

REPORT TO EXECUTIVE MAYOR

CITY OF CAPE TOWN | ISIXEKO SASEKAPA | STAD KAAPSTAD

1. ITEM NUMBER : C 58/01/14

2. SUBJECT
LSUA1980

QUARTERLY FINANCIAL REPORT: DECEMBER 2013

ONDERWERP
KWARTAALLIKSE FINANSIËLE VERSLAG: DESEMBER 2013ISIHLOKO
INGXELO YEMALI YARHOQO NGEKOTA: DISEMBA 2013

3. STRATEGIC INTENT

This report covers all 5 strategic focus areas.

4. PURPOSE

In terms of Section 52 (d) of the Municipal Finance Management Act, the Mayor is required to submit a quarterly report to Council on the implementation of the budget and the financial state of affairs of the municipality. The report is submitted in terms of relevant legislation.

5. FOR NOTING BY

As prescribed by the Municipal Finance Management Act (MFMA), the quarterly financial report for the quarter ended 31 December 2013 is submitted for noting by Council.

☒ This report is for noting only.

6. EXECUTIVE SUMMARY

The Municipal Finance Management Act requires municipalities to submit regular reports on matters related to their financial performance. This quarterly financial report provides is submitted in accordance with MFMA stipulations (Section 52) and an overview of the City's budget implementation status and its financial viability and sustainability).

RECEIVED AT THE CITY MANAGER'S OFFICE	
Date: 23/01/2014	Time: 15:30
By: (Print Name)..... B. SAKATI	
Signature:..... B. SAKATI	



This report presents the financial position of the abovementioned indicators as at 31 December 2013.

7. RECOMMENDATIONS

The Quarterly Financial Report for the quarter ended 31 December 2013 is submitted for information and noting only.

AANBEVELING

Die kwartaallikse finansiële verslag vir die kwartaal geëindig 31 Desember 2013 word slegs ter inligting en kennisname voorgelê.

ISINDULULO

INGxelo yeMali yaRhoqo ngeKota yekota ephela ngowama-31 Disemba 2013 ingeniselwa iinjongo zolwazi nokuqatshelwa kuphela.

8. DISCUSSION/CONTENTS

8.1. Constitutional and Policy Implications

In terms of the MFMA the Mayor must within 30 days after the end of a quarter submit a report to Council on the implementation and progress on the budget and financial state of affairs of the municipality.

8.2. Environmental implications

Does your report have any environmental implications:

No ☒

Yes ☐

8.3. Legal Implications

Compliance to the Municipal Finance Management Act, 2003 (Act 56 of 2003), Section 52.

8.4. Staff Implications

Does this report impact on staff resources, budget, grading, remuneration, allowances, designation, job description, location or your organisational structure?

No ☒

Yes ☐

8.5. Risk Implications

Does this report and/or its recommendations expose the City to any risk

No ☒Yes ☐**8.6. Other Services Consulted**

n/a

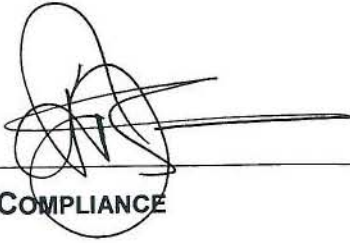
ANNEXURES**Annexure A: Quarterly financial report – 31 December 2013****FOR FURTHER DETAILS CONTACT:**

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DIRECTORATE	Finance
SIGNATURE : DIRECTOR	

**EXECUTIVE DIRECTOR**
[Kevin Jacoby]

Comment:

DATE 20-01-2014



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 Jean Roman
TEL (021) 400 2753
DATE 20-01-2014

Comment:


For noting.



MAYORAL COMMITTEE MEMBER

NAME ED NELSON
DATE 20/1/2014

Comment:



EXECUTIVE DIRECTOR: COMPLIANCE & AUXILIARY SERVICES

NAME D. G. RAS
DATE 21/1/14

Comment:

Pde Lille

EXECUTIVE MAYOR

DATE

23.01.2014



APPROVED



NOTED



REFUSED



REFERRED BACK

COMMENT:

MAYLO + COUNCIL

**Annexure A: Quarterly Financial Report –
31 December 2013**

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PART 1 - IN-YEAR REPORT

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Executive Summary**Summary Statement of Financial Performance**

Description	2013/2014 Budget R Thousand	YTD Budget R Thousand	YTD Actual R Thousand	YTD % Spend	Actual as % of Current Budget
Operating Revenue	28 478 397	14 028 938	13 278 327	94.6%	46.6%
Operating Expenditure	26 144 082	12 638 659	12 441 447	98.4%	47.6%

The summary statement of financial performance indicates actual operating revenue realised of R13 278 million or 46.6% of the current budget and operating expenditure of R12 441 million or 47.6% of the current budget.

Detail of revenue and expenditure by municipal vote is shown in Table C3 on page 5. Detail of material variances and remedial action, where applicable, is shown on pages 6 to 9.

Detail of revenue by source and expenditure by type is shown in Table C4 on page 10. Detail of material variances and remedial action, where applicable, is shown on pages 11 to 13.

Summary Statement of Capital Budget Financial Performance

Description	2013/2014 Budget R Thousand	YTD Budget R Thousand	YTD Actual R Thousand	YTD % Spend	Actual as % of Current Budget
Capital Expenditure	5 612 765	1 738 184	1 623 283	93.4%	28.9%

The summary statement of capital budget performance indicates actual spending of R1 624 million or 28.9% of the current budget. This represents 23.81% (R713 million) on internally-funded projects and 34.78% (R910 million) on externally-funded projects.

Detail of capital expenditure is shown in Table C5 on page 14 and is categorised by municipal vote, standard classification and by funding source. Detail of material variances and remedial action, where applicable, is shown on pages 15 and 16.

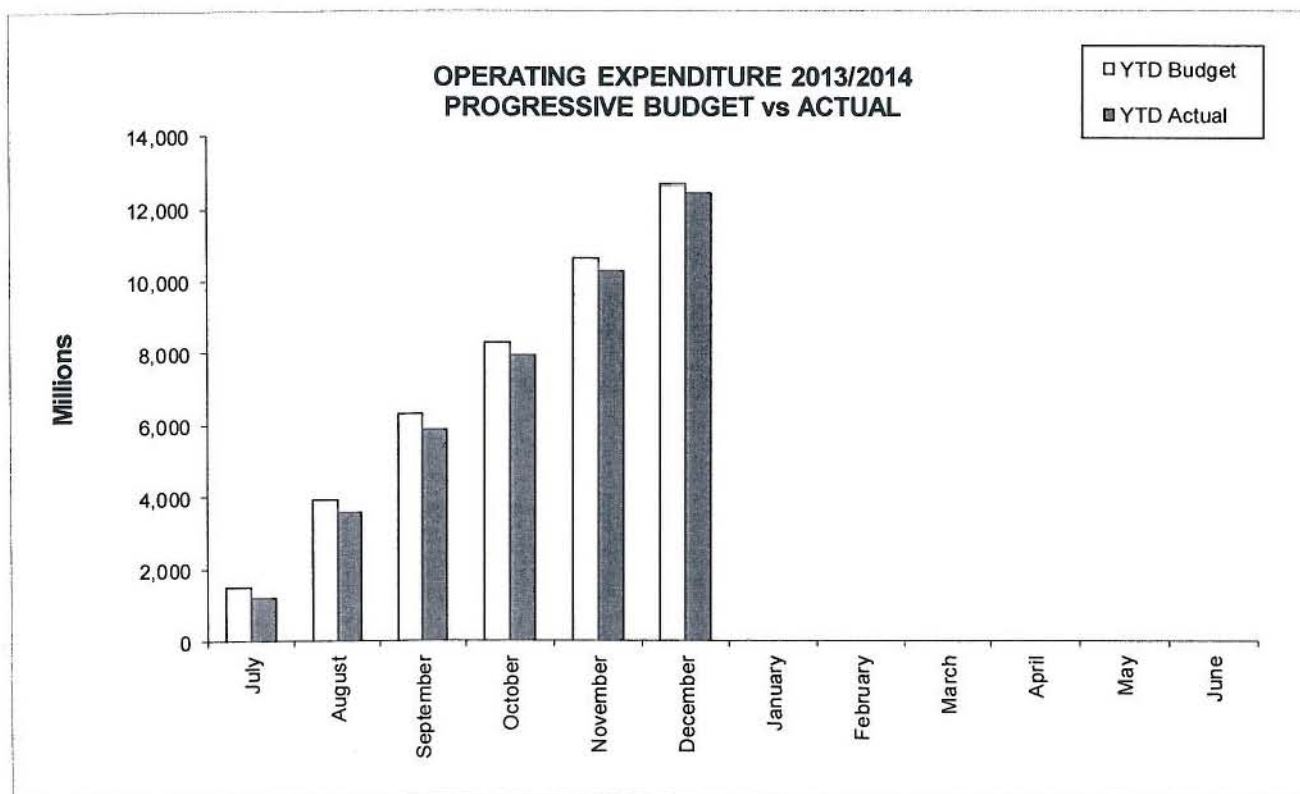
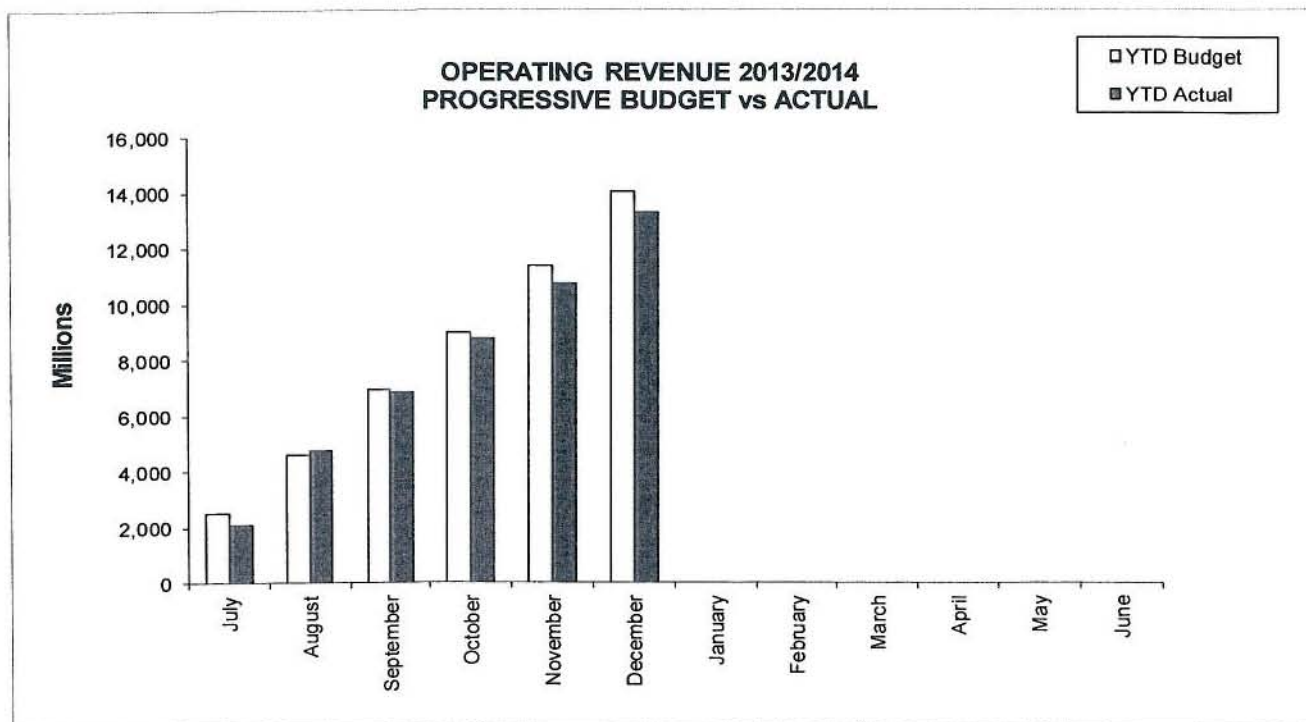
Budget Statement Summary

