
REPORT TO: COUNCIL

1. ITEM NUMBER

2. SUBJECT

QUARTERLY FINANCIAL REPORT: DECEMBER 2020

LSUA1980

ONDERWERP

KWARTAALLIKSE FINANSIËLE VERSLAG: DESEMBER 2020

ISIHLOKO

INGXELO YEMALI YARHOQO NGEKOTA: EYOMNGA 2020

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 2020.

- 4.1. Financial Implications ☒ None ☐ Opex ☐ Capex
- ☐ Capex: New Projects
 - ☐ Capex: Existing projects requiring additional funding
 - ☐ Capex: Existing projects with no additional funding requirements

4.2. Policy and Strategy ☐ Yes ☒ No

4.3. Legislative Vetting ☐ Yes ☒ No

4.4. Legal Compliance ☒
Municipal Finance Management Act, 2003 (Act 56 of 2003), Section 52

4.5. Staff Implications ☐ Yes ☒ No

4.6. Risk Implications ☐ Yes ☒ No

5. RECOMMENDATIONS

- a) The quarterly financial report for the quarter ended 31 December 2020 is submitted for information and noting only.

AANBEVELING

- a) Die kwartaallikse finansiële verslag vir die kwartaal geëindig 31 Desember 2020 word slegs ter inligting en kennisname voorgelê.

ISINDULULO

- a) INgxelo yeMali yaRhoqo ngeKota yekota ephela ngowama- 31 eyoMnga 2020 ingeniselwa iinjongo zolwazi nokuqatshelwa kuphela.

ANNEXURES

Annexure A: Quarterly Financial Report (MFMA S52) – 31 December 2020

FOR FURTHER DETAILS CONTACT

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SIGNATURE : DIRECTOR	<div></div>		

CHIEF FINANCIAL OFFICER

NAME	KEVIN JACOBY	COMMENT:
DATE	<div></div>	
SIGNATURE	<div></div>	

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

☐ SUPPORTED

☐ NOT SUPPORTED

NAME DAN PLATO

COMMENT: _____

DATE

SIGNATURE



CITY OF CAPE TOWN
ISIXEKO SASEKAPA
STAD KAAPSTAD

ANNEXURE A

QUARTERLY FINANCIAL REPORT (MFMA S52)

DECEMBER 2020 (2021 Q2)

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MUNICIPAL MANAGER QUALITY CERTIFICATION

EXECUTIVE SUMMARY

BACKGROUND

Section 52 of the MFMA states:

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

Regulation 31 of the MBRR states:

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

MAYOR'S QUARTERLY REPORT FOR THE PERIOD ENDING 31 DECEMBER 2020

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

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

The '2019/20 Audited Outcome' columns in the ensuing tables have been populated with unaudited figures.

KEY DATA (PAGE 4 - 31)

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

IN YEAR BUDGET STATEMENT TABLES (PAGE 32 – 38)

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

- **Table C1 (Page 32)** provides a high level summation of the operating and capital budgets, actuals to date, financial position and cash flow.
- **Table C2 (Pages 33)** is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification.
- **Table C3 (Pages 34)** shows budgeted financial performance in relation to the revenue and expenditure as well as the operating surplus or deficit.
- **Table C4 (Page 35)** is a view of the budgeted financial performance in relation to the revenue by source and expenditure by type.
- **Table C5 (Pages 36)** reflects the capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and funding sources required to fund the capital budget, including information on capital transfers from national and provincial departments.
- **Table C6 (Page 37)** reflects the performance to date in relation to the financial position of the municipality.
- **Table C7 (Page 38)** indicates the cash flow position and cash/cash equivalents.

IN YEAR BUDGET STATEMENT SUPPORTING TABLES (PAGE 39 – 81)

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

MUNICIPAL COST CONTAINMENT REGULATIONS (MCCR) (PAGE 83 – 87)

This section provides the cost containment in-year reporting for the City as well as its two entities i.e. Cape Town International Convention Centre and Cape Town Stadium.

KEY DATA**Operating Budget**

Operating Budget	Budget 2020/21	YearTD budget 2020/21	YearTD actual 2020/21	YTD variance	Full Year Forecast
Total Revenue ¹ (R'Thousands)	42,810,414	22,867,766	22,475,083	(392,683)	42,837,777
Total Expenditure ¹ (R'Thousands)	44,918,983	20,984,612	20,294,862	(689,750)	44,302,910
Surplus/(Deficit) ¹ (excl. capital transfers and contributions)	(2,108,569)	1,883,153	2,180,221	297,067	(1,465,133)

Capital Budget

Capital Budget	Budget 2020/21	YearTD budget 2020/21	YearTD actual 2020/21	YTD variance	Full Year Forecast
Total Capital Expenditure (R'Thousands)	8,664,567	2,960,920	2,907,891	(53,029)	7,378,901

Financial Position

Working Capital	Audited Outcomes 2019/20	Original Budget 2020/21	Adjusted budget 2020/21	YearTD actual
Cost coverage ratio³ Cash and investments at period end less restricted cash/Monthly operating Expenditure	1,91:1	-	-	1,79:1
Liquidity Current Ratio (Current assets/current liabilities) ⁴	2.0	1.7	1.6	2.9
Borrowing Capital Charges to Operating Expenditure (Interest & principal paid/Operating Expenditure) ⁵	1.1%	2.7%	2.7%	2.8%
Borrowed funding of 'own' capital expenditure (Borrowings/Capital expenditure excl. transfers and grants) ⁶	26.4%	37.2%	34.4%	31.5%
Financial Position (R'Thousands)⁷ Total Assets	76,137,314	78,015,309	78,809,994	74,975,521
Total Liabilities	23,076,656	26,710,099	28,486,855	19,079,997
Cash Flow (R'Thousands) Cash/cash equivalents at month/year end	9,366,569	4,660,933	6,381,702	9,016,371

- **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 1.79 which falls within the norm of 1-3 months (MFMA Circular 71). This outcome shows an improvement from the last period as a result of a higher Cash and Cash Equivalents.

- **Current Ratio⁴**

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

The year-to-date ratio outcome of 2.9 shows that the City has sufficient cash to meet its short-term financial obligations and is above the norm of 1.5 to 2.1 (MFMA Circular 71). This period's outcome shows a slight improvement from the previous period outcome of 2.8, which is mainly attributable to a decrease in total current liabilities.

- **Capital Charges to Operating Expenditure⁵**

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

The year-to date ratio of 2.8% is below the National Treasury norm of 6% to 8% (MFMA Circular 71). This ratio is budgeted to be below the National Treasury norm.

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

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

The year to date outcome of 31.5% is less than the budgeted ratio of 34.4%. This is likely to catch up to the budgeted ratio as the year progresses.

- **Financial Position⁷**

The outcomes on the financial position is a result of the movements in the Statement of Financial Performance and the capital budget. However, there is no monthly financial position available as the budget represents the full year while the actuals represents year-to-date outcomes. The full year outcome will only be analysable at year end.

- **Cash Flow**

Cash and cash equivalents amount to R9 016 million as at 31 December 2020. This position is as a result of levels of cash realised in the previous financial year. The total includes all reserves and commitments required to be backed by cash. The funds are invested in compliance with the MFMA and 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	326,575	99,531	2,105,304	2,531,410
Electricity	535,806	97,478	477,123	1,110,407
Rates	734,273	176,930	1,474,152	2,385,355
Sewerage	168,191	47,878	796,508	1,012,577
Refuse	99,039	29,615	669,916	798,570

The 12 Months moving average YTD collection ratio as reflected in the table below is for the period January 2020 to December 2020 and therefore reflects a more favourable 12 months' position.

The monthly collection ratio 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 NT MFMA Circular 71, which takes opening balances, adjustments, internal billings and write offs etc. into account.

Debtors Collection Rate % ^s	Previous year 2019/20	Current year 2020/21 (Interim ratios)	12 Months moving average YTD collection ratio (Interim ratios)	Monthly Collection Ratio per Service
Electricity	99.78%	100.91%	99.27%	146.96%
Water	110.37%	91.11%	89.45%	95.94%
Sewerage	101.95%	92.86%	91.94%	96.59%
Refuse	89.81%	89.85%	88.00%	96.14%
Rates	96.66%	95.42%	94.29%	100.53%
Other	98.96%	94.62%	92.57%	81.50%

^s12 Months Collection Ratio. Calculated ito National Treasury Circular 71.

The 12 Months Moving Average Payment Ratio for the period ended 31 December 2020 is 97.08% as reflected in the table below.

Monthly Collection Rate	
Period	Current year
12 Months	97.08%
6 Months	101.70%
3 Months	104.32%
Monthly	109.11%

Human Resources

Human Resources	Audited Outcomes 2019/20	Original Budget 2020/21	Adjusted Budget 2020/21	YearTD actual 2020/21
Employee and Councillor remuneration (R'Thousands)	12,967,162	15,416,283	15,387,059	7,262,334
Employee Costs (Employee costs/Total Revenue - capital revenue)	30.1%	36.0%	35.4%	31.9%
Total Cost of Overtime (R'Thousands)	763,953	698,138	706,782	400,704

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 on page 71.

Staff Complement

Municipal Employees (numbers)	As at 30 June 2020	Original Budget 2020/21	December 2020
Filled posts - Permanent	27,753	27,785	27,922
Filled posts - Temporary	1,075	983	1,733
Vacant posts - Permanent	4,357	3,013	2,691
	33,185	31,781	32,346

Municipal Councillors (numbers)	As at 30 June 2020	Original Budget 2020/21	Dec-20
Municipal Councillors	230	231	231
Municipal Councillors - Vacancies	1	-	-
	231	231	231

The City had 2691 vacancies as at 31 December 2020; 1038 positions were filled (457 internal and 581 external) with 914 terminations processed since the beginning of the financial year. The filling of vacancies is ongoing and seasonal staff are appointed as and when required.

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

DIRECTORATE	VACANT POSTS (Permanent positions)		% of Posts Filled	Vacancy Rate
	Number of Posts	Value		
City Manager (Office of CM)	9	R4,657,763	95.77%	4.23%
Community Services and Health	370	R107,416,489	94.54%	5.46%
Corporate Services	96	R38,034,898	95.15%	4.85%
Economic Opportunities and Asset Management	56	R17,738,362	94.39%	5.61%
Energy & Climate Change	165	R52,171,442	94.16%	5.84%
Finance	113	R36,507,496	93.98%	6.02%
Human Settlements	114	R34,703,803	87.86%	12.14%
Safety and Security	970	R230,497,829	89.56%	10.44%
Spatial Planning and Environment	57	R22,292,061	94.20%	5.80%
Transport	220	R63,192,695	88.61%	11.39%
Urban Management	32	R11,185,392	94.13%	5.87%
Water and Waste	489	R151,121,068	94.03%	5.97%
TOTAL	2,691	R769,519,298	92.89%	7.11%

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

DIRECTORATE	Less Than 6 Months	6 to 12 Months	1 to 2 Years	More Than 2 Years	Grand Total
City Manager (Office of CM)	7	1	1	0	9
Community Services and Health	268	84	17	1	370
Corporate Services	48	30	14	4	96
Economic Opportunities & Asset Management	28	16	12	0	56
Energy and Climate Change	69	66	17	13	165
Finance	31	45	30	7	113
Human Settlements	57	23	16	18	114
Safety and Security	82	800	76	12	970
Spatial Planning and Environment	30	14	8	5	57
Transport	80	94	46	0	220
Urban Management	19	9	4	0	32
Water and Waste	149	154	143	43	489
Grand Total	868	1,336	384	103	2691

The City's Executive Management Team on 3 June 2020 considered and adopted a report, which highlighted the need to ensure the financial liquidity of the City during and post COVID-19 and supporting HR mitigation interventions. The report laid out internal interventions to counter the negative impact of current and short-term cash impacts with concomitant budgetary bearing. The interventions are aimed at curtailing expenditure on staff- and related costs. These interventions include placing a hold on half of the vacancies in each directorate with savings to be earmarked, effective 1 July 2020. Through this action, a potential annualised saving of R457 million will be achieved.

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

Description	Original Budget 2020/21	Adjusted Budget 2020/21	YearTD actual 2020/21	YearTD budget 2020/21	YTD variance
R'Thousands					
Total Revenue (excluding capital transfers and contributions)	42,225,117	42,810,414	22,475,083	22,867,766	(392,683)
Total Expenditure	44,830,094	44,918,983	20,294,862	20,984,612	(689,750)
Surplus/(Deficit)	(2,604,976)	(2,108,569)	2,180,221	1,883,153	297,067

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

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

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

REVENUE**Main revenue sources for 2020/21**

Description	Budget Year 2020/21						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands							
Revenue By Source							
Property rates	10,511,519	10,511,519	5,167,575	5,199,873	(32,298)	-0.6%	10,525,121
Service charges - electricity revenue	13,789,334	13,789,334	7,116,685	7,203,497	(86,813)	-1.21%	13,829,694
Service charges - water revenue	3,194,459	3,194,459	1,489,242	1,480,981	8,261	0.6%	3,212,865
Service charges - sanitation revenue	1,616,486	1,616,486	738,338	774,424	(36,086)	-4.7%	1,616,883
Service charges - refuse revenue	1,285,431	1,285,431	594,042	625,595	(31,553)	-5.0%	1,213,356
Rental of facilities and equipment	359,559	359,559	183,183	183,285	(102)	-0.1%	355,765
Interest earned - external investments	847,535	847,535	443,506	447,367	(3,861)	-0.9%	976,104
Interest earned - outstanding debtors	389,137	389,137	250,299	194,895	55,404	28.4%	416,982
Dividends received	-	-	-	-	-	-	-
Fines, penalties and forfeits	1,063,333	1,063,333	647,882	622,137	25,745	4.1%	1,063,333
Licences and permits	76,875	76,875	20,332	28,328	(7,996)	-28.2%	65,092
Agency services	242,236	242,236	146,769	118,810	27,959	23.5%	242,236
Transfers and subsidies	5,608,724	6,194,021	3,676,797	3,937,948	(261,152)	-6.6%	6,127,552
Other revenue	3,190,491	3,190,491	1,984,909	2,026,125	(41,215)	-2.0%	3,138,795
Gains	50,000	50,000	15,525	24,500	(8,975)	-36.6%	54,000
Total Revenue (excluding capital transfers and contributions)	42,225,117	42,810,414	22,475,083	22,867,766	(392,683)	-1.7%	42,837,777

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

- **Service charges - electricity revenue (R86.8 million under)**

The under-recovery is as a result of a change in the billing cycle for Large Power User customers resulting in delayed billing of revenue.

- **Interest earned – outstanding debtors (R55.4 million over)**

The over-recovery is due to higher outstanding debtor balances for property rates, water and sanitation, refuse and electricity.

- **Transfers and subsidies (R261.2 million under)**

Under-recovery reflects in the following directorates:

- Community Services & Health, due to misalignment of the period budget provision with the actual expenditure on Pharmaceutical Supplies and Vaccines for Health.
- Safety & Security, due to the hold placed on Phase 2 of the LEAP project resulted in the appointment of less than the 1000 officers initially planned.
- Economic Opportunities & Asset Management, where delays in project implementation due to COVID-19 implications prompted the need to address all contractual requirements which subsequently led to the Cape Skills and Employment Accelerator Project not commencing as originally envisaged. A portion of the budget will be rephased to the 2021/22 financial year to make up for the lost time.
- Water & Waste Services, where the changes in the appointed of service providers for supply and service of chemical toilets resulted in community unrest.
- Transport, due to the Rail Safety Project (Rail Enforcement Unit) being terminated on 30 June 2020 as a result of PRASA not committing to co-funding for the financial year.

Reasons for variances on revenue by source can be found on page 39.

Reasons for variances on revenue by vote can be found on page 41.

EXPENDITURE**Main expenditure types for 2020/21**

Description R thousands	Budget Year 2020/21						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure By Type							
Employee related costs	15,203,365	15,174,141	7,169,058	7,600,474	(431,415)	-5.7%	14,875,460
Remuneration of councillors	189,675	189,675	83,212	83,583	(371)	-0.4%	189,675
Debt impairment	3,640,353	3,640,353	1,835,200	1,822,676	12,524	0.7%	3,210,936
Depreciation & asset impairment	3,300,067	3,300,067	1,380,742	1,615,407	(234,665)	-14.5%	2,850,866
Finance charges	828,460	828,530	386,620	414,713	(28,094)	-6.8%	851,450
Bulk purchases	9,990,881	9,990,881	4,685,910	4,696,153	(10,243)	-0.2%	9,993,531
Other materials	1,599,125	1,594,432	635,689	657,536	(21,847)	-3.3%	1,551,958
Contracted services	7,215,975	7,217,211	2,912,193	2,755,815	156,377	5.7%	7,704,327
Transfers and subsidies	498,081	550,603	185,277	241,428	(56,151)	-23.3%	552,688
Other expenditure	2,362,108	2,431,082	1,017,973	1,095,729	(77,756)	-7.1%	2,519,883
Losses	2,002	2,007	2,989	1,097	1,892	172.4%	2,134
Total Expenditure	44,830,094	44,918,983	20,294,862	20,984,612	(689,750)	-3.3%	44,302,910

Reasons for major over-/under expenditure per type

- Employee Related Costs (R431.4 million under)**

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

- Depreciation & asset impairment (R234.7 million under)**

The variance is mainly due to:

- The slow start on the construction/completion/procurement of assets in the current financial year;
- The impact of assets capitalised in the 2019/20 financial year;
- The update to the useful life of various infrastructure assets within the Water & Sanitation Services department, which reduced the actual depreciation on these assets; and
- The impact of the corporate review on the capital budget to be implemented with the upcoming adjustments budget.

- Contracted Services (R156.4 million over)**

Over expenditure reflects against the following elements:

- R&M - Contracted Services Building, where maintenance work was completed earlier than anticipated.
- R&M Electrical, mainly due to outstanding maintenance work done on UV lights at various wastewater plants as well as the impact of once-off electrical breakdown.
- R&M Gardening Services, due to actual requirement to date being higher than planned as a result of good weather conditions and backlogs of services not rendered as a result of the COVID-19 lockdown.

- Security Services Municipal Facilities, due to misalignment of the period budget and actuals as well as an increase in demand for security services.
- Waste Minimisation, where the budget was reduced as it was expected that disposal sites would be closed for longer, however, it opened earlier resulting in more than planned expenditure.
- Haulage, where the amount of waste being hauled from Transfer Stations/Drop-off Sites to landfill sites was higher than anticipated to date.
- Professional Services Engineering, due to an increase in demand for services relating to housing- and water projects.
- Legal cost, due to the actuals being higher than planned.
- Graphic Design, due to higher than expected demand to date.
- G&D Laboratory Services - Medical, due to higher than expected demand to date.
- G&D Transportation Service People, where the Station Management AEM invoices were approved earlier than expected.

- **Transfers and subsidies (R56.2 million under)**

The variance is mainly within the following directorates:

- Community Services & Health, where outstanding MOAs from approved beneficiaries have resulted in payment delays.
- Economic Opportunities & Asset Management
 - Grants/Sponsorships, due to misalignment of cash flows; and
 - G&D Grants /Sponsorships, where delays in project implementation due to COVID-19 implications prompted the need to address all contractual requirements, which subsequently led to the Cape Skills and Employment Accelerator Project not commencing as originally envisaged.
- Human Settlements - Housing PHP Payments, due to delays in the implementation of various Top Structure projects as a result of COVID-19 restrictions.

- **Other Expenditure (R77.8 million under)**

The under expenditure is mainly on the following categories:

- Levy - Skills Development, due to the misalignment of the period budget provisions with the actual expenditure trends of LGSETA payments. The Skills Development Levy 'payment holiday' (as announced by the President of SA) as a result of the COVID-19 pandemic further contributed to the under expenditure.
- Advertising - corporate and municipal accounts, due to misalignment of the monthly budget provision and actual expenditure on corporate and mayoral advertising requirements.
- G&D Training and Uniforms, due to the hold placed on LEAP-related expenditure (uniforms, training etc.) because of the possible reduction of funding.
- Uniforms and Protective Clothing, due to delays in the appointment of additional EPWP staff as well as the hold placed on LEAP-related expenditure (uniforms, training etc.) because of a possible reduction of funding.
- Rehabilitation of Closed Landfill Sites, where the tender for the Radnor Landfill site rehabilitation was awarded later than anticipated as a result of protracted tender processes. The tender is currently in the appeal period.

- Commission Revenue Sharing, where the commission for contravention system service providers was less than anticipated as well as system setup delays.
- Subsidy on Homeowners Redemption, due to less than planned expenditure linked to the transfer of properties in respect of saleable Council Rental Units for which individuals were eligible for the Enhanced Extended Discount Benefit Scheme (EEDBS) subsidy.
- Indigent Relief: Electricity - Eskom Reimbursement, where the indigent payment for November 2020, which was due on 16 December 2020 has not been processed yet.

Reasons for variances on expenditure by type can be found on page 52.

Expenditure per vote (directorate)

Vote Description R thousands	Budget Year 2020/21						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure by Vote							
Vote 1 - Community Services & Health	4,403,961	4,395,935	1,937,659	2,132,186	(194,527)	-9.1%	4,388,182
Vote 2 - Corporate Services	2,061,818	2,061,626	976,113	960,296	15,816	1.6%	2,131,156
Vote 3 - Economic Opportunities & Asset Management	1,414,661	1,426,705	635,525	641,408	(5,883)	-0.9%	1,414,612
Vote 4 - Energy & Climate Change	12,412,445	12,412,274	5,795,303	5,934,057	(138,755)	-2.3%	12,254,004
Vote 5 - Finance	3,686,308	3,686,116	1,797,398	1,844,103	(46,705)	-2.5%	3,798,693
Vote 6 - Human Settlements	1,394,457	1,456,270	661,181	641,043	20,138	3.1%	1,504,048
Vote 7 - Office of the City Manager	258,605	258,386	126,686	145,780	(19,094)	-13.1%	259,447
Vote 8 - Safety & Security	4,293,174	4,284,734	1,940,931	1,922,794	18,137	0.9%	4,177,054
Vote 9 - Spatial Planning & Environment	789,228	789,270	365,826	390,087	(24,261)	-6.2%	827,966
Vote 10 - Transport	3,640,210	3,672,794	1,417,359	1,477,337	(59,978)	-4.1%	3,515,767
Vote 11 - Urban Management	1,127,346	1,127,155	477,376	473,896	3,480	0.7%	1,149,482
Vote 12 - Water & Waste	9,347,882	9,347,719	4,163,506	4,421,625	(258,119)	-5.8%	8,882,498
Total Expenditure by Vote	44,830,094	44,918,983	20,294,862	20,984,612	(689,750)	-3.3%	44,302,910

Reasons for major over expenditure per vote (directorate)

The narrative below provides details of categories with overall over expenditure within the directorates where there is bottom-line **year-to-date over expenditure**.

The overall over expenditure will be addressed in the January 2021 adjustments budget.

• Corporate Services (R15.8 million over)

- Contracted services, against the following subcategories:
 - Graphic Design, due to higher than anticipated demand;
 - Advisory Services - Project Management, where expenditure is higher than planned to date;
 - Legal Advice & Litigation, due to higher than anticipated demand;
 - Research and Advisory, where expenditure relating to the Resident Survey is higher than planned to date; and
 - R&M Maintenance of Equipment, where the cost to replace equipment is higher than anticipated.

- Other Expenditure, against the following subcategories:
 - Telecommunication: Cell Phone Subscription, where additional cell phone subscriptions were allocated as part of the remote working arrangements as a result of the COVID-19 pandemic; and
 - Training, due to transversal training expenditure, which will be allocated to departmental budget provisions in the upcoming reporting periods.
- **Human Settlements (R20.1 million over)**
 - Debt Impairment, where the increase in customers/consumers defaulting on account payments due to the impact of the COVID-19 pandemic on the economy resulted in more debt being written-off.
 - Contracted Services, against the following subcategories:
 - R&M Contracted Service Building, due to the accelerated provision of emergency R&M to eradicate backlogs;
 - Professional Services Engineering Civil, due to an increase in the additional construction monitoring implemented at certain high risk projects as a result of project management findings raised and recommendations made by the Auditor General;
 - Professional Services Land & Quantity Survey and Quality Control, due to an increase in demand for professional services relating to the upgrading and maintenance of rental units;
 - Professional Services Architectural, due to an unforeseen urgent assessment of the infrastructure at the Paardevlei Site;
 - G&D Professional Services, due to additional temporary structures for the Sweet Homes emergency housing project;
 - Professional Services Quality control, due to enrolment fees for projects at the NHBRC, which was originally not planned for; and
 - Professional Services Town Planner, for additional town planning services required for certain social housing projects i.e. Woodstock Hospital Precinct.
 - Materials: Other, mainly on Materials Consumables Tools and Equipment, due to more unanticipated fire emergencies in various informal settlements.
- **Safety & Security (R18.1 million over)**
 - Employee related costs, due to an increase in overtime as a result of protest action, land invasions, crime and public unrest as well as an increase in standby allowance for Metro Police officers who need to be available to attend to emergencies and protect other staff members against attacks.
 - Other Materials, where fuel expenses are higher as a result of overtime worked by Metro Police staff.
 - Contracted Services, mainly due to the need for more security services at municipal facilities as a result of vandalism and theft.

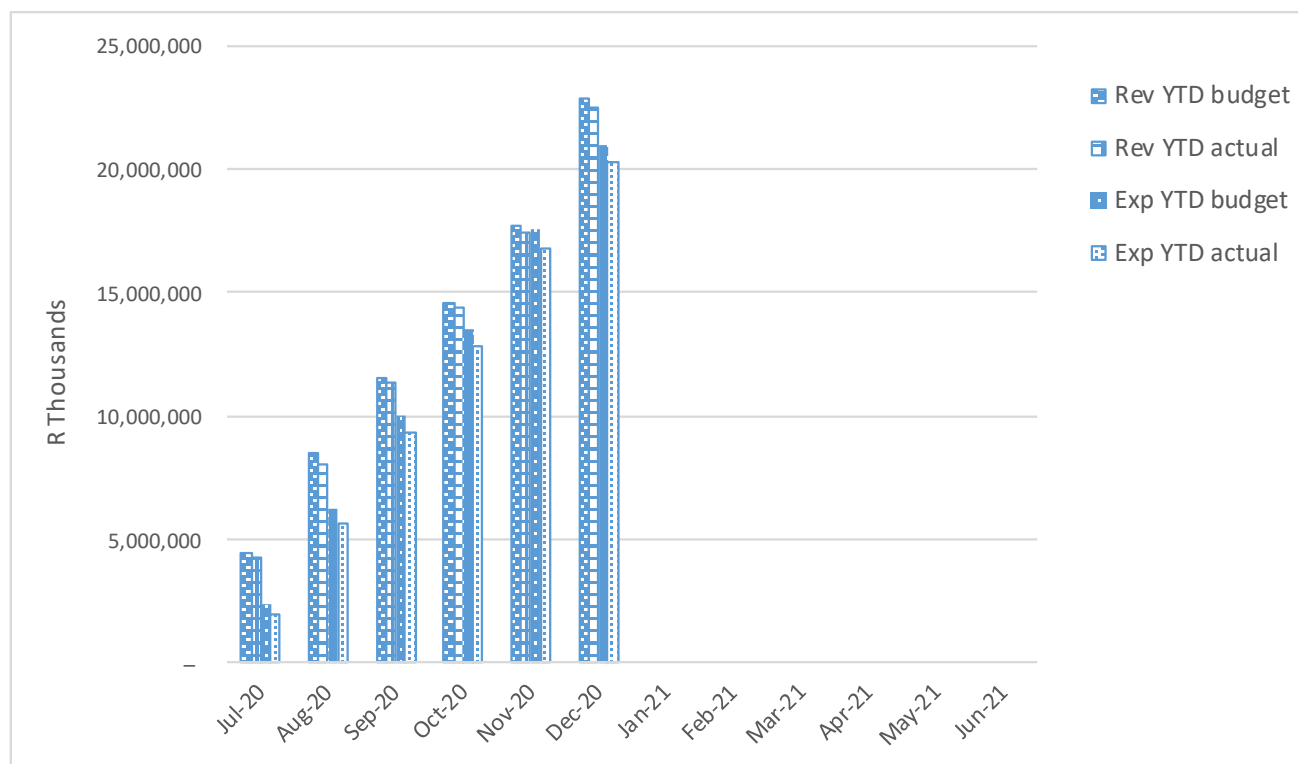
- **Urban Management (R3.5 million over)**

- Contracted services, against the following subcategories:
 - Advisory Services - Project Management, due to the rollout of MURP, Area Economic and Sub-Council operating projects, which are progressing slightly faster than anticipated;
 - Gardening Service, where expenditure on gardening services for beautification of parks by subcouncils is higher than planned to date;
 - R&M Electrical and R&M Gardening Service, where work at various community facilities is more than planned to date;
 - Security Services: Municipal Facilities, due to the provision of private security at various MURP Precincts; and
 - Other Expenditure: MIDS/CIDS, due to misalignment of period budget provisions with actual expenditure as a result of the four new CIDS established in July 2020.

Details on variances for expenditure by vote can be found on page 44.

Monthly Operating Revenue and Expenditure Performance

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



CAPITAL EXPENDITURE AND FUNDING**Summary Statement of Capital Budget Performance**

Vote Description R thousands	Budget Year 2020/21						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Total Capital Expenditure	9,605,874	8,664,567	2,907,891	2,960,920	(53,029)	-1.8%	7,378,901
Funded by:							
National Government	2,803,382	1,323,757	516,892	597,212	(80,321)	-13.4%	1,733,295
Provincial Government	12,446	13,592	5,436	3,270	2,166	66.3%	13,616
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	67,986	67,986	36,107	33,935	2,173	6.4%	65,486
Transfers recognised - capital	2,883,814	1,405,335	558,435	634,417	(75,982)	-12.0%	1,812,397
Borrowing *	2,500,000	2,500,000	740,848	534,448	206,400	38.6%	–
Internally generated funds	4,222,060	4,759,231	1,608,609	1,792,056	(183,448)	-10.2%	5,566,504
Total Capital Funding	9,605,874	8,664,567	2,907,891	2,960,920	(53,029)	-1.8%	7,378,901

*The YTD actual reflected against the 'Borrowing' funding source is currently funded through internal funds.

