

Reference No 47018/1
Nthabiseng Mokete (012 358 3625)
MAYORAL COMMITTEE: FEBRUARY 2023

From: The City Manager
To: The Executive Mayor

GROUP FINANCIAL SERVICES
LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003
(ACT 56 OF 2003) IN-YEAR FINANCIAL REPORT (MONTHLY BUDGET
STATEMENT) FOR THE PERIOD ENDING 31 JANUARY 2023

1. PURPOSE

This report presents the progress on the financial performance of the City of Tshwane against the budget for the period ended 31 January 2023, in compliance with Section 71 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).

2. STRATEGIC PRIORITIES

Provide stringent financial management and oversight

3. BACKGROUND

Section 71(1) of the MFMA stipulates as follows: "The accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget".

For the reporting period ended 31 January 2023, the ten working days end on 14 February 2023.

4. DISCUSSION

The 2022/23 Medium-term Revenue and Expenditure Framework was approved by Council on 26 May 2022.

The attached in-year report (Annexure A) provides a high-level analysis as of 31 January 2023 in the prescribed format. Material variances will be referred to briefly in this report. Comprehensive explanations will be included in the monthly financial management report.

The following table summarises the financial performance as at 31 January 2023:

CONSOLIDATED SUMMARY STATEMENT OF FINANCIAL PERFORMANCE: 31 JANUARY 2023					
Description	Original Budget	YTD actual	YTD budget	YTD variance	YTD variance
	R'000	R'000	R'000	R'000	%
Total Revenue(Excluding Capital Transfers)	42,151,840	23,618,922	25,241,869	(1,622,947)	-6%
Total Expenditure	42,148,532	22,588,571	25,591,205	(3,002,633)	-12%
Surplus /Deficit	3,308	1,030,351	(349,336)		

The following table shows expenditure for the previous financial year, 2021/22:

CONSOLIDATED SUMMARY STATEMENT OF FINANCIAL PERFORMANCE: 31 JANUARY 2022					
Description	Original Budget	YTD actual	YTD budget	YTD variance	YTD variance
	R'000	R'000	R'000	R'000	%
Total Revenue(Excluding Capital Transfers)	39,160,287	22,800,286	23,330,193	(529,907)	-2%
Total Expenditure	39,139,554	20,163,170	22,088,560	(1,925,390)	-9%
Surplus /Deficit	20,733	2,637,116	1,241,632		

The actual operating revenue realised, excluding capital transfers and contributions, reflects an unfavourable variance of R1,6 billion against the year-to-date (YTD) budget, for the period ended 31 January 2023.

The operating expenditure is underspent by R3 billion, which is 12% less than the YTD budget.

Consolidated summary – Capital expenditure, 31 January 2023:

CONSOLIDATED SUMMARY STATEMENT OF CAPITAL EXPENDITURE: 31 JANUARY 2023							
Description	Original Budget 2022/23	YTD Budget	YTD Actual	Commitments	YTD Actual + Committed	YTD Variance	% Spent
	R'000	R'000	R'000	R'000	R'000	R'000	%
Expenditure	2,793,105	1,477,487	804,433	758,097	1,562,530	(673,054)	28.8%
TOTAL Capital Financing	2,793,105	1,477,487	804,433	758,097	1,562,530	(673,054)	28.8%

The total capital budget amounts to R2,8 billion. The expenditure for the period, including that of the municipal entities, amounts to R804,4 million, representing 28,8% of the total original capital budget.

The cash and short-term investments as at 31 January 2023 amounted to R841 million, including unspent conditional grants.

The low cost-coverage ratio of negative 0,1 months for the period signals that the City's cash resources will be insufficient to cover short-term obligations and fixed monthly operating expenditure if the City is unable to collect additional revenue in one month. According to the National Treasury norm, a financially healthy municipality would have at any given point in time sufficient cash and cash equivalents to settle liabilities and maintain fixed operational expenditure for a period of one to three months.

5. INTERDEPARTMENTAL AND CLUSTER IMPACT

The Mayoral Committee will be provided with a monthly financial management report that contains comprehensive detail on the variance against the budget per cluster.

6. COMMENTS FROM DEPARTMENTS

6.1 GROUP HEAD: GROUP LEGAL AND SECRETARIAT SERVICES

(Unaltered)

This report presents the progress on the financial performance of the City of Tshwane against the budget for the period ended 31 January 2023, in compliance with Section 71 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).

