

REPORT TO: COUNCIL

1. ITEM NUMBER

2. SUBJECT

QUARTERLY FINANCIAL REPORT: DECEMBER 2023

(LSUA1980)

ONDERWERP

KWARTAALLIKSE FINANSIËLE VERSLAG: DESEMBER 2023

ISIHLOKO

**INGXELO YEMALI YARHOQO NGEKOTA: EYOMNGA
2023**

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 2023.

ANNEXURES


Annexure A: Quarterly Financial Report (MFMA S52) – 31 December 2023

Annexure B: 2023/24 Q2 Corporate Performance Report

Annexure C: Section 71(1)(d) - Original Budget vs Actual expenditure per vote - Capital

Annexure D: Western Cape Financial Management Capability Grant Quarterly Non-financial Return Form

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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.

MAYORAL COMMITTEE MEMBER

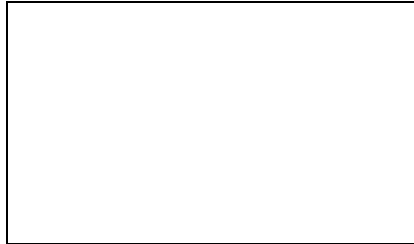
NAME

CLLR SISEKO MBANDEZI

COMMENT:

DATE

SIGNATURE



LEGAL COMPLIANCE

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

☐ NON-COMPLIANT

NAME

COMMENT:

DATE

SIGNATURE



EXECUTIVE MAYOR

NAME

GEORDIN HILL-LEWIS

COMMENT:

DATE

SIGNATURE



Making progress possible. Together.



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE A

QUARTERLY FINANCIAL REPORT (MFMA S52)

DECEMBER 2023

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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 2023

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.

SUMMARY OF CONTENT

- **Key Data (Page 4 - 35)**

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

- **In Year Budget Statement Tables (Page 36 – 42)**

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

- **Table C1 (Page 36):** High level summation of the operating and capital budgets, actuals to date, financial position and cash flow.
- **Table C2 (Pages 37):** Overview of the budgeted financial performance in relation to revenue and expenditure per standard classification.
- **Table C3 (Pages 38):** Budgeted financial performance in relation to the revenue and expenditure as well as the operating surplus or deficit.
- **Table C4 (Page 39):** View of the budgeted financial performance in relation to the revenue by source and expenditure by type.
- **Table C5 (Pages 40):** 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 41):** Performance to date in relation to the financial position of the municipality.
- **Table C7 (Page 42):** Cash flow position and cash/cash equivalents.

- **In Year Budget Statement Supporting Tables (Page 43 – 91)**

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

- **Municipal Cost Containment Regulations (MCCR) (Page 93 –102)**

KEY DATA**OPERATING BUDGET**

Operating Budget	Budget 2023/24	YearTD budget 2023/24	YearTD actual 2023/24	YTD variance	Full Year Forecast
Total Revenue ¹ (R'Thousands)	58 630 919	30 131 792	30 891 509	759 717	60 249 789
Total Expenditure (R'Thousands)	59 091 926	27 617 472	26 725 695	(891 776)	60 633 278
Surplus/(Deficit)	(461 007)	2 514 320	4 165 814	1 651 493	(383 489)
¹ (excl. capital transfers and contributions)					

CAPITAL BUDGET

Capital Budget	Budget 2023/24	YearTD budget 2023/24	YearTD actual 2023/24	YTD variance	Full Year Forecast
Total Capital Expenditure (R'Thousands)	11 322 121	3 717 975	3 515 165	(202 809)	11 266 298

FINANCIAL POSITION

Working Capital	Audited Outcome 2022/23	Original Budget 2023/24	Adjusted budget 2023/24	YearTD actual
Cost coverage ratio³				
Cash and investments at period end less restricted cash/Monthly operating Expenditure	1.97:1	-	-	1.42:1
Liquidity				
Current Ratio (Current assets/current liabilities) ⁴	1.61	1.43	1.37	2.46
Borrowing				
Capital Charges to Operating Expenditure (Interest & principal paid/Operating Expenditure) ⁵	4.06%	4.44%	4.43%	2.37%
Borrowed funding of 'own' capital expenditure (Borrowings/Capital expenditure excl. transfers and grants) ⁶	36.99%	79.16%	75.39%	73.06%
Financial Position (R'Thousands)⁷				
Total Assets	86 926 650	93 776 029	94 783 472	88 515 050
Total Liabilities	25 202 508	31 933 075	32 967 737	21 712 637
Cash Flow (R'Thousands)				
Cash/cash equivalents at month/year end	8 110 781	8 545 973	8 776 678	7 705 607

- **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 1.42, which falls within the National Treasury norm of 1-3 months (MFMA Circular 71).

- **Current Ratio⁴**

This ratio assess a municipality's ability to pay back its short-term liabilities (debt and payables) with its short-term assets (cash, inventory and receivables). A ratio above one indicates that the municipality would be able to pay all its current or short-term obligations if they fall due at any specific point.

The year-to-date ratio outcome of 2.46 shows that the City has sufficient cash to meet its short-term financial obligations as it is above the National Treasury norm of 1.5:1 to 2:1 (MFMA Circular 71).

- **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 outcome is 2.37% and is below the National Treasury norm of 6% to 8% (MFMA Circular 71). The ratio is budgeted at 4.43% for the 2023/24 financial period. This is a result of the City's borrowing strategy.

- **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.

This ratio is budgeted at 75.39% resulting from the budgeted uptake of external borrowing over the 2023/24 financial period. The year-to-date outcome is 73.06%.

- **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 R7 706 million as at 31 December 2023. This positive cash position has been maintained since the previous financial year. The funds are invested in compliance with the MFMA and City's Cash Management and 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 R Thousands	Current - 0 to 30 days	31-60 Days	61 days and over	TOTAL
Water	637 182	87 364	2 121 526	2 846 071
Electricity	876 265	75 916	755 673	1 707 853
Rates	837 797	107 406	1 487 166	2 432 369
Sewerage	258 482	43 235	835 073	1 136 791
Refuse	115 144	23 674	586 126	724 944

The 12-months moving average YTD collection ratio (reflected in the table below) is for the period January 2023 to December 2023 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 2022/23	Current year 2023/24 (Interim ratios)	12 Months moving average YTD collection ratio (Interim ratios)	Monthly Collection Ratio per Service
Electricity	96.53%	98.41%	97.54%	102.54%
Water	89.10%	87.41%	88.83%	76.84%
Sewerage	93.85%	94.48%	94.98%	50.51%
Refuse	92.18%	93.46%	92.90%	93.13%
Rates	97.18%	98.05%	97.63%	94.78%
Other	92.33%	93.39%	94.32%	83.02%

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

The overall collection ratio results for December 2023 are reflected in the table below:

Overall Collection Ratio	
Period	Current year
12 Months	96.36%
6 Months	96.42%
3 Months	97.04%
Monthly	94.17%

The 12 Months Moving Average Payment Ratio (as per the above table) for the 12 months ended 31 December 2023 is 96.36%.

Human Resources

Human Resources	Audited Outcome 2022/23	Original Budget 2023/24	Adjusted Budget 2023/24	YearTD actual 2023/24
Employee and Councillor remuneration (R'Thousands)	15 437 408	18 583 699	18 553 070	8 936 107
Employee Costs (Employee costs/Total Revenue - capital revenue)	28.2%	31.4%	31.3%	28.6%
Total Cost of Overtime (R'Thousands)	1 198 787	922 996	925 964	552 234

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 80.

Staff Complement

Municipal Employees (numbers)	As at 30 June 2023	Original Budget 2023/24	December 2023
Filled posts - Permanent	28 462	28 250	28 959
Filled posts - Temporary	1 565	2 088	1 956
Vacant posts - Permanent	3 613	3 489	3 359
	33 640	33 827	34 274

Municipal Councillors (numbers)	As at 30 June 2023	Original Budget 2023/24	December 2023
Municipal Councillors	229	231	231
Municipal Councillors - Vacancies	2	-	-
	231	231	231

The City had 3359 vacancies as at 31 December 2023; 4206 positions were filled (1347 internal, 557 external, 733 rehire, 1569 EPWP), with 996 terminations processed since the start of the financial year. Filling of vacancies is on-going and seasonal staff are appointed as and when required. The appointment of EPWP (Job Creation) workers through the roll-out of programmes as per approved Project Identification Documents (PID) is a continuous process.

The table below shows the staff movement (number and value of vacancies) per directorate for the year-to-date.

Directorate	Staff Establishment 30 November 2023			Staff Movement for period 1 December 2023 to 31 December 2023								Staff Establishment 31 December 2023			Progress of vacancies and actions to reduce number of vacant posts
				APPOINTMENTS					TERMINATIONS						
	Number of posts	Value of posts	Vacancy Rate	Internal	External	Rehire	EPWP	TOTAL	Resigna- tions	Other	TOTAL	Number of posts	Value of posts	Vacancy Rate	
City Manager	353	R 283 129 686	6.23%	0	0	0	1	1	1	0	1	357	R 283 280 125	8.68%	The Departments are moving forward with the filling of vacancies as positions have been advertised. A number of recruitment and selection (R&S) processes are already underway. In particular, the positions in the Forensic Services Department were recently advertised and is currently at shortlisting stage.
Community Services & Health	5941	R 2 532 340 632	8.72%	8	10	3	-176	-155	3	265	268	6030	R 2 545 646 399	9.10%	<p>Reports on the Business Improvements (BI) in the Social Development & Early Childhood Development Department and Recreation & Parks Department are in the process of being considered for sign-off by all parties to serve as mandates for consultation with the unions where after positions on hold can be released for filling with implementation of the said BI.</p> <p>The Directorate has added extra R&S capacity with the aim of decreasing the vacancy rate. The current capacity consist of 4 permanent staff and 3 Human Resource (HR) labour practitioners.</p> <p>Departments have weekly/bi-weekly R&S update meetings to track and ensure movement on the R&S processes, and to prioritise vacancies nine months and older.</p>

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City of Cape Town: S52 Annexure A – 2024 Q2 (December 2023)

Directorate	Staff Establishment 30 November 2023			Staff Movement for period 1 December 2023 to 31 December 2023								Staff Establishment 31 December 2023			Progress of vacancies and actions to reduce number of vacant posts
				APPOINTMENTS					TERMINATIONS						
	Number of posts	Value of posts	Vacancy Rate	Internal	External	Rehire	EPWP	TOTAL	Resigna- tions	Other	TOTAL	Number of posts	Value of posts	Vacancy Rate	
Corporate Services	2646	R 1 623 175 908	9.64%	8	4	0	7	19	2	9	11	2665	R 1 626 281 412	9.01%	The Directorate is embarking on a process to abolish certain vacancies in order to fund the following: 1. The newly created Digital Governance function; and 2. The Telecomms Network Services functions as per the recommendations received in terms of the SMF process.
Economic Growth	397	R 292 598 949	14.36%	1	0	0	0	1	0	0	0	397	R 291 688 717	14.86%	The Directorate currently has 59 vacancies in the R&S process. The filling of vacancies remains a high priority within the Directorate. Line managers are encouraged to expedite the filling of vacancies while maintaining the integrity of the R&S process. Additionally, proactive steps are being implemented, such as regular interaction with the R&S team and consistent communication between line managers and HR practitioners to ensure effective progress.
Energy	2805	R 1 387 413 597	9.30%	6	9	0	0	15	3	10	13	2820	R 1 393 514 921	7.80%	Departments have weekly/biweekly R&S update meetings to track and ensure movement on the R&S processes and to prioritise vacancies nine months and older. Pools of competent candidates for certain designations namely workers, maintenance assistants, artisans, foremen and clerks are generated so that a Notice of Appointment (NoA) can be processed when positions become available [piggyback]. There is a focused approach, where possible, to fill the Directorate's database with ready-to-appoint candidates as and when vacancies occur. The Directorate has appointed an Assistant Professional Officer (APO) to focus solely on the bulk vacancy process in order to reduce the turnaround time. The appointment of the extra APO is showing a marked reduction in bulk vacancies, which are mainly as a result of internal appointments.

Table continues on next page.

City of Cape Town: S52 Annexure A – 2024 Q2 (December 2023)

Directorate	Staff Establishment 30 November 2023			Staff Movement for period 1 December 2023 to 31 December 2023								Staff Establishment 31 December 2023			Progress of vacancies and actions to reduce number of vacant posts
				APPOINTMENTS					TERMINATIONS						
	Number of posts	Value of posts	Vacancy Rate	Internal	External	Rehire	EPWP	TOTAL	Resignations	Other	TOTAL	Number of posts	Value of posts	Vacancy Rate	
Finance	1834	R 998 435 884	6.27%	4	5	0	0	9	5	7	12	1833	R 996 475 339	6.93%	<p>The focus within the Directorate is mostly on the predicted consequential bulk vacancies caused by internal promotions. Parallel interviews are, therefore, held on a weekly basis.</p> <p>Commencement of the R&S process occurs prior to date of retirement to prevent delays in filling of vacancies.</p>
Future Planning & Resilience	350	R 328 161 083	11.14%	1	2	0	0	3	0	0	0	351	R 329 363 450	11.68%	<p>The Directorate has implemented a tracking system to expedite the filling of its vacancies. The majority of positions are advertised within a month of it becoming vacant.</p> <p>There were 7 appointments made in December 2023. The vacancy rate is, however, tempered by internal appointments resulting in consequential vacancies as well as the increase in resignations as at the end of November 2023.</p>
Human Settlements	906	R 467 109 312	5.74%	2	2	0	11	15	2	3	5	908	R 467 302 933	6.28%	<p>A focussed approach is being followed on positions greater than two years through headhunting, shortlist reviews and LinkedIn leads.</p> <p>The Directorate is grouping bulk positions, and using adverts and applications received (bulk posts) in other directorates to shorten placement time. For individual posts (not Bulk), line departments are required to compile assessments before adverts close.</p> <p>Updating of job descriptions for any vacancy is to be concluded one month prior to the advert being placed. R&S engagements to discuss strategy to fill and progress to fast-track are held on a biweekly basis.</p> <p>The following challenges have been experienced within the R&S process:</p> <ul style="list-style-type: none">- Recruitment capacity constraints;- Limited skills in the market at manager/head level; and- Limited suitability pertaining to internal candidates.

Table continues on next page.

Directorate	Staff Establishment 30 November 2023			Staff Movement for period 1 December 2023 to 31 December 2023								Staff Establishment 31 December 2023			Progress of vacancies and actions to reduce number of vacant posts
				APPOINTMENTS					TERMINATIONS						
	Number of posts	Value of posts	Vacancy Rate	Internal	External	Rehire	EPWP	TOTAL	Resigna- tions	Other	TOTAL	Number of posts	Value of posts	Vacancy Rate	
Safety & Security	6754	R 2 701 967 096	8.88%	55	3	1	7	66	3	4	7	6776	R 2 691 159 841	8.62%	Monthly and bi-weekly collaboration meetings take place between HRBP, Support Managers and Corporate HR practitioners. Dove tailing (piggy backing) takes place on R&S processes of same positions within the Safety & Security Directorate and other directorates. The Directorate has embarked on a process whereby all vacant supervisory positions (to a maximum of T level 13) may be filled via the advancement process. This was approved by the City Manager and applies to the Safety & Security Directorate only. A Restrictive Competitive Advancement Process (RECAP) will, therefore, be used whereby each department will identify a talent pool from which candidates will be selected based on the advancement criteria as well as requirements for the position. This will eliminate advertising of positions via the normal R&S process and drastically reduce the time and costs in filling vacancies. Almost 80% of the positions filled result in consequential vacancies. This new RECAP procedure will significantly reduce the time in filling these consequential vacancies.

Table continues on next page.

Directorate	Staff Establishment 30 November 2023			Staff Movement for period 1 December 2023 to 31 December 2023								Staff Establishment 31 December 2023			Progress of vacancies and actions to reduce number of vacant posts
				APPOINTMENTS					TERMINATIONS						
	Number of posts	Value of posts	Vacancy Rate	Internal	External	Rehire	EPWP	TOTAL	Resigna- tions	Other	TOTAL	Number of posts	Value of posts	Vacancy Rate	
Spatial Planning & Environment	995	R 690 066 405	10.65%	0	2	0	2	4	0	1	1	997	R 689 806 011	11.13%	<p>The Directorate utilises labour brokers to assist with insufficient capacity in Corporate HR (Strategic Staffing), where only one permanent HR Practitioner (PO level) is allocated to the Directorate. Ongoing submissions are being made to motivate for additional permanent HR practitioner capacity as required.</p> <p>The Directorate continues to implement a R&S plan - programming prioritised filling of vacancies with predetermined turnaround times and processes to create a pipeline of position-ready candidates per job segment, where appropriate, and advertising of job families – to mitigate the impact of consequential vacancies, optimise turnaround times and enable fast-tracking of filling of relevant positions.</p>
Urban Mobility	2088	R 946 774 447	7.90%	2	3	0	0	5	1	3	4	2089	R 945 002 853	8.90%	<p>There are a large number of posts currently in the R&S process. Other posts are being followed up with departments to finalise required documentation and to confirm their vacancies.</p> <p>The Directorate has appointed two HR Business Partners. Furthermore, monthly meetings are held with Corporate HR, Recruitment & Selection, and there is constant liaison with the Directorate's Departmental Support Services Managers to follow up on outstanding matters regarding vacancies.</p>

Table continues on next page.

City of Cape Town: S52 Annexure A – 2024 Q2 (December 2023)

Directorate	Staff Establishment 30 November 2023			Staff Movement for period 1 December 2023 to 31 December 2023								Staff Establishment 31 December 2023			Progress of vacancies and actions to reduce number of vacant posts
				APPOINTMENTS					TERMINATIONS						
	Number of posts	Value of posts	Vacancy Rate	Internal	External	Rehire	EPWP	TOTAL	Resignations	Other	TOTAL	Number of posts	Value of posts	Vacancy Rate	
Urban Waste Management	3614	R 1 145 526 313	7.97%	2	15	1	26	44	2	9	11	3616	R 1 144 549 228	7.30%	<p>The challenge that the Directorate is currently facing is that it is taking multiple recruitment attempts to fill vacancies at lower levels. This results in vacant positions, which are critical, not being filled within six months.</p> <p>The Directorate has implemented a Vacancy Filling Fast Track Project with the aim of reducing the current vacancy rate. The project includes the streamlining of R&S processes with specific focus on:</p> <ul style="list-style-type: none">- Adopting a monthly planner for bulk vacancies;- Generating pools of competent candidates for certain designations so that a NoA can be run when positions become vacant;- Weekly Vacancy tracker to ensure that vacancies are moving in the R&S process;- Utilisation of databases e.g. clerks, workers, operational supervisor drivers etc.;- e-Recruitment and questionnaire report;- Piggy backing - internal and external;- Headhunting; and- Early advertising.
Water & Sanitation	5396	R 2 265 117 145	10.60%	24	20	0	7	51	2	6	8	5435	R 2 289 228 752	11.76%	<p>Because of budgetary limitations, the Directorate has pinpointed several positions to cut in order to allocate funds for crucial operational needs. The cutting of vacancies will reduce the staff establishment and subsequently the vacancy rate. The Office of the HRBP is currently in the process of finalising the report for the cutting of identified positions. Additionally, the Directorate has placed a moratorium on the filling of vacancies pending review. The moratorium will maintain the vacancy rate at a constant level, with the possibility of a slight increase as decisions are taken to manage financial constraints.</p>
TOTAL	34079	R 15 661 816 456	8.95%	113	75	5	-115	78	24	317	341	34274	R 15 693 299 982	9.07%	

The table below shows the number of posts per T-grade level per directorate.

Directorate	Number of posts per T-Grade							
	T1 -T5	T6 -T9	T10 -T13	T14 - T16	T17 -T18	T19 - T22	T23 - T24	Total
Community Services & Health	252	137	137	21	4	1	0	552
Corporate Services	64	45	95	71	8	5	0	288
Economic Growth	12	8	20	15	6	1	0	62
Energy	100	57	77	28	1	3	0	266
Finance	34	38	31	25	3	2	0	133
Future Planning & Resilience	2	3	12	22	2	0	0	41
Human Settlements	18	17	30	13	2	1	0	81
Office of the City Manager	6	1	10	9	4	1	0	31
Safety And Security	96	348	118	25	3	1	0	591
Spatial Planning And Environment	22	16	51	20	2	1	0	112
Urban Mobility	84	34	36	26	4	3	0	187
Urban Waste Management	87	111	47	17	3	2	0	267
Water & Sanitation	307	239	129	62	10	0	1	748
Total	1084	1054	793	354	52	21	1	3359

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	Vacancies one year and older as a % of total vacancies
Community Services and Health	348	120	84	0	552	15.2%
Corporate Services	178	45	48	17	288	22.6%
Economic Growth	35	20	7	0	62	11.3%
Energy	155	70	38	3	266	15.4%
Finance	105	22	6	0	133	4.5%
Future Planning and Resilience	32	9	0	0	41	0.0%
Human Settlements	51	18	8	4	81	14.8%
Office of the City Manager	16	7	7	1	31	25.8%
Safety and Security	415	129	47	0	591	8.0%
Spatial Planning and Environment	79	21	12	0	112	10.7%
Urban Mobility	134	38	15	0	187	8.0%
Urban Waste management	114	97	52	4	267	21.0%
Water and Sanitation	545	130	73	0	748	9.8%
Grand Total	2 207	726	397	29	3 359	12.7%

BUDGET PERFORMANCE ANALYSIS

Summary Statement of Financial Performance

Description	Original Budget 2023/24	Adjusted Budget 2023/24	YearTD actual 2023/24	YearTD budget 2023/24	YTD variance
RThousands					
Total Revenue (excluding capital transfers and contributions)	58 630 919	58 636 302	30 891 509	30 131 792	759 717
Total Expenditure	59 091 926	59 109 400	26 725 695	27 617 472	(891 776)
Surplus/(Deficit)	(461 007)	(473 097)	4 165 814	2 514 320	1 651 493

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.

Funds and savings are transferred to priority areas to facilitate operational needs and address critical service delivery realities.

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

REVENUE

Main revenue sources for 2023/24

Description	Budget Year 2023/24						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Revenue							
Exchange Revenue							
Service charges - Electricity	19 681 713	19 681 713	10 161 848	10 080 326	81 522	0.8%	19 681 652
Service charges - Water	4 437 689	4 437 689	2 339 539	2 148 553	190 986	8.9%	4 579 473
Service charges - Waste Water Management	2 278 048	2 278 048	1 113 105	1 108 937	4 168	0.4%	2 311 393
Service charges - Waste management	1 424 214	1 424 214	679 479	712 107	(32 627)	-4.6%	1 395 627
Sale of Goods and Rendering of Services	604 307	604 307	353 057	304 789	48 268	15.8%	608 999
Agency services	285 197	285 197	137 414	142 598	(5 184)	-3.6%	285 197
Interest	–	–	–	–	–	–	–
Interest earned from Receivables	286 756	286 756	159 098	143 378	15 720	11.0%	293 710
Interest from Current and Non Current Assets	1 193 514	1 193 514	774 945	596 180	178 765	30.0%	1 369 275
Dividends	–	–	–	–	–	–	–
Rental from Fixed Assets	399 883	399 883	219 670	192 346	27 324	14.2%	432 907
Licence and permits	185	185	180	93	88	94.7%	185
Operational Revenue	351 785	351 785	227 684	172 043	55 641	32.3%	367 731
Non-Exchange Revenue							
Property rates	11 857 238	11 857 238	5 950 175	5 928 619	21 556	0.4%	11 857 238
Surcharges and Taxes	365 452	365 452	186 374	182 726	3 648	2.0%	365 452
Fines, penalties and forfeits	1 251 676	1 251 676	1 159 237	625 445	533 792	85.3%	1 903 535
Licence and permits	76 655	76 655	22 630	38 327	(15 698)	-41.0%	71 292
Transfers and subsidies - Operational	6 809 560	6 814 943	4 111 701	4 133 359	(21 658)	-0.5%	6 817 914
Interest	89 165	89 165	66 162	44 582	21 580	48.4%	89 165
Fuel Levy	2 639 290	2 639 290	1 759 526	1 759 526	–	–	2 639 290
Gains on disposal of Assets	59 393	59 393	5 674	6 307	(633)	-10.0%	173 795
Other Gains	4 539 200	4 539 200	1 464 010	1 811 550	(347 540)	-19.2%	5 005 958
Total Revenue (excluding capital transfers and contributions)	58 630 919	58 636 302	30 891 509	30 131 792	759 717	2.5%	60 249 789

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

- **Service charges – Electricity (R81,5 million over)**

The variance is due to an increase in sales as a result of lower load-shedding levels. Unpredictable stages of load-shedding makes budgeting difficult.

- **Service charges – Water (R190,99 million over)**

The variance is due to service charges for water sales in the domestic full, domestic cluster, and industrial/commercial categories being slightly higher than anticipated to date.

- **Interest from Current and Non Current Assets (R178,8 million over)**

Over-recovery reflects mainly on the following subcategories:

- Interest Received: Short Term and Call Fixed Deposits, as a result of higher interest rates offered on investments; and
- Interest Received - Allocation to Donors, due to higher than anticipated interest rates resulting in higher interest earned on unspent conditional funds.

- **Operational Revenue (R55,6 million over)**

Over-recovery reflects mainly on the following items:

- Development Contribution/Levy & BICL, where revenue is dependent on property development and is currently higher than planned; and
- Collection Charges Recovered, due to an increase in the number of customers handed over for outstanding debt.

- **Fines, penalties and forfeits (R533,8 million over)**

Over-recovery reflects mainly on the following items:

- Fines - Traffic Fine Accruals, due to an increase in the number of traffic fines issued by enforcement officers during various operations; and
- Traffic Fines, due to increased visibility and focused operations, and roadshows enabling easier payment and methods of resolution of outstanding fines.

- **Other Gains (R347,5 million under)**

The variance is mainly on Inventory consumed: Price Adj B/Water and R/Water, as a result of delays in revenue recognition due to the latest accounts received from the National Department of Water & Sanitation being disputed by the City.

Reasons for variances on revenue by source can be found in *Material variance explanations for revenue by source and by vote* on page 43.

EXPENDITURE**Main expenditure types for 2023/24**

Description R thousands	Budget Year 2023/24						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure By Type							
Employee related costs	18 392 798	18 362 285	8 846 377	9 345 717	(499 340)	-5.3%	18 427 730
Remuneration of councillors	190 901	190 784	89 730	89 017	713	0.8%	190 784
Bulk purchases - electricity	14 099 100	14 099 100	6 388 806	6 582 089	(193 283)	-2.9%	14 098 442
Inventory consumed	5 949 840	5 961 323	2 179 104	2 407 298	(228 194)	-9.5%	6 655 682
Debt impairment	2 321 520	2 321 520	929 818	1 160 744	(230 926)	-19.9%	2 923 730
Depreciation and amortisation	3 493 165	3 493 165	1 717 585	1 734 984	(17 399)	-1.0%	3 549 360
Interest	945 367	939 402	391 748	451 347	(59 599)	-13.2%	903 154
Contracted services	9 313 712	9 321 894	3 981 674	3 849 949	131 726	3.4%	9 484 328
Transfers and subsidies	371 815	386 465	161 789	170 868	(9 079)	-5.3%	415 050
Irrecoverable debts written off	150 304	150 304	310 038	75 152	234 886	312.5%	206 459
Operational costs	3 302 869	3 322 388	1 537 674	1 525 742	11 932	0.8%	3 245 137
Losses on Disposal of Assets	754	988	652	691	(39)	-5.6%	2 184
Other Losses	559 781	559 781	190 700	223 873	(33 173)	-14.8%	531 239
Total Expenditure	59 091 926	59 109 400	26 725 695	27 617 472	(891 776)	-3.2%	60 633 278

Reasons for major over-/under expenditure by type

- **Employee related costs (R499,3 million under)**

Under expenditure is mainly due to:

- The turnaround time in filling vacancies;
- The internal filling of vacancies; and
- Slower than planned implementation of job creation projects (EPWP).

- **Bulk purchases – electricity (R193,3 million under)**

The variance is due to a change in the Eskom monthly billing cycle, which has resulted in the loss of three billing days. This will not be recovered in the current financial year. In addition, an increase in sales is being experienced due to lower load-shedding levels. It is expected that the under expenditure will reduce in line with the growth on sales. Unpredictable stages of load-shedding makes budgeting difficult.

- **Inventory consumed (R228,2 million under)**

Under expenditure reflects against the following items:

- Inventory consumed: Bulk and Reticulation Water, as the latest accounts received from the National Department of Water & Sanitation is being disputed by the City.
- Cleansing Related Costs, due to a change in classification of the purchase of plastic bags from this GL account to Materials Consumables Tools & Equipment.
- Labour to operating recoveries, due to outstanding recoveries within the Facilities Management- and Fleet Management Department. It should be noted that the Facilities Management Department is undergoing a restructuring process, which is negatively impacting the staff capacity to process these recoveries.

- **Debt impairment (R230,9 million under)**

The variance reflects on Bad Debts Written off, and Transferred to Provision for Bad Debts and is as a result of higher than planned irrecoverable debt written off on property rates, electricity, and water & sanitation.

- **Interest (R59,6 million under)**

The variance is due to misalignment of the period budget provision and actuals to date. The planned take-up of the loan to fund the capital programme will be in the last quarter of the current financial year.

- **Contracted Services (R131,7 million over)**

Over expenditure reflects against the following subcategories:

- Professional Services Engineering – Civil, and Advisory Services - Quality Control, where expenditure was incorrectly posted against City funds instead of grant funding.
- Laboratory Services, and G&D Laboratory Services - Medical, due to misalignment of the period budget with actual expenditure trends.
- Building Contractors, where capital expenditure was incorrectly captured against operational funds.
- Collection Fees, where more payments were made to lawyers than initially expected for legal actions initiated against customers who failed to pay their municipal accounts.
- R&M contracted Services - Building, due to:
 - Unexpected structural inspection requirements, and an increase in theft and vandalism at buildings;
 - Projects running ahead of planned schedule as a result of good contractor performance;
 - Faster than anticipated progress on major road resurfacing projects; and
 - Some repair work at the Urban Waste Woodstock Depot being completed earlier than anticipated.
- R&M Maintenance of Equipment, due to a number of emergency equipment repairs and major services required at some wastewater plants, maintenance work at pump stations identified in the conditional assessments, and the earlier than anticipated repairs and maintenance work done at Steenbras Dam.
- Security Services Municipal Facilities, due to an increase in demand for security services at various municipal facilities.

- **Irrecoverable debts written off (R234,9 million over)**

The variance is as a result of higher than planned irrecoverable debt written off on property rates, electricity, and water & sanitation.

Expenditure per vote (directorate)

Vote Description R thousands	Budget Year 2023/24						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure by Vote							
Vote 1 - Community Services & Health	4 649 423	4 649 424	1 987 762	2 057 921	(70 160)	-3.4%	4 534 859
Vote 2 - Corporate Services	3 823 449	3 823 369	1 753 171	1 725 086	28 084	1.6%	3 750 256
Vote 3 - Economic Growth	660 768	660 768	327 181	346 085	(18 904)	-5.5%	684 976
Vote 4 - Energy	17 283 637	17 283 637	7 966 822	8 214 694	(247 872)	-3.0%	17 307 588
Vote 5 - Finance	3 560 189	3 560 189	1 763 877	1 828 686	(64 809)	-3.5%	3 757 298
Vote 6 - Future Planning & Resilience	511 532	511 532	234 582	235 335	(754)	-0.3%	557 168
Vote 7 - Human Settlements	1 625 949	1 646 997	763 426	713 399	50 026	7.0%	1 612 668
Vote 8 - Office of the City Manager	483 062	483 063	245 672	246 586	(914)	-0.4%	490 564
Vote 9 - Safety & Security	5 337 665	5 337 665	2 577 697	2 584 156	(6 459)	-0.2%	6 034 980
Vote 10 - Spatial Planning & Environment	1 560 435	1 560 435	680 504	702 407	(21 903)	-3.1%	1 507 983
Vote 11 - Urban Mobility	4 210 184	4 210 184	2 005 726	2 008 027	(2 301)	-0.1%	4 353 707
Vote 12 - Urban Waste Management	3 628 740	3 625 244	1 564 404	1 708 334	(143 931)	-8.4%	3 615 665
Vote 13 - Water & Sanitation	11 756 893	11 756 892	4 854 874	5 246 754	(391 880)	-7.5%	12 425 566
Total Expenditure by Vote	59 091 928	59 109 400	26 725 695	27 617 472	(891 776)	-3.2%	60 633 278

Reasons for under expenditure per vote (directorate)

Details on under expenditure by vote can be found in *Material variance explanations for operating expenditure by vote and by type* on page 52.

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.

- **Corporate Services (R28,1 million over)**

Over expenditure reflects on the following categories:

- Contracted services - Building Contractors, as a result of unsettled commitments relating to other directorates.
- Operational Costs - R&M Computer Network Extensions, due to more than anticipated network extensions installed at City facilities.

- **Human Settlements (R50,0 million over)**

Over expenditure reflects on the following categories:

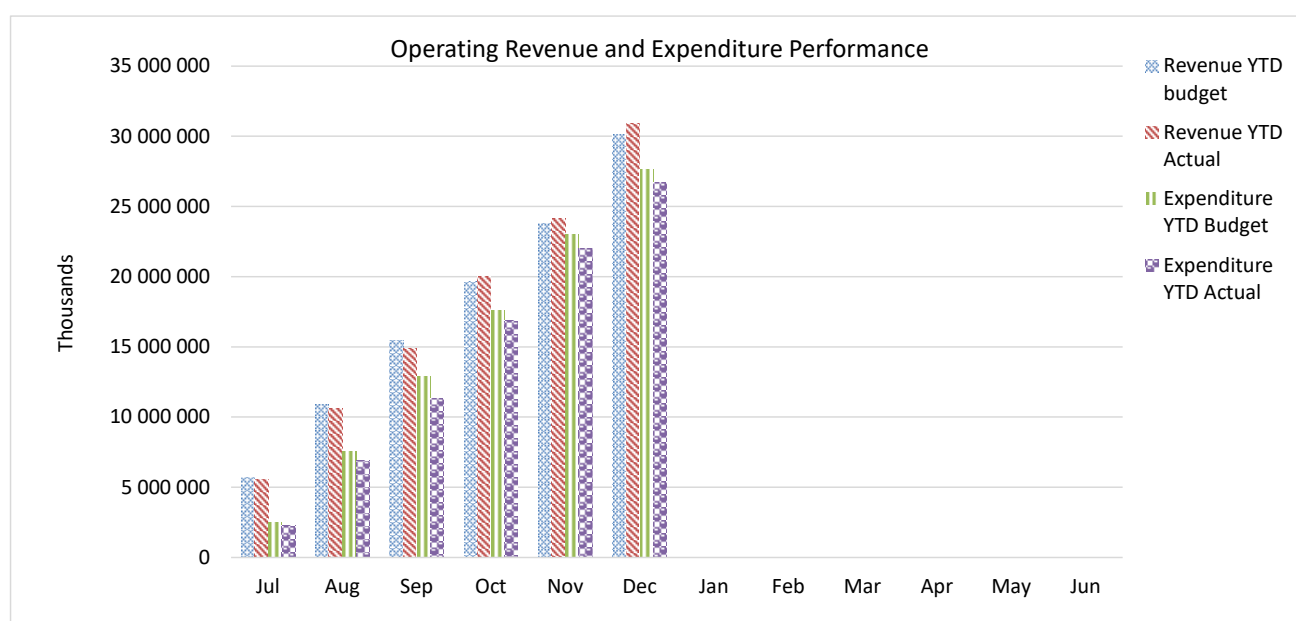
- Inventory consumed - R&M Mat General & Consumables, due to high volumes of C3 notifications to repair aged infrastructure within the Public Housing rental units, which has been poorly maintained in the past.
- Contracted Services, on the following items:
 - Advisory Services - Quality Control, Professional Services - Engineering: Civil as well as Professional Services - Structural, where expenditure was incorrectly posted against City funds instead of grant funding;
 - G&D Professional Services - Engineering: Civil, where capital expenditure was incorrectly captured against operational funds;
 - Building Contractors, where capital expenditure was incorrectly captured against operational funds;

- Electrical, due to the incorrect posting of capital expenditure relating to electrical work done at Goodwood Station Social Housing Project against the operating budget;
- R&M Contracted Services Building, where some projects are running ahead of planned schedule as a result of good contractor performance; and
- Security Services: Municipal Facilities, due to an increase in demand for security as a result of actions of intimidation at construction sites.

