late start as a result of a prolonged evaluation process. The newly appointed consultants (tender 385C/2016/17) are reviewing the previous work done and completing the tender document on a new template. The MOA between the City and contractor has been finalised with the contractor starting on site. 3. IRT: Control Centre: Implementation of the project was initially delayed due to outstanding approval for MFMA Section 116(3) process, which is required before any capital works can commence. The contract amendment was approved by BAC on 18 October 2021 and signed on 19 November 2021 with capital works starting on 29 November 2021. 4. PTSM: Transport Intelligence Project, which is behind due to delays in finalising the exact scope of work. The Solution back-end was implemented on the server platform and data integration is currently underway. Business continuity infrastructure has to be procured and business cases for software development are still awaiting approval. 	<ol style="list-style-type: none"> 1. Budget and cash flow to be amended in the January 2022 adjustments budget. 2., 3. and 4. A portion of the budget will be rephased in the January 2022 adjustments budget. <p>Cash flow to be amended in the January 2022 adjustments budget.</p>

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Capital Expenditure by Vote</u>				
Vote 11 - Urban Management	(16 759)	-63.3%	<p>The negative variance reflects on the following projects/programmes:</p> <p>1. Philippi-East Multi-Purpose Centre: Funding for this project is no longer required as the project will be transferred to other priority projects and a portion of the funding will be transferred to the Community Services & Health directorate.</p> <p>2. Nyanga Urban Node Informal Trade, where initial delays in activating tender 149S/2018/19 resulted in the late commencement of the project. Project scope and project schedule has been completed. Draft project specifications for the appointment of the professional team to undertake contextual analysis and planning has also been completed.</p> <p>3. Upgrade Security - Area South, where orders will be placed on approval of tender 001S/2021/22 (Supply, Installation and Maintenance of Access Control Systems). Tender is currently in the appeal period. The necessary contract management applications have been submitted for sign-off.</p>	<p>There are on-going engagements with the directors and project managers to ensure all orders are placed timeously, projects are implemented within the prescribed timeframes, and that corrective action is processed as and when required to ensure maximum spend.</p> <p>Tender-related issues were escalated to contract managers for resolution.</p> <p>Budget and cash flows will be amended in the January 2022 adjustments budget.</p>
Vote 12 - Water & Waste	(216 802)	-21.6%	The directorate is behind planned spend for the period under review. The main reasons are listed below at departmental level.	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 action is processed timeously to ensure maximum spend. Remedial action, where required, is indicated below.
Management: Water & Waste	(52)	-95.2%	The negative variance is due to delays in delivery due to supplier constraints.	Project manager is following up with the supplier.

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City of Cape Town: S52 Annexure A – 2022 Q2 (December 2021)

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote Solid Waste Management	(182 802)	-64.7%	<p>1. Coastal Park - Design and Develop (MRF): The amicable settlement on tender 57Q/2017/18 has been finalised and payment has been made. However, the project was delayed as a result of negotiations on mechanical equipment tender 301Q/2020/21, which also impacted on the award of construction tender 107Q/2020/21</p> <p>2. Vissershok North: Airspace development: Numerous delays were experienced relating to approval of the designs for the new airspace as required by the National Department of Water Services and Department of Forestry, Fisheries and the Environment (DFFE).</p> <p>3. De Grendel Drop-off Upgrade Waste Min: The construction tender is currently in the Bid Specification stage and advertisement of the tender document can only proceed once the land use management application is completed and approved.</p> <p>4. New Prince George Drop-off: Tender 310Q/2018/19 for construction is underway. It is anticipated that spend will increase significantly as the contractor progresses into building finishing works. Projects behind schedule due to the outstanding December 2021 invoice.</p> <p>5. Construction of Workshop - Vissershok, where the detailed design is delayed as a result of the positioning of the building.</p>	<p>1. Negotiations on tender 301Q/2020/21 has been finalised. Due to the late award of some tenders, a portion of the budget will be rephased to the 2022/23 and 2023/24 financial years in the January 2022 adjustments budget.</p> <p>2. The designs have been approved by DFFE with some additional requirements that are being considered, which has resulted in a portion of the budget being rephased to the 2022/23 financial year.</p> <p>3. De Grendel Drop-off Upgrade Waste Min: A meeting with the internal objectors were held on 28 September 2021, where it was requested to overturn the objections. Revised comments were received, which overturned the objections. A report will now be submitted by Property Management to sub council for consideration. A portion of the budget will be rephased to the 2023/24 financial year in the January 2022 adjustments budget.</p> <p>4. The project manager will follow-up with the contractor regarding the outstanding invoice. Construction anticipated to be completed by end of March 2022.</p> <p>5. Construction start date has been shifted to April 2023 to accommodate sufficient time to complete the detailed design. A portion of the budget will be rephased to the 2023/24 financial year in the January 2022 adjustments budget.</p>
Water & Sanitation Services	(33 947)	-4.7%	<p>The underspend is due to:</p> <p>1. Delays in approval of tenders as a result of appeals received and extended bid specification process.</p> <p>2. Misalignment of cash flows on some major projects, which include Potsdam Waste Water Treatment works, Contermanskloof Reservoir, Cape Flats Aquifer Recharge, and Meter Replacement Programme.</p>	<p>Cash flows and projects at risk of being spent will be adjusted in the January 2022 adjustments budget. The department will maintain the improvements previously made relating to the focused management approach on capital programme implementation, enhanced Contract and Tender Management. Closer engagement with CPPPM (to align reports with e.g. value at risk) and the Office of the CFO are also continuing.</p>

Material variance explanations for cash flow

Description R thousands	YTD variance R Thousands	YTD variance %	Reasons for material deviations	Remedial or corrective steps/remarks
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	(200 203)	-3.7%	Immaterial variance.	No corrective action required.
Service charges	345 490	3.2%	Immaterial variance.	No corrective action required.
Other revenue	935 420	36.7%	Revenue not allocated to the correct categories at the time of reporting.	Allocation will be made in the January 2022 adjustments budget.
Government - operating	18 750	0.7%	Immaterial variance.	No corrective action required.
Government - capital	(123 336)	-6.5%	Immaterial variance.	No corrective action required.
Interest	76 616	19.0%	More interest income received than originally budgeted for.	No corrective action required.
Dividends	-	-	-	-
Payments				
Suppliers and employees	1 831 505	9.2%	The variance is a compensating difference as the system is unable to differentiate between capital and operating expenditure accurately. Refer 'Capital assets' below.	No corrective action required.
Finance charges	43	0.0%	-	-
Transfers and Grants	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	778 810	22.0%		
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-
Payments				
Capital assets	(1 800 219)	-45.7%	Slower cash outflow than originally expected, however, in certain instances the system was unable to accurately differentiate between capital and operating expenditure. Refer 'Suppliers and employees' above.	No corrective action required.
NET CASH FROM/(USED) INVESTING ACTIVITIES	(1 800 219)	-45.7%		
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	-	-	-	-
Borrowing long term/refinancing	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-
Payments				
Repayment of borrowing	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-

Material variance explanations for corporate performance for Quarter 2 of 2022

The full quarterly performance report is attached as annexure 1 to the report.

Material variance explanations for capital expenditure by vote (Indicator 5C capital spend) is reflected on page 59.

Performance indicators

Description of financial indicator	Basis of calculation	2020/21	Budget Year 2021/22			
		Provisional Outcomes	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>						
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	1.1%	2.4%	2.4%	2.4%	2.3%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	0.0%	48.3%	43.9%	48.8%	27.9%
<u>Safety of Capital</u>						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	26.2%	29.7%	27.9%	18.1%	24.1%
Gearing	Long Term Borrowing/ Funds & Reserves	119.1%	178.7%	161.3%	123.7%	117.1%
<u>Liquidity</u>						
Current Ratio	Current assets/current liabilities	1.82	1.45	1.68	2.66	1.72
Liquidity Ratio	Monetary Assets/Current Liabilities	1.11	0.58	0.82	1.76	0.93
<u>Revenue Management</u>						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	15.2%	20.1%	20.1%	20.2%	13.8%
<u>Other Indicators</u>						
Employee costs	Employee costs/Total Revenue - capital revenue	35.0%	32.9%	32.8%	30.5%	31.4%
Interest & Depreciation	I&D/Total Revenue - capital revenue	8.6%	8.0%	8.0%	1.5%	1.9%

Aged Creditors

Description	Budget Year 2021/22									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	16 250	(0)	–	–	11	–	–	–	16 261	394
Auditor General	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
Total By Customer Type	16 250	(0)	–	–	11	–	–	–	16 261	394

Aged Debtors

Description	Budget Year 2021/22											
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Year	Over 1 Year	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	347 545	73 450	59 506	55 163	42 947	59 538	258 836	1 421 935	2 318 920	1 838 420	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	673 975	39 935	46 220	(9 669)	7 924	16 715	88 181	282 669	1 145 951	385 820	–	–
Receivables from Non-exchange Transactions - Property Rates	712 643	119 990	83 529	93 390	47 473	53 963	257 361	845 115	2 213 463	1 297 302	–	–
Receivables from Exchange Transactions - Waste Water Management	182 334	28 608	24 501	21 990	18 201	20 007	107 445	537 731	940 817	705 374	–	–
Receivables from Exchange Transactions - Waste Management	95 858	21 676	17 597	14 362	12 253	14 281	69 503	375 238	620 768	485 637	–	–
Receivables from Exchange Transactions - Property Rental Debtors	58 384	(578)	306	12 547	10 981	7 419	108 104	625 029	822 191	764 080	–	–
Interest on Arrear Debtor Accounts	69 575	30 749	31 929	29 901	35 312	25 661	3 520	19 814	246 460	114 208	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–	–	–	–
Other	(85 156)	(65 604)	(37 382)	(20 885)	(176 735)	(73 464)	(34 541)	(162 044)	(655 811)	(467 669)	–	–
Total By Income Source	2 055 157	248 225	226 206	196 800	(1 644)	124 119	858 409	3 945 487	7 652 759	5 123 171	–	–
2020/21 - totals only	1 966 528	431 301	270 707	175 529	230 576	147 694	1 136 928	4 991 923	9 351 184	6 682 649	–	–
Debtors Age Analysis By Customer Group												
Organs of State	80 743	19 382	16 595	8 499	(153 440)	(59 461)	18 002	(10 893)	(80 573)	(197 293)	–	–
Commercial	943 826	92 756	67 004	64 744	45 489	47 621	207 970	338 691	1 808 101	704 516	–	–
Households	996 938	189 547	149 635	143 369	124 316	129 808	624 393	3 359 532	5 717 538	4 381 418	–	–
Other	33 651	(53 460)	(7 028)	(19 812)	(18 010)	6 151	8 044	258 157	207 693	234 530	–	–
Total By Customer Group	2 055 157	248 225	226 206	196 800	(1 644)	124 119	858 409	3 945 487	7 652 759	5 123 171	–	–

Investment portfolio

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.