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

Description	2012/13	Budget Year 2013/14						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Financial Performance								
Property rates	5 161 502	5 527 109	5 527 109	2 796 858	2 729 672	67 186	2%	5 527 109
Service charges	13 099 805	14 442 391	14 442 391	6 816 458	7 089 030	(272 573)	-4%	14 254 547
Investment revenue	368 324	284 618	284 618	190 044	141 770	48 273	34%	282 078
Transfers recognised - operational	1 985 809	2 595 904	2 581 301	1 365 183	1 453 709	(88 526)	-6%	2 603 947
Other own revenue	3 296 766	3 045 068	3 045 068	1 168 357	1 794 227	(625 869)	-35%	3 057 433
Total Revenue (excluding capital transfers and contributions)	23 912 206	25 895 089	25 880 486	12 336 899	13 208 408	(871 509)	-7%	25 725 114
Employee costs	7 446 199	8 253 458	8 249 096	4 212 479	4 280 377	(67 898)	-2%	8 219 948
Remuneration of Councillors	111 673	123 721	123 721	56 940	61 861	(4 921)	-8%	123 721
Depreciation & asset impairment	1 627 385	1 934 741	1 934 741	944 865	957 420	(12 555)	-1%	1 957 724
Finance charges	720 766	863 894	863 894	385 090	385 131	(41)	-0%	863 894
Materials and bulk purchases	6 675 379	7 257 562	7 257 388	3 277 742	3 422 470	(144 728)	-4%	6 940 884
Transfers and grants	103 144	39 544	93 734	56 355	58 398	(2 043)	-3%	116 409
Other expenditure	7 235 181	7 671 163	7 606 904	3 508 693	3 473 002	35 691	1%	7 745 143
Total Expenditure	23 919 727	26 144 082	26 129 479	12 442 164	12 638 659	(196 495)	-2%	25 967 723
Surplus/(Deficit)	(7 521)	(248 993)	(248 993)	(105 265)	569 749	(675 014)	-118%	(242 610)
Transfers recognised - capital	3 414 645	2 535 058	2 567 723	886 545	802 896	83 649	10%	2 868 417
Contributions & Contributed assets	36 603	48 250	49 820	54 882	17 634	37 249	211%	75 302
Surplus/(Deficit) after capital transfers & contributions	3 443 726	2 334 315	2 368 550	836 163	1 390 279	(554 117)	-40%	2 701 109
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	3 443 726	2 334 315	2 368 550	836 163	1 390 279	(554 117)	-40%	2 701 109
Capital expenditure & funds sources								
Capital expenditure	5 780 762	5 450 592	5 612 765	1 623 283	1 738 184	(114 901)	-7%	5 600 388
Capital transfers recognised	3 414 645	2 537 158	2 569 823	886 552	793 889	92 663	12%	2 860 517
Public contributions & donations	35 076	46 150	47 720	23 699	16 534	7 165	43%	52 025
Borrowing	1 665 377	2 149 497	2 228 669	553 634	731 982	(178 349)	-24%	2 030 433
Internally generated funds	665 664	717 788	766 554	159 398	195 779	(36 381)	-19%	657 413
Total sources of capital funds	5 780 762	5 450 592	5 612 765	1 623 283	1 738 184	(114 901)	-7%	5 600 388
Financial position								
Total current assets	12 900 815	11 085 279	11 370 810	11 755 508				11 370 810
Total non current assets	29 033 827	33 525 815	35 848 981	29 525 905				35 848 981
Total current liabilities	7 988 696	8 556 364	10 979 467	5 783 749				10 979 467
Total non current liabilities	11 488 750	11 249 547	11 402 697	11 303 408				11 402 697
Community wealth/Equity	22 457 196	24 805 183	24 837 627	24 194 255				24 837 627
Cash flows								
Net cash from (used) operating	5 506 919	4 194 026	4 317 630	2 967 831	2 782 140	(185 691)	-7%	4 317 629
Net cash from (used) investing	(5 820 775)	(5 109 063)	(5 544 435)	(2 998 166)	(2 871 578)	126 588	-4%	(5 544 435)
Net cash from (used) financing	2 252 382	(345 066)	(598 143)	(183 831)	(309 110)	(125 279)	41%	(598 143)
Cash/cash equivalents at the month/year end	8 099 366	6 279 360	6 274 417	7 885 200	7 140 915	(744 285)	-10%	6 274 417

The graphs below illustrate the revenue and expenditure trend per month. 047



Budget Statement – Financial Performance (revenue and expenditure by municipal vote)

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

	2012/13	Budget Year 2013/14						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue by Vote								
Vote 1 - City Health	390 874	433 136	433 285	195 846	211 978	(16 132)	-8%	443 109
Vote 2 - City Manager	30	41	41	10	21	(11)	-53%	1 041
Vote 3 - Community Services	182 524	218 688	219 017	57 624	79 171	(21 546)	-27%	198 890
Vote 4 - Compliance and Auxiliary Services	3 713	2 963	2 963	333	1 482	(1 149)	-78%	3 947
Vote 5 - Corporate Services	60 045	37 936	32 936	7 955	10 777	(2 822)	-26%	43 700
Vote 6 - Deputy City Manager	36 517	33 859	33 645	8 189	17 396	(9 207)	-53%	31 667
Vote 7 - Economic, Environment & Spatial Planning	104 240	100 661	112 647	51 798	45 460	6 337	14%	129 961
Vote 8 - Finance	1 130 680	694 205	694 205	378 470	320 438	58 032	18%	703 536
Vote 9 - Human Settlements	1 081 268	1 287 635	1 320 494	550 308	541 895	8 413	2%	1 433 541
Vote 10 - Rates & Other	7 923 871	8 605 150	8 605 150	4 314 756	4 880 204	(565 448)	-12%	8 605 150
Vote 11 - Safety & Security	185 764	261 949	265 762	117 307	129 123	(11 816)	-9%	257 475
Vote 12 - Social and Early Childhood Development	1 027	401	401	73	200	(128)	-64%	401
Vote 13 - Tourism, Events and Marketing	26 770	87 930	92 071	8 266	24 650	(16 384)	-66%	90 521
Vote 14 - Transport, Roads and Stormwater	2 556 563	1 656 659	1 638 680	621 020	474 614	146 406	31%	1 853 357
Vote 15 - Utility Services	13 679 568	15 057 184	15 046 730	6 966 373	7 291 531	(325 158)	-4%	14 872 536
Total Revenue by Vote	27 363 454	28 478 397	28 498 029	13 278 327	14 028 938	(750 612)	-5.4%	28 668 832
Expenditure by Vote								
Vote 1 - City Health	727 932	835 227	835 227	410 497	428 295	(17 798)	-4%	844 133
Vote 2 - City Manager	83 276	101 051	101 129	52 589	54 237	(1 648)	-3%	107 863
Vote 3 - Community Services	1 339 644	1 376 911	1 376 911	699 513	703 416	(3 904)	-1%	1 372 388
Vote 4 - Compliance and Auxiliary Services	409 724	485 863	485 346	225 314	237 713	(12 400)	-5%	477 944
Vote 5 - Corporate Services	1 864 105	1 612 797	1 612 797	773 685	800 881	(27 196)	-3%	1 596 337
Vote 6 - Deputy City Manager	79 282	115 861	115 576	24 764	57 810	(33 046)	-57%	71 571
Vote 7 - Economic, Environment & Spatial Planning	465 087	515 983	519 105	259 001	259 755	(754)	0%	537 690
Vote 8 - Finance	1 623 529	1 860 619	1 858 369	994 303	917 745	76 558	8%	1 853 859
Vote 9 - Human Settlements	771 861	1 124 016	1 096 365	491 592	439 778	51 814	12%	1 119 218
Vote 10 - Rates & Other	744 135	837 495	838 695	402 115	404 404	(2 289)	-1%	818 287
Vote 11 - Safety & Security	1 381 203	1 520 375	1 514 865	748 933	783 600	(34 667)	-4%	1 512 067
Vote 12 - Social and Early Childhood Development	73 392	77 095	78 226	42 496	38 120	4 376	11%	100 814
Vote 13 - Tourism, Events and Marketing	419 741	530 824	530 824	253 108	255 598	(2 490)	-1%	571 001
Vote 14 - Transport, Roads and Stormwater	1 565 311	1 896 136	1 903 936	857 018	852 397	4 621	1%	1 992 348
Vote 15 - Utility Services	12 371 505	13 253 830	13 262 109	6 207 238	6 404 910	(197 672)	-3%	12 992 203
Total Expenditure by Vote	23 919 727	26 144 082	26 129 479	12 442 164	12 638 659	(196 495)	-1.6%	25 967 723
Surplus/ (Deficit) for the year	3 443 726	2 334 315	2 368 550	836 163	1 390 279	(554 117)	-39.9%	2 701 109

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

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

Material variance explanations for revenue by vote

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue by Vote				
Vote 1 - City Health	(16 132)	-8%	The under-recovery is mainly on operating- and capital grant-funded projects where the revenue is directly linked to expenditure incurred. The construction of the new Environmental Health Office (capital grants & donations project) was delayed due to community interference, which resulted in the non-alignment of the period budget with actual trend. The payment for the claim submitted for the Comprehensive Health Grant (operating grants & donations) was received in December and not processed before SAP month-end.	The Environmental Health Office project timelines and program were reviewed and amendments are included in the January 2014 adjustments budget. The payment for the Comprehensive Health Grant claim will be reflected in January 2014.
Vote 2 - City Manager	(11)	-53%	The variance of R11 000 is seen as immaterial.	-
Vote 3 - Community Services	(21 546)	-27%	The under-recovery is mainly on capital grant-funded projects, due to delays experienced with the implementation of various projects as a result of inclement weather conditions resulting in the non-alignment of period budgets with the actual spending trends.	Progress on capital grant-funded projects are expected to improve in the ensuing months. Cash flows were reviewed and amendments are included in the January 2014 adjustments budget.
Vote 4 - Compliance and Auxiliary Services	(1 149)	-78%	The under-recovery is mainly due to lower than planned recoupment of Private Telephone Calls from staff.	Staff are minimising private telephone calls. The budget provision will be adjusted in the 2014/15 budget process.
Vote 5 - Corporate Services	(2 822)	-26%	The under-recovery is a combination of under/over recoveries on various revenue elements in this category. The under-recovery is mainly on capital grants & donations projects where progress was slower than anticipated. Over-recoveries are mainly on miscellaneous income relating to broadband revenue received for the connection of the PGWC buildings as well as on Recoveries-Other for radio trunking revenue billed to external clients for which no budget was provided for.	The cash flows on the capital grant-funded projects were reviewed and amendments are included in the January 2014 adjustments budget. Provision was made in the adjustment budget for revenue and expenditure relating to the Broadband Project.
Vote 6 - Deputy City Manager	(9 207)	-53%	The under-recovery is mainly on operating- and capital grant-funded projects, due to delays experienced with the appointment of temporary data capturers in the EPWP office as well as the slow progress on urban regeneration projects.	The temporary staff will commence in February 2014. Progress on the urban regeneration projects is expected to increase and completion is estimated within the financial year. Cash flows were reviewed during the mid-year review.
Vote 7 - Economic, Environment & Spatial Planning	6 337	14%	The over-recovery is mainly due to higher than planned revenue received on Building Levies as a result of increased economic activities, an increase in the number of plans approved as well as the receipt of unplanned revenue for a hoarding permit for the use of City land around a construction site.	The situation was reviewed and amendments are included in the January 2014 adjustments budget.
Vote 8 - Finance	58 032	18%	The over-recovery is mainly on Interest Earned on External Investments where the actual interest received is more than planned, due to higher than expected cash and investment balances in comparison to what was originally planned and the better returns earned by fund managers. Higher than planned revenue received on Agency Income, due to an increase in the number of licence renewals, further contributed to this over-recovery.	Interest on Investment is monitored by the Investment Section on a monthly basis.
Vote 9 - Human Settlements	8 413	2%	The over-recovery relates mainly to a number of operating- and capital grant-funded projects that are in various stages of completion. Certain projects are progressing faster than envisaged whilst others are slightly delayed. There are numerous factors that impact on the progress of Housing Projects e.g. community dynamics, funding approvals, environmental issues as well as procurement delays associated with, inter alia, the tender processes.	The situation is monitored by the finance manager. The project cash flows were reviewed and amendments are included in the January 2014 adjustments budget.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Vote 10 - Rates & Other	(565 448)	-12%	<p>The under-recovery is the combined result of over/under recovery on Property Rates, Income Forgone and Operating Grants & Donations (Fuel Levy). Property Rates Billings are done on a daily basis and it is therefore difficult to accurately align the monthly period budget with the actual billing per month. Property Rates Income is further influenced by ongoing valuation adjustments/corrections.</p> <p>The under-recovery on Income Forgone is due to lower than planned actual rebates to date as applications are still being adjudicated and processed as they are received. The final outcome is unknown.</p> <p>The Fuel Levy payment was received during December 2013 but only posted in January 2014.</p>	<p>The Fuel Levy payment will be reflected in January 2014.</p> <p>The situation is monitored on a monthly basis.</p>
Vote 11 - Safety & Security	(11 816)	-9%	<p>The under recovery is mainly on Traffic Fines, due to the withdrawal and/or reduction of fines by prosecutors, non payment of fines and the capacity of the courts to deal with the volume of cases.</p>	<p>A number of interventions i.e. appointment of additional officers, etc. were implemented to improve this situation. The situation was reviewed and amendments are included in the January 2014 adjustments budget.</p>
Vote 12 - Social and Early Childhood Development	(128)	-64%	<p>The under-recovery is mainly on Rental of Facilities, due to lower than planned demand for the use of facilities by communities.</p>	<p>The situation is monitored on a monthly basis, however, it is difficult to predict accurately as the usage of facilities is demand driven.</p>
Vote 13 - Tourism, Events and Marketing	(16 384)	-66%	<p>The under-recovery is mainly on operating- and capital grant-funded projects, due to a delay in the signing of the AFCON (CHAN) agreement.</p>	<p>The AFCON agreement was signed in November 2013. Revenue will be reflected in line with expenditure as incurred. The period budget/cash flows were reviewed and amendments are included in the January 2014 adjustments budget.</p>
Vote 14 - Transport, Roads and Stormwater	146 406	31%	<p>The over-recovery is the combined result of (1) an under-recovery on operating grant-funded projects, due to delays experienced with invoices from service providers as well as delays in the processing of the GRN of IRT related invoices and finalising of MOAs to commence with spending on various transport projects, (2) an over-recovery on capital grant-funded projects with accelerated spending i.e. USDG funded projects (Strandfontein Rd, NMT), IRT West Coast Corridor project, the SAP Module for Transport and (3) higher than planned revenue from Development Levies, due to initiatives to collect outstanding development levies.</p>	<p>The situation is monitored and the period budgets of the various projects were reviewed and amendments are included in the January 2014 adjustments budget.</p>
Vote 15 - Utility Services	(325 158)	-4%	<p>The under-recovery is mainly on (1) Electricity Sales (R121 million), due to seasonal fluctuations on consumer demand, high tariff increases and consumer savings, (2) Water and Sewerage Charges (R143 million), due to a combination of the period budget not being in line with actual consumption and the impact of ongoing account queries and corrections, (3) Solid Waste Disposal Coupon Fees (R20 million), due to lower consumer demand for disposal of waste at landfill sites and (4) capital grants & donations project (Bellville Transfer Station) (R48 million under), due to effected changes in the tender, and the subsequent movement of the budget to 2014/15.</p>	<p>The situation was reviewed and amendments are included in the January 2014 adjustments budget.</p>