The year-to-date spend of R2 908 million represents 32.37% (R2 350 million) on internally-funded projects and 39.74% (R558 million) on externally-funded projects.

The full year forecast indicates that 85.2% of the capital budget is anticipated to be spent by the end of the financial year.

Capital budget by municipal vote for 2020/21

Vote Description R thousands	2019/20	Budget Year 2020/21						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Multi-Year expenditure appropriation								
Vote 1 - Community Services & Health	283,453	453,758	443,616	79,325	162,490	(83,165)	-51.2%	327,256
Vote 2 - Corporate Services	157,647	242,020	249,968	94,033	116,809	(22,777)	-19.5%	225,143
Vote 3 - Economic Opportunities & Asset Management	391,416	580,321	585,754	131,810	96,700	35,110	36.3%	359,072
Vote 4 - Energy & Climate Change	622,239	1,049,131	1,049,221	308,871	344,922	(36,051)	-10.5%	852,722
Vote 5 - Finance	63,051	268,787	295,583	160,362	126,295	34,067	27.0%	274,033
Vote 6 - Human Settlements	858,297	894,903	812,741	296,921	400,145	(103,224)	-25.8%	781,009
Vote 7 - Office of the City Manager	1,329	2,130	2,176	80	1,318	(1,237)	-93.9%	1,585
Vote 8 - Safety & Security	429,428	438,954	428,195	139,936	123,716	16,220	13.1%	385,688
Vote 9 - Spatial Planning & Environment	54,776	157,205	158,489	55,575	60,490	(4,916)	-8.1%	136,452
Vote 10 - Transport	873,070	1,793,342	978,338	324,531	406,793	(82,261)	-20.2%	917,980
Vote 11 - Urban Management	57,350	81,503	84,261	13,728	22,318	(8,590)	-38.5%	66,978
Vote 12 - Water & Waste	2,178,611	3,643,819	3,576,224	1,302,719	1,098,925	203,794	18.5%	3,050,982
Total Capital Multi-year expenditure	5,970,668	9,605,874	8,664,567	2,907,891	2,960,920	(53,029)	-1.8%	7,378,901

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

- **Community Services & Health directorate (R83.2 million under)**

The negative year-to-date variance is mainly due to:

- The impact of COVID-19 on the implementation on various community service facility projects.
- Delays experienced with the implementation of the following integrated community facilities:
 - Vuyiseka Multi-purpose Centre, and Mfuleni Integrated Recreation Facility, where engagements with strategic stakeholders must still take place;
 - Maitland Cremator, Bellville Integrated Recreation Facility, and the new Nyanga Library, where the appointment of suitable service providers has not taken place yet; and
 - Fisantekraal Clinic, due to delays in the appointment of the contractor. The project was initially delayed due to uncertainties of the transfer of the clinic to the Western Cape Health Services, which has since been clarified enabling the project to continue. The contractor was appointed in December 2020.
- Delays experienced with the corporate IT tender used to procure IT equipment.
- Unfinished minor work on the sewer line on the Hout Bay Recreation Facility Upgrade project, which must be completed before the project can continue.
- Outstanding due diligence of the town planning of the works on the Blue Ridge Integrated Recreation Facility project.

72% spend is forecasted for the projects currently on the budget.

- **Human Settlements directorate (R103.2 million under)**

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

- Public Housing: Delays in the start of the Asset Management Programme within the Public Housing department, due to final cost estimates for various work packages being received later than anticipated. The majority of the work has now been completed with contractor invoices being received and processed.
- Housing Development: Delays experienced in the implementation of COVID-19 de-densification projects managed by the Western Cape Government (WCG), in the following areas:
 - Du Noon, due to objections received;
 - Kosovo, where the transfer of land is pending; and
 - Ithemba, where the WCPG's Department of Human Settlements has been unable to successfully secure the land release.
- Informal Settlements: The Imizamo Yethu UISP project has been subjected to multiple delays as a result of legal proceedings and community resistance challenges. The contractor is on site and work has commenced.

89% spend is forecasted for the projects currently on the budget.

- **Transport directorate (R82.3 million under)**

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

- COVID-19 - Guard Rails & Fencing: Planning of implementation phase is taking longer than anticipated.
- Public Transport Systems management projects: Awaiting wayleave approvals specifically from other directorates before some projects can commence.
- Rehabilitation of Japhta K - Nyati Road & Lawulo Road: Delays in the award of 363Q/2018/19; project will be rephased to the 2021/22 financial year.
- Upgrading of New Eisleben Road: The review of the project is still underway and the term tender is still not in place. A decision was made to postpone implementation of the project to the 2021/22 financial year.
- Durbanville NMT: Project making good progress even though a portion of the works has been delayed by a month, due to residents objecting to the path being constructed in the public open space. There were also some disruptions caused by workers relating to issues with the Department of Labour.

88% spend is forecasted for the projects currently on the budget.

- **Water & Waste directorate (R203.8 million over)**

- **Solid Waste Management (R159.2 million under)**

The underspend is mainly due to delays on the following projects/programmes:

- Vissershok Landfill Airspace Development: The National Department of Water & Sanitation has not approved the construction drawings. Tender 293Q/2019/20 for the construction phase is currently in the bid evaluation stage.
- New Prince George Drop-off: Multi-year project. Tender 310Q/2018/19 for construction has been awarded. Site handed over to contractor on 17 July 2020. Anticipated spend delayed due to community unrest. Contractor was instructed by community members to cease works on 23 July 2020. Contractor subsequently returned and resumed construction on 17 August 2020.
- Coastal Park Landfill Gas Beneficiation: Work was delayed due to health and safety compliance processes and delays in finalising performance guarantees as well as purchase orders being finalised later than anticipated, which has since been resolved. Contractor commenced with the construction designs and procurement of the electricity generators.
- Vehicle and Plant Replacement: Delays in finalising bank performance guarantees, which have now been obtained. Some orders have been placed.

77% spend is forecasted for the projects currently on the budget.

▪ **Water & Sanitation Services (R363.1 million over)**

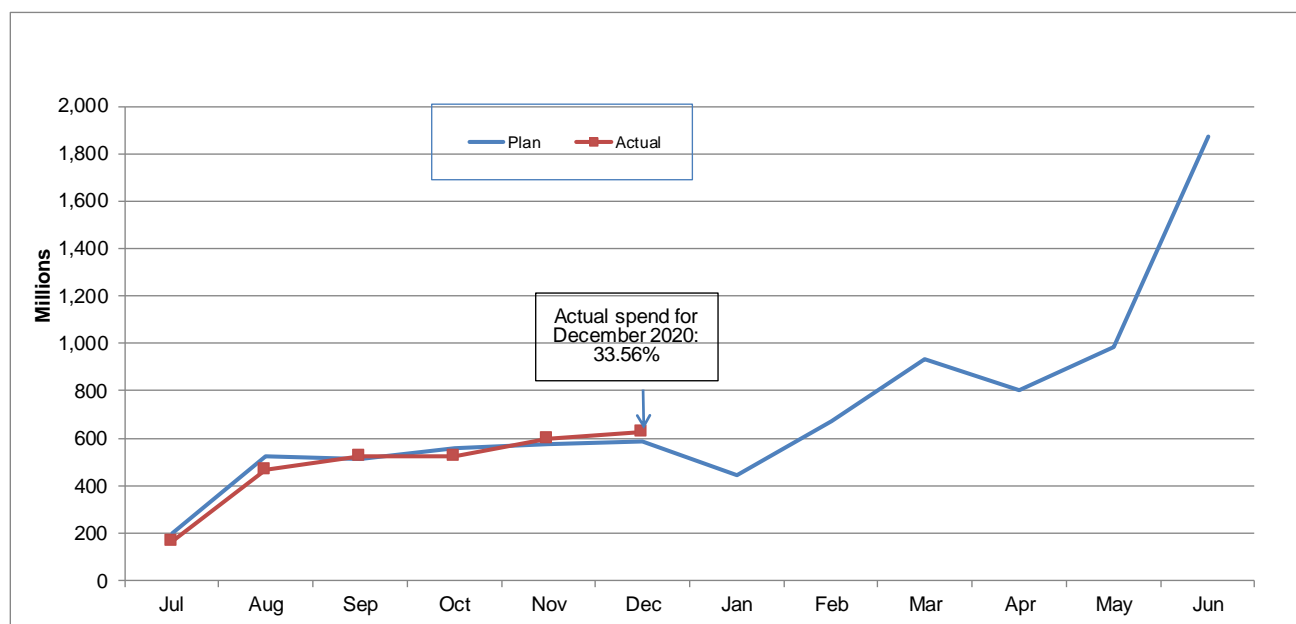
The year-to-date actual is currently significantly more than budgeted, predominantly due to expenditure against major projects such as Zandvliet WWTW, Atlantis Aquifer, Table Mountain Group Aquifer, and bulk water infrastructure replacement projects where a conservative budgetary approach was taken as a result of the uncertainty of the impact of COVID-19 at the time of preparing the budget.

85% spend is forecasted for the projects currently on the budget.

Detailed explanations and remedial action on variances on the capital budget can be found on page 57.

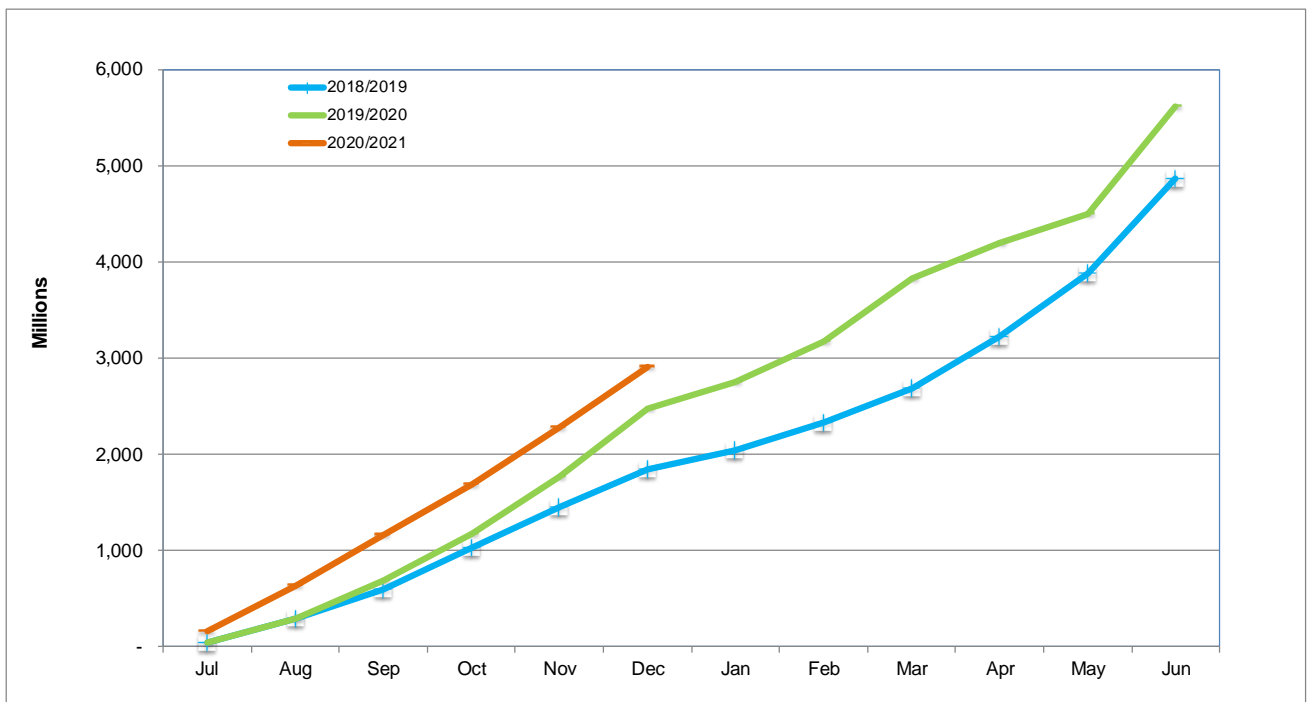
Monthly capital expenditure

The graph below reflects the City's monthly capital expenditure to date measured against the 2020/21 current budget.

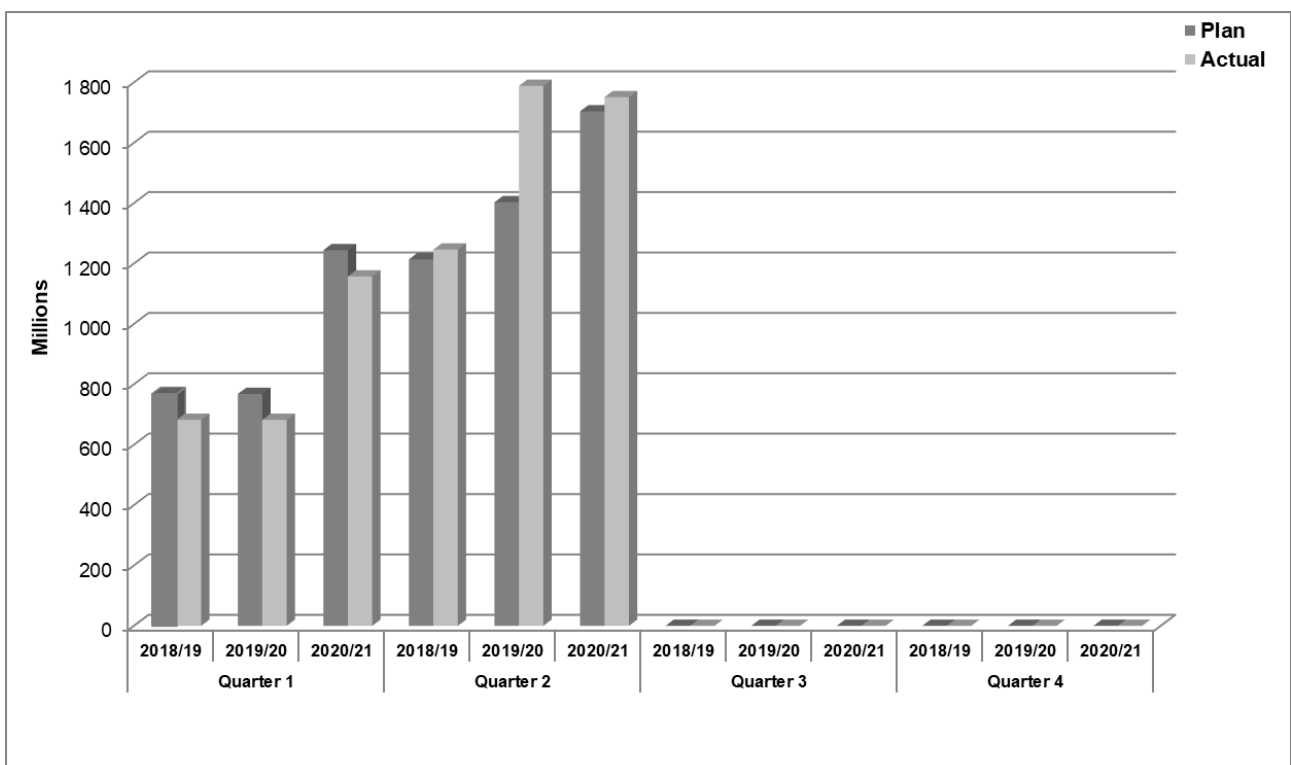


Capital expenditure trend over the current- and past two years

The graph below shows the City's capital expenditure trend for 2018/19, 2019/20 and 2020/21.



The capital expenditure quarterly trend for the 2018/19, 2019/20 and 2020/21 financial years is graphically illustrated below.



Status of certain major capital programmes/projects in the City

Programme or Major Project	Current Budget	YTD Planned Spend	YTD Actual Spend	YTD Variance	Comments
Zandvliet WWTW-Extension	552,271,772	85,489,835	282,764,316	197,274,481	The project is progressing faster than anticipated due to good contract management and service providers performing well.
Suites Cape Town Stadium	242,734,775	104,276,726	145,651,530	41,374,804	Project progress is ahead due to work completed ahead of schedule resulting in payments being processed earlier than anticipated. Anticipated completion in March 2021.
Cape Flats Aquifer Recharge	233,946,496	98,300,000	111,424,456	13,124,456	Project is currently ahead of schedule due to the service providers performing well. A portion of the project will be rephased to the outer financial years due to the uncertainty associated with the award of tender 348Q/2018/19 and 019Q/2019/20. Budget and cash flows will be amended in the January 2021 adjustments budget.
Plant & Vehicles: Replacement	232,192,544	182,113,930	120,437,116	-61,676,814	Initial delays in the ordering of vehicles were experienced as a result of the finalisation of bank performance guarantees, which have since been obtained. Some orders have been placed; awaiting delivery. The budget is being reduced in order to obtain an affordable borrowing requirement and implementable budget. Budget and cash flows to be amended in the January 2021 adjustments budget.
System Equipment Replacement: East	227,641,034	72,998,386	65,587,895	-7,410,491	Project execution is in process despite the planning and prioritisation taking longer than anticipated. The entire capital programme is being reviewed as a result of uncertain economic activity and a portion of the budget will be rephased in the January 2021 adjustments budget.
IRT Phase 2 A	201,457,396	92,135,835	75,855,240	-16,280,595	Project initially delayed due to inclement weather in the first quarter of the financial year. The implementation schedule has been revised in line with the latest cash flows received from the consultants. The invoice for December 2020 is being checked and should be processed by mid-January 2021. Actual expenditure will be reposted. Budget and cash flows to be amended in the January 2021 adjustments budget.
Athlone WWTW-Capacity Extension-phase 1	175,600,000	12,000,000	45,260,772	33,260,772	<p>The project includes the following work packages:</p> <ol style="list-style-type: none"> 1. New Blower House and Demolition work (Tender 296Q/2018/19); 2. Mechanical & Electrical for Blowers (Tender 376Q/2018/19); 3. Civil Works relating to 50ML upgrade treatment; and 4. Mechanical Infrastructure relating to 50ML upgrade. <p>The project is ahead of schedule due to good service provider performance under tender 35C/2016/17. This tender has however expired with the replacement tender (293C/2018/19) also being cancelled resulting in a portion of the project being rephased to the 2021/22 financial year. Budget and cash flows to be amended in the January 2021 adjustments budget.</p>
Asset Management Programme	154,487,755	88,913,763	38,505,427	-50,408,336	Some roof covering replacements completed after initial delays in finalising work packages due to final quotes being received late. Completion is expected in January 2021. A portion of the budget will be reprioritised in the January 2021 adjustments budget.

Table continues on next page.

City of Cape Town: S52 Annexure A – 2021 Q2 (December 2020)

Programme or Major Project	Current Budget	YTD Planned Spend	YTD Actual Spend	YTD Variance	Comments
Corp Accom Area 3: Voortrekker Corridor	147,061,175	-	-	-	The City is revising its office accommodation strategy as a result of the new working conditions brought upon by the COVID-19 pandemic. At this stage, no new accommodation will be required resulting in this project being cancelled. Budget to be amended in the January 2021 adjustments budget.
FS Replacement Vehicles	144,093,605	34,922,730	65,793,424	30,870,694	The project is slightly ahead of planned schedule due to deliveries happening earlier than anticipated. Further orders placed; awaiting delivery. Additional funding is needed to replace aged fleet items which have reached the end of their economic life. As a result of limited funds and pressing demands, the Fleet Management department is required to accelerate the replacement programme. Budget and cash flows will be amended in the January 2021 adjustments budget.
Cape Flats Aquifer	139,243,256	42,552,528	50,517,011	7,964,483	The project is ahead of programme due to good contract management and service providers performing well. However, a portion of the budget will be rephased to the outer years as part of the review of the capital programme in order to obtain an affordable borrowing requirement and implementable budget. Budget and cash flows will be amended in the January 2021 adjustments budget.
Paardevelei Switching Station	135,679,751	15,100,000	12,225,982	-2,874,018	Tenders for the HV switchgear and switching station building have been awarded. The HV switchgear is in the design phase. The building contractor resumed site work after the easing of lockdown restrictions, however, completion of building work will be delayed. The HV cable tender has been awarded. Completion of GIS switchgear also delayed due to building work delays. The entire capital programme is being reviewed, due to the uncertain economic activity; a portion of the budget will be rephased in the January 2021 adjustments budget.
Table Mountain Group Aquifer	133,400,000	60,216,000	85,729,860	25,513,860	Project progressing well ahead of schedule due to good contractor performance. A portion of the project will be brought forward from the outer financial years in the January 2021 adjustments budget.
Meter Replacement Programme	128,000,000	46,000,000	53,870,359	7,870,359	More meters were installed than anticipated due to good contractor performance. The budget will be adjusted in the January 2021 adjustments budget to align to the revised programme and anticipated realistic deliverables.
Upgrading Solid Waste facilities	99,354,462	54,028,727	37,702,122	-16,326,605	Project behind schedule. The SCM process was followed to ensure that the contractor complies with the conditions of the award (Tender 204Q/2017/18). The contractor lodged a dispute regarding the electrical BOQ and requested mediation as the resolution process. The Legal Services department was recruited through internal processes. The project team met with the contractor on two occasions. An unofficial internal mediation sought by the City resulted in an outcome which was acceptable to the project team. The contractor has requested further clarity on "written reasons" from the mediator. The current delay on expenditure is as a result of the awaited outcome of this mediation. The construction portion of the project is currently on-going. Additional funding is required as a result of the project taking longer than anticipated to complete, which led to additional professional services fees as well as contract price adjustment (CPA). Budget and cash flows will be amended in the January 2021 adjustments budget.

Table continues on next page.

City of Cape Town: S52 Annexure A – 2021 Q2 (December 2020)

Programme or Major Project	Current Budget	YTD Planned Spend	YTD Actual Spend	YTD Variance	Comments
Replacement of Fire Vehicles	98,131,551	29,363,465	62,169,293	32,805,828	Some items were delivered earlier than anticipated. Further orders placed; awaiting delivery. A portion of the budget to be reprioritised in the January 2021 adjustments budget.
MV System Infrastructure	97,950,000	28,473,070	30,352,250	1,879,180	Project ahead of schedule due to good contractor performance. The entire capital programme is being reviewed due to uncertain economic activity and a portion of the budget will be rephased in the January 2021 adjustments budget.
Replace & Upgrade Water Network	95,500,000	29,750,000	30,252,419	502,419	The project is progressing faster than anticipated due to good contract management and service providers performing well.
Contermanskloof Reservoir	93,775,752	35,212	142,633	107,421	Project progressing well ahead of schedule due to professional services being paid earlier than anticipated. However, delays in the finalisation of the contract document and an appeal has resulted in a portion of the budget being rephased to the 2021/22 financial year. Budget and cash flows will be amended in the January 2021 adjustments budget.
Atlantis Aquifer	92,829,979	25,329,979	55,708,117	30,378,138	The project is well ahead of schedule due to good performance of the service providers. The project is comprised of the following components and sub-projects: 1. Drilling of new and re-drilling boreholes, testing and equipping boreholes in Witzands and Silverstroom wellfields; 2. Return flow from Witzands to Melkbos reservoir complex; 3. Construction of water infrastructure in Atlantis area and supply of infrastructure to the City's new water projects; 4. Refurbishment of the waste pond at the Witzands softening plant, and 5. Electrical control panels for Atlantis aquifer boreholes.
Law Enforcement Advancement Plan	86,730,620	15,360,876	9,971,514	-5,389,362	Some items were delivered earlier than anticipated. Further orders placed; awaiting delivery. A portion of the budget to be rephased to the 2021/22 financial year in the January 2021 adjustments budget.
Service Connections: Quote	83,200,000	36,891,441	49,828,416	12,936,975	Work on the shared network to provide capacity for new and upgraded supplies was more than planned for the period. Cash flows to be amended in the January 2021 adjustments budget
Bellville WWTW	82,082,767	12,700,000	20,549,882	7,849,882	The project is progressing faster than anticipated due to good performance of the service providers. A portion of the project will be rephased to the 2021/22 financial year in the January 2021 adjustments budget as a result of the cancellation of tender 293C/2018/19.
Bulk Water Infrastructure Replacement	81,000,000	19,782,818	59,625,810	39,842,992	The projects consist of multiple active contracts for the replacement/refurbishment of infrastructure at bulk water plants. Projects in various stages of completion and ahead of program due to good performance by the service providers.
Sir Lowry's Pass River Upgrade	80,000,000	25,000,000	167,893	-24,832,107	The professional services tender (293C/2018/19) was cancelled, which will significantly delay the project. A portion of the project will be rephased in the January 2021 adjustments budget. The remaining budget will be utilised for professional services under tender 35C/2016/2017, which has expired but may be utilised for commitments.
	3,838,364,690	1,211,735,321	1,510,093,736	298,358,415	

COMMITMENTS AGAINST CASH AND INVESTMENTS

Cash and Investments

For the month under review, the cash and cash equivalents amounted to R9 016 million. This position is mainly due to the levels of cash realised in the 2019/20 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'000	Current Month R'000
Closing Cash and Investment Balance	16,498,500	17,722,772
Total Commitments	11,355,264	11,078,984
Unspent Conditional Grants	1,962,040	1,896,265
Housing Development	444,248	442,511
MTAB	23,051	23,051
Trust Funds	905	907
Insurance reserves	541,096	543,497
CRR / Revenue	5,291,104	5,079,933
Other contractual commitments	3,092,820	3,092,820
Uncommitted Funds	5,143,236	6,643,788
Closing Cash and Investment Balance	16,498,500	17,722,772
Non Current Investments	3,285,173	3,311,471
Current Investments	5,421,228	5,394,930
Cash and Cash Equivalents as per Cash flow statement (C7)	7,792,099	9,016,371

Details on the cash flow can be found on page 62.

The monthly cash flow actual and targets can be found on page 74

The City's investment portfolio breakdown can be found on page 66.

GRANT UTILISATION

Description R thousands	Budget Year 2020/21						
	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Total operating expenditure of Transfers and Grants	8,203,696	8,788,993	797,000	971,119	(174,118)	-17.9%	8,716,492
Total capital expenditure of Transfers and Grants	2,883,814	1,405,335	558,435	634,417	(75,982)	-12.0%	1,350,169
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	11,087,510	10,194,328	1,355,435	1,605,535	(250,100)	-15.6%	10,066,661

Detailed information on transfers and grants per funding source is reflected on page 69.

CREDITORS**Creditors Analysis**

R thousands	Budget Year 2020/21								
	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	685	(15)	(943)	—	—	667	—	—	394

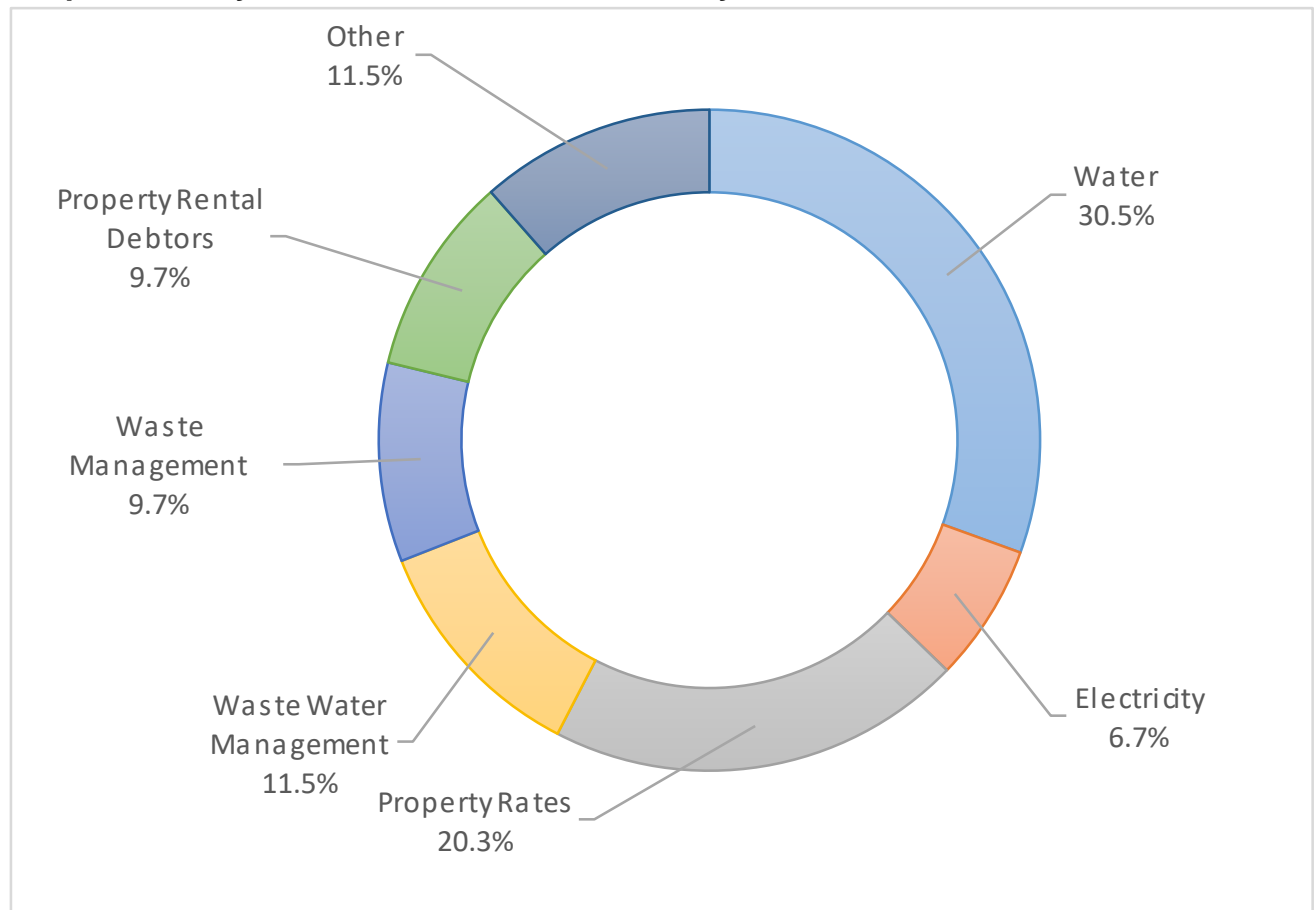
The City's creditors are paid within 30 days as stipulated in the MFMA. Outstanding creditors older than 31 days are due to debit balances that will be deducted from the next payment run as well as payments that have been blocked due to incorrect vendor banking details.