Details on variances for expenditure by vote can be found in *Material variance explanations for operating expenditure by vote and by type* on page 52.

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	Budget Year 2023/24						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Total Capital Expenditure	10 987 689	11 322 121	3 515 165	3 717 975	(202 809)	-5.5%	11 266 298
Funded by:							
National Government	2 660 223	2 577 595	1 083 620	996 760	86 859	8.7%	2 694 001
Provincial Government	30 135	30 135	2 975	27 721	(24 746)	-89.3%	30 292
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	85 801	92 301	38 941	33 260	5 681	17.1%	94 302
Transfers recognised - capital	2 776 159	2 700 031	1 125 536	1 057 742	67 794	6.4%	2 818 595
Borrowing	6 500 000	6 500 000	1 745 884	1 967 802	(221 918)	-11.3%	3 500 000
Internally generated funds	1 711 530	2 122 090	643 745	692 431	(48 686)	-7.0%	4 947 703
Total Capital Funding	10 987 689	11 322 121	3 515 165	3 717 975	(202 809)	-5.5%	11 266 298

The summary statement of capital budget performance indicates actual capital expenditure of R3 515 million or 31.05% of the current budget.

The year-to-date spend represents 27.72% (R2 390 million) on internally-funded projects and 41.69% (R1 125 million) on externally-funded projects.

Capital budget by municipal vote for 2023/24

Vote Description	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Vote 1 - Community Services & Health	223 024	450 869	457 252	77 007	87 450	(10 443)	-11.9%	421 621
Vote 2 - Corporate Services	425 297	621 779	635 739	261 475	208 977	52 498	25.1%	689 175
Vote 3 - Economic Growth	46 144	91 520	92 886	13 912	19 298	(5 386)	-27.9%	93 615
Vote 4 - Energy	1 006 874	1 197 888	1 234 026	480 949	375 353	105 596	28.1%	1 218 331
Vote 5 - Finance	28 965	62 282	62 323	27 367	34 467	(7 100)	-20.6%	64 824
Vote 6 - Future Planning & Resilience	24 787	19 253	20 527	9 328	8 698	630	7.2%	20 124
Vote 7 - Human Settlements	881 608	780 455	769 205	378 099	284 884	93 216	32.7%	914 892
Vote 8 - Office of the City Manager	6 669	11 467	11 689	707	1 026	(319)	-31.1%	6 489
Vote 9 - Safety & Security	281 671	443 515	443 830	159 185	166 463	(7 277)	-4.4%	447 864
Vote 10 - Spatial Planning & Environment	224 417	368 360	403 612	103 879	146 310	(42 431)	-29.0%	323 868
Vote 11 - Urban Mobility	1 089 031	1 925 365	1 972 391	643 382	689 976	(46 594)	-6.8%	1 877 301
Vote 12 - Urban Waste Management	638 820	713 655	730 303	257 597	269 238	(11 642)	-4.3%	732 579
Vote 13 - Water & Sanitation	2 051 600	4 301 283	4 488 337	1 102 278	1 425 834	(323 556)	-22.7%	4 455 614
Total Capital Expenditure	6 928 907	10 987 689	11 322 121	3 515 165	3 717 975	(202 809)	-5.5%	11 266 298

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

- **Energy directorate (R105,6 million over)**

The positive variance is mainly as a result of satisfactory contractor performance on the following programmes:

- Bellville South Main Substation Upgrade;
- Morgen Gronde Switching Station;
- Triangle 132kV Upgrade;
- System Equipment Replacement;
- MV System Infrastructure;
- Vehicles: Replacement; and
- LED Street Lighting Refurbishments.

96% spend is forecasted for the projects currently on the budget.

- **Water & Sanitation directorate (R323,6 million under)**

The year-to-date variance is predominantly due to invoices that were received late in the month (which still had to be vetted prior to submission for payment), structural complexities, delay in activation of works contracts arising from additional mandatory administrative requirements, time delays due to inaccurate Eskom wayleaves and unforeseen geotechnical conditions. These significantly impacted the following projects:

- Bulk Reticulation Sewers in Milnerton Rehabilitation;
- Postdam WWTW - Extension; and
- Replace Sewer Network (Citywide) FY24.

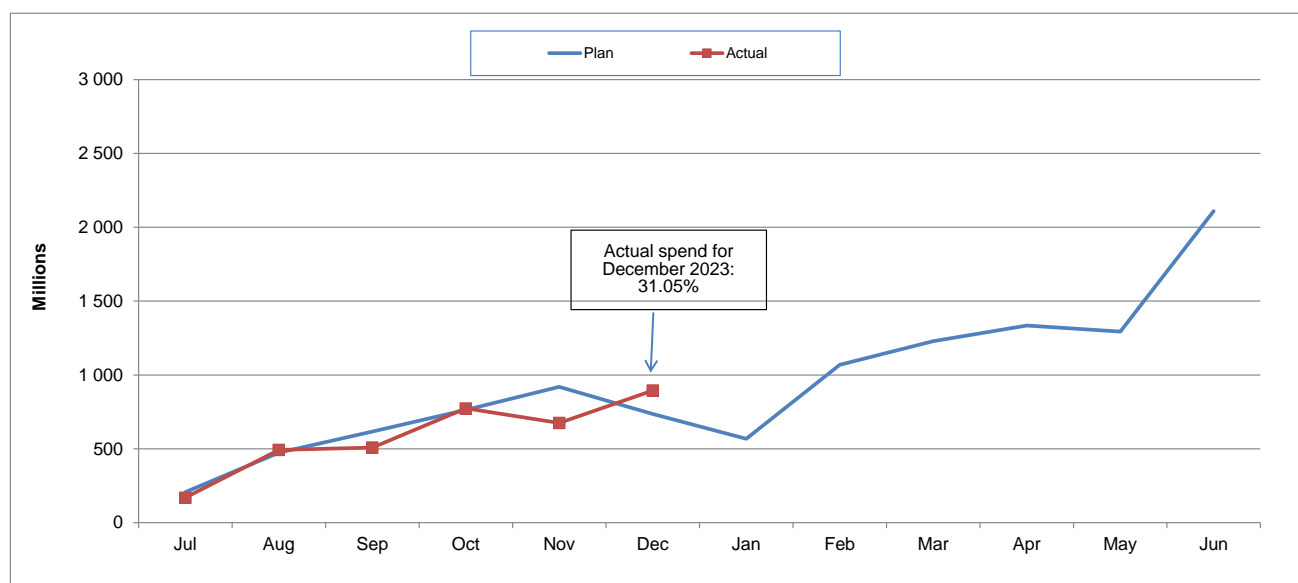
96% spend is forecasted for the projects currently on the budget

Detailed explanations and remedial action on variances on the capital budget (Adjusted Budget vs YearTD actual) can be found in *Material variance explanations for capital expenditure by vote* on page 65.

Detailed explanations and remedial action on variances on the capital budget (**Original Budget vs YearTD actual**) can be found in Annexure C.

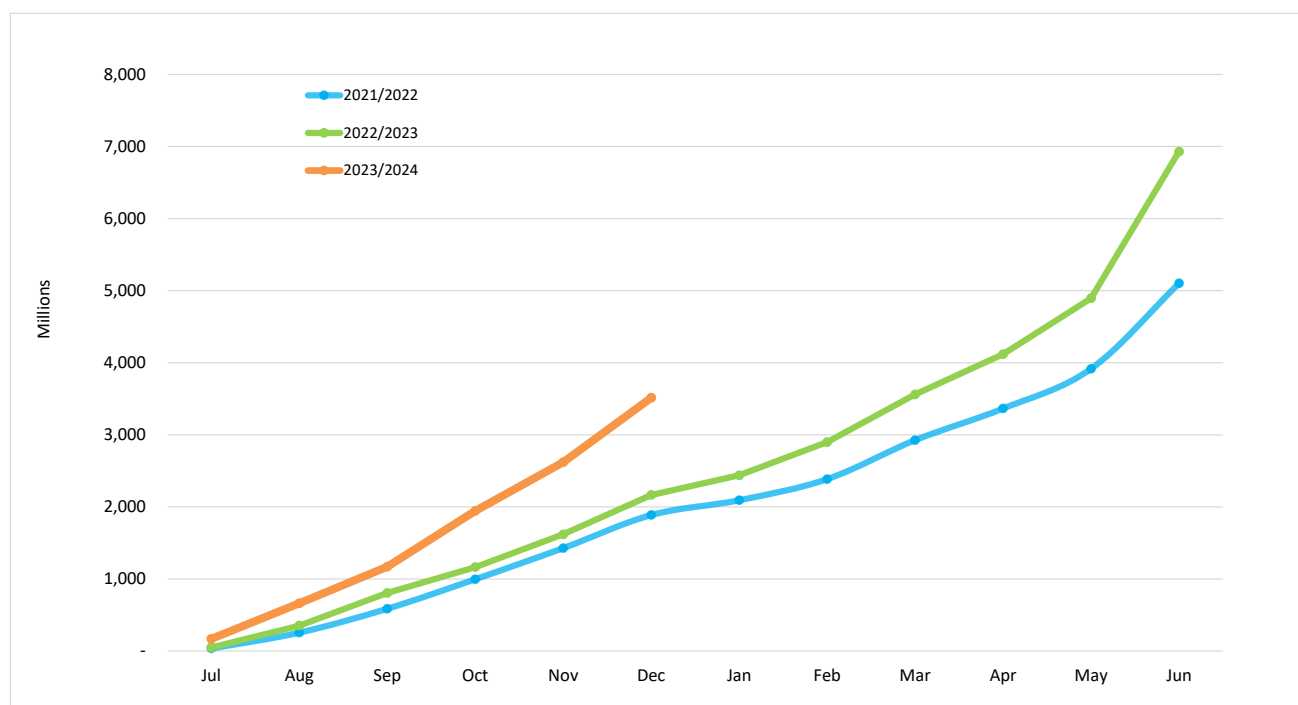
Monthly capital expenditure

The graph below reflects the City's monthly capital expenditure to date measured against the 2023/24 current budget.

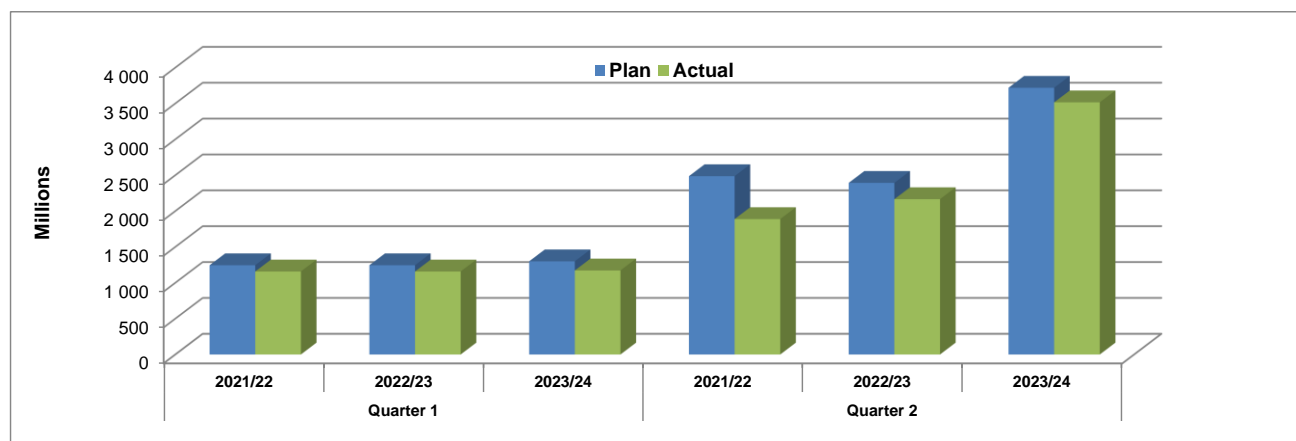


Capital expenditure trend over the current- and past two years

The graph below shows the City's capital expenditure trend for 2021/22, 2022/23 and 2023/24.



The capital expenditure quarterly trend for the 2021/22, 2022/23 and 2023/24 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	Full Year Forecast	Comments
Potsdam WWTW - Extension	1 359 296 073	500 000 000	267 555 669	-232 444 331	1 284 296 073	Tender 146Q/2021/22 (Mechanical/Electrical) and Tender 295Q/2021/22 (Civil) have been awarded with construction progressing satisfactorily. The payment certificate for December 2023 is still outstanding; it will be vetted for processing once received. Based on the latest cash flows received from the contractor, the budget will be reduced in order to align to the delivery schedule and installation. Budget and cash flow will be amended in the January 2024 adjustments budget.
IRT Phase 2 A	951 341 426	350 653 340	346 033 410	-4 619 930	943 530 894	Construction commenced in September 2023 and is anticipated to be completed in June 2026. The negative variance is due to invoices being lower than anticipated. The enabling works is being undertaken via tender 331Q/2021/22. Budget and cash flow to be amended in the January 2024 adjustments budget.
Replace & Upgrade Sewer Network	312 352 949	91 999 996	62 432 478	-29 567 518	307 830 831	The programme is behind schedule as a result of delays in obtaining wayleaves and work permits to access the sites. Multiple works projects have commenced as planned. Expenditure will increase as projects progress to more advanced stages. Based on the revised implementation schedule, a reduced budget will be required in the current financial year. Budget and cash flow will be amended in the January 2024 adjustments budget.
Plant & Vehicles: Replacement	285 713 401	94 456 505	72 808 898	-21 647 607	285 713 401	The majority of the orders have been placed. Some items have been delivered. While the initial delay was attributed to the finalisation of the addendum for tender 049G/2022/23, this issue has been resolved and the refuse compactors are currently in the delivery process. Additional funding is required for vehicles, which can no longer be funded from the Urban Settlements Development Grant as per the grant conditions. Budget and cash flow to be amended in the January 2024 adjustments budget.
Cape Flats Rehabilitation	222 810 772	105 000 000	104 117 934	-882 066	230 604 640	The payment certificate was received after month end and is in the process of being vetted for payment in January 2024. Some works initially scheduled for future years have been accelerated, as the contractor has capacity and resources to take on the additional work. Budget and cash flow to be amended in the January 2024 adjustments budget.

Table continues on next page.

Programme/Major Project	Current Budget	YTD Planned Spend	YTD Actual Spend	YTD Variance	Full Year Forecast	Comments
Bulk Retic Sewers in Milnerton Rehab	221 360 207	102 695 000	39 169 511	-63 525 489	148 996 731	The project was delayed due to extortion as well as excavation of hard rock. This has resulted in the project being rephased to the 2024/25 financial year. Budget and cash flow to be amended in the January 2024 adjustments budget.
Cape Flats Aquifer Recharge	212 369 572	80 000 000	82 404 788	2 404 788	212 369 572	The project is ahead of schedule due to good contract management and performance.
Coastal Park: Design and develop (MRF)	199 696 321	101 423 233	93 208 111	-8 215 122	199 696 321	Tender 107Q/2020/21 (construction) and tender 301Q/2020/21 (mechanical) have been awarded and the contractors are on site. Procurement of the standby generator was delayed due to shipping issues resulting in a lower than expected invoice. Furthermore, the PSP invoices were submitted after month end and are in the process of being vetted for process in January 2024.
System Equipment Replacement	196 800 000	82 516 665	102 903 406	20 386 741	205 200 000	Project is ahead of schedule due to satisfactory contractor performance.
Fleet & Plant: Replacement	180 386 963	71 727 993	109 283 750	37 555 757	206 596 962	The project is ahead of schedule as some vehicles were delivered earlier than anticipated due to availability of stock. The bulk of the orders have been placed. Further orders to be placed in February 2024. Some deliveries are anticipated from February 2024 due to long lead-times. Additional funds are required for the replacement of aged fleet that have reached their economic life and require critical replacement due to its unreliability, unavailability, failure and safety. Budget and cash flow to be amended in the January 2024 adjustments budget.
Athlone WWTW-Capacity Extension	153 832 343	60 000 000	40 588 422	-19 411 578	233 782 343	The project is currently in its implementation phase and purchase orders are in place. Awaiting delivery of the aeration blowers and ancillary equipment. Additional funding is required in order to fast-track the procurement of additional aeration blowers and ancillary equipment in the current financial year. Budget and cash flow to be amended in the January 2024 adjustments budget.

Table continues on next page.

Programme/Major Project	Current Budget	YTD Planned Spend	YTD Actual Spend	YTD Variance	Full Year Forecast	Comments
Cape Flats Aquifer: Hanover Park & Philip	142 837 176	40 000 000	13 761 884	-26 238 116	130 131 721	The project is behind schedule due to activation delays of works contracts arising from additional administrative requirements, which the contractor took longer than expected to resolve. Additional works contracts will be executed to make up for the delay. Budget and cash flows to be amended in the January 2024 adjustments budget.
Broadband Infrastructure Programme	125 268 066	36 690 232	30 900 363	-5 789 869	125 268 066	Project is slightly behind planned spend as invoices for professional services was received after month end and is in the process of being vetted for payment in January 2024. Some long-lead items delivered from abroad are delayed at Customs.
Triangle 132kV Upgrade	120 862 217	13 329 245	60 948 311	47 619 066	139 143 013	The project is ahead of schedule due to satisfactory contractor performance. Additional funding is required for contingency soft-lock. Budget and cash flow to be amended in the January 2024 adjustments budget.
Atlantis Aquifer	120 272 956	30 366 057	38 685 634	8 319 577	90 763 482	The project is currently in the execution stage. However, the professional services invoice for December 2023 and November 2023 is still outstanding; the project manager is following up. The project will be refined in the January 2024 adjustments budget, in order to comply with the better line of sight requirement.
Vissershok North: Design and develop Airs	116 678 947	32 570 276	42 522 558	9 952 282	101 831 628	Tender 24Q/2022/23 is being utilised for the construction portion and tender 339C/2013/14 for the professional services. The project is currently ahead of schedule as a result of satisfactory contractor performance. However, a portion of the budget will be rephased to the 2024/25 financial year in the January 2024 adjustments budget as a result of the rework required at the leachate pond, which can only commence once the pond has been cleared.
MV System Infrastructure	105 000 000	22 026 544	42 849 980	20 823 436	95 500 000	The project is ahead of schedule due to satisfactory contractor performance.
Replace & Upgrade Water Network	101 438 883	42 927 152	61 448 699	18 521 547	157 295 950	The project is ahead of schedule due to good contractor performance. Additional funding is required for the contractual obligation for water networks. Budget and cash flow to be amended in the January 2024 adjustments budget.

Table continues on next page.

City of Cape Town: S52 Annexure A – 2024 Q2 (December 2023)

Programme/Major Project	Current Budget	YTD Planned Spend	YTD Actual Spend	YTD Variance	Full Year Forecast	Comments
Urbanisation: Backyards/Infrm Settl Upgr	99 024 894	52 523 857	46 004 902	-6 518 955	99 564 553	The project is behind schedule due to initial delays in the appointment of the contractor and consultant. The contractor has been appointed and the first invoice is anticipated to be received in January 2024.
Land Acquisition (Housing)	98 693 320	4 317 631	92 936 903	88 619 272	153 322 777	The project is ahead of schedule due to the earlier than originally anticipated finalisation of various land acquisitions. Additional funding is required as negotiations for various land acquisitions have been finalised and purchases can be fast-tracked. Budget and cash flow to be amended in the January 2024 adjustments budget.
Cape Flats Aquifer: Strandfontein NorthE	94 000 000	25 000 000	1 443 956	-23 556 044	36 950 000	The project is behind schedule due to delays in the works contracts activation as a result of additional administrative requirements, which the contractor took longer than anticipated to resolve. Additional works contracts will be executed to make up for the delay. A portion of the project will be rephased to the 2024/25 financial year in the January 2024 adjustments budget.
Repl & Upgr Sewerage Pump Stations	80 696 145	15 024 353	27 342 627	12 318 274	166 950 000	The project is ahead of schedule due to good contract management and performance. Some contractual work has been brought forward due to contractor performance. Budget and cash flow to be amended in the January 2024 adjustments budget.
Bulk Water Infrastructure Replacement	80 425 102	20 000 000	15 083 428	-4 916 572	100 000 000	Orders have been placed. However, delivery is delayed due to the specialised nature of the infrastructure required. Additional funds are required for the replacement of ageing infrastructure at various bulk water treatment plants. Budget will be amended in the January 2024 adjustments budget.
Generators for Pump Stations: Additional	79 116 918	-	13 180 203	13 180 203	49 116 918	Some installation were completed ahead of planned schedule. Quotations were received and site visits, to clarify scope, are underway. Tender 270Q/202021 has been approved and is active. However, Tender 27Q2022/23 has a pending court case that will be heard in February 2024. Budget will be amended in the January 2024 adjustments budget.
Sir Lowry's Pass River Upgrade	76 929 119	35 794 843	33 819 629	-1 975 214	76 929 119	Construction is currently in line with project timelines. The payment certificates for both construction and professional services for the reporting period are still outstanding and will be vetted for processing once received. It is anticipated that this will be finalised and processed for payment in January 2024. The cash flow will be amended in the January 2024 adjustments budget.
	5 737 203 770	2 011 042 922	1 841 435 455	-169 607 467	5 781 384 995	

COMMITMENTS AGAINST CASH AND INVESTMENTS

Cash and Investments

The cash and cash equivalents amount to R7 706 million for the month under review. This position is mainly due to the levels of cash realised in the 2022/23 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	17 327 964	17 798 916
Total Commitments	12 355 403	11 412 613
Unspent Conditional Grants	2 350 688	2 032 268
Housing Development	327 826	332 384
MTAB	28 712	28 761
Trust Funds	1 066	1 073
Insurance reserves	568 773	572 561
CRR / Revenue	6 272 576	5 639 804
Other contractual commitments	2 805 762	2 805 762
Uncommitted Funds	4 972 561	6 386 303
Closing Cash and Investment Balance	17 327 964	17 798 916
Non Current Investments	3 290 752	3 312 285
Current Investments	6 802 557	6 781 024
Cash and Cash Equivalents as per Cash flow statement (Table C7)	7 234 655	7 705 607

Details on the cash flow can be found in *Cash Flow* on page 42.

The City's investment portfolio breakdown can be found in *Investment portfolio* on page 76.

The monthly actual and targets can be found in *Actual and revised targets for cash receipts and cash flows* on page 83.

GRANT UTILISATION

Description R thousands	Budget Year 2023/24						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Total operating expenditure of Transfers and Grants	6 809 560	6 814 943	887 403	910 886	(23 483)	-2.6%	6 817 914
Total capital expenditure of Transfers and Grants	2 776 159	2 700 031	1 125 536	1 057 742	67 794	6.4%	2 680 185
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	9 585 719	9 514 974	2 012 940	1 968 628	44 311	2.3%	9 498 099

Detailed information on transfers and grants per funding source is reflected in *Transfers and grants expenditure* on page 78.

CREDITORS**Creditors Analysis**

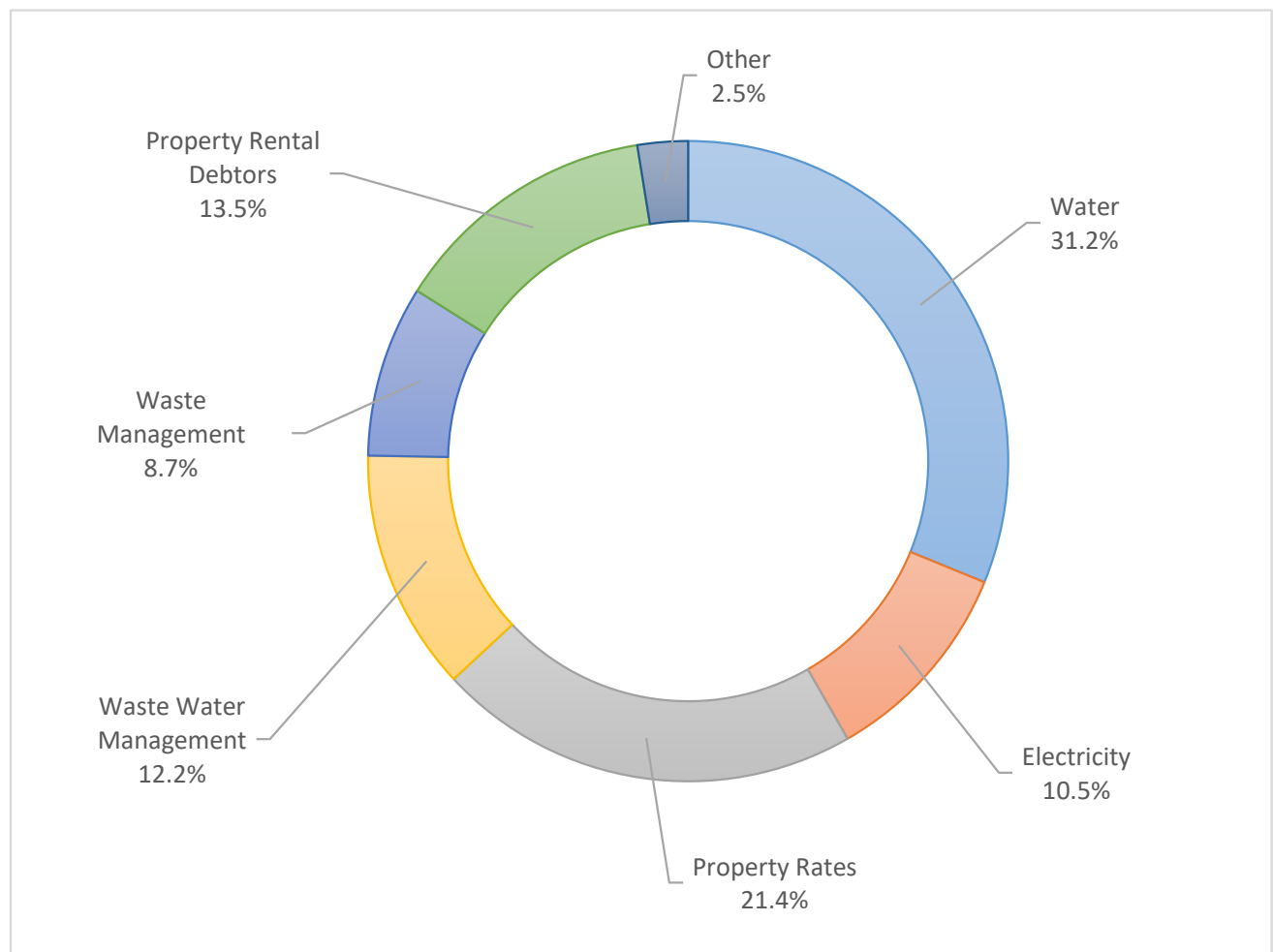
R thousands	Budget Year 2023/24								
	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total
Total Creditors	920	–	–	–	–	–	–	–	920

The City's creditors are paid within 30 days as stipulated in the MFMA.

DEBTORS**Debtors Age Analysis**

Description	Budget Year 2023/24								
	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	2 822 039	28.3%	326 212	3.3%	287 755	2.9%	6 542 142	65.6%	9 978 148
2022/23 - totals only	2 227 627	25.6%	295 093	3.4%	423 210	4.9%	5 765 484	66.2%	8 711 414
Movement	594 412		31 119		(135 456)		776 658		1 266 734
% Increase/(Decrease) year on year		26.7%		10.5%		-32.0%		13.5%	14.54%

Graphical Analysis of debtors older than 90 days



Top 10 Commercial debtors - Age Analysis

Customer	Total	Current	30 days	60 days	90 days	120 days	150 days	150><365	365 days	Comments
Basfour 2295 (Pty) Ltd	R42 896 607.41	R0.00	-R200 187.19	R0.00	R0.00	R0.00	R0.00	R10 727 030.79	R32 369 763.81	The client has entered into a payment arrangement valid until March 2024.
Basfour 2295 (Pty) Ltd	R40 920 807.03	R599 036.69	R0.00	R0.00	R0.00	R0.00	R0.00	R28 133 512.35	R12 188 257.99	The client's bondholder, Bidvest, is paying the accounts from rental income on the client's property. However, no payment was received in December 2023. There is no dunning lock in place.
Cornucopia Trust	R27 935 229.77	R1 961 748.76	R1 952 780.87	R2 101 012.25	R3 092 293.26	R2 925 336.00	R2 342 563.54	R5 019 802.74	R8 539 692.35	An interim payment arrangement is in place with the last payment amounting to R8 692 811.04 received in the first week of November 2023. No payments were received in December 2023.
Cornucopia Trust	R21 258 768.36	R1 443 126.21	R1 380 445.65	R1 220 089.76	R0.00	R0.00	R0.00	R4 438 870.72	R12 776 236.02	An interim payment arrangement is in place with the last payment amounting to R3 908 614.94 received on 1 November 2023. No payments were received in December 2023.
Cape Town Community Housing Co Pty Ltd	R18 233 384.23	R498 885.20	R125 360.94	R366 867.44	R608 717.94	R114 961.58	R553 665.28	R2 100 856.71	R13 864 069.14	This account is the erf remainder of a development where the developer has refused to make payments due to delayed transfers and unregistered units. The Valuations Department is yet to ascertain the number of unregistered portions. The account was handed over for further debt collection on 30 June 2023. A follow up with the Valuation Department has been recommended.
Myriad Trust	R14 096 487.79	R1 301 304.88	R1 324 231.59	R1 246 979.21	R0.00	R2 014 153.87	R946 326.84	R3 141 884.36	R4 121 607.04	The client has proposed an offer for full and final settlement on all accounts linked to this property. A recommendation report for full and final settlement was submitted for approval by the delegated authority on 8 December 2023. There is an instalment plan in place.

Table continues on next page.

City of Cape Town: S52 Annexure A – 2024 Q2 (December 2023)

Customer	Total	Current	30 days	60 days	90 days	120 days	150 days	150><365	365 days	Comments
Transnet Ltd	R 13 217 772.87	R 3 054 695.79	R 4 145 933.81	R 4 632 197.53	R 1 385 484.95	R 0.00	R 0.00	R 0.00	-R 539.21	PRASA made payment amounting to R3 223 293.62 million in December 2023. They are awaiting the transfer of the property into their name. A payment arrangement, to settle the debt by June 2024, will be entered into.
Church Methodist	R 11 742 039.09	R 69 759.23	R 154 866.33	R 125 009.84	R 146 378.60	R 146 123.72	R 81 877.77	R 519 758.68	R 10 498 264.92	The Water & Sanitation Directorate is waiting on the outcome of investigations made by the Reticulation Section. A follow up is recommended.
Efr 3459 George Proprietary Limited	R 10 790 512.18	R 1 210 231.07	R 1 200 784.01	R 29 431.51	R 2 620 032.55	R 38 260.05	R 1 183 277.83	R 3 210 025.80	R 1 298 469.36	The client contested the ownership of meter number 1075534, claiming that it does not belong to her. The water has been estimated since 28 February 2023. A service order number was created for further investigation. No payments have been received since January 2022. A follow up by the Water & Sanitation Directorate has been recommended.
Prasa	R 10 773 316.86	R 1 158 579.41	R 1 226 026.03	R 1 207 502.91	R 1 260 879.18	R 0.00	R 5 925 293.20	-R 942.66	-R 4 021.21	Property ownership between Transnet and PRASA is under investigation. Transnet has promised to settle as soon as ownership has been confirmed.
TOTAL	R 211 864 925.59	R 11 297 367.24	R 11 310 242.04	R 10 929 090.45	R 9 113 786.48	R 5 238 835.22	R 11 033 004.46	R 57 290 799.49	R 95 651 800.21	

Top 10 Commercial debtors service charges breakdown

Customer	Other	Electricity	Water	Sewerage	Refuse	Rates	CIDS	Security deposit	Sundries	TOTAL
Basfour 2295 (Pty) Ltd	-R 200 187.19	R 43 320 794.60	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	-R 224 000.00	R 0.00	R 42 896 607.41
Basfour 2295 (Pty) Ltd	R 0.00	R 0.00	R 4 055 766.94	R 3 375 091.11	R 0.00	R 26 337 387.76	R 7 146 007.88	-R 2 274.00	R 8 827.34	R 40 920 807.03
Comucopia Trust	R 0.00	R 27 935 229.77	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 27 935 229.77
Comucopia Trust	R 0.00	R 0.00	R 1 868 692.97	R 2 415 654.24	R 0.00	R 13 764 519.85	R 3 210 658.30	-R 757.00	R 0.00	R 21 258 768.36
Cape Town Community Housing Co Pty Ltd	R 23.78	R 263.74	R 20 696.68	R 12 864.55	R 14 279.62	R 18 184 652.87	R 0.00	R 0.00	R 602.99	R 18 233 384.23
Myriad Trust	R 0.00	R 14 580 987.79	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	-R 484 500.00	R 0.00	R 14 096 487.79
Transnet Ltd	R 0.00	R 0.00	R 6 399 460.25	R 6 818 851.83	R 0.00	R 0.00	R 0.00	-R 539.21	R 0.00	R 13 217 772.87
Church Methodist	R 2 260.90	R 0.00	R 11 597 595.69	R 142 182.50	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 11 742 039.09
Efr 3459 George Proprietary Limited	R 0.00	R 0.00	R 5 136 850.66	R 4 261 696.52	R 0.00	R 1 222 929.62	R 161 338.30	R 0.00	R 7 697.08	R 10 790 512.18
Prasa	R 5 729 700.46	R 16 945.49	R 454 487.33	R 314 635.69	R 0.00	R 3 535 262.06	R 727 249.70	-R 4 963.87	R 0.00	R 10 773 316.86

Top 10 Residential debtors - Age Analysis

Customer	Total	Current	30 days	60 days	90 days	120 days	150 days	150><365	365 days	Comments
Ndabeni Communal Property Trust	R10 642 816.80	R152 855.65	R163 336.15	R133 829.71	R142 974.67	R135 249.40	R140 174.82	R1 054 591.26	R8 719 805.14	Awaiting an executive discussion to exempt services and rates billing. There is no payment history and no dunning lock. All services are still active.
Welgelegen Body Corporate	R5 643 217.11	R226 945.60	R229 127.48	R298 535.69	R176 935.44	R180 807.50	R33 657.52	R2 940 765.00	R1 556 442.88	Consumption is based on actual reading. No payments have been received, there is no instalment plan, and no dunning lock in place. Disconnection of services has been recommended.
World Harvest Christian Church International NPC	R4 580 424.30	R35 717.56	R34 707.80	R86 708.76	R100 268.27	R78 131.88	R45 903.00	R2 723 241.92	R1 475 745.11	There is no dunning lock in place, and no incoming payments. The water supply has been disconnected, and a summons has been served due to non compliance and response from the client.
Perbro House Body Corporate	R4 107 345.48	R702 636.76	R2 613 151.02	R187.20	R795 187.13	R0.00	R0.00	R0.00	-R3 816.63	The client paid R100 000 on 4 January 2024, however, there is an ongoing water consumption dispute. The dunning lock will be extended.
Monkey Valley Share Block Ltd	R3 111 785.99	R61 572.10	R60 265.95	R60 167.55	R81 010.34	R126 478.67	R49 061.82	R414 618.88	R2 258 610.68	Interdict/Spoliation Applications lock has been extended until 6 June 2024. The Valuations Department is yet to resolve the value dispute. There are no incoming payments. The water has been estimated for three months.
Starstruck Trust	R3 068 558.26	R32 969.06	R2 555.26	R3 000 335.32	R1 266.53	R1 727.57	R562.32	R29 142.20	R0.00	The client made payment of R1 500 on 3 January 2024. An email, advising the client to make settlement/payment arrangements on the outstanding arrears, was sent on 8 December 2023. There has been no response to date; the water supply has therefore been disconnected.
Coleman Industrial Park Body Corp	R2 779 228.52	R0.00	-R131 372.95	R65 537.64	R77 045.93	R89 146.54	R16 906.46	R305 640.73	R2 356 324.17	The client has entered into a payment arrangement, which is valid until March 2024.