Section 11 (3) (a) (k) & (n) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (hereafter referred to as the “MSA”) provides that, a municipality exercises its legislative or executive authority by developing and adopting policies, plans, strategies and programs, including setting of targets for delivery, establishing and implementing performance management systems and also by doing anything else within its legislative and executive competence.

In accordance with Section 52 (d) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (hereafter referred to as “MFMA”), the mayor of a municipality must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality.

In terms of Section 71 (1) of the MFMA), the accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality’s budget reflecting all the required particulars for that month and for the financial year up to end of that month.

Section 72 (1) (a) & (b) of the MFMA states that, the accounting officer of a municipality must by 25 January of each year- (a) assess the performance of the municipality during the first half of the financial year, taking into account—

- (i) the monthly statements referred to in section 71 for the first half of the financial year;
- (ii) the municipality’s service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
- (iii) the past year’s annual report, and progress on resolving problems identified in the annual report; and
- (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and

(b) submit a report on such assessment to—

- (i) the mayor of the municipality;
- (ii) the National Treasury; and
- (iii) the relevant provincial treasury.

This report is in compliance with the provisions of Regulation 13 of the Local Government: Municipal Planning and Performance Management Regulations, 2001 published in terms of the “MSA” and the Performance Management Policy and Procedure developed by the City of Tshwane (dated 28 August 2008), whereby the purpose of reporting or giving feedback is to assist in monitoring, which aims to provide Managers, decision makers and other stakeholders with a regular feedback on the progress made with implementation so that corrective measures may be put in place, where necessary.

Having taken regard to the aforesaid and with specific reference to the contents of the report, **Group Legal and Secretariat Services Department** supports the approval of the report and the recommendations.

6.2 CHIEF FINANCIAL OFFICER

(Unaltered)

Cognisance is taken of the contents of the report.

The report presents the progress on the financial performance of the City of Tshwane against the budget for the period ended 31 January 2023, in compliance with Section 71 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (MFMA).

The low cost coverage ratio signal that the City's cash resources is insufficient to cover short-term obligations and fixed monthly operating expenditure in terms of the norm. It is therefore critical that the City continue to intensify its initiatives to improve revenue.

7. IMPLICATIONS

7.1 HUMAN RESOURCES

There are no human resources implications for the purposes of this report.

7.2 FINANCIAL IMPLICATIONS

This report outlines the financial performance against the approved budget of the City for the 2022/23 financial year for the period ending 31 January 2023. The report is tabled in compliance with Section 71 of the MFMA and has no additional financial implications for the City.

7.3 CONSTITUTIONAL AND LEGAL FACTORS

This report must be approved in compliance with the legislative requirements of Section 71 of the MFMA and National Treasury Regulation GG 32141 of 17 April 2009.

7.4 COMMUNICATION

In compliance with the legislative requirements of Section 71 of the MFMA, this document is provided to all stakeholders by placing it on the City of Tshwane public website.

7.5 PREVIOUS MAYORAL COMMITTEE RESOLUTIONS

There are no previous Mayoral Committee resolutions relevant to this report.

8. COMPLIANCE WITH THE MUNICIPAL STANDARD CHART OF ACCOUNTS

The primary objective of the Municipal Standard Chart of Accounts (mSCOA) regulation is to achieve uniformity across all local governments (municipalities and municipal entities).

The City does not have an mSCOA-compliant system for transacting. However, the City manually translates the current data to mSCOA segments and submits monthly data strings to the National Treasury to comply.

9. CONCLUSION

This report meets the MFMA requirement for the Executive Mayor to receive a Section 71 “monthly budget statement” within ten working days after the end of the month and in compliance with Section 71 of the MFMA.

The operating revenue realised, excluding capital transfers and contributions, reflects an unfavourable variance of R1,6 billion against the YTD budget for the period ended 31 January 2023.

The following revenue sources contributed to the variance:

- Property Rates (R102,6 million unfavourable): Revenue was less than projected. The Appeal Board has reduced property market values by 14,7%, which has resulted in a decrease in property rates revenue of R68,5 million. Property rates revenue will be adjusted during the budget adjustment process.
- Service Charges: Electricity (R1,1 billion unfavourable): Revenue was less than projected, mainly on Sale of Electricity and Reconnection Fees.