Investments by maturity Name of institution & investment ID R thousands	Period of Investment Days	Type of Investment	Interest Rate	Expiry date of investment	Opening Balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
ABSA Bank	52	Fixed	3.80%	2022/01/07	15 000	48	–	–	15 048
ABSA Bank	51	Fixed	3.80%	2022/01/07	15 000	48	–	–	15 048
ABSA Bank	50	Fixed	3.80%	2022/01/07	10 000	32	–	–	10 032
ABSA Bank	49	Fixed	4.00%	2022/01/07	25 000	85	–	–	25 085
ABSA Bank	53	Fixed	3.95%	2022/01/14	40 000	134	–	–	40 134
ABSA Bank	52	Fixed	3.95%	2022/01/14	25 000	84	–	–	25 084
ABSA Bank	45	Fixed	3.95%	2022/01/14	20 000	67	–	–	20 067
ABSA Bank	43	Fixed	3.95%	2022/01/14	60 000	195	–	–	60 195
ABSA Bank	42	Fixed	3.95%	2022/01/14	40 000	126	–	–	40 126
ABSA Bank	42	Fixed	3.95%	2022/01/14	40 000	126	–	–	40 126
ABSA Bank	74	Fixed	4.10%	2022/02/15	165 000	537	–	–	165 537
ABSA Bank	50	Fixed	4.00%	2022/01/27	175 000	460	–	–	175 460
ABSA Bank	79	Fixed	4.05%	2022/02/25	115 000	306	–	–	115 306
ABSA Bank	43	Fixed	3.95%	2022/01/21	40 000	100	–	–	40 100
ABSA Bank	64	Fixed	4.00%	2022/02/15	30 000	62	–	–	30 062
ABSA Bank	52	Fixed	3.95%	2022/02/04	25 000	49	–	–	25 049
ABSA Bank	56	Fixed	4.00%	2022/02/11	25 000	41	–	–	25 041
ABSA Bank	56	Fixed	4.00%	2022/02/11	25 000	41	–	–	25 041
ABSA Bank	85	Fixed	4.20%	2022/03/15	20 000	28	–	–	20 028
ABSA Bank	85	Fixed	4.20%	2022/03/15	20 000	28	–	–	20 028
ABSA Bank	85	Fixed	4.20%	2022/03/15	35 000	48	–	–	35 048
ABSA Bank	69	Fixed	4.15%	2022/02/28	15 000	19	–	–	15 019
ABSA Bank	37	Fixed	4.00%	2022/01/28	40 000	44	–	–	40 044
ABSA Bank	67	Fixed	4.10%	2022/02/28	10 000	10	–	–	10 010
ABSA Bank	81	Fixed	4.10%	2022/03/15	40 000	36	–	–	40 036
ABSA Bank	81	Fixed	4.10%	2022/03/15	30 000	27	–	–	30 027
ABSA Bank	34	Fixed	3.95%	2022/01/31	30 000	13	–	–	30 013
ABSA Bank	51	Fixed	4.00%	2022/02/18	40 000	13	–	–	40 013
Firststrand	52	Fixed	4.06%	2022/01/07	40 000	138	–	–	40 138
Firststrand	51	Fixed	4.06%	2022/01/07	15 000	52	–	–	15 052
Firststrand	50	Fixed	4.05%	2022/01/07	15 000	52	–	–	15 052
Firststrand	49	Fixed	4.23%	2022/01/07	30 000	108	–	–	30 108
Firststrand	53	Fixed	4.26%	2022/01/14	50 000	181	–	–	50 181
Firststrand	52	Fixed	4.26%	2022/01/14	20 000	72	–	–	20 072
Firststrand	45	Fixed	4.15%	2022/01/14	60 000	211	–	–	60 211
Firststrand	45	Fixed	4.15%	2022/01/14	50 000	176	–	–	50 176
Firststrand	45	Fixed	4.15%	2022/01/14	25 000	88	–	–	25 088
Firststrand	45	Fixed	4.15%	2022/01/14	20 000	70	–	–	20 070
Firststrand	43	Fixed	4.15%	2022/01/14	70 000	239	–	–	70 239
Firststrand	42	Fixed	4.14%	2022/01/14	45 000	148	–	–	45 148
Firststrand	42	Fixed	4.14%	2022/01/14	40 000	132	–	–	40 132
Firststrand	74	Fixed	4.33%	2022/02/15	165 000	568	–	–	165 568
Firststrand	50	Fixed	4.10%	2022/01/27	190 000	512	–	–	190 512
Firststrand	79	Fixed	4.31%	2022/02/25	120 000	340	–	–	120 340
Firststrand	43	Fixed	4.09%	2022/01/21	40 000	103	–	–	40 103
Firststrand	64	Fixed	4.28%	2022/02/15	30 000	67	–	–	30 067
Firststrand	52	Fixed	4.12%	2022/02/04	30 000	61	–	–	30 061

Table continues on next page.

City of Cape Town: S52 Annexure A – 2022 Q2 (December 2021)

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Interest Rate	Expiry date of investment	Opening Balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
R thousands	Days								
Firststrand	56	Fixed	4.13%	2022/02/11	25 000	42	–	–	25 042
Firststrand	56	Fixed	4.13%	2022/02/11	25 000	42	–	–	25 042
Firststrand	85	Fixed	4.34%	2022/03/15	35 000	50	–	–	35 050
Firststrand	85	Fixed	4.34%	2022/03/15	55 000	78	–	–	55 078
Firststrand	85	Fixed	4.34%	2022/03/15	30 000	43	–	–	30 043
Firststrand	69	Fixed	4.30%	2022/02/28	15 000	19	–	–	15 019
Firststrand	37	Fixed	4.08%	2022/01/28	40 000	45	–	–	40 045
Firststrand	67	Fixed	4.29%	2022/02/28	15 000	16	–	–	15 016
Firststrand	81	Fixed	4.33%	2022/03/15	10 000	9	–	–	10 009
Firststrand	81	Fixed	4.33%	2022/03/15	35 000	33	–	–	35 033
Firststrand	34	Fixed	4.08%	2022/01/31	35 000	16	–	–	35 016
Firststrand	51	Fixed	4.20%	2022/02/18	40 000	14	–	–	40 014
Investec Bank	52	Fixed	3.75%	2022/01/07	40 000	127	–	–	40 127
Investec Bank	51	Fixed	3.75%	2022/01/07	10 000	32	–	–	10 032
Investec Bank	49	Fixed	3.75%	2022/01/07	35 000	111	–	–	35 111
Investec Bank	53	Fixed	3.95%	2022/01/14	30 000	101	–	–	30 101
Investec Bank	52	Fixed	3.95%	2022/01/14	10 000	34	–	–	10 034
Investec Bank	45	Fixed	3.90%	2022/01/14	10 000	33	–	–	10 033
Investec Bank	43	Fixed	3.90%	2022/01/14	25 000	80	–	–	25 080
Investec Bank	42	Fixed	3.90%	2022/01/14	15 000	46	–	–	15 046
Investec Bank	42	Fixed	3.90%	2022/01/14	15 000	46	–	–	15 046
Investec Bank	74	Fixed	4.00%	2022/02/15	70 000	222	–	–	70 222
Investec Bank	50	Fixed	3.95%	2022/01/27	130 000	338	–	–	130 338
Investec Bank	43	Fixed	3.90%	2022/01/21	15 000	37	–	–	15 037
Investec Bank	52	Fixed	3.90%	2022/02/04	20 000	38	–	–	20 038
Investec Bank	56	Fixed	3.90%	2022/02/11	10 000	16	–	–	10 016
Investec Bank	56	Fixed	3.90%	2022/02/11	10 000	16	–	–	10 016
Investec Bank	85	Fixed	4.10%	2022/03/15	25 000	34	–	–	25 034
Investec Bank	85	Fixed	4.10%	2022/03/15	15 000	20	–	–	15 020
Investec Bank	37	Fixed	3.83%	2022/01/28	20 000	21	–	–	20 021
Investec Bank	81	Fixed	4.00%	2022/03/15	20 000	18	–	–	20 018
Investec Bank	81	Fixed	4.00%	2022/03/15	20 000	18	–	–	20 018
Investec Bank	81	Fixed	4.00%	2022/03/15	10 000	9	–	–	10 009
Investec Bank	34	Fixed	3.88%	2022/01/31	10 000	4	–	–	10 004
Investec Bank	51	Fixed	3.93%	2022/02/18	15 000	5	–	–	15 005
Nedbank	428	Fixed	4.70%	2022/06/30	21 550	86	–	–	21 636
Nedbank	426	Fixed	4.70%	2022/06/30	165	1	–	–	166
Nedbank	426	Fixed	4.70%	2022/06/30	62 100	248	–	–	62 348
Nedbank	426	Fixed	4.70%	2022/06/30	13 900	55	–	–	13 955
Nedbank	365	Fixed	4.65%	2022/06/30	715	3	–	–	718
Nedbank	365	Fixed	4.65%	2022/06/30	590	2	–	–	592
Nedbank	365	Fixed	4.65%	2022/06/30	290	1	–	–	291
Nedbank	365	Fixed	4.65%	2022/06/30	1 479	6	–	–	1 485
Nedbank	52	Fixed	3.65%	2022/01/07	45 000	140	–	–	45 140
Nedbank	51	Fixed	3.65%	2022/01/07	15 000	47	–	–	15 047
Nedbank	50	Fixed	3.65%	2022/01/07	10 000	31	–	–	10 031
Nedbank	49	Fixed	3.85%	2022/01/07	15 000	49	–	–	15 049
Nedbank	53	Fixed	3.85%	2022/01/14	40 000	131	–	–	40 131
Nedbank	52	Fixed	3.85%	2022/01/14	20 000	65	–	–	20 065
Nedbank	45	Fixed	3.85%	2022/01/14	15 000	49	–	–	15 049
Nedbank	43	Fixed	3.85%	2022/01/14	50 000	158	–	–	50 158
Nedbank	42	Fixed	3.85%	2022/01/14	40 000	122	–	–	40 122
Nedbank	42	Fixed	3.85%	2022/01/14	30 000	92	–	–	30 092
Nedbank	74	Fixed	3.95%	2022/02/15	140 000	439	–	–	140 439
Nedbank	50	Fixed	3.85%	2022/01/27	145 000	367	–	–	145 367
Nedbank	79	Fixed	3.95%	2022/02/25	120 000	312	–	–	120 312
Nedbank	43	Fixed	3.85%	2022/01/21	30 000	73	–	–	30 073

Table continues on next page.

City of Cape Town: S52 Annexure A – 2022 Q2 (December 2021)

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Interest Rate	Expiry date of investment	Opening Balance	Interest to be realised	Partial / Premature Withdrawal	Investment Top Up	Closing Balance
R thousands	Days								
Nedbank	64	Fixed	3.90%	2022/02/15	30 000	61	–	–	30 061
Nedbank	52	Fixed	3.85%	2022/02/04	20 000	38	–	–	20 038
Nedbank	56	Fixed	3.90%	2022/02/11	30 000	48	–	–	30 048
Nedbank	56	Fixed	3.90%	2022/02/11	20 000	32	–	–	20 032
Nedbank	56	Fixed	3.90%	2022/02/11	25 000	40	–	–	25 040
Nedbank	85	Fixed	3.95%	2022/03/15	20 000	26	–	–	20 026
Nedbank	85	Fixed	3.95%	2022/03/15	20 000	26	–	–	20 026
Nedbank	85	Fixed	3.95%	2022/03/15	20 000	26	–	–	20 026
Nedbank	69	Fixed	3.90%	2022/02/28	20 000	24	–	–	20 024
Nedbank	37	Fixed	3.80%	2022/01/28	35 000	36	–	–	35 036
Nedbank	81	Fixed	3.95%	2022/03/15	15 000	13	–	–	15 013
Nedbank	81	Fixed	3.95%	2022/03/15	25 000	22	–	–	25 022
Nedbank	81	Fixed	3.95%	2022/03/15	25 000	22	–	–	25 022
Nedbank	34	Fixed	3.80%	2022/01/31	30 000	12	–	–	30 012
Nedbank	51	Fixed	3.85%	2022/02/18	25 000	8	–	–	25 008
Standard Bank	52	Fixed	3.74%	2022/01/07	25 000	79	–	–	25 079
Standard Bank	51	Fixed	3.74%	2022/01/07	15 000	48	–	–	15 048
Standard Bank	50	Fixed	3.74%	2022/01/07	15 000	48	–	–	15 048
Standard Bank	52	Fixed	3.91%	2022/01/14	20 000	66	–	–	20 066
Standard Bank	43	Fixed	3.95%	2022/01/14	60 000	195	–	–	60 195
Standard Bank	42	Fixed	3.95%	2022/01/14	45 000	141	–	–	45 141
Standard Bank	42	Fixed	3.95%	2022/01/14	40 000	126	–	–	40 126
Standard Bank	74	Fixed	4.10%	2022/02/15	155 000	505	–	–	155 505
Standard Bank	50	Fixed	4.05%	2022/01/27	180 000	479	–	–	180 479
Standard Bank	79	Fixed	4.15%	2022/02/25	115 000	314	–	–	115 314
Standard Bank	43	Fixed	4.04%	2022/01/21	40 000	102	–	–	40 102
Standard Bank	64	Fixed	4.06%	2022/02/15	30 000	63	–	–	30 063
Standard Bank	52	Fixed	4.04%	2022/02/04	25 000	50	–	–	25 050
Standard Bank	56	Fixed	4.07%	2022/02/11	25 000	42	–	–	25 042
Standard Bank	56	Fixed	4.07%	2022/02/11	20 000	33	–	–	20 033
Standard Bank	85	Fixed	4.15%	2022/03/15	40 000	55	–	–	40 055
Standard Bank	85	Fixed	4.15%	2022/03/15	80 000	109	–	–	80 109
Standard Bank	85	Fixed	4.15%	2022/03/15	20 000	27	–	–	20 027
Standard Bank	85	Fixed	4.15%	2022/03/15	25 000	34	–	–	25 034
Standard Bank	69	Fixed	4.10%	2022/02/28	20 000	25	–	–	20 025
Standard Bank	37	Fixed	4.03%	2022/01/28	40 000	44	–	–	40 044
Standard Bank	67	Fixed	4.10%	2022/02/28	10 000	10	–	–	10 010
Standard Bank	81	Fixed	4.15%	2022/03/15	20 000	18	–	–	20 018
Standard Bank	81	Fixed	4.15%	2022/03/15	35 000	32	–	–	35 032
Standard Bank	81	Fixed	4.15%	2022/03/15	25 000	23	–	–	25 023
Standard Bank	34	Fixed	4.00%	2022/01/31	35 000	15	–	–	35 015
Standard Bank	51	Fixed	4.05%	2022/02/18	35 000	12	–	–	35 012
ABSA Bank	-	Call deposit	3.75%	-	460 500	1 526	–	–	462 026
Firststrand Bank	-	Call deposit	3.60%	-	280 000	906	–	–	280 906
Investec Bank	-	Call deposit	3.60%	-	120 000	367	–	–	120 367
Nedbank	-	Call deposit	3.60%	-	265 000	823	–	–	265 823
Standard Bank	-	Call deposit	3.75%	-	415 000	1 335	–	–	416 335
Nedbank current account	-	Current account	3.55%	-	107 132	–	–	–	107 132
Fund Managers	-	-	-	-	7 216 930	30 907	–	–	7 247 837
Liberty, RMB and Nedbank sinking fund	-	-	-	-	3 206 389	25 340	–	–	3 231 729
Cash in transit	-	-	-	-	3 696	–	–	20 055	23 750
CTICC	-	-	-	-	250 435	–	–	13 000	263 435
COLD	-	-	-	-	53 092	–	–	(691)	52 401
TOTAL INVESTMENTS AND INTEREST					17 913 963	–	–	32 363	18 021 074