Table continues on next page.

City of Cape Town: S52 Annexure A – 2024 Q2 (December 2023)

Customer	Total	Current	30 days	60 days	90 days	120 days	150 days	150><365	365 days	Comments
G The Great Family Trust	R2 735 703.68	R43 536.52	R42 669.81	R42 874.20	R43 424.00	R60 246.40	R42 576.86	R308 972.17	R2 151 403.72	The client has recently agreed to full and final settlement and offered to pay 80% towards the arrears. Awaiting additional documentation to compile the full and final settlement offer report.
Great Force Investments 205 (Proprietary) Limited	R2 709 116.98	R0.00	R1 917 428.80	R76 195.15	R0.00	R0.00	R13 909.89	R178.60	R701 404.54	Payment amounting to R750 000 was received in November 2023 with an instalment plan entered into. The client intends to review this instalment plan in February 2024 for a possible once-off settlement offer.
Marcus Garvey Tabernacle Nyahbinghi Order	R2 614 721.78	R16 810.70	R17 459.71	R16 703.64	R16 667.62	R19 307.23	R22 793.48	R149 243.57	R2 355 735.83	The property is located in Philippi, which is considered dangerous by investigators. There is no contact details for the owner on the system. The water supply has been disconnected although the client still uses 80kl of water per month. It is suspected that the water meter has been tampered with. The Water & Sanitation Directorate was asked to investigate and obtained an actual water reading on 14 December 2023.
TOTAL	R 41 992 918.90	R 1 273 043.95	R 4 949 329.03	R 3 781 074.86	R 1 434 779.93	R 691 095.19	R 365 546.17	R 7 926 394.33	R 21 571 655.44	

Top 10 Residential debtors service charges breakdown

Customer	Other	Electricity	Water	Sewerage	Refuse	Rates	CIDS	Sundries	Security deposit	TOTAL
Ndabeni Communal Property Trust	R 36 109.99	R 0.00	R 11 253.28	R 11 253.28	R 10 725.18	R 9 606 485.52	R 0.00	R 966 989.55	R 0.00	R 10 642 816.80
Welgelegen Body Corporate	R 4 008.66	R 0.00	R 2 816 868.46	R 2 450 207.98	R 372 132.01	R 0.00	R 0.00	R 0.00	R 0.00	R 5 643 217.11
World Harvest Christian Church International NPC	R 3 537.67	R 0.00	R 3 970 767.91	R 517 070.61	R 13 382.61	R 62 550.49	R 0.00	R 13 115.01	R 0.00	R 4 580 424.30
Perbro House Body Corporate	R 0.00	R 2 367 054.33	R 501 045.45	R 1 188 021.74	R 29 403.20	R 25 637.39	R 0.00	R 0.00	-R 3 816.63	R 4 107 345.48
Monkey Valley Share Block Ltd	R 27.54	R 0.00	R 1 946 200.55	R 84 796.98	R 0.00	R 1 080 760.92	R 0.00	R 0.00	R 0.00	R 3 111 785.99
Starstruck Trust	R 3 031 010.94	R 2 701.64	R 23 362.21	R 1 930.73	R 2 049.08	R 7 503.66	R 0.00	R 0.00	R 0.00	R 3 068 558.26
Coleman Industrial Park Body Corp	R 401 435.25	R 203 900.68	R 1 141 862.53	R 795 936.89	R 239 121.17	R 0.00	R 0.00	R 0.00	-R 3 028.00	R 2 779 228.52
G The Great Family Trust	R 22 865.89	R 690 197.76	R 395 701.54	R 93 026.33	R 12 391.05	R 1 521 521.11	R 0.00	R 0.00	R 0.00	R 2 735 703.68
Great Force Investments 205 (Proprietary) Limited	R 2 691.75	R 599 587.39	R 197 162.64	R 14 999.02	R 18 042.38	R 1 784 804.33	R 94 629.47	R 0.00	-R 2 800.00	R 2 709 116.98
Marcus Garvey Tabernacle Nyahbinghi Order	R 2 550.12	R 0.00	R 2 476 788.98	R 114 280.02	R 21 102.66	R 0.00	R 0.00	R 0.00	R 0.00	R 2 614 721.78

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	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<u>Financial Performance</u>								
Property rates	11 245 429	11 857 238	11 857 238	5 950 175	5 928 619	21 556	0.4%	11 857 238
Service charges	23 723 808	27 821 663	27 821 663	14 293 972	14 049 923	244 049	1.7%	27 968 145
Investment revenue	1 447 418	1 193 514	1 193 514	774 945	596 180	178 765	30.0%	1 369 275
Transfers and subsidies - Operational	6 221 933	6 809 560	6 814 943	4 111 701	4 133 359	(21 658)	-0.5%	6 817 914
Other own revenue	11 480 579	10 948 944	10 948 944	5 760 716	5 423 711	337 005	6.2%	12 237 218
Total Revenue (excluding capital transfers and contributions)	54 119 167	58 630 919	58 636 302	30 891 509	30 131 792	759 717	2.5%	60 249 789
Employee costs	15 261 344	18 392 798	18 362 285	8 846 377	9 345 717	(499 340)	-5.3%	18 427 730
Remuneration of Councillors	176 064	190 901	190 784	89 730	89 017	713	0.8%	190 784
Depreciation and amortisation	3 259 524	3 493 165	3 493 165	1 717 585	1 734 984	(17 399)	-1.0%	3 549 360
Interest	772 433	945 367	939 402	391 748	451 347	(59 599)	-13.2%	903 154
Inventory consumed and bulk purchases	17 498 594	20 048 940	20 060 423	8 567 910	8 989 387	(421 477)	-4.7%	20 754 124
Transfers and subsidies	377 101	371 815	386 465	161 789	170 868	(9 079)	-5.3%	415 050
Other expenditure	15 182 487	15 648 940	15 676 874	6 950 556	6 836 151	114 405	1.7%	16 393 076
Total Expenditure	52 527 548	59 091 926	59 109 400	26 725 695	27 617 472	(891 776)	-3.2%	60 633 278
Surplus/(Deficit)	1 591 619	(461 007)	(473 097)	4 165 814	2 514 320	1 651 493	65.7%	(383 489)
Transfers and subsidies - capital (monetary allocations)	2 104 107	2 776 159	2 700 031	1 125 536	1 070 134	55 403	5.2%	2 818 595
Transfers and subsidies - capital (in-kind)	7 714	—	—	40	—	40	100.0%	—
Surplus/(Deficit) after capital transfers & contributions	3 703 440	2 315 152	2 226 934	5 291 390	3 584 454	1 706 936	47.6%	2 435 106
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—
Surplus/ (Deficit) for the year	3 703 440	2 315 152	2 226 934	5 291 390	3 584 454	1 706 936	47.6%	2 435 106
<u>Capital expenditure & funds sources</u>								
Capital expenditure	6 928 907	10 987 689	11 322 121	3 515 165	3 717 975	(202 809)	-5.5%	11 266 298
Capital transfers recognised	2 175 965	2 776 159	2 700 031	1 125 536	1 057 742	67 794	6.4%	2 818 595
Borrowing	1 758 326	6 500 000	6 500 000	1 745 884	1 967 802	(221 918)	-11.3%	3 500 000
Internally generated funds	2 994 615	1 711 530	2 122 090	643 745	692 431	(48 686)	-7.0%	4 947 703
Total sources of capital funds	6 928 907	10 987 689	11 322 121	3 515 165	3 717 975	(202 809)	-5.5%	11 266 298
<u>Financial position</u>								
Total current assets	20 896 564	20 198 576	20 809 631	23 775 684				20 279 550
Total non current assets	66 030 086	73 577 453	73 973 842	64 739 366				72 509 537
Total current liabilities	12 957 911	14 130 363	15 165 024	9 681 110				15 462 002
Total non current liabilities	12 244 597	17 802 712	17 802 712	12 031 527				13 167 837
Community wealth/Equity	61 724 142	61 842 954	61 815 736	66 802 413				64 159 248
<u>Cash flows</u>								
Net cash from (used) operating	6 108 065	6 256 640	6 166 363	3 849 976	3 482 787	(367 188)	-10.5%	6 183 487
Net cash from (used) investing	(7 050 265)	(10 017 881)	(10 352 313)	(4 012 202)	(4 566 607)	(554 405)	12.1%	(10 182 088)
Net cash from (used) financing	757 838	4 851 848	4 851 848	(242 947)	(309 614)	(66 667)	21.5%	1 844 114
Cash/cash equivalents at the month/year end	8 110 781	8 545 973	8 776 678	7 705 607	6 717 347	(988 260)	-14.7%	5 956 294
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
<u>Debtors Age Analysis</u>								
Total By Income Source	2 822 039	326 212	287 755	201 887	138 052	1 139 655	4 949 355	9 978 148
<u>Creditors Age Analysis</u>								
Total Creditors	920	—	—	—	—	—	—	920

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	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional								
Governance and administration	18 471 470	18 796 863	18 778 930	10 476 709	10 127 407	349 303	3.4%	19 202 812
Executive and council	188	355	355	1 175	178	998	562.1%	355
Finance and administration	18 471 283	18 796 504	18 778 572	10 475 526	10 127 227	348 299	3.4%	19 202 454
Internal audit	(0)	3	3	8	2	6	374.5%	3
Community and public safety	4 630 164	3 884 540	3 859 063	2 349 541	1 795 584	553 957	30.9%	4 574 919
Community and social services	111 823	132 827	121 527	58 517	62 221	(3 704)	-6.0%	117 824
Sport and recreation	56 057	85 892	70 892	21 994	26 557	(4 563)	-17.2%	67 932
Public safety	2 425 201	1 677 234	1 677 234	1 358 759	847 898	510 861	60.3%	2 341 278
Housing	1 598 956	1 521 459	1 522 282	750 951	650 680	100 271	15.4%	1 580 758
Health	438 127	467 127	467 127	159 321	208 228	(48 907)	-23.5%	467 127
Economic and environmental services	2 377 553	3 182 528	3 148 693	1 301 605	1 319 386	(17 781)	-1.3%	3 094 002
Planning and development	637 977	767 387	763 892	320 333	351 441	(31 107)	-8.9%	677 662
Road transport	1 689 735	2 358 257	2 327 916	958 640	945 734	12 906	1.4%	2 352 956
Environmental protection	49 841	56 884	56 884	22 631	22 211	420	1.9%	63 384
Trading services	30 750 077	35 537 591	35 544 091	17 888 131	17 956 771	(68 640)	-0.4%	36 191 093
Energy sources	16 879 848	20 234 590	20 241 090	10 545 658	10 434 710	110 948	1.1%	20 246 424
Water management	8 732 166	9 703 941	9 703 941	4 258 272	4 407 380	(149 108)	-3.4%	10 321 355
Waste water management	3 231 115	3 557 952	3 557 952	1 972 362	1 966 215	6 148	0.3%	3 558 036
Waste management	1 906 949	2 041 107	2 041 107	1 111 839	1 148 467	(36 628)	-3.2%	2 065 278
Other	1 723	5 557	5 557	1 099	2 779	(1 680)	-60.5%	5 557
Total Revenue - Functional	56 230 987	61 407 079	61 336 333	32 017 085	31 201 925	815 159	2.6%	63 068 384
Expenditure - Functional								
Governance and administration	9 591 272	2 882 260	2 886 252	1 949 440	1 268 667	680 773	53.7%	3 201 164
Executive and council	538 114	167 299	127 332	62 258	59 049	3 209	5.4%	180 283
Finance and administration	8 997 935	2 711 654	2 755 612	1 887 202	1 207 074	680 128	56.3%	3 017 487
Internal audit	55 223	3 307	3 307	(20)	2 544	(2 564)	-100.8%	3 395
Community and public safety	9 929 739	13 971 690	13 991 116	6 327 711	6 616 707	(288 995)	-4.4%	14 426 580
Community and social services	996 675	2 005 124	2 006 303	893 367	969 265	(75 898)	-7.8%	1 987 398
Sport and recreation	1 153 573	2 167 225	2 169 897	931 952	1 036 939	(104 987)	-10.1%	2 045 200
Public safety	4 747 814	5 563 842	5 566 258	2 553 030	2 705 344	(152 313)	-5.6%	6 233 117
Housing	1 521 826	2 421 778	2 439 653	1 121 893	1 088 871	33 022	3.0%	2 379 285
Health	1 509 850	1 813 721	1 809 005	827 469	816 288	11 182	1.4%	1 781 580
Economic and environmental services	5 597 439	7 485 576	7 479 752	3 370 289	3 520 428	(150 139)	-4.3%	7 472 079
Planning and development	1 548 181	2 110 499	2 105 980	925 713	961 859	(36 145)	-3.8%	1 999 873
Road transport	3 809 483	4 922 573	4 921 235	2 266 863	2 349 704	(82 841)	-3.5%	5 021 061
Environmental protection	239 775	452 504	452 537	177 713	208 865	(31 152)	-14.9%	451 145
Trading services	27 296 165	34 539 177	34 539 018	14 983 698	16 102 506	(1 118 808)	-6.9%	35 332 182
Energy sources	14 445 463	19 593 739	19 594 406	9 095 587	9 345 246	(249 659)	-2.7%	19 601 102
Water management	7 320 809	8 486 521	8 484 176	3 300 384	3 726 037	(425 653)	-11.4%	9 001 523
Waste water management	2 744 691	4 624 291	4 625 810	2 106 084	2 183 417	(77 332)	-3.5%	4 781 688
Waste management	2 785 202	1 834 627	1 834 626	481 643	847 807	(366 164)	-43.2%	1 947 870
Other	112 933	213 236	213 262	94 556	109 163	(14 607)	-13.4%	201 273
Total Expenditure - Functional	52 527 548	59 091 939	59 109 399	26 725 695	27 617 472	(891 777)	-3.2%	60 633 278
Surplus/ (Deficit) for the year	3 703 440	2 315 140	2 226 934	5 291 390	3 584 454	1 706 936	47.6%	2 435 106

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	2022/23	Budget Year 2023/24						
	Audited 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	943 789	1 066 916	1 036 853	421 648	484 340	(62 692)	-12.9%	1 019 572
Vote 2 - Corporate Services	73 774	68 240	68 160	35 203	33 988	1 215	3.6%	66 204
Vote 3 - Economic Growth	304 489	260 479	260 479	124 734	91 902	32 831	35.7%	403 585
Vote 4 - Energy	16 730 867	20 053 062	20 059 562	10 409 435	10 298 524	110 911	1.1%	20 064 896
Vote 5 - Finance	17 724 548	18 055 431	18 043 341	10 175 621	9 851 765	323 857	3.3%	18 272 254
Vote 6 - Future Planning & Resilience	62 339	66 041	66 041	19 920	20 117	(197)	-1.0%	66 043
Vote 7 - Human Settlements	1 598 777	1 521 097	1 521 920	750 945	650 499	100 446	15.4%	1 637 174
Vote 8 - Office of the City Manager	1 928	865	865	1 250	219	1 031	471.5%	863
Vote 9 - Safety & Security	2 470 075	1 750 229	1 750 229	1 386 565	888 881	497 684	56.0%	2 414 092
Vote 10 - Spatial Planning & Environment	581 500	689 847	689 847	313 146	321 000	(7 853)	-2.4%	654 156
Vote 11 - Urban Mobility	1 759 537	2 418 941	2 406 600	1 007 793	976 076	31 717	3.2%	2 445 140
Vote 12 - Urban Waste Management	1 988 560	2 171 545	2 148 050	1 129 889	1 201 938	(72 049)	-6.0%	2 116 141
Vote 13 - Water & Sanitation	11 990 805	13 284 385	13 284 385	6 240 935	6 382 677	(141 742)	-2.2%	13 908 264
Total Revenue by Vote	56 230 987	61 407 079	61 336 333	32 017 085	31 201 925	815 159	2.6%	63 068 383
Expenditure by Vote								
Vote 1 - Community Services & Health	3 954 168	4 649 423	4 649 424	1 987 762	2 057 921	(70 160)	-3.4%	4 534 859
Vote 2 - Corporate Services	3 282 475	3 823 449	3 823 369	1 753 171	1 725 086	28 084	1.6%	3 750 256
Vote 3 - Economic Growth	657 251	660 768	660 768	327 181	346 085	(18 904)	-5.5%	684 976
Vote 4 - Energy	14 663 555	17 283 637	17 283 637	7 966 822	8 214 694	(247 872)	-3.0%	17 307 588
Vote 5 - Finance	2 745 384	3 560 189	3 560 189	1 763 877	1 828 686	(64 809)	-3.5%	3 757 298
Vote 6 - Future Planning & Resilience	442 723	511 532	511 532	234 582	235 335	(754)	-0.3%	557 168
Vote 7 - Human Settlements	1 533 696	1 625 949	1 646 997	763 426	713 399	50 026	7.0%	1 612 668
Vote 8 - Office of the City Manager	430 107	483 062	483 063	245 672	246 586	(914)	-0.4%	490 564
Vote 9 - Safety & Security	5 540 354	5 337 665	5 337 665	2 577 697	2 584 156	(6 459)	-0.2%	6 034 980
Vote 10 - Spatial Planning & Environment	1 278 565	1 560 435	1 560 435	680 504	702 407	(21 903)	-3.1%	1 507 983
Vote 11 - Urban Mobility	3 824 979	4 210 184	4 210 184	2 005 726	2 008 027	(2 301)	-0.1%	4 353 707
Vote 12 - Urban Waste Management	3 404 834	3 628 740	3 625 244	1 564 404	1 708 334	(143 931)	-8.4%	3 615 665
Vote 13 - Water & Sanitation	10 769 455	11 756 893	11 756 892	4 854 874	5 246 754	(391 880)	-7.5%	12 425 566
Total Expenditure by Vote	52 527 548	59 091 928	59 109 400	26 725 695	27 617 472	(891 776)	-3.2%	60 633 278
Surplus/ (Deficit) for the year	3 703 440	2 315 151	2 226 934	5 291 390	3 584 454	1 706 936	47.6%	2 435 105

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

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	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue								
Exchange Revenue								
Service charges - Electricity	16 384 191	19 681 713	19 681 713	10 161 848	10 080 326	81 522	0.8%	19 681 652
Service charges - Water	3 997 156	4 437 689	4 437 689	2 339 539	2 148 553	190 986	8.9%	4 579 473
Service charges - Waste Water Management	2 033 263	2 278 048	2 278 048	1 113 105	1 108 937	4 168	0.4%	2 311 393
Service charges - Waste management	1 309 198	1 424 214	1 424 214	679 479	712 107	(32 627)	-4.6%	1 395 627
Sale of Goods and Rendering of Services	602 839	604 307	604 307	353 057	304 789	48 268	15.8%	608 999
Agency services	276 684	285 197	285 197	137 414	142 598	(5 184)	-3.6%	285 197
Interest	–	–	–	–	–	–	–	–
Interest earned from Receivables	288 014	286 756	286 756	159 098	143 378	15 720	11.0%	293 710
Interest from Current and Non Current Assets	1 447 418	1 193 514	1 193 514	774 945	596 180	178 765	30.0%	1 369 275
Dividends	–	–	–	–	–	–	–	–
Rent on Land	–	–	–	–	–	–	–	–
Rental from Fixed Assets	420 355	399 883	399 883	219 670	192 346	27 324	14.2%	432 907
Licence and permits	353	185	185	180	93	88	94.7%	185
Operational Revenue	423 249	351 785	351 785	227 684	172 043	55 641	32.3%	367 731
Non-Exchange Revenue								
Property rates	11 245 429	11 857 238	11 857 238	5 950 175	5 928 619	21 556	0.4%	11 857 238
Surcharges and Taxes	316 181	365 452	365 452	186 374	182 726	3 648	2.0%	365 452
Fines, penalties and forfeits	1 984 419	1 251 676	1 251 676	1 159 237	625 445	533 792	85.3%	1 903 535
Licence and permits	45 632	76 655	76 655	22 630	38 327	(15 698)	-41.0%	71 292
Transfers and subsidies - Operational	6 221 933	6 809 560	6 814 943	4 111 701	4 133 359	(21 658)	-0.5%	6 817 914
Interest	124 173	89 165	89 165	66 162	44 582	21 580	48.4%	89 165
Fuel Levy	2 666 726	2 639 290	2 639 290	1 759 526	1 759 526	–	–	2 639 290
Operational Revenue	86 691	–	–	–	–	–	–	–
Gains on disposal of Assets	–	59 393	59 393	5 674	6 307	(633)	-10.0%	173 795
Other Gains	4 245 264	4 539 200	4 539 200	1 464 010	1 811 550	(347 540)	-19.2%	5 005 958
Discontinued Operations	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	54 119 167	58 630 919	58 636 302	30 891 509	30 131 792	759 717	2.5%	60 249 789
Expenditure By Type								
Employee related costs	15 261 344	18 392 798	18 362 285	8 846 377	9 345 717	(499 340)	-5.3%	18 427 730
Remuneration of councillors	176 064	190 901	190 784	89 730	89 017	713	0.8%	190 784
Bulk purchases - electricity	11 812 158	14 099 100	14 099 100	6 388 806	6 582 089	(193 283)	-2.9%	14 098 442
Inventory consumed	5 686 436	5 949 840	5 961 323	2 179 104	2 407 298	(228 194)	-9.5%	6 655 682
Debt impairment	854 246	2 321 520	2 321 520	929 818	1 160 744	(230 926)	-19.9%	2 923 730
Depreciation and amortisation	3 259 524	3 493 165	3 493 165	1 717 585	1 734 984	(17 399)	-1.0%	3 549 360
Interest	772 433	945 367	939 402	391 748	451 347	(59 599)	-13.2%	903 154
Contracted services	8 913 196	9 313 712	9 321 894	3 981 674	3 849 949	131 726	3.4%	9 484 328
Transfers and subsidies	377 101	371 815	386 465	161 789	170 868	(9 079)	-5.3%	415 050
Irrecoverable debts written off	2 167 322	150 304	150 304	310 038	75 152	234 886	312.5%	206 459
Operational costs	2 759 913	3 302 869	3 322 388	1 537 674	1 525 742	11 932	0.8%	3 245 137
Losses on Disposal of Assets	37 655	754	988	652	691	(39)	-5.6%	2 184
Other Losses	450 154	559 781	559 781	190 700	223 873	(33 173)	-14.8%	531 239
Total Expenditure	52 527 548	59 091 926	59 109 400	26 725 695	27 617 472	(891 776)	-3.2%	60 633 278
Surplus/(Deficit)	1 591 619	(461 007)	(473 097)	4 165 814	2 514 320	1 651 493	65.7%	(383 489)
Transfers and subsidies - capital (monetary allocations)	2 104 107	2 776 159	2 700 031	1 125 536	1 070 134	55 403	5.2%	2 818 595
Transfers and subsidies - capital (in-kind)	7 714	–	–	40	–	40	100.0%	–
Surplus/(Deficit) after capital transfers & contributions	3 703 440	2 315 152	2 226 934	5 291 390	3 584 454			2 435 106
Income Tax	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax	3 703 440	2 315 152	2 226 934	5 291 390	3 584 454			2 435 106
Share of Surplus/Deficit attributable to Joint Venture	–	–	–	–	–			–
Share of Surplus/Deficit attributable to Minorities	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality	3 703 440	2 315 152	2 226 934	5 291 390	3 584 454			2 435 106
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions	–	–	–	–	–			–
Surplus/ (Deficit) for the year	3 703 440	2 315 152	2 226 934	5 291 390	3 584 454			2 435 106

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	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Multi-Year expenditure appropriation								
Vote 1 - Community Services & Health	223 024	450 869	457 252	77 007	87 450	(10 443)	-11.9%	421 621
Vote 2 - Corporate Services	425 297	621 779	635 739	261 475	208 977	52 498	25.1%	689 175
Vote 3 - Economic Growth	46 144	91 520	92 886	13 912	19 298	(5 386)	-27.9%	93 615
Vote 4 - Energy	1 006 874	1 197 888	1 234 026	480 949	375 353	105 596	28.1%	1 218 331
Vote 5 - Finance	28 965	62 282	62 323	27 367	34 467	(7 100)	-20.6%	64 824
Vote 6 - Future Planning & Resilience	24 787	19 253	20 527	9 328	8 698	630	7.2%	20 124
Vote 7 - Human Settlements	881 608	780 455	769 205	378 099	284 884	93 216	32.7%	914 892
Vote 8 - Office of the City Manager	6 669	11 467	11 689	707	1 026	(319)	-31.1%	6 489
Vote 9 - Safety & Security	281 671	443 515	443 830	159 185	166 463	(7 277)	-4.4%	447 864
Vote 10 - Spatial Planning & Environment	224 417	368 360	403 612	103 879	146 310	(42 431)	-29.0%	323 868
Vote 11 - Urban Mobility	1 089 031	1 925 365	1 972 391	643 382	689 976	(46 594)	-6.8%	1 877 301
Vote 12 - Urban Waste Management	638 820	713 655	730 303	257 597	269 238	(11 642)	-4.3%	732 579
Vote 13 - Water & Sanitation	2 051 600	4 301 283	4 488 337	1 102 278	1 425 834	(323 556)	-22.7%	4 455 614
Total Capital Expenditure	6 928 907	10 987 689	11 322 121	3 515 165	3 717 975	(202 809)	-5.5%	11 266 298
Capital Expenditure - Functional Classification								
Governance and administration	1 312 788	1 570 015	1 622 971	558 944	478 954	79 990	16.7%	1 770 955
Executive and council	4 557	1 676	3 386	707	642	65	10.2%	1 679
Finance and administration	1 308 153	1 564 181	1 615 407	558 150	478 312	79 838	16.7%	1 764 433
Internal audit	78	4 159	4 178	87	-	87	100.0%	4 842
Community and public safety	1 235 898	1 501 963	1 484 374	574 610	509 772	64 839	12.7%	1 523 038
Community and social services	61 847	98 550	89 453	22 416	31 164	(8 748)	-28.1%	75 533
Sport and recreation	75 102	307 321	292 841	45 823	67 071	(21 248)	-31.7%	278 681
Public safety	205 337	307 134	316 505	129 026	121 955	7 071	5.8%	294 477
Housing	859 239	761 558	753 299	369 182	278 517	90 665	32.6%	843 347
Health	34 373	27 400	32 277	8 163	11 066	(2 903)	-26.2%	31 000
Economic and environmental services	1 259 563	2 286 395	2 344 715	701 009	804 401	(103 392)	-12.9%	2 150 293
Planning and development	137 067	205 026	226 367	44 854	63 413	(18 559)	-29.3%	184 771
Road transport	1 001 530	1 854 510	1 880 371	588 800	648 056	(59 257)	-9.1%	1 771 241
Environmental protection	120 965	226 859	237 977	67 356	92 932	(25 576)	-27.5%	194 282
Trading services	3 120 273	5 619 194	5 869 440	1 680 407	1 924 394	(243 988)	-12.7%	5 821 391
Energy sources	1 003 581	1 181 388	1 217 526	478 459	374 353	104 105	27.8%	1 210 699
Water management	710 922	1 060 718	1 129 891	327 651	327 479	172	0.1%	1 181 025
Waste water management	1 059 944	2 980 384	3 096 618	695 799	1 057 364	(361 565)	-34.2%	3 022 936
Waste management	345 826	396 705	425 405	178 497	165 198	13 299	8.1%	406 731
Other	385	10 121	621	195	453	(258)	-57.0%	621
Total Capital Expenditure - Functional Classification	6 928 907	10 987 689	11 322 121	3 515 165	3 717 975	(202 809)	-5.5%	11 266 298
Funded by:								
National Government	2 079 812	2 660 223	2 577 595	1 083 620	996 760	86 859	8.7%	2 694 001
Provincial Government	11 071	30 135	30 135	2 975	27 721	(24 746)	-89.3%	30 292
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	85 082	85 801	92 301	38 941	33 260	5 681	17.1%	94 302
Transfers recognised - capital	2 175 965	2 776 159	2 700 031	1 125 536	1 057 742	67 794	6.4%	2 818 595
Borrowing	1 758 326	6 500 000	6 500 000	1 745 884	1 967 802	(221 918)	-11.3%	3 500 000
Internally generated funds	2 994 615	1 711 530	2 122 090	643 745	692 431	(48 686)	-7.0%	4 947 703
Total Capital Funding	6 928 907	10 987 689	11 322 121	3 515 165	3 717 975	(202 809)	-5.5%	11 266 298

Financial Position

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

Description	2022/23	Budget Year 2023/24			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash and cash equivalents	12 485 867	12 455 162	13 066 217	15 260 215	11 240 932
Trade and other receivables from exchange transactions	4 163 093	3 177 885	3 177 885	4 615 226	2 741 429
Receivables from non-exchange transactions	3 237 826	3 605 039	3 605 039	3 349 841	5 127 736
Current portion of non-current receivables	612	863	863	612	612
Inventory	483 155	466 401	466 401	536 438	473 520
VAT	526 010	493 226	493 226	13 351	695 320
Other current assets	–	–	–	–	–
Total current assets	20 896 564	20 198 576	20 809 631	23 775 684	20 279 550
Non current assets					
Investments	5 718 223	4 965 700	4 966 657	2 631 088	4 480 736
Investment property	576 107	574 433	574 433	576 107	574 433
Property, plant and equipment	58 990 743	67 340 917	67 755 235	60 788 162	66 857 978
Biological assets	–	–	–	–	–
Living and non-living resources	206	800	771	206	1 017
Heritage assets	10 268	11 108	10 358	10 268	10 268
Intangible assets	733 844	684 467	666 360	733 844	584 409
Trade and other receivables from exchange transactions	–	–	–	–	–
Non-current receivables from non-exchange transactions	695	28	28	(310)	695
Other non-current assets	–	–	–	–	–
Total non current assets	66 030 086	73 577 453	73 973 842	64 739 366	72 509 537
TOTAL ASSETS	86 926 650	93 776 029	94 783 472	88 515 050	92 789 087
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Financial liabilities	1 718 820	2 966 423	2 966 423	1 718 820	2 763 357
Consumer deposits	439 733	549 440	549 440	429 404	439 733
Trade and other payables from exchange transactions	7 783 114	7 778 169	8 812 830	3 249 712	9 420 720
Trade and other payables from non-exchange transactions	826 752	610 716	610 716	2 032 268	648 700
Provision	1 709 921	1 811 108	1 811 108	1 704 519	1 709 921
VAT	479 571	414 507	414 507	546 387	479 571
Other current liabilities	–	–	–	–	–
Total current liabilities	12 957 911	14 130 363	15 165 024	9 681 110	15 462 002
Non current liabilities					
Financial liabilities	5 630 840	9 379 712	9 379 712	5 417 770	6 554 080
Provision	6 613 757	8 423 001	8 423 001	6 613 757	6 613 757
Long term portion of trade payables	–	–	–	–	–
Other non-current liabilities	–	–	–	–	–
Total non current liabilities	12 244 597	17 802 712	17 802 712	12 031 527	13 167 837
TOTAL LIABILITIES	25 202 508	31 933 075	32 967 737	21 712 637	28 629 839
NET ASSETS	61 724 142	61 842 954	61 815 736	66 802 413	64 159 248
COMMUNITY WEALTH/EQUITY					
Accumulated surplus/(deficit)	56 727 512	57 605 312	57 691 893	62 222 219	59 567 630
Reserves and funds	4 996 630	4 237 642	4 123 842	4 580 194	4 591 618
Other	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	61 724 142	61 842 954	61 815 736	66 802 413	64 159 248

Cash Flow

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

Description	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates	11 245 429	11 774 525	11 774 525	6 301 890	6 260 261	41 628	0.7%	11 774 525
Service charges	24 295 205	27 337 481	27 337 481	13 651 601	13 737 754	(86 153)	-0.6%	27 117 104
Other revenue	3 182 072	4 591 781	4 591 781	3 680 279	3 694 734	(14 455)	-0.4%	4 630 246
Transfers and Subsidies - Operational	6 171 454	6 809 560	6 814 943	4 483 841	4 089 667	394 174	9.6%	6 817 914
Transfers and Subsidies - Capital	1 819 160	2 776 159	2 700 031	1 563 408	1 563 408	-	-	2 818 595
Interest	1 817 833	1 193 514	1 193 514	798 656	741 371	57 285	7.7%	1 369 275
Dividends	-	-	-	-	-	-	-	-
Payments								
Suppliers and employees	(41 655 977)	(47 117 237)	(47 120 214)	(26 256 340)	(26 051 801)	204 539	-0.8%	(47 196 426)
Interest	(767 111)	(737 329)	(737 329)	(361 165)	(471 164)	(109 999)	23.3%	(733 201)
Transfers and Subsidies	-	(371 815)	(388 371)	(12 194)	(81 442)	(69 248)	85.0%	(414 544)
NET CASH FROM/(USED) OPERATING ACTIVITIES	6 108 065	6 256 640	6 166 363	3 849 976	3 482 787	(367 188)	-10.5%	6 183 487
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	133 778	59 393	59 393	-	-	-	-	173 795
Decrease (increase) in non-current receivables	5 974	863	863	-	-	-	-	863
Decrease (increase) in non-current investments	(518 278)	909 552	909 552	-	-	-	-	909 552
Payments								
Capital assets	(6 671 739)	(10 987 689)	(11 322 121)	(4 012 202)	(4 566 607)	(554 405)	12.1%	(11 266 298)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(7 050 265)	(10 017 881)	(10 352 313)	(4 012 202)	(4 566 607)	(554 405)	12.1%	(10 182 088)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	2 116 000	6 500 000	6 500 000	-	-	-	-	3 500 000
Increase (decrease) in consumer deposits	-	30 009	30 009	-	-	-	-	30 009
Payments								
Repayment of borrowing	(1 358 162)	(1 678 161)	(1 678 161)	(242 947)	(309 614)	(66 667)	21.5%	(1 685 895)
NET CASH FROM/(USED) FINANCING ACTIVITIES	757 838	4 851 848	4 851 848	(242 947)	(309 614)	(66 667)	21.5%	1 844 114
NET INCREASE/ (DECREASE) IN CASH HELD	(184 362)	1 090 606	665 897	(405 174)	(1 393 434)			(2 154 487)
Cash/cash equivalents at beginning:	8 295 143	7 455 368	8 110 781	8 110 781	8 110 781			8 110 781
Cash/cash equivalents at month/year end:	8 110 781	8 545 973	8 776 678	7 705 607	6 717 347			5 956 294

SUPPORTING TABLES***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
Revenue				
Exchange Revenue				
Service charges - Electricity	81 522	0.8%	The variance is due to an increase in sales as a result of lower load-shedding levels. Unpredictable stages of load-shedding makes budgeting difficult.	No immediate corrective action required.
Service charges - Water	190 986	8.9%	The variance is due to service charges for water sales in the domestic full, domestic cluster, and industrial/commercial categories being slightly higher than anticipated to date.	Budgets to be revised in the January 2024 adjustments budget.
Service charges - Waste Water Management	4 168	0.4%	Immaterial variance.	-
Service charges - Waste management	(32 627)	-4.6%	The variance is a combination of over-/under-recovery on the following items: 1. Indigent Relief: Refuse (over), where the number of eligible applicants is higher than originally anticipated. 2. Refuse Charges (under), where the number of billing corrections in favour of the customer is higher than anticipated to date. 3. Disposal Coupon Fees (under), where disposal of general waste is consumption driven and is showing a downward trend as less waste is being disposed of.	Budgets to be revised in the January 2024 adjustments budget, where necessary.
Sale of Goods and Rendering of Services	48 268	15.8%	The variance is a combination of over-/under-recovery on the following items: 1. Recoveries of Operational Expenditure (over), relating to the settlement where the City was successful in its litigation against the contractors of the Cape Town Stadium for inflating prices at the time. 2. Fire Fees (over), as a result of prolonged fire incidences i.e. the Batavia boat fire, and vegetation fires within the metropole. 3. Building Levies/Scrutiny Fees (over), where building-related revenue is dependent on the construction industry, which fluctuates constantly and is difficult to predict. 4. Busfares - Transit Products (under), due to delays in posting of monthly transactions from the Automated Fare System as well as the losses of MyCiTi fare revenue due to taxi protests.	No immediate corrective action required.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue				
Agency services	(5 184)	-3.6%	Immaterial variance.	-
Interest	–	-	-	-
Interest earned from Receivables	15 720	11.0%	The variance is mainly due to higher than expected debtor balances relating to water and sanitation, urban waste, and electricity service charges.	No immediate corrective action required.
Interest from Current and Non Current Assets	178 765	30.0%	The variance is a combination of over-/under-recovery, mainly on: 1. Interest Received: N-C Investments (under), where the interest generated from the sinking fund is recorded through amortisation tables that were initially loaded onto SAP when the investment began. Any discrepancies in the variance can only be rectified upon the investment reaching maturity at the end of the year. 2. Interest Received: Short Term and Call fixed deposits (over), as a result of higher interest rates offered on investments. 3. Interest Received - Allocation to Donors (over), due to higher than anticipated interest rates resulting in higher interest earned on unspent conditional funds.	Budgets to be revised in the January 2024 adjustments budget, where necessary.
Rental from Fixed Assets	27 324	14.2%	The variance is mainly within the following directorates: 1. Economic Growth, due to beneficial occupation rental increases from new leases and ad hoc billings. 2. Human Settlements, where subsidies/rebates and indigent relief is less than planned as the number of tenants submitting renewed applications has declined.	Budgets to be revised in the January 2024 adjustments budget, where necessary.
Licence and permits	88	94.7%	The variance relates to the issuing of health certificates, which is slightly more than planned to date.	No immediate corrective action required.
Operational Revenue	55 641	32.3%	The variance is mainly on the following items: 1. Development Contribution/Levy & BICL, where revenue is dependent on property development and is currently higher than planned. 2. Collection Charges Recovered, due to an increase in the number of customers handed over for outstanding debt.	No immediate corrective action required.
Non-Exchange Revenue				
Property rates	21 556	0.4%	Immaterial variance.	-
Surcharges and Taxes	3 648	2.0%	Immaterial variance.	-

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue				
Fines, penalties and forfeits	533 792	85.3%	The variance reflects mainly on the following items: 1. Fines - Traffic Fine Accruals, due to an increase in the number of traffic fines issued by law enforcement officers during various operations. 2. Traffic Fine income, due to increased visibility and focussed operations, and roadshows enabling easier payment and methods of resolution of outstanding fines.	Budgets to be revised in the January 2024 adjustments budget, where necessary.
Licence and permits	(15 698)	-41.0%	The variance reflects mainly on the following items: 1. Driver's License, and Leaner Licence application fees, due to fewer than planned applications and appointments to date. 2. Licences or Permits: Road and Transport, due to fewer than anticipated wayleave permits issued for road trenches to date. There has been a noticeable steady decline in requests for wayleaves due to a decrease in demand.	Budgets to be revised in the January 2024 adjustments budget, where necessary.
Transfers and subsidies - Operational	(21 658)	-0.5%	Immaterial variance.	-
Interest	21 580	48.4%	The variance is due to interest on arrear property rates being slightly higher than estimated to date.	No immediate corrective action required.
Gains on disposal of Assets	(633)	-10.0%	Immaterial variance.	-
Other Gains	(347 540)	-19.2%	The variance is mainly on Inventory consumed: Price Adj B/Water and R/Water, as a result of a delay in revenue recognition due to the latest accounts received from the National Department of Water & Sanitation being disputed by the City.	Entries into the inventory system will be processed once the dispute has been resolved.