The underbilling of revenue was impacted by various factors, such as the following:

- Illegal connections due to the rise in informal settlements.
- Vandalism of electrical infrastructure resulting in the inability to meter consumption from conventional and prepayment systems.
- Load-shedding resulting in the reduction of electricity bulk purchases and consumption.
- There is also a noticeable reduction in consumption from customers who have installed embedded electricity generation systems.

The department has put interventions in place that focus on revenue collection to enhance revenue collectability and billing with a focus on the metering infrastructure of large power users, as this customer category contributes to the larger percentage of electricity revenue. The interventions are yielding results and improvements will be noticeable gradually.

- Service Charges: Water (R78,5 million unfavourable): Revenue was less than projected, mainly on Cross-Border Bulk Water due to the following.

- The City stopped supplying water to Moretele Local Municipality in July 2022. This is because Magalies Water is now supplying the area after it commissioned the newly constructed pipeline to Moretele.
- There is a great reduction in water supply to Thembisile Hani Local Municipality. This is due to continuous maintenance-related breakdowns experienced at the Bronkhorstspuit Water Treatment Plant.
- Service Charges: Refuse (R6,7 million unfavourable): Revenue was less than projected due to billing, delayed payments and the inconsistent deduction of landfill site fees from the invoices of contractors who use landfill sites for dumping.
- Rental of Facilities and Equipment (R55,2 million unfavourable): Revenue was less than the budget, mainly on Rental Stands, due to the following:
 - The cancellation of rental accounts or leased properties that have been sold or donated, or the lessee has passed away (data clean-up). However, the rental accounts continued to be billed over a long period and the amounts were accounted for in the current period once the accounts were cancelled.
 - Expired lease agreements, delays in the conclusion of new agreements and incorrect and inconsistent data across the portfolio.
 - Delays in the allocation of billed revenue on the SAP system for the month of January 2023.

The process to enter into new lease agreements for expired leases has commenced and is currently undergoing various approval stages. A journal to correct and spread the billed revenue to the correct billing periods has been submitted for processing.

- Fines (R52,3 million unfavourable): Revenue was less than projected, mainly on AARTO. The Road Traffic Infringement Agency cancelled the payment of enforcement orders from October to December 2022 because of non-payment of AARTO infringements by the public. The moratorium was lifted and implemented on 1 January 2023.
- Licences and Permits (R5 million unfavourable): Revenue was less than expected, mainly on driving licences due to the inability to operate at two centres, namely Akasia and Rayton, a combined 50 hours of load-shedding on a weekly basis and non-compliance of customers with their online bookings. Most items in this group are customer-dependent.
- Transfers and Subsidies (R403,2 million unfavourable): Mainly on the Public Transport Network Grant, Neighbourhood Development Partnership Grant (Public Employment Programme), Human Settlements Development Grant, Equitable Share, Primary Healthcare Grant and Project Preparation Grant. Revenue will be recognised based on the performance of the grants. The equitable share projections will be aligned with the payment schedule during the budget adjustment.
- Other Revenue (R63,4 million unfavourable): Revenue was less than projected, mainly on Reminder Fees, Admin Handling Fees, Approval Fees, Capital Income Received, VAT Corrections, Township Development and Contribution Electricity.

- Repairs and maintenance
 - Repairs and maintenance expenditure is at R549,7 million against a YTD budget of R861,3 million. The percentage spent against the total original budget is 40%.
- Cash flow
 - The cash and short-term investments as at 31 January 2023 amounted to R841 million, including unspent conditional grants.

The low cost-coverage ratio of negative 0,1 months for the period signals that the City's cash resources will be insufficient to cover short-term obligations and fixed monthly operating expenditure if the City is unable to collect additional revenue in one month. According to the National Treasury norm, a financially healthy municipality would have at any given point in time sufficient cash and cash equivalents to settle liabilities and maintain fixed operational expenditure for a period of one to three months.

Departments are required to put measures in place to improve revenue and ensure that spending on the operational budget is in line with the City's policy on cost-containment measures.