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

DEBTORS**Debtors Age Analysis**

Description	Budget Year 2020/21									
	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	1,966,528	21.0%	431,301	4.6%	270,707	2.9%	6,682,649	71.5%	9,351,184	
2019/20 - totals only	2,282,290	26.4%	227,401	2.6%	236,510	2.7%	5,913,930	68.3%	8,660,131	
Movement	(315,762)		203,900		34,197		768,718		691,053	
% Increase/(Decrease) year on year		-13.8%		89.7%		14.5%		13.0%		7.98%

Graphical Analysis of debtors older than 90 days



Top 10 Commercial debtors - Age Analysis

Account Owner Name	Total	Current	30	60	90	120	150	365	>365	Comments
V & A Waterfront Holdings Pty Ltd	R131,309,125.43	R17,937,432.50	R18,051,959.28	R19,205,703.97	R17,932,700.25	R28,679,634.94	R29,551,149.49	R0.00	-R49,455.00	The arrears amount over 30 days is due to an unresolved appeal on the General Valuation (GV) 2018 objection. Monthly payments are being made with a valuation objection lock set to 31 January 2021.
Church Methodist	R29,375,575.29	R375,384.32	R187,692.16	R187,692.16	R187,692.16	R187,692.16	R187,692.16	R2,996,510.48	R25,065,219.69	The erf is a multipurpose property consisting of a school, a church and an informal settlement. The Water & Sanitation Services department is investigating ways of identifying the water meters as the church is in the process of transferring the land to the beneficiaries. A meeting with the Department of Rural Development and Land Reform will be held to complete the transfer of all properties on the land in question.
Basfour 2295 (Proprietary) Limited	R25,414,002.27	R1,576,949.58	R1,739,736.14	R1,631,106.01	R1,519,709.10	R1,841,740.54	R1,578,213.55	R11,146,842.42	R4,379,704.93	A payment arrangement is active and monthly payments are made.
Mediclinic Beperk	R20,813,891.49	R1,807,755.52	R1,910,583.55	R1,708,452.86	R12,006,257.31	R0.00	R0.00	R3,380,842.25	R0.00	A Valuation Objection Appeal has been finalised and billing reversals are in process. Monthly payments are being made. Debtor to enter into payment arrangements upon billing adjustments.
Mitchells Plain Foundation / Beacon Valley Frail Care Centre	R13,480,507.42	R151,310.44	R158,914.35	R162,518.40	R161,913.82	R158,773.32	R166,802.98	R3,936,463.63	R8,583,810.48	This is a frail care facility. The debtor could not make payment or produce the necessary documentation to show the ability to pay the current account. The account has been handed over and a summons has been issued.
Zonnebloem College	R13,359,785.74	R2,851,333.33	R112,989.19	R111,195.11	R85,290.95	R0.00	R0.00	R89,773.09	R10,109,204.07	The Catholic church shares the property with the school that is struggling to pay the services and is currently short paying the account. The church's application for special tariff was not approved by the Valuation Department. Interventions to assist the school are being sought with the Education Department.
Moslem Cemetery Board Trustees	R13,018,318.67	R2,046.79	R2,463.98	R5,185.14	R171.21	R171.21	R2,982.62	R22,339.73	R12,982,957.99	Insufficient monthly payments are being made whilst a report recommending for debt write-off has been submitted to the delegated authority for approval.

Table continues on next page.

City of Cape Town: S52 Annexure A – 2021 Q2 (December 2020)

Account Owner Name	Total	Current	30	60	90	120	150	365	>365	Comments
Cape Peninsula University of Technology	R 12,953,451.26	R 94,474.41	R 94,474.41	R 94,474.41	R 94,474.41	R 94,474.41	R 94,474.41	R 12,386,604.80	R 0.00	This is a final account, which has been sent to the Water & Sanitation Services department to investigate the R12 million once-off billing. The debtor intends to settle the account after the billing investigation has been finalised.
Basfour 2295 (Proprietary) Limited	R 11,166,749.74	R 0.00	R 3,887,455.84	R 2,938,520.20	R 0.00	R 0.00	R 0.00	R 4,564,773.70	-R 224,000.00	The arrears relate to electricity consumption at the Parow Centre Mall. The debtor has entered into a monthly payment arrangement.
Best Inv Prop	R 10,604,084.36	R 66,994.73	R 904,353.40	R 1,336,865.91	R 771,861.71	R 729,689.58	R 722,066.55	R 1,981,709.39	R 4,090,543.09	Only current payments are being made; communication with the debtor to enter into payment arrangements is a challenge. Water services have been disconnected.

Top 10 Commercial debtors service charges breakdown

Account Owner Name	Other	Electricity	Water	Sewerage	Refuse	Rates	CIDS	SECD	Sundries	TOTAL
V & A Waterfront Holdings Pty Ltd	R 0.00	R 1,865,979.21	R 8,583,486.28	R 3,556,101.93	R 0.00	R 117,354,113.01	R 0.00	-R 50,555.00	R 0.00	R 131,309,125.43
Church Methodist	R 27.51	R 0.00	R 29,302,823.87	R 72,723.91	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 29,375,575.29
Basfour 2295 (Proprietary) Limited	R 0.00	R 0.00	R 676,563.53	R 519,641.50	R 0.00	R 20,009,318.34	R 4,211,509.90	-R 3,031.00	R 0.00	R 25,414,002.27
Mediclinic Beperk	R 0.00	R 0.00	R 0.00	R 721,814.36	R 0.00	R 20,092,077.13	R 0.00	R 0.00	R 0.00	R 20,813,891.49
Mitchells Plain Foundation / Beacon Valley Frail Care Centre	R 10,299.64	R 5,816,859.74	R 2,976,425.70	R 2,190,880.51	R 426,352.96	R 2,057,453.97	R 0.00	R 0.00	R 2,234.90	R 13,480,507.42
Zonnebloem College	R 38,377.77	R 0.00	R 833,247.30	R 733,024.03	R 77,095.10	R 11,649,057.86	R 0.00	R 0.00	R 28,983.68	R 13,359,785.74
Moslem Cemetery Board Trustees	R 7,390.44	R 3,168.08	R 4,331.25	R 263,425.92	R 57,352.74	R 12,547,544.37	R 0.00	R 0.00	R 135,105.87	R 13,018,318.67
Cape Peninsula University of Technology	R 0.00	R 0.00	R 2,245,359.68	R 1,788,938.03	R 0.00	R 8,918,989.47	R 0.00	R 0.00	R 164.08	R 12,953,451.26
Basfour 2295 (Proprietary) Limited	R 0.00	R 11,395,939.14	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	-R 229,189.40	R 0.00	R 11,166,749.74
Best Inv Prop	R 0.00	R 11,637,584.36	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	-R 1,033,500.00	R 0.00	R 10,604,084.36

Top 10 Residential debtors - Age Analysis

Account Owner Name	Total	Current	30	60	90	120	150	365	>365	Comments
Amakhaya Ngoku	R20,283,101.16	R399,341.32	R360,796.40	R372,794.03	R341,063.36	R380,969.91	R325,456.43	R3,264,485.95	R14,838,193.76	This is an unregistered individual unit ownership complex with no formal body corporate. The appointed management board is not performing its role. Various interdepartmental interventions are underway to enable the City's Human Settlements directorate to take over the complex. To manage and control further accumulation of debt, the water pressure for consumption and water losses/wastage were reduced. The report for debt write-off is pending final decision by senior management.
Ndabeni Communal Property Trust	R7,313,842.45	R102,354.46	R109,280.98	R102,833.56	R97,330.89	R111,666.47	R100,208.58	R698,420.14	R5,991,747.37	This is a land restitution case that is pending outcome of funding by the City's Rural Development department. The process has been delayed even though the representatives requested additional time to address the Minister of Land and Rural Development and the High Court in February 2020. Combined summons has been issued; the Handover section is now proceeding to the pleading phase. The debtor omitted to submit the plea to the Defended Matter Section. Debt management and collection actions are in process.
Body Corp Sandpiper Mansions	R5,545,008.59	R0.00	R43,062.51	R133,819.18	R0.00	R0.00	R0.00	R859,481.43	R4,508,645.47	The body corporate installed individual water meters for each unit. Recommendations on whether this property can benefit from the zero-rated tariff as the property units are less than R400K in value is pending. Payment arrangements are active and monthly payments are being made.
Friends of Bathandwa Trust	R4,977,384.87	R32,559.43	R33,689.80	R129,610.58	R0.00	R0.00	R0.00	R243,827.06	R4,537,698.00	A report recommending debt write-off is pending approval from the delegated authority as the Water & Sanitation Services department is to decide whether a zero-rated tariff will be implemented for the property. An application for default judgement was submitted by the attorney in the Handover section. Water services were processed for disconnection.

Table continues on next page.

City of Cape Town: S52 Annexure A – 2021 Q2 (December 2020)

Account Owner Name	Total	Current	30	60	90	120	150	365	>365	Comments
Evergreen Noordhoed Body Corporate	R5,216,637.58	R458,578.49	R437,532.93	R452,650.47	R3,871,752.69	R0.00	R0.00	R0.00	-R3,877.00	The account consists of all services. Insufficient monthly payments are being made. A Valuation Objection appeal has been finalised with a change in the valuation. Adjustments are pending and a management lock is active until March 2021.
Silvermist Mountain Lodge Body Corporate	R4,077,382.74	R95,427.17	R86,350.16	R101,977.16	R94,013.25	R97,390.67	R3,937.88	R1,231,517.77	R2,366,768.68	The client's newly appointed attorney has been non-responsive to City correspondence since a request for an extension to respond to the account reconciliation. Management dunning lock is active until June 2021.
Reginald Mondi	R3,457,221.71	R21,727.59	R21,549.35	R21,636.62	R21,636.72	R21,637.06	R21,635.62	R151,412.51	R3,175,986.24	A write-off report has been collated and forwarded to the delegated authority for approval.
Bangikhaya Lolo	R3,373,416.37	R21,492.88	R22,094.36	R22,064.52	R22,060.32	R22,128.58	R21,973.51	R153,705.26	R3,087,896.94	A write-off report has been collated and forwarded to the delegated authority for approval.
Xolani Tawa	R2,753,555.60	R19,085.88	R19,355.17	R18,149.67	R18,197.87	R21,182.55	R18,970.93	R152,846.13	R2,485,767.40	A write-off report has been collated and forwarded to the delegated authority for approval.
The Maverick Trust	R2,704,673.96	R68,223.48	R76,494.21	R68,965.22	R68,933.13	R74,751.95	R73,968.50	R466,760.27	R1,806,577.20	The Water & Sanitation Services department is monitoring water meter tampering. The water has thus been disconnected. Electricity connection has also been disconnected. The owner is said to be overseas for the past two years and the property is under surveillance by a private security company.

Top 10 Residential debtors service charges breakdown

Account Owner Name	Other	Electricity	Water	Sewerage	Refuse	Rates	CIDS	SECD	Sundries	TOTAL
Amakhaya Ngoku	R 951.55	R 0.00	R 9,603,064.38	R 9,369,782.27	R 1,311,511.14	R 0.00	R 0.00	-R 2,208.18	R 0.00	R 20,283,101.16
Ndabeni Communal Property Trust	R 11,696.43	R 0.00	R 7,332.28	R 7,332.28	R 6,981.57	R 6,689,150.58	R 0.00	R 0.00	R 591,349.31	R 7,313,842.45
Body Corp Sandpiper Mansions	-R 13,437.81	R 0.00	R 2,605,675.44	R 2,535,615.14	R 417,155.82	R 0.00	R 0.00	R 0.00	R 0.00	R 5,545,008.59
Friends of Bathandwa Trust	R 240.36	R 0.00	R 4,554,236.21	R 379,198.42	R 12,606.46	R 31,103.42	R 0.00	R 0.00	R 0.00	R 4,977,384.87
Evergreen Noordhoed Body Corporate	R 0.00	R 9,992.93	R 180,532.02	R 130,956.27	R 9,065.30	R 4,889,968.06	R 0.00	-R 3,877.00	R 0.00	R 5,216,637.58
Silvermist Mountain Lodge Body Corporate	R 18.24	R 3,625,102.57	R 419,592.97	R 0.00	R 32,668.96	R 0.00	R 0.00	R 0.00	R 0.00	R 4,077,382.74
Reginald Mondl	R 33.68	R 0.00	R 3,452,626.75	R 1,909.64	R 2,504.24	R 147.40	R 0.00	R 0.00	R 0.00	R 3,457,221.71
Bangikhaya Lolo	R 862.11	R 0.00	R 3,271,650.81	R 99,305.51	R 1,597.94	R 0.00	R 0.00	R 0.00	R 0.00	R 3,373,416.37
Xolani Tawa	R 41.86	R 0.00	R 2,646,691.18	R 106,822.56	R 0.00	R 0.00	R 0.00	R 0.00	R 0.00	R 2,753,555.60
The Maverick Trust	R 694.00	R 256,775.02	R 287,895.84	R 24,010.77	R 23,086.41	R 2,111,552.38	R 0.00	-R 2,165.00	R 2,824.54	R 2,704,673.96

IN YEAR BUDGET STATEMENT TABLES

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	2019/20	Budget Year 2020/21						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Financial Performance								
Property rates	10,081,179	10,511,519	10,511,519	5,167,575	5,199,873	(32,298)	-0.6%	10,525,121
Service charges	20,100,461	19,885,709	19,885,709	9,938,306	10,084,497	(146,191)	-1.4%	19,872,799
Investment revenue	1,283,558	847,535	847,535	443,506	447,367	(3,861)	-0.9%	976,104
Transfers and subsidies	7,553,698	5,608,724	6,194,021	3,676,797	3,937,948	(261,152)	-6.6%	6,127,552
Other own revenue	3,362,648	5,371,631	5,371,631	3,248,899	3,198,080	50,819	1.6%	5,336,202
Total Revenue (excluding capital transfers and contributions)	42,381,544	42,225,117	42,810,414	22,475,083	22,867,766	(392,683)	-1.7%	42,837,777
Employee costs	12,775,413	15,203,365	15,174,141	7,169,058	7,600,474	(431,415)	-5.7%	14,875,460
Remuneration of Councillors	167,521	189,675	189,675	83,212	83,583	(371)	-0.4%	189,675
Depreciation & asset impairment	2,921,723	3,300,067	3,300,067	1,380,742	1,615,407	(234,665)	-14.5%	2,850,866
Finance charges	814,407	828,460	828,530	386,620	414,713	(28,094)	-6.8%	851,450
Materials and bulk purchases	11,169,610	11,590,007	11,585,313	5,321,599	5,353,689	(32,090)	-0.6%	11,545,490
Transfers and subsidies	453,464	498,081	550,603	185,277	241,428	(56,151)	-23.3%	552,688
Other expenditure	11,661,832	13,220,438	13,290,653	5,768,355	5,675,318	93,037	1.6%	13,437,280
Total Expenditure	39,963,971	44,830,094	44,918,983	20,294,862	20,984,612	(689,750)	-3.3%	44,302,910
Surplus/(Deficit)	2,417,574	(2,604,976)	(2,108,569)	2,180,221	1,883,153	297,067	15.8%	(1,465,133)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1,911,311	2,815,828	1,337,349	522,328	603,108	(80,780)	-13.4%	1,746,911
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	40,524	189,226	189,226	115,468	90,636	24,832	27.4%	195,569
Surplus/(Deficit) after capital transfers & contributions	4,369,409	400,078	(581,994)	2,818,016	2,576,897	241,119	9.4%	477,347
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	4,369,409	400,078	(581,994)	2,818,016	2,576,897	241,119	9.4%	477,347
Capital expenditure & funds sources								
Capital expenditure	5,970,668	9,605,874	8,664,567	2,907,891	2,960,920	(53,029)	-1.8%	7,378,901
Capital transfers recognised	1,946,844	2,883,814	1,405,335	558,435	634,417	(75,982)	-12.0%	1,812,397
Borrowing	1,060,298	2,500,000	2,500,000	740,848	534,448	206,400	38.6%	-
Internally generated funds	2,963,525	4,222,060	4,759,231	1,608,609	1,792,056	(183,448)	-10.2%	5,566,504
Total sources of capital funds	5,970,668	9,605,874	8,664,567	2,907,891	2,960,920	(53,029)	-1.8%	7,378,901
Financial position								
Total current assets	19,584,521	15,462,550	17,198,543	17,263,214				17,168,216
Total non current assets	56,552,793	62,552,759	61,611,451	57,712,308				60,711,261
Total current liabilities	9,777,564	9,025,173	10,801,929	5,950,439				10,505,785
Total non current liabilities	13,299,091	17,684,925	17,684,925	13,129,558				13,835,686
Community wealth/Equity	53,060,659	51,305,210	50,323,139	55,895,524				53,538,005
Cash flows								
Net cash from (used) operating	7,005,549	3,778,849	2,816,631	3,033,828	2,342,903	(690,925)	-29.5%	3,632,952
Net cash from (used) investing	(6,773,466)	(8,822,386)	(7,975,209)	(3,198,278)	(3,163,661)	34,617	-1.1%	(6,818,857)
Net cash from (used) financing	715,211	2,173,711	2,173,711	(185,747)	(185,747)	0	-	(384,839)
Cash/cash equivalents at the month/year end	9,366,569	4,660,933	6,381,702	9,016,371	8,360,063	(656,308)	-7.9%	5,795,825
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis								
Total By Income Source	1,966,528	431,301	270,707	230,576	147,694	1,136,928	4,991,923	9,351,184
Creditors Age Analysis								
Total Creditors	685	(15)	(943)	-	667	-	-	394

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	2019/20	Budget Year 2020/21						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue - Functional								
Governance and administration	16,147,143	16,142,580	16,405,318	9,034,556	9,077,396	(42,839)	-0.5%	16,543,829
Executive and council	680	1,348	1,348	567	318	249	78.5%	2,932
Finance and administration	16,146,448	16,141,229	16,403,968	9,033,989	9,077,077	(43,088)	-0.5%	16,540,894
Internal audit	15	3	3	1	1	(1)	-51.2%	3
Community and public safety	3,393,953	3,207,693	3,097,183	1,481,193	1,594,773	(113,580)	-7.1%	3,088,151
Community and social services	167,238	134,928	115,723	42,416	59,046	(16,630)	-28.2%	121,085
Sport and recreation	66,160	54,043	45,160	14,664	22,834	(8,169)	-35.8%	48,237
Public safety	1,299,561	1,132,243	1,117,673	658,752	645,094	13,659	2.1%	1,142,418
Housing	1,437,443	1,384,590	1,329,167	544,828	621,774	(76,946)	-12.4%	1,316,312
Health	423,550	501,889	489,459	220,532	246,026	(25,493)	-10.4%	460,100
Economic and environmental services	1,878,446	3,358,490	2,250,968	855,873	1,040,837	(184,964)	-17.8%	2,477,666
Planning and development	379,116	483,906	486,241	197,120	241,159	(44,040)	-18.3%	469,677
Road transport	1,478,434	2,836,039	1,726,182	642,920	780,167	(137,247)	-17.6%	1,959,448
Environmental protection	20,895	38,545	38,545	15,834	19,511	(3,677)	-18.8%	48,541
Trading services	22,911,973	22,516,457	22,578,475	11,738,727	11,846,076	(107,349)	-0.9%	22,665,564
Energy sources	14,678,436	14,252,289	14,233,495	7,381,868	7,479,818	(97,950)	-1.3%	14,278,183
Water management	4,532,188	4,473,233	4,487,185	2,405,456	2,376,303	29,153	1.2%	4,673,556
Waste water management	1,967,306	2,015,133	2,081,993	1,001,382	1,010,871	(9,489)	-0.9%	1,996,689
Waste management	1,734,042	1,775,801	1,775,801	950,020	979,084	(29,064)	-3.0%	1,717,136
Other	1,865	4,951	5,046	2,528	2,427	102	4.2%	5,046
Total Revenue - Functional	44,333,380	45,230,171	44,336,989	23,112,878	23,561,509	(448,631)	-1.9%	44,780,257
Expenditure - Functional								
Governance and administration	7,879,527	10,228,608	10,188,386	4,386,513	4,863,039	(476,526)	-9.8%	10,176,099
Executive and council	490,652	616,260	612,742	272,727	283,486	(10,759)	-3.8%	617,575
Finance and administration	7,341,249	9,558,956	9,522,252	4,087,971	4,552,282	(464,312)	-10.2%	9,506,089
Internal audit	47,626	53,392	53,392	25,815	27,271	(1,456)	-5.3%	52,434
Community and public safety	7,966,564	8,127,027	8,157,277	4,048,137	3,923,040	125,098	3.2%	8,290,600
Community and social services	1,013,034	1,013,228	1,014,315	476,020	496,803	(20,783)	-4.2%	1,022,478
Sport and recreation	1,264,673	1,159,069	1,160,160	622,047	554,587	67,460	12.2%	1,195,399
Public safety	3,025,538	3,162,129	3,132,562	1,560,164	1,557,681	2,483	0.2%	3,144,413
Housing	1,378,494	1,391,023	1,445,486	657,651	635,396	22,255	3.5%	1,494,794
Health	1,284,824	1,401,579	1,404,754	732,255	678,572	53,683	7.9%	1,433,516
Economic and environmental services	4,837,900	5,707,789	5,763,685	2,321,745	2,346,113	(24,368)	-1.0%	5,581,404
Planning and development	1,316,743	1,375,526	1,396,317	622,148	642,358	(20,210)	-3.1%	1,418,344
Road transport	3,328,634	4,117,236	4,152,959	1,599,903	1,602,680	(2,777)	-0.2%	3,919,972
Environmental protection	192,522	215,027	214,409	99,694	101,075	(1,381)	-1.4%	243,088
Trading services	19,164,973	20,581,635	20,614,870	9,474,996	9,774,791	(299,796)	-3.1%	20,053,490
Energy sources	11,245,900	11,992,018	12,033,377	5,656,466	5,748,472	(92,006)	-1.6%	11,904,764
Water management	3,454,946	3,570,275	3,544,454	1,574,125	1,656,374	(82,249)	-5.0%	3,340,103
Waste water management	2,266,022	2,530,258	2,547,955	1,102,454	1,143,415	(40,961)	-3.6%	2,423,646
Waste management	2,198,106	2,489,084	2,489,084	1,141,951	1,226,531	(84,580)	-6.9%	2,384,976
Other	115,007	185,034	194,765	63,471	77,629	(14,158)	-18.2%	201,317
Total Expenditure - Functional	39,963,971	44,830,094	44,918,983	20,294,862	20,984,612	(689,750)	-3.3%	44,302,910
Surplus/ (Deficit) for the year	4,369,409	400,078	(581,994)	2,818,016	2,576,897	241,119	9.4%	477,347

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	2019/20	Budget Year 2020/21						
	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	914,528	1,066,078	1,255,839	702,582	783,007	(80,424)	-10.3%	1,230,326
Vote 2 - Corporate Services	70,585	57,780	57,780	17,402	28,890	(11,487)	-39.8%	56,762
Vote 3 - Economic Opportunities & Asset Managemnt	262,150	283,469	295,686	112,883	148,741	(35,858)	-24.1%	248,704
Vote 4 - Energy & Climate Change	14,473,143	14,028,935	14,010,141	7,214,307	7,312,268	(97,961)	-1.3%	14,066,385
Vote 5 - Finance	16,964,279	16,939,234	16,905,057	9,569,548	9,589,731	(20,183)	-0.2%	17,039,101
Vote 6 - Human Settlements	1,312,455	1,253,326	1,197,903	446,332	523,301	(76,969)	-14.7%	1,185,048
Vote 7 - Office of the City Manager	35	6	6	28	3	25	777.0%	6
Vote 8 - Safety & Security	1,467,522	1,616,047	1,658,369	876,210	939,260	(63,050)	-6.7%	1,710,815
Vote 9 - Spatial Planning & Environment	136,040	187,521	187,734	76,855	92,350	(15,495)	-16.8%	215,360
Vote 10 - Transport	1,364,477	2,369,495	1,269,383	497,486	560,059	(62,572)	-11.2%	1,488,620
Vote 11 - Urban Management	259,816	275,239	265,239	131,982	130,791	1,191	0.9%	278,562
Vote 12 - Water & Waste	7,108,350	7,153,041	7,233,852	3,467,262	3,453,109	14,152	0.4%	7,260,569
Total Revenue by Vote	44,333,380	45,230,171	44,336,989	23,112,878	23,561,509	(448,632)	-1.9%	44,780,257
Expenditure by Vote								
Vote 1 - Community Services & Health	3,776,978	4,403,961	4,395,935	1,937,659	2,132,186	(194,527)	-9.1%	4,388,182
Vote 2 - Corporate Services	1,865,719	2,061,818	2,061,626	976,113	960,296	15,816	1.6%	2,131,156
Vote 3 - Economic Opportunities & Asset Managemnt	1,350,697	1,414,661	1,426,705	635,525	641,408	(5,883)	-0.9%	1,414,612
Vote 4 - Energy & Climate Change	11,543,139	12,412,445	12,412,274	5,795,303	5,934,057	(138,755)	-2.3%	12,254,004
Vote 5 - Finance	2,695,551	3,686,308	3,686,116	1,797,398	1,844,103	(46,705)	-2.5%	3,798,693
Vote 6 - Human Settlements	1,381,141	1,394,457	1,456,270	661,181	641,043	20,138	3.1%	1,504,048
Vote 7 - Office of the City Manager	230,007	258,605	258,386	126,686	145,780	(19,094)	-13.1%	259,447
Vote 8 - Safety & Security	3,673,950	4,293,174	4,284,734	1,940,931	1,922,794	18,137	0.9%	4,177,054
Vote 9 - Spatial Planning & Environment	667,815	789,228	789,270	365,826	390,087	(24,261)	-6.2%	827,966
Vote 10 - Transport	3,257,070	3,640,210	3,672,794	1,417,359	1,477,337	(59,978)	-4.1%	3,515,767
Vote 11 - Urban Management	982,355	1,127,346	1,127,155	477,376	473,896	3,480	0.7%	1,149,482
Vote 12 - Water & Waste	8,539,549	9,347,882	9,347,719	4,163,506	4,421,625	(258,119)	-5.8%	8,882,498
Total Expenditure by Vote	39,963,971	44,830,094	44,918,983	20,294,862	20,984,612	(689,750)	-3.3%	44,302,910
Surplus/ (Deficit) for the year	4,369,409	400,078	(581,994)	2,818,016	2,576,897	241,119	9.4%	477,347

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

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

Financial Performance (revenue by source and expenditure by type)

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

Description	2019/20	Budget Year 2020/21						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue By Source								
Property rates	10,081,179	10,511,519	10,511,519	5,167,575	5,199,873	(32,298)	-0.6%	10,525,121
Service charges - electricity revenue	14,253,069	13,789,334	13,789,334	7,116,685	7,203,497	(86,813)	-1.2%	13,829,694
Service charges - water revenue	3,021,344	3,194,459	3,194,459	1,489,242	1,480,981	8,261	0.6%	3,212,865
Service charges - sanitation revenue	1,550,298	1,616,486	1,616,486	738,338	774,424	(36,086)	-4.7%	1,616,883
Service charges - refuse revenue	1,275,750	1,285,431	1,285,431	594,042	625,595	(31,553)	-5.0%	1,213,356
Rental of facilities and equipment	340,986	359,559	359,559	183,183	183,285	(102)	-0.1%	355,765
Interest earned - external investments	1,283,558	847,535	847,535	443,506	447,367	(3,861)	-0.9%	976,104
Interest earned - outstanding debtors	406,848	389,137	389,137	250,299	194,895	55,404	28.4%	416,982
Dividends received	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	1,313,161	1,063,333	1,063,333	647,882	622,137	25,745	4.1%	1,063,333
Licences and permits	45,587	76,875	76,875	20,332	28,328	(7,996)	-28.2%	65,092
Agency services	200,585	242,236	242,236	146,769	118,810	27,959	23.5%	242,236
Transfers and subsidies	7,553,698	5,608,724	6,194,021	3,676,797	3,937,948	(261,152)	-6.6%	6,127,552
Other revenue	1,003,030	3,190,491	3,190,491	1,984,909	2,026,125	(41,215)	-2.0%	3,138,795
Gains	52,451	50,000	50,000	15,525	24,500	(8,975)	-36.6%	54,000
Total Revenue (excluding capital transfers and contributions)	42,381,544	42,225,117	42,810,414	22,475,083	22,867,766	(392,683)	-1.7%	42,837,777
Expenditure By Type								
Employee related costs	12,775,413	15,203,365	15,174,141	7,169,058	7,600,474	(431,415)	-5.7%	14,875,460
Remuneration of councillors	167,521	189,675	189,675	83,212	83,583	(371)	-0.4%	189,675
Debt impairment	2,804,042	3,640,353	3,640,353	1,835,200	1,822,676	12,524	0.7%	3,210,936
Depreciation & asset impairment	2,921,723	3,300,067	3,300,067	1,380,742	1,615,407	(234,665)	-14.5%	2,850,866
Finance charges	814,407	828,460	828,530	386,620	414,713	(28,094)	-6.8%	851,450
Bulk purchases	9,858,442	9,990,881	9,990,881	4,685,910	4,696,153	(10,243)	-0.2%	9,993,531
Other materials	1,311,168	1,599,125	1,594,432	635,689	657,536	(21,847)	-3.3%	1,551,958
Contracted services	6,710,842	7,215,975	7,217,211	2,912,193	2,755,815	156,377	5.7%	7,704,327
Transfers and subsidies	453,464	498,081	550,603	185,277	241,428	(56,151)	-23.3%	552,688
Other expenditure	2,129,290	2,362,108	2,431,082	1,017,973	1,095,729	(77,756)	-7.1%	2,519,883
Losses	17,659	2,002	2,007	2,989	1,097	1,892	172.4%	2,134
Total Expenditure	39,963,971	44,830,094	44,918,983	20,294,862	20,984,612	(689,750)	-3.3%	44,302,910
Surplus/(Deficit)	2,417,574	(2,604,976)	(2,108,569)	2,180,221	1,883,153	297,067	15.8%	(1,465,133)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1,911,311	2,815,828	1,337,349	522,328	603,108	(80,780)	-13.4%	1,746,911
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	40,465	189,226	189,226	115,468	90,636	24,832	27.4%	195,569
Transfers and subsidies - capital (in-kind - all)	60	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	4,369,409	400,078	(581,994)	2,818,016	2,576,897			477,347
Taxation	–	–	–	–	–			–
Surplus/(Deficit) after taxation	4,369,409	400,078	(581,994)	2,818,016	2,576,897			477,347
Attributable to minorities	–	–	–	–	–			–
Surplus/(Deficit) attributable to municipality	4,369,409	400,078	(581,994)	2,818,016	2,576,897			477,347
Share of surplus/ (deficit) of associate	–	–	–	–	–			–
Surplus/ (Deficit) for the year	4,369,409	400,078	(581,994)	2,818,016	2,576,897			477,347