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City of Cape Town: S52 Annexure A – 2024 Q2 (December 2023)

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 1 - Community Services & Health	(62 692)	-12.9%	The variance reflects against transfers and subsidies-operational mainly on the following subcategories: 1. Grants and Subsidies: National (Conditional), due to slower than expected implementation of MJCP work opportunities funded from the national PEP grant as a result of delayed sign off on PIDs. 2. Grants and Subsidies: Provincial (Conditional), as a result of delays in permission to procure from Cape Medical Depot. The department is currently working diligently to catch up on processing purchase orders.	Cash flows to be amended in the January 2024 adjustments budget.
Vote 2 - Corporate Services	1 215	3.6%	Immaterial variance.	-
Vote 3 - Economic Growth	32 831	35.7%	The variance is mainly on Rental from Fixed Assets - Market related (other), due to beneficial occupation rental increases from new leases and ad hoc billings.	Budgets to be revised in the January 2024 adjustments budget, where necessary.
Vote 4 - Energy	110 911	1.1%	The variance is due to over-recovery against the following categories: 1. Service charges - electricity revenue (over), due to an increase in sales as a result of lower load-shedding levels. Unpredictable stages of load shedding makes budgeting difficult. 2. Revenue: Capital: Capital PCDR & CGR (over), where projects are ahead of schedule as a result of satisfactory contractor performance. In addition, applications for new- and upgraded supplies have been more than planned for the period under review. 3. Other Revenue (over), on Development Contribution/ Levy & BICL, which is linked to developer requirements and is currently higher than anticipated. 4. Sales of Goods and Rendering of Services (over), due to more field work being performed resulting in more valuable items of material and redundant items being salvaged and sold.	No immediate corrective action required.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Revenue by Vote</u>				
Vote 5 - Finance	323 857	3.3%	<p>The variance is a combination of over-/under-recovery against the following categories:</p> <ol style="list-style-type: none"> 1. Recoveries of Operational Expenditure (over), relating to the settlement where the City was successful in its litigation against the contractors of the Cape Town Stadium for inflating prices at the time. 2. Interest earned from Current & Non-Current (over), a combination of over-/under-recovery, mainly on: <ol style="list-style-type: none"> a) Interest Received: N-C Investments (under), where the interest generated from the sinking fund is recorded through amortisation tables that were initially loaded onto SAP when the investment began. Any discrepancies in the variance can only be rectified upon the investment reaching maturity at the end of the year; b) Interest Received: Short Term and Call fixed deposits (over), as a result of higher interest rates offered on investments; and c) Interest Received - Allocation to Donors (over), due to higher than anticipated interest rates resulting in higher interest earned on unspent conditional funds. 3. Operational Revenue (over), mainly on Collection Charges Recovered, due to an increase in the number of customers handed over for outstanding debt. 4. Property Rates (under), on <ol style="list-style-type: none"> a) Property Rates, where the Valuations Department is prioritising the resolution of GV2022 objections, resulting in fewer real-time supplementary valuations being done in the reporting period; b) Income Forgone: Rates: Old Age Pension, due to fewer than planned applications approved to date. Pensioners are required to reapply for this rebate when a new general valuation is implemented; GV2022 was implemented on 1 July 2023. Various initiatives will be undertaken by the Revenue Department to encourage pensioners to apply; and c) Income Forgone: Council Determined Rebate, due to fewer than anticipated property owners qualifying for the rebate. 5. Transfers and subsidies – Operational: Grants and Subsidies: National (Unconditional) (over), due to misalignment of period budget provisions and actual revenue recognition on VAT Clawback relating to various national grant-funded projects. 6. Interest on Arrear Rates (over), due to more than estimated outstanding debtors. 	<ol style="list-style-type: none"> 1 and 4. The department will continue to monitor these categories. 2. Budget to be increased by R176 million in the January 2024 adjustments budget. 3. Budget to be increased by R18 million in the January 2024 adjustments budget. 5. Budget to be revised in the January 2024 adjustments budget, where necessary.
Vote 6 - Future Planning & Resilience	(197)	-1.0%	Immaterial variance.	-

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Revenue by Vote</u> Vote 7 - Human Settlements	100 446	15.4%	The variance reflects against the following items: 1. Rental from Fixed Assets, due to subsidies/rebates and Indigent relief being less than planned as a result of a decline in the number of tenants submitting renewed applications. 2. Transfers and Subsidies – Operational: Grants and Subsidies (Provincial), due to good contractor performance on the Greenville Housing Ph4 Top Structures Project. 3. Transfers and Subsidies - Capital, due to: a) Good contractor performance on the following projects: (i) Atlantis GAP Sites Housing Project; and (ii) Kanonkop Housing Project Phase 2 (2502). b) Earlier than originally anticipated finalisation of various land acquisitions on Land Acquisition FY24 Project.	A campaign, which includes the distribution of pamphlets, loud-hailing and community engagement sessions, is currently being implemented. Registration drives will also provide residence with assistance in completing the application forms. Rental from Fixed Assets: Budget provisions reviewed in the mid-year budget and performance assessment process and amended in the January 2024 adjustments budget. Review of period budget provisions is in process/ongoing.
Vote 8 - Office of the City Manager	1 031	471.5%	The over-recovery reflects mainly on the following categories: 1. Recoveries of Operational Expenditure, due to the recovery of unplanned legal costs where court rulings were in favour of the City. 2. Grants and Subsidies: Other (Unconditional), due to unforeseen donations received through an initiative by the Mayor for the restoration and repair of the Organ and Carillon at the Cape Town City Hall.	No immediate corrective action required.

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 9 - Safety & Security	497 684	56.0%	The variance is a combination of over-/under-recovery against the following items: 1. Fines, penalties and forfeits (over), on a) Fines - Traffic Fine Accruals, due to an increase in the number of traffic fines issued by law enforcement officers during various operations; and b) Traffic Fine income, due to increased visibility and focussed operations, and roadshows enabling easier payment and methods of resolution of outstanding fines. 2. Licenses and Permits (under), due to fewer than anticipated learner and driver's license applications and appointments to date. 3. Sales of Good and Services (over), mainly on Fire Fees as a result of prolonged fire incidences i.e. Batavia boat fire and vegetation fires within the metropole. 4. Provincial Grants: Conditional (under), where some recoveries against grant-funded projects been halted due to the pending reduction in grant funding.	Budget provisions reviewed in the mid-year budget and performance assessment process and amended in the January 2024 adjustments budget.
Vote 10 - Spatial Planning & Environment	(7 853)	-2.4%	Immaterial variance.	-
Vote 11 - Urban Mobility	31 717	3.2%	The variance is a combination of over-/under-recovery against the following categories: 1. Sales of Goods and Rendering of Services (under), a combination of over-/under-recovery, on a) Busfares - Transit Products (under), due to delays in posting of monthly transactions from the Automated Fare System, as well as the loss of MyCiTi fare revenue due to the taxi protests; and b) Parking Fees (over), due to implementation of the new parking tender where additional parking areas are included in the new tender. 2. Interest Received – Allocation to Donors (under), due to delays in processing salary costs to the Interest account for the month under review. 3. Operational Revenue (over), combination of over-/under-recovery, mainly on a) Recoveries of Infrastructure Maintenance (under), due to expiration of the MoA with SANRAL for the recovery of traffic signals' operational costs; and <i>Continued on next page.</i>	Budget provisions reviewed in the mid-year budget and performance assessment process and amended in the January 2024 adjustments budget

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote Vote 11 - Urban Mobility	See previous page.	See previous page.	<p>b) Development Contribution/Levy & BICL (over), where revenue is dependent on property development, which is difficult to plan accurately and is higher than planned to date.</p> <p>4. Fines, penalties and forfeits (under), mainly on Forfeits: Unclaimed Money, due to less than planned write-off of credits on MyCiTi Prepaid Cards.</p> <p>5. Licences and permits (under), mainly on</p> <p>a) Filming Fees, where actual revenue collected is less than planned to date; and</p> <p>b) Licences Road/Transport, where less than anticipated wayleave permits for road trenches were issued due to a decrease in demand.</p> <p>6. Transfers & Subsidies (over), combination of over-/under-recovery, mainly on</p> <p>a) Grants and Subsidies: National (Conditional) (under), due to:</p> <p>(i) Delays in the turnaround time taken to fill 3-year fixed term contract vacancies;</p> <p>(ii) Slower than planned expenditure on the MyCiTi communication, marketing and promotion project; and</p> <p>(iii) Revenue recognition funded from Interest booked against the incorrect revenue element.</p> <p>b) Grants and Subsidies: PCDR (Conditional) (over), due to revenue recognition funded from Interest booked against the incorrect revenue element.</p> <p>7. Transfers & subsidies – Capital (under), combination of over-/under-recovery, mainly on the following projects:</p> <p>a) IRT Ph2A: Trunk-E1-M9 Heinz Road - Duinefontein Railway (under): The contractor was only handed access to the site on 18 August 2023;</p> <p>b) Rd Rehab: Kalksteefontein (over): Practical completion was received in early December 2023. Final snags and road markings to be completed early 2024;</p> <p>c) Kuils River Ph2 Non Motorised Transport (under): The process of appointing an alternative contractor has delayed the commencement of the project;</p> <p>d) IRT Ph2A: AFC-Infrastructure & Equipment (under): The planned procurement vehicle for this project has not been possible and alternative mechanisms are being investigated through which to procure the necessary equipment;</p> <p>e) IRT: Control Centre (under): Orders have been raised for some of the equipment required; awaiting delivery;</p> <p>f) Transport Facilities Upgrades (over): Planned work on minor upgrades at various PTI facilities across the City, and at MyCiTi stations were completed earlier than anticipated; and</p> <p>g) Public Transport System Management: Installation (over): Installation of three controllers in the South Region and four recabling projects were completed earlier than anticipated.</p> <p>8. Revenue Capital PCDR (under), mainly on IRT Ph2A: Nyanga/Nolungile/Vuyani PTI Precincts, due to project delays as a result of prolonged stakeholder engagements.</p>	See previous page.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Revenue by Vote</u>				
Vote 12 - Urban Waste Management	(72 049)	-6.0%	<p>The variance is a combination of over-/under-recovery against the following items:</p> <ol style="list-style-type: none"> 1. Service charges - Waste Management (under), a combination of over-/under recovery, mainly on: <ol style="list-style-type: none"> a) Indigent Relief: Refuse (over), where the number of eligible applicants is higher than originally anticipated; b) Refuse Charges (under), where the number of billing corrections is higher than anticipated in favour of the customer; and c) Disposal Coupon Fees (under), where disposal of general waste is consumption driven and is showing a downward trend as less waste is being disposed of. 2. Interest Earned on Arrears - Solid Waste (over), where the Interest on arrears is higher than anticipated, however, it is expected to reduce as a result of the debt written off in the first six months of the financial year. 3. Operational Revenue (under), mainly on Development Contribution/Levy & BICL, as the number of developments in the City is slowing down, which is resulting in a downward trend in revenue. 4. Transfers and subsidies – Operational (under), mainly on Grants and Subsidies - National, due to the seasonal programme that has had a slow start as a result of recruitment challenges. 5. Gains on Disposal of Assets - Profit on Sale of Assets (under), where the auction of aged/redundant vehicles has not taken place as planned. 	Budget provisions reviewed in the mid-year budget and performance assessment process and amended in the January 2024 adjustments budget.
Vote 13 - Water & Sanitation	(141 742)	-2.2%	<p>The variance is a combination of over-/under-recovery mainly on:</p> <ol style="list-style-type: none"> 1. Service charges - Water (over), due to service charges for water sales in the domestic full, domestic cluster and industrial/commercial categories being slightly higher than anticipated to date. 2. Sales of Goods and Rendering of Services (under), as a result of treated effluent sales being slightly less than anticipated. 3. Interest earned from Receivables (over), where interest on outstanding debtors is slightly higher than anticipated. 4. Other Gains (under), mainly on Inventory consumed: Price Adj B/Water and R/Water, as a result of delays in revenue recognition due to the latest accounts from the National Department of Water & Sanitation being disputed by the City. 5. Transfers & subsidies - capital monetary (over), as a result of revenue recognised earlier due to prioritisation of grant funding over other funding sources. 	<p>Budget provisions were reviewed and amended in the mid-year budget and performance assessment process as part of the January 2024 adjustments budget.</p> <p>Entries into the inventory system will be processed once the dispute has been resolved.</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
Expenditure by Vote Vote 1 - Community Services & Health	(70 160)	-3.4%	<p>The variance is a combination of over-/under expenditure, mainly on:</p> <p>1. Employee related costs (under), a combination of over-/under expenditure, mainly on:</p> <p>a) Salaries and Wages, and Pension Scheme Employer Contribution (under), due to the number of vacancies within the directorate;</p> <p>b) Non-Permanent Staff (under), due to misalignment of the period budget and projected spend linked to seasonal beach- and pool attendants life savers. The bulk of these seasonal staff commenced duty during November 2023 and December 2023;</p> <p>c) Wages: Mayor's Job Creation Project (under), where the PID sign-off is still underway; and</p> <p>d) Overtime (over), due to higher demand for overtime.</p> <p>2. Inventory Consumed (over), mainly on:</p> <p>a) Fuel (Petrol, Diesel and Fuel Oil), due to misalignment of the period budget with the actual expenditure trend as a result of higher fuel usage, oil prices and the exchange rate; and</p> <p>b) Pharmaceutical Supplies, and G&D Pharmaceutical Supplies (over), due to misalignment of the period budget with the actual expenditure trend.</p> <p>3. Contracted Services (over), combination of over/ under expenditure, mainly on:</p> <p>a) Laboratory Services – Medical, G&D Lab Services - Medical and Recreation, Sport, Tourism & Social Development, Medical Staff (over), due to misalignment of the period budget with the actual expenditure trends;</p> <p>b) R&M Electrical and R&M Grading of Sport Fields (over), due to insufficient budget base, and misalignment of the period budget with the actual expenditure trends;</p> <p>c) R&M Maintenance of Equipment (under), due to lower than expected demand for service; and</p> <p>d) Cleaning Costs (under), as a result of the absence of a transversal tender that was only awarded in December 2023.</p>	<p>The directorate has 552 vacancies in various stages of the recruitment and selection (R&S) process; 1098 posts were filled while 437 positions were terminated since the beginning of the financial year.</p> <p>1. Employee related costs:</p> <p>a) Salaries and Wages: R&S capacity was increased in a bid to reduce the number of vacancies; the current capacity consist of four permanent staff and three HR Labour Practitioners. Departments have weekly/bi-weekly R&S update meetings to track and ensure movement on the R&S process and to prioritise vacancies nine months and older. YTD savings to be reprioritised for other budget realities.</p> <p>b) Period budget to be aligned to projected spend. Appointment of seasonal staff will be monitored.</p> <p>c) The sign off of PID will be sped-up and finalised, and employment contracts will be sped-up as well.</p> <p>d) The YTD budget will be seasonalised in line with actual expenditure and the budget base will be increased by R10,7 million in the January 2024 adjustments budget.</p> <p>2. a) Period budget to be aligned to projected spending and budget to be topped-up in the January 2024 adjustments budget; and</p> <p>2. b) Period budget to be aligned with projected spend.</p> <p>3. Period budget to be aligned with projected spend in the January 2024 adjustments budget; budget to be topped-up if required.</p>

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Expenditure by Vote</u>				
Vote 2 - Corporate Services	28 084	1.6%	<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 internal filling of vacancies. 2. Inventory Consumed - Labour to operating recoveries (under), due to recoveries still to be processed within the Facilities Management- and Fleet Management Department. It should be noted that the Facilities Management Department is undergoing a restructuring process, which is negatively impacting the staff capacity to process these recoveries. 3. Depreciation and asset impairment (under), due to delays in finalisation of capital purchases and longer lead times relating to fleet purchases. 4. Contracted services (over), a combination of over-/ under expenditure, mainly on: <ol style="list-style-type: none"> a) Advisory Services - Project Management (under), where due diligence was not concluded by the end of December 2023; b) Cleaning cost (under), due to a decrease in demand for services to date; c) R&M Contracted Services Building (under), due to less repairs and maintenance requirements for the period to date; d) R&M Electrical (under), due to some electrical maintenance programmes being deferred in order to focus on other priority areas; e) R&M Maintenance of Equipment (under), due to a decrease in demand for the servicing of vehicles and equipment to date; f) Security Services: Municipal Facilities (under), due to a decrease in the deployment of security guards on day shift at municipal facilities. This is done as an initiative to reduce security services cost as well as to ensure sufficient funding is available to cater for the security tariff increase effective 1 March 2024; and g) Building Contractors (over), as a result of unsettled commitments relating to other directorates. 5. Operational Costs (over), a combination of over-/ under expenditure, mainly on <ol style="list-style-type: none"> a) Training (under), due to lower than planned expenditure for the period to date; b) Bursaries - Non Employees (under), due to planned expenditure scheduled from October 2023 onwards. The recommended list of candidates have been finalised and majority of the funding is envisaged to be paid in quarter 3 of 2023/24; and c) R&M Computer Network Extensions (over), due to more than anticipated network extensions installed at City facilities. 	<p>The directorate has 288 vacancies at various stages of the R&S process; 306 posts were filled while 63 positions were terminated since the beginning of the financial year.</p> <p>The activity-based capacity planning and related budget will be reduced in the January 2024 adjustments budget.</p> <p>Period budget provisions to be reviewed and adjusted for all categories with over-expenditure.</p>

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 3 - Economic Growth	(18 904)	-5.5%	Immaterial variance.	The directorate has 62 vacancies at various stages of the R&S process; 37 positions were filled while 13 were terminated since the start of the financial year.
Vote 4 - Energy	(247 872)	-3.0%	<p>The variance is a combination of over-/under expenditure mainly on:</p> <ol style="list-style-type: none"> 1. Employee related costs (under), a combination of over-/under expenditure, due to: <ol style="list-style-type: none"> a) The turnaround time in filling vacancies and the impact of internal filling of vacancies; b) Non Structured Overtime (over), due to the change in operational requirements as a result of a rise in theft, vandalism and meter tampering as well as delays in award of the Public Lighting Tender resulting in City staff performing the maintenance function. 2. Bulk Purchases (under), due to a change in the Eskom monthly billing cycle resulting in the loss of three billing days, which will not be recovered in the current financial year. An increase in sales is being experienced due to lower load-shedding levels. This under expenditure is expected to reduce in line with the growth in sales. Unpredictable stages of load-shedding makes budgeting difficult. 3. Contracted services (under), a combination of over-/ under expenditure, on: <ol style="list-style-type: none"> a) Advisory Services - Research & Advisory (under), where various services for the Mayoral Priority Program (MPP) are still being procured resulting in misalignment of the period budget provisions and actual to date. The bulk of the unspent budget is allocated to the Independent Power Producers (IPP) programme, which will be evaluated in January 2024. The entire MPP project funding has been fully committed to projects and is expected to be spent by financial year-end; b) R&M Electrical (under), due to expiration of various electrical R&M contracts; replacement tenders/contracts are still in the process of being awarded; c) R&M Contracted Services Building (over), due to unexpected structural inspection requirements, and an increase on ongoing theft and vandalism; d) R&M Maintenance of Equipment (over), due to earlier than anticipated repairs and maintenance work done at Steenbras Dam; and e) Security Services: Municipal Facilities (over), due to ongoing theft and vandalism that is severely impacting the City. <p><i>Continued on next page.</i></p>	<p>The directorate has 266 vacancies at various stages of the R&S process; 217 positions were filled while 57 were terminated since the start of the financial year.</p> <p>The directorate will make the necessary amendments to the budget provisions in the January 2024 adjustments budget, where needed.</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 4 - Energy	<i>See previous page.</i>	<i>See previous page.</i>	<p>4. Depreciation and amortisation (over), where capital expenditure is ahead of schedule.</p> <p>5. Operational cost (under), a combination of over-/ under expenditure, on:</p> <p>a) Commission - Pre-paid electricity Vendors (under), due to less than anticipated electricity sales through vendors as well as more consumers utilising alternative energy sources;</p> <p>b) Uniform & Protective Clothing (over), due to the earlier than anticipated acquisition of uniform and protective clothing;</p> <p>c) Electricity (under), due to the Eskom account for December 2023 not being paid before month-end.</p> <p>6. Inventory Consumed (under), on:</p> <p>a) Fuel (Petrol, Diesel and Fuel Oil), due to the current year's budget being based on the previous year's actual expenditure, which was overstated due to higher oil prices at that time; and</p> <p>b) R&M Mat General & Consumables, due to the expiration of various electrical R&M contracts. Replacement tenders/contracts are still in the process of being awarded.</p>	<i>See previous page.</i>

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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	(64 809)	-3.5%	<p>The variance is a combination of over-/ under expenditure and reflects mainly on:</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. Interest – External (under), due to misalignment of the period budget provision and actuals to date. The planned take-up of the loan to fund the capital programme will be in the last quarter of the current financial year. 3. Contracted services - Collection Fees (over), where more payments were made to lawyers than initially expected for legal actions initiated against customers who failed to pay their municipal accounts. 4. Operational cost (over), a combination of over-/ under expenditure, mainly on: <ol style="list-style-type: none"> a) Auditors Remuneration (over), due to an invoice received earlier than anticipated, and insufficient budget base for the audit requirement in the current year; b) Prior Year Expenses and Refunds paid (over), due to more than estimated prior year expenses and refunds identified within the Directorate; c) Medical Expenses, Motor Claims, Public Liability Claims (over) and Premiums: Unicity Insurance (under), due to the nature of claims, which are unpredictable resulting in misalignment of the YTD budget and actuals to date; and d) Indigent Relief: Electricity – Eskom (under), due to lower than planned indigent relief for Eskom customers within the City area as less consumers met the indigent criteria. 	<p>The directorate has 133 vacancies in various stages of the R&S process; 184 positions were filled while 38 were terminated since the start of the financial year.</p> <p>Interest - External: Interest on loan to be corrected in the January 2024 adjustments budget.</p> <p>Contracted services - Collection Fees: Additional budget has been appropriated in the January 2024 adjustments budget to prevent over expenditure.</p> <p>Operational cost: Auditors Remuneration: Budget base will be adjusted in the January 2024 adjustments budget.</p> <p>Prior Year Expenses and Refunds paid: Budget provisions will be reviewed, where necessary.</p> <p>Unicity Insurance Program and Public Liability Claims: Additional budget will be appropriated in the January 2024 adjustments budget.</p> <p>Indigent Relief: Electricity - Eskom: Expenditure will be monitored.</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 6 - Future Planning & Resilience	(754)	-0.3%	Immaterial variance.	The directorate has 41 vacancies in various stages of the R&S process; 44 positions were filled while there were 3 terminations since the start of the financial year.
Vote 7 - Human Settlements	50 026	7.0%	<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 slow turnaround time associated with the filling of vacancies as well as staff movement. 2. Inventory consumed (over), a combination of over-/under expenditure, mainly on: <ol style="list-style-type: none"> a) R&M Labour to operating (under), due to the Public Housing Department experiencing a backlog in capturing service requests to attend to aged infrastructure that has been poorly maintained in the past. Capacity constraints are also negatively impacting the budget performance; and b) R&M Mat General & Consumables (over), due to high volumes of C3 notifications to repair aged infrastructure within the Public Housing rental units, which has been poorly maintained in the past. 3. Depreciation (under), due to delays in completion of capital upgrading projects for Public Housing as well as other movable capital purchases. 4. Contracted Services (over), due to a combination of over-/under expenditure, mainly on: <ol style="list-style-type: none"> a) Advisory Services - Project Management (under), where the Integrated Human Settlement Sector Plan Review is behind schedule; b) Advisory Services - Quality Control, Professional Services - Engineering: Civil as well as Professional Services - Structural (over), where expenditure was incorrectly posted against City funds instead of grant funding; c) G&D Professional Services - Engineering: Civil (over), where capital expenditure was incorrectly captured against operational funds; d) R&M Advisory Services - Project Management, and R&M Professional Services - Engineer: Civil (under) due to delays experienced with project implementation; e) Building Contractors (over), where capital expenditure was incorrectly captured against operational funds; f) Electrical (over), due to the incorrect posting of capital expenditure relating to electrical work done at Goodwood Station Social Housing Project against the operating budget; g) G&D Contracted Services Building (under), due to delays in the implementation of Nooiensefontein Top Structures Project, and ESKOM Electrical Project. The projects commenced in September 2023, however, the probability exists that the electrical phase and the top structures will only commence in the 2024/25 financial year; <p><i>Continued on next page.</i></p>	<p>The directorate has 81 vacancies in various stages of the R&S process; 174 positions were filled while there were 23 terminations since the start of the financial year.</p> <p>Vacancies are at various stages of the recruitment process.</p> <p>Period budget provisions to be reviewed to ensure alignment with actual expenditure trends.</p> <p>The overall over-expenditure is due to projects being implemented ahead of schedule as well as the incorrect posting of capital-related expenditure against operating line items.</p> <p>Reposting of expenditure will be done after the January 2024 adjustments budget.</p> <p>Cash flow re-alignments will be implemented in the January 2024 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 - Human Settlements	See previous page.	See previous page.	h) R&M Contracted Services Building (over), where some projects are running ahead of planned schedule as a result of good contractor performance; and i) Security Services: Municipal Facilities (over), due to an increase in demand for security as a result of actions of intimidation at construction sites. 5. Operational cost (under), mainly on; a) Insurance: Non GIF, due to less than planned travelling to date; b) Subsidy on Homeowners Redemption, due to more than planned cash sales not eligible for the Enhanced Extended Discount Benefit Scheme (EEDBS) subsidy, resulting in a decrease in the unrealised portion of the Housing Fund; and c) Operating Leases, due to misalignment of the period budget as a result of delays in finalisation of some lease agreements.	See previous page.
Vote 8 - Office of the City Manager	(914)	-0.4%	Immaterial variance.	The directorate has 31 vacancies in various stages of the R&S process; 24 positions were filled while there were 6 terminations since the start of the financial year.
Vote 9 - Safety & Security	(6 459)	-0.2%	Immaterial variance.	The directorate has 591 vacancies at various stages of the R&S process; 535 positions were filled while 125 terminations were processed since the start of the financial year.
Vote 10 - Spatial Planning & Environment	(21 903)	-3.1%	Immaterial variance.	The directorate has 112 vacancies in various stages of the R&S process; 182 positions were filled while 22 terminations were processed since the start of the financial year.
Vote 11 - Urban Mobility	(2 301)	-0.1%	Immaterial variance.	The directorate has 187 vacancies in various stages of the R&S process; 182 posts were filled while 45 terminations were processed 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 12 - Urban Waste Management	(143 931)	-8.4%	<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), a combination of over-/under expenditure, due to: <ol style="list-style-type: none"> a) Turnaround time of filling vacancies, and the slow start of the Rapid Response programme as a result of recruitment challenges; and b) Non Structured Overtime (over), where Collections staff are currently required to work overtime as a result of outsourced areas being serviced internally. 2. Inventory Consumed (under), combination of over-/ under expenditure, mainly on: <ol style="list-style-type: none"> a) Cleansing Related Costs (under), due to a change in classification of the purchase of plastic bags previously purchased against this GL account and now allocated against Materials Consumables Tools & Equipment; b) Fuel (Petrol, Diesel and Fuel Oil) (under), as a result of lower than planned consumption for the period to date; c) Materials Consumables Tools & Equipment (over), due to change in classification of the purchase of plastic bags from the Cleansing Related Costs item; and d) R&M Mat General & Consumables (over), due to the high volumes of work being performed by internal staff. 3. Depreciation PPE (under), as a result of the Athlone Materials Recovery Facility Project being phased out to the 2024/25 financial year resulting in lower depreciation. 4. Contracted Services (under), combination of over-/ under expenditure, mainly on: <ol style="list-style-type: none"> a) Advisory Services - Project Management (under), due to the scoping of capital projects cost being lower than anticipated; b) Advisory Services – Research & Advisory (over), where a new tender has been awarded for the sale of Carbon Credits, which will also result in additional revenue; <p><i>Continued on next page.</i></p>	<p>The directorate has 267 vacancies in various stages of the R&S process; 585 positions were filled and 71 terminations were processed since the start of the financial year.</p> <p>The directorate will make the necessary amendments to the budget provisions in the January 2024 adjustments budget, where needed.</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 - Urban Waste Management	See previous page.	See previous page.	c) Building Contractors (over), due to work on concept designs progressing faster than planned; d) Haulage (under), where waste had to be transported by internal mechanisms as contracts are not in place for informal settlements; e) Relief Drivers (under), due to a decrease in the number of senior foreman required for EPWP through labour brokers as permanent staff have been appointed; f) R&M Contracted Service Building (over), as a result of the earlier than anticipated completion of repair work at the Woodstock Depot; g) R&M Maintenance of Equipment (under), where minor maintenance work being performed internally has resulted in less work being given to contractors; h) Security Services: Municipal Facilities (over), due to more than anticipated crime-related issues at City sites; i) Administrative and Support Staff (under), due to fewer labour broker staff members needed to make up for the shortfall in EPWP numbers; and j) Litter Picking and Street Cleaning (under), where the contract for informal settlements clean-up has not been awarded resulting in the function being performed in-house. 5. Operational Costs (over), mainly on: a) Hire of LDV, P/Van, Bus, Special Vehicle, where the contract for informal settlements clean-up has not yet been awarded resulting in the function being performed in-house; b) Rehabilitation Costs Actual Expenditure, due to misalignment of the period budget provision and the actual spend as the contractor is ahead of schedule; c) Uniform & Protective Clothing, where more EPWP staff had to be employed for the additional cleaning work; and d) Training, and G&D Training, due to insufficient budget provisions.	See previous page.