Section 135 of the MFMA states the following:

- (1) The primary responsibility to avoid, identify and resolve financial problems in a municipality rests with the municipality itself.*
- (2) A municipality must meet its financial commitments.*
- (3) If a municipality encounters a serious financial problem or anticipates problems in meeting its financial commitments, it must immediately–*
 - (a) seek solutions for the problem;*
 - (b) notify the MEC for local government and the MEC for finance in the province; and*
 - (c) notify organised local government.*

Section 54(2) of the MFMA states the following:

- (2) If the municipality faces any serious financial problems, the mayor must–*
 - (a) promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include–*
 - (i) steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;*
 - (ii) the tabling of an adjustments budget; or*
 - (iii) steps in terms of Chapter 13; and*
 - (b) alert the council and MEC for local government in the province to those problems.*

In compliance with Section 54(2)(a), the following initiatives to improve the City's financial challenges are being implemented:

- A Council-approved financial recovery plan to address the City's financial and liquidity challenges
- Revenue recovery strategies to increase the collection rate

- Installing prepaid meters for indebted consumers and implementing debit orders or stop orders when negotiating payment arrangement plans
- Migrating large power users to the prepayment platform
- Intensifying outreach programmes
- Outsourcing debt collection
- Tshwane ya Tima campaign
- Cost-containment initiatives
- Distribution loss programmes

ANNEXURE

Annexure A: In-year report dated 31 January 2023 in terms of *Government Gazette 32141* of 17 April 2009

RECOMMENDED

That it be recommended to the Mayoral Committee:

1. That the report be noted, in compliance with Section 71 of the MFMA, as well as the municipal budget and reporting regulations.
2. That the financial performance for the period ended 31 January 2023, as contained in Annexure A, be noted.
3. That this report be submitted to the National Treasury and Gauteng Provincial Treasury.

REPORT – FLOW COMPLIANCE CHECK
 FILE: F1/5/2
 INITIATOR: Nthabiseng Mokete (012 358 3625)

GROUP FINANCIAL SERVICES
MFMA IN-YEAR FINANCIAL REPORT FOR THE PERIOD ENDING 31 JANUARY 2023

REPORT CHECKED AND PASSED FOR SUBMISSION TO:

	Comments, if any, on the report
Divisional Head: Budget Office N Mokete I certify that Schedule SC6 and SC7(1), as consolidated in the monthly budget statement for January 2023, are correct. SIGNATURE: DATE:	
Divisional Head: Financial Reporting and Assets KE Mokgokong I certify that Schedule C6, C7 and SC13(d), as consolidated in the monthly budget statement for January 2023, are correct. SIGNATURE: DATE:	
Divisional Head: Treasury Office KC Thipe I certify that Schedule C7, SC4, SC5 and SC8, as consolidated in the monthly budget statement for January 2023, are correct. SIGNATURE: DATE:	
Divisional Head: Revenue Management R Shilenge I certify that Schedule SC3, as consolidated in the monthly budget statement for January 2023, is correct. SIGNATURE: DATE:	
Acting Chief Financial Officer N Mokete SIGNATURE: DATE:	



IN-YEAR REPORT

BUDGET YEAR: 2022/23

REPORTING PERIOD: M07 JANUARY 2023

Table of contents

PART 1: IN-YEAR REPORT	12
1.1 City Manager's report.....	12
1.2 Recommended.....	12
1.3 Executive summary.....	12
1.4 In-year budget statement tables.....	22
(a) Table C1: Consolidated monthly budget statement – Summary	23
(b) Table C2: Consolidated monthly budget statement – Financial performance (standard classification)	24
(c) Table C3: Consolidated monthly budget statement – Financial performance (revenue and expenditure by municipal vote)	25
(d) Table C4: Consolidated monthly budget statement – Financial performance (revenue and expenditure)	26
(e) Table C5: Consolidated monthly budget statement – Capital expenditure by vote, standard classification and funding	27
(f) Table C6: Consolidated monthly budget statement – Financial position	28
(g) Table C7: Consolidated monthly budget statement – Cash flow	29
PART 2: SUPPORTING DOCUMENTATION	30
(a) Table SC1: Material variance explanations	30
(b) Table SC2: Monthly budget statement – Performance indicators	32
(c) Table SC3: Monthly budget statement – Aged debtors.....	33
(d) Table SC4: Monthly budget statement – Aged creditors	33
(e) Table SC5: Monthly budget statement – Investment portfolio.....	34
(f) Table SC6: Monthly budget statement – Transfers and grant receipts	35
(g) Table SC7(1): Monthly budget statement – Transfers and grant expenditures	36
(h) Table SC7 (2): Monthly budget statement – Expenditure against approved rollovers.	37
(i) Table SC8: Monthly budget statement – Councillor and staff benefits	38
(j) Table SC10: Monthly budget statement – Parent municipality's financial performance (revenue and expenditure)	39
(k) Table SC11: Monthly budget statement – Summary of municipal entities	40
(l) Table SC12: Consolidated monthly budget statement – Capital expenditure trend	40
(m) Table SC13a: Consolidated monthly budget statement – Capital expenditure on new assets by asset class.....	41
(n) Table SC13b: Consolidated monthly budget statement – Capital expenditure on the renewal of existing assets by asset class.....	42
(o) Table SC13c: Consolidated monthly budget statement – Repairs and maintenance by asset class	43
(q) Table SC13d: Consolidated monthly budget statement – Depreciation by asset class.....	44
(r) Table SC13e: Monthly budget statement – Capital expenditure on the upgrading of existing assets by asset class	45
(s) Municipal Manager's quality certification.....	46