Transfers and grants expenditure

Description	2020/21	Budget Year 2021/22						
	Provisional Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Operating expenditure of Transfers and Grants								
National Government:	4 313 068	4 239 294	4 255 413	304 509	296 254	8 256	2.8%	4 273 650
Local Government Equitable Share	3 509 590	3 215 174	3 215 174	–	–	–	–	3 215 174
Finance Management grant	1 000	1 000	1 000	796	761	35	4.6%	1 000
Urban Settlements Development Grant	202 546	219 147	219 147	48 064	60 182	(12 119)	-20.1%	233 182
Energy Efficiency and Demand Side Management Grant	818	800	800	490	274	216	79.0%	1 085
Dept. of Environ Affairs and Tourism	394	220	220	–	–	–	–	220
Expanded Public Works Programme	51 156	49 072	49 072	22 362	16 539	5 823	35.2%	49 072
Public Transport Infrastructure & Systems Grant	25 679	38 640	45 360	1 012	4 123	(3 111)	-75.5%	25 894
Infrastructure Skills Development	8 289	11 000	11 000	4 185	4 975	(790)	-15.9%	11 000
Public Transport Network Grant	451 468	489 103	489 103	206 661	166 473	40 188	24.1%	528 888
Neighborhood Development Partnership Grant	1 394	5 000	5 000	–	–	–	–	227
Informal Settlements Upgrading Partnership Grant	10 113	76 143	76 143	1 887	6 500	(4 613)	-71.0%	64 514
National Skills Fund	16 061	46 276	55 675	8 145	16 429	(8 284)	-50.4%	55 675
National Treasury General Budget Support	–	16 829	16 829	5 329	5 319	9	0.2%	16 829
Integrated City Development Grant	21 014	–	–	–	–	–	–	–
Peninsula Wetlands Rehabilitation Project	994	–	–	–	–	–	–	–
Philippi Agri Hub	12 551	–	–	–	–	–	–	–
Programme And Project Preparation Support Grant	–	70 890	70 890	5 578	14 678	(9 100)	-62.0%	70 890
Provincial Government:	1 049 044	1 371 012	1 398 973	312 204	550 630	(238 426)	-43.3%	1 431 513
Cultural Affairs and Sport - Provincial Library Services	50 635	43 116	43 116	28 679	22 835	5 843	25.6%	46 926
Cultural Affairs and Sport - Library Services: Transfer funding to enable City of Cape Town to procure periodicals and newspapers	1 073	5 338	5 338	5 195	152	5 042	3310.8%	5 368
Human Settlements - Human Settlement Development Grant	280 951	262 554	288 869	73 369	108 877	(35 507)	-32.6%	348 158
Health - TB	32 138	87 317	87 317	12 359	12 359	–	–	32 715
Health - ARV	278 156	300 230	300 230	130 756	161 196	(30 440)	-18.9%	300 980
Health - Nutrition	5 551	6 664	6 664	1 555	3 260	(1 705)	-52.3%	6 664
Health - Vaccines	112 115	91 661	91 661	52 935	45 831	7 104	15.5%	114 134
Comprehensive Health	2 465	173 489	173 489	–	–	–	–	205 618
LEAP	256 667	350 000	350 000	2 981	180 077	(177 096)	-98.3%	319 478
Transport and Public Works - Provision for persons with special needs	10 102	10 000	10 000	–	6 000	(6 000)	-100.0%	10 019
Economic Development and Tourism: Public Access Centres TSLE	–	5 480	5 480	17	2 515	(2 498)	-99.3%	3 667
Community Safety - Law Enforcement Auxiliary Services	3 474	4 629	4 629	–	2 124	(2 124)	-100.0%	3 429
Community Development Workers	972	1 001	2 647	445	–	445	100.0%	2 647
Finance Management Capacity Building Grant	300	250	250	–	114	(114)	-100.0%	250
Transport Safety and Compliance - Rail Safety	–	19 000	19 000	–	–	–	–	21 000
Tourism Safety Law Enforcement Unit	3 521	–	–	–	–	–	–	–
Establishment and Support K9 unit	1 968	2 783	2 783	–	1 392	(1 392)	-100.0%	1 589
Municipal accreditation and capacity building grant	8 954	7 500	7 500	3 914	3 900	14	0.37%	8 871
Other grant providers:	7 414	36 625	36 643	2 831	11 209	(8 378)	-74.7%	25 480
CMTF	1 428	15 400	15 400	2 045	4 920	(2 875)	-58.4%	13 500
CID	4 933	2 052	2 052	407	1 026	(619)	-60.3%	5 144
Century City	–	618	618	309	309	–	–	618
Westcott Primary School - Traffic Attendant	50	43	43	22	22	–	–	53
Rustenberg Junior Girls School - Traffic Attendant	50	43	43	22	22	–	–	53
V&A Waterfront: Traffic Officer	854	–	–	–	–	–	–	–
KFW- Technical Assistance (GDB)	–	15 000	15 000	–	3 500	(3 500)	-100.0%	5 000
Orio	–	3 421	3 421	–	1 368	(1 368)	-100.0%	969
Forres Prep School	24	19	19	9	9	–	–	43
Regional Tourism	(30)	–	–	–	–	–	–	–
University of Connecticut	52	–	18	–	18	(18)	-100.0%	18
The Cape Academy for MST	54	29	29	17	15	2	16.7%	82
Total Operating Transfers and Grants	5 369 525	5 646 931	5 691 030	619 545	858 093	(238 548)	-27.80%	5 730 643

Table continues on next page.

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Description	2020/21	Budget Year 2021/22						
	Provisional Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Capital expenditure of Transfers and Grants								
National Government:	1 602 827	3 050 778	3 050 778	612 492	624 980	(12 488)	-2.00%	1 705 261
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	8 170	9 200	9 200	4 702	6 304	(1 602)	-25.4%	8 915
National Treasury: Expanded Public Works Programme	1 171	700	700	312	185	127	68.7%	700
National Treasury: Informal Settlements Upgrading Partnership Grant: Municipalities	265 251	441 997	441 997	183 657	169 588	14 069	8.3%	453 626
National Treasury: Infrastructure Skills Development Grant	863	1 000	1 000	74	800	(726)	-90.8%	1 137
National Treasury: Local Government Restructuring Grant	276	60	60	—	—	—	-	60
National Treasury: Neighbourhood Development Partnership Grant	11 288	45 000	45 000	4 847	14 001	(9 154)	-65.4%	10 172
National Treasury: Public Transport Network: Budget Facility for Infrastructure Grant	290 583	1 433 000	1 433 000	38 201	73 003	(34 802)	-47.7%	93 000
National Treasury: Urban Settlements Development Grant	747 706	753 284	753 284	296 379	205 052	91 326	44.5%	791 491
National Treasury: Integrated City Development Grant	40 410	—	—	—	—	—	-	4 023
National Treasury: Municipal Disaster Recovery Grant	(30)	—	—	—	—	—	-	—
Transport: Public Transport Network Grant	237 139	366 537	366 537	84 322	156 047	(71 725)	-46.0%	342 137
Provincial Government:	13 875	15 866	15 866	2 817	3 305	(488)	-14.76%	5 816
Cultural Affairs and Sport: Library Services: Metro Library Grant	11 404	5 400	5 400	2 817	2 040	777	38.10%	5 816
Communitiy Safety: Amarok	679	—	—	—	—	—	-	—
Tourism Safety Law Enforcement Unit	1 312	—	—	—	—	—	-	—
Housing: Integrated Housing and Human Settlement Development Grant	478	10 466	10 466	—	1 265	(1 265)	-100.0%	—
Other grant providers:	184 510	72 198	72 198	21 870	33 785	(11 916)	-35.27%	59 081
Other: Other	184 510	72 198	72 198	21 870	33 785	(11 916)	-35.3%	59 081
Total capital expenditure of Transfers and Grants	1 801 212	3 138 842	3 138 842	637 179	662 070	(24 891)	-3.76%	1 770 158
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	7 170 737	8 785 773	8 829 872	1 256 724	1 520 163	(263 439)	-17.3%	7 500 801

Expenditure on councillor and board members' allowances and employee benefits***Councillor and staff benefits***

Summary of Employee and Councillor remuneration	2020/21	Budget Year 2021/22						
	Provisional Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<u>Councillors (Political Office Bearers plus Other)</u>								
Basic Salaries and Wages	143 109	154 911	154 911	68 691	70 940	(2 249)	-3.2%	154 911
Pension and UIF Contributions	5 175	6 358	6 358	1 945	3 179	(1 234)	-38.8%	6 358
Motor Vehicle Allowance	471	638	638	171	319	(148)	-46.3%	638
Cellphone Allowance	9 335	9 544	9 544	4 641	4 772	(131)	-2.7%	9 544
Other benefits and allowances	8 328	8 376	8 376	4 087	4 188	(101)	-2.4%	8 376
Sub Total - Councillors	166 417	179 826	179 826	79 535	83 398	(3 863)	-4.6%	179 826
% increase		8.1%	8.1%					8.1%
<u>Senior Managers of the Municipality</u>								
Basic Salaries and Wages	27 729	30 393	30 393	10 340	13 875	(3 535)	-25.48%	27 534
Pension and UIF Contributions	925	2 901	2 901	830	1 450	(620)	-42.76%	2 405
Medical Aid Contributions	84	188	188	65	94	(29)	-31.11%	166
Motor Vehicle Allowance	536	444	444	196	222	(26)	-11.83%	431
Cellphone Allowance	261	297	297	80	317	(237)	-74.71%	267
Other benefits and allowances	39	42	42	22	20	2	10.63%	41
Sub Total - Senior Managers of Municipality	29 575	34 265	34 265	11 533	15 978	(4 445)	-27.8%	30 844
% increase		15.9%	15.9%					4.3%
<u>Other Municipal Staff</u>								
Basic Salaries and Wages	9 816 836	10 836 321	10 831 282	5 472 198	5 496 543	(24 344)	-0.4%	10 726 148
Pension and UIF Contributions	1 506 502	1 836 528	1 827 020	790 339	890 403	(100 064)	-11.2%	1 723 412
Medical Aid Contributions	897 200	945 285	954 636	460 796	476 955	(16 159)	-3.4%	955 109
Overtime	942 386	838 145	836 273	384 239	345 953	38 285	11.1%	941 212
Motor Vehicle Allowance	211 641	232 146	232 814	109 917	114 608	(4 690)	-4.1%	235 897
Cellphone Allowance	36 809	32 144	33 057	16 955	16 534	422	2.5%	35 727
Housing Allowances	69 198	68 776	68 764	29 379	34 869	(5 490)	-15.7%	68 316
Other benefits and allowances	323 396	319 830	328 337	178 657	160 643	18 014	11.2%	362 471
Payments in lieu of leave	203 383	95 681	99 187	73 580	47 263	26 317	55.7%	115 019
Long service awards	75 562	81 383	81 383	529	30 682	(30 153)	-98.3%	77 613
Post-retirement benefit obligations	995 534	292 006	292 006	143 582	139 222	4 360	3.13%	577 838
Sub Total - Other Municipal Staff	15 078 447	15 578 245	15 584 760	7 660 172	7 753 675	(93 503)	-1.21%	15 818 763
% increase		3.3%	3.4%					4.9%
Total Parent Municipality	15 274 440	15 792 336	15 798 851	7 751 239	7 853 050	(101 811)	-1.3%	16 029 433