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	2019/20	Budget Year 2020/21						
	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	283,453	453,758	443,616	79,325	162,490	(83,165)	-51.2%	327,256
Vote 2 - Corporate Services	157,647	242,020	249,968	94,033	116,809	(22,777)	-19.5%	225,143
Vote 3 - Economic Opportunities & Asset Management	391,416	580,321	585,754	131,810	96,700	35,110	36.3%	359,072
Vote 4 - Energy & Climate Change	622,239	1,049,131	1,049,221	308,871	344,922	(36,051)	-10.5%	852,722
Vote 5 - Finance	63,051	268,787	295,583	160,362	126,295	34,067	27.0%	274,033
Vote 6 - Human Settlements	858,297	894,903	812,741	296,921	400,145	(103,224)	-25.8%	781,009
Vote 7 - Office of the City Manager	1,329	2,130	2,176	80	1,318	(1,237)	-93.9%	1,585
Vote 8 - Safety & Security	429,428	438,954	428,195	139,936	123,716	16,220	13.1%	385,688
Vote 9 - Spatial Planning & Environment	54,776	157,205	158,489	55,575	60,490	(4,916)	-8.1%	136,452
Vote 10 - Transport	873,070	1,793,342	978,338	324,531	406,793	(82,261)	-20.2%	917,980
Vote 11 - Urban Management	57,350	81,503	84,261	13,728	22,318	(8,590)	-38.5%	66,978
Vote 12 - Water & Waste	2,178,611	3,643,819	3,576,224	1,302,719	1,098,925	203,794	18.5%	3,050,982
Total Capital Expenditure	5,970,668	9,605,874	8,664,567	2,907,891	2,960,920	(53,029)	-1.8%	7,378,901
Capital Expenditure - Functional Classification								
Governance and administration	940,353	1,396,272	1,422,162	415,214	535,925	(120,712)	-22.5%	1,127,337
Executive and council	4,114	19,414	20,310	401	17,195	(16,794)	-97.7%	18,882
Finance and administration	935,724	1,376,447	1,401,400	414,812	518,488	(103,676)	-20.0%	1,108,195
Internal audit	516	411	452	-	242	(242)	-100.0%	260
Community and public safety	1,316,924	1,745,862	1,666,304	622,078	708,047	(85,969)	-12.1%	1,497,036
Community and social services	87,086	121,397	122,003	33,725	51,363	(17,638)	-34.3%	99,760
Sport and recreation	85,176	357,122	374,234	173,380	142,741	30,640	21.5%	335,724
Public safety	234,506	279,623	269,630	107,504	84,400	23,104	27.4%	223,944
Housing	858,297	894,903	812,741	296,921	400,145	(103,224)	-25.8%	781,009
Health	51,860	92,816	87,696	10,548	29,398	(18,851)	-64.1%	56,600
Economic and environmental services	1,047,234	2,106,139	1,291,187	407,778	489,417	(81,640)	-16.7%	1,176,923
Planning and development	92,747	112,992	115,650	33,089	23,387	9,702	41.5%	119,076
Road transport	934,542	1,879,199	1,061,382	333,319	420,722	(87,403)	-20.8%	974,368
Environmental protection	19,945	113,949	114,154	41,369	45,309	(3,939)	-8.7%	83,479
Trading services	2,664,218	4,338,922	4,266,137	1,458,976	1,222,560	236,416	19.3%	3,565,041
Energy sources	593,665	1,027,660	1,021,012	301,255	329,019	(27,764)	-8.4%	829,841
Water management	993,839	1,287,888	1,297,153	546,350	402,301	144,049	35.8%	1,290,857
Waste water management	883,414	1,465,161	1,359,656	471,261	257,826	213,435	82.8%	1,023,217
Waste management	193,299	558,214	588,316	140,110	233,414	(93,304)	-40.0%	421,126
Other	1,938	18,679	18,777	3,846	4,970	(1,125)	-22.63%	12,563
Total Capital Expenditure - Functional Classification	5,970,668	9,605,874	8,664,567	2,907,891	2,960,920	(53,029)	-1.8%	7,378,901
Funded by:								
National Government	1,869,804	2,803,382	1,323,757	516,892	597,212	(80,321)	-13.4%	1,733,295
Provincial Government	36,561	12,446	13,592	5,436	3,270	2,166	66.3%	13,616
District Municipality	-	-	-	-	-	-	-	-
Other transfers and grants	40,480	67,986	67,986	36,107	33,935	2,173	6.4%	65,486
Transfers recognised - capital	1,946,844	2,883,814	1,405,335	558,435	634,417	(75,982)	-12.0%	1,812,397
Borrowing	1,060,298	2,500,000	2,500,000	740,848	534,448	206,400	38.6%	-
Internally generated funds	2,963,525	4,222,060	4,759,231	1,608,609	1,792,056	(183,448)	-10.2%	5,566,504
Total Capital Funding	5,970,668	9,605,874	8,664,567	2,907,891	2,960,920	(53,029)	-1.8%	7,378,901

*The YTD actual reflected against the 'Borrowing' funding source is currently funded through internal funds.

Financial Position

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

Description	2019/20	Budget Year 2020/21			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
<u>ASSETS</u>					
Current assets					
Cash	277,285	121,758	121,758	259,969	121,758
Call investment deposits	11,525,335	6,505,170	8,225,939	11,525,335	7,640,062
Consumer debtors	6,320,661	6,999,547	7,014,770	3,755,059	7,677,462
Other debtors	1,021,212	1,302,932	1,302,932	1,195,952	1,265,569
Current portion of long-term receivables	8,524	5,594	5,594	8,524	8,526
Inventory	431,504	527,549	527,549	518,375	454,840
Total current assets	19,584,521	15,462,550	17,198,543	17,263,214	17,168,216
Non current assets					
Long-term receivables	11,616	15,984	15,984	6,998	963
Investments	6,267,808	5,908,894	5,908,894	5,904,791	5,908,894
Investment property	581,247	579,534	579,534	581,247	579,534
Investments in Associate	–	–	–	–	–
Property, plant and equipment	49,082,175	55,655,771	54,714,464	50,609,325	53,775,249
Biological	–	–	–	–	–
Intangible	599,678	382,296	382,296	599,678	436,352
Other non-current assets	10,269	10,280	10,280	10,269	10,269
Total non current assets	56,552,793	62,552,759	61,611,451	57,712,308	60,711,261
TOTAL ASSETS	76,137,314	78,015,309	78,809,994	74,975,521	77,879,477
<u>LIABILITIES</u>					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	446,355	628,487	628,487	446,355	407,221
Consumer deposits	419,421	497,264	497,264	461,255	438,715
Trade and other payables	7,527,442	6,602,127	8,378,883	3,669,794	8,239,071
Provisions	1,384,347	1,297,295	1,297,295	1,373,035	1,420,779
Total current liabilities	9,777,564	9,025,173	10,801,929	5,950,439	10,505,785
Non current liabilities					
Borrowing	6,871,889	9,784,054	9,784,054	6,702,355	6,580,592
Provisions	6,427,203	7,900,871	7,900,871	6,427,203	7,255,094
Total non current liabilities	13,299,091	17,684,925	17,684,925	13,129,558	13,835,686
TOTAL LIABILITIES	23,076,656	26,710,099	28,486,855	19,079,997	24,341,472
NET ASSETS	53,060,659	51,305,210	50,323,139	55,895,524	53,538,005
<u>COMMUNITY WEALTH/EQUITY</u>					
Accumulated Surplus/(Deficit)	47,421,464	46,737,031	46,226,796	50,983,727	48,583,971
Reserves	5,639,194	4,568,179	4,096,344	4,911,798	4,954,034
TOTAL COMMUNITY WEALTH/EQUITY	53,060,659	51,305,210	50,323,139	55,895,524	53,538,005

Cash Flow

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

Description	2019/20	Budget Year 2020/21						
	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	9,841,785	10,031,409	10,031,409	5,141,962	5,022,616	119,345	2.4%	10,136,463
Service charges	20,880,394	18,045,505	18,045,505	10,216,463	8,956,922	1,259,541	14.1%	18,364,553
Other revenue	1,756,755	4,122,832	4,001,592	3,226,496	2,590,246	636,250	24.6%	3,968,169
Transfers and Subsidies - Operational	4,957,485	5,608,724	6,194,021	3,594,472	4,290,648	(696,176)	-16.2%	6,127,552
Transfers and Subsidies - Capital	1,911,311	2,815,828	1,458,589	961,017	1,231,563	(270,546)	-22.0%	1,876,994
Interest	1,642,305	847,535	847,535	449,977	442,096	7,881	1.8%	976,104
Dividends	-	-	-	-	-	-	-	-
Payments								
Suppliers and employees	(33,265,559)	(36,939,655)	(37,008,691)	(20,186,532)	(19,821,178)	365,354	-1.8%	(37,063,555)
Finance charges	(718,927)	(753,329)	(753,329)	(370,027)	(370,010)	17	0.00%	(753,329)
Transfers and Grants	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES	7,005,549	3,778,849	2,816,631	3,033,828	2,342,903	(690,925)	-29.5%	3,632,952
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	73,195	117,986	50,000	-	-	-	-	119,486
Decrease (increase) in non-current receivables	10,826	3,390	3,390	-	-	-	-	963
Decrease (increase) in non-current investments	(886,819)	(298,475)	(298,475)	-	-	-	-	(298,475)
Payments								
Capital assets	(5,970,668)	(8,645,287)	(7,730,124)	(3,198,278)	(3,163,661)	34,617	-1.1%	(6,640,831)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(6,773,466)	(8,822,386)	(7,975,209)	(3,198,278)	(3,163,661)	34,617	-1.1%	(6,818,857)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	1,091,580	2,500,000	2,500,000	-	-	-	-	-
Increase (decrease) in consumer deposits	8,459	45,206	45,206	-	-	-	-	(13,344)
Payments								
Repayment of borrowing	(384,828)	(371,495)	(371,495)	(185,747)	(185,747)	0	-	(371,495)
NET CASH FROM/(USED) FINANCING ACTIVITIES	715,211	2,173,711	2,173,711	(185,747)	(185,747)	0	-	(384,839)
NET INCREASE/ (DECREASE) IN CASH HELD	947,294	(2,869,825)	(2,984,867)	(350,197)	(1,006,505)			(3,570,744)
Cash/cash equivalents at beginning:	8,419,275	7,530,759	9,366,569	9,366,569	9,366,569			9,366,569
Cash/cash equivalents at month/year end:	9,366,569	4,660,933	6,381,702	9,016,371	8,360,063			5,795,825

IN YEAR BUDGET STATEMENT SUPPORTING TABLES

Material variance explanations for operating revenue by source

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source				
Property rates	(32,298)	-0.6%	The variance is largely due to the resolution of GV2018 objections and appeals. The largest GV2018 reductions for the month under review are property owned by Lexshell 731 Investments (temporary adjustment for the month as a result of the master data update and to be reinstated in January 2021) and a residential property in Bakoven. All GV2018 objections and appeal values are effective from 01/07/2019. Changes in rating category for five B&Bs and guest houses from business and commercial to residential further contributed to this variance.	Correction on valuation reinstatement to be done in January 2021.
Service charges - electricity revenue	(86,813)	-1.2%	The variance is as a result of a change in the billing cycle for Large Power User customers resulting in delayed billing of revenue.	No remedial action required.
Service charges - water revenue	8,261	0.6%	Immaterial variance.	-
Service charges - sanitation revenue	(36,086)	-4.7%	The variance is mainly due to the current consumption levels for sewer sales - industrial/commercial being lower than anticipated.	Budget provisions were reviewed and adjusted in the mid-year review and adjustments budget process.
Service charges - refuse revenue	(31,553)	-5.0%	The variance is a combination of over-/under-recovery mainly on: 1. Refuse Charges (under), due to the data clean-up process that is currently in progress by the Property Value Chain working group, which is a committee that looks at possible billing data errors needing investigation and correction within certain time frames. 2. Disposal coupon fees (under), as disposal of general waste is consumption driven and the actual trend at present is lower than anticipated. 3. Indigent - refuse (over), where the cost of extending indigent relief is higher due to more than planned qualifying indigent consumers.	Budget provisions were reviewed and adjusted in the mid-year review and adjustments budget process.
Rental of facilities and equipment	(102)	-0.1%	Immaterial variance.	-
Interest earned - external investments	(3,861)	-0.9%	Immaterial variance.	-
Interest earned - outstanding debtors	55,404	28.4%	The over-recovery is due to higher than planned interest charges on outstanding debtor balances for property rates, water and sanitation, refuse and electricity.	The budget provision was reviewed and adjusted in the mid-year review and adjustments budget process.
Dividends received	—	-	-	-
Fines, penalties and forfeits	25,745	4.1%	The variance is mainly within the following directorates: 1. Transport: a) Other Fines or penalties, due to the call-up of a guarantee on a capital project where the contractor was liquidated and the contract subsequently terminated; and b) Forfeits - Unclaimed money, due to expired MyCiTi cards with credit balances being accrued to revenue. 2. Safety & Security, where more than planned Traffic Fines were issued for the period under review.	No immediate corrective action required.

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City of Cape Town: S52 Annexure A – 2021 Q2 (December 2020)

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source				
Licences and permits	(7,996)	-28.2%	The variance is mainly within the Transport directorate and is due to less than planned wayleave permit applications received where the trenchless methodology has not been applied by contractors.	The budget provision was reviewed and adjusted in the mid-year review and adjustments budget process.
Agency services	27,959	23.5%	The variance is mainly within the Finance directorate and it is due to more than planned registrations of new- and unlicensed vehicles.	No immediate corrective action required.
Transfers and subsidies	(261,152)	-6.63%	The under-recovery reflects in the following directorates: 1. Community Services & Health, due to misalignment of the period budget provision with the actual expenditure on Pharmaceutical Supplies and Vaccines for Health. 2. Safety & Security, due to the hold placed on Phase 2 of the LEAP project resulted in the appointment of less than the 1000 officers initially planned. 3. Economic Opportunities & Asset Management, where delays in project implementation due to COVID-19 implications prompted the need to address all contractual requirements which subsequently led to the Cape Skills and Employment Accelerator Project not commencing as originally envisaged. A portion of the budget will be rephased to the 2021/22 financial year to make up for the lost time. 4. Water & Waste Services, where the changes in the appointed of service providers for supply and service of chemical toilets resulted in community unrest. 5. Transport, due to the Rail Safety Project (Rail Enforcement Unit) being terminated on 30 June 2020 as a result of PRASA not committing to co-funding for the financial year.	Budget provisions were reviewed and adjusted in the mid-year review and adjustments budget process.
Other revenue	(41,215)	-2.03%	The variance is combination of under-/over recovery mainly on: 1. Skills Development Levy (under), due to misalignment of the period budget provision and the actual revenue as actual receipts are unpredictable. 2. Busfares - Transit Products (under), due to lower than planned demand for services by consumers to date. 3. Building Levies (under), where the COVID-19 lockdown restrictions negatively affected the building industry. 4. Salvaged items (under), due to misalignment of the period budget provision as actual revenue from salvaged items was limited to date. 5. Treatment Effluent Sales (over), due to sales being higher than anticipated. 6. Parking Fees (under), where the contractor has not been operational since the start of the COVID-19 lockdown as well as expiration of the tender at the end of June 2020. A new tender is in the process of being established. 7. Burial Fees (over), due to higher than expected demand linked to additional burials as a result of the COVID-19 pandemic.	Budget provisions were reviewed and adjusted in the mid-year review and adjustments budget process.
Gains	(8,975)	-36.63%	The variance is mainly within Economic Opportunities & Asset Management directorate, where land sales have not been concluded as a direct result of the COVID-19 lockdown regulations.	No immediate corrective action required.

Material variance explanations for operating revenue by vote

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 1 - Community Services & Health	(80,424)	-10.3%	The variance is a combination of over-/under recovery mainly on: 1. Rental of facilities and equipment (under), due to the impact of the COVID-19 lockdown levels on demand for facilities and lease agreements. 2. Transfers and Subsidies (under), where the period budget provision on Pharmaceutical Supplies and Vaccines for Health is misaligned with the actual expenditure trend to date. 3. Other revenue (under), combination of over-/under recovery, mainly on: a) Camp/Resort fees and Admission fees (under), due to closure of resorts during the COVID-19 lockdown period; and b) Burial fees (over), due to higher than expected demand as a result of the COVID-19 pandemic. 4. Transfers and subsidies capital (under), due to delayed implementation of the following grant-funded projects: a) New Fisantekraal Clinic, as a result of the delayed contract award; and b) Nyanga Regional Library & Integrated Facility, due to public participation processes and issues experienced.	Period budget provisions are reviewed on a continuous basis and amended, where required. Other revenue - Camp/Resort fees and Admission fees: The budget was adjusted to take into consideration the impact of the COVID-19 lockdown regulations. Transfers and subsidies capital: Further orders for the New Fisantekraal Clinic will be raised. The contractor for the Nyanga Integrated Facility project has commenced construction through tender 304Q/2018/19.
Vote 2 - Corporate Services	(11,487)	-39.8%	The under-recovery reflects mainly on the following categories: 1. Grants and Subsidies, mainly due to delays in the filling of vacancies funded from the ISDG and the subsequent impact on revenue recognition. The delay was due to the revised requirement of post levels including the necessary HR processes. 2. Skills Development Levy, due to misalignment of the period budget provision and the actual revenue receipt of skills levies, which is unpredictable. Payment from National Treasury has been less than anticipated.	Budget provisions reviewed as part of adjustments budget process.
Vote 3 - Economic Opportunities & Asset Managemnt	(35,858)	-24.1%	The variance is a combination of over-/under recovery. 1. Rental of facilities and equipment (over) a combination of over-/under-recovery, mainly on: a) Rental Fixed assets: Market related (over), where more than planned rental agreements were concluded in preceding months as well as the impact of backdated billings; and b) Rental Fixed assets: Non-market related (under), mainly due to cancellations of rental contracts. The COVID-19 national lockdown also negatively affected the collection rate of hiring of facilities. 2. Transfers and subsidies (under), where delays in project implementation due to COVID-19 implications prompted the need to address all contractual requirements, which subsequently led to the Cape Skills and Employment Accelerator Project not commencing as originally envisaged. A portion of the budget will be rephased to the 2021/22 financial year to make up for time lost. 3. Other Revenue (over), mainly on Consents-Conditional Rights Use (Property Zoning), where funds not planned for were received and incorrectly allocated to this cost element. 4. Gains on disposal of PPE (under), mainly due to land sales not concluded as a direct result of the COVID-19 lockdown regulations.	Budget provisions reviewed as part of adjustments budget process.
Vote 4 - Energy & Climate Change	(97,961)	-1.3%	The variance is a combination of over-/under recovery mainly on: 1. Service charges - electricity revenue (under), due to a change in the billing cycle for Large Power User customers resulting in delayed billing of revenue. 2. Interest earned - outstanding debtors (over), due to an increase in customers/consumers defaulting on account payments as a result of the impact of the COVID-19 pandemic on the economy. <i>Continued on next page.</i>	Electricity sales will be adjusted in the January 2021 adjustments budget. Transfers and Subsidies Capital: Budgets were reviewed and adjusted in the January 2021 adjustments budget.

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City of Cape Town: S52 Annexure A – 2021 Q2 (December 2020)

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 4 - Energy & Climate Change	See previous page	See previous page	3. Other Revenue - Salvaged Items (under), where less field work was performed during the COVID-19 lockdown resulting in less materials being salvaged. 4. Transfers & subsidies capital (under), combination of over/under: a) Capital GGR - National (under), (multi-funded project): The project is behind schedule as design work was completed later than anticipated. Due to uncertain economic activity the entire capital programme was reviewed and a portion of the budget will be rephased in the January 2021 adjustments budget. b) Capital PCDR (over), due to more than planned work required on the dedicated electricity network; and c) Development Contribution/Levy & BICL (under), where revenue is dependent on property development, which is unpredictable and fluctuates constantly.	See previous page
Vote 5 - Finance	(20,183)	-0.2%	Immaterial variance	-
Vote 6 - Human Settlements	(76,969)	-14.7%	The variance is mainly against Transfers & Subsidies - both operating and capital. 1. Transfers & Subsidies - Operating, due to: a) Delays in implementation of Top Structure projects as a result of the COVID-19 lockdown restrictions; b) Vacant grant-funded positions; and c) Delays in the implementation of the Public Housing COVID-19 projects as a result of transversal contracts not sufficiently covering the full required scope of work. 2. Transfers and Subsidies - Capital, on the following projects: a) COVID-19 de-densification projects, due to delays as a result of objections against the development, transfer of land etc. The de-densification projects are managed by the Provincial Department of Human Settlements (PDoHS) through MOAs with the City. Objections to the COVID-19: IS Upgrade: Du Noon development have been received and is currently under review; b) COVID-19: Informal Settlement Upgrade: Kosovo - Erf 35148: The PDoHS is purchasing the land to be developed for the relocation of families from Kosovo. The land is in the process of being transferred and work cannot commence until the land has been transferred; c) COVID-19: Informal Settlement Upgrade: Ithemba - Erf 41965: The department is unable to successfully secure land; budget shifts will be considered in the adjustments budget; and d) Informal Settlement Upgrade: Imizamo Yethu, where legal proceedings, community resistance challenges, and the COVID-19 lockdown caused delays to the construction programme.	The impact of the COVID-19 lockdown restrictions on projects is being closely monitored. Budgets were reviewed and adjusted in the January 2021 adjustments budget.
Vote 7 - Office of the City Manager	25	777.0%	Immaterial variance	-
Vote 8 - Safety & Security	(63,050)	-6.7%	The variance is a combination of over-/under recovery. 1. Fines, penalties and forfeits (over), mainly due to more than planned traffic fines issued for the period under review. 2. Transfers & Subsidies (under), due to the hold placed on Phase 2 of the LEAP project, which resulted in the appointment of less than the 1000 officers initially planned.	Official correspondence from the Western Cape Government indicated that LEAP funding was not reduced and the programme will continue.

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 9 - Spatial Planning & Environment	(15,495)	-16.8%	The variance reflects against the following categories: 1. Transfers & Subsidies (under), due to: a) Revenue recognition journals relevant to the Philippi & Bellville catalytic project, EPWP Kader Asmal and DEA invasive species grants still being processed; b) Incomplete orders relevant to EPWP Kader Asmal grants; and c) Filling of certain contract positions relevant to the ICD grant still in progress. 2. Other Revenue - Building Levies and Signage Fees, due to a decline in building-related activities given the current economic status.	Period budget provisions were reviewed and adjusted in the January 2021 adjustments budget process. Outstanding journals to be processed.
Vote 10 - Transport	(62,572)	-11.2%	The variance is a combination of over-/under recovery. 1. Licences and permits: Road and Transport (under), due to less than planned wayleave permit applications received where the trenchless methodology has not been applied by contractors. 2. Fines, Penalties and Forfeits (over), mainly on: a) Other Fines or penalties, due to the call-up of a guarantee on a capital project where the contractor was liquidated and the contract subsequently terminated; and b) Forfeits - Unclaimed money, due to expired MyCiTi cards with credit balances being accrued to revenue. 3. Transfers & subsidies (under), where the Rail Safety Project (Rail Enforcement Unit) was terminated on 30 June 2020 as PRASA did not commit to co-funding the project. 4. Other Revenue (under), mainly on: a) Busfares - Transit Products, due to lower than planned demand for services by consumers to date; b) Parking fees, where the contractor has not been operational since the start of the COVID-19 lockdown and the tender expired at the end of June 2020; and c) Service Charges - Infrastructure and Facilities, where credits were granted to the Table Mountain Aerial Company as it could not operate due to the COVID-19 lockdown regulations. 5. Transfers & subsidies - Capital (under), combination of over-/under recovery, mainly on: a) Capital Grants National (under), due to the delayed start and slow implementation on the following major capital projects: i. Durbanville NMT Project: A portion of the works has been delayed by a month due to residents objecting to the path being constructed in the public open space. Further disruptions were caused by workers as a result of issues relating to the Department of Labour; and ii. Grassy Park NMT: The tender was cancelled and set aside by a court order. b) Development Contribution/BICL (over), due to development levy receipts being more than planned to date.	Budget provisions were reviewed and adjusted in the January 2021 adjustments budget process. Parking Fees: A new tender is in the process of being established. Capital Grants National - Grassy Park NMT: The tender is currently being re-evaluated.
Vote 11 - Urban Management	1,191	0.9%	Immaterial variance.	-
Vote 12 - Water & Waste	14,152	0.4%	Immaterial variance.	-

Material variance explanations for operating expenditure by vote

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 1 - Community Services & Health	(194,527)	-9.1%	<p>The variance is a combination of over-/under expenditure.</p> <ol style="list-style-type: none"> 1. Employee related costs (under), due to the turnaround time in filling vacancies, the impact of the internal filling of vacancies and slower than expected implementation of job creation projects. 2. Other Materials (over), combination of over-/under expenditure, mainly on: <ol style="list-style-type: none"> a) Pharmaceutical supplies (over), due to higher than expected COVID-19 related expenditure; and b) Materials, consumables, tools and equipment (under), due to delayed implementation of EPWP projects resulting in lower material requirement to date. 3. Contracted Services (over), combination of over-/under expenditure, mainly on: <ol style="list-style-type: none"> a) Recreation, Sport, Tourism and Social Development (under), due to the impact of the COVID-19 lockdown restrictions on the implementation of community-based programmes; b) Building Contractors (under), where the COVID-19 lockdown restrictions resulted in maintenance programmes not being implemented as planned; c) Medical Health Services and support (under), due to lower than anticipated COVID-19 related cases and subsequent demand for this services; d) Burials (under), due to the actual demand for this service (grave-digging and crematoria) being lower than estimated with regards to COVID-19 related cases. The budget provision was based on a projected number of COVID-19 casualties, but the actual trend is much lower than anticipated; e) G&D Laboratory Services - Medical (over), due to higher than expected demand to date; f) Medical staff (under), due to fewer than expected COVID-19 related cases as well as outstanding invoices from labour brokers; g) Security Services: Municipal Facilities (over), due to more instances of vandalism during the COVID-19 lockdown period as well as an increased demand for security services; and h) R&M Gardening Services (over), where the actual requirement to date is higher than planned as a result of the good weather conditions and backlogs of services not rendered as a result of the COVID-19 lockdown. 4. Transfers and subsidies (under), where outstanding MOAs from approved beneficiaries has resulted in payment delays. 5. Other Expenditure (under), mainly on: <ol style="list-style-type: none"> a) Hire of LDV, P/Van, Bus, Special Vehicle, due to lower than planned requirement for vehicle hire as a result of the COVID-19 lockdown restrictions; b) Uniforms and protective clothing, due to delays in the appointment of additional EPWP staff; c) Training, due to the impact of the COVID-19 lockdown on implementation of the Workplace Skills Plan interventions as only virtual training is currently taking place. Furthermore, a moratorium has been placed on non-essential training; and d) Electricity, due to outstanding ESKOM invoices. 	<p>The directorate has 370 vacancies in various stages of the recruitment and selection process; 305 posts were filled while 70 positions were terminated since the beginning of the financial year.</p> <p>The appointment of EPWP workers through the roll-out of programmes as per approved Project Identification Documents (PIDs) is ongoing.</p> <p>Budget provisions were reviewed and adjusted in the January 2021 adjustments budget process.</p>