PART 1: IN-YEAR REPORT

1.1 City Manager's report

The 2022/23 Medium-term Revenue and Expenditure Framework was approved by Council on 26 May 2022. This gives effect to the financial plan of the City of Tshwane, including its two municipal entities.

The City of Tshwane aims to act in accordance with the principles of good governance, transparency and stewardship of public resources.

1.2 Recommended

That it be recommended:

1. That the report be noted, in compliance with Section 71 of the MFMA, as well as the municipal budget and reporting regulations.
2. That the financial performance for the period ended 31 January 2023, as contained in Annexure A, be noted.
3. That this report be submitted to the National Treasury and Gauteng Provincial Treasury.

1.3 Executive summary

The financial results for the City of Tshwane for the period ended 31 January 2023 are summarised as follows:

Consolidated monthly budget statement – summary

The summary of the consolidated monthly budget statement as reflected in Table C4 provides the following information:

- Underrecovery on revenue of R1,6 million
- Underspending on expenditure of R3 billion

The total revenue excludes capital transfers and contributions. The reasons for variances for all votes are captured in Table SC1 of this report.

Table C5 highlights the summary of capital expenditure.

Table C7 highlights the cash and cash equivalents.

Table C4: Consolidated monthly budget statement – financial performance (revenue and expenditure)

TSH City Of Tshwane - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January							
Description	2021/22	Budget Year 2022/23					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands							
Revenue By Source							
Property rates	8,572,924	9,102,662	744,511	5,090,266	5,192,840	(102,573)	-2%
Service charges - electricity revenue	13,344,146	15,697,113	983,629	8,185,560	9,316,831	(1,131,271)	-12%
Service charges - water revenue	4,958,680	5,554,721	458,367	3,034,268	3,112,758	(78,490)	-3%
Service charges - sanitation revenue	1,448,161	1,502,943	140,583	949,151	892,325	56,826	6%
Service charges - refuse revenue	1,584,431	1,727,398	142,259	1,019,094	1,025,751	(6,657)	-1%
Rental of facilities and equipment	144,144	185,329	7,758	52,930	108,108	(55,179)	-51%
Interest earned - external investments	158,892	52,870	9,746	56,309	30,841	25,468	83%
Interest earned - outstanding debtors	724,268	839,462	99,155	682,540	489,686	192,854	39%
Fines, penalties and forfeits	85,915	274,803	9,843	85,833	138,150	(52,317)	-38%
Licences and permits	41,245	54,534	3,202	22,324	27,349	(5,025)	-18%
Transfers and subsidies	5,387,168	4,496,044	12,915	2,827,537	3,230,694	(403,157)	-12%
Other revenue	1,221,267	2,663,961	57,721	1,613,111	1,676,537	(63,426)	-4%
Gains	27,446	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	37,698,687	42,151,840	2,669,689	23,618,922	25,241,869	(1,622,947)	-6%
Expenditure By Type							
Employee related costs	11,587,842	12,633,285	830,802	6,593,193	7,274,602	(681,409)	-9%
Remuneration of councillors	129,577	163,863	11,089	77,580	95,587	(18,007)	-19%
Debt impairment	2,603,238	2,306,620	194,489	1,347,722	1,345,528	2,194	0%
Depreciation & asset impairment	2,910,880	2,642,244	193,310	1,578,404	1,541,309	37,094	2%
Finance charges	3,270,841	1,508,150	432,801	674,050	754,451	(80,402)	-11%
Bulk purchases - electricity	11,376,780	12,121,755	739,510	6,911,219	7,776,002	(864,782)	-11%
Inventory consumed	3,755,739	4,332,944	570,004	2,164,781	2,697,404	(532,623)	-20%
Contracted services	4,124,872	4,334,204	224,967	2,086,224	2,812,221	(725,997)	-26%
Transfers and subsidies	8,051	38,058	-	1,483	22,860	(21,377)	-94%
Other expenditure	1,736,733	2,067,362	39,122	1,153,777	1,271,214	(117,436)	-9%
Losses	233,093	47	-	138	27	110	401%
Total Expenditure	41,737,645	42,148,532	3,236,093	22,588,571	25,591,205	(3,002,633)	-12%
Surplus/(Deficit)	(4,038,958)	3,308	(566,404)	1,030,351	(349,336)	1,379,687	-395%
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1,887,617	2,074,545	58,613	647,091	1,126,231	(479,140)	-43%
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	9,206	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(2,142,136)	2,077,853	(507,791)	1,677,441	776,895		
Taxation	1,589	515	-	-	300	(300)	-100%
Surplus/(Deficit) after taxation	(2,143,724)	2,077,338	(507,791)	1,677,441	776,594		
Attributable to minorities			-	-	-		
Surplus/(Deficit) attributable to municipality	(2,143,724)	2,077,338	(507,791)	1,677,441	776,594		
Share of surplus/ (deficit) of associate							
Surplus/ (Deficit) for the year	(2,143,724)	2,077,338	(507,791)	1,677,441	776,594		