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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 13 - Water & Sanitation	(391 880)	-7.5%	<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 of filling vacancies and the impact of internal filling of vacancies. 2. Inventory Consumed (under), a combination of over-/under expenditure, mainly on: <ol style="list-style-type: none"> a) Chemicals (over), due to higher operational demands resulting from increasing volumes, the impact of contract price adjustments, and an increase in the use of chemicals for odour control; b) Fuel (over), due to the incessant increase in fuel prices as well as generators utilising more fuel at Plants as a result of load-shedding; and c) Inventory consumed: Bulk and Reticulation Water (under), where the latest accounts received from the National Department of Water & Sanitation are being disputed by the City. 3. Contracted Services (over), a combination of over-/ under expenditure, mainly on: <ol style="list-style-type: none"> a) Sludge Removal (under), as a result of the misalignment of the period budget provisions with the anticipated implementation plan for sludge removal. In addition, there has been a slight reduction in sludge removal at some wastewater plants; b) R&M Contracted Services Building (over), as a result of increased maintenance required due to the ageing sewer infrastructure collapses; c) R&M Maintenance of Equipment (over), due to a number of emergency equipment repairs, and major services required at some wastewater plants, and maintenance work at pump stations identified in the conditional assessments; d) Security Services: Municipal Facilities (over), as a result of increased security requirements at various facilities; and e) Sewerage Services (under), where approval for the expansion of the Zandvliet WWTW contract has not yet been finalised. Expenditure is anticipated to increase in future months. 4. Operational Cost (over), mainly on Prior Year Expenses and Refunds paid, where a portion of the electricity consumption for June 2023 was billed and paid for in the current financial year. 5. Other Losses (under), where the latest accounts received from the National Department of Water & Sanitation are being disputed by the City. 	<p>The directorate has 748 vacancies at various stages of the R&S process; 638 posts were filled while 93 terminations were processed since the beginning of the financial year.</p> <p>Entries into the inventory system will be processed once the dispute has been resolved.</p> <p>The directorate has reviewed and amended (where necessary) budget provisions in the mid-year budget and performance assessment process as part of the January 2024 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>				
Employee related costs	(499 340)	-5.3%	The variance is mainly due to: 1. The turnaround time in filling vacancies; 2. The internal filling of vacancies; and 3. Slower than planned start of EPWP projects.	The City had 3359 vacancies as at 31 December 2023; 4206 positions were filled (1347 internal, 557 external, 733 rehire, 1569 EPWP) with 966 terminations processed since the start of the financial year. The filling of vacancies is ongoing and seasonal staff are appointed as and when required.
Remuneration of councillors	713	0.8%	Immaterial variance.	-
Bulk purchases - electricity	(193 283)	-2.9%	The variance is due to a change in the Eskom monthly billing cycle which has resulted in the loss of three billing days. This will not be recovered in the current financial year. In addition, an increase in sales is being experienced due to lower load-shedding levels. It is expected that the under expenditure will reduce in line with the growth on sales. Unpredictable stages of load-shedding makes budgeting difficult.	No immediate corrective action required.
Inventory consumed	(228 194)	-9.5%	The variance is a combination of over-/under expenditure against the following items: 1. Chemicals (over), due to operational demands resulting from increasing volumes of wastewater and water, impact of contract price adjustments, and an increase in the use of chemicals for odour control. 2. Inventory consumed: Bulk and Reticulation Water (under), due to the latest accounts received from the National Department of Water & Sanitation being disputed by the City. 3. R&M Material General & Consumables (over), as a result of: a) More than anticipated work performed by internal staff; b) High volumes of C3 notifications for the repair of Public Housing rental units' aged infrastructure, which were poorly maintained in the past; and c) The expiration of various electrical R&M contracts. Replacement tenders/contracts are still in the process of being awarded. 4. Fuel (over), due to consumption trends and the fluctuation in fuel prices. 5. Cleansing Related Costs (under), due to a change in classification of the purchase of plastic bags from this GL account to Materials Consumables Tools & Equipment. <i>Continued on next page.</i>	Budget provisions reviewed and amended in the mid-year budget and performance assessment process as part of the January 2024 adjustments budget. Entries into the inventory system will be processed once the dispute has been resolved.

Table continues on next page.

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Expenditure By Type</u>				
Inventory consumed	See previous page.	See previous page.	6. Materials Consumables Tools & Equipment (over), due to the change in classification of the purchase of plastic bags from Cleansing Related Costs to this GL account. 7. Pharmaceutical Supplies and G&D Pharmaceutical Supplies (over), due to misalignment of the period budget with the actual expenditure trend. 8. Labour to operating recoveries (under), due to outstanding recoveries within the Facilities Management- and Fleet Management Department. It should be noted that the Facilities Management Department is undergoing a restructuring process, which is negatively impacting the staff capacity to process these recoveries.	See previous page.
Debt impairment	(230 926)	-19.9%	The variance reflects on Bad Debts Written off, and Transferred to Provision for Bad Debts as a result of higher than planned irrecoverable debt written off on property rates, electricity, and water and sanitation.	No immediate corrective action required.
Depreciation and amortisation	(17 399)	-1.0%	Immaterial variance.	-
Interest	(59 599)	-13.2%	The variance is due to misalignment of the period budget provision and actuals to date. The planned take-up of the loan to fund the capital programme, will be in the last quarter of the current financial year.	Budgets to be revised in the January 2024 adjustments budget, where necessary.
Contracted services	131 726	3.4%	The variance is a combination of over-/under expenditure, mainly on: 1. Professional Services Engineering – Civil, and Advisory Services - Quality Control (over), where expenditure was incorrectly posted against City funds instead of grant funding. 2. Laboratory Services, and G&D Laboratory Services - Medical (over), due to misalignment of the period budget with actual expenditure trends. 3. Sludge Removal (under), due to misalignment of the period budget provisions with the anticipated implementation plan. In addition, there has been a slight reduction in sludge removal at some wastewater plants. 4. Building Contractors (over), where capital expenditure was incorrectly captured against operational funds. 5. Haulage (under), where waste had to be transported by internal mechanisms as contracts are not in place for Informal settlements. <i>Continued on next page.</i>	Budgets to be revised in the January 2024 adjustments budget, where necessary.

Table continues on next page.

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Expenditure By Type</u>				
Contracted services	See previous page.	See previous page.	<p>6. Relief Drivers (under), due to a decrease in the number of senior foreman required for EPWP through labour brokers as permanent staff have been appointed.</p> <p>7. Collection Fees (over), where more payments were made to lawyers than initially expected for legal actions initiated against customers who failed to pay their municipal accounts.</p> <p>8. R&M contracted Services - Building (over), due to:</p> <p>a) Unexpected structural inspection requirements, and an increase in theft and vandalism at buildings;</p> <p>b) Projects running ahead of planned schedule as a result of good contractor performance;</p> <p>c) Faster than anticipated progress on major road resurfacing projects; and</p> <p>d) Some repair work at the Urban Waste Woodstock Depot being completed earlier than anticipated.</p> <p>9. R&M Maintenance of Equipment (over), due to a number of emergency equipment repairs and major services required at some wastewater plants, maintenance work at pump stations identified in the conditional assessments, and the earlier than anticipated repairs and maintenance work done at Steenbras Dam.</p> <p>10. Cleaning Costs (under), due to lower than expected demand for services as a result of the absence of a transversal tender that was only awarded in December 2023.</p> <p>11. Security Services Municipal Facilities (over), due to an increase in demand for security services at various municipal facilities.</p> <p>12. Administrative and Support Staff (under), due to fewer labour broker staff required to make up the shortfall in EPWP numbers.</p> <p>13. Litter Picking and Street Cleaning (under), where the contract for informal settlements clean-up has not been awarded resulting in the function being performed in-house.</p>	See previous page.
Transfers and subsidies	(9 079)	-5.3%	Immaterial variance.	-
Irrecoverable debts written off	234 886	312.5%	The variance is as a result of more than planned irrecoverable debt being written off on property rates, electricity, and water and sanitation.	No immediate corrective action required.
Operational costs	11 932	0.8%	Immaterial variance.	-
Losses on Disposal of Assets	(39)	-5.6%	Immaterial variance.	-
Other Losses	(33 173)	-14.8%	The variance is due to the latest accounts received from the National Department of Water & Sanitation being disputed by the City.	Entries into the inventory system will be processed once the dispute has been resolved.

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	(10 443)	-11.9%	<p>The current negative variance reflects on the following projects;</p> <p>1. Swimming Pool Upgrade: Delays due to late submission of quotations. Orders have been placed for upgrades at Eastridge swimming pool, Emthonjeni swimming pool, Wynberg plant room, Newlands plant room, Observatory swimming pool, and Sea Point plant room.</p> <p>2. Swimming Pool Redevelopment: Revised quotations from contractor to be received mid-January 2024. Further orders to be placed thereafter. As a result of the lengthy stakeholder involvement in determining the priority list for various pool redevelopments, a portion of the project is being rephased to the 2024/25 financial year.</p> <p>3. Velodrome Stadium Upgrade: Revised quotations were received later than anticipated. However, the Professional Service Provider (PSP) has been appointed for stages 3 to 6 for the electrical works component design development, contractor procurement, construction monitoring, and sign-off of works at completion of the project. Consultants' scope of works is being developed to expand on the approved conditional assessment report.</p> <p>4. Tafelsig Clinic - Ext and Upgrade: Approval of the submitted building plan is taking longer than anticipated; construction to commence once plans are approved.</p> <p>5. Strandfontein Clubhouse Development: The PSP to complete detailed designs has been appointed. Public participation engagements are taking longer than anticipated. Construction works will now only commence in the 2024/2025 financial year.</p> <p>6. Integrated Recreation & Parks Facilities: Procurement phases are underway at Marico Park, and The Greens. The main contractor was appointed via tender 321Q. Awaiting signed documents to appoint contractor via tender 242Q. Further contractor appointments will take place in January 2024.</p>	<p>Project managers together with the support of the finance manager/heads will:</p> <p>a) Continue to closely monitor and ensure that projects are implemented within the prescribed timelines by ensuring all payment certificates are received timeously.</p> <p>b) Process all outstanding purchase orders once contracts are available.</p> <p>c) Process outstanding contract price adjustments.</p> <p>Budget and cash flows to be amended in the January 2024 adjustments budget.</p>
Vote 2 - Corporate Services	52 498	25.1%	<p>The positive variance reflects on the following projects/programmes, which are ahead of planned spend as a result of goods being delivered earlier than anticipated due to stock availability:</p> <p>1. IT: CAR Infrastructure; and</p> <p>2. Fleet & Plant: Replacement.</p>	<p>Budget and cash flow to be amended in the January 2024 adjustments budget.</p>

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote				
Vote 3 - Economic Growth	(5 386)	-27.9%	The negative variance reflects on the following projects: 1. Green Point Athletic Stadium Balustrades Project, where site handover took place later than anticipated due to health and safety concerns. 2. Construction: Trading Structures, Gatesville, which was initially delayed due to the outstanding land reservation application.	1. Work is in progress and cash flow to be amended in the January 2024 adjustments budget. 2. The land reservation application has been approved. The order for professional services to complete the detailed design works and other associated services has been placed; work is in progress.
Vote 4 - Energy	105 596	28.1%	The positive variance is mainly as a result of satisfactory contractor performance on the following programmes: 1. Bellville South Main Substation Upgrade; 2. Morgen Gronde Switching Station; 3. Triangle 132kV Upgrade; 4. System Equipment Replacement; 5. MV System Infrastructure; 6. Vehicles: Replacement; and 7. LED Street Lighting Refurbishments.	Budget and cash flow to be amended in the January 2024 adjustments budget.
Vote 5 - Finance	(7 100)	-20.6%	The negative variance reflects on the following projects: 1. Office & training facilities upgrade, where appointment of the electrical contractor has been halted as the construction contractor was terminated. 2. Upgrade Cash (MVR) Offices FY24, where most of the work has been completed besides the installation of LED screens as it has not yet been delivered. 3. System Enhancement Projects FY24, where the Business Partner Modelling Project has been cancelled as a result of tender-related technicalities.	1. The electrical contractor will be appointed as soon as the new contractor is in place. It is estimated that this will take place in March 2024. 2. The project manager is following up on the outstanding delivery. Additional funding is required for portable power stations for the Athlone cash office in order to mitigate downtime during load-shedding. Budget and cash flow to be amended in the January 2024 adjustments budget. 3. A portion of the System Enhancement project will be completed in the 2024/25 financial year where sufficient provision has been made. Budget and cash flow to be amended in the January 2024 adjustments budget.

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 6 - Future Planning & Resilience	630	7.2%	Immaterial variance.	-
Vote 7 - Human Settlements	93 216	32.7%	The positive variance is mainly as a result of: 1. Earlier than anticipated property purchases on the Land Acquisition FY24 programme; and 2. Good contractor performance on the Kanonkop Housing Project Phase 2 (2502).	Budget and cash flow to be amended in the January 2024 adjustments budget.
Vote 8 - Office of the City Manager	(319)	-31.1%	The negative variance relates mainly to the Old Granary Building Aircon Installation Project, as funds are now not needed following the merger of the Combined Assurance & Governance Department, and Internal Audit Department in August 2023.	Budget and cash flow to be amended in the January 2024 adjustments budget.
Vote 9 - Safety & Security	(7 277)	-4.4%	Immaterial variance.	-

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote Vote 10 - Spatial Planning & Environment	(42 431)	-29.0%	<p>The negative variance reflects mainly on the following projects:</p> <ol style="list-style-type: none"> 1. Land Acquisition: Development Offsets FY24, where some property acquisitions will not be actualised in the 2023/24 financial year. 2. Table View Beachfront Upgrade, which was initially delayed due the late appointment of the civils contract via tender 195Q/2022/23 resulting in the late receipt of the contractual documents. The commencement of works was further delayed due to the subpar quality of contractual documents provided by the contractor. This impacted the application for the construction permit. 3. Seaforth Beach Precinct Upgrade, which is progressing slowly due to capacity constraints of the contractor. 4. Upgrade Khayelitsha Training Centre, which is currently on hold as the engineer's report recommended that a structure be demolished, which will impact the detail design. Awaiting a second opinion to determine the way forward on the detail design. 5. Small Bay Sea Wall Upgrade, where the invoices for July and August 2023 were allocated to the Water & Sanitation Directorate, as the project is being carried out with them. Future invoices will be processed against this project. 6. Upgrading Sea Point Promenade Ph2, where construction progress has continually declined due to poor contractor performance. 7. Bracken Visitor Education Centre, where construction commenced later than anticipated due to decanting and the late receipt of the construction permit from the Department of Labour. 8. Fencing: Helderberg Nature Reserve, where contractors for the fencing installation are on site; the invoice will be received once work is completed. 	<ol style="list-style-type: none"> 1. Funding will be rephased to the 2024/25 financial year in order to supplement future purchases. 2. A portion of the construction will be rephased to the 2025/26 financial year. 3. A justifiable extension of time has been awarded to the contractor in order for the project to be completed within the contract period. The contractor has produced a second proposal to expedite progress to meet the due completion date of the revised approved program. 4. Awaiting a second engineer's report, in order to determine the way forward on the detail design. The construction portion of the project will be rephased to the outer financial years. 5. Cash flow to be amended in the January 2024 adjustments budget. 6. The contractor provided a remedial plan to get works on programme again. However, the contractor's rate of progress it is still estimated to be 4-weeks behind programme. Another slow rate of progress letter was issued to the contractor on 8 December 2023. 7. The project schedule has been revised to take into account this delay. A portion of the project will therefore be rephased to the 2024/25 financial year. 8. Cash flow to be amended in the January 2024 adjustments budget.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote				
Vote 11 - Urban Mobility	(46 594)	-6.8%	The negative variance reflects mainly on the following projects: 1. Reconstruction of Delft Main Road, where safety issues on site have resulted in the contractors moving off-site and indicating that they are no longer willing to work in the area. 2. IRT Ph2A: Trunk-E1-M9 Heinz - Duinefontein Railway Project, due to an outstanding invoice. 3. Heavy Duty Vehicles: Additional FY24, where majority of the orders have been placed; awaiting delivery. 4. Road Construction: Saxdowns Road: Langverwach - Van Riebeeck, due to an outstanding invoice.	1. There were no responsive tenders with due diligence assurance; the tender will therefore be cancelled. Funds will be reprioritised within the directorate as and when required. Budget to be amended in the January 2024 adjustments budget. 2 - 4. Project manager is following up with contractors and the outstanding delivery.
Vote 12 - Urban Waste Management	(11 642)	-4.3%	Immaterial variance.	-
Vote 13 - Water & Sanitation	(323 556)	-22.7%	The year-to-date variance is predominantly due to invoices that were received late in the month (which still had to be vetted prior to submission for payment), structural complexities, delay in activation of works contracts arising from additional mandatory administrative requirements, time delays due to inaccurate Eskom wayleaves and unforeseen geotechnical conditions. These significantly impacted the following projects: 1. Bulk Reticulation Sewers in Milnerton Rehabilitation; 2. Postdam WWTW - Extension; and 3. Replace Sewer Network (Citywide) FY24.	Project managers are continuously following up on invoices for work performed. Period cash flow will be aligned to latest implementation plans. Project managers will focus on expediting implementation of work packages. Additionally, the Directorate will maintain the improvements previously made relating to the focused management approach on Capital Programme implementation, and enhanced tender and contract management efficiencies. Closer engagement with CPPPM and the Office of the CFO will continue to proactively deal with any risks identified.

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	41 628	0.7%	Immaterial variance.	-
Service charges	(86 153)	-0.6%	Immaterial variance.	-
Other revenue	(14 455)	-0.4%	Immaterial variance.	-
Government - operating	394 174	9.6%	Grants received are higher than anticipated. Moreover, the system is unable to distinguish between operating- and capital grants at the time of receipt.	No corrective action required.
Government - capital	-	-	-	-
Interest	57 285	7.7%	Interest received is higher than anticipated due to higher interest rates offered on investment than initially anticipated.	No corrective action required.
Dividends	-	-	-	-
Payments				
Suppliers and employees	204 539	-0.8%	Immaterial variance.	-
Finance charges	(109 999)	23.3%	The variance relates to interest on the AFD loan, which was only taken up in June 2023 resulting in the finance charges not being included in the original budget.	To be corrected in the January 2024 adjustments budget.
Transfers and Grants	(69 248)	85.0%	The system is unable to accurately allocate the actual cash payments relating to transfers and grants.	No corrective action required.
NET CASH FROM/(USED) OPERATING ACTIVITIES	(367 188)	-10.5%		
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	(554 405)	12.1%	Capital payments were lower than originally anticipated. Moreover, the system is unable to accurately differentiate between operating- and capital related spending at the time of reporting.	No corrective action required.
NET CASH FROM/(USED) INVESTING ACTIVITIES	(554 405)	12.1%		
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	-	-	-	-
Borrowing long term/refinancing	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-
Payments				
Repayment of borrowing	(66 667)	21.5%	The variance relates to loan repayments on the AFD loan, which was only taken up in June 2023 resulting in the loan repayments not being included in the original budget.	To be corrected in the January 2024 adjustments budget.
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-		

Material variance explanations for corporate performance for Quarter 2 of 2024

Description of Indicator	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
2. D Subsidised electricity connections installed (Number) (NKPI) Target: 750 Actual: 666	-84	EPWP delays resulted in late start of two broken out projects (Khikhi and Nomzamo) and delayed the start of four smaller infill projects (Sihlanu, Mabophe, Masiphumelele School Site and Masiphumelele TRA).	No further action required.
3. B Load-shedding level variance (%) Target: 40% Actual: 14%	-26%	Exceptional high load-shedding incidents.	Life extension of Steenbras Dam, and procurement of battery energy system storage currently underway.
4.A Sewer reticulations pipelines replaced (metres) Target: 40 000 Actual: 31 513	-8487	The variance is predominantly due to contractors operating at full capacity on the available tenders. Safety concerns have resulted in rejection of tenders for works projects in high-risk areas.	The department remains committed to achieving this indicator as projects have been reprogrammed, and tenders for rejected projects have been replaced/re-advertised after engagement with the community. It is anticipated that these projects, along with the remainder of the planned projects, will be implemented in the second half of the financial year.
4.G Residential electricity services applications finalised within industry standard timeframes (%) (NKPI) Target: 95% Actual: 67%	-28%	High number of applications being received makes achieving the provision of supply within required timeframes difficult with current resources.	Systems being developed to improve turnaround time of applications.

Table continues on next page.

Description of Indicator	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
<p>7.C Formal housing serviced sites provided (number)</p> <p>Target:1 400 Actual:295</p>	-1105	<p>The contractor for the Macassar Project is behind on the original programme due to poor performance by subcontractors and inaccessibility to the site because of severe and extensive rainfall (water level) during the winter months.</p> <p>The planned completion date of 30 November 2023 for all sites was not achieved.</p>	The final completion date has been extended to 30 June 2024 via a MFMA S116 (3) process and sites will be completed in this financial year.
<p>7.D Land acquired for human settlements in Priority Housing Development Areas (Hectares)</p> <p>Target: 4 Actual: 0</p>	-4	Awaiting conclusion of the Western Cape Government's (WGC) public participation process (in terms of Public Finance Management Act (PFMA)) after which the City will instruct its conveyancers to conclude the property transfer process as per agreement with the WGC.	A process of identifying and investigating City-owned properties located within Priority Human Settlements and Housing Development Areas (PHSHDAs), which can be reserved for human settlements purposes, is currently underway.
<p>9.B Biodiversity priority areas remaining (hectares)</p> <p>Target: 85000 Actual: 81419</p>	-3581	The initial target of 85 000 hectares was based on the baseline BioNet calculated in 2009. However, some natural vegetation has been lost to development, hence the lower value now.	The value will be adjusted in the mid-year adjustments budget process.
<p>12.A Passengers transported for each scheduled kilometer travelled by MyCiTi buses (ratio)</p> <p>Target: 1.15 Actual: 1.01</p>	-0.14	<p>The effects of the mini-bus taxi strike in Quarter 1 continues to affect the achievement of this indicator as it is measured cumulatively. The performance in quarter 2 partially offset the underachievement in Quarter 1.</p> <p>At the time of setting the target, it was anticipated that the MyCiTi system would become more operationally effective including obtaining organic growth in passenger journeys, in particular on the N2Express service. This, however, did not fully materialise as a result of N2Express bus shortages and therefore resulted in a reduction in the N2Express service. This had a negative effect on the indicator.</p>	The department is continuing to improve efficiency and effectiveness of the MyCiTi service. The target is to be reviewed and adjusted in order to be realistic and align with the current state and dynamics of the MyCiTi service.

Table continues on next page.

Description of Indicator	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
12.B Passenger journeys travelled on MyCiTi buses (Number) Target: 9 300 000 Actual: 9 172 877	-127 123	The effects of the mini-bus taxi strike in Quarter 1 continues to affect the achievement of this indicator as it is measured cumulatively. The performance in quarter 2 partially offset the underachievement in Quarter 1. It is anticipated that previous underachievement will be completely offset by the end of Quarter 4.	No further action required.
16.E Cash/cost coverage ratio (NKPI) Target: 1.8 Actual: 1.42	-0.38	KPI 16E and 16G are interrelated to ensure a cost effectiveness strategy at all times. The 2 KPIs offset each other. The KPI remains within National Treasury's risk parameter of 1.5 times.	No remedial action required.

The full quarterly performance report is attached as Annexure B to the report.

Material variance explanations for capital expenditure by vote (Indicator 16.D capital spend) is reflected in Annexure C.

Performance indicators

Description of financial indicator	Basis of calculation	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	Year TD actual	Full Year Forecast
<u>Borrowing Management</u>						
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	4.1%	4.4%	4.4%	2.4%	4.3%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	37.0%	79.2%	75.4%	73.1%	41.4%
<u>Safety of Capital</u>						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	25.9%	33.5%	35.2%	18.6%	30.2%
Gearing	Long Term Borrowing/ Funds & Reserves	112.7%	221.3%	227.5%	118.3%	142.7%
<u>Liquidity</u>						
Current Ratio	Current assets/current liabilities	1.6	1.4	1.4	2.5	1.3
Liquidity Ratio	Monetary Assets/Current Liabilities	1.0	0.9	0.9	1.6	0.7
<u>Revenue Management</u>						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	13.7%	11.6%	11.6%	25.8%	13.1%
<u>Creditors Management</u>						
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))	99.7%	99.0%	0.0%	99.7%	99.0%
<u>Other Indicators</u>						
Employee costs	Employee costs/Total Revenue - capital revenue	28.2%	31.4%	31.3%	28.6%	30.6%
Repairs & Maintenance	R&M/Total Revenue - capital revenue	9.4%	9.4%	9.4%	8.2%	9.6%
Interest & Depreciation	I&D/Total Revenue - capital revenue	7.5%	7.6%	7.6%	1.3%	1.8%

Aged Creditors

Description	Budget Year 2023/24									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	920	–	–	–	–	–	–	–	920	663
Auditor General	–	–	–	–	–	–	–	–	–	–
Other	–	–	–	–	–	–	–	–	–	–
Total By Customer Type	920	–	–	–	–	–	–	–	920	663

Aged Debtors

Description	Budget Year 2023/24											
	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	637 182	87 364	82 111	63 569	56 729	45 472	299 134	1 574 511	2 846 071	2 039 414	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	876 265	75 916	66 858	70 380	36 496	16 701	96 497	468 741	1 707 853	688 815	–	–
Receivables from Non-exchange Transactions - Property Rates	837 797	107 406	88 429	61 469	48 054	44 209	286 534	958 470	2 432 369	1 398 737	–	–
Receivables from Exchange Transactions - Waste Water Management	258 482	43 235	37 436	28 222	21 975	19 743	127 968	599 729	1 136 791	797 637	–	–
Receivables from Exchange Transactions - Waste Management	115 144	23 674	19 554	19 413	14 931	12 335	81 246	438 647	724 944	566 572	–	–
Receivables from Exchange Transactions - Property Rental Debtors	82 677	11 080	(6 544)	14 960	14 620	14 861	97 120	743 035	971 809	884 596	–	–
Interest on Arrear Debtor Accounts	82 968	37 551	35 443	36 479	33 427	31 455	178 200	395 407	830 929	674 967	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	–	–	–	–	–	–	–	–	–	–	–	–
Other	(68 476)	(60 013)	(35 532)	(181 299)	(24 344)	(46 724)	(27 044)	(229 185)	(672 617)	(508 596)	–	–
Total By Income Source	2 822 039	326 212	287 755	113 193	201 887	138 052	1 139 655	4 949 355	9 978 148	6 542 142	–	–
2022/23 - totals only	2 227 627	295 093	423 210	149 988	9 457	121 489	1 171 437	4 313 113	8 711 414	5 765 484	–	–
Debtors Age Analysis By Customer Group												
Organs of State	119 514	24 921	22 450	(150 739)	(15 609)	(33 719)	39 738	(15 680)	(9 126)	(176 010)	–	–
Commercial	1 235 059	75 982	67 408	61 233	39 479	29 244	210 871	423 269	2 142 546	764 096	–	–
Households	1 321 047	217 911	173 297	162 276	144 111	124 932	807 804	4 054 291	7 005 671	5 293 415	–	–
Other	146 419	7 398	24 599	40 422	33 906	17 596	81 243	487 475	839 057	660 641	–	–
Total By Customer Group	2 822 039	326 212	287 755	113 193	201 887	138 052	1 139 655	4 949 355	9 978 148	6 542 142	–	–

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	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	Yrs/Months								
ABSA Bank	32	Fixed	8.40%	2024/01/05	75 000	483	–	–	75 483
ABSA Bank	38	Fixed	8.40%	2024/01/12	60 000	373	–	–	60 373
ABSA Bank	50	Fixed	8.66%	2024/01/26	280 000	1 661	–	–	281 661
ABSA Bank	49	Fixed	8.61%	2024/01/29	250 000	1 238	–	–	251 238
ABSA Bank	31	Fixed	8.45%	2024/01/12	10 000	46	–	–	10 046
ABSA Bank	30	Fixed	8.40%	2024/01/12	25 000	109	–	–	25 109
ABSA Bank	32	Fixed	8.50%	2024/01/19	10 000	33	–	–	10 033
ABSA Bank	31	Fixed	8.45%	2024/01/19	65 000	196	–	–	65 196
ABSA Bank	30	Fixed	8.45%	2024/01/19	40 000	111	–	–	40 111
ABSA Bank	43	Fixed	8.45%	2024/02/02	50 000	127	–	–	50 127
Firststrand	32	Fixed	8.40%	2024/01/05	225 000	1 450	–	–	226 450
Firststrand	38	Fixed	8.40%	2024/01/12	105 000	652	–	–	105 652
Firststrand	50	Fixed	8.61%	2024/01/26	280 000	1 651	–	–	281 651
Firststrand	49	Fixed	8.61%	2024/01/29	275 000	1 362	–	–	276 362
Firststrand	31	Fixed	8.43%	2024/01/12	10 000	46	–	–	10 046
Firststrand	30	Fixed	8.43%	2024/01/12	30 000	132	–	–	30 132
Firststrand	31	Fixed	8.59%	2024/01/19	65 000	199	–	–	65 199
Firststrand	30	Fixed	8.59%	2024/01/19	40 000	113	–	–	40 113
Firststrand	43	Fixed	8.59%	2024/02/02	55 000	142	–	–	55 142
Investec Bank	50	Fixed	8.55%	2024/01/26	90 000	527	–	–	90 527
Investec Bank	49	Fixed	8.55%	2024/01/29	105 000	517	–	–	105 517
Investec Bank	31	Fixed	8.50%	2024/01/12	15 000	70	–	–	15 070
Investec Bank	31	Fixed	8.48%	2024/01/19	20 000	60	–	–	20 060
Investec Bank	30	Fixed	8.48%	2024/01/19	15 000	42	–	–	15 042
Investec Bank	43	Fixed	8.48%	2024/02/02	20 000	51	–	–	20 051
NEDBANK	364	Fixed	9.80%	2024/06/28	165	1	–	–	166
NEDBANK	364	Fixed	9.80%	2024/06/28	62 100	517	–	–	62 617
Nedbank	364	Fixed	9.80%	2024/06/28	715	6	–	–	721
Nedbank	364	Fixed	9.80%	2024/06/28	590	5	–	–	595
Nedbank	364	Fixed	9.80%	2024/06/28	13 900	116	–	–	14 016
Nedbank	364	Fixed	9.80%	2024/06/28	290	2	–	–	292
Nedbank	364	Fixed	9.80%	2024/06/28	1 479	12	–	–	1 491
Nedbank	364	Fixed	9.80%	2024/06/28	28 000	233	–	–	28 233
Nedbank	301	Fixed	9.05%	2024/06/28	38 596	297	–	–	38 893
Nedbank	38	Fixed	8.45%	2024/01/12	30 000	188	–	–	30 188
Nedbank	50	Fixed	8.65%	2024/01/26	230 000	1 363	–	–	231 363
Nedbank	35	Fixed	8.45%	2024/01/12	10 000	56	–	–	10 056
Nedbank	49	Fixed	8.67%	2024/01/29	225 000	1 122	–	–	226 122
Nedbank	31	Fixed	8.45%	2024/01/12	10 000	46	–	–	10 046
Nedbank	30	Fixed	8.45%	2024/01/12	25 000	110	–	–	25 110
Nedbank	31	Fixed	8.45%	2024/01/19	55 000	166	–	–	55 166
Nedbank	30	Fixed	8.45%	2024/01/19	40 000	111	–	–	40 111
Nedbank	43	Fixed	8.50%	2024/02/02	45 000	115	–	–	45 115
Standard Bank	32	Fixed	8.65%	2024/01/05	165 000	1 095	–	–	166 095
Standard Bank	38	Fixed	8.73%	2024/01/12	60 000	387	–	–	60 387

Table continues on next page.

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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	Yrs/Months								
Standard Bank	50	Fixed	8.75%	2024/01/26	290 000	1 738	–	–	291 738
Standard Bank	49	Fixed	8.70%	2024/01/29	260 000	1 301	–	–	261 301
Standard Bank	31	Fixed	8.65%	2024/01/12	15 000	71	–	–	15 071
Standard Bank	30	Fixed	8.65%	2024/01/12	30 000	135	–	–	30 135
Standard Bank	32	Fixed	8.63%	2024/01/19	10 000	33	–	–	10 033
Standard Bank	31	Fixed	8.63%	2024/01/19	65 000	200	–	–	65 200
Standard Bank	30	Fixed	8.63%	2024/01/19	40 000	113	–	–	40 113
Standard Bank	43	Fixed	8.65%	2024/02/02	60 000	156	–	–	60 156
ABSA Bank	-	Call deposit	8.25%	-	452 105	3 324	(345 000)	405 000	515 429
Firststrand Bank	-	Call deposit	8.10%	-	246 671	1 754	(316 671)	400 000	331 754
Investec Bank	-	Call deposit	8.10%	-	221 469	1 567	(86 469)	155 000	291 567
Nedbank	-	Call deposit	8.10%	-	236 532	1 744	(216 532)	330 000	351 744
Standard Bank	-	Call deposit	8.25%	-	337 190	2 564	(367 190)	430 000	402 564
Nedbank current account	-	Current account	8.05%	-	194 372	2 262	–	16 989	213 624
Fund Managers	-	-	-	-	8 212 898	62 701	–	–	8 275 599
Liberty, RMB and Nedbank sinking fund	-	-	-	-	2 911 021	21 585	–	–	2 932 606
Cash in transit	-	-	-	-	12 897	–	–	44 529	57 426
CTICC	-	-	-	-	271 435	–	–	–	271 435
COID	-	-	-	-	51 796	(52)	–	–	51 744
Shares in Atlantis Special Economic Zone Company SOC Ltd	-	-	-	-	56 500	–	–	–	56 500
TOTAL INVESTMENTS AND INTEREST					17 230 722		(1 331 863)	1 781 519	17 798 916

Transfers and grants expenditure

Description	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Operating expenditure of Transfers and Grants								
National Government:	4 525 239	5 167 276	5 138 836	347 132	356 559	(9 427)	-50.5%	5 145 348
Local Government Equitable Share	3 656 394	4 066 769	4 066 769	–	–	–	–	4 066 769
Finance Management grant	1 000	1 000	1 000	800	500	300	60.0%	1 000
Fire Disasters Housing Project	4 988	–	–	–	–	–	–	–
Urban Settlements Development Grant	19 280	187 686	180 090	26 283	24 221	2 062	8.5%	152 443
Energy Efficiency and Demand Side Management Grant	897	900	900	291	298	(7)	-2.3%	900
Department of Environmental Affairs and Tourism	220	220	220	–	12	(12)	-100.0%	220
Expanded Public Works Programme	42 406	62 588	59 093	37 171	36 457	714	2.0%	59 093
Infrastructure Skills Development	10 446	8 400	8 320	4 521	4 862	(341)	-7.0%	8 320
Public Transport Network Grant	441 557	444 885	444 885	187 453	190 745	(3 292)	-1.7%	468 404
Informal Settlements Upgrading Partnership Grant	24 037	95 950	78 682	4 331	4 330	2	0.0%	78 682
National Skills Fund	21 072	–	–	–	–	–	–	12 034
Programme And Project Preparation Support Grant	65 164	68 877	68 877	20 724	20 223	502	2.5%	68 877
Public Employment Program (NT PEP)	226 019	230 000	230 000	65 557	74 912	(9 355)	-12.5%	228 605
Regional Land Claims Commissioner	11 759	–	–	–	–	–	–	–
Provincial Government:	1 391 813	1 418 260	1 452 083	447 520	454 728	(7 208)	-1.6%	1 458 752
Cultural Affairs and Sport - Provincial Library Services	54 628	53 826	53 826	25 041	26 088	(1 047)	-4.0%	55 917
Cultural Affairs and Sport - Library Services: Transfer funding to enable City of Cape Town to procure periodicals and newspapers	5 338	5 658	5 658	5 469	5 483	(15)	-0.3%	5 779
Cultural Affairs and Sport - Provincial Others	396	–	–	–	–	–	–	–
Municipal Library Support	23	–	–	–	–	–	–	–
Human Settlements - Human Settlement Development Grant	291 154	326 437	360 260	87 595	98 166	(10 571)	-10.8%	360 260
Health - TB	31 237	31 363	31 363	9 826	11 464	(1 638)	-14.3%	31 363
Health - ARV	273 519	313 473	313 473	111 645	92 814	18 831	20.3%	313 473
Health - Nutrition	6 437	5 909	5 909	2 826	3 159	(333)	-10.5%	5 909
Health - Vaccines	99 058	100 911	100 911	30 914	31 979	(1 064)	-3.3%	100 911
Comprehensive Health	201 585	204 129	204 129	–	–	–	–	204 129
LEAP	370 724	326 438	326 438	155 540	163 152	(7 612)	-4.7%	326 817
Transport and Public Works - Provision for persons with special needs	10 015	23 132	23 132	6 145	6 918	(773)	-11.2%	16 211
Community Safety - Law Enforcement Auxiliary Services	4 159	16 966	16 966	6 067	9 097	(3 030)	-33.3%	20 490
Community Development Workers	1 744	1 018	1 018	203	–	203	100.0%	1 031
Public Employment Program (Provincial PEP)	3 285	–	–	–	–	–	–	–
Schools Resource Officers	2 752	–	–	–	–	–	–	–
Municipal accreditation and capacity building grant	10 000	7 500	7 500	5 601	5 601	–	–	7 500
Human Settlements -Informal Settlements	1 234	1 500	1 500	646	806	(160)	-19.8%	1 959
K9 Unit	998	–	–	–	–	–	–	–
Title Deeds Restoration	23 529	–	–	–	–	–	–	–
Other grant providers:	50 355	224 024	224 024	92 751	99 600	(6 849)	-6.9%	213 813
CMTF	5 590	5 920	5 920	305	1 533	(1 228)	-80.1%	1 500
CID	7 642	31 190	31 190	3 338	3 896	(558)	-14.3%	13 150
KFW- Technical Assistance (GDB)	–	2 000	2 000	–	–	–	–	–
National Treasury - Interest	37 082	184 902	184 902	89 100	94 159	(5 059)	-5.4%	199 135
The Cape Academy for MST	41	13	13	8	13	(4)	-33.3%	29
Total operating expenditure of Transfers and Grants:	5 967 408	6 809 560	6 814 943	887 403	910 886	(23 483)	-2.6%	6 817 914

Table continues on next page.