Material variance explanations for expenditure by-vote

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure by Vote				
Vote 1 - City Health	(17 798)	-4%	Under expenditure reflects on Employee related costs (mainly on grant-funded vacancies), largely due to the turnaround time in filling vacancies and Other Expenditure, due to the delays in submission and processing of invoices for test, sampling & monitoring costs as well as for pharmaceutical supplies.	The finance manager is following up on outstanding invoices. The filling of vacancies is on-going.
Vote 2 - City Manager	(1 648)	-3%	The variance is largely on General Expenses as a result of lower than anticipated expenditure incurred on Printing & Stationery, Mayoral projects and Public functions, which are identified and implemented on an adhoc basis.	Expenditure is expected to increase as projects are approved and implemented. The situation will be monitored by the respective finance manager.
Vote 3 - Community Services	(3 904)	-1%	The variance is mainly on Contracted Services, due to the non-alignment with the period budget on R&M programmes and a lack of capacity to implement projects at the start of the financial year. Security Services reflects over expenditure, due to increased security requirement to protect staff and assets at all facilities.	The situation is monitored by the respective finance manager and departments are in the process of aligning the period budget with the R&M programmes.
Vote 4 - Compliance and Auxiliary Services	(12 400)	-5%	Councillor remuneration reflects under expenditure largely due to councillor vacancies and the non-implementation of the budgeted increases for councillors, which is only implemented once promulgated. Contracted Services also reflects under expenditure, due to delays with the conclusion of the combined assurance contract and the secondment of a Senior Audit Manager from KPMG to the City. Unallocated ward allocation funding and lower than anticipated expenditure on language services further contributed to the variance.	Increases for councillor remuneration are only expected to be implemented later in the financial year and back dated to July 2013. Beneficiaries or projects for the unallocated ward allocation funds were identified and are proposed to be included in the January 2014 adjustments budget.
Vote 5 - Corporate Services	(27 196)	-3%	The variance is a combination of both under/over expenditure on Employee Related Costs, due to the turnaround time in filling vacancies and on General Expenses, due to delays in submission of telecommunication costs by the service provider. The directorate's latest vacancy rate as recorded for November 2013 was 6.20% resulting in a 93.80% filled structure. Fuel reflects over expenditure, due to the escalating international fuel prices and volatile R/\$ exchange rate. Security Costs reflects over expenditure, due to the demand for security services as a result of risk assessments respectively.	All departments within Corporate Services have prioritised and expedited the filling of all vacancies. Where delays occur, corrective action is being implemented and monitored by relevant Head of Department. The filling of vacancies is a standing item on the agenda of the Corporate Services Management Team meetings and is also reported to Corporate Services Portfolio Committee. The matter of the outstanding telecommunication invoices has been escalated to the City's Legal department and the directorate is awaiting a response from service providers. Budget realignments will be processed so as to accommodate the current eventualities.
Vote 6 - Deputy City Manager	(33 046)	-57%	Delays with the roll out of the EPWP projects and the implementation of the Mayor's Urban Regeneration Programme (MURP) has resulted in under expenditure on Contracted services and General expenses. The rate of expenditure on MURP projects is slow as some tenders and Requests for Quotations (RFQ) have still not been completed due to insufficient resources.	Funding for the EPWP projects has been re-allocated to the various directorates in the Mid-Year Review and changes and proposed for inclusion in the January 2014 adjustments budget. Operational programmes for each integration zone as well as nodes have been developed for the MURP and was approved by MayCo Sub-Committee for MURP. The N-Projects have been created on SAP. The final approval and filling of the organisational structure for MURP is underway.
Vote 7 - Economic, Environment & Spatial Planning	(754)	0%	The variance is a combination of over/under expenditure within this directorate. The under expenditure is mainly on employee related cost, due to the turnaround time in filling vacant posts and the internal filling of vacancies. The fast tracking of EPWP projects is the main contributor to the over expenditure on Contracted services. The over expenditure on General Expenses is largely due to (1) an escalation of costs for Printing & Stationery as well as advertising relating to Land Use and Rezoning applications and (2) Security Costs largely as a result of services required at informal trading markets and nature reserves.	A review of the period budget has been under taken during the mid-year review and proposed amendments included in the January 2014 adjustment budget. The filling of vacancies are on-going.

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 - Finance	76 558	8%	The over expenditure is largely due the once-off payment of R78 million processed during December 2013 relating to the agreement between the City and the Cape Joint Pension fund to transfer active members from the Defined Benefit Option to the Defined Contribution Option as approved by Council. A provision was created to offset this expenditure but the journal was only processed after SAP month-end resulting in the cost centre within the directorate reflecting a temporarily over expenditure.	The cost centre and directorate will reflect normally in the next reporting period.
Vote 9 - Human Settlements	51 814	12%	The variance is largely due to the over expenditure on Contracted Services, Consultants and the Peoples Housing Process programme which is linked to the rate of progress achieved by housing development projects that are ahead of planned cash flows. The estimated monthly cash flow cycles are difficult to predict accurately as many factors influence the rate of house construction by communities resulting in the misalignment of period budget with the actual expenditure. Indigent Relief and Collection Cost also reflects over expenditure, largely due to higher than anticipated applications received to date and collection fees paid to third parties for the City's Door to Door campaign respectively.	A review of the budgetary provisions and cash flows has been undertaken during the mid year review and adjustment are proposed to be included in the January 2014 adjustments budget.
Vote 10 - Rates & Other	(2 289)	-1%	immaterial variance	-
Vote 11 - Safety & Security	(34 667)	-4%	The variance is largely due to lower collection costs paid to the collection agency as a result of lower than anticipated fine income and invoices received one month in arrears. In addition, Employee related costs reflects under expenditure mainly due to delays experienced with the appointment of seasonal staff during December 2013.	The budgetary provision for collection costs has been reviewed during the mid year review and a downward adjustment based on current trends is proposed for inclusion in the January 2014 adjustment budget.
Vote 12 - Social and Early Childhood Development	4 376	11%	The variance is largely due to the implementation of EPWP projects while the funding was still provided for on the corporate EPWP office.	A review of the EPWP funding has been undertaken by the corporate EPWP office and an allocation of funds to this directorate is proposed to be included in the January 2014 adjustments budget.
Vote 13 - Tourism, Events and Marketing	(2 490)	-1%	The main contributor to the variance is under expenditure on Contracted Services, due to delays in the signing of the AFCON (CHAN 2014) agreement and payment of grant, approval of reports for events and incorrect capturing of R&M costs. In addition, over expenditure reflects on General Expenses, largely due to the implementation of the contingency plan for the memorial services of the late former President Nelson Mandela, which was managed by this directorate.	The CHAN2014 agreement was concluded in November 2013 and transfers expected to be received in January 2014. The budgetary provision relating to the contingency plan for the memorial services of the late former President Mandela will be regularised in the January 2014 adjustments budget.
Vote 14 - Transport, Roads and Stormwater	4 621	1%	This variance is a combination of both under/over expenditure. The under expenditure is largely on Consultants, due to delays in submission of invoices by service providers and processing of IRT invoices as a result of project managers requiring additional time in verifying complex invoices. Over expenditure on Contracted Services, due to the accelerated spend on some major roads resurfacing projects and additional routes introduced for the MyCiti vehicle operators, further contributed to this variance.	The situation will be monitored by the finance manager. Cash flows and processing of virements are underway to align expenditure trends.
Vote 15 - Utility Services	(197 672)	-3%	The variance is mainly as a result of (1) the internal filling of vacant posts and the turnaround time in the filling of vacancies, (2) under expenditure on Bulk Purchases (Electricity and Water), due to implemented consumer savings campaigns and high electricity tariff increases, which impacts on consumer demand, (3) under expenditure on Materials Other as a result of lower than anticipated demand for materials during December 2013 and (4) Depreciation and Asset impairment largely due to a slower capitalisation rate of capital projects.	Amendments on these expenditure items were proposed in the Mid-year review and addressed in the January 2014 adjustments.

Budget Statement – Financial Performance (revenue by source and expenditure by type)

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

Description	2012/13	Budget Year 2013/14						
	Audited Outcome	Original Budget	Adjusted Budget	YTD actual	YTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Revenue By Source								
Property rates	5 076 445	5 427 388	5 427 388	2 758 562	2 679 812	78 750	3%	5 427 388
Property rates - penalties & collection charges	85 057	99 720	99 720	38 295	49 860	(11 565)	-23%	99 720
Service charges - electricity revenue	8 852 928	9 668 405	9 668 405	4 758 239	4 882 208	(123 970)	-3%	9 483 473
Service charges - water revenue	2 053 577	2 343 850	2 343 850	954 043	1 027 197	(73 154)	-7%	2 333 850
Service charges - sanitation revenue	1 091 897	1 243 019	1 243 019	529 004	589 465	(60 461)	-10%	1 243 019
Service charges - refuse revenue	869 210	947 126	947 126	458 781	473 561	(14 780)	-3%	950 808
Service charges - other	232 192	239 991	239 991	116 391	116 599	(208)	0%	243 397
Rental of facilities and equipment	306 605	336 471	336 471	164 084	162 345	1 740	1%	336 823
Interest earned - external investments	368 324	284 618	284 618	190 044	141 770	48 273	34%	282 078
Interest earned - outstanding debtors	183 192	118 805	118 805	54 459	59 243	(4 784)	-8%	121 617
Dividends received	-	-	-	-	-	-	-	-
Fines	100 524	183 257	183 257	66 750	86 719	(19 969)	-23%	168 710
Licences and permits	41 843	35 601	35 601	22 677	18 898	3 779	20%	39 281
Agency services	132 469	121 993	121 993	73 226	67 066	6 159	9%	134 993
Transfers recognised - operational	1 985 809	2 595 904	2 581 301	1 365 183	1 453 709	(88 526)	-6%	2 603 947
Other revenue	2 445 384	2 179 942	2 179 942	786 836	1 396 589	(609 753)	-44%	2 187 009
Gains on disposal of PPE	86 747	69 000	69 000	324	3 366	(3 041)	-90%	69 000
Total Revenue (excluding capital transfers and contributions)	23 912 206	25 895 089	25 880 486	12 336 899	13 208 408	(871 509)	-7%	25 725 114
Expenditure By Type								
Employee related costs	7 446 199	8 253 458	8 249 096	4 212 479	4 280 377	(67 898)	-2%	8 219 948
Remuneration of councillors	111 673	123 721	123 721	56 940	61 861	(4 921)	-8%	123 721
Debt impairment	926 812	866 192	866 192	433 096	433 096	(0)	0%	881 192
Depreciation & asset impairment	1 627 385	1 934 741	1 934 741	944 865	957 420	(12 555)	-1%	1 957 724
Finance charges	720 766	863 894	863 894	385 090	385 131	(41)	0%	863 894
Bulk purchases	6 391 186	6 898 881	6 898 881	3 124 041	3 250 206	(126 165)	-4%	6 607 911
Other materials	284 193	358 681	358 508	153 701	172 263	(18 562)	-11%	332 973
Contracted services	2 825 946	3 192 182	3 157 094	1 292 917	1 350 732	(57 814)	-4%	3 338 889
Transfers and grants	103 144	39 544	93 734	56 355	58 398	(2 043)	-3%	116 409
Other expenditure	3 480 981	3 612 788	3 583 618	1 782 680	1 689 174	93 505	6%	3 525 062
Loss on disposal of PPE	1 443	-	-	-	-	-	-	-
Total Expenditure	23 919 727	26 144 082	26 129 479	12 442 164	12 638 659	(196 495)	-2%	25 967 723
Surplus/(Deficit)	(7 521)	(248 993)	(248 993)	(105 265)	569 749	(675 014)	-118%	(242 610)
Transfers recognised - capital	3 414 645	2 535 058	2 567 723	886 545	802 896	83 649	10%	2 868 417
Contributions recognised - capital	34 076	48 250	49 820	23 705	17 634	6 072	34%	44 125
Contributed assets	2 527	-	-	31 177	-	31 177	-	31 177
Surplus/(Deficit) after capital transfers & contributions	3 443 726	2 334 315	2 368 550	836 163	1 390 279			2 701 109
Taxation	-	-	-	-	-			-
Surplus/(Deficit) after taxation	3 443 726	2 334 315	2 368 550	836 163	1 390 279			2 701 109
Attributable to minorities	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality	3 443 726	2 334 315	2 368 550	836 163	1 390 279			2 701 109
Share of surplus/ (deficit) of associate	-	-	-	-	-			-
Surplus/ (Deficit) for the year	3 443 726	2 334 315	2 368 550	836 163	1 390 279			2 701 109

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

Material variance explanations for revenue by source

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source				
Property rates	78 750	3%	The over-recovery is the combined result of over/under recovery on Property Rates and Income Forgone. The under-recovery on Income Forgone is due to lower than planned actual rebates to date as applications are still being adjudicated and processed as they are received. The final outcome is unknown. Property Rates Billings are done on a daily basis and it is therefore difficult to accurately align the monthly period budget with the actual billing per month. Property Rates Income is further influenced by ongoing valuation adjustments/corrections.	The situation is monitored on a monthly basis. Actual results for the year is expected to be in line with the budget.
Property rates - penalties & collection charges	(11 565)	-23%	The under-recovery is due to lower than planned penalties imposed on outstanding Rates Debtors. The current situation is furthermore impacted by a Council decision to stop raising interest on old arrears of indigent customers.	The situation is monitored on a monthly basis.
Service charges - electricity revenue	(123 970)	-3%	The under-recovery is on Electricity Sales, mainly due to seasonal fluctuations on consumer demand, high tariff increases and consumer savings.	Budgetary amendments were proposed in the mid-year review and included in the January 2014 adjustments budget.
Service charges - water revenue	(73 154)	-7%	The under-recovery is mainly due to the seasonal influences on consumer demand as well as the ongoing account queries and investigations resulting in continuous billing corrections and financial adjustments.	Budgetary amendments were proposed in the mid-year review and included in the January 2014 adjustments budget.
Service charges - sanitation revenue	(60 461)	-10%	The under-recovery is mainly due to the seasonal influences on consumer demand as well as the ongoing account queries and investigations resulting in continuous billing corrections and financial adjustments.	Budgetary amendments were proposed in the mid-year review and included in the January 2014 adjustments budget.
Service charges - refuse revenue	(14 780)	-3%	The under-recovery is mainly on Disposal Coupon Fees and Special Waste Fees, due to lower than anticipated consumers who are disposing of general waste and hazardous waste material.	The situation is monitored, however, Solid Waste Management revenue is demand driven and it is difficult to accurately plan the revenue per monthly cycles.
Service charges - other	(208)	0%	The under-recovery is a combination of under/over recoveries on various revenue elements in this category. The main contributors are (1) Connection Fees (Water & Sanitation department), where a higher number of connections were done than anticipated, (2) Building Levies (EESP), due to more plans being processed than anticipated to date, (3) Busfares MyCiti, where actual revenue is more than planned due to a higher usage of the services, (4) Treatment Effluent Sales, where consumer demand is lower than anticipated and (5) Industrial Effluent Charges, which are less than planned due to lower flow volumes than anticipated.	Corrective action is not required where an increase in revenue is due to consumer demand. Budgetary provisions in the various revenue sources in this category were reviewed during the mid-year review. The situation is monitored by the relevant finance managers on a monthly basis.
Rental of facilities and equipment	1 740	1%	The over-recovery is a combination of under/over recoveries on various different revenue elements in this category. The main contributors are (1) TEAM, due to a higher than planned rate of utilisation of facilities and payment of deposits in advance, (2) Community Development, where the utilisation was lower than expected due to seasonal factors and (3) Housing, where rental subsidies are less than planned due to properties being transferred to homeowners.	The rental of facilities is demand driven and difficult to predict. The situation is monitored on a monthly basis.