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 Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Councillors (Political Office Bearers plus Other)</u>				
Basic Salaries and Wages	(2 249)	-3.2%	Immaterial variance.	-
Pension and UIF	(1 234)	-38.8%	Immaterial variance.	-
Medical Aid Contributions	-	-	-	-
Motor Vehicle Allowance	(148)	-46.3%	Immaterial variance.	-
Cellphone Allowance	(131)	-2.7%	Immaterial variance.	-
Housing Allowances	-	-	-	-
Other benefits and allowances	(101)	-2.4%	Immaterial variance.	-
<u>Senior Managers of the Municipality</u>				
Basic Salaries and Wages	(3 535)	-25.5%	The variance is mainly due to five (5) unfilled senior management positions.	The process to fill these vacancies will commence in January 2022.
Pension and UIF	(620)	-42.8%	Immaterial variance.	-
Medical Aid Contributions	(29)	-31.1%	Immaterial variance.	-
Motor Vehicle Allowance	(26)	-11.8%	Immaterial variance.	-
Cellphone Allowance	(237)	-74.7%	Immaterial variance.	-
Other benefits and Payments in lieu of leave	2	10.6%	Immaterial variance.	-
	-	-	-	-
<u>Other Municipal Staff</u>				
Basic Salaries and Wages	(24 344)	-0.4%	Immaterial variance.	The City had 3819 vacancies as at 31 December 2021; 2461 positions were filled (955 internal, 391 external & 1115 rehired) with 1053 terminations processed since the beginning of the financial year.
Pension and UIF Contributions	(100 064)	-11.2%	The variance is mainly due to the turnaround time in filling vacancies and the internal filling of vacancies.	Filling of vacancies is on-going.
Medical Aid Contributions	(16 159)	-3.4%	Immaterial variance.	-
Overtime	38 285	11.1%	The variance is mainly within the Water & Sanitation directorate and is due to emergency overtime worked by staff within the Reticulation section as a result of the unavailability of a maintenance tender requiring internal staff to perform the work.	The budget provision will be increased in the January 2022 adjustments budget.

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Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Motor Vehicle Allowance	(4 690)	-4.1%	Immaterial variance.	-
Cellphone Allowance	422	2.5%	Immaterial variance.	-
Housing Allowances	(5 490)	-15.7%	The variance is mainly due to the turnaround time in filling vacancies and the internal filling of vacancies.	Filling of vacancies is on-going.
Other benefits and allowances	18 014	11.2%	The variance reflects against the following benefits and allowances: 1. Standby Allowances mainly within the following directorates: a) Safety & Security, as more staff were on standby due to capacity constraints; and b) Transport, due to more than anticipated expenditure to date. 2. Group Life Insurance Employers Contributions, due to the increase in premiums.	The budget provision will be increased in the January 2022 adjustments budget.
Payments in lieu of leave	26 317	55.7%	The variance is due to once-off payments in lieu of leave to employees who retired and resigned, which is difficult to plan accurately per monthly cycles. In addition, a portion relating to the payout of leave conversion of long service awards must still be reposted to the correct GL account.	The expenditure relating to the leave payout of long service awards will be reposted before financial year-end closure.
Long service awards	(30 153)	-98.3%	Payments are dependent on when qualifying employees exercise their option to convert leave days to cash, which is difficult to plan.	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	4 360	3.1%	Immaterial variance.	-

Monthly actual and targets for cash flow***Actual and revised targets for cash receipts and cash flows***

Description	Budget Year 2021/22												2021/22 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousands															
<u>Cash Receipts By Source</u>															
Property rates	913 458	921 780	767 156	917 442	751 796	874 047	898 050	884 199	904 522	787 336	869 250	1 055 426	10 544 463	11 070 877	11 593 784
Service charges - electricity revenue	1 379 033	1 446 970	1 509 550	1 388 285	1 279 238	1 245 091	1 218 541	1 230 915	1 315 526	1 148 172	1 308 060	1 107 838	15 577 221	17 396 037	19 458 551
Service charges - water revenue	289 506	196 458	251 290	266 282	262 297	294 230	270 433	320 617	324 898	270 138	292 268	297 876	3 336 294	3 617 473	3 857 775
Service charges - sanitation revenue	119 655	121 315	135 714	141 090	140 605	147 749	127 343	152 543	160 914	126 635	142 864	150 053	1 666 480	1 782 663	1 907 249
Service charges - refuse	113 719	111 767	111 774	114 709	113 428	124 965	87 715	87 367	94 395	85 785	92 088	(107 003)	1 030 708	1 168 697	1 294 750
Rental of facilities and equipment	18 880	18 681	20 007	17 563	29 684	25 980	19 722	20 343	21 776	17 958	19 599	46 483	276 675	274 047	286 392
Interest earned - external investments	91 274	76 765	72 796	77 118	79 961	81 549	71 325	62 178	74 229	76 854	78 613	53 260	895 923	912 415	884 108
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	17 150	17 604	21 338	18 919	22 158	20 872	20 459	20 955	21 951	16 433	18 410	33 827	250 075	249 835	250 278
Licences and permits	12 420	48 664	12 179	39 425	41 968	37 722	4 407	6 189	4 711	4 453	5 125	(147 233)	70 030	70 197	73 355
Agency services	-	-	-	-	-	-	17 181	24 126	18 364	17 359	19 980	172 481	269 491	282 544	305 147
Transfers and Subsidies - Operational	1 509 068	139 113	97 854	-	-	1 071 725	32 017	991 532	1 268 187	11 390	8 905	940 451	6 070 243	5 774 670	5 357 558
Other revenue	138 238	1 343 654	77 617	235 985	204 641	1 043 440	57 020	18 468	990 468	5 511	11 030	(932 070)	3 194 002	3 338 795	3 362 991
Cash Receipts by Source	4 602 401	4 442 771	3 077 275	3 216 819	2 925 776	4 967 372	2 824 212	3 819 432	5 199 942	2 568 024	2 866 191	2 671 389	43 181 603	45 938 250	48 631 939
<u>Other Cash Flows by Source</u>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 032 862	-	-	76 983	476 451	93 850	85 707	290 497	691 783	25 743	6 615	(836 522)	1 943 969	3 101 792	3 023 885
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	54 741	54 741	54 331	56 776
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	1 200 000	1 200 000	4 500 000	7 000 000
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	87 669	87 669	104 605	151 802
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	(3)	(3)	94	94
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	(332 578)	(332 578)	633 780	909 552
Total Cash Receipts by Source	5 635 263	4 442 771	3 077 275	3 293 802	3 402 227	5 061 222	2 909 919	4 109 929	5 891 725	2 593 767	2 872 807	2 844 697	46 135 402	54 332 852	59 774 047

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City of Cape Town: S52 Annexure A – 2022 Q2 (December 2021)

Description	Budget Year 2021/22												2021/22 Medium Term Revenue & Expenditure Framework		
	July Outcome	August Outcome	Sept Outcome	October Outcome	Nov Outcome	Dec Outcome	January Budget	Feb Budget	March Budget	April Budget	May Budget	June Budget	Budget Year 2021/22	Budget Year +1 2022/23	Budget Year +2 2023/24
R thousands															
Cash Payments by Type															
Employee related costs	996 142	1 145 626	1 170 139	1 197 904	1 777 655	1 503 820	1 251 468	1 282 261	1 280 217	1 297 737	1 269 753	1 313 871	15 486 593	16 148 490	16 615 073
Remuneration of councillors	12 972	13 123	13 101	13 038	11 409	11 803	14 363	18 454	14 914	14 923	15 901	25 394	179 396	187 739	196 375
Interest paid	33 081	–	143 933	–	43 865	134 578	30 510	–	141 121	–	41 424	133 833	702 345	1 050 657	1 112 246
Bulk purchases - Electricity	1 123 945	1 375 670	1 499 975	866 732	832 413	816 545	751 761	792 151	761 484	789 312	749 932	858 981	11 218 900	12 669 659	14 354 724
Acquisitions - water & other inventory	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services	–	–	–	–	–	–	500 917	503 097	675 961	705 692	504 416	5 256 939	8 147 022	7 586 651	7 861 893
Grants and subsidies paid - other municipalities	–	–	–	–	–	–	32 477	32 618	43 825	45 753	32 703	373 759	561 134	404 613	362 078
Grants and subsidies paid - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
General expenses	2 472 879	750 511	607 918	1 389 203	904 301	1 290 759	133 111	133 690	179 625	187 526	134 040	(3 827 255)	4 356 308	4 444 641	4 644 848
Cash Payments by Type	4 639 019	3 284 929	3 435 066	3 466 877	3 569 643	3 757 506	2 714 606	2 762 271	3 097 147	3 040 942	2 748 170	4 135 521	40 651 698	42 492 450	45 147 237
Other Cash Flows/Payments by Type															
Capital assets	608 315	179 192	272 127	333 264	288 316	454 590	305 409	417 853	641 846	623 677	849 521	1 121 005	6 095 115	9 033 880	11 621 478
Repayment of borrowing	50 000	–	79 481	–	42 933	13 333	50 000	–	79 481	–	42 933	13 333	371 495	1 588 161	1 924 828
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	5 297 334	3 464 121	3 786 674	3 800 141	3 900 892	4 225 429	3 070 015	3 180 124	3 818 474	3 664 619	3 640 625	5 269 860	47 118 308	53 114 492	58 693 543
NET INCREASE/(DECREASE) IN CASH HELD	337 929	978 650	(709 398)	(506 339)	(498 665)	835 793	(160 096)	929 804	2 073 251	(1 070 852)	(767 818)	(2 425 163)	(982 906)	1 218 360	1 080 505
Cash/cash equivalents at the month/year beginning:	8 126 100	8 464 029	9 442 679	8 733 280	8 226 942	7 728 277	8 564 070	8 403 973	9 333 778	11 407 028	10 336 176	9 568 358	8 126 100	7 143 195	8 361 555
Cash/cash equivalents at the month/year end:	8 464 029	9 442 679	8 733 280	8 226 942	7 728 277	8 564 070	8 403 973	9 333 778	11 407 028	10 336 176	9 568 358	7 143 195	7 143 195	8 361 555	9 442 059

Capital expenditure trend

Month	2020/21	Budget Year 2021/22						
	Provisional Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands								
Monthly expenditure performance trend								
July	165 244	138 042	112 465	36 569	112 465	(75 896)	-67.5%	0.4%
August	465 478	272 138	311 172	256 369	423 637	167 268	39.5%	3.1%
September	526 381	413 626	522 602	587 834	946 239	358 404	37.9%	7.1%
October	526 124	514 542	554 293	997 308	1 500 531	503 223	33.5%	12.0%
November	597 685	539 338	516 642	1 428 559	2 017 173	588 615	29.2%	17.2%
December	626 979	440 569	468 523	1 887 443	2 485 696	598 253	24.1%	22.7%
January	161 229	265 378	272 429	-	2 758 125	-	-	-
February	404 334	538 927	561 686	-	3 319 812	-	-	-
March	561 530	650 180	719 605	-	4 039 417	-	-	-
April	467 049	606 381	641 645	-	4 681 062	-	-	-
May	533 478	726 125	802 323	-	5 483 384	-	-	-
June	1 492 962	3 209 522	3 345 297	-	8 828 682	-	-	-
Total Capital expenditure	6 528 474	8 314 767	8 828 682					