City of Cape Town: S52 Annexure A – 2024 Q2 (December 2023)

Description	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Capital expenditure of Transfers and Grants								
National Government:	2 080 054	2 660 223	2 577 595	1 083 620	996 760	86 859	8.7%	2 555 814
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	8 097	8 100	8 100	3 864	3 325	539	16.2%	8 100
National Treasury: Informal Settlements Upgrading Partnership Grant: Municipalities	473 208	477 260	457 035	271 860	202 872	68 988	34.0%	431 420
National Treasury: Infrastructure Skills Development Grant	1 051	600	600	221	250	(29)	-11.6%	600
National Treasury: Neighbourhood Development Partnership Grant	26 391	20 890	20 890	8 612	6 239	2 373	38.0%	20 890
National Treasury: Public Transport Network: Budget Facility for Infrastructure Grant	330 986	874 000	874 000	339 436	361 758	(22 321)	-6.2%	868 000
National Treasury: Urban Settlements Development Grant	793 081	820 414	758 010	291 185	284 192	6 993	2.5%	794 661
Transport: Public Transport Network Grant	446 999	458 960	458 960	168 442	138 124	30 318	21.9%	432 144
Contributed Assets	242	–	–	–	–	–	–	–
Provincial Government:	17 708	30 135	30 135	2 975	27 721	(24 746)	-89.3%	30 089
Western Cape Financial Management Capability Grant	–	1 000	1 000	999	1 000	(1)	-0.1%	1 000
Community Safety: Law Enforcement Advancement Plan	4 187	23 562	23 562	825	23 562	(22 737)	-96.5%	23 516
Cultural Affairs and Sport: Library Services: Metro Library Grant	5 664	5 573	5 573	1 151	3 160	(2 008)	-63.6%	5 573
MLTF Transport Safety and Compliance	1 220	–	–	–	–	–	–	–
Contributed Assets	6 637	–	–	–	–	–	–	–
Other grant providers:	99 837	85 801	92 301	38 941	33 260	5 681	17.1%	94 282
Other: Other	99 837	85 801	92 301	38 941	33 260	5 681	17.1%	94 282
Total capital expenditure of Transfers and Grants	2 197 600	2 776 159	2 700 031	1 125 536	1 057 742	67 794	6.4%	2 680 185
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	8 165 007	9 585 719	9 514 974	2 012 940	1 968 628	44 311	2.3%	9 498 099

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

Summary of Employee and Councillor remuneration	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<u>Councillors (Political Office Bearers plus Other)</u>								
Basic Salaries and Wages	154 156	167 339	167 339	77 924	77 375	549	0.7%	167 339
Pension and UIF Contributions	3 137	3 276	3 276	1 696	1 702	(6)	-0.3%	3 276
Motor Vehicle Allowance	229	727	727	122	174	(52)	-30.1%	727
Cellphone Allowance	9 373	10 732	10 732	4 885	4 876	10	0.2%	10 732
Other benefits and allowances	9 169	8 828	8 712	5 101	4 889	212	4.3%	8 712
Sub Total - Councillors	176 064	190 901	190 784	89 730	89 017	713	0.8%	190 784
% increase		8.4%	8.4%					8.4%
<u>Senior Managers of the Municipality</u>								
Basic Salaries and Wages	34 484	35 990	36 459	17 179	18 300	(1 121)	-6.1%	36 459
Pension and UIF Contributions	2 624	2 655	2 655	1 350	1 327	23	1.7%	2 655
Medical Aid Contributions	209	233	233	93	115	(22)	-18.8%	233
Performance Bonus	–	–	–	15	–	15	100.0%	–
Motor Vehicle Allowance	574	599	599	248	300	(52)	-17.4%	599
Cellphone Allowance	389	376	382	177	191	(14)	-7.3%	382
Other benefits and allowances	150	164	165	59	80	(21)	-26.5%	165
Payments in lieu of leave	927	–	–	103	–	103	100.0%	–
Long service awards	–	–	–	5	–	5	100.0%	–
Sub Total - Senior Managers of Municipality	39 356	40 017	40 493	19 230	20 313	(1 084)	-5.3%	40 493
% increase		1.7%	2.9%					2.9%
<u>Other Municipal Staff</u>								
Basic Salaries and Wages	10 918 142	12 923 932	12 884 653	6 201 198	6 562 630	(361 433)	-5.5%	12 884 653
Pension and UIF Contributions	1 674 343	2 078 199	2 074 868	900 992	1 028 460	(127 467)	-12.4%	2 074 868
Medical Aid Contributions	993 347	1 046 758	1 046 423	521 017	530 585	(9 567)	-1.8%	1 046 423
Overtime	1 198 787	922 996	925 964	552 234	522 471	29 764	5.7%	925 964
Motor Vehicle Allowance	233 425	243 584	242 760	122 330	120 308	2 022	1.7%	242 760
Cellphone Allowance	36 897	44 421	44 332	20 857	22 252	(1 395)	-6.3%	44 332
Housing Allowances	62 919	66 439	65 717	33 257	33 403	(147)	-0.4%	65 717
Other benefits and allowances	410 502	445 845	451 176	216 820	229 038	(12 217)	-5.3%	451 176
Payments in lieu of leave	135 656	117 729	118 007	38 046	47 087	(9 041)	-19.2%	118 007
Long service awards	89 484	129 334	129 156	47 401	58 201	(10 800)	-18.6%	129 156
Post-retirement benefit obligations	(540 321)	332 774	332 774	167 982	166 387	1 595	1.0%	332 774
Entertainment	–	–	–	–	–	–	–	–
Acting and post related allowance	8 807	770	5 960	5 013	4 583	430	9.4%	5 960
Sub Total - Other Municipal Staff	15 221 988	18 352 781	18 321 792	8 827 148	9 325 404	(498 256)	-5.3%	18 321 792
% increase		20.6%	20.4%					20.4%
Total Parent Municipality	15 437 408	18 583 699	18 553 070	8 936 107	9 434 734	(498 627)	-5.3%	18 553 070

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	549	0.7%	Immaterial variance.	-
Pension and UIF Contributions	(6)	-0.3%	Immaterial variance.	-
Medical Aid Contributions	-	-	-	-
Motor Vehicle Allowance	(52)	-30.1%	Immaterial variance.	-
Cellphone Allowance	10	0.2%	Immaterial variance.	-
Housing Allowances	-	-	-	-
Other benefits and allowances	212	4.3%	Immaterial variance.	-
<u>Senior Managers of the Municipality</u>				
Basic Salaries and Wages	(1 121)	-6.1%	Immaterial variance.	-
Pension and UIF Contributions	23	1.7%	Immaterial variance.	-
Medical Aid Contributions	(22)	-18.8%	Immaterial variance.	-
Performance Bonus	15	100.0%	Immaterial variance.	-
Motor Vehicle Allowance	(52)	-17.4%	Immaterial variance.	-
Cellphone Allowance	(14)	-7.3%	Immaterial variance.	-
Other benefits and allowances	(21)	-26.5%	Immaterial variance.	-
Payments in lieu of leave	103	100.0%	The variance relates to the once-off payment of accrued leave upon the resignation of the Executive Director: Water & Sanitation.	Budget re-alignments will be done in the January 2024 adjustments budget.
Long service awards	5	100.0%	Immaterial variance.	-
<u>Other Municipal Staff</u>				
Basic Salaries and Wages	(361 433)	-5.5%	The variance is mainly due to: 1. The turnaround time in filling vacancies; 2. The internal filling of vacancies; and 3. Slower than planned implementation of job creation projects.	The City had 3359 vacancies as at 31 December 2023; 4206 positions were filled from 1 July to date (1347 internal, 557 external, 733 rehired, and 1569 EPWP) with 996 terminations processed since the beginning of the financial year. Filling of vacancies is on-going and seasonal staff are appointed as and when required. The appointment of EPWP (Job Creation) workers through the roll-out of programmes as per approved Project Identification Documents (PID) is a continuous process.
Pension and UIF Contributions	(127 467)	-12.4%	The variance is mainly due to the turnaround time in filling vacancies and the internal filling of vacancies.	Filling of vacancies is on-going.

Table continues on next page.

City of Cape Town: S52 Annexure A – 2024 Q2 (December 2023)

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Medical Aid Contributions	(9 567)	-1.8%	Immaterial variance.	-
Overtime	29 764	5.7%	The variance reflects mainly on the following directorates: 1. Community Services & Health, as a result of an insufficient budget base. 2. Energy, as a result of a rise in theft, vandalism and meter tampering as well as delays in the award of the Public Lighting tender. Internal staff are currently being used to perform the maintenance function. 3. Human Settlements, due to aging infrastructure that has been inadequately maintained in previous years. Most of the emergency repair work that was previously outsourced is now being performed in-house after regular working hours and on weekends. 4. Safety & Security, due to an increase in the number of land invasions in the City, and an increase in law enforcement visibility over the festive season. There has also been an increase in the number of staff, linked to externally funded projects, working overtime as per shift rosters. 5. Urban Mobility, as a result of additional overtime worked to address the increase in pothole repairs and drain clearing as a result of the abnormally high rainfall during the winter period as well as maintenance work in Cape Town CBD that could not be done during normal work hours. 6. Urban Waste Management, as a result of outsourced functions being performed internally.	Overtime will be monitored, measures to reduce overtime expenditure will be implemented, where possible, and additional funding, where needed, will be appropriated in the January 2024 adjustments budget. The Urban Waste Management Directorate will re-allocate funding from savings within Contracted Services to non-structured overtime in the January 2024 adjustments budget.
Motor Vehicle Allowance	2 022	1.7%	Immaterial variance.	-
Cellphone Allowance	(1 395)	-6.3%	Immaterial variance.	-
Housing Allowances	(147)	-0.4%	Immaterial variance.	-
Other benefits and allowances	(12 217)	-5.3%	Immaterial variance.	-
Payments in lieu of leave	(9 041)	-19.2%	Monthly planning is challenging due to payments being tied to the resignation or retirement of staff. Payments also encompass the encashment of leave days chosen by eligible employees for long service awards.	The periodic budget provision is reviewed and adjusted in line with actual trends on an on-going basis.
Long service awards	(10 800)	-18.6%	Payments are contingent on qualifying employees opting to convert their leave days into cash, making it challenging to predict.	The periodic budget provision is reviewed and adjusted in line with actual trends on an on-going basis.
Post-retirement benefit obligations	1 595	1.0%	Immaterial variance.	-
Acting and post related allowance	430	9.4%	The variance is primarily a result of vacancies where officials have assumed acting roles.	Virements will be processed to align budget with actual expenditure.

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

Description	Budget Year 2023/24												2023/24 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 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands															
Cash Receipts By Source															
Property rates	929 468	983 957	1 273 470	1 046 511	883 060	1 185 423	981 114	980 373	1 020 137	973 733	829 105	688 174	11 774 525	12 493 664	13 468 293
Service charges - Electricity revenue	1 376 577	1 890 647	1 800 785	1 740 357	1 626 940	1 481 405	1 577 036	1 532 985	1 808 767	1 307 396	1 357 304	2 120 607	19 620 806	22 981 998	26 429 296
Service charges - Water revenue	304 421	331 161	307 018	335 100	316 145	377 316	341 305	407 226	425 090	358 593	305 827	409 421	4 218 623	4 584 981	5 011 068
Service charges - Waste Water Management	159 198	165 553	167 739	179 147	324 885	190 711	181 572	195 980	229 075	183 638	164 246	70 701	2 212 445	2 406 255	2 616 081
Service charges - Waste Mangement	94 217	101 052	93 125	99 106	96 733	92 264	102 217	112 937	111 921	105 291	88 328	188 418	1 285 607	1 384 965	1 486 271
Rental of facilities and equipment	17 445	25 068	21 874	23 749	28 969	34 509	29 244	25 706	26 988	24 804	19 441	64 890	342 687	353 466	365 837
Interest earned - external investments	131 350	132 969	139 887	137 906	133 806	122 738	105 997	95 361	106 954	110 101	88 064	(111 619)	1 193 514	1 035 487	880 214
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	17 340	18 523	31 283	26 930	35 838	30 920	23 384	23 762	24 668	19 110	18 841	21 076	291 676	293 950	296 377
Licences and permits	16 187	30 398	31 099	47 221	19 893	46 479	5 720	6 320	5 337	5 554	3 342	(140 710)	76 840	80 221	83 831
Agency services	-	-	-	-	-	-	21 232	23 458	19 807	20 613	12 404	187 683	285 197	299 365	314 254
Transfers and Subsidies - Operational	2 074 874	91 273	108 703	238 016	533 596	1 437 379	457 791	259 802	1 395 551	164 530	10 474	42 955	6 814 943	6 958 864	7 410 322
Other revenue	227 155	1 315 897	93 052	509 688	26 929	1 003 832	59 078	100 224	919 763	85 520	62 558	(808 315)	3 595 382	3 760 189	3 934 715
Cash Receipts by Source	5 348 232	5 086 496	4 068 036	4 383 731	4 026 795	6 002 976	3 885 691	3 764 133	6 094 057	3 358 882	2 959 934	2 733 281	51 712 245	56 633 406	62 296 559
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	430 353	337 307	-	-	789 202	6 547	6 587	920 094	333 425	7 820	7 820	(139 122)	2 700 031	3 540 641	4 405 366
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	59 393	59 393	61 953	64 684
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	6 500 000	6 500 000	9 000 000	12 300 000
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	30 009	30 009	29 215	29 395
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	863	863	14	14
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	909 552	909 552	1 859 336	-
Total Cash Receipts by Source	5 778 585	5 423 803	4 068 036	4 383 731	4 815 997	6 009 522	3 892 278	4 684 227	6 427 482	3 366 702	2 967 754	10 093 976	61 912 093	71 124 566	79 096 018

Table continues on next page.

City of Cape Town: S52 Annexure A – 2024 Q2 (December 2023)

Description	Budget Year 2023/24												2023/24 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 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands															
<u>Cash Payments by Type</u>															
Employee related costs	1 416 707	1 403 870	1 414 293	1 420 919	2 189 548	1 420 924	1 528 676	1 548 432	1 502 364	1 564 434	1 250 962	1 580 277	18 241 406	19 255 034	20 436 247
Remuneration of councillors	13 459	13 447	21 380	13 954	14 050	14 075	15 941	18 344	16 366	16 359	13 215	20 195	190 784	199 491	208 468
Interest	22 945	42	134 686	96 955	36 847	69 691	20 340	–	132 151	–	141 044	82 629	737 329	1 259 772	1 921 449
Bulk purchases - Electricity	1 514 579	1 698 729	1 480 073	1 162 154	1 040 634	999 412	972 468	1 027 007	981 018	1 042 716	789 889	1 390 420	14 099 100	16 926 356	19 743 055
Acquisitions - water & other inventory	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services	–	–	–	–	–	–	576 582	639 365	811 677	891 902	501 154	5 906 589	9 327 269	9 502 740	9 787 717
Transfers and subsidies - other municipalities	11 994	200	–	–	–	–	23 018	25 524	32 403	35 606	20 007	239 619	388 371	340 171	375 439
Transfers and subsidies - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other expenditure	2 247 223	851 287	1 421 491	1 099 891	1 228 086	2 156 157	325 014	360 404	457 536	502 758	282 496	(5 670 688)	5 261 654	5 454 023	5 720 305
Cash Payments by Type	5 226 906	3 967 575	4 471 923	3 793 873	4 509 165	4 660 257	3 462 038	3 619 076	3 933 515	4 053 776	2 998 768	3 549 041	48 245 913	52 937 587	58 192 680
<u>Other Cash Flows/Payments by Type</u>															
Capital assets	915 583	448 462	488 297	698 454	583 094	878 313	560 777	651 099	1 002 743	1 103 343	1 068 027	2 923 930	11 322 121	13 986 676	18 137 540
Repayment of borrowing	50 000	–	79 481	70 533	42 933	–	50 000	–	79 481	–	109 600	1 196 133	1 678 161	2 911 495	1 511 495
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	6 192 488	4 416 037	5 039 701	4 562 860	5 135 192	5 538 570	4 072 815	4 270 175	5 015 739	5 157 119	4 176 395	7 669 104	61 246 195	69 835 758	77 841 715
NET INCREASE/(DECREASE) IN CASH HELD	(413 903)	1 007 767	(971 665)	(179 129)	(319 195)	470 952	(180 537)	414 052	1 411 743	(1 790 417)	(1 208 641)	2 424 871	665 897	1 288 808	1 254 303
Cash/cash equivalents at the month/year beginning:	8 110 781	7 696 877	8 704 644	7 732 979	7 553 850	7 234 655	7 705 607	7 525 070	7 939 122	9 350 865	7 560 448	6 351 806	8 110 781	8 776 678	10 065 486
Cash/cash equivalents at the month/year end:	7 696 877	8 704 644	7 732 979	7 553 850	7 234 655	7 705 607	7 525 070	7 939 122	9 350 865	7 560 448	6 351 806	8 776 678	8 776 678	10 065 486	11 319 789

Capital expenditure trend

Month	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands								
Monthly expenditure performance trend								
July	49 895	202 073	207 432	169 877	207 432	37 555	18.1%	1.5%
August	303 438	464 148	474 698	662 655	682 130	19 475	2.9%	6.0%
September	452 528	595 512	616 438	1 171 349	1 298 568	127 219	9.8%	10.7%
October	357 387	760 864	763 839	1 944 963	2 062 408	117 445	5.7%	17.7%
November	456 826	885 108	919 238	2 620 297	2 981 646	361 349	12.1%	23.8%
December	545 121	725 418	736 329	3 515 165	3 717 975	202 809	5.5%	32.0%
January	272 863	560 629	568 287	-	4 286 262	-	-	-
February	460 927	1 046 301	1 069 656	-	5 355 918	-	-	-
March	661 457	1 317 090	1 228 708	-	6 584 626	-	-	-
April	558 553	1 286 274	1 334 174	-	7 918 800	-	-	-
May	775 611	1 232 139	1 294 016	-	9 212 816	-	-	-
June	2 034 301	1 912 134	2 109 305	-	11 322 121	-	-	-
Total Capital expenditure	6 928 907	10 987 689	11 322 121					

Capital expenditure on new assets by asset class

Description	2022/23	Budget Year 2023/24						
	Audited 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	2 446 815	3 203 970	3 239 867	1 115 942	1 154 151	(38 209)	-3.3%	3 190 664
Roads Infrastructure	828 905	1 322 524	1 264 342	445 904	479 745	(33 841)	-7.1%	1 279 287
Roads	815 349	1 317 519	1 249 655	439 179	468 240	(29 062)	-6.2%	1 265 013
Road Structures	13 556	5 005	14 687	6 726	11 505	(4 779)	-41.5%	14 275
Storm water Infrastructure	194 695	132 165	128 550	53 105	57 905	(4 801)	-8.3%	154 994
Drainage Collection	194 695	132 165	128 550	53 105	57 905	(4 801)	-8.3%	154 994
Electrical Infrastructure	323 243	281 975	308 131	140 742	110 487	30 255	27.4%	304 794
HV Substations	294 380	257 875	279 881	119 477	92 877	26 600	28.6%	276 544
LV Networks	28 863	24 100	28 250	21 265	17 611	3 655	20.8%	28 250
Water Supply Infrastructure	466 433	781 563	812 604	206 845	242 459	(35 615)	-14.7%	771 949
Reservoirs	165 431	238 260	260 815	70 653	69 485	1 169	1.7%	227 593
Pump Stations	4 415	26 890	28 088	2 244	9 033	(6 789)	-75.2%	26 686
Water Treatment Works	98 150	256 200	266 416	52 319	71 507	(19 188)	-26.8%	248 838
Bulk Mains	43 476	111 750	114 800	24 697	34 647	(9 950)	-28.7%	110 989
Distribution	154 961	148 463	142 485	56 932	57 787	(856)	-1.5%	157 843
Sanitation Infrastructure	280 443	258 923	274 109	96 826	89 595	7 231	8.1%	249 215
Reticulation	152 358	145 986	142 952	50 184	48 359	1 825	3.8%	137 771
Waste Water Treatment Works	128 085	112 937	131 157	46 642	41 235	5 406	13.1%	111 445
Solid Waste Infrastructure	236 232	325 099	334 631	137 619	136 703	917	0.7%	312 620
Landfill Sites	236 232	325 099	334 631	137 619	136 703	917	0.7%	312 620
Coastal Infrastructure	27 829	10 160	12 210	7 902	7 031	871	12.4%	13 615
Promenades	27 829	10 160	12 210	7 902	7 031	871	12.4%	13 615
Information and Communication Infrastructure	89 035	91 563	105 289	26 999	30 226	(3 227)	-10.7%	104 189
Data Centres	43 143	57 775	63 526	17 173	16 213	961	5.9%	21 094
Core Layers	43 889	33 788	41 763	9 825	14 013	(4 187)	-29.9%	83 095
Distribution Layers	2 002	–	–	–	–	–	–	–
Community Assets	222 279	193 346	233 314	115 563	96 978	18 586	19.2%	244 607
Community Facilities	222 214	193 316	233 284	115 563	96 948	18 616	19.2%	244 436
Centres	–	59	7 108	–	–	–	–	1 100
Clinics/Care Centres	428	8 250	8 120	301	–	301	100.0%	8 120
Fire/Ambulance Stations	–	4 000	4 000	–	–	–	–	4 000
Libraries	11 972	11 705	11 705	8 576	7 773	803	10.3%	11 754
Public Open Space	3 279	4 915	5 360	3 019	3 135	(116)	-3.7%	5 264
Nature Reserves	8 376	25 654	26 849	2 098	5 828	(3 731)	-64.0%	17 699
Public Ablution Facilities	–	1 500	1 500	–	400	(400)	-100.0%	1 500
Taxi Ranks/Bus Terminals	198 160	137 234	168 643	101 570	79 812	21 758	27.3%	194 999
Sport and Recreation Facilities	65	30	30	–	30	(30)	-100.0%	171
Outdoor Facilities	65	30	30	–	30	(30)	-100.0%	171
Other assets	86 282	181 578	171 908	20 233	26 958	(6 725)	-24.9%	125 466
Operational Buildings	77 905	176 578	168 108	16 434	25 961	(9 527)	-36.7%	121 666
Municipal Offices	76 363	115 863	111 440	11 750	14 500	(2 749)	-19.0%	111 807
Workshops	1 543	60 715	56 668	4 683	11 461	(6 778)	-59.1%	9 859
Housing	8 376	5 000	3 799	3 799	998	2 802	280.9%	3 799
Social Housing	8 376	5 000	3 799	3 799	998	2 802	280.9%	3 799
Intangible Assets	59 468	161 318	148 523	37 267	46 138	(8 871)	-19.2%	136 451
Licences and Rights	59 468	161 318	148 523	37 267	46 138	(8 871)	-19.2%	136 451
Water Rights	–	150	612	37	462	(425)	-91.9%	612
Computer Software and Applications	59 468	161 168	147 911	37 230	45 676	(8 446)	-18.5%	135 839
Computer Equipment	143 567	147 703	150 880	74 029	47 239	26 790	56.7%	156 985
Computer Equipment	143 567	147 703	150 880	74 029	47 239	26 790	56.7%	156 985
Furniture and Office Equipment	27 077	36 641	44 101	7 751	23 762	(16 011)	-67.38%	44 339
Furniture and Office Equipment	27 077	36 641	44 101	7 751	23 762	(16 011)	-67.4%	44 339
Machinery and Equipment	141 989	316 699	328 292	65 080	68 394	(3 314)	-4.8%	250 582
Machinery and Equipment	141 989	316 699	328 292	65 080	68 394	(3 314)	-4.8%	250 582
Transport Assets	205 644	313 052	312 167	131 438	104 801	26 637	25.4%	314 232
Transport Assets	205 644	313 052	312 167	131 438	104 801	26 637	25.4%	314 232
Land	35 500	165 193	162 076	113 696	26 300	87 396	332.3%	199 105
Land	35 500	165 193	162 076	113 696	26 300	87 396	332.3%	199 105
Total Capital Expenditure on new assets	3 368 622	4 719 500	4 791 128	1 681 000	1 594 722	86 278	5.4%	4 662 432

Capital expenditure on renewal of existing assets by asset class

Description	2022/23	Budget Year 2023/24						
	Audited 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	1 213 094	1 975 713	2 023 470	587 213	669 875	(82 662)	-12.3%	2 076 137
Roads Infrastructure	62 406	258 531	261 333	13 767	43 641	(29 874)	-68.5%	184 643
Roads	61 183	255 531	258 333	13 767	43 641	(29 874)	-68.5%	182 643
Road Structures	1 223	3 000	3 000	–	–	–	–	2 000
Storm water Infrastructure	12 523	32 634	32 634	5 448	10 323	(4 876)	-47.2%	15 698
Drainage Collection	12 523	32 634	32 634	5 448	10 323	(4 876)	-47.2%	15 698
Electrical Infrastructure	390 997	516 396	507 356	202 218	188 012	14 207	7.6%	522 907
HV Substations	131 488	107 126	109 381	22 339	40 756	(18 417)	-45.2%	123 607
MV Substations	13 957	67 000	50 755	7 214	2 004	5 210	260.0%	35 180
MV Networks	172 842	196 800	196 800	102 903	82 517	20 387	24.7%	205 200
LV Networks	72 710	145 470	150 420	69 762	62 736	7 026	11.2%	158 920
Water Supply Infrastructure	264 305	248 407	261 968	116 384	94 148	22 236	23.6%	353 789
Bulk Mains	48 136	80 000	80 425	15 083	20 000	(4 917)	-24.6%	113 043
Distribution	216 169	168 407	181 543	101 301	74 148	27 153	36.6%	240 746
Sanitation Infrastructure	454 570	895 947	935 280	241 691	329 598	(87 907)	-26.7%	974 202
Pump Station	103 863	46 278	45 253	14 319	7 129	7 190	100.8%	94 487
Reticulation	325 823	692 410	720 805	203 532	294 043	(90 512)	-30.8%	656 055
Waste Water Treatment Works	24 884	111 259	111 462	23 841	28 425	(4 584)	-16.1%	165 899
Outfall Sewers	–	46 000	57 761	–	–	–	–	57 761
Information and Communication Infrastructure	28 293	23 797	24 899	7 705	4 153	3 552	85.5%	24 899
Data Centres	26 681	23 797	24 899	7 705	4 153	3 552	85.5%	24 899
Core Layers	1 612	–	–	–	–	–	–	–
Community Assets	40 190	24 954	29 280	10 839	10 942	(103)	-0.9%	29 483
Community Facilities	40 190	19 954	24 280	10 839	10 942	(103)	-0.9%	24 483
Halls	10 859	–	1 327	–	1 327	(1 327)	-100.0%	1 725
Clinics/Care Centres	(1 533)	–	–	–	–	–	–	–
Public Open Space	178	210	311	–	110	(110)	-100.0%	311
Markets	24 564	15 000	18 497	9 585	8 347	1 237	14.8%	18 497
Taxi Ranks/Bus Terminals	6 122	4 744	4 144	1 255	1 157	97	8.4%	3 450
Sport and Recreation Facilities	–	5 000	5 000	–	–	–	–	5 000
Outdoor Facilities	–	5 000	5 000	–	–	–	–	5 000
Heritage assets	90	750	–	–	–	–	–	–
Monuments	90	–	–	–	–	–	–	–
Works of Art	–	750	–	–	–	–	–	–
Other assets	31 938	10 488	10 266	618	961	(343)	-35.6%	16 806
Operational Buildings	12 451	10 488	10 266	618	961	(343)	-35.6%	16 806
Municipal Offices	8 369	10 088	9 866	511	861	(350)	-40.7%	12 906
Laboratories	2 317	400	400	107	100	7	7.5%	3 900
Depots	1 765	–	–	–	–	–	–	–
Housing	19 486	–	–	–	–	–	–	–
Social Housing	19 486	–	–	–	–	–	–	–
Intangible Assets	9 077	10 300	9 983	5 544	8 100	(2 555)	-31.5%	10 220
Licences and Rights	9 077	10 300	9 983	5 544	8 100	(2 555)	-31.5%	10 220
Computer Software and Applications	9 077	10 300	9 983	5 544	8 100	(2 555)	-31.5%	10 220
Computer Equipment	83 522	117 739	138 584	87 520	78 555	8 964	11.4%	151 441
Computer Equipment	83 522	117 739	138 584	87 520	78 555	8 964	11.4%	151 441
Furniture and Office Equipment	6 655	42 277	44 993	3 713	3 342	371	11.1%	45 424
Furniture and Office Equipment	6 655	42 277	44 993	3 713	3 342	371	11.1%	45 424
Machinery and Equipment	76 046	135 814	140 762	50 089	62 027	(11 938)	-19.2%	142 232
Machinery and Equipment	76 046	135 814	140 762	50 089	62 027	(11 938)	-19.2%	142 232
Transport Assets	515 187	533 487	527 019	201 632	146 405	55 226	37.7%	591 239
Transport Assets	515 187	533 487	527 019	201 632	146 405	55 226	37.7%	591 239
Living resources	–	800	800	–	800	(800)	-100.0%	800
Mature	–	800	800	–	800	(800)	-100.0%	800
Policing and Protection	–	800	800	–	800	(800)	-100.0%	800
Total Capital Expenditure on renewal of existing assets	1 975 799	2 852 321	2 925 157	947 169	981 008	(33 839)	-3.4%	3 063 783

Capital expenditure on upgrading of existing assets by asset class

Description	2022/23	Budget Year 2023/24						
	Audited 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	1 005 725	2 499 798	2 562 981	629 143	875 735	(246 592)	-28.2%	2 487 295
Roads Infrastructure	144 888	193 304	205 546	70 497	84 182	(13 685)	-16.3%	190 802
Roads	130 225	188 374	199 462	68 499	82 292	(13 792)	-16.8%	181 725
Road Structures	9 810	30	30	30	–	30	100.0%	30
Road Furniture	4 853	4 900	6 054	1 968	1 890	78	4.1%	9 047
Storm water Infrastructure	66 874	200 187	206 098	52 222	68 262	(16 040)	-23.5%	205 131
Drainage Collection	66 874	200 187	206 098	52 222	68 262	(16 040)	-23.5%	205 131
Electrical Infrastructure	159 045	196 555	188 518	73 640	22 237	51 403	231.2%	183 764
HV Substations	159 045	196 555	188 518	73 640	22 237	51 403	231.2%	183 764
Water Supply Infrastructure	16 948	17 306	17 044	12 412	8 100	4 312	53.2%	14 962
Reservoirs	3 000	2 000	2 000	994	1 500	(506)	-33.7%	2 000
Distribution	13 948	15 306	15 044	11 418	6 600	4 818	73.0%	12 962
Sanitation Infrastructure	458 689	1 702 829	1 772 922	375 864	624 279	(248 414)	-39.8%	1 738 357
Pump Station	4 251	45 486	47 236	2 136	4 901	(2 765)	-56.4%	12 841
Reticulation	4 948	12 056	11 794	4 053	3 285	768	23.4%	5 462
Waste Water Treatment Works	449 490	1 645 287	1 713 892	369 676	616 093	(246 417)	-40.0%	1 720 053
Solid Waste Infrastructure	54 335	166	7 096	3 214	3 307	(93)	-2.8%	16 143
Landfill Sites	54 335	166	7 096	3 214	3 307	(93)	-2.8%	16 143
Coastal Infrastructure	50 281	133 095	127 341	27 144	51 715	(24 570)	-47.5%	95 746
Promenades	50 281	133 095	127 341	27 144	51 715	(24 570)	-47.5%	95 746
Information and Communication Infrastructure	54 665	56 355	38 416	14 149	13 654	495	3.6%	42 391
Data Centres	2 880	21 300	13 650	3 250	3 503	(253)	-7.2%	–
Core Layers	51 785	35 055	24 766	10 900	10 152	748	7.4%	42 391
Community Assets	172 040	445 657	448 056	60 266	91 073	(30 807)	-33.8%	419 936
Community Facilities	127 574	227 528	223 580	45 516	56 461	(10 945)	-19.4%	196 353
Halls	3 668	60	1 161	382	460	(78)	-17.1%	1 038
Centres	3 331	12 420	9 760	2 135	4 075	(1 940)	-47.6%	14 803
Clinics/Care Centres	35 613	28 800	32 549	4 087	8 388	(4 301)	-51.3%	31 272
Fire/Ambulance Stations	–	7 000	7 000	67	450	(383)	-85.2%	7 000
Museums	236	–	–	–	–	–	–	–
Theatres	38	–	–	–	–	–	–	–
Libraries	2 045	15 723	14 409	167	5 331	(5 164)	-96.9%	2 168
Cemeteries/Crematoria	5 077	31 689	33 115	10 243	3 406	6 837	200.7%	33 441
Public Open Space	35 197	77 051	67 712	13 834	18 999	(5 165)	-27.2%	54 600
Nature Reserves	7 713	3 852	4 130	1 127	1 200	(73)	-6.0%	4 130
Public Ablution Facilities	2 472	1 500	2 044	–	958	(958)	-100.0%	2 044
Taxi Ranks/Bus Terminals	32 184	49 434	51 701	13 474	13 195	280	2.1%	45 857
Sport and Recreation Facilities	44 466	218 129	224 477	14 749	34 612	(19 863)	-57.4%	223 584
Indoor Facilities	19 910	52 775	59 116	4 174	4 875	(701)	-14.4%	61 633
Outdoor Facilities	24 556	165 354	165 361	10 575	29 737	(19 162)	-64.4%	161 951
Other assets	341 460	429 289	540 691	175 793	157 489	18 305	11.6%	572 659
Operational Buildings	278 775	342 708	459 655	147 770	130 266	17 505	13.4%	491 737
Municipal Offices	190 127	247 947	319 624	94 636	93 386	1 250	1.3%	337 768
Workshops	88 648	85 689	95 921	44 558	28 341	16 217	57.2%	109 860
Training Centres	–	9 072	44 109	8 575	8 538	37	0.4%	44 109
Housing	62 686	86 581	81 036	28 023	27 223	800	2.9%	80 923
Social Housing	62 686	86 581	81 036	28 023	27 223	800	2.9%	80 923
Intangible Assets	40 211	36 014	47 153	19 258	16 517	2 741	16.6%	51 466
Licences and Rights	40 211	36 014	47 153	19 258	16 517	2 741	16.6%	51 466
Computer Software and Applications	40 211	36 014	47 153	19 258	16 517	2 741	16.6%	51 466
Computer Equipment	12 605	700	2 315	512	146	366	251.3%	2 110
Computer Equipment	12 605	700	2 315	512	146	366	251.3%	2 110
Furniture and Office Equipment	307	1 100	1 100	214	726	(512)	-70.5%	705
Furniture and Office Equipment	307	1 100	1 100	214	726	(512)	-70.5%	705
Machinery and Equipment	12 138	3 310	3 540	1 811	560	1 251	223.3%	5 911
Machinery and Equipment	12 138	3 310	3 540	1 811	560	1 251	223.3%	5 911
Total Capital Expenditure on upgrading of existing assets	1 584 486	3 415 868	3 605 835	886 997	1 142 245	(255 248)	-22.3%	3 540 083

Expenditure on repairs and maintenance by asset class

Description	2022/23	Budget Year 2023/24						
	Audited 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	2 643 927	3 044 760	3 043 522	1 385 539	1 291 111	(94 428)	-7.3%	3 286 458
Roads Infrastructure	688 001	829 974	829 974	392 519	378 298	(14 221)	-3.8%	932 028
Roads	688 001	813 258	813 258	392 519	378 298	(14 221)	-3.8%	915 312
Road Furniture	–	16 716	16 716	–	–	–	-	16 716
Storm water Infrastructure	–	189 758	189 758	–	–	–	-	182 037
Drainage Collection	–	189 758	189 758	–	–	–	-	182 037
Electrical Infrastructure	678 010	729 900	730 034	376 420	350 290	(26 130)	-7.5%	753 743
Power Plants	71 453	54 872	54 872	60 407	35 675	(24 733)	-69.3%	64 385
HV Substations	39 350	36 988	36 988	18 223	16 774	(1 449)	-8.6%	35 172
MV Substations	425 190	472 474	472 608	238 749	219 791	(18 958)	-8.6%	495 684
LV Networks	142 017	165 566	165 566	59 041	78 051	19 010	24.4%	158 502
Water Supply Infrastructure	505 293	650 187	647 110	245 832	276 143	30 310	11.0%	689 286
Boreholes	86	–	–	62	10 319	10 257	99.4%	–
Reservoirs	40 495	53 888	53 627	27 392	18 567	(8 826)	-47.5%	49 144
Pump Stations	84 697	50 322	50 210	47 311	34 863	(12 449)	-35.7%	61 522
Water Treatment Works	56 832	28 174	27 954	25 310	22 557	(2 753)	-12.2%	40 797
Bulk Mains	15 705	184	184	3 267	5 620	2 354	41.9%	1 523
Distribution	307 478	517 618	515 134	142 490	184 217	41 727	22.7%	536 300
Sanitation Infrastructure	770 392	617 577	619 281	368 614	281 993	(86 621)	-30.7%	703 732
Reticulation	535 189	431 070	431 070	282 012	197 399	(84 612)	-42.9%	513 046
Waste Water Treatment Works	225 025	176 779	178 483	83 254	81 069	(2 186)	-2.7%	181 176
Outfall Sewers	10 177	9 727	9 727	3 348	3 525	177	5.0%	9 510
Solid Waste Infrastructure	2 232	23 371	23 371	2 154	4 388	2 234	50.9%	21 337
Landfill Sites	2 232	21 244	21 244	2 154	4 388	2 234	50.9%	19 198
Waste Processing Facilities	–	2 127	2 127	–	–	–	-	2 140
Coastal Infrastructure	–	3 994	3 994	–	–	–	-	4 296
Promenades	–	3 994	3 994	–	–	–	-	4 296
Community Assets	563 095	654 780	657 381	303 917	320 883	16 966	5.3%	703 220
Community Facilities	110 070	551 948	557 649	38 322	47 890	9 568	20.0%	614 852
Halls	42 352	7 642	8 194	14 050	19 075	5 025	26.3%	7 950
Centres	185	3 906	3 995	28	1 088	1 059	97.4%	3 198
Clinics/Care Centres	2 388	7 309	6 948	1 490	2 960	1 470	49.7%	6 375
Fire/Ambulance Stations	1 734	9 086	11 913	474	1 552	1 078	69.5%	5 889
Testing Stations	–	14 474	14 479	–	–	–	-	14 301
Museums	–	–	6	–	–	–	-	6
Libraries	24 014	17 650	17 655	1 510	892	(617)	-69.2%	26 075
Cemeteries/Crematoria	23 327	34 955	34 955	12 414	14 930	2 516	16.9%	50 194
Public Open Space	–	436 917	440 017	–	–	–	-	482 119
Nature Reserves	4 692	5 236	5 234	1 397	1 905	507	26.6%	4 953
Public Ablution Facilities	7 299	10 776	10 256	6 188	3 215	(2 974)	-92.5%	9 445
Markets	4 079	3 998	3 998	770	2 273	1 504	66.1%	4 348
Sport and Recreation Facilities	453 025	102 832	99 732	265 595	272 993	7 398	2.7%	88 367
Indoor Facilities	46	16 119	13 019	236	2	(233)	-9359.0%	16 132
Outdoor Facilities	452 978	86 713	86 713	265 359	272 991	7 632	2.8%	72 236
Heritage assets	43	2 761	1 161	22	143	122	84.9%	904
Works of Art	43	–	–	22	143	122	84.9%	–
Other Heritage	–	2 761	1 161	–	–	–	-	904

Table continues on next page.