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 2 - Corporate Services	15,816	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 the internal filling of vacancies. 2. Depreciation & Asset Impairment (under), due to delays in project completion as a result of COVID-19 pandemic restrictions impacting on the capitalisation of assets. 3. Contracted services (over), a combination of over-/under expenditure, mainly on: <ol style="list-style-type: none"> a) Occupational Health (under), where it was anticipated that staff would return to work sooner and require professional services to perform contract tracing and screening processes; b) Graphic Design (over), due to higher than anticipated demand; c) Advisory Services - Project Management (over), where expenditure is higher than planned to date; d) Legal Advice & Litigation (over), due to higher than anticipated demand; e) Medical Staff and Administrative Staff (under), due to the lesser requirement for temporary staff at Occupational Health & Safety clinics and corporate offices; f) Research and Advisory (over), where expenditure relating to the Resident Survey is higher than planned to date; g) R&M Maintenance of Equipment (over), where the cost to replace equipment is higher than anticipated; and h) R&M Contractors Building (under), due to misalignment of the period budget and actual spending to date. 4. Other Expenditure (over), combination of over-/under expenditure, mainly on: <ol style="list-style-type: none"> a) Levy: Skills Development (under), due to the payment holiday (as announced by the President of SA) as a result of the COVID-19 pandemic; b) Telecommunication: Cell Phone Subscription (over), where additional cell phone subscriptions were allocated as part of the remote working arrangements as a result of the COVID-19 pandemic; c) Training (over), due to transversal training expenditure, which will be allocated to departmental budget provisions in the upcoming reporting periods. 	<p>The overall overspend to date will be addressed in the January 2021 adjustments budget.</p> <p>The directorate has 96 vacancies in various stages of the recruitment and selection process; 46 positions were filled and 26 terminations processed since the beginning of the financial year.</p> <p>Other Expenditure: A journal will be processed for the reallocation of training cost.</p>
Vote 3 - Economic Opportunities & Asset Managemnt	(5,883)	-0.9%	Immaterial variance.	The directorate has 56 vacancies in various stages of the recruitment and selection process; 28 positions were filled and 14 terminations processed since the beginning of the financial year.
Vote 4 - Energy & Climate Change	(138,755)	-2.3%	<p>The under expenditure reflects mainly against:</p> <ol style="list-style-type: none"> 1. Employee related costs, due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Depreciation & asset impairment, where the level of spending in the 2019/20 financial year on the External Financing Funded (EFF) capital programme was lower than planned. 3. Bulk purchases, where sales are accrued in one period and paid for in the following period. 4. Other Materials, mainly on R&M Material General & Consumables, due to reduced maintenance being performed as a result of the COVID-19 lockdown as well as a building maintenance tender that is still to be approved. 5. Contracted Services, mainly on R&M Electrical and R&M Maintenance of Equipment, where COVID-19 lockdown restrictions resulted in a reduction in maintenance work. There is also a delay in the renewal of the Public Lighting maintenance contract due to minimal responses received for the tender from prospective vendors. 	<p>The directorate has 165 vacancies in various stages of the recruitment and selection process; 87 vacancies were filled and 26 posts terminated since the beginning of the financial year.</p> <p>The expenditure budget were reviewed and adjusted in the mid-year review and adjustments budget process.</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 5 - Finance	(46,705)	-2.5%	<p>The under expenditure reflects against the following categories:</p> <ol style="list-style-type: none"> 1. Employee related costs, due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Other expenditure (under), combination of over-/under expenditure: <ol style="list-style-type: none"> a) Auditors Remuneration (under), due to misalignment of period budget provisions; b) Commission - Revenue Sharing (under), where some third party commission fees were not processed due to late submissions and delayed reconciliation processes over the festive season; c) Indigent Relief: Electricity - Eskom Reimburse (under), where the indigent payment for December 2020 has not been processed yet, and d) Refunds Paid: Prior Year (over), due to a credit write-off reversal. 	<p>The directorate has 113 vacancies in various stages of the recruitment and selection process; 21 vacancies were filled and 22 posts terminated since the beginning of the financial year.</p> <p>The expenditure budget were reviewed and adjusted in the mid-year review and adjustments budget process.</p>
Vote 6 - Human Settlements	20,138	3.1%	<p>The variance is a combination of over-/under expenditure on the following categories:</p> <ol style="list-style-type: none"> 1. Employee related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Depreciation & Asset Impairment (under), due to the negative impact of the COVID-19 lockdown restrictions on the completion of projects resulting in under expenditure as depreciation is based on the actual capitalisation dates of assets; 3. Debt Impairment (over), where the increase in customers/consumers defaulting on account payments due to the impact of the COVID-19 pandemic on the economy resulted in more debt being written-off. 4. Contracted Services (over), a combination of over-/under expenditure: <ol style="list-style-type: none"> a) R&M Contracted Service Building (over), due to the accelerated provision of emergency R&M to eradicate backlogs; b) Professional Services Engineering Civil (over), due to an increase in the additional construction monitoring implemented at certain high risk projects as a result of project management findings raised and recommendations made by the Auditor General; c) Professional Services Land & Quantity Survey and Quality Control (over), due to an increase in demand for professional services relating to the upgrading and maintenance of rental units; d) Professional Services Architectural (over), due to an unforeseen urgent assessment of the infrastructure at the Paardevlei Site; e) G&D Professional Services (over), due to additional temporary structures for the Sweet Homes emergency housing project; f) Professional Services Quality control (over), due to enrolment fees for projects at the NHBRC, which was originally not planned for; g) Professional Services Town Planner (over), for additional town planning services required for certain social housing projects i.e. Woodstock Hospital Precinct; and <p><i>Continued on next page.</i></p>	<p>The overall over expenditure will be addressed in the January 2021 adjustments budget.</p> <p>The directorate has 114 vacancies in various stages of the recruitment and selection process; 51 positions were filled and 20 terminations processed since the start of the financial year.</p> <p>The expenditure budget was reviewed and adjusted in the mid-year review and adjustments budget process.</p>

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 6 - Human Settlements	See previous page	See previous page	<p>h) Security Services: Mun Facilities (under), due to outstanding invoices for emergency security services required for threats of land invasions and community unrest across the City. Project managers are following up on outstanding invoices.</p> <p>5. Transfers and Subsidies: Housing PHP Payments (under), due to delays in implementation of various Top Structure projects as a result of COVID-19 restrictions.</p> <p>6. Other expenditure (under):</p> <p>a) Subsidy on Homeowners Redemption, due to actual expenditure being less than planned, which is linked to the transfer of properties in respect of saleable Council Rental Units for which individuals were eligible for the Enhanced Extended Discount Benefit Scheme (EEDBS) subsidy;</p> <p>b) G&D Survey Expenses, where planning of surveys (property identification) was delayed due to suspension of the Deeds Office account and the Windeed account due to outstanding transversal approval and non-payment as well as the impact of the COVID-19 pandemic on community participation; and</p> <p>c) Deeds and transfers, due to delays in processing transfer requests, office closures and rotational work schedule with reduced staff compliment a result of the COVID-19 pandemic as well as delays in appointment of attorneys.</p> <p>7. Materials: Other (over), mainly on Materials Consumables Tools and Equipment, due to more unanticipated fire emergencies in various informal settlements.</p>	See previous page.
Vote 7 - Office of the City Manager	(19,094)	-13.1%	<p>The under expenditure reflects mainly against the following categories:</p> <p>1. Employee related costs, mainly due to the continuous process of filling of vacancies and provisions made for regrades that must still be implemented.</p> <p>2. Other Materials, mainly on:</p> <p>a) Pharmaceutical Supplies, due to lesser requirement for COVID-19 items as majority of staff are working from home; and</p> <p>b) Printing Stationary and Photographic, due to lesser requirement as majority of staff are working from home.</p> <p>3. Contracted Services, mainly on:</p> <p>a) Advisory Services - Research & Advisory, where expenditure relating to mayoral advisors are lower than planned to date;</p> <p>b) Legal Cost - Legal Advice and Litigation, due to a lower requirement for legal services; and</p> <p>c) Catering Services: External, due to lower than planned expenditure for services relating to mayoral events held in the first half of the financial year.</p> <p>7. Transfers and Subsidies: Relief and Charitable Contributions, due to assistance from the Mayoral Fund being lower than planned.</p> <p>8. Other Expenditure: Advertising - Corporate and Municipal account, due to lower than planned requirement on the Mayoral Communication Campaign.</p>	<p>The directorate has 9 vacancies in various stages of the recruitment and selection process; 6 positions were filled with 3 terminations since the start of the financial year.</p> <p>The expenditure budget was reviewed and adjusted in the mid-year review and adjustments budget process.</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 8 - Safety & Security	18,137	0.9%	<p>The variance is a combination of over-/under expenditure.</p> <ol style="list-style-type: none"> 1. Employee related costs (over), due to an increase in overtime as a result of protest action, land invasions, crime and public unrest as well as an increase in standby allowance for Metro Police officers who need to be available to attend to emergencies and protect other staff members against attacks. 2. Depreciation (under), due to capital budget reductions identified in the corporate budget review resulting in lower depreciation. 3. Other Materials (over), where fuel expenses are higher as a result of overtime worked by Metro Police staff. 4 Contracted Services (over), mainly due to the need for more security services at municipal facilities as a result of vandalism and theft. 5. Other Expenditure (under): <ol style="list-style-type: none"> a) Uniforms and Protective Clothing, and Training, due to the hold placed on LEAP expenditure in anticipation of a possible reduction in grant funding; and b) Commission - Revenue Sharing, where the commission paid to contravention system service providers is less than planned to date. 	<p>The overall over expenditure will be addressed in the January 2021 adjustments budget.</p> <p>The directorate has 970 vacancies in various stages of the recruitment and selection process; 76 posts were filled while 64 were terminated since the beginning of the financial year.</p> <p>Official correspondence from the Western Cape Government indicated that LEAP funding was not reduced and the programme will continue.</p> <p>The expenditure budget was reviewed and adjusted in the mid-year review and adjustments budget process.</p>
Vote 9 - Spatial Planning & Environment	(24,261)	-6.2%	<p>The variance is a combination of over-/under expenditure.</p> <ol style="list-style-type: none"> 1. Employee related costs (under), due to the turnaround time in filling vacancies and the temporary hold placed on vacancies. 2. Contracted Services (over), due to: <ol style="list-style-type: none"> a) Emergency work on the Bikini Beach Sea Wall Emergency Repair project in Gordons Bay; and b) Bellville CBD catalytic project, which is ahead of schedule. 	<p>The directorate has 57 vacancies in various stages of the recruitment and selection process; 29 posts were filled while 4 were terminated since the beginning of the financial year.</p> <p>The expenditure budget was reviewed and adjusted in the mid-year review and adjustments budget process.</p>

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City of Cape Town: S52 Annexure A – 2021 Q2 (December 2020)

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Expenditure by Vote</u>				
Vote 10 - Transport	(59,978)	-4.1%	<p>The variance is a combination of over-/under expenditure.</p> <ol style="list-style-type: none"> 1. Employee related costs (under), due to the turnaround time in filling vacancies and the impact of the internal filling of vacancies. 2. Depreciation and Asset Impairment (under), due to the slow start on the construction/ completion/procurement of assets, the impact of assets capitalised in the 2019/20 financial year as well as the corporate capital budget review process. 3. Contracted Services (over), mainly on: <ol style="list-style-type: none"> a) R&M Contracted Services Buildings, where road resurfacing and stormwater maintenance is progressing faster than anticipated; and b) G&D Transportation Service People, where Station Management AEM invoices were approved earlier than expected. 4. Other expenditure (under), mainly on: <ol style="list-style-type: none"> a) Uniforms and Protective clothing, due to the decreased need for PPE clothing as not all staff returned to work following the stricter levels of the COVID-19 lockdown; and b) Training, due to the impact of the COVID-19 lockdown on implementation of the Workplace Skills Plan interventions as only virtual training is currently taking place. A moratorium has been placed on non-essential training. 	<p>The directorate has 220 vacancies in various stages of the recruitment and selection process; 22 posts were filled while 15 terminations were processed since the beginning of the financial year.</p> <p>The expenditure budget was reviewed and adjusted in the mid-year review and adjustments budget process.</p>
Vote 11 - Urban Management	3,480	0.7%	<p>The variance is a combination of over-/under expenditure.</p> <ol style="list-style-type: none"> 1. Employee related costs (under), <ol style="list-style-type: none"> a) Salaries and wages, due to the turnaround time in filling vacancies; and b) Wages: Mayor's Job Creation Project, due to the slow implementation of approved projects in the second quarter of the financial year as a result of the COVID-19 lockdown restrictions. 2. Depreciation and asset impairment (under), due to reprioritisation of the directorate's capital budget during the corporate review process. 3. Contracted services (over), combination of over-/under expenditure on: <ol style="list-style-type: none"> a) Advisory Services - Project Management (over), due to the rollout of MURP, Area Economic and Sub-Council operating projects, which are progressing slightly faster than anticipated; b) Gardening Service (over), where expenditure on gardening services for beautification of parks by subcouncils is higher than planned to date; c) R&M Electrical and R&M Gardening Service (over), where work at various community facilities is more than planned to date; d) Security Services: Municipal Facilities (over), due to the provision of private security at various MURP Precincts; and e) Administrative and Support Staff (under), where the directorate has become less dependent on labour broker staff. 6. Other Expenditure: MIDS/CIDS (over), due to misalignment of period budget provisions with actual expenditure as a result of the four new CIDS established in 1 July 2020. 	<p>The overall over expenditure will be addressed in the January 2021 adjustments budget.</p> <p>The directorate has 32 vacancies in various stages of the recruitment and selection process; 23 positions were filled while 14 were terminated since the beginning of the financial year.</p> <p>The expenditure budget was reviewed and adjusted in the mid-year review and adjustments budget process.</p>

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
<u>Expenditure by Vote</u>				
Vote 12 - Water & Waste	(258,119)	-5.8%	<p>The under expenditure reflects against the following categories:</p> <ol style="list-style-type: none"> 1. Employee related costs, due to the turnaround time in filling vacancies as well as the impact of the internal filling of vacancies. The recruitment process for the majority of vacancies has been delayed as a result of the COVID-19 pandemic as well as the temporary hold placed on identified vacancies as part of the HR strategic intervention in response to the financial impact of the COVID-19 pandemic. 2. Depreciation, due to the update to the useful life of various infrastructure assets, which reduced the depreciation on assets. 3. Finance Charges, due to misalignment of period budget provisions on Interest Cost Unwinding of discounts as actual expenditure is only processed at year-end. 4. Bulk Purchases (under), a combination of over-/under expenditure, mainly on: <ol style="list-style-type: none"> a) Bulk Water: Levy (Berg Water Project) (under), due to delays in submission of invoices by the National Department of Water & Sanitation; b) Bulk Purchase - Water Desalination (under), due to the final expenditure for the temporary desalination plant being less than anticipated; c) Bulk Purchase - Raw Water (over), where the actual expenditure is slightly higher than the budget; and d) Bulk Purchase - Water Reclamation (over), where the actual expenditure is slightly higher than the budget. 5. Other materials (under), a combination of over-/under expenditure, mainly on: <ol style="list-style-type: none"> a) Materials Consumables Tools & Equipment (under), where the COVID-19 lockdown has caused slight delays in the issuing of new refuse containers; b) Printing Stationery & Photographic (under), where expenditure is less than anticipated as a result of staff working from home and due to an incorrect posting that is being investigated; c) R&M Mat General & Consumables (under), where the replacement of aged vehicles meant that repairs on vehicles is lower than anticipated; d) Fuel (Petrol, Diesel and Fuel Oil) (under), due to the fluctuation of the fuel prices in recent months; e) Cleansing Related Costs (over), where more refuse bags were purchased as a result of additional unforeseen clean-ups; and f) Chemicals (over), due to an increase in the procurement of chemicals as requirements are higher than planned. 6. Contracted services (under), combination of over-/under expenditure, mainly on: <ol style="list-style-type: none"> a) Refuse Removal (under), as a result of the refuse removal contract in the Delft area which failed to commence requiring the services to be rendered internally; b) Advisory Services - Research & Advisory (under), due to delays in finalisation of the Asset Management System as the initial investigation took longer than anticipated as well as delays in the commencement of some projects within informal settlements; c) Professional Services -Engineering: Civil (over), due to misalignment of the periodic plan with actual expenditure; <p><i>Continued on next page.</i></p>	<p>The directorate has 489 vacancies in various stages of the recruitment and selection process; 97 vacancies were filled while 93 were terminated since the beginning of the financial year.</p> <p>Refuse removal: The services will be rendered internally after a decision was taken not to award a new tender.</p> <p>Litter Picking and street cleaning: A deviation contract was awarded for the period of June 2020 to December 2020 while the litigation process on the awarded tender is underway.</p> <p>The expenditure budget was reviewed and adjusted in the mid-year review and adjustments budget process.</p>

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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 12 - Water & Waste	See previous page	See previous page	<p>d) Sludge removal (under), due to less waste produced at wastewater treatment plants as a result of lower volumetric levels;</p> <p>e) Waste Minimisation (over), where the budget was reduced as a result of the COVID-19 lockdown as it was expected that the disposal sites would be closed for longer, however, it opened earlier than anticipated resulting in more than planned expenditure;</p> <p>f) Haulage (over), where the amount of waste being hauled from transfer stations and drop-off sites to landfill sites was higher than anticipated;</p> <p>g) Relief Drivers (over), due to an incorrect booking of cost relating to labour broker staff;</p> <p>h) G&D Contracted Serv Building (under), where expenditure for water deliveries was lower than anticipated;</p> <p>i) R&M Maintenance of Equipment (under), where the replacement of aged vehicles meant that repairs on vehicles is lower than anticipated;</p> <p>j) Cleaning Costs (under), where the need for cleaning relating to the COVID-19 pandemic is lower than anticipated;</p> <p>k) Security Services: Municipal Facilities (over), where the number of security incidents have been greater than anticipated;</p> <p>l) Administrative and Support Staff (under), due to the need for Labour Broker staff being lower than anticipated;</p> <p>m) Litter Picking and Street Cleaning (under), due to delays in the award of the Informal Settlement tender;</p> <p>n) G&D Sewerage Services (under), due to expenditure being slower than anticipated as a result of the challenges experienced with the changing of service provider responsible for the provision and maintenance of the chemical toilets where communities did not allow the service provider to deliver a service;</p> <p>o) G&D Cleaning Costs (under), due to the periodic plan not being in line with actual expenditure;</p> <p>p) R&M Electrical (over), due to outstanding maintenance work done on UV lights at various wastewater plants as well as the impact of once-off electrical breakdowns;</p> <p>q) R&M Contracted Serv Building (over), where maintenance work was completed earlier than anticipated as well as more than planned work to date; and</p> <p>r) Sewerage services (over), due to the periodic plan not being in line with actual expenditure.</p> <p>7. Other expenditure (under), a combination of over-/under expenditure, mainly on:</p> <p>a) G&D Uniform & Protective Clothing (under), due to misalignment of the periodic plan with actual expenditure;</p> <p>b) G&D Hire of LDV, P/Van, Bus, Special Vehicle (over), due to the misalignment of the budget provision and the actual expenditure for the tankering of water;</p> <p>c) Rehabilitation of Closed Landfill Sites (under), due to the tender for the Radnor Landfill site rehabilitation being awarded later than anticipated as a result of protracted SCM processes;</p> <p>d) Hire of LDV, P/Van, Bus, Special Vehicle (over), due to misalignment of the periodic budget provision with actual expenditure as well as the increase in vehicle breakdowns resulting in more than planned vehicles being hired;</p> <p>e) Hire Charges (over), due to an increase in the hiring of pumps to increase operational capacity to prevent overflows during periods of breakdown;</p> <p>f) Motor vehicle license and registration (over), where new vehicles could not be delivered in the 2019/20 financial year due to the COVID-19 pandemic resulting in costs that should have been incurred in 2019/20 being actualised in the current financial year; and</p> <p>g) Electricity (under), due to electricity cost being slightly lower than anticipated.</p>	See previous page.

Material variance explanations for operating expenditure by type

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure By Type				
Employee related costs	(431,415)	-5.7%	The variance is mainly due to: 1. The turnaround time in filling vacancies; 2. The internal filling of vacancies; 3. Slower than planned implementation of job creation projects; and 4. The temporary hold placed on some vacancies.	The City had 2691 vacancies as at 31 December 2020; 1038 positions were filled (457 internal and 581 external) with 914 terminations processed since the beginning of the financial year. The filling of vacancies is ongoing and seasonal staff are appointed as and when required. The appointment of EPWP workers through the roll-out of programmes as per approved Project Identification Documents (PIDs) is ongoing.
Remuneration of councillors	(371)	-0.4%	Immaterial variance.	-
Debt impairment	12,524	0.7%	Immaterial variance.	-
Depreciation & asset impairment	(234,665)	-14.5%	The variance is due to: 1. The slow start on the construction/completion/procurement of assets in the current financial year; 2. The impact of assets capitalised in the 2019/20 financial year; 3. The update to the useful life of various infrastructure assets within the Water & Sanitation Services department, which reduced the actual depreciation on these assets; and 4. The impact of the corporate review on the capital budget to be implemented with the upcoming adjustments budget.	The impact of the changes to the useful life of infrastructure assets on depreciation will be addressed in the adjustments budget. The impact of the corporate budget review of the capital budget will be implemented where so identified.
Finance charges	(28,094)	-6.8%	The variance is mainly with the Water & Waste directorate and is due to misalignment of period budget provisions on Interest Cost Unwinding of Discounts as actual expenditure is only processed at year-end.	The period budget was reviewed and adjusted in the mid-year review and adjustments budget process.

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>				
Bulk purchases	(10,243)	-0.2%	Immaterial variance.	-
Other materials	(21,847)	-3.3%	Immaterial variance.	-
Contracted services	156,377	5.7%	<p>The variance is a combination of over-/under expenditure against the following elements:</p> <ol style="list-style-type: none"> 1. R&M - Contracted Services Building (over), where maintenance work was completed earlier than anticipated. 2. G&D Contracted Services - Building (under), due to expenditure for water deliveries being lower than anticipated. 3. R&M Electrical (over), mainly due to outstanding maintenance work done on UV lights at various wastewater plants as well as the impact of once-off electrical breakdown. 4. R&M Gardening Services (over), due to actual requirement to date being higher than planned as a result of good weather conditions and backlogs of services not rendered as a result of the COVID-19 lockdown. 5. R&M Maintenance of Equipment (under), where the replacement of older vehicles resulted in fewer repairs to date. 6. Security Services Municipal Facilities (over), due to misalignment of the period budget and actuals as well as an increase in demand for security services. 7. Waste Minimisation (over), where the budget was reduced as it was expected that disposal sites would be closed for longer, however, it opened earlier resulting in more than planned expenditure. 8. Haulage (over), where the amount of waste being hauled from Transfer Stations/Drop-off Sites to landfill sites was higher than anticipated to date. 9. Burials (under), due to the actual demand for this service (grave-digging and crematoria) being lower than estimated with regards to COVID-19 related cases. The budget provision was based on a projected number of COVID-19 casualties, but the actual trend is much lower than anticipated. <p><i>Continued on nex page.</i></p>	<p>Budget provisions were reviewed and used to align actual expenditure and period budgets in the adjustments budget.</p> <p>Refuse removal: The services will be rendered internally after a decision was taken not to award a new tender.</p> <p>Litter Picking and street cleaning: A deviation contract was awarded for the period June 2020 to December 2020 while the litigation process on the awarded tender is underway.</p>

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>10. Refuse Removal (under), where the refuse removal contract in the Delft area failed to commence.</p> <p>11. G&D Sewerage Services (under), as a result of the challenges experienced with regards to changeover of the service provider for chemical toilets and communities not allowing the service provider to deliver the service.</p> <p>12. Litter Picking and street cleaning (under), due to delays in the award of the Informal Settlement tender.</p> <p>13. Admin and Support staff (under), due to the requirement for labour broker staff being lower than planned to date.</p> <p>14. Advisory Services - Research & Advisory (under), mainly due to delays in finalisation of the Asset Management System within the Water & Sanitation Services department as the initial investigation took longer than anticipated as well as delays in the commencement of some projects within informal settlements.</p> <p>15. Professional Services Engineering (over), due to an increase in demand for services relating to housing- and water projects.</p> <p>16. Recreation, Sport, Tourism and Social Development (under), due to the impact of the COVID-19 lockdown on implementation of community-based programmes.</p> <p>17. Cleaning Costs (under), where cleaning relating to the COVID-19 pandemic is lower than anticipated.</p> <p>18. Legal cost (over), due to the actuals being higher than planned.</p> <p>19. Sludge Removal (under), due to less waste being produced at wastewater treatment plants as a result of lower volumetric levels.</p> <p>20. Graphic Design (over), due to higher than expected demand to date.</p> <p>21. G&D Laboratory Services - Medical (over), due to higher than expected demand to date.</p> <p>22. Medical staff (under), due to less than anticipated COVID-19 related cases as well as outstanding invoices from labour brokers.</p> <p>23. Medical Health Services and support (under), due to lower than anticipated COVID-19 related cases and subsequent demand for this services.</p> <p>24. G&D Transportation Service People (over), where the Station Management AEM invoices were approved earlier than expected.</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>Expenditure By Type</u>				
Transfers and subsidies	(56,151)	-23.3%	<p>The variance is mainly within the following directorates:</p> <ol style="list-style-type: none"> 1. Community Services & Health, where outstanding MOAs from approved beneficiaries have resulted in payment delays. 2. Economic Opportunities & Asset Management <ol style="list-style-type: none"> a) Grants/Sponsorships, due to misalignment of cash flows; and b) G&D Grants /Sponsorships, where delays in project implementation due to COVID-19 implications prompted the need to address all contractual requirements, which subsequently led to the Cape Skills and Employment Accelerator Project not commencing as originally envisaged. 3. Human Settlements - Housing PHP Payments, due to delays in the implementation of various Top Structure projects as a result of COVID-19 restrictions. 	<p>Budget provisions were reviewed and used to align actual expenditure and period budgets in the adjustments budget.</p> <p>A portion of the Cape Skills and Employment Accelerator Project budget will be rephased to the 2021/22 financial year to make up for time lost.</p>
Other expenditure	(77,756)	-7.1%	<p>The variance is a combination of under-/over expenditure mainly on:</p> <ol style="list-style-type: none"> 1. Levy - Skills Development (under), due to the misalignment of the period budget provisions with the actual expenditure trends of LGSETA payments. The Skills Development Levy 'payment holiday' (as announced by the President of SA) as a result of the COVID-19 pandemic further contributed to the under expenditure. 2. Advertising - corporate and municipal accounts (under), due to misalignment of the monthly budget provision and actual expenditure on corporate and mayoral advertising requirements. 3. G&D Training and Uniforms (under), due to the hold placed on LEAP-related expenditure (uniforms, training etc.) because of the possible reduction of funding. 4. Uniforms and Protective Clothing (under), due to delays in the appointment of additional EPWP staff as well as the hold placed on LEAP-related expenditure (uniforms, training etc.) because of a possible reduction of funding. <p><i>Continued on next page</i></p>	<p>Expenditure budget provisions were reviewed and used to align actual expenditure and period budgets in the adjustment budget.</p> <p>Uniforms and protective clothing: The appointment of EPWP workers through the roll-out of programmes as per approved Project Identification Documents (PIDs) is ongoing.</p> <p>Official correspondence from the Western Cape Government indicated that LEAP funding was not reduced and the programme will continue.</p>

Table continues on next page.

Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure By Type				
Other expenditure	See previous page	See previous page	<p>5. Rehabilitation of Closed Landfill Sites (under), where the tender for the Radnor Landfill site rehabilitation was awarded later than anticipated as a result of protractive tender processes. The tender is currently in the appeal period.</p> <p>6. Hire of LDV/Pvan/Special Vehicles (over), due to misalignment of the period budget provisions with the actual expenditure requirement to date.</p> <p>7. Telecom-Cellphone Subscriptions (over), due to higher than planned requirement for cellphone and internet as a result of staff working from home.</p> <p>8. Commission Revenue Sharing (under), where the commission for contravention system service providers was less than anticipated as well as system setup delays.</p> <p>9. Subsidy on Homeowners Redemption (under), due to less than planned expenditure linked to the transfer of properties in respect of saleable Council Rental Units for which individuals were eligible for the Enhanced Extended Discount Benefit Scheme (EEDBS) subsidy.</p> <p>10. Indigent Relief: Electricity - Eskom Reimbursement (under), where the indigent payment for November 2020, which was due on 16 December 2020 has not been processed yet.</p> <p>11. MIDS/CIDS (over), due to the misalignment of period budget provisions with actual expenditure as a result of four new CIDs, which were established since 1 July 2020.</p>	See previous page
Losses	1,892	172.4%	Immaterial variance.	-

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	(83,165)	-51.2%	<p>The negative year-to-date variance is mainly due to:</p> <ol style="list-style-type: none"> 1. The impact of COVID-19 on the implementation of various community service facility projects. 2. Delays experienced with the implementation of the following integrated community facilities: <ol style="list-style-type: none"> a) Vuyiseka Multi-purpose Centre and Mfuleni Integrated Recreation Facility, where engagements with strategic stakeholders must still take place; b) Maitland Cremator, Bellville Integrated Recreation Facility and the new Nyanga Library, where the appointment of suitable service providers has not taken place yet; and c) Fisantekraal Clinic, due to delays in the appointment of the contractor. The project was initially delayed due to uncertainties of the transfer of the clinic to the Western Cape Health Services, which has since been clarified enabling the project to continue. The contractor was appointed in December 2020. 3. Delays experienced with the corporate IT tender used to procure IT equipment. 4. Unfinished minor work on the sewer line on the Hout Bay Recreation Facility Upgrade project, which must be completed before the project can continue. 5. Outstanding due diligence of the town planning of the works on the Blue Ridge Integrated Recreation Facility project. 	<p>Project managers together with the support of the finance manager/heads will:</p> <ol style="list-style-type: none"> a) Continue to closely monitor and ensure that projects are implemented within the prescribed timelines by ensuring all payment certificates are received timeously; and b) Engage with communities to mitigate concerns raised. <p>Virements will be processed, where applicable, to ensure maximum capital spend at financial year-end.</p> <p>Projects will be reprioritised and rephased as part of the January 2021 adjustments budget.</p>
Vote 2 - Corporate Services	(22,777)	-19.5%	<p>The negative year-to-date variance reflects mainly on the following projects/programmes:</p> <ol style="list-style-type: none"> 1. Data Storage Security and Accessibility FY21: An order for the Data Centre End of Row Switches project has been placed of which the bulk has already been delivered. 2. Microwave Upgrades FY21: Project behind schedule due to delays in tender 098G relating to forward cover rate of exchange (ROE). 3. Wayleave System: Project commenced late due to the COVID-19 national lockdown, which resulted in some of the work planned for the 2021 financial year not being completed. 4. Business Continuity FY21: Project initially delayed due to the protracted process of awarding tender 129S, which has subsequently been awarded and captured in SAP. Some orders have been placed. 	<ol style="list-style-type: none"> 1. Waiting on one item to be delivered. A portion of the remaining funds will be spent for project professional services. 2. The vendor has agreed to quote based on a fixed rate and orders have been placed with delivery expected in January 2021. 3. The project will be accelerated as far as possible. 4. Awaiting delivery of the ordered items. Cash flow to be adjusted in the January 2021 adjustments budget.
Vote 3 - Economic Opportunities & Asset Management	35,110	36.3%	<p>The positive variance reflects on the following projects/programmes:</p> <ol style="list-style-type: none"> 1. Fleet Management: Fleet replacements were ordered and delivered earlier than anticipated. 2. Strategic Assets - City Hall Upgrade project, where some work was completed earlier than anticipated due to good contractor performance. 	<p>Budget and cash flows to be amended in the January 2021 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 4 - Energy & Climate Change	(36,051)	-10.5%	The main reasons for the negative variance is as a result of planning and prioritisation, which is taking longer than anticipated; unavailability of relays causing a delay in project scheduling; no construction work currently taking place on site and all design work being completed later than anticipated on the following projects: 1. System Equipment Replacement: North Area N FY21; 2. MV Infrastructure Refurb: South Area S FY21; 3. Hout Bay LV Depot; 4. Street Lighting: Area Central FY21; and 5. System Equipment Replacement: South Area C FY21.	There are on-going engagements with the directors and project managers to ensure all orders are placed timeously, projects are implemented within the prescribed timeframes and that corrective action is processed as and when required so as to ensure maximum spend.
Vote 5 - Finance	34,067	27.0%	Suites CT Stadium: Project progress is on track with anticipated completion in March 2021. Payments have been processed earlier than anticipated.	No remedial action at this stage. The budget will be aligned to the forecasted spend in the January 2021 adjustments budget.
Vote 6 - Human Settlements	(103,224)	-25.8%	The negative variance reflects mainly on the following projects/programmes: 1. Public Housing: Delays in the start of the Asset Management Programme within the Public Housing department, due to final cost estimates for various work packages being received later than anticipated. The majority of the work has now been completed with contractor invoices being received and processed. 2. Housing Development: Delays are being experienced in the implementation of COVID-19 de-densification projects managed by the Western Cape Government (WCG), in the following areas: a) Du Noon, due to objections received; b) Kosovo, where the transfer of land is pending; and c) Ithemba, where the WCG's Department of Human Settlements has been unable to successfully secure the land release. 3. Informal Settlements: The Imizamo Yethu UISP project has been subjected to multiple delays as a result of legal proceedings and community resistance challenges. The contractor is on site and work has commenced.	1. Project managers together with the support of the finance manager and support staff are ensuring the timeous vetting and processing of invoices received for work completed. 2.a) The development rights application is currently being considered. The balance of the budget at risk will be shifted to the Kosovo Erf 694 project in the January 2021 adjustments budget; 2.b) The land agreement is in the process of being finalised; the balance of the budget at risk will be shifted to Kosovo Erf 694 project in the January 2021 adjustments budget; and 2.c) The Department of Human Settlements is assisting with the land release and the balance of budget at risk will be shifted to Kosovo Erf 694 project in the January 2021 adjustments budget. 3. The project manager is continuously engaging with the community and stakeholders to mitigate delays on the project.