Table continues on next page.

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Revenue By Source				
Interest earned - external investments	48 273	34%	The over-recovery is mainly due to a higher than expected cash and investment balance for the period when compared to the planned revenue.	Interest on Investments is monitored by the Investment Section on a monthly basis.
Interest earned - outstanding debtors	(4 784)	-8%	The under-recovery is due to lower than planned interest raised on outstanding debtor balances in December. In addition, there is the reversal of interest charges raised in previous financial periods resulting from account corrections and adjustments.	The situation is monitored on a monthly basis and corrective action will be undertaken when so identified.
Dividends received Fines	— (19 969)	— -23%	— The under-recovery is mainly on Traffic Fines, due to the withdrawal and/or reduction of fines by prosecutors, non payment of fines and the capacity of courts to deal with the volumes of cases.	— A number of interventions i.e. appointment of additional officers, etc. were implemented to improve this situation. The situation was reviewed during the mid-year review and adjustments are included in the January 2014 adjustments budget.
Licences and permits	3 779	20%	The over-recovery is mainly due unplanned revenue for a hoarding permit issued within EESP for the use of City Land around a construction site.	This category is demand driven and therefore difficult to plan accurately per monthly cycles. The situation was reviewed during the mid-year review and amendments are included in the January 2014 adjustments budget.
Agency services	6 159	9%	The over-recovery is mainly due to the non-alignment of the period budget and the actual trend of transactions processed relating to the renewal of licences. In addition, higher than anticipated renewals were received during the month.	Budget was reviewed and amendments are included in the January 2014 adjustments budget.
Transfers recognised - operational	(88 526)	-6%	The under-recovery is mainly within (1) TEAM (R16 million under), due to the delay experienced in the signing of the AFCON(CHAN) agreement, (2) Transport Roads and Stormwater (R79 million under), due to delays in receipt of invoices from service providers, processing of GRN's of IRT invoices and finalisation of MOAs to be able to commence with spending on various Transport Projects, (3) Human Settlements (R22 million over), due to various housing development projects that are in different stages of progress, some progressing faster than others. Various factors impact on the progress of Housing projects e.g. community dynamics, funding approvals by Provincial Housing, environmental issues as well as procurement delays associated with, inter alia, the tender processes and (4) City Health (R9 million under), due to the receipt of a payment for December in January.	(1) TEAM: Cash flow projections reviewed during the mid-year review. (2) TRS and (3) Human Settlements: Period budgets of the various projects will be adjusted where identified and required.
Other revenue	(609 753)	-44%	The under-recovery is a combination of under/over-recoveries on a number of revenue elements within this category. The main contributor is an under-recovery on the Fuel Levy where payment was received in December, but only processed in January 2014. The over-recovery is attributable to higher than anticipated revenue received on CID-Levies, Sale of Salvaged Items as well as Miscellaneous Income within Water & Sanitation, Solid Waste Management, Safety & Security, Finance and Corporate Services.	The Fuel Levy payment will be reflected in January 2014. The revenue sources where the over-recovery occurred are of an adhoc nature and difficult to plan accurately.
Gains on disposal of PPE	(3 041)	-90%	The under-recovery is mainly within Finance, Water & Sanitation and Cape Town Electricity where the period budgets are not aligned with the actual trend of revenue received, due to uncertainty with the finalisation date of sales.	The situation is monitored on a monthly basis.

Material variance explanations for expenditure by type...

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Description	YTD Variance R Thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Expenditure By Type				
Employee related costs	(67 898)	-2%	The variance is mainly on (1) grant-funded vacancies as a result of the turnaround time in the filling of vacancies, (2) delays in the appointment of seasonal workers within Safety & Security and (3) Other Allowances, which relate to various adhoc allowances within this category that are dependent on when functions are performed and claims are submitted.	The filling of vacancies is on-going and seasonal staff are appointed as required. Savings realised to date have been set aside and ring-fenced within investment accounts to cover unfunded cash commitments as approved by Council.
Remuneration of councillors	(4 921)	-8%	The variance is mainly due to councillor vacancies and the non-implementation of the councillor increases, which is expected to be implemented later in the year once the increase is gazetted and approved by the Minister of Corporative Governance and Traditional Affairs.	Increases only expected to be implemented later in the financial year and back dated to July 2013.
Debt impairment	(0)	0%	Immaterial variance.	-
Depreciation & asset impairment	(12 555)	-1%	Immaterial variance.	-
Finance charges	(41)	0%	Immaterial variance	-
Bulk purchases	(126 165)	-4%	The variance is largely due the consumer savings campaigns and the high electricity tariff increases, which affect consumer demand.	Amendments were proposed in the mid-year review and were addressed in the January 2014 adjustments budget.
Other materials	(18 562)	-11%	The variance is mainly within Utility services, largely due to lower than anticipated demand for materials, the impact of the re-active component of R&M and savings realised within Solid Waste Management, due to new plant and vehicles purchased with a maintenance plan.	R&M expenditure is expected to improve in the upcoming months. Budgetary alignment was undertaken during the mid-year review and amendments proposed to be included in the January 2014 adjustments budget.
Contracted services	(57 814)	-4%	The variance is mainly due to (1) the non-alignment of R&M programmes within Community Services, due to contracts approved later than anticipated and a lack of capacity to implement projects. Further contributors to the variance are delays in the capturing of invoices as a result of additional time required to verify complex IRT invoices within Transport Roads and Storm water and delays in the roll out of EPWP projects.	The expenditure trend is expected to improve as the year progresses. The situation will be monitored by the respective finance managers.
Transfers and grants	(2 043)	-3%	The variance is mainly as a result of delays with the finalising of MOA for various beneficiaries largely within the Economic, Environment & Spatial Planning directorate.	The directorate is in the process of finalising disbursements to various beneficiaries.
Other expenditure	93 505	6%	The variance is as a result of over - expenditure mainly due to (1) the once-off payment of R78 million processed during December 2013 relating to the agreement between the City and the Cape Joint Pension fund to transfer active members from the Defined Benefit Option to the Defined Contribution Option as approved by Council, (2) Fuel resulting from the escalating international fuel prices and volatile R/\$ exchange rate, (3) Security Services and Charges, due to environmental factors and demand on services as a result of risk assessments and (4) Peoples Housing Process programmes where the rate of expenditure is currently ahead of planned cash flows.	The Journal relating to the pension fund payment was process after SAP month-end and will only reflect in January 2014. This will offset the over expenditure on the cost centre. The fuel budget is being monitored by providing line departments with e-Fuel and OBC reports to monitor excessive fuel usage and abuse of vehicles within their departments. However, the exchange rate and escalating international fuel price is out of the control of the City. The expenditure trend for Security Services is constantly reviewed although reducing and curtailing expenditure is not that easy, with fear of vandalism, safety of public and staff and possible loss of assets.
Loss on disposal of PPE	-	-	-	-

Budget Statement - Capital Expenditure (municipal vote; standard classification and funding)

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

Vote Description	2012/13	Budget Year 2013/14						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
Multi-Year expenditure appropriation								
Vote 1 - City Health	22 778	23 716	27 129	6 017	11 887	(5 870)	-49%	30 096
Vote 2 - City Manager	1 147	842	842	510	421	89	21%	14 095
Vote 3 - Community Services	178 223	222 027	226 934	48 028	56 033	(8 005)	-14%	209 126
Vote 4 - Compliance and Auxiliary Services	5 094	10 465	15 844	1 918	1 621	297	18%	3 604
Vote 5 - Corporate Services	232 756	258 892	255 103	90 690	93 144	(2 454)	-3%	294 109
Vote 6 - Deputy City Manager	25 085	40 450	39 767	13 093	21 279	(8 185)	-38%	27 739
Vote 7 - Economic, Environment & Spatial Planning	41 429	58 459	57 922	12 850	11 399	1 451	13%	64 469
Vote 8 - Finance	21 613	11 784	41 111	2 053	6 944	(4 891)	-70%	44 204
Vote 9 - Human Settlements	565 694	626 894	666 389	268 598	306 799	(38 201)	-12%	772 040
Vote 10 - Rates & Other	-	-	-	-	-	-	-	-
Vote 11 - Safety & Security	55 708	67 927	71 852	16 787	28 357	(11 570)	-41%	58 080
Vote 12 - Social and Early Childhood Development	6 791	5 460	7 838	631	1 879	(1 249)	-66%	7 838
Vote 13 - Tourism, Events and Marketing	91 037	28 661	39 418	5 606	17 417	(11 811)	-68%	26 530
Vote 14 - Transport, Roads and Stormwater	2 493 517	1 415 743	1 431 843	551 702	351 191	200 511	57%	1 612 231
Vote 15 - Utility Services	2 039 890	2 679 272	2 730 775	604 800	829 814	(225 015)	-27%	2 436 227
Total Capital Expenditure	5 780 762	5 450 592	5 612 765	1 623 283	1 738 184	(114 901)	-7%	5 600 388
Capital Expenditure - Standard Classification								
Governance and administration	276 777	294 502	328 246	100 529	111 153	(10 625)	-10%	356 991
Executive and council	4 266	9 250	14 442	1 279	1 038	241	23%	2 256
Budget and treasury office	10 471	5 349	5 444	1 365	3 548	(2 184)	-62%	6 286
Corporate services	262 041	279 903	308 360	97 885	106 567	(8 682)	-8%	348 449
Community and public safety	961 937	1 024 512	1 086 467	363 351	433 543	(70 193)	-16%	1 151 013
Community and social services	37 716	80 545	79 770	11 124	12 743	(1 619)	-13%	66 522
Sport and recreation	233 146	170 922	189 349	42 511	60 173	(17 662)	-29%	173 451
Public safety	103 000	122 934	124 331	35 101	41 942	(6 841)	-16%	109 404
Housing	565 694	626 894	666 389	268 598	306 799	(38 201)	-12%	772 040
Health	22 382	23 216	26 629	6 017	11 887	(5 870)	-49%	29 596
Economic and environmental services	2 528 595	1 500 104	1 512 576	570 588	373 484	197 104	53%	1 697 460
Planning and development	31 631	65 452	63 589	19 660	21 044	(1 384)	-7%	62 479
Road transport	2 482 101	1 412 268	1 425 861	549 821	349 857	199 964	57%	1 604 685
Environmental protection	14 864	22 384	23 126	1 107	2 583	(1 476)	-57%	30 296
Trading services	2 013 453	2 631 474	2 685 476	588 816	820 004	(231 188)	-28%	2 394 924
Electricity	1 194 512	1 404 107	1 426 870	337 801	453 999	(116 198)	-26%	1 313 311
Water	303 326	478 465	494 681	130 013	176 600	(46 587)	-26%	477 601
Waste water management	304 581	481 115	492 835	86 765	101 165	(14 400)	-14%	462 840
Waste management	208 174	264 938	267 856	33 841	86 763	(52 922)	-61%	139 505
Other	2 860	2 849	3 234	395	1 476	(1 081)	-73%	1 666
Total Capital Expenditure - Standard Classification	5 780 762	5 450 592	5 612 765	1 623 283	1 738 184	(114 901)	-7%	5 600 388
Funded by:								
National Government	3 056 018	2 191 297	2 252 888	743 220	633 957	109 263	17%	2 501 455
Provincial Government	354 954	343 761	314 835	143 269	158 832	(15 562)	-10%	357 962
District Municipality	-	-	-	-	-	-	-	-
Other transfers and grants	3 673	2 100	2 100	62	1 100	(1 038)	-94%	1 100
Transfers recognised - capital	3 414 645	2 537 158	2 569 823	886 552	793 889	92 663	12%	2 860 517
Public contributions & donations	35 076	46 150	47 720	23 699	16 534	7 165	43%	52 025
Borrowing	1 665 377	2 149 497	2 228 669	553 634	731 982	(178 349)	-24%	2 030 433
Internally generated funds	665 664	717 788	766 554	159 398	195 779	(36 381)	-19%	657 413
Total Capital Funding	5 780 762	5 450 592	5 612 765	1 623 283	1 738 184	(114 901)	-7%	5 600 388

The table below reflects the percentage variance for capital expenditure by vote as well as reasons for material deviations and the remedial action thereof.