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Description	2022/23	Budget Year 2023/24						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
<u>Repairs and maintenance expenditure by Asset Class/Sub-class</u>								
<u>Investment properties</u>	703	6 639	6 636	240	899	659	73.3%	6 636
Revenue Generating	665	6 633	6 633	211	891	680	76.3%	6 633
<i>Improved Property</i>	665	6 633	6 633	211	891	680	76.3%	6 633
Non-revenue Generating	38	6	3	28	8	(21)	-261.1%	3
<i>Unimproved Property</i>	38	6	3	28	8	(21)	-261.1%	3
<u>Other assets</u>	243 977	350 651	359 412	86 646	91 968	5 322	5.8%	345 198
Operational Buildings	243 977	323 417	332 178	86 646	91 968	5 322	5.8%	274 845
<i>Municipal Offices</i>	218 081	295 245	301 465	77 686	85 084	7 398	8.7%	234 832
<i>Workshops</i>	–	25 334	27 841	–	–	–	-	35 541
<i>Laboratories</i>	3 890	2 837	2 837	1 157	1 398	240	17.2%	4 352
<i>Training Centres</i>	866	–	35	241	441	200	45.4%	120
<i>Depots</i>	21 140	–	–	7 562	5 045	(2 516)	-49.9%	–
Housing	–	27 234	27 234	–	–	–	-	70 354
<i>Social Housing</i>	–	27 234	27 234	–	–	–	-	70 354
<u>Computer Equipment</u>	317 759	304 200	308 859	147 014	161 561	14 547	9.0%	307 621
Computer Equipment	317 759	304 200	308 859	147 014	161 561	14 547	9.0%	307 621
<u>Furniture and Office Equipment</u>	821 965	245 191	232 556	389 256	371 311	(17 944)	-4.8%	236 803
Furniture and Office Equipment	821 965	245 191	232 556	389 256	371 311	(17 944)	-4.8%	236 803
<u>Machinery and Equipment</u>	–	404 141	403 409	–	–	–	-	441 646
Machinery and Equipment	–	404 141	403 409	–	–	–	-	441 646
<u>Transport Assets</u>	499 911	470 093	473 011	233 782	236 083	2 301	1.0%	474 584
Transport Assets	499 911	470 093	473 011	233 782	236 083	2 301	1.0%	474 584
Total Repairs and Maintenance Expenditure	5 091 380	5 483 217	5 485 947	2 546 415	2 473 960	(72 455)	-2.9%	5 803 071

Depreciation by asset class

Description	2022/23	Budget Year 2023/24						
	Audited 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	1 466 637	1 542 051	1 542 051	778 173	771 025	(7 148)	-0.93%	1 554 912
Roads Infrastructure	476 435	496 425	496 425	250 342	248 212	(2 130)	-0.86%	500 407
Roads	443 996	463 136	463 136	233 512	231 568	(1 944)	-0.84%	466 857
Road Structures	12 610	14 333	14 333	6 516	7 166	650	9.07%	13 032
Road Furniture	19 829	18 956	18 956	10 315	9 478	(837)	-8.83%	20 517
Storm water Infrastructure	66 144	66 589	66 589	37 470	33 295	(4 176)	-12.5%	74 940
Drainage Collection	66 144	66 589	66 589	37 470	33 295	(4 176)	-12.5%	74 940
Electrical Infrastructure	323 895	333 697	333 697	171 513	166 848	(4 664)	-2.80%	342 169
Power Plants	8 180	8 134	8 134	4 067	4 067	(0)	0.00%	8 134
HV Substations	21 043	28 709	28 709	11 316	14 355	3 039	21.17%	22 679
MV Substations	71 297	70 895	70 895	36 802	35 447	(1 355)	-3.8%	73 604
MV Networks	126 177	129 153	129 153	65 725	64 577	(1 148)	-1.78%	131 449
LV Networks	97 197	96 806	96 806	53 603	48 403	(5 200)	-10.74%	106 303
Water Supply Infrastructure	216 321	236 305	236 305	113 769	118 152	4 384	3.71%	227 446
Reservoirs	28 489	31 290	31 290	14 935	15 645	710	4.54%	29 871
Pump Stations	10 719	10 539	10 539	5 375	5 270	(105)	-2.00%	10 750
Water Treatment Works	13 865	13 098	13 098	7 267	6 549	(718)	-10.96%	14 534
Bulk Mains	3 022	5 544	5 544	1 511	2 772	1 261	45.49%	3 022
Distribution	160 226	175 833	175 833	84 680	87 916	3 236	3.68%	169 269
Sanitation Infrastructure	221 110	237 411	237 411	115 667	118 706	3 039	2.56%	231 196
Pump Station	13 698	20 486	20 486	6 385	10 243	3 858	37.67%	12 767
Reticulation	83 449	90 177	90 177	44 773	45 089	316	0.70%	89 429
Waste Water Treatment Works	119 216	121 085	121 085	62 058	60 542	(1 515)	-2.50%	124 112
Outfall Sewers	4 746	5 663	5 663	2 452	2 832	380	13.41%	4 889
Solid Waste Infrastructure	51 980	56 565	56 565	28 291	28 282	(9)	-0.03%	56 566
Landfill Sites	40 690	45 393	45 393	22 614	22 697	83	0.37%	45 211
Waste Processing Facilities	11 290	11 171	11 171	5 678	5 586	(92)	-1.64%	11 355
Coastal Infrastructure	6 008	6 363	6 363	3 227	3 182	(46)	-1.44%	6 455
Promenades	6 008	6 363	6 363	3 227	3 182	(46)	-1.44%	6 455
Information and Communication Infrastructure	104 744	108 697	108 697	57 894	54 348	(3 546)	-6.52%	115 734
Data Centres	46 880	48 805	48 805	23 828	24 403	575	2.36%	47 636
Core Layers	54 568	56 519	56 519	32 432	28 259	(4 173)	-14.77%	64 830
Distribution Layers	3 296	3 373	3 373	1 634	1 687	53	3.11%	3 268
Community Assets	350 536	360 613	360 613	173 919	180 306	6 387	3.54%	351 548
Community Facilities	131 350	139 663	139 663	63 690	69 832	6 142	8.79%	131 123
Halls	4 550	4 918	4 918	2 358	2 459	101	4.09%	4 717
Centres	4 604	4 794	4 794	2 347	2 397	50	2.09%	4 693
Clinics/Care Centres	8 083	8 855	8 855	3 919	4 427	509	11.49%	7 837
Fire/Ambulance Stations	2 696	2 696	2 696	1 348	1 348	(0)	-0.03%	2 696
Testing Stations	1 508	1 508	1 508	754	754	(0)	0.00%	1 508
Museums	340	340	340	170	170	(0)	0.00%	340
Theatres	112	114	114	56	57	1	1.83%	112
Libraries	18 074	20 057	20 057	5 970	10 029	4 058	40.47%	15 684
Cemeteries/Crematoria	4 818	4 950	4 950	2 414	2 475	61	2.45%	4 829
Public Open Space	15 096	16 585	16 585	7 591	8 292	702	8.46%	15 181
Nature Reserves	497	868	868	318	434	116	26.71%	636
Public Ablution Facilities	3 140	3 188	3 188	1 592	1 594	2	0.10%	3 185
Markets	2 882	2 886	2 886	1 563	1 443	(120)	-8.28%	3 125
Taxi Ranks/Bus Terminals	64 949	67 905	67 905	33 289	33 952	663	1.95%	66 578
Sport and Recreation Facilities	219 186	220 950	220 950	110 229	110 475	246	0.22%	220 425
Indoor Facilities	12 905	12 837	12 837	6 395	6 419	23	0.36%	12 791
Outdoor Facilities	206 282	208 112	208 112	103 834	104 056	222	0.21%	207 634

Table continues on next page.

City of Cape Town: S52 Annexure A – 2024 Q2 (December 2023)

Description	2022/23	Budget Year 2023/24						
	Audited 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	0.00%	1 714
Revenue Generating	1 714	1 714	1 714	857	857	0	0.00%	1 714
Improved Property	1 714	1 714	1 714	857	857	0	0.00%	1 714
<u>Other assets</u>	363 676	368 633	368 633	191 439	184 317	(7 123)	-3.86%	385 275
Operational Buildings	256 039	256 380	256 380	136 665	128 190	(8 475)	-6.61%	275 727
Municipal Offices	217 500	216 163	216 163	116 935	108 081	(8 854)	-8.19%	236 266
Workshops	37 420	39 076	39 076	19 115	19 538	423	2.16%	38 231
Laboratories	662	670	670	331	335	4	1.20%	662
Training Centres	410	424	424	260	212	(48)	-22.83%	521
Depots	47	47	47	24	24	0	0.01%	47
Housing	107 638	112 253	112 253	54 774	56 126	1 352	2.41%	109 548
Social Housing	107 638	112 253	112 253	54 774	56 126	1 352	2.41%	109 548
<u>Biological or Cultivated Assets</u>	–	29	29	–	15	15	100.00%	83
Biological or Cultivated Assets	–	29	29	–	15	15	100.00%	83
<u>Intangible Assets</u>	136 402	136 912	136 912	73 163	68 456	(4 707)	-6.88%	143 057
Licences and Rights	136 402	136 912	136 912	73 163	68 456	(4 707)	-6.88%	143 057
Water Rights	–	8	8	–	4	4	100.00%	–
Computer Software and Applications	125 126	132 268	132 268	69 689	66 134	(3 555)	-5.38%	138 421
Unspecified	11 276	4 636	4 636	3 474	2 318	(1 156)	-49.89%	4 636
<u>Computer Equipment</u>	252 810	251 875	251 875	128 922	125 937	(2 985)	-2.37%	287 505
Computer Equipment	252 810	251 875	251 875	128 922	125 937	(2 985)	-2.37%	287 505
<u>Furniture and Office Equipment</u>	67 332	69 984	69 984	34 890	34 992	101	0.29%	73 950
Furniture and Office Equipment	67 332	69 984	69 984	34 890	34 992	101	0.29%	73 950
<u>Machinery and Equipment</u>	170 648	198 010	198 010	85 710	99 005	13 295	13.43%	199 040
Machinery and Equipment	170 648	198 010	198 010	85 710	99 005	13 295	13.43%	199 040
<u>Transport Assets</u>	455 046	540 149	540 149	250 493	270 074	19 581	7.25%	529 078
Transport Assets	455 046	540 149	540 149	250 493	270 074	19 581	7.25%	529 078
<u>Land</u>	14 061	23 198	23 198	–	11 599	11 599	100.00%	23 198
Land	14 061	23 198	23 198	–	11 599	11 599	100.00%	23 198
<u>Living resources</u>	169	–	–	–	–	–	-	–
Mature	169	–	–	–	–	–	-	–
Policing and Protection	169	–	–	–	–	–	-	–
Total Depreciation	3 279 032	3 493 166	3 493 166	1 717 568	1 746 583	29 015	1.66%	3 549 360

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 7 December 2023. 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				
Measures	2023/24 Current Budget	Q2 2024		Comment
		Budget	Actual	
	R Thousand			
Use of consultants	10 338 177	4 292 158	4 365 046	<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> <p>The over expenditure is largely due to the non-alignment of the cash flow with the actual to date mainly on R&M-related expenditure as a number of projects progressed faster than planned as well as emergency/reactive repairs and major services required over the period. Cash flow will be re-aligned in the January 2024 adjustments budget.</p>
Vehicle used for political office-bearers	-	-	-	No provision against this category in the current financial year.
Travel and Subsistence	27 243	13 493	12 413	<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 YTD expenditure relates largely to claims submitted by staff, who do not receive an allowance for essential users or participate in a structured travel allowance, using their own vehicles for business purposes.</p>

Table continues on next page.

Cost Containment In-Year Report				
Measures	2023/24 Current Budget	Q2 2024		Comment
		Budget	Actual	
	R Thousand			
Domestic Accommodation	2 181	757	694	<p>The City’s Travel Management Policy sets out the applicable cost containment measures, which are strictly adhered to within the City.</p> <p>Online conferences, meetings, events and training are explored/recommended first, and in-person events are approved strictly in accordance with the City's Cost Containment Policy.</p>
Sponsorships, events and Catering	266 319	138 211	130 985	<p>Sponsorships (consisting 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 support the City's strategic objectives. Memoranda of Agreements, indicating clear deliverables, are signed with all organisations and payments are made in tranches based on outcomes of agreed deliverables.</p> <p>Events: An ad-hoc committee facilitates 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 YTD 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, such as the Cape Town Stadium and Tourism Development Management.</p>

Table continues on next page.

Cost Containment In-Year Report				
Measures	2023/24 Current Budget	Q2 2024		Comment
		Budget	Actual	
	R Thousand			
Communication	72 738	33 988	25 197	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: a) Reducing the number and scale of communication campaigns; b) Reducing the size and range of print- and radio advertising; c) Shifting advertising to the digital space from the traditional print and radio; and d) Increasing the use of social media as a communication tool using insourced resources.
Other related expenditure items - Conferences & Seminars	2 689	987	412	The City's Systems and Procedures (SOP) for attendance of seminars, external meetings/workshops and conferences sets out cost containment measures, which are strictly adhered to within the City. The YTD expenditure relates to online events as online conferences, meetings, events and training are recommended and explored first. In-person events are approved strictly according to the City's Cost Containment Policy.

Table continues on next page.

Cost Containment In-Year Report				
Measures	2023/24 Current Budget	Q2 2024		Comment
		Budget	Actual	
	R Thousand			
Other related expenditure items - Overtime	924 055	521 658	552 234	<p>The City's Overtime Policy sets out 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 reviewing provisions and justification of overtime expenditure by relevant directors.</p> <p>Directorates have implemented strict measures to manage overtime and closely monitor the amount of overtime operational staff may claim each month.</p> <p>The YTD expenditure is largely as a result of emergency overtime worked due to:</p> <p>1. Heightened operational demands stemming from more fire incidents over the period.</p> <p>2. The taxi strike that took place in August 2023.</p> <p>3. Emergency overtime by staff attending to burst pipes, overflows and various breakdowns at plants and pump stations.</p> <p>4. A rise in theft, vandalism and meter tempering, as well as delays in the awarding of the Public Lighting Tender, resulting in City staff performing the maintenance function.</p> <p>5. An increase in the number of land invasions as well as an increase in law enforcement visibility over the festive period resulting in more overtime worked.</p> <p>6. High volumes of service requests, as a result of aged infrastructure, which has been poorly maintained and neglected. The majority of the emergency repair work, which used to be outsourced to external service providers, is currently being done in-house after working hours and during weekends.</p> <p>7. The increase in pothole repairs and drain clearing as a result of the abnormally high rainfall during the winter period, and maintenance work in the Cape Town CBD that cannot be done during normal work hours.</p>

Table continues on next page.

Cost Containment In-Year Report				
Measures	2023/24 Current Budget	Q2 2024		Comment
		Budget	Actual	
	R Thousand			
Other related expenditure items - Office furniture	26 089	13 506	2 434	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.
Total	11 659 494	5 014 757	5 089 417	

Cape Town International Convention Centre

Cost Containment In-Year Report				
Measures	2023/24 Current Budget	Q2 2024		Comment
		Budget	Actual	
	R Thousand			
Use of consultants	4 790	2 410	2 253	The contracts for the internal audit, legal services, labour related and customer satisfactory surveys are included in the costs. The CTICC does not possess the skillsets required in-house.
Travel and Subsistence	2 965	1 987	2 246	<p>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 and the attendance at the industry events and conferences are critical.</p> <p>The overspend in the half year was due to the company sending representatives to an industry event in Thailand where costs were higher than initially budgeted as Thailand has now added the requirement for a business visa that was not previously required.</p> <p>Adjustments to the budget were approved by the Board as the nature of the expenditure is paramount to revenue earning abilities and marketing going forward. The increase in the costs are sufficiently covered by the increase in revenue.</p>
Domestic Accommodation	130	65	22	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.

Table continues on next page.

Cost Containment In-Year Report				
Measures	2023/24 Current Budget	Q2 2024		Comment
		Budget	Actual	
	R Thousand			
Sponsorships, events and Catering	1 077	713	228	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.
Communication	1 466	763	653	The company is utilising the NT transversal contract.
Other related expenditure items - Conferences & Seminars	-	-	-	No budget or expenditure for the reporting period.
Other related expenditure items - Overtime	1 140	590	1 291	<p>This category includes overtime, night shift allowances and public holiday pay.</p> <p>The reason for the higher spend relates to bigger events hosted over weekends and at night requiring staff to work overtime and on weekends. This was not projected at the time the budget was prepared.</p> <p>The adjustments budget has been increased to account for higher costs, however, this may also be insufficient if events not included in the forecast are booked.</p>
Other related expenditure items - Office furniture	-	-	-	No office furniture replacements have been budgeted for.
Total	11 568	6 528	6 693	

Cape Town Stadium

Cost Containment In-Year Report				
Measures	2023/24 Current Budget	Q2 2024		Comment
		Budget	Actual	
	R Thousand			
Use of consultants	1 734	867	572	<p>Expenditure in this category facilitates the entity's objectives, inter alia, to commercialise in terms of the Service Delivery Agreement (SDA).</p> <p>Expenditure incurred relates to the following consultants: Treble Entertainment (Pty) Ltd (R409k), who has contracted Nielsen Sport to complete the naming rights valuation for the period July 2022 to June 2023. The report was drafted in three phases: Phase 1 - Linear viewership brand exposure analysis; Phase 2 - PR analysis and social media valuation; and Phase 3 - Naming Rights valuation. Nielsen Sport applied a Q1 formula, which aligns the achieved 100% media value to that which relates specifically to brand value achieved. Octagon Africa (Pty) Ltd (R132k), who has rendered marketing services to the entity for the promotion of the business lounge. Moore CT Forensic Services (Pty) Ltd (R31k), who assisted the entity to conduct due diligence for all the new tenders.</p>
Travel and Subsistence	157	78	6	<p>The COO attended the Strategic Events Acquisitions and Stakeholder Knowledge Sharing Engagement held in Tshwane in August 2023. The primary purpose was to negotiate and secure a Krone Music Show to be held at DHL Stadium on 7 September 2024.</p> <p>The SCM Practitioner attended the 10th annual Western Cape Smart Procurement Conference held in Langebaan in July 2023. The conference is designed to provide a platform for stakeholders to discuss the significant legislative changes currently taking place within Local Government Procurement/Supply Chain Management.</p>

Table continues on next page.

Cost Containment In-Year Report				
Measures	2023/24 Current Budget	Q2 2024		Comment
		Budget	Actual	
	R Thousand			
Domestic Accommodation	9	4	9	<p>The COO attended the Strategic Events Acquisitions and Stakeholder Knowledge Sharing Engagement held in Tshwane in August 2023. The primary purpose was to negotiate and secure a Krone Music Show to be held at DHL Stadium on 7 September 2024.</p> <p>The SCM Practitioner attended the 10th annual Western Cape Smart Procurement Conference held in Langebaan in July 2023. The conference is designed to provide a platform for stakeholders to discuss the significant legislative changes currently taking place within Local Government Procurement/Supply Chain Management.</p> <p>Due to the timing of the above, no further spending is anticipated for the remainder of the year.</p>
Sponsorships, events and Catering	173	86	27	<p>The expenditure is linked to:</p> <p>1. Catering for the rate payers association information session hosted by the CEO in September 2023. Minimal catering was provided as the information session was very brief.</p> <p>2. Catering for the previous CEO's farewell lunch, which took place in October 2023.</p> <p>3. Staff meals provided to staff working at the HSBC Rugby Sevens event hosted in December 2023.</p>
Communication	303	152	1	Cost incurred relate to advertisement of the CEO position via various media platforms.
Other related expenditure items - Conferences & Seminars	141	70	-	No expenditure incurred for the quarter under review.
Other related expenditure items - Overtime	2 171	905	305	Staff are required to work overtime at certain events, which at times takes place after hours and over weekends.
Other related expenditure items - Office furniture	-	-	-	
Total	4 687	2 162	919	

QUALITY CERTIFICATE

I, **LUNGELO MBANDAZAYO**, the 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 2024** has been prepared in accordance with the Municipal Finance Management Act (MFMA) and regulations made under that Act.

Print name ----- Lungelo Mbandazayo -----

Municipal Manager of City of Cape Town (CPT)

Signature



Digitally signed by Lungelo
Mbandazayo
Date: 2024.01.10 18:10:41 +02'00'

Date


























CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD












ANNEXURE B










2023/24 Q2 Corporate Performance Report

2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN								
Well <div>Above</div> <div>✓</div> <div>Above</div> <div>●</div> <div>On target</div> <div>▲</div> <div>Below</div> <div>●</div> <div>Well below</div> <div>✗</div> <div>AT - Annual Target</div>								
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director
		Target	Actual	Status	Target	Actual	Status	
Priority: Economic Growth								
1. Increased Jobs and Investment in the Cape Town economy	1.A Building plans (<500m2) approved within 30 days (%)	96%	99.10%	●	96%	84%	●	Spatial Planning and Environment R McGaffin
		Reason for Variance: The target was exceeded as a result of sheer determination and performance management by the Plans Examiners and Approvers to get the “job done” over a protracted period. Remedial Action: Maintain the momentum			Reason for Variance: Development Management implemented a new system in March 2023. Data provided is the best available to the department due to the enhanced system. Remedial action: In the process of addressing residual system and data migration issues.			
	1.B Building plans (>500m2) approved within 60 days (%)	96%	100.00%	●	96%	96.50%	●	Spatial Planning and Environment R McGaffin
		Reason for Variance: The target was exceeded as a result of sheer determination and performance management by the Plans Examiners and Approvers to get the “job done” over a protracted period. Remedial Action: Maintain the momentum			Reason for Variance: Above target. Remedial Action: Maintain the momentum			
	1.C Property Revenue clearance certificates issued within 10 workings days (%)	93%	100.00%	●	93%	100%	✓	Finance K Jacoby
		Reason for Variance: Above target Remedial Action: Maintain the momentum			Reason for Variance: Above target Remedial Action: Maintain the momentum			










2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN								
Well Above  Above  On target  Below  Well below  AT - Annual Target								
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director
		Target	Actual	Status	Target	Actual	Status	
1. Increased Jobs and Investment in the Cape Town economy	1.D Commercial electricity services applications finalised within industry standard timeframes (%)	95%	100%		95%	100%		Energy K Nassiep
		Reason for Variance: Above target. Remedial Action: Maintain the momentum.			Reason for Variance: Above target. Remedial Action: Maintain the momentum.			
	1.E Council approved trading plans developed or revised for informal trading (number)	2	4		A/T	A/T	AT	Economic Growth R Gelderbloem
		Reason for Variance: 2 trading plans were approved earlier than anticipated as per trading plan approval process. Remedial Action: Maintain the momentum			Reason for Variance: Annual target. Remedial Action: Annual target.			
	1.F Regulatory Impact Assessments (RIA) Completed (number)	2	1		2	1		Economic Growth R Gelderbloem
		Reason for Variance: It took longer than expected to attain access to external stakeholders to provide evidence for the Regular Impact Assessment. Remedial Action: On-going monitoring. No remedial action is necessary at this stage.			Reason for Variance: Despite the diligent efforts of the City, the completion of regulatory impact assessments was momentarily delayed due to unforeseen challenges in securing timely signatures from the relevant stakeholders, reflecting an isolated setback in an otherwise collaborative and thorough process. Remedial Action: In response to the delay in securing signatures, streamlined communication protocol are implemented and introducing proactive measures to expedite the approval process, ensuring future regulatory impact assessments adhere to the set timeline.			
	1.G Work opportunities created through Public Employment Programmes (Number) (NKPI)	15 000	25 854		15 000	24 625		Urban Waste Management L Mdunyelwa
		Reason for Variance: The targets were set at a time when there was budget and Covid-related uncertainties. The target will be adjusted during the Mid-year review. Remedial Action: Maintain the momentum			Reason for Variance: The variance above target is due to implementing projects with higher number of EPWP workers than expected. Remedial Action: Maintain the momentum			









2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN													
Well	Above		Above		On target		Below		Well below		AT - Annual Target		
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director					
		Target	Actual	Status	Target	Actual	Status						
Priority: Basic Services													
2. Improved access to quality and reliable basic services	2.A Taps provided in informal settlements (number) (NKPI)	300	254		300	343		Water and Sanitation E Hugo					
		Reason for Variance: Delays with the installation of new taps was due to material shortages in corporate stores. Remedial Action: A request for quotation (RFQ) has been initiated to source the materials (galvanised tees) required for the installations.			Reason for Variance: Well Above. Remedial Action: Maintain Momentum								
	2.B Toilets provided in informal settlements (number)(NKPI)	1 100	1 801		1 100	2 174		Water and Sanitation E Hugo					
		Reason for Variance: The roll-out of PFT’s (Portable Flush Toilets) issued on a single household basis, have a lower unit cost when compared to other sanitation typologies such as chemical toilets and FFT’s (Full Flush Toilets). Therefore, with the increased priority of providing toilets as an emergency relief measure to the recently invaded areas and the ongoing provision of additional toilets, the department exceeded its quarterly target. In addition, the condemnation and replacement of toilets that reached the end of its lifespan has also contributed to overall toilet provision performance. Remedial Action: Maintain Momentum			Reason for Variance: This achievement was possible due to the continuous rollout of Portable Flush Toilets to informal settlements and the commencement of capital implementation projects in various areas such as Khayelitsha and Philippi. Remedial Action: Maintain Momentum								
	2.C Informal Settlements receiving waste removal and area cleaning services (%) (NKPI)	99%	99.78%		99%	99.78%		Urban Waste Management L Mdunyelwa					
		Reason for Variance: Above target Remedial Action: Maintain the momentum			Reason for Variance: Above target Remedial Action: Maintain the momentum								

2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN													
Well	Above		Above		On target		Below		Well below		AT - Annual Target		
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director					
		Target	Actual	Status	Target	Actual	Status						
2. Improved access to quality and reliable basic services	2.D Subsidised electricity connections installed (Number) (NKPI)	750	984		750	666		Energy K Nassiep					
		Reason for Variance: Target exceeded due to good contractor performance, minimal interference from communities and Project Managers being adequately equipped to execute implementation-ready projects (material availability, etc.). Remedial Action: Maintain the momentum			Reason for Variance: EPWP delays resulted in late start of two broken out projects (Khikhi and Nomzamo) and delayed the start of four smaller Infill projects (Sihlanu, Mabophe, Masiphumelele School Site and Masiphumelele TRA). Remedial Action: No further action.								
3. End load shedding in Cape Town over time	3.A Capacity of additional approved alternative energy sources (Small Scale Embedded Generation (SSEG)) grid tied installations (MegaVolt Ampere)	2.5	10.78		5	11.102		Energy K Nassiep					
		Reason for Variance: Requests for installations are customer driven. There was a higher than expected number of requests for installations received during the quarter. Remedial Action: Maintain the momentum			Reason for Variance: Requests for installations are customer driven. There was a higher than expected number of requests for installations received during the quarter. Remedial Action: Maintain the momentum								
	3. B Load-shedding level variance (%)	40%	20%		40%	14%		Energy K Nassiep					
		Reason for Variance: Exceptional high load shedding incidents Remedial Action: Life extension of Steenbras plus procurement of battery energy system storage underway.			Reason for Variance: Exceptional high load shedding incidents Remedial Action: Life extension of Steenbras plus procurement of battery energy system storage underway.								










2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN								
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IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director
		Target	Actual	Status	Target	Actual	Status	
4. Well-managed and modernised infrastructure to support economic growth	4.A Sewer reticulations pipelines replaced (metres)	23 000	25 120		40 000	31 513		Water and Sanitation E Hugo
		Reason for Variance: Above target Remedial Action: Maintain the momentum			Reason for Variance: The variance is predominantly due to contractors operating at full capacity on the available tenders. Furthermore, due to safety concerns, our works projects that were located in high-risk areas were rejected. Remedial Action: The department remains committed to achieving this indicator as we have reprogrammed projects and replaced/re-advertised the rejected projects, after having engagement with the communities. It is anticipated that these projects, along with the remainder of the planned projects, will be implemented during the second half of the financial year.			
	4.B Compliance with drinking water quality standards (%)	99%	99.36%		99%	99.15%		Water and Sanitation E Hugo
		Reason for Variance: Above target Remedial Action: Maintain the momentum			Reason for Variance: Above target Remedial Action: Maintain the momentum			









2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN								
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IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director
		Target	Actual	Status	Target	Actual	Status	
4. Well-managed and modernised infrastructure to support economic growth	4.C Total augmented water capacity in megalitres per day (MLD)	AT	AT	AT	AT	AT	AT	Water and Sanitation E Hugo
		Reason for Variance: Annual target Remedial Action: Annual target			Reason for Variance: Annual target Remedial Action: Annual target			
	4.D Valid applications for residential water services closed within the response standard (%) (NKPI)	80%	49.41%		80%	91.23%		Water and Sanitation E Hugo
		Reason for Variance: Unavailability of Tender 28Q, due to the High Court ruling to re-award the tender, resulted in delays in commencement of water and sewer connections. Remedial Action: In an effort to increase performance levels, weekly meetings are held with meter management staff and contractors to discuss and resolve outstanding service orders. A dedicated focus team of staff in Administration and Operational sections will be appointed.			Reason for Variance: Well above target Remedial Action: Maintain the momentum			












2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN								
Well Above  Above  On target  Below  Well below  AT - Annual Target								
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director
		Target	Actual	Status	Target	Actual	Status	
4. Well-managed and modernised infrastructure to support economic growth	4.E Valid applications for residential sewerage services closed within the response standard (%)(NKPI)	80%	49.41%		80%	91.23%		Water and Sanitation E Hugo
		Reason for Variance: Unavailability of Tender 28Q, due to the High Court ruling to re-award the tender, resulted in delays in commencement of water and sewer connections. Remedial Action: In an effort to increase performance levels, weekly meetings are held with meter management staff and contractors to discuss and resolve outstanding service orders. A dedicated focus team of staff in Administration and Operational sections will be appointed.			Reason for Variance: Well above target Remedial Action: Maintain the momentum			
	4.F Service requests for non-collection of refuse resolved within 3 days (%) (NKPI)	85%	27.37%		90.00%	71.25%		Urban Waste Management L Mdunyelwa
		Reason for Variance: The target was not achieved due to multifaceted and magnitude of challenges. An intervention commenced late in November 2022 since the performance on this Key Performance Indicator was very poor in Q1. However, slow progress were made to address these challenges and this matter is still work in progress, which will provide a difference in the performance within 3 days.			Reason for Variance: Staff within Collections were suspended pending a forensic investigation. At present there is an indication that the suspensions will be further extended for another 3 months. The absence of these staff negatively affects the management capacity of the branch. There is an indication that the areas affected have not standardised the operational and administrative processes for resolving the C3 notifications. During the festive period, staff are not as prepared to work overtime. Low staff attendance was experienced. There was also a backlog in refuse collection service across the City, causing an increase in the number of non-removal complaints. The operational management were more focussed on clearing the backlog of refuse. Clearing the backlog would have resolved the bulk of the non-removal complaint. However, the closure of notifications was not immediately affected.			