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 7 - Office of the City Manager	(1,237)	-93.9%	Delays in finalising priorities and needs were experienced on the IT Equipment, Furniture and Office Equipment project. Awaiting delivery of some orders that have been placed already.	Further orders to be placed in line with identified priorities and needs. Budget and cash flows will be amended in the January 2021 adjustments budget.
Vote 8 - Safety & Security	16,220	13.1%	The positive variance is due to earlier than anticipated delivery on the following projects: 1. Fire Vehicles: Replacement FY21; and 2. Specialised Vehicles: Add FY21.	Procurement is accelerated as all tenders are in place.
Vote 9 - Spatial Planning & Environment	(4,916)	-8.1%	The negative variance reflects on the following projects/programmes: 1. Helderberg Nature Reserve Development: Project commenced later than anticipated, due to the COVID-19 lockdown restrictions, however, the contractor is back on site. The construction period per tender specifications is 11 months to which a possible extension of time for risks such as rain and social distancing OHS measures is being considered. 2. Reserve Fencing FY21: Orders placed for fencing at various reserves; awaiting completion thereof. 3. Nature Reserve Visitor Education Centres: Orders placed for professional services to finalise stage 2 conceptual designs and continue to stage 3 detailed designs.	1. Project managers are monitoring and following up with vendors and contractors where delays are being experienced. 2. Further orders to be placed in line with identified priorities and needs. 3. Stage 2 conceptual designs draft report and cost centre analysis were issued and presented to the City team and is expected to be completed by mid-February 2021.
Vote 10 - Transport	(82,261)	-20.2%	The directorate has a net negative variance, which is an accumulation of slower than anticipated expenditure on a number of projects, the most significant of which are: 1. COVID-19 - Guard Rails & Fencing: Planning of implementation phase is taking longer than anticipated. 2. Public Transport Systems management projects: Awaiting wayleave approvals specifically from other directorates before some projects can commence. 3. Rehabilitation of Japhta K - Nyati Road & Lawulo Road: Delays in the award of 363Q/2018/19; project will be rephased to the 2021/22 financial year. 4. Upgrading of New Eisleben Road: The review of the project is still underway and the term tender is still not in place. A decision was therefore made to postpone implementation of the project to the 2021/22 financial year. 5. Durbanville NMT: Project making good progress even though a portion of the works has been delayed by a month, due to residents objecting to the path being constructed in the Public Open Space. There were also some disruptions caused by workers relating to issues with the Department of Labour.	1. The budget will be reduced to R10 million in the January 2021 adjustments budget. 2. Line department is currently liaising with the Water & Waste directorate in order to expedite the approval of wayleaves. Misaligned cash flows will be corrected in the January 2021 adjustments budget. 3. Budget and cash flow to be amended in the January 2021 adjustments budget. 4. The budget of R10.5 million will be rephased to the 2021/22 financial year in the January 2021 adjustments budget. 5. Workers have returned to work and production is back to normal. Contractor quality of work remains of good standard. Misaligned cash flows will be corrected in the January 2021 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 Management	(8,590)	-38.5%	The negative variance reflects on the following projects/programmes: 1. IT Equipment - Councillors & Support FY21 and other IT projects: Transversal IT tender is not fully available, and 2. Renovation of Sub Council 18: Orders for professional services have been placed; awaiting delivery.	1. Orders will be placed as soon as the tender is fully refreshed. 2. Project managers are monitoring and following up with vendors and contractors where delays are being experienced. Cash flows will be amended in the January 2021 adjustments budget.
Vote 12 - Water & Waste	203,794	18.5%	The directorate is behind in planned spend for the period under review. The main reasons are listed below at departmental level.	There are on-going engagements with directors and responsible project managers to ensure that tracking and monitoring of projects are within the prescribed timeframes and that corrective actions are processed timeously so as to ensure maximum spend. Remedial action are indicated below.
Management: Water & Waste	(97)	-100.0%	Delays in the delivery of goods from the supplier, due to COVID-19 challenges.	The project will be closely monitored.
Solid Waste Management	(159,192)	-37.8%	1. Vissershok Landfill Airspace Development: The National Department of Water & Sanitation did not approve the construction drawings. Tender 293Q/2019/20 for the construction phase is currently in bid evaluation stage. 2. New Prince George Drop-off: Multi-year project. Tender 310Q/2018/19 for construction has been awarded. Site handed over to contractor on 17 July 2020. Anticipated spend delayed due to community unrest. Contractor was instructed by community members to cease works on 23 July 2020. Contractor subsequently returned and resumed construction on 17 August 2020. 3. Coastal Park Landfill Gas Beneficiation: Work was delayed due to health and safety compliance processes and delays in finalising performance guarantees as well as purchase orders being finalised later than anticipated. This has now been resolved. Contractor commenced with the construction designs and procurement of the electricity generators. 4. Vehicle and Plant Replacement: Delays in finalising bank performance guarantees, which have now been obtained. Some orders have been placed.	1. The City and its consultant are liaising with the National Department of Water & Sanitation to meet and discuss the way forward. The award is anticipated to be finalised by March 2021 if the approval of the construction drawings is granted. The process is therefore behind schedule by approximately eight months. This has resulted in a portion of the budget being rephased to the 2021/22 financial year. Budget and cash flows to be adjusted in the January 2021 adjustments budget. 2. A portion of the budget will be rephased to the 2021/22 financial year in the January 2021 adjustments budget. 3. Cash flows to be adjusted in the January 2021 adjustments budget. 4. Awaiting delivery. Cash flows to be adjusted in the January 2021 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>				
Water & Sanitation Services	363,084	53.5%	The year-to-date actual is currently significantly more than budgeted, predominantly due to expenditure against major projects such as the Zandvliet WWTW, Atlantis Aquifer, Table Mountain Group Aquifer and bulk water infrastructure replacement projects where a conservative budgetary approach was taken as a result of the uncertainty of the impact of COVID-19 at the time of preparing the budget.	<p>Misaligned cash flows will be amended in the January 2021 adjustments budget.</p> <p>The Water & Sanitation Services department will maintain the improvements previously made relating to the focused management approach on capital programme implementation, enhanced Contract Management and Tender Management. Closer engagement with CPPPM (to align reports with e.g. value at risk) and the Office of the CFO is also continuing.</p>

Material variance explanations for cash flow

Description R thousands	YTD variance R Thousands	YTD variance %	Reasons for material deviations	Remedial or corrective steps/remarks
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Property rates	119,345	2.4%	Immaterial variance.	-
Service charges	1,259,541	14.1%	More service related income received than originally budgeted for.	No corrective action required.
Other revenue	636,250	24.6%	Income received could not be assigned accurately at the time of reporting.	No corrective action required.
Government - operating	(696,176)	-16.2%	The variance is due to incorrect seasonalisation.	To be corrected in the January 2021 adjustments budget.
Government - capital	(270,546)	-22.0%	The variance is due to incorrect seasonalisation.	To be corrected in the January 2021 adjustments budget.
Interest	7,881	1.8%	Immaterial variance.	-
Dividends	-	-		
Payments				
Suppliers and employees	365,354	-1.8%	Immaterial variance.	-
Finance charges	17	0.0%	Immaterial variance.	-
Transfers and Grants	-	-		
NET CASH FROM/(USED) OPERATING ACTIVITIES	(690,925)	-29.5%		
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	34,617	-1.1%	Immaterial variance.	-
NET CASH FROM/(USED) INVESTING ACTIVITIES	34,617	-1.1%		
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	-	-		
Borrowing long term/refinancing	-	-		
Increase (decrease) in consumer deposits	-	-		
Payments				
Repayment of borrowing	0	-		
NET CASH FROM/(USED) FINANCING ACTIVITIES	0	-		

Performance indicators

Description of financial indicator	Basis of calculation	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<u>Borrowing Management</u>						
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	1.1%	2.7%	2.7%	2.8%	2.8%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	26.4%	37.2%	34.4%	31.5%	0.0%
<u>Safety of Capital</u>						
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	28.0%	33.2%	37.3%	19.4%	28.4%
Gearing	Long Term Borrowing/ Funds & Reserves	121.9%	214.2%	238.8%	136.5%	132.8%
<u>Liquidity</u>						
Current Ratio	Current assets/current liabilities	2.00	1.71	1.59	2.90	1.63
Liquidity Ratio	Monetary Assets/Current Liabilities	1.21	0.73	0.77	1.98	0.74
<u>Revenue Management</u>						
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	17.4%	19.7%	19.5%	22.1%	20.9%
<u>Other Indicators</u>						
Employee costs	Employee costs/Total Revenue - capital revenue	30.1%	36.0%	35.4%	31.9%	34.7%
Interest & Depreciation	I&D/Total Revenue - capital revenue	8.8%	9.8%	9.6%	1.7%	2.4%

Material variance explanations for corporate performance for Quarter 2 of 2021

Description of Indicator	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1.B Percentage of rates clearance certificates issued within ten working days	2.13%	<p>The lower percentage is an indication that COVID-19 is still negatively impacting turnaround times.</p> <p>The following have added to the negative impact on targets and actuals:</p> <ol style="list-style-type: none"> 1. Delays and backlogs of downloads of property registrations between the Deeds Office and the City for updating ownership; 2. Delays and non-timeous updating of new ownership on the SAP-LUM system; 3. Continuous extensions of Rates Clearance Certificates (RCC) being issued (RCC are only valid for 60 days and conveyancers need to re-apply increasing the volumes); and 4. Dependency on other directorates/departments to complete their part of the work-flow timeously e.g. final meter readings, resolving conditions on properties, etc. 	<p>The issue of backlogs at the Deeds Office has been taken up with National Treasury (NT).</p> <p>A request to extend the validity of RCC to 120 days was made to the Chief Registrar and NT.</p> <p>Meetings have been taking place with internal departments to ensure work-flows impacting on the RCC process are completed timeously.</p>
4.D Percentage of employees from the EE target (designated) groups employed in the three highest levels of management.	0.64%	Designated appointments to reach target were lower than the required number, but did make significant progress/growth towards the 75% target.	Continued appointments in line with the required number to reach target.
5.E Cash/cost coverage ratio (excluding unspent conditional grants) NKPI	0.21	Indicator 5.E is compensated by the positive of indicator 5.G. The two KPIs are interrelated to ensure a cost effectiveness strategy at all time.	Indicator 5.E is within National Treasury's risk parameter of 1.5 times, so no remedial action is required.

Aged Debtors

Description	Budget Year 2020/21										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Year	Over 1 Year	Total	Total over 90 days		
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	326,575	99,531	65,618	80,746	65,353	62,737	292,468	1,538,382	2,531,410	2,039,686	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	535,806	97,478	27,232	39,478	9,190	27,278	107,495	266,451	1,110,407	449,891	-	-
Receivables from Non-exchange Transactions - Property Rates	734,273	176,930	114,730	98,762	101,394	58,503	267,521	833,242	2,385,355	1,359,423	-	-
Receivables from Exchange Transactions - Waste Water Management	168,191	47,878	31,068	36,133	26,783	29,256	126,899	546,369	1,012,577	765,441	-	-
Receivables from Exchange Transactions - Waste Management	99,039	29,615	19,606	21,030	17,843	23,889	131,251	456,297	798,570	650,309	-	-
Receivables from Exchange Transactions - Property Rental Debtors	97,527	13,675	13,266	11,539	(587)	10,891	68,838	559,761	774,910	650,443	-	-
Interest on Arrear Debtor Accounts	84,757	44,593	42,811	36,053	32,664	31,262	187,984	905,280	1,365,403	1,193,242	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-
Other	(79,640)	(78,399)	(43,623)	(148,212)	(22,064)	(96,122)	(45,529)	(113,859)	(627,448)	(425,786)	-	-
Total By Income Source	1,966,528	431,301	270,707	175,529	230,576	147,694	1,136,928	4,991,923	9,351,184	6,682,649	-	-
2019/20 - totals only	2,282,290	227,401	236,510	199,609	29,143	162,338	909,726	4,613,114	8,660,131	5,913,930	-	-
Debtors Age Analysis By Customer Group												
Organs of State	82,640	27,135	16,697	(94,279)	16,145	(74,217)	37,937	27,796	39,854	(86,618)	-	-
Commercial	1,046,144	165,692	104,558	91,446	81,396	54,218	198,758	388,279	2,130,491	814,097	-	-
Households	1,009,502	261,835	175,454	186,824	144,290	164,100	821,658	4,100,900	6,864,563	5,417,773	-	-
Other	(171,758)	(23,361)	(26,002)	(8,462)	(11,255)	3,593	78,575	474,947	316,277	537,397	-	-
Total By Customer Group	1,966,528	431,301	270,707	175,529	230,576	147,694	1,136,928	4,991,923	9,351,184	6,682,649	-	-

Aged Creditors

Description	Budget Year 2020/21									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	685	(15)	(943)	-	-	667	-	-	394	369,568
Auditor General	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	685	(15)	(943)	-	-	667	-	-	394	369,568

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 (4)	Investment Top Up	Closing Balance
R thousands	Days								
ABSA Bank	50	Fixed	3.50%	2021/01/07	35,000	104	–	–	35,104
ABSA Bank	63	Fixed	3.48%	2021/01/15	10,000	30	–	–	10,030
ABSA Bank	63	Fixed	3.48%	2021/01/15	35,000	103	–	–	35,103
ABSA Bank	63	Fixed	3.48%	2021/01/15	10,000	30	–	–	10,030
ABSA Bank	63	Fixed	3.48%	2021/01/15	10,000	30	–	–	10,030
ABSA Bank	63	Fixed	3.48%	2021/01/15	25,000	74	–	–	25,074
ABSA Bank	63	Fixed	3.48%	2021/01/15	45,000	133	–	–	45,133
ABSA Bank	63	Fixed	3.48%	2021/01/15	50,000	148	–	–	50,148
ABSA Bank	64	Fixed	3.54%	2021/01/27	10,000	30	–	–	10,030
ABSA Bank	62	Fixed	3.52%	2021/01/27	35,000	105	–	–	35,105
ABSA Bank	58	Fixed	3.55%	2021/01/27	55,000	166	–	–	55,166
ABSA Bank	71	Fixed	3.54%	2021/01/29	55,000	165	–	–	55,165
ABSA Bank	75	Fixed	3.60%	2021/02/15	40,000	118	–	–	40,118
ABSA Bank	75	Fixed	3.60%	2021/02/15	45,000	133	–	–	45,133
ABSA Bank	74	Fixed	3.60%	2021/02/15	100,000	286	–	–	100,286
ABSA Bank	85	Fixed	3.63%	2021/02/26	125,000	361	–	–	125,361
ABSA Bank	59	Fixed	3.65%	2021/02/05	15,000	36	–	–	15,036
ABSA Bank	96	Fixed	3.70%	2021/03/15	180,000	420	–	–	180,420
ABSA Bank	107	Fixed	3.73%	2021/03/26	150,000	353	–	–	150,353
ABSA Bank	64	Fixed	3.60%	2021/02/12	20,000	43	–	–	20,043
ABSA Bank	67	Fixed	3.63%	2021/02/19	15,000	27	–	–	15,027
ABSA Bank	32	Fixed	3.60%	2021/01/22	15,000	16	–	–	15,016
ABSA Bank	32	Fixed	3.60%	2021/01/22	40,000	43	–	–	40,043
ABSA Bank	29	Fixed	3.60%	2021/01/27	15,000	4	–	–	15,004
ABSA Bank	71	Fixed	3.75%	2021/03/12	30,000	3	–	–	30,003
ABSA Bank	71	Fixed	3.75%	2021/03/12	30,000	3	–	–	30,003
ABSA Bank	71	Fixed	3.75%	2021/03/12	60,000	6	–	–	60,006
ABSA Bank	71	Fixed	3.75%	2021/03/12	50,000	5	–	–	50,005
Firststrand	46	Fixed	3.71%	2021/01/08	100,000	315	–	–	100,315
Firststrand	85	Fixed	3.77%	2021/02/16	200,000	640	–	–	200,640
Firststrand	95	Fixed	3.79%	2021/02/26	100,000	322	–	–	100,322
Firststrand	64	Fixed	3.73%	2021/01/27	80,000	253	–	–	80,253
Firststrand	62	Fixed	3.73%	2021/01/27	35,000	111	–	–	35,111
Firststrand	58	Fixed	3.75%	2021/01/27	70,000	223	–	–	70,223
Firststrand	58	Fixed	3.75%	2021/01/27	35,000	111	–	–	35,111
Firststrand	76	Fixed	3.77%	2021/02/15	45,000	144	–	–	45,144
Firststrand	75	Fixed	3.77%	2021/02/15	40,000	124	–	–	40,124
Firststrand	74	Fixed	3.81%	2021/02/15	100,000	303	–	–	100,303
Firststrand	85	Fixed	3.83%	2021/02/26	150,000	456	–	–	150,456
Firststrand	52	Fixed	3.84%	2021/01/29	35,000	88	–	–	35,088
Firststrand	59	Fixed	3.85%	2021/02/05	30,000	76	–	–	30,076
Firststrand	96	Fixed	3.96%	2021/03/15	175,000	437	–	–	175,437
Firststrand	107	Fixed	4.08%	2021/03/26	150,000	386	–	–	150,386
Firststrand	64	Fixed	3.87%	2021/02/12	20,000	47	–	–	20,047
Firststrand	29	Fixed	3.80%	2021/01/27	20,000	6	–	–	20,006

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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 (4)	Investment Top Up	Closing Balance
R thousands	Days								
Firststrand	71	Fixed	3.90%	2021/03/12	30,000	3	—	—	30,003
Investec Bank	46	Fixed	3.35%	2021/01/08	50,000	142	—	—	50,142
Investec Bank	63	Fixed	3.30%	2021/01/15	10,000	28	—	—	10,028
Investec Bank	63	Fixed	3.30%	2021/01/15	25,000	70	—	—	25,070
Investec Bank	64	Fixed	3.35%	2021/01/27	10,000	28	—	—	10,028
Investec Bank	62	Fixed	3.38%	2021/01/27	15,000	43	—	—	15,043
Investec Bank	59	Fixed	3.50%	2021/02/05	10,000	23	—	—	10,023
Investec Bank	96	Fixed	3.55%	2021/03/15	135,000	302	—	—	135,302
Investec Bank	64	Fixed	3.50%	2021/02/12	10,000	21	—	—	10,021
Investec Bank	67	Fixed	3.65%	2021/02/19	60,000	108	—	—	60,108
Investec Bank	29	Fixed	3.50%	2021/01/27	45,000	13	—	—	45,013
NEDBANK	51	Fixed	3.35%	2021/01/07	30,000	85	—	—	30,085
NEDBANK	365	Fixed	5.50%	2021/04/30	62,100	290	—	—	62,390
NEDBANK	365	Fixed	5.50%	2021/04/30	13,900	65	—	—	13,965
NEDBANK	365	Fixed	5.50%	2021/04/30	165	1	—	—	166
NEDBANK	365	Fixed	4.50%	2021/06/30	290	1	—	—	291
NEDBANK	365	Fixed	4.50%	2021/06/30	590	2	—	—	592
Nedbank	365	Fixed	4.50%	2021/06/30	715	3	—	—	718
Nedbank	237	Fixed	3.45%	2021/06/30	1,479	4	—	—	1,483
Nedbank	63	Fixed	3.35%	2021/01/15	55,000	156	—	—	55,156
Nedbank	63	Fixed	3.35%	2021/01/15	100,000	285	—	—	100,285
Nedbank	63	Fixed	3.35%	2021/01/15	90,000	256	—	—	90,256
Nedbank	63	Fixed	3.35%	2021/01/15	20,000	57	—	—	20,057
Nedbank	63	Fixed	3.35%	2021/01/15	30,000	85	—	—	30,085
Nedbank	63	Fixed	3.35%	2021/01/15	35,000	100	—	—	35,100
Nedbank	63	Fixed	3.35%	2021/01/15	15,000	43	—	—	15,043
Nedbank	71	Fixed	3.35%	2021/01/29	40,000	114	—	—	40,114
Nedbank	62	Fixed	3.35%	2021/01/27	30,000	85	—	—	30,085
Nedbank	58	Fixed	3.35%	2021/01/27	65,000	185	—	—	65,185
Nedbank	75	Fixed	3.45%	2021/02/15	40,000	113	—	—	40,113
Nedbank	75	Fixed	3.45%	2021/02/15	40,000	113	—	—	40,113
Nedbank	74	Fixed	3.45%	2021/02/15	175,000	480	—	—	175,480
Nedbank	52	Fixed	3.45%	2021/01/29	30,000	68	—	—	30,068
Nedbank	59	Fixed	3.50%	2021/02/05	25,000	58	—	—	25,058
Nedbank	96	Fixed	3.55%	2021/03/15	145,000	324	—	—	145,324
Nedbank	107	Fixed	3.60%	2021/03/26	150,000	340	—	—	150,340
Nedbank	64	Fixed	3.50%	2021/02/12	15,000	32	—	—	15,032
Nedbank	32	Fixed	3.50%	2021/01/22	50,000	53	—	—	50,053
Nedbank	29	Fixed	3.50%	2021/01/27	15,000	4	—	—	15,004
Nedbank	71	Fixed	3.60%	2021/03/12	25,000	2	—	—	25,002
Standard Bank	63	Fixed	3.30%	2021/01/15	10,000	28	—	—	10,028
Standard Bank	63	Fixed	3.30%	2021/01/15	35,000	98	—	—	35,098
Standard Bank	63	Fixed	3.30%	2021/01/15	10,000	28	—	—	10,028
Standard Bank	63	Fixed	3.30%	2021/01/15	40,000	112	—	—	40,112
Standard Bank	63	Fixed	3.30%	2021/01/15	40,000	112	—	—	40,112
Standard Bank	63	Fixed	3.30%	2021/01/15	45,000	126	—	—	45,126
Standard Bank	63	Fixed	3.30%	2021/01/15	15,000	42	—	—	15,042
Standard Bank	63	Fixed	3.30%	2021/01/15	50,000	140	—	—	50,140
Standard Bank	75	Fixed	3.46%	2021/02/15	40,000	114	—	—	40,114
Standard Bank	75	Fixed	3.47%	2021/02/15	35,000	100	—	—	35,100
Standard Bank	74	Fixed	3.47%	2021/02/15	100,000	276	—	—	100,276

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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 (4)	Investment Top Up	Closing Balance
R thousands	Days								
Standard Bank	85	Fixed	3.49%	2021/02/26	100,000	277	–	–	100,277
Standard Bank	52	Fixed	3.44%	2021/01/29	40,000	91	–	–	40,091
Standard Bank	59	Fixed	3.45%	2021/02/05	30,000	68	–	–	30,068
Standard Bank	96	Fixed	3.57%	2021/03/15	205,000	461	–	–	205,461
Standard Bank	107	Fixed	3.61%	2021/03/26	150,000	341	–	–	150,341
Standard Bank	64	Fixed	3.46%	2021/02/12	25,000	52	–	–	25,052
Standard Bank	67	Fixed	3.47%	2021/02/19	70,000	120	–	–	70,120
Standard Bank	29	Fixed	3.50%	2021/01/27	25,000	7	–	–	25,007
ABSA Bank	-	Call deposit	3.50%	-	400,223	1,151	(30,000)	25,000	396,374
Firststrand Bank	-	Call deposit	3.35%	-	200,785	569	(786)	–	200,568
Investec Bank	-	Call deposit	3.35%	-	471,320	1,125	(201,320)	30,000	301,125
Nedbank	-	Call deposit	3.35%	-	135,416	401	(417)	20,000	155,400
Standard Bank	-	Call deposit	3.50%	-	1,173,729	2,861	(463,729)	–	712,862
Nedbank current account	-	Current account	3.30%	-	214,230	472	–	39,756	254,459
Fund Managers	-	-	-	-	6,897,184	23,041	–	–	6,920,224
Liberty, RMB and Nedbank sinking fund	-	-	-	-	2,892,826	25,202	–	–	2,918,028
Cash in transit	-	-	-	-	3,948	–	–	(1,696)	2,252
CTICC	-	-	-	-	307,442	–	–	–	307,442
ABSA IRT Bank account	-	-	-	-	13,710	–	–	1,143	14,852
COID	-	-	-	-	71,195	–	(46)	–	71,149
TOTAL INVESTMENTS AND INTEREST					18,236,248	–	(696,298)	114,202	17,722,772