Capital expenditure on new assets by asset class

Description	2020/21	Budget Year 2021/22						
	Provisional Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Capital expenditure on new assets by Asset Class/Sub-class								
Infrastructure	2 146 176	3 402 667	3 378 438	546 163	809 912	(263 749)	-32.6%	1 742 449
Roads Infrastructure	488 593	1 761 663	1 697 116	115 717	168 193	(52 477)	-31.2%	398 422
Roads	488 593	1 760 464	1 690 433	115 717	164 494	(48 777)	-29.7%	392 938
Road Structures	–	1 199	6 683	–	3 699	(3 699)	-100.0%	5 484
Storm water Infrastructure	113 152	147 168	105 439	31 316	33 347	(2 031)	-6.1%	124 928
Drainage Collection	113 152	147 168	105 439	31 316	33 347	(2 031)	-6.1%	124 928
Electrical Infrastructure	398 082	317 389	330 270	88 100	127 984	(39 884)	-31.2%	277 179
HV Substations	342 824	266 925	279 805	85 304	106 808	(21 504)	-20.1%	244 019
LV Networks	55 258	50 465	50 465	2 796	21 176	(18 379)	-86.8%	33 160
Water Supply Infrastructure	634 995	459 177	493 379	217 753	214 486	3 267	1.5%	520 002
Reservoirs	416 227	236 676	296 096	144 808	150 876	(6 067)	-4.0%	313 496
Water Treatment Works	–	3 000	3 000	72	1 500	(1 428)	-95.20%	3 000
Bulk Mains	46 459	46 000	41 700	23 604	15 700	7 904	50.3%	51 438
Distribution	172 310	173 501	152 583	49 268	46 410	2 858	6.2%	152 068
Sanitation Infrastructure	264 910	279 760	280 134	50 353	83 515	(33 161)	-39.7%	249 095
Reticulation	99 197	116 781	89 604	26 974	26 778	195	0.7%	101 126
Waste Water Treatment Works	165 713	162 979	190 530	23 380	56 736	(33 357)	-58.8%	147 969
Solid Waste Infrastructure	213 265	376 760	419 474	34 644	173 544	(138 900)	-80.0%	122 226
Landfill Sites	213 265	376 760	419 474	34 644	173 544	(138 900)	-80.0%	122 226
Coastal Infrastructure	305	2 000	2 031	–	–	–	–	–
Promenades	305	2 000	2 031	–	–	–	–	–
Information and Communication Infrastructure	32 875	58 749	50 597	8 280	8 843	(563)	-6.4%	50 597
Data Centres	34 115	48 379	41 555	7 716	6 834	882	12.9%	41 555
Core Layers	(1 240)	7 870	6 542	456	2 009	(1 553)	-77.3%	6 542
Distribution Layers	–	2 500	2 500	108	–	108	100.0%	2 500
Community Assets	224 792	277 364	288 801	77 835	132 926	(55 091)	-41.4%	225 945
Community Facilities	224 025	273 364	283 801	77 835	132 926	(55 091)	-41.4%	225 945
Halls	53	60	118	44	60	(16)	-26.7%	118
Centres	–	2	1 116	–	–	–	–	–
Clinics/Care Centres	19 212	21 259	19 308	9 974	12 344	(2 370)	-19.2%	18 531
Fire/Ambulance Stations	210	4 000	4 000	–	–	–	–	–
Theatres	–	–	–	–	–	–	–	–
Libraries	–	10 141	10 141	7 140	6 641	498	7.5%	10 121
Cemeteries/Crematoria	2 876	–	–	–	–	–	–	–
Public Open Space	232	–	6	–	6	(6)	-100.0%	106
Nature Reserves	15 448	14 302	22 954	7 153	11 519	(4 366)	-37.9%	17 786
Markets	219	1 150	1 704	–	750	(750)	-100.0%	1 454
Taxi Ranks/Bus Terminals	185 774	222 450	224 453	53 524	101 606	(48 082)	-47.3%	177 829
Sport and Recreation Facilities	767	4 000	5 000	–	–	–	–	–
Outdoor Facilities	767	4 000	5 000	–	–	–	–	–
Heritage assets	12	–	–	–	–	–	–	–
Other Heritage	12	–	–	–	–	–	–	–
Other assets	97 990	110 371	127 016	16 298	57 696	(41 398)	-71.8%	61 142
Operational Buildings	81 135	98 805	115 450	16 298	55 981	(39 683)	-70.9%	56 810
Municipal Offices	65 988	87 805	97 293	15 583	50 481	(34 898)	-69.1%	46 010
Workshops	15 147	11 000	18 157	715	5 500	(4 785)	-87.0%	10 800
Housing	16 855	11 566	11 566	–	1 715	(1 715)	-100.0%	4 332
Social Housing	16 855	11 566	11 566	–	1 715	(1 715)	-100.0%	4 332
Intangible Assets	15 940	22 798	25 338	2 086	4 180	(2 095)	-50.1%	13 538
Licences and Rights	15 940	22 798	25 338	2 086	4 180	(2 095)	-50.1%	13 538
Water Rights	–	–	–	–	–	–	–	150
Computer Software and Applications	15 940	22 798	25 338	2 086	4 180	(2 095)	-50.1%	13 388
Computer Equipment	131 350	92 870	102 047	11 600	48 174	(36 573)	-75.9%	94 592
Computer Equipment	131 350	92 870	102 047	11 600	48 174	(36 573)	-75.9%	94 592
Furniture and Office Equipment	42 591	25 374	25 136	3 611	7 573	(3 962)	-52.31%	23 904
Furniture and Office Equipment	42 591	25 374	25 136	3 611	7 573	(3 962)	-52.31%	23 904
Machinery and Equipment	169 276	159 721	167 255	31 907	59 855	(27 948)	-46.7%	165 302
Machinery and Equipment	169 276	159 721	167 255	31 907	59 855	(27 948)	-46.7%	165 302
Transport Assets	88 670	92 046	103 896	7 387	30 936	(23 549)	-76.12%	121 018
Transport Assets	88 670	92 046	103 896	7 387	30 936	(23 549)	-76.12%	121 018
Land	6 800	51 785	160 758	87 980	16 271	71 709	440.70%	142 954
Land	6 800	51 785	160 758	87 980	16 271	71 709	440.70%	142 954
Total Capital Expenditure on new assets	2 923 598	4 234 998	4 378 685	784 868	1 167 524	(382 655)	-32.8%	2 590 844

Capital expenditure on renewal of existing assets by asset class

Description	2020/21	Budget Year 2021/22						
	Provisional Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Capital expenditure on renewal of existing assets by Asset Class/Sub-class								
Infrastructure	918 940	1 259 339	1 325 362	362 252	453 107	(90 854)	-20.1%	1 207 362
Roads Infrastructure	101 807	178 832	196 575	69 631	68 623	1 008	1.5%	143 235
Roads	98 331	170 698	187 416	62 318	62 623	(305)	-0.5%	133 535
Road Structures	3 476	8 134	9 158	7 313	6 000	1 313	21.9%	9 700
Storm water Infrastructure	15 931	2 910	7 248	2 829	4 599	(1 770)	-38.5%	6 052
Drainage Collection	15 931	2 910	7 248	2 829	4 599	(1 770)	-38.5%	6 052
Electrical Infrastructure	252 917	434 796	450 908	124 380	178 814	(54 434)	-30.4%	432 102
HV Substations	58 792	106 948	132 560	26 611	49 087	(22 476)	-45.8%	116 654
MV Substations	26 986	44 000	44 000	8 556	14 000	(5 444)	-38.9%	49 100
MV Networks	129 873	209 848	200 348	56 214	86 068	(29 854)	-34.7%	192 348
LV Networks	37 266	74 000	74 000	32 999	29 659	3 340	11.3%	74 000
Water Supply Infrastructure	272 484	359 820	362 602	63 249	133 000	(69 751)	-52.4%	305 684
Reservoirs	–	–	–	–	–	–	–	–
Bulk Mains	88 217	80 000	80 000	22 909	27 000	(4 091)	-15.2%	99 082
Distribution	184 267	279 820	282 602	40 340	106 000	(65 660)	-61.9%	206 602
Sanitation Infrastructure	270 583	276 606	303 349	101 545	66 100	35 446	53.6%	314 808
Pump Station	37 820	27 200	28 559	5 208	6 359	(1 151)	-18.1%	47 234
Reticulation	87 142	216 930	95 839	30 279	42 225	(11 946)	-28.3%	129 403
Waste Water Treatment Works	62 971	32 476	49 619	18 726	17 093	1 633	9.55%	36 553
Outfall Sewers	82 650	–	129 332	47 332	422	46 910	11103.4%	101 618
Information and Communication Infrastructure	5 218	6 375	4 680	618	1 970	(1 352)	-68.6%	5 480
Data Centres	1 216	5 000	2 648	298	977	(679)	-69.5%	2 648
Core Layers	4 002	1 375	2 032	320	993	(673)	-67.8%	2 832
Community Assets	36 990	28 700	28 793	1 986	11 615	(9 629)	-82.9%	36 544
Community Facilities	33 107	22 200	27 201	1 986	11 615	(9 629)	-82.9%	34 952
Halls	916	7 000	10 852	–	4 352	(4 352)	-100.00%	15 967
Centres	–	–	–	–	–	–	–	–
Clinics/Care Centres	652	–	–	–	–	–	–	–
Public Open Space	788	500	586	199	186	13	7.0%	586
Markets	6 392	10 700	10 700	1 655	5 200	(3 545)	-68.2%	15 000
Taxi Ranks/Bus Terminals	24 359	4 000	5 063	133	1 878	(1 745)	-92.9%	3 400
Sport and Recreation Facilities	3 883	6 500	1 592	–	–	–	–	1 592
Outdoor Facilities	3 883	6 500	1 592	–	–	–	–	1 592
Heritage assets	597	744	905	161	161	–	–	905
Monuments	597	744	905	161	161	–	–	905
Other assets	125 389	87 401	99 294	11 012	41 612	(30 600)	-73.5%	97 344
Operational Buildings	17 523	30 272	34 635	6 163	13 115	(6 952)	-53.0%	30 365
Municipal Offices	15 825	28 072	32 440	6 198	13 095	(6 897)	-52.7%	27 152
Workshops	1 482	1 900	1 900	–	–	–	–	1 900
Laboratories	215	300	295	(35)	20	(55)	-275.83%	1 313
Housing	107 866	57 129	64 659	4 849	28 497	(23 648)	-83.0%	66 979
Social Housing	107 866	57 129	64 659	4 849	28 497	(23 648)	-83.0%	66 979
Intangible Assets	9 106	12 000	11 441	1 548	8 981	(7 433)	-82.8%	11 441
Licences and Rights	9 106	12 000	11 441	1 548	8 981	(7 433)	-82.8%	11 441
Computer Software and Applications	9 106	12 000	11 441	1 548	8 981	(7 433)	-82.8%	11 441
Computer Equipment	133 748	61 268	73 552	17 392	41 661	(24 269)	-58.3%	83 363
Computer Equipment	133 748	61 268	73 552	17 392	41 661	(24 269)	-58.3%	83 363
Furniture and Office Equipment	4 982	9 242	7 988	1 285	2 603	(1 318)	-50.6%	11 775
Furniture and Office Equipment	4 982	9 242	7 988	1 285	2 603	(1 318)	-50.6%	11 775
Machinery and Equipment	29 992	95 417	112 789	23 044	26 014	(2 970)	-11.4%	93 241
Machinery and Equipment	29 992	95 417	112 789	23 044	26 014	(2 970)	-11.4%	93 241
Transport Assets	557 974	343 346	380 164	122 736	79 418	43 318	54.5%	426 817
Transport Assets	557 974	343 346	380 164	122 736	79 418	43 318	54.5%	426 817
Total Capital Expenditure on renewal of existing assets	1 817 718	1 897 457	2 040 288	541 417	665 173	(123 756)	-18.6%	1 968 793