Material variance explanations for capital expenditure

Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote				
Vote 1 - City Health	(5 870)	-49%	1. New Environmental Health Office and St Vincent Clinic projects are behind schedule, due to various delays resulting from community interference. 2. The contractor who was awarded the contract for the extensions at the Delft south Clinic has withdrawn his offer. A tender cancellation request has been submitted to the Director: SCM for approval. A report for the appointment of the second highest scoring contractor only be submitted once the current contract has been cancelled.	1. Follow-up with project managers and consultants to ensure that a new program of work is received and that a plan to catch up on time lost is in place. 2. The report for the appointment of the second highest scoring contractor will be submitted as soon as the present contract has been cancelled by SCM. Cash flows to be amended in the adjustments budget in January 2014.
Vote 2 - City Manager	89	21%	Furniture and equipment delivered earlier than anticipated.	Cash flows to be amended in the adjustments budget in January 2014.
Vote 3 - Community Services	(8 005)	-14%	1. Sport and Recreation: Blue Waters Resort Upgrade: The project commenced later than planned, due to delays in the tender process. Solomon Mahlangu Hall Modification: Delays are expected as a result of damage caused by excessive winds, which blew off the roof of the structure. Awaiting assessment from contractor's insurance as well as the principal agent's adjudication on delays caused by this unexpected circumstance. Irrigation General Upgrade: Delays were encountered as the draft tender documents had to be edited due to amendments to the SCM policy. Retreat Pool: The contractor for the roof tender has been unable to submit a tax clearance certificate thus delaying the issue of the purchase order and contract implementation. 2. Library and Information Services: Library Upgrades and Extensions: Extension of office building to be completed by end January 2014. Replacement of library roof: Professional team compiled specifications for tender. Additional information to be supplied to SCM in January 2014, and thereafter the tender will be advertised. Kuyasa Library: Contractor on site. Budget to be re-phased in line with implementation programme.	1. Sport and Recreation: Blue Waters Resort Upgrade: Progress on the project will be fast tracked to make up for delays. Solomon Mahlangu Hall: Department to liaise with contractor regarding the insurance claim. Contractor to resume all other work forming part of the original scope of works after the builder's holiday. Irrigation General Upgrade: Project manager amended the tender document to reflect the changes requested on the layout of the bill of quantities. These were submitted to SCM on 18 December 2013. Following sanction by SCM a BSC meeting will be scheduled for late January. Retreat Pool: SCM and the department are engaged in discussions with SARS for the vendor's tax clearance issue to be resolved. 2. Library and Information Services: Projects to be completed later than planned. Budget and cash flows to be amended in the adjustment budget in January 2014.
Vote 4 - Compliance and Auxiliary Services	297	18%	Furniture and equipment delivered earlier than anticipated.	Cash flows to be amended in the adjustments budget in January 2014.
Vote 5 - Corporate Services	(2 454)	-3%	Immaterial variance	-
Vote 6 - Deputy City Manager	(8 185)	-38%	1. Project and Portfolio Management: Awaiting invoice to be submitted. 2. Urban Regeneration projects: Awaiting invoices to be submitted. Certain projects have been approved but now requires funding authority via the USDG project approval process before work can commence.	1. Liaise with professional team to submit invoices timeously. Cash flow to be amended in the adjustments Budget in January 2014.
Vote 7 - Economic, Environment & Spatial Planning	1 451	13%	Contractors on various projects are delivering ahead of programme.	Cash flows to be amended in adjustments budget in January 2014.
Vote 8 - Finance	(4 891)	-70%	1. E-Procurement project plans restarted. Appointment of consultants in progress, which will result in an improved implementation rate. 2. Replacement of Furniture & Equipment: Awaiting finalisation of the lease agreement for the cash office in the Mitchell's Plain shopping centre. Renovations are scheduled to commence in February 2014, due to the builder's holiday and is anticipated to be completed by the end of April 2014. 3. The Immoveable Asset Register project will commence from January 2014.	1. SCM to speed up the appointment of consultants. 2. The department will liaise with contractors to accelerate work as soon as they are back on site. 3. Property department to speed up the Immoveable Asset Register project. Cash flows to be amended in the adjustments Budget in January 2014.
Vote 9 - Human Settlements	(38 201)	-12%	Langa Hostels and Brick Skin Upgrades projects experienced minor delays. All contractors will be on site during January 2014.	Budget to be adjusted in line with revised project timeframes and funding allocation in the adjustments budget in January 2014.
Vote 10 - Rates & Other	-	-		

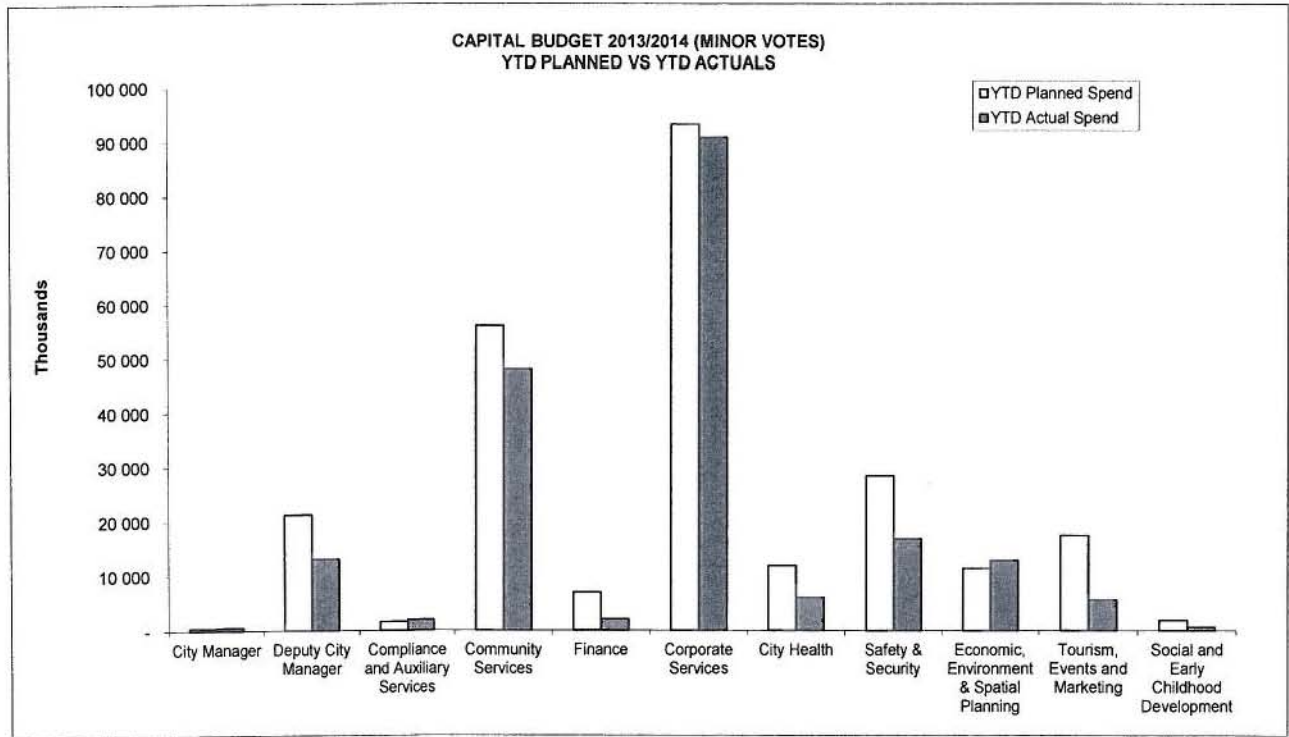
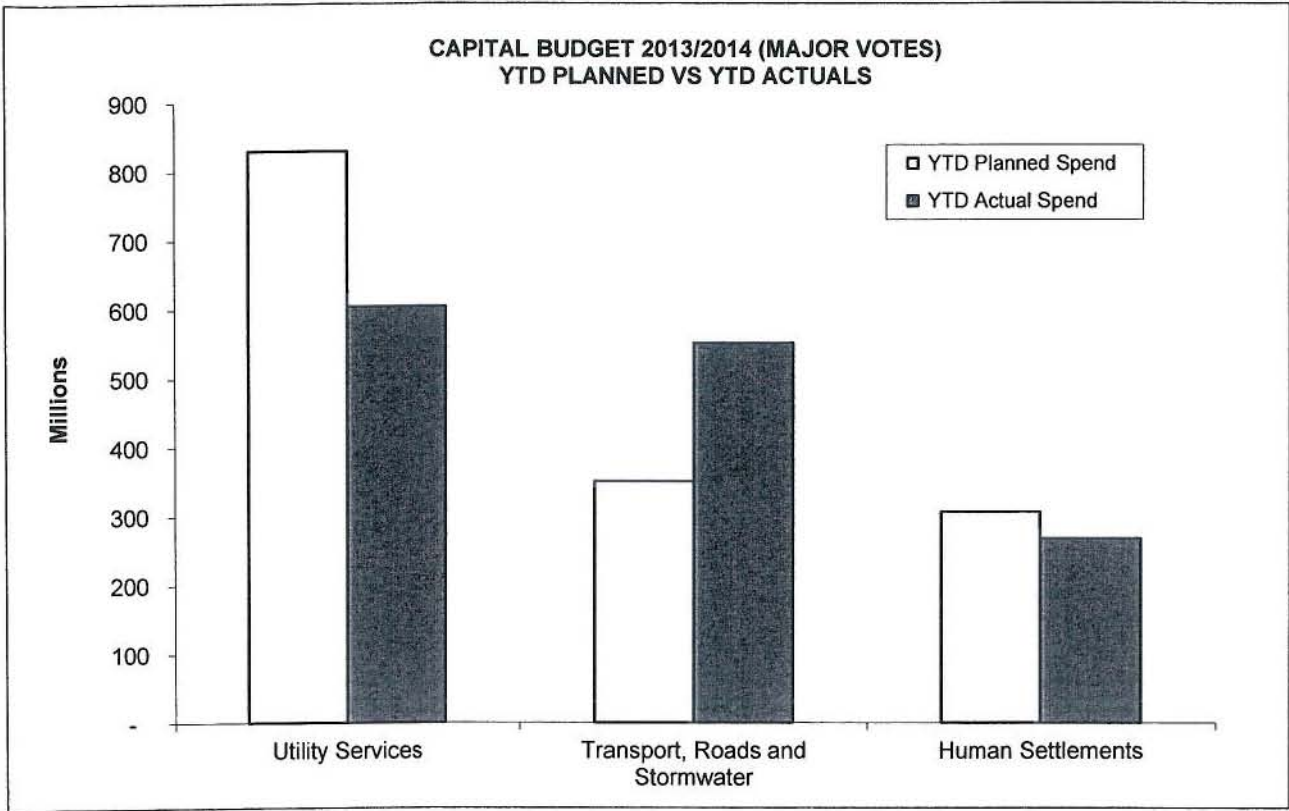
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Description	YTD Variance R thousands	Variance %	Reasons for material deviations	Remedial or corrective steps/remarks
Capital Expenditure by Vote				
Vote 11 - Safety & Security	(11 570)	-41%	1. The tender for the appointment of a service provider for the implementation of a SAP Public Safety and Security solution was adjudicated on 9 December 2013. The recommended service provider submitted revised implementation estimates, due to time constraints resulting from the tender approval delays. 2. The tender for the Bellville and Athlone CCTV projects was advertised and closes on 16 January 2014. The appeal timeframe ends in March 2014.	There is ongoing monitoring of the progress and expenditure on projects. Project phases affected by tender delays as well as the appeal process are being rephased to the 2014/15 financial year in the adjustments budget in January 2014.
Vote 12 - Social and Early Childhood Development	(1 249)	-66%	1. Golden Gate ECD Centre: Delays with the tender process resulting from SCM issues. 2. Strandfontein ECD Centre: Delays due to community participation process. 3. Ocean View ECD Centre: The final phase of the project is currently underway and is taking longer than anticipated. 4. Delay in placing orders for furniture and equipment.	1. Golden Gate ECD Centre: SCM issues were resolved and tender to be advertised in January 2014. 2. Strandfontein ECD Centre: The construction phase is due to commence in January 2014. 3. Ocean View ECD Centre: Department to monitor the final phase of the project to ensure timeous completion. 4. Order for furniture and equipment to be placed by end February 2014. Budget and cash flows to be amended in adjustments budget in January 2014.
Vote 13 - Tourism, Events and Marketing	(11 811)	-68%	Cape Town Stadium: Scope and tender specifications have been finalised. Tender will be advertised in February 2014 and awarded in May 2014. Projects will be re-phased to 2014/15 financial year, due to tender delays.	Budget and cash flows to be amended in adjustments budget in January 2014.
Vote 14 - Transport, Roads and Stormwater	200 511	57%	1. A number of IRT projects have progressed better than anticipated. 2. Strandfontein (USDG) and NMT projects: progressing faster than anticipated. 3. The SAP software for Transport for Cape Town was delivered earlier than initially planned.	No further remedial or corrective steps deemed necessary. It should be noted that the industrial action in the construction sector during September 2013 will have a negative impact on capital spend in the forthcoming months. In addition, there are numerous contractor liquidations currently underway, which will also result in slower than planned spend. Cash flows have been reviewed in the adjustments budget in January 2014.