Transfers and grants expenditure

Description	2019/20	Budget Year 2020/21						
	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:	645,415	6,747,281	7,293,433	307,130	393,467	(86,336)	-21.9%	7,185,731
Local Government Equitable Share	–	3,081,195	3,509,590	–	–	–	–	3,509,590
Finance Management grant	1,000	1,000	1,000	740	538	202	37.5%	1,000
Urban Settlements Development Grant	125,233	137,635	329,301	89,777	149,840	(60,063)	-40.1%	366,153
Energy Efficiency and Demand Side Management Grant	640	950	950	215	495	(280)	-56.6%	825
Dept. of Environ Affairs and Tourism	276	11,219	11,432	481	941	(460)	-48.9%	4,658
Expanded Public Works Programme	24,146	43,566	43,566	10,556	16,074	(5,518)	-34.3%	51,208
Integrated City Development Grant	2,664	14,904	14,904	1,923	3,719	(1,796)	-48.3%	31,087
Public Transport Infrastructure & Systems Grant	9,822	120,202	121,053	9,561	28,564	(19,003)	-66.5%	44,170
Infrastructure Skills Development	10,963	11,000	11,000	3,104	5,500	(2,396)	-43.6%	9,869
Public Transport Network Grant	468,257	608,396	528,401	175,028	161,849	13,179	8.1%	484,193
Neighbourhood Development Partnership Grant	–	6,900	3,800	–	–	–	–	–
Informal Settlements Upgrading Partnership Grant	–	45,427	41,427	1,037	–	1,037	100.0%	43,139
National Skills Fund	–	50,320	62,441	3,927	15,052	(11,125)	-73.9%	25,460
National Treasury General Budget Support	–	19,595	19,595	10,783	10,895	(113)	-1.0%	19,408
Peninsula Wetlands Rehabilitation Project	660	–	–	–	–	–	–	–
Special Projects	1,740	–	–	–	–	–	–	–
Terrestrial Invasive Alien Plants	15	–	–	–	–	–	–	–
Fuel Levy	–	2,594,972	2,594,972	–	–	–	–	2,594,972
Provincial Government:	1,055,292	1,421,609	1,460,589	488,662	570,735	(82,073)	-14.4%	1,523,054
Cultural Affairs and Sport - Provincial Library Services	47,110	49,192	41,287	25,138	25,122	15	0.1%	46,124
Cultural Affairs and Sport - Library Services: Transfer	5,294	5,338	5,338	923	152	771	506.1%	5,374
Human Settlements - Human Settlement Development Grant	390,687	266,999	327,184	100,248	121,100	(20,852)	-17.2%	358,729
Health - TB	30,666	81,085	81,085	9,635	9,635	–	–	32,138
Health - ARV	257,047	273,756	273,756	133,000	135,407	(2,407)	-1.8%	278,156
Health - Nutrition	5,373	6,548	6,548	2,586	3,260	(674)	-20.7%	6,548
Health - Vaccines	98,845	91,661	91,661	70,454	45,831	24,624	53.7%	112,115
Comprehensive Health	–	173,489	173,489	–	–	–	–	201,982
LEAP	79,568	417,000	417,000	131,755	218,199	(86,444)	-39.6%	431,029
Transport and Public Works - Provision for persons with special needs	11,150	10,000	10,000	5,972	4,000	1,972	49.3%	10,102
Economic Development and Tourism: Public Access Centres TSLE	–	12,689	3,590	2,157	901	1,257	139.5%	3,590
Community Safety - Law Enforcement Auxiliary Services	4,207	4,388	4,388	–	–	–	–	4,917
Community Development Workers	451	1,034	1,034	507	–	507	100.0%	2,618
Informal Settlements	927	–	–	–	–	–	–	–
Enhanced Extended Discount Benefit Scheme	31,537	–	–	–	–	–	–	–
Finance Management Support Grant	230	–	–	–	–	–	–	–
Disaster Fund	52,575	–	–	–	–	–	–	–
Finance Management Capacity Building Grant	500	400	400	–	182	(182)	-100.0%	300
Transport Safety and Compliance - Rail Safety	22,548	18,000	12,000	–	–	–	–	14,000
Establishment and Support K9 unit	4,258	2,530	2,530	–	1,265	(1,265)	-100.0%	3,207
Municipal accreditation and capacity building grant	11,897	7,500	7,500	4,506	3,882	624	16.1%	10,325
Human Settlements- Eradication of registration backlog	421	–	1,800	1,780	1,800	(19)	-1.1%	1,800
Other grant providers:	24,450	34,805	34,970	1,208	6,916	(5,709)	-82.5%	7,708
CID	8,069	3,586	3,586	1,195	1,878	(683)	-36.4%	5,272
Bergvliet High Part-time Trfc Attendant	36	50	50	–	25	(25)	-100.0%	–
Integrated Public Transport Network	12,343	15,400	15,400	–	1,041	(1,041)	-100.0%	1,500
KFW- Technical Assistance (GDB)	–	15,000	15,000	–	3,500	(3,500)	-100.0%	–
Orio - IRT Phase 2	–	770	770	–	308	(308)	-100.0%	770
Tourism	1,322	–	95	(30)	95	(125)	-132.1%	95
ACSA Traffic Officer	1,710	–	–	–	–	–	–	–
Rustenberg Junior Girls School - Traffic Attendant	36	–	–	–	–	–	–	–
Westcott Primary School - Traffic Attendant	36	–	–	–	–	–	–	–
V & A Traffic Officer	778	–	–	–	–	–	–	–
Medicins SANS Fronteries	119	–	–	–	–	–	–	–
University of Connecticut	2	–	71	43	71	(27)	-38.8%	71
Total operating expenditure of Transfers and Grants:	1,725,157	8,203,696	8,788,993	797,000	971,119	(174,118)	-17.9%	8,716,492

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Description	2019/20	Budget Year 2020/21						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Capital expenditure of Transfers and Grants								
National Government:	1,870,619	2,803,382	1,323,757	516,892	597,212	(80,321)	-13.4%	1,271,626
Minerals and Energy: Energy Efficiency and Demand Side Management Grant	–	9,050	8,050	3,363	4,000	(637)	-15.9%	8,175
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	10,425	–	–	(5)	–	(5)	-100.0%	–
National Government - Other: Previous years' Dora allocations	–	50	50	–	20	(20)	-100.0%	–
National Treasury: Expanded Public Works Programme	594	1,206	1,206	478	392	85	21.8%	1,342
National Treasury: Informal Settlements Upgrading Partnership Grant: Municipalities	–	291,515	258,721	61,953	136,495	(74,542)	-54.6%	255,709
National Treasury: Integrated City Development Grant	52,723	53,040	53,040	5,762	23,275	(17,513)	-75.2%	37,169
National Treasury: Local Government Restructuring Grant	–	280	280	123	105	18	17.1%	280
National Treasury: Neighbourhood Development Partnership Grant	42,000	59,636	28,136	96	16,000	(15,904)	-99.4%	9,800
National Treasury: Public Transport Network: Budget Facility for Infrastructure Grant	–	1,045,000	–	(3)	–	(3)	-100.0%	–
National Treasury: Urban Settlements Development Grant	1,387,491	1,007,028	707,696	366,513	305,859	60,654	19.8%	693,825
National Treasury: Municipal Disaster Recovery Grant	–	–	–	(0)	–	(0)	-	–
Transport: Public Transport Network Grant	377,386	336,578	266,578	78,612	111,066	(32,454)	-29.2%	265,327
Provincial Government:	32,710	12,446	13,592	5,436	3,270	2,166	66.3%	13,057
Housing: Integrated Housing and Human Settlement Development Grant	279	–	712	478	–	478	100.0%	712
Cultural Affairs and Sport: Library Services: Metro Library Grant	12,607	10,550	10,550	3,820	3,120	700	22.4%	11,095
Cultural Affairs and Sport: Development of Sport and Recreation Facilities	779	1,000	1,000	–	–	–	-	–
Economic Development and Tourism: Provide resources for the tourism safety law enforcement unit project	19,045	896	1,330	1,138	150	988	658.5%	1,250
Other grant providers:	65,468	67,986	67,986	36,107	33,935	2,173	6.4%	65,486
Other: Other	65,468	67,986	67,986	36,107	33,935	2,173	6.4%	65,486
Total capital expenditure of Transfers and Grants	1,968,796	2,883,814	1,405,335	558,435	634,417	(75,982)	-12.0%	1,350,169
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	3,693,953	11,087,510	10,194,328	1,355,435	1,605,535	(250,100)	-15.6%	10,066,661

Expenditure on councillor and employee benefits

Summary of Employee and Councillor remuneration	2019/20	Budget Year 2020/21						
	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	143 964	154 911	154 911	71 394	71 455	(60)	-0.1%	154 911
Pension and UIF Contributions	5 100	6 358	6 358	2 634	2 680	(46)	-1.7%	6 358
Motor Vehicle Allowance	475	638	638	243	268	(25)	-9.3%	638
Cellphone Allowance	9 372	9 544	9 544	4 659	4 829	(170)	-3.5%	9 544
Other benefits and allowances	8 609	18 225	18 225	4 282	4 351	(69)	-1.6%	18 225
Sub Total - Councillors	167 521	189 675	189 675	83 212	83 583	(371)	-0.4%	189 675
% increase		13.2%	13.2%					13.2%
<u>Senior Managers of the Municipality</u>								
Basic Salaries and Wages	27 514	32 580	30 998	15 645	15 725	(80)	-0.51%	30 998
Pension and UIF Contributions	2 352	3 742	3 175	1 471	1 587	(117)	-7.36%	3 175
Medical Aid Contributions	150	185	185	86	93	(6)	-6.98%	185
Motor Vehicle Allowance	641	643	603	302	301	1	0.36%	603
Cellphone Allowance	192	290	290	150	146	4	2.83%	290
Other benefits and allowances	334	67	67	31	34	(2)	-7.27%	68
Payments in lieu of leave	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality	31 183	37 507	35 317	17 686	17 886	(200)	-1.1%	35 318
% increase		20.3%	13.3%					13.9%
<u>Other Municipal Staff</u>								
Basic Salaries and Wages	9 010 509	10 771 328	10 805 840	5 056 326	5 509 155	(452 829)	-8.2%	10 231 628
Pension and UIF Contributions	1 394 775	1 751 417	1 679 678	748 713	831 253	(82 539)	-9.9%	1 586 214
Medical Aid Contributions	823 268	901 410	901 410	436 525	449 809	(13 284)	-3.0%	900 544
Overtime	763 953	698 138	706 782	400 704	284 767	115 937	40.7%	826 053
Motor Vehicle Allowance	209 435	248 056	248 126	104 408	122 464	(18 055)	-14.7%	250 658
Cellphone Allowance	22 764	26 834	24 456	20 964	14 183	6 780	47.8%	30 716
Housing Allowances	65 086	69 645	69 645	34 354	34 768	(414)	-1.2%	69 603
Other benefits and allowances	289 411	306 112	309 251	161 615	141 576	20 039	14.2%	321 098
Payments in lieu of leave	292 120	86 607	87 723	60 045	45 472	14 573	32.0%	88 760
Long service awards	73 555	49 434	49 034	823	22 545	(21 722)	-96.4%	48 522
Post-retirement benefit obligations	(176 418)	280 120	280 120	136 960	137 533	(573)	-0.42%	509 590
Sub Total - Other Municipal Staff	12 768 458	15 189 101	15 162 067	7 161 436	7 593 524	(432 088)	-5.69%	14 863 386
% increase		19.0%	18.7%					16.4%
Total Parent Municipality	12 967 162	15 416 283	15 387 059	7 262 334	7 694 994	(432 660)	-5.6%	15 088 379

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	(60)	-0.1%	Immaterial variance.	-
Pension and UIF Contributions	(46)	-1.7%	Immaterial variance.	-
Medical Aid Contributions	–	–	–	–
Motor Vehicle Allowance	(25)	-9.3%	Immaterial variance.	–
Cellphone Allowance	(170)	-3.5%	Immaterial variance.	–
Housing Allowances	–	–	–	–
Other benefits and allowances	(69)	-1.6%	Immaterial variance.	–
<u>Senior Managers of the Municipality</u>				
Basic Salaries and Wages	(80)	-0.5%	Immaterial variance.	–
Pension and UIF Contributions	(117)	-7.4%	Immaterial variance.	–
Medical Aid Contributions	(6)	-7.0%	Immaterial variance.	–
Motor Vehicle Allowance	1	0.4%	Immaterial variance.	–
Cellphone Allowance	4	2.8%	Immaterial variance.	–
Other benefits and allowances	(2)	-7.3%	Immaterial variance.	–
Payments in lieu of leave	–	–	Immaterial variance.	–
<u>Other Municipal Staff</u>				
Basic Salaries and Wages	(452,829)	-8.2%	The variance is mainly due to: 1. The turnaround time in filling vacancies; 2. The internal filling of vacancies; 3. Slower than planned implementation of job creation projects; and 4. The temporary hold placed on vacancies across all directorates.	The City had 2691 vacancies as at 31 December 2020; 1038 positions were filled (457 internal and 581 external) with 914 terminations processed since the beginning of the financial year. Filling of vacancies is ongoing and seasonal staff are appointed as and when required.
Pension and UIF Contributions	(82,539)	-9.9%	The variance is mainly due to the turnaround time in filling of vacancies and the internal filling of vacancies.	Filling of vacancies is on-going.
Medical Aid Contributions	(13,284)	-3.0%	The variance is mainly due to the turnaround time in filling of vacancies and the internal filling of vacancies.	Filling of vacancies is on-going.
Overtime	115,937	40.7%	The variance is mainly within the following directorates: 1. Safety & Security, due to land invasion operations that required officers to work extended hours in order to safeguard Council property; 2. Water & Waste, due to vehicle, mechanical and electrical breakdowns resulting in staff working additional hours as well as the need for internal staff to perform waste removal services in Delft as the contract has expired; and 3. Energy & Climate Change, where loadshedding, adverse weather conditions and an increase in vandalism contributed to over expenditure on non-structured overtime.	Budget provisions to be reviewed and adjusted in the January 2021 adjustments budget.

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Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Motor Vehicle Allowance	(18,055)	-14.7%	The variance is mainly due to the turnaround time in filling of vacancies and the internal filling of vacancies.	Filling of vacancies is on-going.
Cellphone Allowance	6,780	47.8%	The variance is due to an increase in cell phone allowances to qualifying employees as well as to staff who are working remotely.	Budget provisions to be reviewed and adjusted in the January 2021 adjustments budget.
Housing Allowances	(414)	-1.2%	Immaterial variance.	-
Other benefits and allowances	20,039	14.2%	The variance is mainly on Standby allowances within the following directorates: 1. Safety & Security, due to land invasion operations requiring more officers to be on standby; and 2. Energy & Climate change, due to an increase in vandalism and the impact of load shedding especially in the high risk areas.	Filling of vacancies is on-going.
Payments in lieu of leave	14,573	32.0%	Payments are linked to resignation and retirement of employees, which is difficult to plan accurately .	Budget provisions to be reviewed and adjusted in the January 2021 adjustments budget.
Long service awards	(21,722)	-96.4%	Payments are dependent on when qualifying employees exercise their option to convert leave days to cash.	The balance of the budgetary provisions will be transferred to the leave provision in accordance with GRAP 19 as these relate to the vested leave benefits owed to employees.
Post-retirement benefit obligations	(573)	-0.4%	Immaterial variance.	-

Monthly actual and targets for cash flow

Description	Budget Year 2020/21												2020/21 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 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands															
Cash Receipts By Source															
Property rates	822,481	779,757	889,681	792,883	917,971	939,189	907,471	866,810	902,692	778,823	884,058	654,648	10,136,463	11,355,510	12,413,264
Service charges - electricity revenue	1,198,692	1,524,866	1,461,451	1,016,044	1,117,827	1,163,394	1,138,498	1,116,602	1,194,640	1,270,974	1,271,635	257,906	13,732,530	15,434,488	16,687,341
Service charges - water revenue	211,735	218,781	244,207	256,663	242,408	260,857	210,481	208,302	203,747	208,203	212,999	54,331	2,532,715	3,420,520	3,729,165
Service charges - sanitation revenue	110,436	109,383	121,859	135,283	123,792	130,684	90,823	86,230	85,394	85,792	87,787	(36,401)	1,131,061	1,659,227	1,804,720
Service charges - refuse	85,526	78,898	85,720	91,731	111,244	114,981	90,455	90,112	90,766	90,700	90,518	(52,404)	968,248	1,152,671	1,232,482
Rental of facilities and equipment	15,238	15,879	17,412	17,203	19,142	26,605	10,243	9,648	10,995	10,922	10,867	(2,717)	161,436	279,365	306,952
Interest earned - external investments	74,087	57,373	80,143	80,068	67,993	90,312	73,232	71,169	72,179	72,335	69,478	167,735	976,104	879,286	911,609
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	13,015	12,723	15,353	25,291	15,349	14,343	17,883	18,200	20,355	17,941	20,295	21,919	212,667	210,133	215,481
Licences and permits	14,714	41,456	38,294	29,336	35,437	26,633	29,905	27,070	18,562	27,347	28,364	(9,790)	307,327	354,810	378,968
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	1,486,276	134,871	-	107,321	494,714	1,371,291	58,180	572,550	1,263,876	-	-	638,473	6,127,552	5,573,928	6,020,849
Other revenue	249,850	874,120	204,230	422,781	186,916	895,177	83,532	48,505	1,063,279	13,444	15,924	(771,020)	3,286,739	3,614,848	3,771,265
Cash Receipts by Source	4,282,050	3,848,104	3,158,350	2,974,605	3,332,794	5,033,467	2,710,705	3,115,197	4,926,485	2,576,480	2,691,924	922,682	39,572,841	43,934,786	47,472,097
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	737,174	-	78,054	-	-	145,788	68,555	64,133	93,625	-	-	689,664	1,876,994	3,372,845	3,466,180
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	-	-	-	-	-	-	-	-	-	-	-	65,486	65,486	67,161	92,349
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	54,000	54,000	52,490	55,120
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000,000	5,000,000
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	(13,344)	(13,344)	49,726	54,699
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	963	963	2,797	2,308
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	(298,475)	(298,475)	(332,578)	(366,220)
Total Cash Receipts by Source	5,019,224	3,848,104	3,236,405	2,974,605	3,332,794	5,179,255	2,779,260	3,179,329	5,020,110	2,576,480	2,691,924	1,420,975	41,258,465	52,147,227	55,776,533

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City of Cape Town: S52 Annexure A – 2021 Q2 (December 2020)

Description	Budget Year 2020/21												2020/21 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 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousands															
Cash Payments by Type															
Employee related costs	1,129,775	1,120,535	946,533	1,356,468	1,742,502	1,161,404	1,239,260	1,275,208	1,284,538	1,286,222	1,269,378	786,331	14,598,154	16,509,611	17,874,850
Remuneration of councillors	13,222	13,210	13,099	13,005	13,150	13,245	15,221	15,106	15,881	15,879	17,611	31,047	189,675	201,018	213,099
Interest paid	38,165	–	148,552	–	47,374	135,936	35,595	–	145,663	–	44,876	157,168	753,329	1,247,762	1,722,941
Bulk purchases - Electricity	1,085,623	1,210,978	1,141,861	730,703	719,985	700,630	680,492	700,970	661,000	686,231	691,654	575,088	9,585,215	10,578,308	11,461,549
Bulk purchases - Water & Sewer	43,544	24,914	26,080	20,423	22,655	26,532	35,697	41,733	40,837	39,372	35,263	51,266	408,316	513,776	582,495
Other materials	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Contracted services	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Grants and subsidies paid - other municipalities	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Grants and subsidies paid - other	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
General expenses	1,899,773	704,968	945,931	1,037,523	958,141	1,350,120	696,394	730,015	1,041,946	890,116	717,689	1,309,577	12,282,194	11,873,832	12,512,499
Cash Payments by Type	4,210,102	3,074,605	3,222,055	3,158,122	3,503,808	3,387,866	2,702,659	2,763,032	3,189,865	2,917,821	2,776,471	2,910,477	37,816,884	40,924,307	44,367,433
Other Cash Flows/Payments by Type															
Capital assets	793,136	401,452	440,147	501,710	508,049	553,783	298,675	388,341	643,724	785,065	1,041,758	284,990	6,640,831	8,645,251	9,576,991
Repayment of borrowing	50,000	–	79,481	–	42,933	13,333	50,000	–	79,481	–	42,933	13,333	371,495	721,495	1,708,161
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	5,053,238	3,476,058	3,741,683	3,659,832	4,054,790	3,954,983	3,051,333	3,151,373	3,913,070	3,702,886	3,861,162	3,208,801	44,829,209	50,291,053	55,652,585
NET INCREASE/(DECREASE) IN CASH HELD	(34,014)	372,046	(505,278)	(685,226)	(721,996)	1,224,272	(272,073)	27,956	1,107,041	(1,126,406)	(1,169,238)	(1,787,826)	(3,570,744)	1,856,175	123,948
Cash/cash equivalents at the month/year beginning:	9,366,569	9,332,554	9,704,600	9,199,322	8,514,095	7,792,099	9,016,371	8,744,298	8,772,254	9,879,295	8,752,889	7,583,650	9,366,569	5,795,825	7,651,999
Cash/cash equivalents at the month/year end:	9,332,554	9,704,600	9,199,322	8,514,095	7,792,099	9,016,371	8,744,298	8,772,254	9,879,295	8,752,889	7,583,650	5,795,825	5,795,825	7,651,999	7,775,947

Capital expenditure trend

Month	2019/20	Budget Year 2020/21						
	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	31,156	159,598	201,680	165,244	201,680	36,436	18.1%	1.7%
August	259,051	457,617	523,351	630,723	725,030	94,308	13.0%	6.6%
September	392,033	490,663	510,076	1,157,103	1,235,107	78,004	6.3%	12.0%
October	494,572	545,619	559,921	1,683,227	1,795,028	111,801	6.2%	17.5%
November	582,632	579,300	577,768	2,280,913	2,372,796	91,883	3.9%	23.7%
December	710,978	589,830	588,125	2,907,891	2,960,920	53,029	1.8%	30.3%
January	278,409	398,861	443,516		3,404,436	–		
February	423,865	702,564	672,611		4,077,047	–		
March	661,884	1,036,112	930,773		5,007,820	–		
April	364,706	852,874	801,956		5,809,776	–		
May	298,158	937,782	983,452		6,793,228	–		
June	1,473,225	2,855,055	1,871,339		8,664,567	–		
Total Capital expenditure	5,970,668	9,605,874	8,664,567					

Capital expenditure on new assets by asset class

Description	2019/20	Budget Year 2020/21						
	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	1,756,487	3,558,355	2,681,672	975,047	1,002,063	(27,016)	-2.7%	2,458,827
Roads Infrastructure	788,372	1,422,501	834,365	351,009	405,206	(54,197)	-13.4%	566,295
Roads	788,372	1,422,501	834,365	351,009	405,206	(54,197)	-13.4%	566,295
Storm water Infrastructure	2,741	149,603	7,969	–	2,847	(2,847)	-100.0%	125,381
Drainage Collection	2,741	149,603	7,969	–	2,847	(2,847)	-100.0%	125,381
Electrical Infrastructure	186,867	463,936	459,750	147,022	143,949	3,073	2.1%	426,664
Power Plants	–	3,000	3,000	–	1,000	(1,000)	-100.0%	3,000
HV Substations	149,153	399,936	397,094	123,031	114,645	8,387	7.3%	361,601
MV Networks	5,205	–	–	(0)	–	(0)	-100.0%	–
LV Networks	32,509	61,000	59,656	23,991	28,304	(4,313)	-15.2%	62,062
Water Supply Infrastructure	610,209	670,613	594,591	259,693	185,372	74,321	40.1%	747,694
Reservoirs	491,198	462,776	459,445	191,978	128,229	63,748	49.7%	490,849
Water Treatment Works	6,752	5,200	5,200	2,680	1,196	1,484	124.0%	–
Bulk Mains	20,862	51,165	51,165	20,046	12,825	7,221	56.3%	50,471
Distribution	91,396	151,472	78,782	44,989	43,121	1,868	4.3%	206,374
Sanitation Infrastructure	84,352	401,274	324,946	132,592	113,751	18,841	16.6%	299,291
Reticulation	34,562	146,208	69,880	15,109	12,951	2,158	16.7%	110,414
Waste Water Treatment Works	49,790	255,066	255,066	117,484	100,800	16,684	16.6%	188,876
Outfall Sewers	–	–	–	–	–	–	–	–
Solid Waste Infrastructure	60,885	400,302	409,925	70,853	135,794	(64,942)	-47.8%	259,391
Landfill Sites	60,885	400,302	409,925	70,853	135,794	(64,942)	-47.8%	259,391
Coastal Infrastructure	–	764	764	–	–	–	–	336
Promenades	–	764	764	–	–	–	–	336
Information and Communication Infrastructure	23,061	49,363	49,363	13,878	15,144	(1,265)	-8.4%	33,775
Data Centres	23,061	49,363	49,363	13,878	15,144	(1,265)	-8.4%	33,775
Community Assets	205,870	227,789	240,962	67,191	90,564	(23,373)	-25.8%	215,378
Community Facilities	205,512	226,754	238,491	66,541	89,252	(22,711)	-25.4%	212,906
Halls	144	–	103	–	13	(13)	-100.00%	111
Centres	65	49	823	29	–	29	100.00%	35
Clinics/Care Centres	12,374	39,856	30,563	2,195	12,317	(10,122)	-82.2%	16,292
Fire/Ambulance Stations	2,327	1,500	792	–	792	(792)	-100.0%	792
Museums	77	44	44	–	44	(44)	-100.0%	44
Theatres	51	–	69	50	69	(19)	-27.5%	69
Libraries	59	3,875	3,075	–	2,675	(2,675)	-100.0%	–
Cemeteries/Crematoria	11,730	–	1,196	1,127	778	350	45.0%	2,972
Public Open Space	1,261	4,179	1,857	35	1,036	(1,001)	-96.6%	238
Nature Reserves	841	20,997	24,151	7,508	14,783	(7,274)	-49.2%	24,051
Markets	251	619	739	62	120	(58)	-48.4%	739
Taxi Ranks/Bus Terminals	176,333	155,636	175,081	55,536	56,628	(1,092)	-1.9%	167,564
Sport and Recreation Facilities	358	1,035	2,472	650	1,312	(662)	-50.4%	2,472
Outdoor Facilities	358	1,035	2,472	650	1,312	(662)	-50.4%	2,472
Heritage assets	–	30	30	–	30	(30)	-100.0%	30
Works of Art	–	30	30	–	30	(30)	-100.0%	30
Other assets	110,052	350,005	308,845	32,630	41,667	(9,037)	-21.7%	136,800
Operational Buildings	102,537	312,591	287,295	22,981	32,667	(9,686)	-29.7%	102,218
Municipal Offices	70,467	280,628	247,456	18,989	23,307	(4,317)	-18.5%	77,564
Depots	32,070	31,963	39,839	3,992	9,361	(5,369)	-57.4%	24,654
Housing	7,515	37,414	21,550	9,650	9,000	650	7.2%	34,582
Social Housing	7,515	37,414	21,550	9,650	9,000	650	7.2%	34,582
Intangible Assets	26,316	27,513	28,176	5,069	6,504	(1,434)	-22.1%	14,733
Licences and Rights	26,316	27,513	28,176	5,069	6,504	(1,434)	-22.1%	14,733
Computer Software and Applications	26,316	27,513	28,176	5,069	6,504	(1,434)	-22.1%	14,733
Computer Equipment	73,936	142,907	149,530	56,750	37,341	19,408	52.0%	138,362
Computer Equipment	73,936	142,907	149,530	56,750	37,341	19,408	52.0%	138,362
Furniture and Office Equipment	98,279	159,477	165,230	50,041	75,609	(25,568)	-33.8%	196,799
Furniture and Office Equipment	98,279	159,477	165,230	50,041	75,609	(25,568)	-33.8%	196,799
Machinery and Equipment	52,465	68,158	43,423	8,108	13,789	(5,681)	-41.2%	70,764
Machinery and Equipment	52,465	68,158	43,423	8,108	13,789	(5,681)	-41.2%	70,764
Transport Assets	207,284	106,913	132,042	31,489	38,665	(7,176)	-18.6%	76,474
Transport Assets	207,284	106,913	132,042	31,489	38,665	(7,176)	-18.6%	76,474
Land	38,644	33,000	19,271	7,893	–	7,893	100.0%	21,162
Land	38,644	33,000	19,271	7,893	–	7,893	100.0%	21,162
Total Capital Expenditure on new assets	2,569,335	4,674,148	3,769,182	1,234,220	1,306,233	(72,014)	-5.5%	3,329,328

Capital expenditure on renewal of existing assets by asset class

Description	2019/20	Budget Year 2020/21						
	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	811,745	1,345,496	1,291,724	435,083	392,109	42,974	11.0%	1,044,513
Roads Infrastructure	116,938	172,641	164,450	57,974	58,828	(854)	-1.5%	137,838
Roads	116,938	172,641	164,450	57,974	58,828	(854)	-1.5%	137,838
Storm water Infrastructure	16,684	54,608	28,595	5,419	3,288	2,132	64.83%	20,488
Drainage Collection	16,684	54,608	28,595	5,419	3,288	2,132	64.83%	20,488
Electrical Infrastructure	271,821	430,377	428,906	122,046	142,116	(20,071)	-14.1%	296,610
HV Substations	89,337	97,023	98,015	29,937	33,845	(3,908)	-11.5%	77,902
MV Substations	4,476	59,250	59,250	6,060	17,593	(11,532)	-65.6%	30,000
MV Networks	142,310	227,641	227,641	65,588	72,998	(7,410)	-10.2%	143,208
LV Networks	35,697	46,463	44,000	20,460	17,680	2,780	15.7%	45,500
Water Supply Infrastructure	214,005	297,000	331,800	143,799	109,313	34,486	31.5%	299,000
Reservoirs	197	-	27,300	51	13,780	(13,730)	-99.6%	-
Bulk Mains	48,822	73,000	81,000	59,626	19,783	39,843	201.4%	84,000
Distribution	164,986	224,000	223,500	84,123	75,750	8,373	11.1%	215,000
Sanitation Infrastructure	188,287	383,301	327,451	104,862	76,153	28,710	37.7%	284,906
Pump Station	54,353	25,032	29,286	18,173	14,765	3,408	23.1%	37,291
Reticulation	46,992	78,000	77,500	44,296	36,700	7,596	20.7%	82,732
Waste Water Treatment Works	84,647	133,742	142,842	34,400	24,688	9,713	39.3%	79,384
Outfall Sewers	2,296	146,527	77,823	7,994	-	7,994	100.0%	85,500
Solid Waste Infrastructure	189	-	-	-	-	-	-	-
Landfill Sites	189	-	-	-	-	-	-	-
Information and Communication Infrastructure	3,822	7,569	10,521	982	2,412	(1,429)	-59.3%	5,671
Data Centres	3,822	7,569	10,521	982	2,412	(1,429)	-59.3%	5,671
Community Assets	8,320	33,648	34,014	13,423	11,900	1,523	12.80%	52,752
Community Facilities	8,320	31,748	30,429	10,591	11,100	(509)	-4.58%	42,967
Halls	-	4,768	4,768	-	-	-	-	4,768
Clinics/Care Centres	-	5,000	3,000	601	700	(99)	-14.2%	734
Public Open Space	781	1,000	881	88	-	88	100.0%	881
Markets	-	-	-	-	-	-	-	9,804
Taxi Ranks/Bus Terminals	7,538	20,980	21,780	9,903	10,400	(497)	-4.78%	26,780
Sport and Recreation Facilities	-	1,900	3,585	2,831	800	2,031	253.91%	9,785
Outdoor Facilities	-	1,900	3,585	2,831	800	2,031	253.91%	9,785
Heritage assets	988	1,257	1,044	597	57	541	955.8%	902
Monuments	988	1,257	1,044	597	57	541	955.8%	902
Other assets	138,715	178,651	173,041	45,009	83,483	(38,474)	-46.1%	148,347
Operational Buildings	11,322	53,389	47,752	8,881	12,000	(3,119)	-26.0%	38,566
Municipal Offices	8,423	50,705	44,837	8,508	10,709	(2,201)	-20.6%	37,120
Laboratories	199	345	345	60	60	0	0.7%	345
Depots	2,700	2,339	2,570	313	1,231	(918)	-74.6%	1,101
Housing	127,394	125,261	125,289	36,128	71,483	(35,354)	-49.5%	109,781
Social Housing	127,394	125,261	125,289	36,128	71,483	(35,354)	-49.5%	109,781
Intangible Assets	6,491	7,000	9,524	651	5,224	(4,572)	-87.5%	7,524
Licences and Rights	6,491	7,000	9,524	651	5,224	(4,572)	-87.5%	7,524
Computer Software and Applications	6,491	7,000	9,524	651	5,224	(4,572)	-87.5%	7,524
Computer Equipment	121,392	113,499	128,773	67,410	85,187	(17,777)	-20.9%	135,185
Computer Equipment	121,392	113,499	128,773	67,410	85,187	(17,777)	-20.9%	135,185
Furniture and Office Equipment	34,607	27,827	20,366	3,950	7,216	(3,266)	-45.3%	25,754
Furniture and Office Equipment	34,607	27,827	20,366	3,950	7,216	(3,266)	-45.3%	25,754
Machinery and Equipment	5,474	67,398	63,824	4,248	5,107	(860)	-16.8%	35,638
Machinery and Equipment	5,474	67,398	63,824	4,248	5,107	(860)	-16.8%	35,638
Transport Assets	575,088	602,555	607,887	276,959	273,518	3,441	1.26%	594,901
Transport Assets	575,088	602,555	607,887	276,959	273,518	3,441	1.26%	594,901
Total Capital Expenditure on renewal of existing assets	1,702,820	2,377,329	2,330,195	847,330	863,800	(16,470)	-1.9%	2,045,516