2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN												
Well	Above		Above		On target		Below		Well below		AT - Annual Target	
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director				
		Target	Actual	Status	Target	Actual	Status					
4. Well-managed and modernised infrastructure to support economic growth	4.F Service requests for non-collection of refuse resolved within 3 days (%) (NKPI)	Remedial Action: Although there was an under performance, the backlogs from Q1 were all completed as well as those in Q2. As such the overall collection of refuse is above 99%. Interventions to improve on performance for this Key Performance Indicator is ongoing.			The withdrawal of law enforcement escorts in volatile areas where extortion is prevalent, e.g. Philippi resulted in a suspension of the refuse collection service. These notifications would not have been closed. Remedial Action: The staff who have reported for work on public holidays and during the festive period will be consequence-managed. The details of the staff are being collated. The staff measures were activated during January 2024. The standardised processes will be documented as an SOP and implemented and monitored in all Collections areas. Although there are signs of improvements towards achieving the quarterly targets, interventions are still ongoing to reach the desired effect.			Urban Waste Management L Mdunyelwa				
4. Well-managed and modernised infrastructure to support economic growth	4.G Residential electricity services applications finalised within industry standard timeframes %)(NKPI)	95%	50.50%		95.00%	67.00%		Energy K Nassiep				
		Reason for Variance: Delays are due to a combination of various factions of long waits for wayleaves, time taken for the customer to indicate readiness to receive the connection, and shortages in the supply of equipment such as mini-substations, cables etc. Remedial Action: Investigations are underway to determine where exactly the blockages exist so as to make an informed determination as to how best to remove it.			Reason for Variance: High number of applications being received makes achieving the provision of supply within required timeframes difficult with current resources. Remedial Action: Systems being developed to improve turnaround time of applications.							
Priority: Safety												
5. Effective law enforcement to make communities safer	5.A Drone flights used for safety and security activities (number)	AT	AT	AT	15	1 087		Safety and Security V Botto				
		Reason for Variance: Annual target Remedial Action: Annual target			Reason for Variance: Increase in events across the City as well as the start of the festive period has resulted in a significant increase in flights. Remedial Action: Maintian Momentum							

2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN								
Well <div>Above</div> <div>✓</div> <div>Above</div> <div>●</div> <div>On target</div> <div>▲</div> <div>Below</div> <div>●</div> <div>Well below</div> <div>✗</div> <div>AT - Annual Target</div>								
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director
		Target	Actual	Status	Target	Actual	Status	
5. Effective law enforcement to make communities safer	5.B Roadblocks focussed on drinking and driving offences (number)	144	349	✓	338	455	✓	Safety and Security V Botto
		Reason for Variance: Target is exceeded due to additional roadblocks often conducted but not necessarily planned and based on complaints from residents. Remedial Action: Maintain the momentum			Reason for Variance: Target is exceeded due to additional roadblocks conducted but not necessarily planned and based on complaints from residents. Remedial Action: Maintain the momentum			
	5.C Closed-Circuit Television (CCTV) detected incidents relayed to responders (number)	4 500	9 414	✓	5 000	17 199	✓	Safety and Security V Botto
		Reason for Variance: There is currently a new service provider providing the monitoring and the Safety & Security's EPIC (Emergency, Policing and Incidents Command) system is also utilised to log calls to all services, increasing the response capacity. The EPIC system assists with dispatching more efficiently to responders. Remedial Action: Maintain Momentum.			Reason for Variance: Due to the respective uniform representation of information and the diligent co-ordination of responses, the City was able to achieve the target. The diligence of the CCTV monitoring staff who detect the incidents, coupled with supervision and dispatching by the staff must be acknowledged for this achievement. Remedial Action: Maintain the momentum			










2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN								
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IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director
		Target	Actual	Status	Target	Actual	Status	
6. Strengthen partnerships for safer communities	6.A New auxiliary law enforcement officers recruited and trained (number)	40	47		50	70		Safety and Security V Botto
		Reason for Variance: The reason for the well above performance is due to members who attended college during the previous financial year but only signed their contracts during October 2022. An overflow of candidates led to some of these candidates being trained in 2021/2022 but only being appointed in quarter 2 of 2022/2023. Remedial Action: Maintain Momentum.			Reason for Variance: The Law Enforcement Department surpassed the second quarter target as a result of appointing 66 members during Q1. This was as a result of having to strategically align with the Training College's scheduling of the required prescribed training. Remedial Action: Maintain the Momentum.			
	6.B Client satisfaction survey for neighbourhood watch support programme (%)	70%	100%		75%	97.62%		Safety and Security V Botto
		Reason for Variance: The percentage achieved for the quarter 2 period is based on the formula which calculates the number of surveys that met the satisfaction score of at least 70% (5 for Q2) divided by the total number of surveys 5 for Q2). The percentage achieved for Q2 is therefore 100% for Q2 based on the formula (5/5). Remedial Action: Maintain Momentum.			Reason for Variance: Target exceeded. Remedial Action: Maintain Momentum.			










2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN													
Well	Above		Above		On target		Below		Well below		AT - Annual Target		
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director					
		Target	Actual	Status	Target	Actual	Status						
Priority: Housing													
7. Increased supply of affordable, well located homes	7.A Well located land parcels released to the private sector for affordable housing (number)	2	1		A/T	A/T	AT	Human Settlements N Gqiba					
		Reason for Variance: The land parcel earmarked for release during quarter two of the current financial year was unsuccessful due to non-responsive bids. Remedial Action: A new process has been initiated and the land parcel is projected for release in quarter four of this financial year.			Reason for Variance: Annual Target. Remedial Action: Annual Target.								
	7.B Human Settlement Top structures (houses) provided per housing programme (number)	900	811		500	1 186		Human Settlements N Gqiba					
		Reason for Variance: Target was not achieved due to gang violence in Manenberg. Remedial Action: Handover of the outstanding units is planned in January and February 2023 and will be recorded as part of the quarter three reporting cycle.			Reason for Variance: Contractors are ahead of their planned programmes on the following projects: • Valhalla Park • Greenville Phase 4 • Sir Lowry’s Pass • Goodwood Station Remedial Action: Maintian Momentum.								










2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN								
Well Above  Above  On target  Below  Well below  AT - Annual Target								
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director
		Target	Actual	Status	Target	Actual	Status	
7. Increased supply of affordable, well located homes	7.C Formal housing serviced sites provided (number)	1 100	840		1 400	295		Human Settlements N Gqiba
		Reason for Variance: The target was not achieved due to the contractor for the Macassar Housing Project not achieving practical completion of the second phase of 745 sites as originally planned. Remedial Action: Handover of the outstanding units is planned in January and February 2023 and will be recorded as part of the quarter three reporting cycle.			Reason for Variance: The contractor for the Macassar Project is behind on the original programme due to poor performance by subcontractors and inaccessibility to the site because of severe and extensive rainfall. The planned completion date of 30 November 2023 for all sites was not met. Remedial Action: The final completion date has been extended to 30 June 2024 via a MFMA S116 (3) process and sites will be completed in this financial year.			
	7.D Land acquired for human settlements in Priority Housing Development Areas (Hectares)	4	0		4	0		Human Settlements N Gqiba
		Reason for Variance: The City is awaiting the State Attorney to effect the transfer of two land parcels in Ysterplaat and Goodwood for social housing purposes. Erf 20582 in Ysterplaat and Erf 22374/RE in Goodwood which measure 0.95ha respectively. These acquisitions have been approved by MayCo. Remedial Action: Necessary follow ups are made on a continuous basis.			Reason for Variance: Awaiting conclusion of the Western Cape Government’s (WGC) public participation process (in terms of Public Finance Management Act (PFMA) after which the City will instruct its conveyancers to conclude the property transfer process as per agreement with the WGC. Remedial Action: A process of identifying and investigating City-owned properties located within Priority Human Settlements and Housing Development Areas (PHSHDAs), which can be reserved for human settlements purposes, is currently underway.			
	7.E Transfer of ownership to new beneficiaries (number)	800	921		1 075	2 377		Human Settlements N Gqiba
		Reason for Variance: Transfers for the Harare and Greenville Phase 3 housing projects are ahead of the original programme schedule. Remedial Action: Maintain the momentum			Reason for Variance: Well above. Remedial Action: Maintain the momentum			








2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN												
Well	Above		Above		On target		Below		Well below		AT - Annual Target	
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director				
		Target	Actual	Status	Target	Actual	Status					
8. Safer, better quality homes in informal settlements and backyards over time	8.A Informal settlement sites serviced (number)	200	434		100	0		Human Settlements N Gqiba				
		Reason for Variance: The bulk of infrastructure related to the projects was completed sooner than anticipated, which enabled the sites to be handed over in Q2 instead of Q4 as planned. Remedial Action: Maintain the momentum			Reason for Variance: Issues with procurement for consulting and construction tenders. Construction is ongoing, and the annual target will be met. Remedial Action: Work will be accelerated on both consulting and construction to meet the target.							
Priority: Public Space, Environment and Amenities												
9. Healthy and sustainable environment	9.A Proportion of biodiversity priority areas protected (%)	65.16%	64.91%		65%	65.29%		Spatial Planning and Environment R McGaffin				
		Reason for Variance: The November 2022 de-proclamation of CapeNature’s 507 hectars of Driftsands Nature Reserve and following the land invasion has had a significant negative impact on this target. 450 hectares was considered to be “protected” at Driftsands. This equated to 0.53% of the Bionet which has now had to be removed from the conservation estate. Before the loss, the unit was well ahead of the target with 65.5% conserved. Remedial Action: The targets to be revised.			Reason for Variance: Above target. Remedial Action: Maintian Momentum.							
	9.B Biodiversity priority areas remaining (hectares)	85 000	85 000		85 000	81 419		Spatial Planning and Environment R McGaffin				
		Reason for Variance: On target. Remedial Action: Maintain the momentum.			Reason for Variance: The initial target of 85 000 hectares was based on the baseline BioNet calculated in 2009. However, some natural vegetation has been lost to development, hence the lower value now. Remedial Action: The value will be adjusted in the mid-year adjustments budget process.							












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IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director
		Target	Actual	Status	Target	Actual	Status	
9. Healthy and sustainable environment	9.C Severe/Moderate dehydration in children under the age of five presenting at City health facilities with diarrhea (%)	AT	AT	AT	AT	AT	AT	Community Services and Health Z Mandlana
		Reason for Variance: Annual target			Reason for Variance: Annual target			
		Remedial Action: Annual target			Remedial Action: Annual target			
10. Clean and healthy waterways and beaches	10.A Coastline with protection measures in place (%)	6.15%	6.20%		6.15%	6.27%		Spatial Planning and Environment R McGaffin
		Reason for Variance: Above target			Reason for Variance: Above target.			
	Remedial Action: Maintain the momentum			Remedial Action: Maintian Momentum.				
	10.B Days in a year that Vleis are open (%)	AT	AT	AT	AT	AT	AT	Water and Sanitation E Hugo
Reason for Variance: Annual target			Reason for Variance: Annual target					
Remedial Action: Annual target			Remedial Action: Annual target					
11. Quality and safe parks and recreation facilities	11.A Recreation and Parks open space mowed according to annual mowing plan (%)	AT	AT	AT	AT	AT	AT	Community Services and Health Z Mandlana
		Reason for Variance: Annual target			Reason for Variance: Annual target			
		Remedial Action: Annual target			Remedial Action: Annual target			

2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN													
Well	Above		Above		On target		Below		Well below		AT - Annual Target		
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director					
		Target	Actual	Status	Target	Actual	Status						
Priority: Transport													
12. A sustainable transport system that is integrated, efficient and provides safe and affordable travel options for all	12.A Passengers transported for each scheduled kilometer travelled by MyCiTi buses (ratio)	1.1	1.04		1.15	1.01		Urban Mobility D Campbell					
		Reason for Variance: The MyCiti passenger journeys dropped significantly in December 2022 due to the school holidays and the close of work during the festive season. Even though scheduled kilometres during this quarter was reduced, as a result of the significant drop in passenger journeys this indicator was affected negatively. Remedial Action: Route optimisation is considered in order to improve the overall efficiency of the service.			Reason for Variance: The effects of the mini-bus taxi strike in Quarter 1 continues to affect the achievement of this indicator as it is measured cumulatively. The performance in quarter 2 partially offset the underachievement in Quarter 1. At the time of setting the target, it was anticipated that the MyCiTi system would become more operationally effective including obtaining organic growth in passenger journeys, in particular on the N2 Express service. This, however, did not fully materialise as a result of N2 Express bus shortages and therefore resulted in a reduction in the N2 Express service. This had a negative effect on the indicator. Remedial Action: The department is continuing to improve efficiency and effectiveness of the MyCiTi Service. The target is to be reviewed and adjusted if necessary in order to be realistic and aligned with the current state and dynamics of the MyCiTi service.								
	12.B Passenger journeys travelled on MyCiTi buses (Number)	8 450 000	9 057 307		9 300 000	9 172 877		Urban Mobility D Campbell					
		Reason for Variance: Above target Remedial Action: Maintain the momentum			Reason for Variance: The effects of the mini-bus taxi strike in Quarter 1 continues to affect the achievement of this indicator as it is measured cumulatively. The performance in quarter 2 partially offset the underachievement of this indicator in Quarter 1.It is anticipated that previous underachievement will be completely offset by the end of Quarter 4. Remedial Action: No further action required.								












2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN								
Well Above  Above  On target  Below  Well below  AT - Annual Target								
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director
		Target	Actual	Status	Target	Actual	Status	
12. A sustainable transport system that is integrated, efficient and provides safe and affordable travel options for all	12.C Road corridors on which traffic signal timing plans are updated (number)	AT	AT	AT	AT	AT	AT	Urban Mobility D Campbell
		Reason for Variance: Annual Target Remedial Action: Annual Target			Reason for Variance: Annual Target Remedial Action: Annual Target			
13. Safe and quality roads for pedestrians, cyclists and vehicles	13.A Surfaced road resurfaced (kilometres)	40	54		60	84.5		Urban Mobility D Campbell
		Reason for Variance: Most of the projects started earlier due to the fact that term contracts were in place, resulting in improved efficiency. Remedial Action: Maintain the momentum			Reason for Variance: Most of the projects started earlier due to the fact that term contracts were in place, resulting in efficiency. Remedial Action: Maintain the momentum			
	13.B Potholes reported per 10 kilometres of network	28	12.8		28	21.06		Urban Mobility D Campbell
		Reason for Variance: An actual reported lower than the target reflects good performance in this instance. Remedial Action: Maintain the momentum			Reason for Variance: An actual reported lower than the target reflects good performance in this instance. Remedial Action: Maintain the momentum			

2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN													
Well	Above		Above		On target		Below		Well below		AT - Annual Target		
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director					
		Target	Actual	Status	Target	Actual	Status						
Priority: A Resilient City													
14. A Resilient City	14.A Public safety awareness and preparedness sessions held in the communities (number)	230	446		230	304		Safety and Security V Botto					
		Reason for Variance: Due to the Mayoral priority campaigns i.e. flood, fire-wise programmes, and heat wave conditions, including the need for DRM (Disaster Risk Management) to report on the Climate Change Action Plan, which has increased the number of community sessions. Remedial Action: No remedial action is required at this stage.			Reason for Variance: During Q2 there has been a rise in weather warnings and an increase in incidents (informal settlement fires and Simons Town Fire). As a result, there has been a corresponding increase in frequent updates on social media platforms and a higher number of media enquiries. Remedial Action: Maintain Momentum.								
	14.B New Disaster Risk Management volunteers recruited (number)	AT	AT	AT	AT	AT	AT	Safety and Security V Botto					
		Reason for Variance: Annual target Remedial Action: Annual target			Reason for Variance: Annual target Remedial Action: Annual target								
	14.C Storm water cleaning budget spend (%)	30%	41%		30%	39%		Urban Mobility D Campbell					
		Reason for Variance: Winter preparation program continued to eradicate backlogs. Remedial Action: Maintain the momentum			Reason for Variance: Above Target. Remedial Action: Maintain the momentum								

2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN													
Well	Above		Above		On target		Below		Well below		AT - Annual Target		
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director					
		Target	Actual	Status	Target	Actual	Status						
Priority: A more spatially integrated and inclusive city													
15. A more spatially integrated and inclusive city	15.A Local neighbourhood plans approved for mixed-use development (number)	AT	AT	AT	AT	AT	AT	Spatial Planning and Environment R McGaffin					
		Reason for Variance: Annual target			Reason for Variance: Annual target								
		Remedial Action: Annual target			Remedial Action: Annual target								
Priority: A Capable and Collaborative City Government													
16. A Capable and Collaborative City Government	16.A Community satisfaction City- wide survey (score 1–5)	AT	AT	AT	AT	AT	AT	Future Planning and Resilience G Morgan					
		Reason for Variance: Annual target			Reason for Variance: Annual target								
	16.B Opinion of independent rating agency	High investment rating	High investment rating		High investment rating	High investment rating		Finance K Jacoby					
		Reason for Variance: On target			Reason for Variance: On target								
			Remedial Action: Maintain the momentum			Remedial Action: Maintain the momentum							

2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN								
Well Above  Above  On target  Below  Well below  AT - Annual Target								
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director
		Target	Actual	Status	Target	Actual	Status	
16. A Capable and Collaborative City Government	16.C Opinion of the Auditor-General	Unqualified audit opinion	Clean Audit Outcome		Unqualified audit opinion	Clean Audit Outcome		Finance K Jacoby
		Reason for Variance: Above Target			Reason for Variance: Above Target			
		Remedial Action: Maintain the momentum			Remedial Action: Maintain the momentum			
	16.D Spend of capital budget (%) (NKPI)	29.95%	28.84%		33.00%	31.99%		Finance K Jacoby
		Reason for Variance: The under performance is due to various factors: Slower than anticipated expenditure spent on a number of projects. Delays in delivery were due to supplier constraints. Initial delays in establishing finalising certain tenders in time.			Reason for Variance: Variance considered immaterial.			
		For full details, see annexure attached reflecting the three major variances (per vote). Remedial Action: Engagement with directors and responsible project managers is ongoing to ensure that tracking and monitoring of projects occur within the prescribed timeframes, and that corrective actions are processed timeously to ensure maximum spend. Citywide action: A working group established by the City Manager meets on a monthly basis to review all the City's capital expenditure and corporate contracts.			Remedial Action: No remedial action required			
	16.E Cash/cost coverage ratio (NKPI)	2.0:1	1.53:1		1.8:1	1.42:1		Finance K Jacoby
		Reason for Variance: Indicator 16.E is compensated by positive indicator 16.G. These two KPI's are interrelated to ensure a cost-effectiveness strategy at all times. Within Treasury's risk parameter of 1.5 times.			Reason for Varaince: Indicator 16.E compensated by the positive indicator 16.G. These two KPI's are interrelated to ensure a cost effectiveness strategy at all times. Within Treasury risk parameter of 1.5 times.			
		Remedial Action: No remedial action required			Remedial Action: No remedial action required			

2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN								
Well <div>Above</div> <div>✓</div> Above <div>●</div> On target <div>▲</div> Below <div>●</div> Well below <div>✗</div> AT - Annual Target								
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director
		Target	Actual	Status	Target	Actual	Status	
16. A Capable and Collaborative City Government	16.F Net Debtors to annual income (NKPI)	18.25%	16.06%	<div>✓</div>	18.52%	16.38%	<div>●</div>	Finance K Jacoby
		Reason for Variance: The debtors performed much better than what was anticipated from a budget perspective and is still in the process of writing off R4b of old debt which will further influence the ratio. Remedial Action: Maintain Momentum.			Reason for Variance: Above Target. Remedial Action: Maintain Momentum.			
	16.G Debt (total borrowings) to total operating revenue (NKPI)	23.50%	18.15%	<div>✓</div>	23.50%	17.85%	<div>●</div>	Finance K Jacoby
		Reason for Variance: The City projected to take up loans by December 2022 but due to a positive cash flow, the taking up of loans are no longer needed for the entire financial year. The City also exceeded the total projected receipts forecasted for the 6 months. Remedial Action: Maintain Momentum.			Reason for Variance: Above Target. Remedial Action: Maintain Momentum.			
	16.H Kilometres of fibre infrastructure for broadband connectivity installed (kilometres)	13.9	5	<div>✗</div>	22.5	24.136	<div>●</div>	Corporate Services E Sass
		Reason for Variance: Initial delays in award of tender 131Q with the final award letter issued on 2 November 2022. Remedial Action: Target for 2022/23 has been revised downwards and relevant scorecards are being amended.			Reason for Variance: Above Target. Remedial Action: Maintian Momentum			

2023/2024 QUARTERLY PERFORMANCE REPORT - CITY OF CAPE TOWN								
Well Above  Above  On target  Below  Well below  AT - Annual Target								
IDP Objective	Key Performance Indicator	2022/2023 Quarter 2 Performance			2023/2024 Quarter 2 Performance			Directorate and Responsible Executive Director
		Target	Actual	Status	Target	Actual	Status	
16. A Capable and Collaborative City Government	16.I Employees from the employee equity (EE) designated groups in the three highest levels of management (%) (NKPI)	75%	75%		75%	75.55%		Future Planning and Resilience G Morgan
		Reason for Variance: On target Remedial Action: Maintain the momentum			Reason for Variance: Above target. Remedial Action: Maintain the momentum			
	16.J Budget spent on mplementation of Workplace Skills Plan (%)	30%	45.95%		30%	48.89%		Corporate Services E Sass
		Reason for Variance: Target exceeded due to key traing interventions urgently implemented. As well as early payment of internal financial support. Remedial Action: Maintain the momentum			Reason for Variance: The majority of Directorates have already made payments to Tertiary institutions. This is usually paid in Q3 and Q4. An increase in recruitment resulted in the need to train new staff to meet operational requirements. The smart driver tender has ended 31 December 2023. Therefore, this training was prioritised. Remedial Action: Maintain the momentum			
	16.K Adherence to service requests (%)	90%	91.88%		90%	92%		Corporate Services E Sass
		Reason for Variance: Above target Remedial Action: Maintain the momentum			Reason for Variance: Above target Remedial Action: Maintain the momentum			



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE C

Section 71(1)(d) - Original Budget vs Actual expenditure per vote - Capital

S71(1)(d) Actual Expenditure per Vote - December 2023 (M06 2024)

Actuals measured against ORIGINAL Budget							
Directorate	Original Budget	YTD Planned Spend - Original Budget	YTD Actual Spend	YTD Variance	YTD % Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Community Services & Health	450 868 899	76 315 369	82 546 537	691 366	0.91%	Immaterial variance	-
Corporate Services	621 778 902	149 627 223	82 484 014	111 847 561	74.75%	The primary reason for the positive variance is the accelerated implementation of the capital programme.	All programmes will be implemented by the financial year end as per implementation plan. Cash flow to be amended in the January 2024 adjustments budget.
Economic Growth	91 519 692	14 700 000	15 326 571	-788 043	-5.36%	The major contributor to the negative variance is the Green Point Athletic Stadium Balustrades Project. This is as a result of the site handover taking longer than anticipated due to health and safety matters.	The work is currently in progress and cash flows will be amended in the January 2024 adjustments budget.
Energy	1 197 887 641	393 238 301	401 596 930	87 710 505	22.30%	The positive variance is mainly as a result of satisfactory contractor performance, and some vehicles and accessories being delivered earlier than anticipated on the following programmes: 1. Morgen Gronde Switching Station; 2. Triangle 132kV Upgrade; 3. System Equipment Replacement; 4. MV System Infrastructure; and 5. Vehicles: Replacement.	Budget and cash flows to be amended in the January 2024 adjustments budget.
Finance	62 281 697	34 712 823	9 868 500	-7 345 875	-21.16%	The negative variance reflects on the following projects/programmes: 1. Pitch replacement, where the project is completed and currently in the defects liability period. 2. Inventory Stores Security Hardening, where sourcing of quotations took longer than anticipated. The equipment has, however, since been delivered and installation is in progress. 3. System Enhancement, where the Business Partner Modelling Project has been cancelled due to tender-related technicalities. This component will therefore be completed in the 2024/25 financial year where sufficient provision has been made.	1. Savings realised will be redirected to other priority projects in the January 2024 adjustments budget. 2. Budget and cash flow to be amended in the January 2024 adjustments budget. 3. Funds will be redirected to other priority projects in the 2024 January adjustments budget.
Future Planning & Resilience	19 253 232	12 190 500	1 377 314	-2 862 552	-23.48%	The negative variance is mainly attributed to the following projects/programmes: 1. Contract Management System Integration, where budgetary provision was made based on an assessment, however, the tender award turned out to be lower than expected; and 2. Integration and Enhancement of SAP PPM, where the December 2023 invoice is still outstanding.	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 taken when challenges occur to ensure maximum spend. Budget and cash flows to be amended in the January 2024 adjustments budget.
Human Settlements	780 454 947	280 514 498	313 629 889	97 584 997	34.79%	The positive variance is mainly as a result of: 1. Earlier than anticipated property purchases on the Land Acquisition FY24 programme; and 2. The Kanonkop Housing Project Phase 2 (2502) progressing ahead of schedule due to good contractor performance.	Budget and cash flows to be amended in the January 2024 adjustments budget.
Office of the City Manager	11 466 532	988 847	1 061 982	-282 099	-28.53%	The variance primarily relates to the Old Granary Building Aircon Installation Project, as funds are now unnecessary following the merger of the Combined Assurance & Governance Department, and Internal Audit Department in August 2023.	The funds will be re-allocated to the following projects: 1. Computer Hardware: Replacement Project; 2. Furniture: Additional FY24; and Office Equipment: Additional FY24. Budget and cash flow to be amended in the January 2024 adjustments budget.
Safety & Security	443 514 730	156 334 018	64 007 666	2 851 456	1.82%	Immaterial variance	-

Actuals measured against ORIGINAL Budget							
Directorate	Original Budget	YTD Planned Spend - Original Budget	YTD Actual Spend	YTD Variance	YTD % Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Spatial Planning & Environment	368 359 806	141 385 638	71 357 995	-37 506 381	-26.53%	The negative variance is mainly as a result of poor contracted performance, contractor capacity constraints, inclement weather, late appointment of contractors, construction permit delays, legal issues with tender 27Q/2022/23, delays in finalisation of concept designs, and misalignment of cash flows.	Budget and cash flow to be amended in the January 2024 adjustments budget.
Urban Mobility	1 925 365 122	685 047 945	311 766 229	-41 665 574	-6.08%	The negative variance reflects mainly on the following projects: 1. Reconstruction of Delft Main Road, where safety issues on site have resulted in the contractors moving off-site and indicating that they are no longer willing to work in the area. 2. IRT Ph2A: Trunk-E1-M9 Heinz - Duinefontein Railway Project, due to an outstanding invoice. 3. Heavy Duty Vehicles: Additional FY24, where the majority of orders have been placed; awaiting delivery.	1. No tenders meeting the criteria with assurance from the Due Diligence report have been received. The tender will, therefore, be cancelled. Funds will be reprioritised within the directorate as and when required. Budget to be amended in the January 2024 adjustments budget. 2 to 4. Project manager is following up.
Urban Waste Management	713 655 199	250 127 485	154 535 908	7 469 052	2.99%	Immaterial variance	-
Water & Sanitation	4 301 282 552	1 437 939 470	655 635 242	-335 661 281	-23.34%	The year-to-date variance is predominantly due to invoices that were received late in the month (which still had to be vetted prior to submission for payment), structural complexities, delay in activation of works contracts arising from additional/mandatory administrative requirements, time delays due to inaccurate Eskom wayleaves, and unforeseen geotechnical conditions. These significantly impacted the following projects: 1. Bulk Reticulation Sewers in Milnerton Rehabilitation; 2. Postdam WWTW - Extension; and 3. Replace Sewer Network (Citywide) FY24.	Period cash flow will be aligned to latest implementation plans. Additionally, the Directorate will maintain improvements previously made relating to the focused management approach on capital programme implementation, and enhanced tender and contract management efficiencies. Closer engagement with CPPPM and the Office of the CFO will continue in order to proactively deal with any risks identified. Project managers will focus on expediting implementation of work packages and are continuously following up on invoices for work performed.
	10 987 688 951	3 633 122 117	2 165 194 777	-117 956 867	-3.25%		



CITY OF CAPE TOWN
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ANNEXURE D

**Western Cape Financial Management
Capability Grant
Quarterly Non-financial Return Form**



Western Cape Government

2023/24 WESTERN CAPE FINANCIAL MANAGEMENT CAPABILITY GRANT (WC FMCG)

NON-FINANCIAL QUARTERLY RETURN FORM

1 October 2023 TO 31 December 2023

PROGRESS ON PROJECT FUNDING ROLLED OVER

Project Name		Development of a Level 4 Advance Electronic Signature in support of the City's Revenue Clearance Certificate	
Project Development Objective		To ensure that all section 118 Revenue clearance certificates are signed electronically with a Level 4 security requirement by complying in terms of the Electronic and Transaction Act 25 of 2022. To remove any human intervention to mitigate risk and improve on efficiency.	
Project Performance Indicator(s) and Target(s) for quarter under review		100%	
Original Allocation (2023/24)	Amount rolled over (2022/23)	Amount spent for quarter ending 2023	% YTD
R1 000 000	N/A	R999 213.23	99.92%
Progress to date			
<p>The project started on 1 April 2023 and is expected to be completed by 30 March 2024. The total expenditure for the development of the Electronic Signature project for this financial year (July 2023 to June 2024) was initially R5 535 815.68. Due to the project being ahead of schedule, the new project cost is expected to be R5 165 201.23. R4 165 988 will be funded by City and R999 213.23 by the Western Cape Government.</p> <p>To date R999 213.23 of the grant funds has been spent and no further spending can be processed leaving a balance of R786.77.</p> <p>The City of Cape Town will use the balance of the R4.165m to ensure that the project is completed by 29 February 2024.</p>			

2023/24 WESTERN CAPE FINANCIAL MANAGEMENT CAPABILITY GRANT (WC FMCG)

NON-FINANCIAL QUARTERLY RETURN FORM

1 October 2023 TO 31 December 2023

FINANCIAL MANAGEMENT PROJECT

Legislation requires that all electronic signatures for section 118 certificates need to comply with the Electronic Communications and Transaction (ECTA) Act 25 of 2002 meeting the minimum-security requirements of a level 4 (L4) signature.

The City of Cape Town uses the electronic signature when issuing Revenue (Rates) Clearance Certificates. Therefore all Revenue clearance certificates (RCC) needs to be signed using a level 4 signature.

For many years the City signed RCCs by using the South African Post Office (SAPO) signature platform. However due to unforeseen circumstances, the South African Authorisation Authority retracted SAPO's license to be a provider for electronic signatures.

The City of Cape Town went out on RFQ and awarded LexisNexis with a contract to provide a level 4 electronic signature solution. This solution is mostly automated with one or two steps needing human intervention and is not the ideal solution. However, given the situation the City of Cape Town was in, regarding processing high volume of S118 applications it had no other option at the time but to utilise it. The current contract expires on 30 June 2023, hence the need for this alternative solution.

In order to find an alternative solution, The City of Cape Town embarked on an investigation to determine whether it would be more cost effective for the City of Cape Town to become a L4 vendor and to obtain certification from the South African Accreditation Authority (SAAA) as an advanced signature (L4) vendor. Upon closer investigation, it was decided not to consider this as an option to remedy the current situation.

As part of the investigation, it was discovered that Altron was an authorised company to offer this service and Altron has a tender with the City's IS&T for certificates, which offered a solution for an electronic signature and resulted in the formation of Project Initiation Document (PID) - PN00780: L4 Advanced Electronic Signature PID. 00780 which has been finalised.

Planned activities and outputs to date

Inputs/Activities	Outputs	Performance Indicators	Delivery Date	Achieved (Y/N)
Month 1 : January 2023 Project Planning - Analysis Development of the Project Initiation Document.	Completed PID which encompassed three formal PID meetings, several SME workshops and email trails to refine the PID to the qualification state.	Project Registration	31 January 2023	Y

Inputs/Activities	Outputs	Performance Indicators	Delivery Date	Achieved (Y/N)
Month 2: February 2023 Project Planning - Design <u>External resources:</u> Principal SAP Project Manager SAP Business Analyst Principal SAP Case Management/AB AP developer Principal SAP Process Orchestration Developer	Recruitment of External Resources Draft detailed Project Plan	All external resource secured for the duration of the project. Monthly Steering Committee	28 February 2023	Y
Month 3: March 2023 Project Planning - Design <u>External resources:</u> Principal SAP Project Manager SAP Business Analyst Principal SAP Case Management/AB AP developer Principal SAP Process Orchestration Developer	Project Plan	Project progress to plan Budget progress to plan Mitigation plans for critical Risks and Issues Monthly Steering Committee	31 March 2023	Y
Month 4: June 2023 Project execution development <u>External resources:</u> Principal SAP Project Manager SAP Business Analyst	Develop Functional Specifications Blueprint Design	Project progress to plan Budget progress to plan Mitigation plans for critical Risks and Issues	30 June 2023	Y

Inputs/Activities	Outputs	Performance Indicators	Delivery Date	Achieved (Y/N)
Principal SAP Case Management/AB AP developer Principal SAP Process Orchestration Developer		Monthly Steering committee meetings		
Month 5: July 2023 Project execution development <u>External resources:</u> Principal SAP Project Manager SAP Business Analyst Principal SAP Case Management/AB AP developer Principal SAP Process Orchestration Developer	Develop Functional Specifications Blueprint Design	Project progress to plan Budget progress to plan Mitigation plans for critical Risks and Issues Monthly Steering committee meetings	31 July 2023	Y
Month 6: August 2023 Project execution development <u>External resources:</u> Principal SAP Project Manager SAP Business Analyst Principal SAP Case Management/AB AP developer Principal SAP Process Orchestration Developer	Develop Functional Specifications Blueprint Design	Project progress to plan Budget progress to plan Mitigation plans for critical Risks and Issues Monthly Steering committee meetings	30 August 2023	Y
Month 7 : September 2023 Project execution development	Develop Functional Specifications Blueprint Design	Project progress to plan Budget progress to plan	30 September 2023	Y

Inputs/Activities	Outputs	Performance Indicators	Delivery Date	Achieved (Y/N)
<u>External resources:</u> Principal SAP Project Manager SAP Business Analyst Principal SAP Case Management/AB AP developer Principal SAP Process Orchestration Developer		Mitigation plans for critical Risks and Issues Monthly Steering committee meetings		
Month 8: October 2023 Project execution development <u>External resources:</u> Principal SAP Project Manager SAP Business Analyst Principal SAP Case Management/AB AP developer Principal SAP Process Orchestration Developer	Approved functional specifications and Blue print Solution build in progress Internal testing in progress	Project progress to plan Budget progress to plan Mitigation plans for critical Risks and Issues Monthly Steering committee meetings	31 October 2023	Y Slightly ahead of schedule
Month 9 to 11: December 2023 to February 2024 Project execution development <u>External resources:</u> Principal SAP Project Manager SAP Business Analyst Principal SAP Case Management/AB	Solution build in progress Internal testing in progress	Project progress to plan Budget progress to plan Mitigation plans for critical Risks and Issues Monthly Steering committee meetings	29 February 2024	TBC

Inputs/Activities	Outputs	Performance Indicators	Delivery Date	Achieved (Y/N)
AP developer Principal SAP Process Orchestration Developer				

Challenges

The project experienced challenges with the procurement of the servers and the electronic signature tokens. This was addressed and received.

Measures to address the challenges

Funding was reprioritised from another project to procure the servers and electronic signature tokens.

Projected expenditure at year end

The projected expenditure was R5 535 815.68 however due to the project running ahead of schedule, it is expected that the project will be completed 1 month earlier, resulting in the new projected project expenditure being reduced to R5 165 201.23.

Potential risk(s) and mitigation efforts

None identified at this time.

Results

The development is commencing.

 Digitally signed by
John Mc Kenzi
Date: 2024.01.04
11:11:26 +02'00'

Christopher Wyngaard

Head: Debtors and Cash- Property Transfer and Ownership Change

 Digitally signed by Allie Etzebeth
Date: 2024.01.04 11:17:03 +02'00'

Beresford Williams

Manager: Debtors & Cash

 Digitally signed by Wilmot
Abrahams
Date: 2024.01.04 11:35:05 +02'00'

Wilmot Abrahams

Manager: Specialised Services

 Digitally signed by Eloise de Villiers
Date: 2024.01.04 14:12:26 +02'00'

Eloise De Villiers

Director: Revenue