Capital expenditure on upgrading of existing assets by asset class

Description	2020/21	Budget Year 2021/22						
	Provisional Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class								
Infrastructure	974 556	1 581 374	1 736 712	434 174	431 352	2 823	0.7%	1 045 541
Roads Infrastructure	135 960	205 028	270 627	73 250	81 586	(8 335)	-10.2%	184 023
Roads	124 517	178 587	239 794	69 401	72 044	(2 643)	-3.7%	163 885
Road Structures	10 049	21 541	25 676	2 583	7 634	(5 052)	-66.2%	14 981
Road Furniture	1 393	4 900	5 157	1 266	1 907	(641)	-33.6%	5 157
Storm water Infrastructure	28 472	141 586	141 104	28 171	21 353	6 818	31.9%	62 104
Drainage Collection	28 472	141 586	141 104	28 171	21 353	6 818	31.9%	62 104
Electrical Infrastructure	5 463	124 430	123 011	30 649	57 224	(26 575)	-46.4%	68 049
HV Substations	5 463	124 430	123 011	30 649	57 224	(26 575)	-46.4%	68 049
Water Supply Infrastructure	56 243	51 972	87 304	39 738	37 243	2 496	6.7%	83 200
Reservoirs	4 518	3 000	22 632	–	11 200	(11 200)	-100.0%	3 200
Distribution	51 725	48 972	64 672	39 738	26 043	13 696	52.6%	80 000
Sanitation Infrastructure	681 675	898 995	941 337	250 852	191 129	59 724	31.2%	569 222
Reticulation	16 353	20 672	32 072	16 903	11 043	5 860	53.1%	32 132
Waste Water Treatment Works	665 323	877 672	908 614	233 950	180 086	53 864	29.9%	536 440
Outfall Sewers	–	651	651	–	–	–	–	651
Solid Waste Infrastructure	46 392	50 949	65 296	2 095	29 341	(27 246)	-92.9%	18 295
Landfill Sites	46 392	50 949	65 296	2 095	29 341	(27 246)	-92.9%	18 295
Coastal Infrastructure	6 857	42 371	44 477	7 311	4 964	2 347	47.3%	13 982
Promenades	6 857	42 371	44 477	7 311	4 964	2 347	47.3%	13 982
Information and Communication Infrastructure	13 493	66 043	63 556	2 107	8 513	(6 405)	-75.2%	46 666
Data Centres	6 132	50 286	42 050	871	1 898	(1 027)	-54.1%	21 660
Core Layers	7 361	15 757	21 506	1 236	6 614	(5 378)	-81.3%	25 006
Community Assets	489 637	274 580	301 484	69 862	115 245	(45 383)	-39.4%	239 060
Community Facilities	189 795	201 035	216 557	56 339	95 543	(39 204)	-41.0%	167 486
Halls	11 960	15 275	20 793	3 313	1 983	1 330	67.1%	6 933
Centres	12 850	7 711	9 368	809	4 163	(3 354)	-80.6%	7 132
Clinics/Care Centres	43 920	35 000	36 918	9 415	21 453	(12 039)	-56.1%	36 206
Fire/Ambulance Stations	1 837	–	–	–	–	–	–	–
Museums	2 391	7 000	7 579	483	2 579	(2 096)	-81.28%	7 579
Theatres	40	–	–	–	–	–	–	–
Libraries	6 974	1 082	1 082	624	–	624	100.0%	1 082
Cemeteries/Crematoria	8 508	7 200	9 748	1 543	3 471	(1 928)	-55.5%	4 621
Public Open Space	57 031	60 910	62 001	26 344	31 352	(5 008)	-16.0%	59 754
Nature Reserves	2 254	6 176	7 456	163	2 450	(2 287)	-93.3%	8 356
Public Ablution Facilities	489	–	2 541	2 226	2 493	(268)	-10.74%	2 541
Taxi Ranks/Bus Terminals	41 541	60 680	59 071	11 420	25 598	(14 179)	-55.4%	33 283
Sport and Recreation Facilities	299 842	73 546	84 927	13 522	19 702	(6 179)	-31.4%	71 574
Indoor Facilities	19 086	15 700	22 122	3 526	4 832	(1 306)	-27.0%	24 219
Outdoor Facilities	280 756	57 846	62 805	9 997	14 870	(4 873)	-32.8%	47 355
Heritage assets	31 715	–	–	–	–	–	–	–
Monuments	31 715	–	–	–	–	–	–	–
Other assets	221 782	268 064	282 349	46 453	91 288	(44 835)	-49.1%	180 899
Operational Buildings	209 083	266 861	280 775	46 433	89 865	(43 432)	-48.3%	179 504
Municipal Offices	121 820	182 776	203 151	30 333	47 894	(17 561)	-36.7%	112 910
Workshops	86 635	83 385	77 625	16 100	41 971	(25 871)	-61.6%	66 594
Training Centres	628	700	–	–	–	–	–	–
Housing	12 699	1 203	1 573	20	1 423	(1 403)	-98.6%	1 396
Social Housing	12 699	1 203	1 573	20	1 423	(1 403)	-98.6%	1 396
Intangible Assets	41 534	6 912	19 316	3 459	7 661	(4 202)	-54.9%	12 602
Licences and Rights	41 534	6 912	19 316	3 459	7 661	(4 202)	-54.9%	12 602
Computer Software and Applications	41 534	6 912	19 316	3 459	7 661	(4 202)	-54.9%	12 602
Computer Equipment	16 487	49 811	67 801	7 029	7 079	(49)	-0.7%	55 326
Computer Equipment	16 487	49 811	67 801	7 029	7 079	(49)	-0.7%	55 326
Furniture and Office Equipment	175	500	502	110	276	(165)	-60.0%	502
Furniture and Office Equipment	175	500	502	110	276	(165)	-60.0%	502
Machinery and Equipment	11 272	1 070	1 544	70	100	(30)	-29.97%	1 548
Machinery and Equipment	11 272	1 070	1 544	70	100	(30)	-29.97%	1 548
Total Capital Expenditure on upgrading of existing assets	1 787 158	2 182 312	2 409 708	561 158	653 000	(91 842)	-14.1%	1 535 478

Expenditure on repairs and maintenance by asset class

Description	2020/21	Budget Year 2021/22						
	Provisional Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Repairs and maintenance expenditure by Asset Class/Sub-class								
Infrastructure	1 862 246	2 079 007	2 210 436	887 219	1 003 222	(116 003)	-11.6%	2 093 285
Roads Infrastructure	417 198	637 154	589 078	253 259	241 245	12 014	5.0%	684 736
Roads	417 198	637 154	589 078	253 259	241 245	12 014	5.0%	669 280
Road Furniture	—	—	—	—	—	—	—	15 456
Storm water Infrastructure	—	140 345	—	—	—	—	—	120 976
Drainage Collection	—	140 345	—	—	—	—	—	120 976
Electrical Infrastructure	460 718	542 654	542 654	251 564	262 671	(11 107)	-4.2%	545 727
Power Plants	15 637	19 286	19 286	9 757	9 978	(220)	-2.2%	19 284
HV Substations	32 659	27 042	28 042	13 773	12 862	912	7.1%	28 134
MV Substations	307 406	353 961	353 961	171 452	171 602	(150)	-0.1%	355 752
LV Networks	105 016	142 365	141 365	56 581	68 230	(11 649)	-17.1%	142 556
Water Supply Infrastructure	430 692	411 499	537 714	159 569	248 376	(88 807)	-35.8%	375 756
Boreholes	—	—	22 359	1	7 833	(7 832)	-100.0%	—
Reservoirs	30 547	49 366	41 949	10 034	19 938	(9 905)	-49.7%	44 905
Pump Stations	52 681	39 826	66 760	27 133	26 944	189	0.7%	28 368
Water Treatment Works	48 391	34 590	47 545	14 995	23 185	(8 190)	-35.3%	37 149
Bulk Mains	6 636	215	19 665	3 357	6 495	(3 139)	-48.3%	213
Distribution	292 436	287 502	339 436	104 049	163 980	(59 931)	-36.5%	265 120
Distribution Points	—	—	—	—	—	—	—	—
Sanitation Infrastructure	552 692	334 708	537 917	221 760	249 856	(28 097)	-11.2%	355 086
Reticulation	383 217	171 428	369 094	156 793	167 848	(11 056)	-6.6%	173 212
Waste Water Treatment Works	166 971	157 461	162 915	62 744	79 793	(17 049)	-21.4%	156 113
Outfall Sewers	2 505	5 819	5 908	2 223	2 215	8	0.4%	5 819
Solid Waste Infrastructure	945	8 653	3 072	1 068	1 074	(6)	-0.6%	7 010
Landfill Sites	945	8 653	3 072	1 068	1 074	(6)	-0.6%	5 030
Waste Processing Facilities	—	—	—	—	—	—	—	1 980
Coastal Infrastructure	—	3 994	—	—	—	—	—	3 994
Promenades	—	3 994	—	—	—	—	—	3 994
Community Assets	518 541	295 941	380 765	233 222	158 133	75 089	47.5%	391 972
Community Facilities	131 941	228 329	110 815	45 772	39 807	5 965	15.0%	315 266
Halls	52 769	21 624	47 911	15 763	16 675	(912)	-5.5%	10 057
Centres	11 463	7 713	7 105	3 509	1 936	1 572	81.2%	9 593
Clinics/Care Centres	34 374	7 820	9 192	6 359	4 612	1 747	37.9%	9 360
Fire/Ambulance Stations	765	2 512	4 826	214	2 238	(2 024)	-90.4%	3 154
Testing Stations	—	9 940	—	—	—	—	—	12 332
Libraries	5 724	3 804	16 257	6 459	7 546	(1 087)	-14.4%	3 781
Cemeteries/Crematoria	15 766	10 720	11 836	8 941	3 509	5 432	154.8%	15 213
Public Open Space	—	144 909	—	—	—	—	—	232 495
Nature Reserves	3 141	3 141	5 250	1 590	2 044	(454)	-22.2%	3 143
Public Ablution Facilities	7 281	13 323	6 160	2 831	1 182	1 649	139.6%	13 315
Markets	658	2 822	2 278	106	67	40	59.6%	2 822
Sport and Recreation Facilities	386 600	67 613	269 950	187 450	118 326	69 125	58.4%	76 706
Indoor Facilities	161	8 732	4	472	2	470	20959.8%	14 886
Outdoor Facilities	386 439	58 881	269 946	186 978	118 323	68 655	58.0%	61 820
Heritage assets	3 626	1 912	1 447	9	321	(312)	-97.2%	4 481
Works of Art	3 626	1 912	1 447	9	321	(312)	-97.2%	—
Other Heritage	—	—	—	—	—	—	—	4 481
Investment properties	100	10 107	208	100	50	49	97.7%	13 871
Revenue Generating	99	10 096	198	99	40	59	145.3%	13 862
Improved Property	99	10 096	198	99	40	59	145.3%	13 862
Non-revenue Generating	1	11	10	1	10	(9)	-93.6%	9
Unimproved Property	1	11	10	0	10	(10)	-96.8%	9
Other assets	130 727	204 823	189 294	59 549	60 058	(509)	-0.8%	306 895
Operational Buildings	130 727	189 833	189 294	59 549	60 058	(509)	-0.8%	288 406
Municipal Offices	129 264	174 611	180 071	58 513	55 412	3 101	5.6%	265 402
Workshops	—	—	—	—	—	—	—	19 555
Laboratories	1 129	2 039	2 099	483	1 137	(654)	-57.5%	2 040
Training Centres	329	701	531	549	212	337	158.8%	1 409
Depots	5	12 482	6 593	4	3 297	(3 293)	-99.9%	—
Housing	—	14 990	—	—	—	—	—	18 489
Social Housing	—	14 990	—	—	—	—	—	18 489
Computer Equipment	234 027	427 869	250 331	86 721	97 908	(11 187)	-11.4%	452 074
Computer Equipment	234 027	427 869	250 331	86 721	97 908	(11 187)	-11.4%	452 074
Furniture and Office Equipment	600 104	770 057	751 392	261 071	273 777	(12 707)	-4.6%	412 972
Furniture and Office Equipment	600 104	770 057	751 392	261 071	273 777	(12 707)	-4.6%	412 972
Machinery and Equipment	—	2 069	—	—	—	—	—	434 845
Machinery and Equipment	—	2 069	—	—	—	—	—	434 845
Transport Assets	317 250	461 100	474 477	183 574	182 545	1 029	0.6%	457 591
Transport Assets	317 250	461 100	474 477	183 574	182 545	1 029	0.6%	457 591
Total Repairs and Maintenance Expenditure	3 666 620	4 252 885	4 258 351	1 711 464	1 776 014	(64 550)	-3.6%	4 567 987