Vote 15 - Utility Services per sub vote

Description	YTD Variance R thousands	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
Utility Services Support	(18)	-30%	Orders previously placed have been put on hold. Procurement requires a request for quotation process to be followed.	Request for quotations being processed in January 2014. Cash flows to be amended in the adjustments budget in January 2014.
Cape Town Electricity	(110 440)	-24%	1. The national industrial action/strike that affected the building construction industry had a major impact on the delay at the construction of the Training School in Brackenfell. 2. New Building Complex in Bloemhof: Payments have not been processed, due to delays in the outcome of non-conformance issues. 3. Electrification of Joe Slovo formal development was delayed as a result of community interference. Quotations have now been received for equipment. 4. Koeberg Rd Switching station (Phase 2): Work progressing slower than anticipated.	1. Industrial action for construction industry resolved; contractors on site. Expected completion February 2014. 2. Awaiting outcome of non-conformance. 3. Work to commence in January 2014. 4. Manufacture of the 132 kV cable is in progress and civil works have commenced. The tender for the 145 kV switchgear has been awarded and the detail design is in progress. Budget and cash flow projections of affected projects to be amended in the adjustments budget in January 2014.
Water & Sanitation	(61 635)	-22%	Replace & Upgrade of Water and Sewer Network (Citywide) projects: All works projects on period tenders were suspended due to a Section 62 appeal; which has now been solved.	After the ruling on the Section 62 appeal, the process to appoint contractors was improved. Consultants are being used to speed up the process. Budget and cash flows to be amended in the adjustments budget in January 2014.
Solid Waste Management	(52 922)	-61%	Solid Waste Management and New Transfer Station Infrastructure projects: New technology was introduced by the company to whom the tender was awarded resulting in a delay in the completion of the re-design.	Budget and cash flows to be amended in the adjustments budget in January 2014.

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



Budget Statement – Financial Position

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

Description	2012/13	Budget Year 2013/14			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	4 730 197	–	–	79 940	–
Call investment deposits	3 430 794	6 200 954	6 198 800	8 055 313	6 198 800
Consumer debtors	4 172 233	4 217 354	4 454 964	3 140 607	4 454 964
Other debtors	290 496	370 198	407 218	192 328	407 218
Current portion of long-term receivables	20 546	17 832	16 940	20 546	16 940
Inventory	256 550	278 941	292 888	266 773	292 888
Total current assets	12 900 815	11 085 279	11 370 810	11 755 508	11 370 810
Non current assets					
Long-term receivables	101 665	89 644	85 161	88 751	85 161
Investments	173 426	1 203 274	133 505	–	133 505
Investment property	–	–	–	–	–
Investments in Associate	–	–	–	–	–
Property, plant and equipment	28 758 736	32 232 897	35 630 315	29 437 153	35 630 315
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	–	–	–	–	–
Other non-current assets	–	–	–	–	–
Total non current assets	29 033 827	33 525 815	35 848 981	29 525 905	35 848 981
TOTAL ASSETS	41 934 642	44 611 094	47 219 791	41 281 412	47 219 791
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	418 166	478 860	387 991	418 166	387 991
Consumer deposits	308 217	332 682	365 950	353 034	365 950
Trade and other payables	5 445 079	6 592 362	8 992 393	2 991 339	8 992 393
Provisions	1 817 235	1 152 460	1 233 133	2 021 210	1 233 133
Total current liabilities	7 988 696	8 556 364	10 979 467	5 783 749	10 979 467
Non current liabilities					
Borrowing	6 936 237	6 493 327	6 646 477	6 750 895	6 646 477
Provisions	4 552 513	4 756 220	4 756 220	4 552 513	4 756 220
Total non current liabilities	11 488 750	11 249 547	11 402 697	11 303 408	11 402 697
TOTAL LIABILITIES	19 477 446	19 805 911	22 382 164	17 087 157	22 382 164
NET ASSETS	22 457 196	24 805 183	24 837 627	24 194 255	24 837 627
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	20 159 377	22 790 759	22 824 993	22 048 849	22 824 993
Reserves	2 297 819	2 014 424	2 012 634	2 145 407	2 012 634
TOTAL COMMUNITY WEALTH/EQUITY	22 457 196	24 805 183	24 837 627	24 194 255	24 837 627

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

Definitions of financial position categories

Description	Definition
Cash	Cash includes cash on hand, cash with banks, notice deposits and deposits with a maturity of three months or less, readily convertible to cash without significant change in value.
Call investment deposits	Call investment deposits include short-term bank and other deposits with a maturity of more than three months but less than twelve months.
Consumer debtors	A customer of an entity who has not yet paid for municipal goods and services rendered.
Other debtors	A customer or an entity who has not yet paid for sundry services rendered and/or fines imposed.
Current portion of long-term receivables	That portion of Long-term receivables that will become due in the next operating year.
Inventory	Inventory consists of goods purchased and held for resale and goods produced by the City. Inventory also includes raw materials and supplies to be used in works and processes.
Long-term receivables	Receivables that become due only in the financial years after the next one.
Investments	Investments include bank and other deposits with a maturity of more than twelve months.
Investment property	Is land and buildings held to earn rentals or for capital appreciation or both, as opposed to being used for production or for the supply of goods or services or for administrative purposes, or intended for sale in the normal course of operations.
Investments in Associate	It is an investment in an entity in which the investor has significant influence but is neither a controlled entity nor a joint venture of the City.
Property, plant and equipment	Are tangible assets that are held for use in the production or supply of goods or services, for rentals to others or for administrative purposes, and are expected to have a useful life of more than one reporting period.
Agricultural	The management of an agricultural activity for the biological transformation and harvest of biological assets for sale or conversion into agricultural produce or into additional biological assets.
Biological assets	Consists of assets undergoing the biological transformation in terms of the processes of growth, degeneration, production and procreation that cause qualitative or quantitative changes in a biological asset.
Intangible assets	Identifiable non-monetary asset without physical substance or form, held for use in the production or supply of goods or services, for rental to others or for administrative purposes.
Bank overdraft	Bank overdraft includes that amount overdrawn on the bank account and represents a short-term debt facility repayable to the Bank. The city has not negotiated any overdraft facilities.
Borrowing	Borrowing is that portion of loans taken up by the Council which are due and payable within the next twelve months.
Consumer deposits	Amounts held by the City as security over the provision of services on credit and repayable on termination of accounts.
Trade and other payables	Liabilities owed to suppliers for purchases of goods or services already rendered to the municipality.
Provisions	A present obligation arising from past events, the settlement of which is expected to result in an outflow of resources and will be taking place in the next 12 months.
Borrowing	Borrowing is that portion of loans taken up by the Council which are due and payable longer than the twelve months (i.e. exclude that amount of total loans included under current liabilities).
Provisions	A present obligation arising from past events, the settlement of which is expected to result in an outflow of resources and will be taking place not in the next 12 months.
Accumulated Surplus/(Deficit)	The surplus of an entity that has accumulated since the beginning of the entity's existence.
Reserves	Funds set aside from accumulated surpluses for statutory as well as specific requirements.

Budget Statement – Cash Flow

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

Description	2012/13	Budget Year 2013/14						
	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								
Ratepayers and other	18 963 843	21 960 571	21 960 571	12 230 850	11 527 821	703 029	6%	21 960 571
Government - operating	1 979 795	2 595 904	2 581 301	1 507 017	1 614 987	(107 970)	-7%	2 581 301
Government - capital	3 414 645	2 583 308	2 572 752	1 678 255	1 653 278	24 977	2%	2 572 752
Interest	592 319	403 422	284 618	222 505	142 110	80 396	57%	284 618
Payments								
Suppliers and employees	(18 797 472)	(22 599 729)	(22 292 356)	(12 278 334)	(11 749 608)	528 725	-4%	(22 292 356)
Finance charges	(646 211)	(749 449)	(749 563)	(386 600)	(386 600)	(0)	0%	(749 563)
Transfers and Grants	-	-	(39 694)	(5 862)	(19 847)	(13 985)	70%	(39 694)
NET CASH FROM/(USED) OPERATING ACTIVITIES	5 506 919	4 194 026	4 317 630	2 967 831	2 782 140	(185 691)	-7%	4 317 629
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	93 472	69 000	-	-	-	-	-	-
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	(3 125)	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	(42 313)	-	-	-	-	-	-	-
Payments								
Capital assets	(5 868 809)	(5 178 063)	(5 544 435)	(2 998 166)	(2 871 578)	126 588	-4%	(5 544 435)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(5 820 775)	(5 109 063)	(5 544 435)	(2 998 166)	(2 871 578)	126 588	-4%	(5 544 435)
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/financing	2 384 420	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	33 273	-	-	-	-	-	-	-
Payments								
Repayment of borrowing	(165 311)	(345 066)	(598 143)	(183 831)	(309 110)	(125 279)	41%	(598 143)
NET CASH FROM/(USED) FINANCING ACTIVITIES	2 252 382	(345 066)	(598 143)	(183 831)	(309 110)	(125 279)	41%	(598 143)
NET INCREASE/ (DECREASE) IN CASH HELD	1 938 526	(1 260 103)	(1 824 949)	(214 166)	(398 548)			(1 824 949)
Cash/cash equivalents at beginning:	6 160 840	7 539 463	8 099 366	8 099 366	8 099 366			8 099 366
Cash/cash equivalents at month/year end:	8 099 366	6 279 360	6 274 417	7 885 200	7 700 818			6 274 417

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

Description R thousands	YTD variance R Thousands	YTD variance %	Reasons for material deviations	Remedial or corrective steps/remarks
CASH FLOW FROM OPERATING ACTIVITIES				
Receipts				
Ratepayers and other	703 029	6%	The variance is as a result of a combination of number of over-recoveries on different revenue elements.	Corrective action is not required at this time.
Government - operating	(107 970)	-7%	The under-recovery is as a result of the way the City projected the amounts to be received from PGWC as no payment schedules was available.	Representations in this regard has been made.
Government - capital	24 977	2%		
Interest	80 396	57%	Investment interest income greater than expected, due to a higher than expected cash and investment balance compared to budget as well as better returns earned by the Fund managers.	Corrective action is not required at this time.
Dividends	-	-		
Payments				
Suppliers and employees	528 725	-4%	Immaterial variance.	A pro-rata share of total cash outflow was applied due to the system not being able to differentiate between capital and operating expenditure. Ongoing system enhancements are being made to facilitate the correct disclosure. Refer to capital assets payments.
Finance charges	(0)	0%	-	-
Transfers and Grants	(13 985)	70%	Variance mainly as a result of a number of grant applications awaiting Council approval for disbursement to various new beneficiaries.	Corrective action is not required at this time.
NET CASH FROM/(USED) OPERATING ACTIVITIES	(185 691)	-7%		
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipts				
Proceeds on disposal of PPE	-	-	-	-
Decrease (Increase) in non-current debtors	-	-	-	-
Decrease (increase) other non-current receivables	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-
Payments				
Capital assets	126 588	-4%	Immaterial variance.	A pro-rata share of total cash outflow was applied due to the system not being able to differentiate between capital and operating expenditure. Ongoing system enhancements are being made to facilitate the correct disclosure. Refer to suppliers and employees payments.
NET CASH FROM/(USED) INVESTING ACTIVITIES	126 588	-4%		
CASH FLOWS FROM FINANCING ACTIVITIES				
Receipts				
Short term loans	-	-	-	-
Borrowing long term/refinancing	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-
Payments				
Repayment of borrowing	(125 279)	41%	The shortfall in cash outflow is due to the provision for internal sinking fund reserves to pay future balloon loan amounts.	Corrective action is not required at this time.
NET CASH FROM/(USED) FINANCING ACTIVITIES	(125 279)	41%		

The monthly cash flow details can be found in the table below.

Budget Statement – Actual and revised targets for cash receipts and cash flows

Description	Budget Year 2013/14												2013/14 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 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands															
Cash Receipts By Source															
Property rates	481 392	430 670	531 497	520 115	476 994	481 600	399 898	411 469	390 329	410 348	396 356	423 200	5 353 870	5 701 034	6 100 711
Property rates - penalties & collection charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Service charges - electricity revenue	762 160	814 302	800 149	837 699	800 257	777 967	731 964	802 933	834 917	792 066	888 844	781 836	9 625 096	10 574 268	11 554 799
Service charges - water revenue	113 846	137 088	136 565	170 975	141 126	145 527	151 487	173 110	172 713	165 611	167 109	365 525	2 040 683	2 218 337	2 476 742
Service charges - sanitation revenue	78 384	78 924	88 168	111 899	85 788	92 501	96 089	97 360	92 867	93 007	96 117	101 986	1 113 090	1 215 050	1 355 548
Service charges - refuse	72 220	50 216	50 409	59 433	50 081	49 125	81 774	73 924	73 674	73 755	69 120	200 087	903 817	962 784	1 055 565
Service charges - other	22 828	18 108	11 681	15 946	19 499	14 469	23 308	22 600	19 213	23 500	19 500	29 339	239 991	253 736	268 453
Rental of facilities and equipment	16 765	18 509	18 853	21 300	17 644	14 040	3 878	9 045	15 697	18 231	19 000	(9 729)	163 232	139 251	141 740
Interest earned - external investments	40 286	38 838	39 485	34 795	34 860	34 241	24 086	25 674	26 749	24 440	22 741	(61 578)	284 618	292 445	303 664
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	9 704	9 757	7 973	10 448	13 112	13 051	16 482	11 903	12 897	13 769	17 819	46 342	183 257	193 432	204 558
Licences and permits	60 948	16 487	9 359	24 225	17 914	20 141	3 853	2 815	2 757	2 591	3 382	(128 871)	35 601	37 595	39 775
Agency services	-	-	-	-	-	-	13 201	9 645	9 447	8 878	11 589	69 233	121 993	128 825	136 297
Transfer receipts - operating	533 841	48 144	129 322	78 691	704 831	12 188	137 333	271 156	435 029	53 193	28 671	148 902	2 581 301	2 549 102	3 037 349
Other revenue	187 925	815 485	340 893	237 483	184 609	614 615	28 101	1 921	654 224	23 653	27 460	(936 428)	2 179 942	2 297 942	2 431 222
Cash Receipts by Source	2 380 301	2 476 526	2 164 356	2 123 009	2 546 714	2 269 466	1 711 455	1 913 554	2 740 513	1 703 042	1 767 708	1 029 845	24 826 489	26 563 802	29 106 424
Other Cash Flows by Source															
Transfer receipts - capital	800 762	-	-	-	877 494	-	250 000	419 474	250 000	-	-	(24 977)	2 572 752	2 531 567	2 474 896
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Receipt of non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	3 181 062	2 476 526	2 164 356	2 123 009	3 424 208	2 269 466	1 961 455	2 333 028	2 990 513	1 703 042	1 767 708	1 004 868	27 399 241	29 095 368	31 581 320

Table continues on next page.