The actual revenue amounts to R23,6 billion and reflects an unfavourable variance of R1,6 billion against the YTD budget.

The YTD variance on revenue is mainly due to the following items:

- Property Rates (R102,6 million unfavourable): Revenue was less than projected. The Appeal Board has reduced property market values by 14,7%, which has

resulted in a decrease in property rates revenue of R68,5 million. Property rates revenue will be adjusted during the budget adjustment process.

- Service Charges: Electricity (R1,1 billion unfavourable): Revenue was less than projected, mainly on Sale of Electricity and Reconnection Fees.

The underbilling of revenue was impacted by various factors, such as the following:

- Illegal connections due to the rise in informal settlements.
- Vandalism of electrical infrastructure resulting in the inability to meter consumption from conventional and prepayment systems.
- Load-shedding resulting in the reduction of electricity bulk purchases and consumption.
- There is also a noticeable reduction in consumption from customers who have installed embedded electricity generation systems.
- Inability to carry out credit control and revenue protection actions in no-go areas due to violence, intimidation and robbery aimed at City of Tshwane and contracted services employees.
- The de-fleeting of vehicles resulted in a reduction of capacity to attend to large power users' metering infrastructure challenges.

The department has put interventions in place that focus on revenue collection to enhance revenue collectability and billing with a focus on the metering infrastructure of large power users, as this customer category contributes to the larger percentage of electricity revenue. The interventions are yielding results and improvements will be noticeable gradually.

- Service Charges: Water (R78,5 million unfavourable): Revenue was less than projected, mainly on Cross-Border Bulk Water due to the following.
 - The City stopped supplying water to Moretele Local Municipality in July 2022. This is because Magalies Water is now supplying the area after it commissioned the newly constructed pipeline to Moretele.
 - There is a great reduction in water supply to Thembisile Hani Local Municipality. This is due to continuous maintenance-related breakdowns experienced at the Bronkhorstspuit Water Treatment Plant.
- Service Charges: Sanitation (R56,8 million favourable): Revenue was better than projected, mainly on Sanitation Fees and Cross-border Bulk Sewerage.
- Service Charges: Refuse (R6,7 million unfavourable): Revenue was less than projected due to billing, delayed payments and the inconsistent deduction of landfill site fees from the invoices of contractors who use landfill sites for dumping.
- Rental of Facilities and Equipment (R55,2 million unfavourable): Revenue was less than the budget, mainly on Rental Stands.
 - The cancellation of rental accounts or leased properties that have been sold or donated, or the lessee has passed away (data clean-up). However, the rental accounts continued to be billed over a long period and the amounts were accounted for in the current period once the accounts were cancelled.
 - Expired lease agreements, delays in the conclusion of new agreements and incorrect and inconsistent data across the portfolio.
 - Delays in the allocation of billed revenue on the SAP system for the month of January 2023.

The process to enter into new lease agreements for expired leases has commenced and is currently undergoing various approval stages. A journal to correct and spread the billed revenue to the correct billing periods has been submitted for processing.