Depreciation by asset class

Description	2020/21	Budget Year 2021/22						
	Provisional Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Depreciation by Asset Class/Sub-class								
Infrastructure	1 209 481	1 267 358	1 267 358	654 411	633 679	20 731	3.27%	1 267 358
Roads Infrastructure	403 094	470 598	470 598	222 100	235 299	(13 199)	-5.61%	470 598
Roads	376 768	338 665	338 665	207 809	169 333	38 476	22.72%	338 665
Road Structures	11 807	88 293	88 293	6 062	44 147	(38 085)	-86.27%	88 293
Road Furniture	14 519	43 639	43 639	8 230	21 820	(13 590)	-62.28%	43 639
Storm water Infrastructure	57 729	58 610	58 610	30 919	29 305	1 614	5.51%	58 610
Drainage Collection	57 729	58 610	58 610	30 919	29 305	1 614	5.51%	58 610
Electrical Infrastructure	280 055	263 112	263 112	148 055	131 556	16 500	12.54%	263 112
Power Plants	8 177	7 933	7 933	4 088	3 967	121	3.05%	7 933
HV Substations	19 005	–	–	9 885	–	9 885	100.00%	–
HV Transmission Conductors	–	14 754	14 754	–	7 377	(7 377)	-100.00%	14 754
MV Substations	60 512	10 655	10 655	31 859	5 327	26 531	498.02%	10 655
MV Switching Stations	–	60 046	60 046	–	30 023	(30 023)	-100.00%	60 046
MV Networks	114 444	117 440	117 440	59 480	58 720	760	1.29%	117 440
LV Networks	77 918	52 284	52 284	42 744	26 142	16 602	63.51%	52 284
Water Supply Infrastructure	174 107	184 784	184 784	94 798	92 392	2 405	2.60%	184 784
Reservoirs	20 898	20 957	20 957	12 377	10 478	1 898	18.11%	20 957
Pump Stations	5 386	5 345	5 345	4 792	2 673	2 119	79.29%	5 345
Water Treatment Works	18 181	10 092	10 092	5 783	5 046	737	14.60%	10 092
Bulk Mains	3 022	6 572	6 572	1 511	3 286	(1 775)	-54.01%	6 572
Distribution	126 619	141 818	141 818	70 335	70 909	(574)	-0.81%	141 818
Sanitation Infrastructure	161 551	164 781	164 781	88 915	82 390	6 525	7.92%	164 781
Pump Station	6 963	8 377	8 377	3 483	4 189	(706)	-16.85%	8 377
Reticulation	54 719	56 968	56 968	32 279	28 484	3 794	13.32%	56 968
Waste Water Treatment Works	95 559	95 125	95 125	50 783	47 563	3 220	6.77%	95 125
Outfall Sewers	4 310	4 310	4 310	2 370	2 155	215	10.00%	4 310
Solid Waste Infrastructure	44 357	34 129	34 129	19 674	17 065	2 609	15.29%	34 129
Landfill Sites	37 136	34 129	34 129	15 534	17 065	(1 530)	-8.97%	34 129
Waste Processing Facilities	7 221	–	–	4 140	–	4 140	100.00%	–
Coastal Infrastructure	5 845	5 730	5 730	2 950	2 865	85	2.97%	5 730
Promenades	5 845	5 730	5 730	2 950	2 865	85	2.97%	5 730
Information and Communication Infrastructure	82 742	85 614	85 614	46 999	42 807	4 192	9.79%	85 614
Data Centres	34 615	–	–	20 522	–	20 522	100.00%	–
Core Layers	44 817	7 127	7 127	24 822	3 563	21 259	596.60%	7 127
Distribution Layers	3 310	78 488	78 488	1 655	39 244	(37 589)	-95.78%	78 488
Community Assets	330 936	381 173	381 173	169 860	190 586	(20 726)	-10.87%	381 173
Community Facilities	121 818	170 682	170 682	61 293	85 341	(24 048)	-28.18%	170 682
Halls	3 736	3 925	3 925	2 063	1 962	101	5.12%	3 925
Centres	4 468	54 692	54 692	2 145	27 346	(25 201)	-92.16%	54 692
Clinics/Care Centres	7 144	8 133	8 133	3 666	4 066	(400)	-9.85%	8 133
Fire/Ambulance Stations	2 683	2 716	2 716	1 348	1 358	(10)	-0.74%	2 716
Testing Stations	1 476	1 343	1 343	754	672	82	12.27%	1 343
Museums	301	373	373	159	186	(27)	-14.65%	373
Theatres	112	112	112	56	56	(0)	-0.45%	112
Libraries	16 464	6 468	6 468	7 442	3 234	4 208	130.11%	6 468
Cemeteries/Crematoria	4 503	4 507	4 507	2 327	2 254	73	3.24%	4 507
Public Open Space	14 584	17 514	17 514	7 433	8 757	(1 324)	-15.12%	17 514
Nature Reserves	479	459	459	239	230	10	4.32%	459
Public Ablution Facilities	2 588	2 687	2 687	1 447	1 344	103	7.68%	2 687
Markets	1 720	1 697	1 697	902	849	53	6.27%	1 697
Airports	4	4	4	1	2	(1)	-33.34%	4
Taxi Ranks/Bus Terminals	61 556	66 051	66 051	31 312	33 026	(1 714)	-5.19%	66 051
Sport and Recreation Facilities	209 118	210 491	210 491	108 567	105 245	3 322	3.16%	210 491
Indoor Facilities	11 321	6 560	6 560	5 696	3 280	2 416	73.67%	6 560
Outdoor Facilities	197 797	203 931	203 931	102 871	101 965	905	0.89%	203 931

Table continues on next page.

City of Cape Town: S52 Annexure A – 2022 Q2 (December 2021)

Description	2020/21	Budget Year 2021/22						
	Provisional Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<u>Depreciation by Asset Class/Sub-class</u>								
<u>Investment properties</u>	1 714	1 714	1 714	857	857	0	-	1 714
Revenue Generating	1 714	1 714	1 714	857	857	0	-	1 714
Improved Property	1 714	1 714	1 714	857	857	0	-	1 714
<u>Other assets</u>	322 964	294 428	294 428	170 357	147 214	23 143	15.72%	294 428
Operational Buildings	217 859	181 253	181 253	117 096	90 626	26 469	29.21%	181 253
Municipal Offices	183 220	7 430	7 430	98 878	3 715	95 163	2561.62%	7 430
Workshops	33 655	37 175	37 175	17 726	18 587	(862)	-4.64%	37 175
Laboratories	649	-	-	324	-	324	100.00%	-
Training Centres	289	303	303	144	152	(7)	-4.81%	303
Manufacturing Plant	-	7 213	7 213	-	3 606	(3 606)	-100.00%	7 213
Depots	47	129 132	129 132	24	64 566	(64 542)	-99.96%	129 132
Housing	105 105	113 176	113 176	53 262	56 588	(3 326)	-5.88%	113 176
Social Housing	105 105	113 176	113 176	53 262	56 588	(3 326)	-5.88%	113 176
<u>Biological or Cultivated Assets</u>	192	-	-	96	-	96	100.00%	-
Biological or Cultivated Assets	192	-	-	96	-	96	100.00%	-
<u>Intangible Assets</u>	168 921	141 627	141 627	86 544	70 813	15 731	22.21%	141 627
Licences and Rights	168 921	141 627	141 627	86 544	70 813	15 731	22.21%	141 627
Computer Software and Applications	98 740	91 465	91 465	52 557	45 733	6 824	14.92%	91 465
Unspecified	70 180	50 162	50 162	33 988	25 081	8 907	35.51%	50 162
<u>Computer Equipment</u>	214 908	221 972	221 972	113 213	110 986	2 227	2.01%	221 972
Computer Equipment	214 908	221 972	221 972	113 213	110 986	2 227	2.01%	221 972
<u>Furniture and Office Equipment</u>	72 050	115 877	115 877	29 432	57 939	(28 506)	-49.20%	115 877
Furniture and Office Equipment	72 050	115 877	115 877	29 432	57 939	(28 506)	-49.20%	115 877
<u>Machinery and Equipment</u>	156 024	134 643	134 643	78 196	67 322	10 875	16.15%	134 643
Machinery and Equipment	156 024	134 643	134 643	78 196	67 322	10 875	16.15%	134 643
<u>Transport Assets</u>	375 830	431 673	431 673	202 389	215 836	(13 448)	-6.23%	431 673
Transport Assets	375 830	431 673	431 673	202 389	215 836	(13 448)	-6.23%	431 673
<u>Land</u>	20 483	23 198	23 198	-	11 599	(11 599)	-100.00%	23 198
Land	20 483	23 198	23 198	-	11 599	(11 599)	-100.00%	23 198
<u>Zoo's, Marine and Non-biological Animals</u>	-	192	192	-	96	(96)	-100.00%	192
Zoo's, Marine and Non-biological Animals	-	192	192	-	96	(96)	-100.00%	192
Total Depreciation	2 873 505	3 013 855	3 013 855	1 505 356	1 506 928	(1 572)	-0.10%	3 013 855

MUNICIPAL COST CONTAINMENT REGULATIONS (MCCR)

The Municipal Cost Containment Regulations (MCCR) were promulgated on 7 June 2019, and came into effect on 1 July 2019.

In terms of the MCCR, municipalities are to implement cost containment measures to ensure that municipal resources are used effectively, efficiently and economically.

The MCCR further requires municipalities and municipal entities to either develop or review their cost containment policies. The City's Cost Containment policy was approved by Council at the meeting held on 31 October 2019. The cost containment policies of the City's entities have been approved by their respective board of directors.

Municipalities and municipal entities must furthermore disclose cost containment measures in their in-year budget reports, and annual costs savings in their annual reports. The cost containment in-year report tables reflected on the following pages are in adherence to this reporting requirement.

City of Cape Town

Cost Containment In-Year Report				
Expenditure Category	2021/22 Current Budget	Q2 2022		Comment
		Budget	Actual	
	R Thousand			
Use of consultants	9 056 986	3 507 384	3 291 123	<p>This category includes EPWP/Mayor's Job Creation Programme (MJCP) staff, all non-permanent staff including library staff, health- and seasonal workers, apprenticeships and learnerships, and contracted services i.e. professional- and advisory services, and contractors.</p> <p>Consultants are used for various repairs and maintenance programs, outsourced administrative support and medical staff, and for professional- and advisory services.</p> <p>Requests for the use of consultants must be supported by the relevant executive director or senior manager.</p>
Vehicle used for political office-bearers	-	-	-	No provision for 2021/22 against this category.
Travel and Subsistence	20 232	7 585	5 726	<p>The City's Travel Management Policy sets out the applicable cost containment measures, which are strictly adhered to within the City.</p> <p>The expenditure incurred to date relates largely to claims submitted by staff members using their own vehicles for business purposes who do not receive an allowance for essential users or participate in a structured travel allowance.</p>
Domestic Accommodation	1 602	426	1	<p>The City's Travel Management Policy sets out the applicable cost containment measures, which are strictly adhered to within the City.</p> <p>COVID-16 lockdown restrictions have resulted in the majority of conferences, meetings, events and training taking place online.</p>

Table continues on next page.

Cost Containment In-Year Report				
Expenditure Category	2021/22 Current Budget	Q2 2022		Comment
		Budget	Actual	
	R Thousand			
Sponsorships, events and Catering	281 663	124 108	125 784	<p>Sponsorships (made up of grants-in-aid and sponsorships): All grant-in-aid applications are subject to a screening process to ensure that allocations recommended by the relevant delegated authority comply with the City's Grant-in-aid Policy as well as other relevant policies. Sponsorships are allocations made to organisations who supports the City's strategic objectives. MOAs indicating clear deliverables are signed with all organisations. Payments are made in tranches based on outcomes of agreed deliverables.</p> <p>Events: An ad-hoc committee facilitates the selection of events and makes recommendations to the Executive Mayor on which events the City may support in terms of the City's Integrated Development Plan (IDP), and Events Policy.</p> <p>Catering: The City's Catering & Beverage Provision Policy sets out the applicable cost containment measures, which are strictly adhered to within the City.</p> <p>The expenditure relates largely to payments for annual- and ad hoc allocations to support specific programs/events aligned to the City's IDP and strategic objectives.</p>
Communication	76 454	27 384	22 185	<p>The City, as far as possible, uses newspapers with a readership base predominantly within the City's geographical area and also focuses on community newspapers. The function is centralised within the Corporate Services directorate and is managed by the Communication Department so as to ensure stricter controls, which include the following measures:</p> <p>a) Reducing the number and scale of communication campaigns;</p> <p>b) Reducing the size and range of print- and radio advertising;</p> <p>c) Shifting advertising to the digital space from the traditional print and radio; and</p> <p>d) Increasing the use of social media as a communication tool using insourced resources.</p>

Table continues on next page.

Cost Containment In-Year Report				
Expenditure Category	2021/22 Current Budget	Q2 2022		Comment
		Budget	Actual	
	R Thousand			
Other related expenditure items - Conferences & Seminars	2 195	830	197	The City's Systems and Procedures (SOP) for attendance of seminars, external meetings/workshops and conferences sets out the cost containment measures, which are strictly adhered to within the City. The year-to-date expenditure relates to online events.
Other related expenditure items - Overtime	836 273	345 953	384 239	<p>The City's Overtime Policy sets out the applicable cost containment measures, which include:</p> <p>a) Guidelines for administration of overtime work on Sundays and Public holidays;</p> <p>b) Application and approval process management;</p> <p>c) Approval of overtime work and payment by officials with delegated authority; and</p> <p>d) Monitoring and review of provisions and justification of overtime expenditure by relevant directors.</p> <p>Directorates have implemented strict measures to manage overtime and closely monitor the number of overtime operational staff can claim per month.</p> <p>The bulk of the overtime was spent within the Water & Waste directorate, due to staff working additional overtime on ad hoc repairs and maintenance work.</p>

Table continues on next page.

Cost Containment In-Year Report				
Expenditure Category	2021/22 Current Budget	Q2 2022		Comment
		Budget	Actual	
	R Thousand			
Other related expenditure items - Office furniture	17 546	5 480	2 005	The City's Corporate Office Furniture & Associated Equipment Policy seeks to exercise frugality by managing the utilisation of existing redundant office furniture before new office furniture may be procured. The policy stipulates that the relevant delegated official must scrutinise the City's 'used furniture inventory' depository before any new furniture is procured, and must sign a declaration form confirming that this process has been followed. The budget for office furniture is likely to be further reduced as funds are re-prioritised.
Total	10 292 951	4 019 149	3 831 259	

Cape Town International Convention Centre

Cost Containment In-Year Report				
Measures	2021/22 CURRENT budget	Q2 2022		Comment
		Budget	Actual	
	R Thousand			
Use of consultants	4 389	2 195	1 368	The contracts for the internal audit, legal services and customer satisfactory surveys are included in the costs. The CTICC does not possess the skillsets required in-house.
Travel and Subsistence	504	9	246	Bookings for local- and international travel as well as International accommodation for sales trips, events and conferences are made through an agent with the applicable National Treasury code used for bookings. Attendance of events are an integral part of the entity's business strategy to grow revenue. It was anticipated that the COVID-19 restrictions would remain in place for the first half of the financial year and the budget was allocated accordingly. Due to travel restriction being relaxed during the quarter, an international key event was attended.
Domestic Accommodation	50	5	6	All bookings are done using the applicable National Treasury code. The attendance of events are an integral part of the entity's business strategy to grow revenue. It was anticipated that the COVID-19 restrictions would remain in place for the first half of the financial year and the budget was allocated accordingly. Due to travel restriction being relaxed during the quarter, a sales trip to Johannesburg was undertaken.
Sponsorships, events and Catering	350	215	31	The entity's business model is based on good client relations and regular interaction with clients and conference organisations to showcase the CTICC through various Client and Stakeholder Relationship Management (CRM) events.