Capital expenditure on upgrading of existing assets by asset class

Description	2019/20	Budget Year 2020/21						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class								
Infrastructure	1,121,167	1,431,592	1,387,582	465,414	352,139	113,275	32.2%	1,044,812
Roads Infrastructure	292,871	196,913	248,114	62,781	122,127	(59,347)	-48.6%	153,651
Roads	292,871	196,913	248,114	62,781	122,127	(59,347)	-48.6%	153,651
Storm water Infrastructure	1,988	108,747	80,000	168	25,000	(24,832)	-99.33%	23,079
Drainage Collection	1,988	108,747	80,000	168	25,000	(24,832)	-99.33%	23,079
Electrical Infrastructure	23,364	25,578	25,578	728	2,841	(2,112)	-74.36%	6,580
HV Substations	23,364	25,578	25,578	728	2,841	(2,112)	-74.36%	6,580
Water Supply Infrastructure	58,909	64,846	52,249	15,950	14,166	1,784	12.6%	61,814
Reservoirs	12,127	7,685	7,685	3,688	1,490	2,198	147.6%	7,685
Distribution	46,781	57,161	44,564	12,262	12,676	(414)	-3.3%	54,129
Sanitation Infrastructure	637,357	929,249	864,352	355,084	127,304	227,781	178.9%	711,654
Reticulation	1,409	19,462	2,214	–	2,214	(2,214)	-100.00%	13,697
Waste Water Treatment Works	635,948	909,788	862,139	355,084	125,090	229,994	183.9%	697,957
Solid Waste Infrastructure	75,204	61,724	69,834	27,387	38,995	(11,608)	-29.8%	64,225
Landfill Sites	75,204	61,724	69,834	27,387	38,995	(11,608)	-29.8%	64,225
Coastal Infrastructure	1,222	28,580	25,631	1,720	2,703	(984)	-36.4%	8,973
Promenades	1,222	28,580	25,631	1,720	2,703	(984)	-36.4%	8,973
Information and Communication Infrastructure	30,253	15,954	21,824	1,596	19,004	(17,408)	-91.6%	14,835
Data Centres	30,253	15,954	21,824	1,596	19,004	(17,408)	-91.6%	14,835
Community Assets	253,370	626,793	619,457	214,640	247,473	(32,833)	-13.3%	541,068
Community Facilities	130,073	283,703	252,320	48,049	101,330	(53,281)	-52.6%	207,726
Halls	923	35,600	25,615	–	14,248	(14,248)	-100.0%	13,131
Centres	14,413	21,271	21,535	5,985	7,953	(1,968)	-24.74%	14,887
Clinics/Care Centres	49,645	51,694	45,071	6,869	17,661	(10,791)	-61.1%	42,909
Fire/Ambulance Stations	707	–	1,856	1,701	1,856	(154)	-8.31%	1,856
Museums	–	4,200	4,200	–	2,100	(2,100)	-100.00%	4,016
Theatres	–	40	40	33	40	(7)	-18.25%	40
Libraries	7,396	8,650	8,795	1,871	2,339	(468)	-20.00%	9,063
Cemeteries/Crematoria	7,221	35,330	29,297	343	8,655	(8,312)	-96.0%	10,154
Public Open Space	30,530	76,194	74,188	19,389	29,350	(9,960)	-33.9%	70,969
Nature Reserves	2,140	6,024	6,024	352	908	(556)	-61.21%	3,648
Public Ablution Facilities	4,654	3,030	3,030	35	930	(895)	-96.27%	3,030
Taxi Ranks/Bus Terminals	12,444	41,669	32,669	11,469	15,290	(3,821)	-25.0%	34,025
Sport and Recreation Facilities	123,296	343,091	367,137	166,592	146,143	20,448	14.0%	333,342
Indoor Facilities	36,350	37,678	54,250	8,654	25,849	(17,194)	-66.5%	25,899
Outdoor Facilities	86,947	305,413	312,887	157,937	120,294	37,643	31.3%	307,443
Heritage assets	17	17,466	25,666	16,607	8,466	8,141	96.15%	32,038
Monuments	17	17,466	25,666	16,607	8,466	8,141	96.15%	32,038
Other assets	291,541	396,615	441,957	110,341	157,236	(46,895)	-29.8%	307,600
Operational Buildings	241,580	382,205	413,839	108,757	140,306	(31,550)	-22.5%	283,180
Municipal Offices	159,610	241,789	262,259	58,974	76,249	(17,274)	-22.7%	153,387
Yards	180	13,307	11,999	2,741	4,859	(2,118)	-43.6%	11,479
Training Centres	–	600	600	82	–	82	100.0%	600
Depots	81,790	126,509	138,981	46,959	59,198	(12,240)	-20.7%	117,714
Housing	49,961	14,410	28,118	1,585	16,930	(15,345)	-90.6%	24,419
Social Housing	49,961	14,410	28,118	1,585	16,930	(15,345)	-90.6%	24,419
Intangible Assets	14,700	37,351	54,922	13,273	18,571	(5,298)	-28.5%	41,178
Licences and Rights	14,700	37,351	54,922	13,273	18,571	(5,298)	-28.5%	41,178
Computer Software and Applications	14,700	37,351	54,922	13,273	18,571	(5,298)	-28.5%	41,178
Computer Equipment	194	28,680	22,890	1,888	965	923	95.61%	23,624
Computer Equipment	194	28,680	22,890	1,888	965	923	95.61%	23,624
Furniture and Office Equipment	13,409	6,277	5,779	1,694	1,865	(171)	-9.18%	6,902
Furniture and Office Equipment	13,409	6,277	5,779	1,694	1,865	(171)	-9.18%	6,902
Machinery and Equipment	4,115	9,623	6,937	2,485	4,172	(1,686)	-40.42%	6,834
Machinery and Equipment	4,115	9,623	6,937	2,485	4,172	(1,686)	-40.42%	6,834
Total Capital Expenditure on upgrading of existing assets	1,698,513	2,554,397	2,565,190	826,342	790,887	35,455	4.5%	2,004,056

Expenditure on repairs and maintenance by asset class

Description	2019/20	Budget Year 2020/21						
	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	350,947	2,152,113	2,148,466	847,338	908,832	(61,494)	-6.8%	1,864,224
Roads Infrastructure	–	699,707	699,707	177,753	265,348	(87,596)	-33.0%	572,879
Roads	–	699,707	699,707	177,753	265,348	(87,596)	-33.0%	572,879
Storm water Infrastructure	2,862	–	–	–	–	–	-	92,428
Drainage Collection	2,862	–	–	–	–	–	-	92,428
Electrical Infrastructure	101,635	518,758	518,758	204,391	250,164	(45,773)	-18.3%	519,720
Power Plants	4,899	18,299	18,299	8,433	8,199	234	2.9%	18,299
HV Substations	–	28,350	28,350	12,413	13,838	(1,425)	-10.3%	28,915
MV Substations	–	335,065	335,065	137,958	161,943	(23,985)	-14.8%	336,219
LV Networks	96,736	137,043	137,043	45,587	66,185	(20,597)	-31.1%	136,287
Water Supply Infrastructure	168,937	482,769	479,025	202,153	222,818	(20,665)	-9.3%	340,308
Boreholes	35,505	–	–	–	–	–	-	–
Reservoirs	–	41,137	41,137	13,462	17,425	(3,962)	-22.7%	29,650
Pump Stations	184	64,379	67,048	21,257	29,145	(7,888)	-27.1%	32,003
Water Treatment Works	3,853	44,562	44,562	23,231	21,057	2,174	10.3%	32,968
Bulk Mains	–	13,883	11,781	2,795	4,842	(2,048)	-42.3%	1,745
Distribution	129,395	318,808	314,497	141,408	150,349	(8,941)	-5.9%	243,941
Sanitation Infrastructure	67,713	448,506	448,603	262,560	169,459	93,101	54.9%	329,770
Pump Station	818	–	–	–	–	–	-	–
Reticulation	–	307,917	308,014	178,077	110,181	67,897	61.6%	180,783
Waste Water Treatment Works	66,887	128,428	128,428	83,146	53,726	29,420	54.8%	143,398
Outfall Sewers	8	12,161	12,161	1,337	5,552	(4,215)	-75.9%	5,589
Solid Waste Infrastructure	9,799	2,372	2,372	482	1,043	(562)	-53.8%	9,119
Landfill Sites	9,799	2,372	2,372	482	1,043	(562)	-53.8%	9,119
Community Assets	398,206	870,209	829,066	195,495	376,914	(181,419)	-48.1%	430,214
Community Facilities	395,825	107,165	112,165	35,334	46,239	(10,905)	-23.6%	358,822
Halls	15,721	38,041	43,041	13,838	17,242	(3,404)	-19.7%	21,322
Centres	45	6,750	6,750	5,525	1,742	3,783	217.1%	7,405
Clinics/Care Centres	–	8,637	8,637	4,635	4,335	300	6.9%	7,830
Fire/Ambulance Stations	–	4,930	4,930	330	2,290	(1,959)	-85.6%	2,500
Testing Stations	–	–	–	–	–	–	-	9,809
Museums	249,326	–	–	–	–	–	-	–
Libraries	7,706	11,427	11,427	1,107	5,134	(4,026)	-78.4%	4,189
Cemeteries/Crematoria	984	23,520	23,520	5,185	8,848	(3,663)	-41.4%	13,502
Parks	120,539	–	–	–	–	–	-	–
Public Open Space	–	–	–	–	–	–	-	272,786
Nature Reserves	1,106	5,508	5,508	1,275	3,683	(2,408)	-65.4%	3,444
Public Ablution Facilities	399	6,074	6,074	3,439	2,900	539	18.6%	13,229
Markets	–	2,278	2,278	–	67	(67)	-100.0%	2,806
Sport and Recreation Facilities	2,381	763,044	716,901	160,161	330,675	(170,514)	-51.6%	71,392
Indoor Facilities	–	25	25	22	23	(1)	-4.1%	8,460
Outdoor Facilities	2,381	763,019	716,876	160,139	330,651	(170,513)	-51.6%	62,932
Heritage assets	–	1,455	1,455	27	325	(298)	-91.6%	1,689
Works of Art	–	1,455	1,455	27	325	(298)	-91.6%	1,689
Investment properties	–	205	205	11	131	(120)	-91.6%	280
Revenue Generating	–	195	195	11	121	(110)	-90.9%	271
Improved Property	–	195	195	11	121	(110)	-90.9%	271
Non-revenue Generating	–	10	10	–	10	(10)	-100.0%	9
Unimproved Property	–	10	10	–	10	(10)	-100.0%	9
Other assets	52,578	187,527	188,610	43,236	53,864	(10,627)	-19.7%	290,286
Operational Buildings	52,578	187,527	188,610	43,236	53,864	(10,627)	-19.7%	277,379
Municipal Offices	25,731	180,631	181,714	42,700	50,446	(7,746)	-15.4%	264,662
Workshops	6,045	–	–	–	–	–	-	–
Laboratories	–	2,144	2,144	423	1,106	(683)	-61.7%	2,082
Training Centres	20,802	435	435	108	153	(45)	-29.4%	597
Depots	–	4,317	4,317	5	2,158	(2,154)	-99.8%	10,038
Housing	–	–	–	–	–	–	-	12,907
Social Housing	–	–	–	–	–	–	-	12,907
Computer Equipment	42,853	248,211	253,495	110,553	99,125	11,428	11.5%	377,323
Computer Equipment	42,853	248,211	253,495	110,553	99,125	11,428	11.5%	377,323
Furniture and Office Equipment	65	634,414	631,682	244,847	224,908	19,939	8.9%	680,252
Furniture and Office Equipment	65	634,414	631,682	244,847	224,908	19,939	8.9%	680,252
Machinery and Equipment	–	–	–	–	–	–	–	2,665
Machinery and Equipment	–	–	–	–	–	–	–	2,665
Transport Assets	265,391	481,265	481,265	130,394	182,665	(52,271)	-28.6%	402,686
Transport Assets	265,391	481,265	481,265	130,394	182,665	(52,271)	-28.6%	402,686
Total Repairs and Maintenance Expenditure	1,110,039	4,575,398	4,534,243	1,571,903	1,846,765	(274,862)	-14.9%	4,049,619

Depreciation by asset class

Description	2019/20	Budget Year 2020/21						
	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	1,345,294	1,471,459	1,471,459	585,894	735,730	(149,836)	-20.37%	1,172,485
Roads Infrastructure	394,861	431,510	431,510	211,867	215,755	(3,888)	-1.80%	423,765
Roads	279,729	308,576	308,576	151,708	154,288	(2,580)	-1.67%	303,422
Road Structures	74,484	80,256	80,256	39,111	40,128	(1,017)	-2.53%	78,249
Road Furniture	40,648	42,678	42,678	21,047	21,339	(292)	-1.37%	42,095
Storm water Infrastructure	51,509	52,941	52,941	28,663	26,470	2,192	8.28%	57,325
Drainage Collection	51,509	52,941	52,941	28,663	26,470	2,192	8.28%	57,325
Electrical Infrastructure	234,496	262,272	262,272	124,848	131,136	(6,288)	-4.80%	249,522
Power Plants	6,955	6,955	6,955	3,967	3,477	489	14.07%	7,933
HV Transmission Conductors	14,667	14,657	14,657	7,377	7,329	48	0.66%	14,754
MV Substations	3,567	11,062	11,062	1,783	5,531	(3,748)	-67.76%	3,567
MV Switching Stations	56,632	57,568	57,568	29,690	28,784	906	3.15%	59,379
MV Networks	107,553	120,020	120,020	57,086	60,010	(2,924)	-4.87%	114,176
LV Networks	45,123	52,010	52,010	24,946	26,005	(1,059)	-4.07%	49,714
Water Supply Infrastructure	277,950	314,553	314,553	82,025	157,276	(75,252)	-47.85%	163,778
Reservoirs	42,001	50,247	50,247	10,104	25,124	(15,019)	-59.78%	20,210
Pump Stations	5,441	5,307	5,307	2,692	2,654	38	1.44%	5,384
Water Treatment Works	32,034	31,757	31,757	5,898	15,879	(9,981)	-62.86%	10,945
Bulk Mains	10,413	14,651	14,651	1,511	7,325	(5,814)	-79.37%	3,022
Distribution	188,061	212,590	212,590	61,819	106,295	(44,476)	-41.84%	124,218
Sanitation Infrastructure	270,749	296,681	296,681	77,706	148,341	(70,634)	-47.62%	156,269
Pump Station	6,982	8,562	8,562	3,481	4,281	(800)	-18.69%	6,963
Reticulation	156,232	158,582	158,582	26,587	79,291	(52,704)	-66.47%	53,173
Waste Water Treatment Works	94,692	116,725	116,725	45,483	58,363	(12,879)	-22.07%	91,823
Outfall Sewers	12,843	12,812	12,812	2,155	6,406	(4,251)	-66.36%	4,310
Solid Waste Infrastructure	41,289	37,136	37,136	18,226	18,568	(342)	-1.84%	36,451
Landfill Sites	41,289	37,136	37,136	18,226	18,568	(342)	-1.84%	36,451
Coastal Infrastructure	5,678	5,693	5,693	2,846	2,846	(0)	0.00%	5,692
Promenades	5,678	5,693	5,693	2,846	2,846	(0)	0.00%	5,692
Information and Communication Infrastructure	68,762	70,674	70,674	39,714	35,337	4,377	12.39%	79,682
Core Layers	7,087	7,087	7,087	3,563	3,544	19	0.55%	7,126
Distribution Layers	61,675	63,586	63,586	36,151	31,793	4,358	13.71%	72,555
Community Assets	356,506	370,126	370,126	179,855	185,063	(5,208)	-2.81%	359,764
Community Facilities	148,998	166,545	166,545	79,443	83,273	(3,829)	-4.60%	158,963
Halls	3,343	4,158	4,158	1,814	2,079	(265)	-12.76%	3,639
Centres	49,097	52,262	52,262	25,892	26,131	(239)	-0.92%	51,795
Clinics/Care Centres	6,867	9,240	9,240	3,589	4,620	(1,031)	-22.32%	7,181
Fire/Ambulance Stations	2,294	2,708	2,708	1,337	1,354	(17)	-1.28%	2,685
Testing Stations	1,318	1,326	1,326	671	663	8	1.22%	1,343
Museums	221	253	253	146	126	19	15.38%	291
Theatres	112	179	179	56	90	(34)	-37.70%	112
Libraries	6,048	6,618	6,618	3,150	3,309	(159)	-4.80%	6,301
Cemeteries/Crematoria	3,282	4,082	4,082	2,174	2,041	133	6.50%	4,348
Public Open Space	14,894	18,613	18,613	7,633	9,306	(1,674)	-17.99%	15,293
Nature Reserves	378	810	810	189	405	(216)	-53.34%	378
Public Ablution Facilities	2,405	2,946	2,946	1,283	1,473	(190)	-12.92%	2,572
Markets	1,641	1,642	1,642	837	821	16	2.00%	1,675
Airports	4	4	4	2	2	-	-	4
Taxi Ranks/Bus Terminals	57,093	61,705	61,705	30,672	30,853	(181)	-0.59%	61,344
Sport and Recreation Facilities	207,507	203,581	203,581	100,412	101,790	(1,379)	-1.35%	200,801
Indoor Facilities	6,515	6,624	6,624	3,275	3,312	(37)	-1.12%	6,550
Outdoor Facilities	200,993	196,957	196,957	97,137	98,478	(1,342)	-1.36%	194,251

Table continues on next page.

City of Cape Town: S52 Annexure A – 2021 Q2 (December 2020)

Description	2019/20	Budget Year 2020/21						
	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	-	-	1,714
Revenue Generating	1,714	1,714	1,714	857	857	-	-	1,714
Improved Property	1,714	1,714	1,714	857	857	-	-	1,714
<u>Other assets</u>	265,095	278,711	278,711	141,028	139,356	1,672	1.20%	281,250
Operational Buildings	166,178	168,536	168,536	89,187	84,268	4,918	5.84%	177,568
Municipal Offices	6,087	9,415	9,415	2,799	4,707	(1,909)	-40.55%	5,597
Workshops	30,366	35,591	35,591	16,533	17,795	(1,262)	-7.09%	33,068
Training Centres	289	303	303	144	152	(7)	-4.81%	289
Manufacturing Plant	7,132	6,976	6,976	3,606	3,488	118	3.39%	7,213
Depots	122,305	116,251	116,251	66,104	58,126	7,979	13.73%	131,401
Housing	98,916	110,175	110,175	51,841	55,087	(3,246)	-5.89%	103,683
Social Housing	98,916	110,175	110,175	51,841	55,087	(3,246)	-5.89%	103,683
<u>Intangible Assets</u>	154,416	155,441	155,441	79,636	77,720	1,916	2.46%	163,326
Licences and Rights	154,416	155,441	155,441	79,636	77,720	1,916	2.46%	163,326
Computer Software and Applications	84,236	85,261	85,261	44,546	42,630	1,916	4.49%	93,145
Unspecified	70,180	70,180	70,180	35,090	35,090	-	-	70,180
<u>Computer Equipment</u>	224,880	237,579	237,579	104,393	118,789	(14,396)	-12.12%	227,818
Computer Equipment	224,880	237,579	237,579	104,393	118,789	(14,396)	-12.12%	227,818
<u>Furniture and Office Equipment</u>	101,956	106,149	106,149	44,554	53,074	(8,521)	-16.05%	108,979
Furniture and Office Equipment	101,956	106,149	106,149	44,554	53,074	(8,521)	-16.05%	108,979
<u>Machinery and Equipment</u>	115,421	125,782	125,782	62,906	62,891	15	0.02%	130,063
Machinery and Equipment	115,421	125,782	125,782	62,906	62,891	15	0.02%	130,063
<u>Transport Assets</u>	382,078	483,657	483,657	181,523	241,829	(60,306)	-24.94%	382,774
Transport Assets	382,078	483,657	483,657	181,523	241,829	(60,306)	-24.94%	382,774
<u>Land</u>	-	69,253	69,253	-	34,627	(34,627)	-100.00%	-
Land	-	69,253	69,253	-	34,627	(34,627)	-100.00%	-
<u>Zoo's, Marine and Non-biological Animals</u>	192	196	196	96	98	(2)	-1.79%	192
Zoo's, Marine and Non-biological Animals	192	196	196	96	98	(2)	-1.79%	192
Total Depreciation	2,947,552	3,300,067	3,300,067	1,380,742	1,650,034	(269,292)	-16.32%	2,828,366

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 its cost containment policies. The City's Cost Containment policy was approved by Council on 31 October 2019. The policy was then amended as a result of further clarification received from National Treasury on issues raised in respect of certain cost containment regulations as well as providing for a new way of working i.e. attending workshops and conferences, due to the COVID-19 pandemic. The updated version of the Cost Containment policy was approved by Council on 3 December 2020.

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	2020/21 budget	Q2 2021		Comment
		Budget	Actual	
	R Thousand			
Use of consultants	8 205 708	1 945 603	2 043 464	<p>This category includes EPWP/Mayor's Job Creation Programme (MJCP) staff, all non-permanent staff i.e. temporary contract staff including libraries, health, seasonal workers, apprenticeships and learnerships, and contracted services i.e. professional services, advisory services and contractors.</p> <p>Requests for the use of consultants must be supported by the relevant executive director or senior manager.</p> <p>The main contributor to the expenditure trend is mainly on Contracted Services, largely due to:</p> <p>1. Maintenance work on building infrastructure completed earlier than anticipated, gardening services largely for parks and public open spaces as well as increased efforts to eradicate backlogs of services not rendered as a result of the COVID-19 lockdown;</p> <p>2. Higher than planned expenditure on waste minimisation, due to disposal sites re-opening earlier than anticipated as a result of the easing of lockdown restrictions:</p> <p>3. More than anticipated waste being hauled from Transfer Stations/Drop-off Sites to Landfill Sites;</p> <p>4. More than anticipated demand for Legal Advice & Litigation services to date; and</p> <p>5. Increased demand for services related to housing- and water projects.</p>
Vehicle used for political office-bearers	-	-	-	No provision for 2020/21 against this category.
Travel and Subsistence	24 181	4 283	3 121	The City's Travel Management Policy sets out the applicable cost containment measures, which strictly adhered to within the City.
Domestic Accommodation	2 225	375	13	The City's Travel Management Policy sets out the applicable cost containment measures, which are strictly adhered to within the City. No expenditure was incurred for the period under review due to the COVID-19 lockdown restrictions.
Sponsorships, events and Catering	292 200	47 312	49 578	<p>Sponsorships (consists of grants-in-aid and sponsorships): All grant-in-aid applications are subject to a screening process to ensure that recommended grants comply with the City's Grant-in-aid Policy as well as other relevant policies. Sponsorships are allocations made to organisations that supports the City's strategic objectives and MOAs indicating clear deliverables are signed with all organisations. Payments are made in tranches based on outcomes of agreed deliverables.</p> <p>Events: An ad-hoc committee facilitates the selection of events and makes recommendations to the Executive Mayor on which events the City may support in terms of the City's Integrated Development Plan (IDP), and Events Policy.</p> <p>Catering: The City's Catering & Beverage Provision Policy sets out the applicable cost containment measures, which are strictly adhered to within the City.</p> <p>The expenditure for the period under review relates to sponsorship payments for certain annual- and adhoc allocations to support specific programs, which is aligned to the City's IDP and strategic objectives.</p>
Communication	78 898	18 807	15 728	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.
Other related expenditure items - Conferences & Seminars	3 606	551	43	The City's Systems and Procedures (SOP) for attendance of seminars, external meetings/workshops and conferences sets out the cost containment measures, which are strictly adhered to within the City. Minor expenditure was incurred for the period under review due to the COVID-19 lockdown restrictions.

Table continues on next page.

City of Cape Town: S52 Annexure A – 2021 Q2 (December 2020)

Cost Containment In-Year Report				
Measures	2020/21 budget	Q2 2021		Comment
		Budget	Actual	
	R Thousand			
Other related expenditure items - Overtime	706 782	166 459	244 000	<p>Overtime is subject to the provisions of the Basic Conditions of Employment Act, 1997, the City's Conditions of Service and the provisions stipulated in the City's Overtime Policy. Overtime is subject to prior (written) approval by a competent authority and no overtime may be worked without such written approval. Each director is responsible and accountable to constantly monitor and review the provisions for overtime and must ensure that trends are noted early. Attendance registers, time sheets and overtime approval forms, which indicate dates with starting and ending times are kept by departments. Overtime can only be claimed for actual hours worked and excludes travelling time except for standby staff.</p> <p>The year-to-date over expenditure against this category was largely influenced by the increased need for anti-land invasion operations, which required officers to work extended hours to safeguard Council property; mechanical and electrical breakdowns resulting in staff working additional hours; waste removal tender not being operational resulting in work being done after hours by internal staff; loadshedding, adverse weather conditions, and an increase in vandalism resulting in non-structured overtime.</p>
Other related expenditure items - Office furniture	28 677	11 541	3 654	<p>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 may be procured and must sign a declaration form confirming that this process has been followed.</p>
Total	9 342 277	2 194 930	2 359 601	

Cape Town International Convention Centre

Cost Containment In-Year Report				
Measures	2020/21 budget	Q2 2021		Comment
		Budget	Actual	
	R Thousand			
Use of consultants	3,898	1,949	2,665	The contracts for the internal audit, legal services and customer satisfactory surveys were signed prior to 1 July 2019. The CTICC does not possess the skillsets required in-house. The overspend relates to projects, which were planned for implementation later in the financial year but brought forward due to the COVID-19 lockdown restrictions and resultant impact on the availability of staff. The costs will be managed within the annual budget.
Vehicle used for political office-bearers	-	-	-	Not applicable to the entities.
Travel and Subsistence	1,945	0	209	Bookings for local- and international travel as well as International accommodation for sales trips, events and conferences are done through an agent with the National Treasury's code applicable to entities used when making bookings. Attendance of events are an integral part of the entity's business strategy to grow revenue. An unplanned sales trip to Ruanda was undertaken in the second quarter.
Domestic Accommodation	211	68	1	All bookings are done using the applicable National Treasury code applicable to entities. The attendance of events are an integral part of the entity's business strategy to grow revenue. Very limited expenditure was incurred during the period under review due to the COVID-19 lockdown restrictions.
Sponsorships, events and Catering	608	50	137	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. The over expenditure relates to events that took place after relaxation of the COVID-19 restrictions.
Communication	984	663	482	The contract for cellphone and data services was issued before 1 July 2019.
Other related expenditure items - Conferences & Seminars	0	0	0	No budget or expenditure for the reporting period.
Other related expenditure items - Overtime	758	380	275	This category includes Night Shift Allowances and Public Holidays pay. Expenditure was incurred as staff members worked additional hours when the Hospital of Hope was located at CTICC 1.
Other related expenditure items - Office furniture	100	0	0	No expenditure was incurred for reporting period.
Total	8,505	3,110	3,770	

Cape Town Stadium

Measures	Cost Containment In-Year Report			Notes
	2020/21 Budget	Q2 2021		
		Budget	Actual	
	R Thousands			
Use of Consultants	5 878	1 241	1 505	<p>Expenditure incurred in this category facilitates the entity's objectives to, inter alia, commercialise in terms of the Service Delivery Agreement (SDA).</p> <p>An amount of R 1 122 456.30 was paid to Imvula Risk Management (IRM) to assist in the formal anchor tenant agreement project with Western Province Rugby (WPR), and R382 821.29 to HelloFCB to assist with website hosting as well as maintaining the entity's presence on social media.</p> <p>The budget provision was amended in the January 2021 adjustment budget process to rectify the overspend.</p>
Vehicles used for accounting officer/board members	-	-	-	Not applicable for entities.
Travel and subsistence	200	38	-	No expenditure has been incurred due to the COVID-19 lockdown restrictions.
Domestic accommodation	14	2	-	No expenditure has been incurred due to the COVID-19 lockdown restrictions.
Sponsorships, events and catering	150	38	-	No expenditure has been incurred due to the COVID-19 lockdown restrictions.
Communication	727	253	-	No expenditure has been incurred due to the COVID-19 lockdown restrictions.
Other related expenditure items	122	17	-	No expenditure has been incurred due to the COVID-19 lockdown restrictions.
Total	7 091	1 589	1 505	

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 2021** 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: 2021.01.07 14:52:32 +02'00'
Adobe Acrobat Reader version:
2020.012.20048

Date