Description	Budget Year 2013/14												2013/14 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 2013/14	Budget Year +1 2014/15	Budget Year +2 2015/16
R thousands															
Cash Payments by Type															
Employee related costs	581 759	625 089	614 676	607 081	929 320	627 889	677 200	676 851	663 131	663 159	661 268	724 266	8 051 690	8 728 060	9 481 455
Remuneration of councillors	8 981	8 982	8 982	8 982	8 982	8 982	9 952	13 893	10 286	10 261	10 262	15 176	123 721	131 887	140 855
Interest paid	13 743	-	193 813	-	-	179 044	-	-	188 339	-	-	174 623	749 563	822 046	1 047 054
Bulk purchases - Electricity	748 733	818 921	812 338	472 752	83 632	436 363	428 620	445 309	422 407	439 855	447 410	988 959	6 545 300	7 151 868	7 762 007
Bulk purchases - Water & Sewer	25 957	15 078	31 651	15 006	3 220	48 303	27 522	21 237	31 349	31 887	34 343	68 027	353 581	393 631	449 988
Other materials	-	-	-	7 466	1 615	-	23 639	38 372	28 555	35 846	33 297	189 890	358 681	386 392	417 011
Contracted services	-	-	-	-	-	-	195 756	244 996	328 545	320 071	324 976	1 809 081	3 223 424	3 283 032	3 524 328
Grants and subsidies paid - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grants and subsidies paid - other	-	5 862	-	-	-	-	-	-	-	-	-	33 832	39 694	51 366	54 992
General expenses	1 493 077	774 464	818 309	751 271	178 405	702 070	266 644	296 021	325 062	283 355	279 350	(2 532 069)	3 635 959	3 887 078	4 355 059
Cash Payments by Type	2 872 249	2 248 396	2 479 770	1 862 567	1 205 174	2 002 650	1 629 334	1 736 681	1 997 674	1 784 435	1 790 908	1 471 784	23 081 612	24 835 360	27 232 748
Other Cash Flows/Payments by Type															
Capital assets	479 793	197 866	113 617	213 735	1 456 469	536 685	317 559	162 894	498 361	626 868	484 594	455 994	5 544 435	5 124 462	5 438 839
Repayment of borrowing	29 947	-	89 481	-	-	64 403	-	-	96 281	-	-	64 955	345 066	309 853	285 598
Other Cash Flows/Payments	-	-	-	-	-	-	253 077	-	-	-	-	-	253 077	275 860	291 556
Total Cash Payments by Type	3 381 989	2 446 262	2 682 868	2 076 292	2 661 643	2 603 739	2 199 971	1 899 574	2 592 316	2 411 302	2 275 502	1 992 732	29 224 190	30 545 536	33 248 741
NET INCREASE/(DECREASE) IN CASH HELD	(200 927)	30 265	(518 512)	46 717	762 565	(334 273)	(238 516)	433 454	398 197	(708 260)	(507 794)	(987 865)	(1 824 949)	(1 450 167)	(1 667 421)
Cash/cash equivalents at the month/year beginning:	8 099 366	7 898 439	7 928 704	7 410 191	7 456 909	8 219 473	7 885 200	7 646 685	8 080 139	8 478 336	7 770 075	7 262 282	8 099 366	6 274 417	4 824 250
Cash/cash equivalents at the month/year end:	7 898 439	7 928 704	7 410 191	7 456 909	8 219 473	7 885 200	7 646 685	8 080 139	8 478 336	7 770 075	7 262 282	6 274 417	6 274 417	4 824 250	3 156 828

* 'Other materials' and 'Contracted services' are included in the 'General Expenses' line item.

PART 2 - SUPPORTING DOCUMENTATION

Debtors' analysis

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

Budget Statement - Aged Debtors

Description	Budget Year 2013/14											Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts I.to Council Policy
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-160 Days	161-180 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	251 332	59 060	77 728	56 034	51 278	43 683	289 494	1 194 849	2 023 480	1 635 339	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	616 031	37 752	22 743	14 136	9 832	9 515	34 440	63 775	808 224	131 698	-	-	
Receivables from Non-exchange Transactions - Property Rates	424 249	22 431	(7 983)	37 071	36 238	27 666	168 133	643 396	1 351 200	912 503	-	-	
Receivables from Exchange Transactions - Waste Water Management	136 092	28 378	37 653	27 806	24 192	26 935	133 937	572 711	987 704	785 581	-	-	
Receivables from Exchange Transactions - Waste Management	67 092	14 399	14 822	10 725	11 341	9 031	43 827	200 714	371 950	275 637	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	52 520	9 145	9 195	(585)	9 127	423 445	-	-	502 847	431 987	-	-	
Interest on Arrear Debtor Accounts	42 235	16 515	19 318	18 507	17 767	17 204	88 514	488 487	708 547	630 479	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	-	-	-	-	-	-	-	-	-	-	-	-	
Other	(133 948)	(67 404)	(37 731)	(9 471)	(7 020)	(7 014)	(32 125)	(109 667)	(404 380)	(165 267)	-	-	
Total By Income Source	1 455 603	120 276	135 747	154 223	152 766	550 464	726 219	3 054 265	6 349 551	4 637 926	-	-	
2012/13 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	12 714	(74 403)	(55 019)	5 695	6 691	5 984	16 588	44 738	(37 012)	79 696	-	-	
Commercial	474 276	44 022	41 195	29 183	25 962	24 454	117 459	358 163	1 114 714	555 221	-	-	
Households	747 696	144 821	154 621	125 043	126 051	522 763	584 935	2 651 300	5 067 229	4 020 092	-	-	
Other	220 917	5 836	(5 049)	(5 699)	(5 948)	(2 737)	(2 763)	64	204 621	(17 082)	-	-	
Total By Customer Group	1 455 603	120 276	135 747	154 223	152 766	550 464	726 219	3 054 265	6 349 551	4 637 926	-	-	

Additional debtor's information

Monthly collection rate			YTD collection rate
Period	Current year	Previous year	
12 Month	96.62%	95.53%	96.08%
6 month	97.42%	96.00%	97.44%
3 month	100.76%	94.97%	98.38%
Monthly	87.75%	88.09%	97.61%

12 month collection ratio per source			
Source	Current year	Previous year	YTD collection rate
Electricity	99.25%	99.10%	99.30%
Water	87.13%	93.52%	87.86%
Sewerage	87.38%	92.05%	87.28%
Refuse	91.55%	97.07%	93.58%
Rates	100.35%	99.52%	99.89%
Other	99.38%	99.27%	99.71%

2013/14 Billing vs Receipts		
Month	Billing R	Receipts R
July	1,739,291,454.99	1,714,732,901.35
Aug	2,044,598,211.80	1,812,832,339.21
Sept	2,043,265,177.86	1,959,477,714.04
Oct	1,850,842,512.48	2,193,301,229.87
Nov	1,865,171,790.63	1,806,443,167.91
Dec	1,961,193,914.74	1,720,874,082.01

Creditors' analysis

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

Budget Statement - Aged Creditors

Description	Budget Year 2013/14									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	175 047	139	(445)	(179)	1 277	569	76	54	176 538	176 378
Auditor General	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	175 047	139	(445)	(179)	1 277	569	76	54	176 538	176 378

Outstanding commitments against Cash and Cash Equivalents

Item R Thousands	Previous Month	Current Month
Closing Cash Balance	8 219 473	7 885 200
Unspent Conditional Grants	2 091 756	1 723 621
Housing Development	372 103	364 707
MTAB	45 416	45 184
Trust Funds	1 380	1 386
Committed rollovers	660 000	570 000
Sinking Funds	1 174 488	1 327 728
Insurance reserves	476 559	447 348
CRR	1 197 022	1 162 997
TOTAL	6 018 724	5 642 971
TOTAL cash resources not committed	2 200 749	2 242 229

Transfers and grant expenditure per allocation or grant

Budget Statement – Transfers and grants expenditure

Description	2012/13	Budget Year 2013/14						
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	39 306	1 743 572	1 699 098	107 649	183 273	(75 624)	-41.3%	1 722 026
Restructuring	–	3 379	3 379	–	595	(595)	-100.0%	3 379
Finance Management grant	1 250	1 250	1 200	147	275	(128)	-46.7%	530
Equitable share	–	1 248 993	1 248 993	–	2 715	(2 715)	-100.0%	1 245 785
Urban Settlements Development Grant	–	113 705	58 014	25 192	25 612	(420)	-1.6%	76 174
Public Transport Network Operations Grant	–	272 521	272 521	64 309	118 839	(54 530)	-45.9%	272 521
Energy Efficiency and Demand Side Management Grant	–	1 980	1 980	–	–	–	–	1 980
Dept of Environ Affairs and Tourism	155	200	2 819	1 240	408	832	204.0%	5 258
Housing Accreditation	–	200	200	21	70	(49)	-69.9%	200
Expanded Public Works Programme	29 484	31 980	40 629	16 863	19 760	(2 897)	-14.7%	40 947
Integrated City Development Grant	–	10 364	10 364	–	–	–	–	10 364
2014 African Nations Championship Host City Operating Grant	–	59 000	59 000	–	15 000	(15 000)	-100.0%	59 000
Public Transport Infrastructure & Systems Grant	–	–	–	(123)	–	(123)	–	4 452
LGSETA: Post Graduate Internship Programme	522	–	–	–	–	–	–	–
Natural Resource Management	7 895	–	–	–	–	–	–	–
LGSETA	–	–	–	–	–	–	–	536
Infrastructure Skills Development Grant	–	–	–	–	–	–	–	900
Provincial Government:	865 610	844 953	872 029	272 720	257 962	14 758	5.7%	858 207
Cultural Affairs and Sport - Provincial library Services	23 470	24 409	24 409	12 639	12 567	72	0.6%	22 009
Human Settlements - Human Settlement Development Grant	641 612	436 831	463 907	160 300	138 164	22 135	16.0%	440 663
Human Settlements - Municipal Accreditation Assistance	10 000	10 000	10 000	1 992	4 990	(2 998)	-60.1%	10 000
Human Settlement - Settlement Assistance	1 000	1 000	1 000	–	–	–	–	1 000
Health - TB	12 408	11 207	11 207	6 577	4 858	1 718	35.4%	11 207
Health - Global Fund	3 722	34 753	34 753	15 457	13 763	1 693	12.3%	36 323
Health - ARV	22 606	77 627	77 627	39 185	33 077	6 109	18.5%	88 729
Health - Nutrition	4 056	4 400	4 400	3 446	2 200	1 246	56.7%	4 400
Health - Vaccines	67 811	79 995	79 995	33 125	39 997	(6 873)	-17.2%	74 264
Comprehensive Health	67 569	147 132	147 132	–	–	–	–	147 132
Transport and Public Works - Provision for persons with special needs	10 000	10 000	10 000	–	4 545	(4 545)	-100.0%	11 896
Municipal Land Transport Fund	–	5 600	5 600	–	2 800	(2 800)	-100.0%	5 600
Transport Safety and Compliance - Rail Safety	–	2 000	2 000	–	1 000	(1 000)	-100.0%	2 000
ABET adult Education	4	–	–	–	–	–	–	–
Transport Vehicle Impound Facility	1 352	–	–	–	–	–	–	–
Community Development Workers	–	–	–	–	–	–	–	984
Dept of Environ Affairs and Tourism	–	–	–	–	–	–	–	2 000
Other grant providers:	6 314	7 379	10 173	3 278	4 451	(1 173)	-26.3%	23 715
Tourism	–	2 000	2 000	–	–	–	–	2 000
Carnegie	–	1 258	1 258	413	619	(205)	-33.2%	1 664
CMTF	–	170	970	–	570	(570)	-100.0%	9 140
Other	–	15	–	–	–	–	–	–
Mamre Trust	12	150	150	–	–	–	–	–
CID	2 271	2 905	3 006	1 493	1 493	(0)	–	3 006
Century City Property Owners Association	409	196	196	98	98	(0)	–	196
NGK Ceranuc Company	–	686	686	686	686	–	–	686
Traffic Free Flow (Pty) Ltd	1 116	–	1 389	354	695	(340)	-49.0%	1 746
Finnish Government	–	–	201	79	201	(121)	-60.4%	201
City for Climate Protection	–	–	144	104	40	64	161.1%	144
ICLEI Carbon Taxes	–	–	111	50	50	–	–	111
Mamre Fencing	–	–	63	–	–	–	–	63
Disaster Management Fund	256	–	–	–	–	–	–	–
Mayoress Charity Fund	651	–	–	–	–	–	–	–
Give Responsibly Campaign	8	–	–	–	–	–	–	–
South African National Biodiversity Institute	1 591	–	–	–	–	–	–	–
ATKV	–	–	–	–	–	–	–	5
SANBI	–	–	–	–	–	–	–	3 047
Sustainable Energy Africa	–	–	–	–	–	–	–	424
University Stellenbosch	–	–	–	–	–	–	–	1 283
Total operating expenditure of Transfers and Grants	911 230	2 595 904	2 581 301	383 648	445 686	(62 038)	-13.9%	2 603 947

Table continues on next page.