Table continues on next page.

Cost Containment In-Year Report				
Measures	2021/22 CURRENT budget	Q2 2022		Comment
		Budget	Actual	
	R Thousand			
Communication	1 272	636	325	The contract for cellphone and data services was issued before 1 July 2019.
Other related expenditure items - Conferences & Seminars	-	-	-	No budget or expenditure for the reporting period.
Other related expenditure items - Overtime	330	165	310	This category includes overtime, night shift allowances and public holiday pay. The reason for the higher spend is related to more events hosted in Q2 as COVID-19 restrictions were relaxed allowing for bigger events, requiring higher than budgeted overtime hours from staff.
Other related expenditure items - Office furniture	-	-	-	No office furniture replacements have been budgeted for.
Total	6 895	3 225	2 285	

Cape Town Stadium

Cost Containment In-Year Report				
Measures	2021/22 Current Budget	Q2 2022		Comment
		Budget	Actual	
	R Thousand			
Use of consultants	1 858	929	118	Expenditure in this category facilitates the entity's objectives, inter alia, to commercialise in terms of the Service Delivery Agreement (SDA). Expenditure incurred relates to the assistance provided by Hello FCB and MMS Communications to upload the terms and conditions to the website in order to align with the POPI Act, to re-design the DHL stadium invoicing template, to update the social media handles from the Cape Town Stadium to the DHL Stadium, and to assist with the publication of the 2020/21 integrated annual report.
Travel and Subsistence	142	-	-	No expenditure budgeted or incurred in this quarter.
Domestic Accommodation	8	-	-	No expenditure budgeted or incurred in this quarter.
Sponsorships, events and Catering	157	78	-	No catering was required for the period under review as all meetings were held virtually.
Communication	275	138	-	No advertisement was required for tenders or staff appointments for the period under review.
Other related expenditure items - Conferences & Seminars	128	64	-	Due to the current changing Covid-19 restrictions, senior management could not attend conferences or seminars for the period under review as planned.
Other related expenditure items -Overtime	2 171	905	234	The events, commercial and operations department staff are required to work overtime when the entity hosts certain events, which at times takes place after hours and over weekends.
Other related expenditure items -Office furniture	-	-	-	n/a
Total	4 738	2 113	352	

QUALITY CERTIFICATE


I, **KEVIN JACOBY**, the acting municipal manager of **CITY OF CAPE TOWN**, hereby certify that –

- ☐ the monthly budget statement
- ☒ quarterly report on the implementation of the budget and financial state affairs of the municipality
- ☐ mid-year budget and performance assessment

for **quarter 2 of the 2021/2022 financial year** has been prepared in accordance with the Municipal Finance Management Act (MFMA) and regulations made under that Act.













Print name -----Kevin Jacoby-----




















Acting Municipal Manager of City of Cape Town (CPT)















 Digitally signed
by Kevin Jacoby
Date: 2022.01.11
17:06:46 +02'00'

Signature -----

Date -----

2021/2022 Q2 PERFORMANCE REPORT - CITY OF CAPE TOWN											
Well	Above		Above		On target		Below		Well below		AT - Annual Target
Objectives	Indicator	2021/22 (current Q2)			Reason for variance	Remedial action					
		Target	Actual	Status							
SFA 1: Opportunity City											
1.1 Positioning Cape Town as a forward-looking globally competitive City	1.A Percentage Building Plans approved in statutory time-frames (30-60 days)	96.0%	96.0%		On target						
	1.B Percentage of rates clearance certificate issued within ten working days [C]	90.00%	72.02%		<p>The target of 90% was not achieved due to the following factors:</p> <ul style="list-style-type: none">- No automated signing solution available due the expiration of the previous licence. The process and requirements of the new licence required development and changes to IS&T infrastructure to ensure City IS&T compliance- Rates Clearance Automation Process (RCAP) system issues – between Revenue and IS&T some of the system issues has been resolved while others are work-in-progress- Process Integration (PI) system – inconsistency in availability of the communication between the City and Electronic Vendors. Work-in-progress with IS&T/ERP and Revenue <p>Due to the non-availability of the electronic automated signature, ten staff members signed the S118 certificates manually during the day and overtime.</p> <p>It must be noted that the outcome achieved for Quarter 2 would have been 99.40% which is in the Authorised Cleared Status, the last step before the automated sign-off. The delay was the manual signing of the S118 certificates during overtime/weekends.</p>	IS&T and the Service Provider are interacting and developing the solution for the electronic signature planned to be implemented by the 11 February 2022.					
	1.C Number of outstanding valid applications for commercial electricity services expressed as a percentage of commercial customers	0,70%	0.20%		Target achieved	Maintain momentum					
1.2 Leveraging technology for progress	1.D Broadband Infrastructure Programme (BIP)	A/T	A/T	AT	Annual Target	Annual Target					
1.3 Economic Inclusion	1.E Number of Mayor's Job Creation Programme (MJCP) opportunities created (NKPI)	15 000	19 296		Target achieved	Maintain momentum					
	1.F Percentage budget spent on implementation of Workplace Skills Plan (WSP) (NKPI)	30.00%	35.39%		Target achieved	Maintain momentum					
1.4 Resource efficiency and security	1.G Percentage compliance with drinking water quality standards	98.00%	99.09%		Target achieved	Maintain momentum					
	1.H Small scale embedded generation (SSEG) capacity legally installed and grid-tied measured in megavolt-ampere (MVA)	2,50	9.72		Target achieved	Maintain momentum					
SFA 2: Safe City											
2.1 Safe Communities	2.A Number of new areas with closed-circuit television (CCTV) surveillance cameras	AT	AT	AT	Annual Target	Annual Target					
	2.B Community satisfaction survey (Score 1-5) - safety and security	AT	AT	AT	Annual Target	Annual Target					

2021/2022 Q2 PERFORMANCE REPORT - CITY OF CAPE TOWN											
Well	Above		Above		On target		Below		Well below		AT - Annual Target
Objectives	Indicator	2021/22 (current Q2)			Reason for variance	Remedial action					
		Target	Actual	Status							
SFA 3: Caring City											
3.1 Excellence in basic service delivery	3.A Community satisfaction survey (Score 1-5) - city wide	AT	AT	AT	Annual Target	Annual Target					
	3.B Number of outstanding valid applications for water services, expressed as percentage of total billings for the service (NKPI)	<0,7%	0.20%		Target achieved	Maintain momentum					
	3.C Number of outstanding applications for sewerage services, expressed as a percentage of total number of billings for the service (NKPI)	<0,7%	0.19%		Target achieved	Maintain momentum					
	3.D Number of outstanding valid applications for electricity services, expressed as percentage of total number of billings for the service (NKPI)	<0,2%	0.04%		Target achieved	Maintain momentum					
	3.E Number of outstanding valid applications for refuse collection services, expressed as a percentage of total number of billings for the service (NKPI)	<0,1%	0.00		Target achieved	Maintain momentum					
	3.F Percentage adherence to Citywide service requests	80%	88.01%		Target achieved	Maintain momentum					
	3.G Number of human settlement opportunities (Top structures)	935	1148		Target achieved	Maintain momentum					
	3.H Number of human settlement opportunities (Formal sites serviced)	0	617		Target achieved	Maintain momentum					
3.2 Mainstreaming basic service delivery to informal settlements and backyard dwellers	3.I Number of water services points (taps) provided to informal settlements NKPI	300	293		During the second quarter, the installation of standpipes have proven to be challenging due to recent invaded informal settlements topography on private property. In addition to this, all projects that were approved under tender 296Q/2016/17 were hindered after a legal opinion was received. Subsequently, only projects that were active on the ground were eligible too continuue installations, whilst the reminder of the installations under the new tender 268Q/2020/21 are anticipated to commence after the builder's break.	The department is committed to achieving the annual SDBIP target as all planned projects are therefore anticipated to the implemented on new tender 268Q/2020/21					
	3.J Number of sanitation service points (toilets) provided to informal settlements NKPI	1100	2211		The provision of the toilets in the form of PFT's and the installation of the FFT's new container toilets have been continuous in the various areas resulting in an overachivement of the second quarter target. With the increased priority of providing toilets as an emergency relief measure to the recently invaded areas, it is anticipated that our department quarterly and annual target for toilet installations will be exceeded for the current financial year.	Maintain momentum					
	3.K Percentage of areas of informality receiving waste removal and area cleaning service (NKPI)	99%	99.79%		Target achieved	Maintain momentum					
	3.L Number of service points (toilet and tap with hand basin) provided to backyarders	100	100		On target						
	3.M Number of electricity subsidised connections installed [C] - NKPI	750	148		New term tender, for construction of all electrification projects, came into effect 4 September 2021. New contractors only started on site in November 2021. The focus during September - October 2021 was Stakeholder Engagement with communities by introducing the new Contractors to the respective teams and introducing the respective projects to the Contractors and the preparation of project-related documentation. During July and August 2021, the focus was on project reconciliation and close out with the previous Contractors to ensure compliance and mitigate any irregular expenditure risks. No purchase orders for new work could thus be issued.	The electrification programme has been adjusted to take into account the delayed start and the overall electrification target should still be achieved					
	3.N Number of sites serviced in the informal settlements	250	251		Target achieved	Maintain momentum					
	3.O Number of community services facilities within informal settlements	1	0		The project has been put on hold due to the lack of funding, which is required for the operations and maintenance of this type of facility.	The project is technically ready for implementation, with all the planning and design being completed. The continuation of this programme is dependent on the outcome of the funding application submitted to National Treasury					

2021/2022 Q2 PERFORMANCE REPORT - CITY OF CAPE TOWN										
Well Above		Above		On target		Below		Well below		AT - Annual Target
Objectives	Indicator	2021/22 (current Q2)			Reason for variance	Remedial action				
		Target	Actual	Status						
SFA 4: Inclusive City										
4.1 Dense and transit-oriented growth and development	4.A Catalytic Land Development	AT	AT	AT	Annual Target	Annual Target				
4.2. An efficient, integrated transport system	4.B Number of passenger journeys per kilometre operated [AT]	0,8	0.94		Target achieved	Maintain momentum				
	4.C Total number of passenger journeys on MyCiti	5,8 million	6.3 million		Target achieved	Maintain momentum				
4.3 Building integrated communities	4.D Percentage of people from EE target groups employed in 3 highest levels of management in compliance with the City's approved EE plan (EE)	75%	75%		On target					
	4.E Number of strengthening families programmes implemented [C]	0	10		Target achieved	Maintain momentum				
SFA 5: Well Run City										
5.1 Operational sustainability	5.A Opinion of independent rating agency	High investment rating	High investment rating		On target					
	5.B Opinion of the Auditor General	Clean audit outcome 2020/21	In progress							
	5.C Percentage spend of capital budget (NKPI)	30.18%	21.38%		Material variance explanations for capital expenditure by vote is reflected in the Material variance explanations for capital expenditure by vote table on page 59 of Annexure A to the S52 report.	Project managers together with the support of the finance manager/heads will continue to closely monitor and ensure that projects are implemented within the prescribed timelines by ensuring all payment certificates are received timeously. Resolve SCM delays. Budget and cash flow to be amended in the January 2022 adjustments budget.				
	5.D Percentage spend on repairs and maintenance	42,20%	40.19%		The major contributors to the variance are: (a) Electrical repairs and maintenance is delayed due to the awarding of the public lighting maintenance contract. (b) Contracted Services Building repairs and maintenance, savings were realized as a result of the changes made to the implementation of the maintenance contract within the Water Customer Services section.	An increase in expenditure is anticipated once the public lighting maintenance contract is fully implemented				
	5.E Cash/cost coverage ratio (excluding unspent conditional grants) (NKPI)	2:1	2.00		On target					
	5.F Net Debtors to annual income (NKPI)	18,52%	12.50%		Target achieved	Maintain momentum				
	5.G Debt (total borrowings) to total operating revenue (NKPI)	23,5%	21.00%		Target achieved	Maintain momentum				