Description	2012/13	Budget Year 2013/14						
	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:	3 056 018	2 191 297	2 252 888	743 220	633 957	109 263	17.2%	2 501 455
City Manager: Infrastructure Skills Development Grant	–	–	–	–	–	–	–	100
Department of Water Affairs & Forestry: Water Affairs & Forestry Grant	(44)	–	–	–	–	–	–	–
Mineral Energy: Energy Efficiency and Demand Side Management Grant	5 287	9 020	9 020	–	1 200	(1 200)	-100.0%	14 020
Minerals and Energy: Integrated National Electrification Programme (Municipal) Grant	–	24 500	24 500	1 997	20 364	(18 367)	-90.2%	24 500
National Government - Other: Previous years' Dora allocations	609	200	200	9	–	9	0.0%	100
National Treasury: Expanded Public Works Programme	–	100	730	257	100	157	157.1%	412
National Treasury: Local Government Finance Management Grant	–	–	50	48	50	(2)	-3.4%	869
National Treasury: Local Government Restructuring Grant	200	–	–	–	–	–	–	–
National Treasury: Neighbourhood Development Partnership Grant	48 361	30 000	30 000	6 720	25 253	(18 534)	-73.4%	42 435
National Treasury: Other	9 392	17 443	18 523	4 021	10 392	(6 371)	-61.3%	16 052
National Treasury: Urban Settlements Development Grant	911 363	1 079 792	1 135 483	278 225	364 567	(86 342)	-23.7%	1 183 598
Sport & Recreation SA: 2010 FIFA World Cup Stadiums Development Grant	2 517	–	4 141	1 594	1 656	(63)	-3.8%	4 141
Sport Recreation: 2014 African Nation Championship Host City Operating Grant	–	4 000	4 000	980	1 600	(640)	-40.0%	4 000
Transport Public Transport Infrastructure & Systems Grant	2 078 333	–	–	(101)	–	(101)	0.0%	184 987
Transport Public Transport Infrastructure Grant	–	946 241	946 241	342 512	208 775	133 736	64.1%	946 241
Transport Public Transport Network Operations Grant	–	80 000	80 000	106 980	–	106 980	0.0%	80 000
Provincial Government:	358 628	343 761	314 835	143 269	158 832	(15 562)	-9.8%	357 962
Cultural Affairs and Sport Development of Sport and Recreation Facilities	–	874	874	137	–	137	0.0%	874
Cultural Affairs and Sport Library Services (Conditional Grant)	2 654	1 350	1 387	5	287	(282)	-98.3%	2 787
Economic Development and Tourism: False Bay Ecology	11	–	–	–	–	–	–	1 093
Health: Global Fund	–	–	–	–	–	–	–	–
Housing: Integrated Housing and Human Settlement Development Grant	321 652	319 388	292 312	138 850	150 005	(11 155)	-7.4%	315 556
Housing: Previous years' allocations	–	5 000	5 000	–	–	–	–	5 000
Other: Other	488	740	740	–	500	(500)	-100.0%	740
Provincial Government Fibre Optic Broadband Roll Out	–	10 000	5 000	2 725	5 000	(2 275)	-45.5%	5 000
Transport: Municipal Land Transport Fund	–	5 000	5 000	–	1 736	(1 736)	-100.0%	5 000
Transport and Public Works: Cape Metropolitan Transport Fund	31 841	1 409	3 199	517	529	(12)	-2.2%	20 589
Health: Luvuyo Clinic Extension	1 375	–	–	–	–	–	–	–
ABET adult Education	9	–	–	–	–	–	–	–
Transport Vehicle Impound Facility	60	–	–	–	–	–	–	–
Transport and Public Works - Provision for persons with special needs	261	–	–	–	–	–	–	–
Transport and Public Works: Other	277	–	1 322	1 035	776	259	33.4%	1 322
Other grant providers:	35 074	48 250	49 820	23 761	17 634	6 127	34.7%	53 125
Other grant providers:	35 074	48 250	49 820	23 761	17 634	6 127	34.7%	53 125
Total capital expenditure of Transfers and Grants	3 449 720	2 583 308	2 617 543	910 251	810 423	99 828	12.3%	2 912 542
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	4 360 951	5 179 212	5 198 843	1 293 899	1 256 109	37 790	3.0%	5 516 489

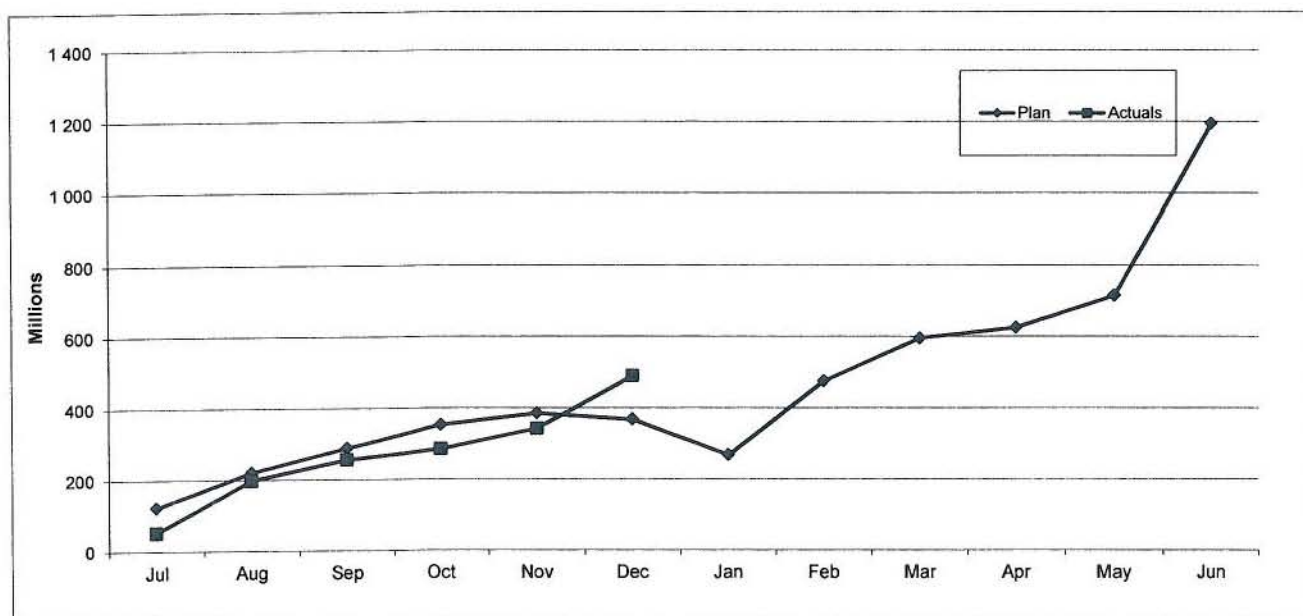
Capital programme performance

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

Budget Statement – Capital Expenditure Trend

Month	2012/13	Budget Year 2013/14						
	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	59 899	208 022	123 005	52 401	123 005	70 604	57.4%	1%
August	240 509	241 543	220 912	250 426	343 917	93 491	27.2%	5%
September	320 570	297 142	288 522	506 160	632 439	126 278	20.0%	9%
October	357 748	359 376	352 802	790 995	985 241	194 246	19.7%	15%
November	358 937	390 649	385 363	1 132 973	1 370 604	237 631	17.3%	21%
December	515 925	342 956	367 580	1 623 283	1 738 184	114 901	6.6%	30%
January	201 712	240 772	267 717		2 005 901	-		
February	314 661	408 388	475 527		2 481 427	-		
March	425 819	595 841	596 313		3 077 740	-		
April	409 290	578 404	625 298		3 703 039	-		
May	645 137	712 504	715 222		4 418 261	-		
June	1 930 555	1 074 994	1 194 505		5 612 765	-		
Total Capital expenditure	5 780 762	5 450 592	5 612 765					

The progressive expenditure to date measured against the 2013/14 budget is graphically illustrated below.



Corporate performance – material variance explanations

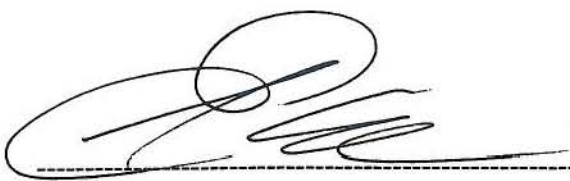
Description of Indicator	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
1.B % Spend of capital budget	-4.18%	<p>Cape Town Electricity Department:</p> <ol style="list-style-type: none"> 1. The national industrial action/strike that affected the building construction industry had a major impact on the delay at the construction of the Training School in Brackenfell. 2. New Building Complex in Bloemhof: Payments have not been processed, due to delays in the outcome of non-conformance issues. 3. Electrification of Joe Slovo formal development was delayed as a result of community interference. Quotations have now been received for equipment. 4. Koeberg Rd Switching station (Phase 2): Work progressing slower than anticipated. <p>Water & Sanitation Department: Replace & Upgrade of Water and Sewer Network (Citywide) projects: All works projects on period tenders were suspended due to a Section 62 appeal, which has now been solved.</p> <p>Solid Waste Management Department: Solid Waste Management and New Transfer Station Infrastructure projects: New technology was introduced by the company to whom the tender was awarded resulting in a delay in the completion of the re-design.</p> <p>Transport, Roads & Stormwater:</p> <ol style="list-style-type: none"> 1. A number of IRT projects have progressed better than anticipated. 2. Strandfontein (USDG) and NMT projects: progressing faster than anticipated. 3. The SAP software for Transport for Cape Town was delivered earlier than initially planned. <p>Human Settlements: Langa Hostels and Brick Skin Upgrades projects experienced minor delays. All contractors will be on site during January 2014.</p> <p>Safety & Security:</p> <ol style="list-style-type: none"> 1. The tender for the appointment of a service provider for the implementation of a SAP Public Safety and Security solution was adjudicated on 9 December 2013. The recommended service provider submitted revised implementation estimates, due to time constraints resulting from the tender approval delays. 2. The tender for the Bellville and Athlone CCTV projects was advertised and closes on 16 January 2014. The appeal timeframe ends in March 2014. <p>Tourism, Events and Marketing: Cape Town Stadium: Scope and tender specifications have been finalised. Tender will be advertised in February 2014 and awarded in May 2014. Projects will be re-phased to 2014/15 financial year, due to tender delays.</p>	<p>Cape Town Electricity Department:</p> <ol style="list-style-type: none"> 1. Industrial action for construction industry resolved; contractors on site. Expected completion February 2014. 2. Awaiting outcome of non-conformance. 3. Work to commence in January 2014. 4. Manufacture of the 132 kV cable is in progress and civil works have commenced. The tender for the 145 kV switchgear has been awarded and the detail design is in progress. Budget and cash flow projections of affected projects to be amended in the adjustments budget in January 2014. <p>Water & Sanitation Department: After the ruling on the Section 62 appeal, the process to appoint contractors was improved. Consultants are being used to speed up the process. Budget and cash flows to be amended in the adjustments budget in January 2014.</p> <p>Solid Waste Management Department: Budget and cash flows to be amended in the adjustments budget in January 2014.</p> <p>Transport, Roads & Stormwater: No further remedial or corrective steps deemed necessary for this positive variance. It should be noted that the industrial action in the construction sector during September 2013 will have a negative impact on capital spend in the forthcoming months. In addition, there are numerous contractor liquidations currently underway, which will also result in slower than planned spend. Cash flows have been reviewed in the adjustments budget in January 2014.</p> <p>Human Settlements: Budget to be adjusted in line with revised project timeframes and funding allocation in the adjustments budget in January 2014.</p> <p>Safety & Security: There is ongoing monitoring of the progress and expenditure on projects. Project phases affected by tender delays as well as the appeal process are being rephrased to the 2014/15 financial year in the adjustments budget in January 2014.</p> <p>Tourism, Events and Marketing: Budget and cash flows to be amended in adjustments budget in January 2014.</p>
1.L Number of passenger journeys on the MyCiti public transport system	0.52%	<p>Slower than expected implementation of the planned MyCiti transport service plan resulted in under achievement of target. Targets were set assuming that 3 milestones would commence during July 2013. Due to delays in negotiations with the industry role-players, new rollout was set only to commence in September 2013.</p>	<p>The new rollout plan will be revisited and if needed the targets will be reviewed during the January adjustment process to accommodate the new set milestones in the phased implementation process of the MyCiti services.</p> <p>Responsible person: Abdul Bassier Due date: End January 2014</p>
3.E(d) Percentage of known informal settlements that achieve each of the four different standards of cleanliness	1.72%	<p>The Level 1 target definition requires a perfectly clean area. The level was set as a stretch target which has proved to be difficult to achieve. The City's contractors have only been able to maintain this level of cleanliness in a couple of instances with the resources at hand.</p>	<p>The department is implementing an improvement project to provide additional services in informal settlements which will improve the general state of cleanliness. The intention is also to review the Level 1 definition during the mid-year process to be more realistic.</p> <p>Responsible person: Claire McKinnon Due date: June 2014</p>
5.D Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the City's approved employment equity plan	12.15%	<p>The positions in levels 1-3 are characterised of scarce skills categories in terms of senior management and leadership category. The City is not the only competitor for these skills and despite the City attraction strategy we are not always able to attract, appoint and retain designated groups at this level.</p>	<p>Continuous monitoring of this indicator. Coupled with the guiding EE presentations to all line Directorates, the City's Corporate Services Directorate is looking broadly at the City's attraction and retention strategies. Succession planning and identification of talent in the designated groups at lower levels and positioning them for identified senior positions is seriously considered.</p> <p>Responsible person: Michael Siyolo Due date: 31 January 2015 (end of the EE Plan)</p>

MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, **ACHMAT EBRAHIM**, the municipal manager of **CITY OF CAPE TOWN**, hereby certify that the quarterly report on the implementation of the budget and financial state affairs of the municipality for the period ended **31 December 2013** has been prepared in accordance with the Municipal Finance Management Act and regulations made under the Act.

Print name ACHMAT EBRAHIM

Municipal Manager of **CPT** (City of Cape Town)

Signature 

Date 23 . 01 . 2014