- Interest Earned on External Investments (R25,5 million favourable): Revenue was more than projected, mainly on Interest Earned on Investments.
- Interest Earned on Outstanding Debtors (R192,9 million favourable): Revenue was more than projected due to Interest on Arrears Debtors.
- Fines (R52,3 million unfavourable): Revenue was less than projected, mainly on AARTO. The Road Traffic Infringement Agency cancelled the payment of enforcement orders from October to December 2022 because of non-payment of AARTO infringements by the public. The moratorium was lifted and implemented on 1 January 2023.
- Licences and Permits (R5 million unfavourable): Revenue was less than expected, mainly on driving licences due to the inability to operate at two centres, namely Akasia and Rayton, a combined 50 hours of load-shedding on a weekly basis and non-compliance of customers with their online bookings. Most items in this group are customer-dependent.
- Transfers and Subsidies (R403,2 million unfavourable): Mainly on the Public Transport Network Grant, Neighbourhood Development Partnership Grant (Public Employment Programme), Human Settlements Development Grant, Equitable Share, Primary Healthcare Grant and Project Preparation Grant. Revenue will be recognised based on the performance of the grants. The equitable share projections will be aligned with the payment schedule during the budget adjustment.
- Other Revenue (R63,4 million unfavourable): Revenue was less than projected, mainly on Reminder Fees, Admin Handling Fees, Approval Fees, Capital Income Received, VAT Corrections, Township Development and Contribution Electricity.

The actual expenditure amounts to R22,6 billion and indicates an underspending variance of R3 billion or 12% against the YTD budget of R25,6 billion.

The variance on the expenditure against the YTD budget is mainly on the following items:

- Employee-related Costs (R681,4 million under budget): Mainly on Salaries, Unfixed Allowance and Provision for Leave Payments.
- Remuneration of Councillors (R18 million under budget): Councillor remuneration increases are still to be determined.
- Depreciation and Asset Impairment (R37,1 million over budget): Due to the newly identified assets recently loaded in the 2021/22 financial year that did not form part of the budget for the 2022/23 financial year.
- Finance Costs (R80,4 million under budget): Mainly on interest on Swaps and Rehabilitations provision, the transactions are processed at year-end.
- Bulk Purchases – Electricity (R864,8 million under budget): Mainly on Bulk Electricity. The bulk electricity Eskom invoices for January 2023 will be paid on 13 February 2023.
- Inventory Consumed (R532,6 million under budget): The underspending is mainly on Petrol and Diesel, Rand Water, Consumables, Magalies Water, Bulk Water Purchases: Own Plants, Substations, Electronic Equipment, Substations, Power

Stations, Equipment and Chemicals. Invoices for January 2023 are still to be processed.

- Contracted Services (R726 million under budget): Mainly on Tshwane House Contract Cost, Collection Fees, Asset Register Administration, Project Linked Housing, Project Management Services, Research and Advisory, Personnel and Labour, Consultant: Civil Engineering, Household Refuse Removal, Horticulture: Clearing, Buildings, Grounds, Water Reticulation Network, Lights, Substations, Cleaning Material, Reticulation, Electricity and Forensic Audit due to delays in the submission of invoices by suppliers and payment of invoices. Funds are committed and expenditure is expected to increase in the following months.
- Transfers and Subsidies (R21,4 million under budget): Mainly on Gratuities and Municipal Entities.
- Other Expenditure (R117,4 million under budget): Mainly on SAP Enterprise Support Fee, Building Rentals, Postage, Training Board Fees, Auto Fare Collection System, Compensation Commissioner (IOD), Uniform: General Expense, Rental of Tracking System, Fibre and UTP Repairs.

The overall repairs and maintenance expenditure is R549,7 million against a YTD budget of R861,3 million. The percentage spent against the total original budget is 40%.

The reasons for the variances for all sources or groups are captured in Table SC1 of this report.

Summary of capital expenditure

The capital expenditure, shown in Table C5 of this report, has been prepared based on the format required to be lodged electronically with the National Treasury. It is categorised by municipal vote, capital expenditure by standard classification, and the funding sources required to fund the capital budget.

The following table shows the total original budget of R2,8 billion. The actual expenditure for the period amounts to R804,4 million, representing 28,8% of the total budget. The expenditure, including commitments, is R1,6 billion.

Capital expenditure per funding source as at 31 January 2023:

Capital Expenditure for the CoT per Funding Source as at 31 January 2023						
Funding Source	Original Budget 2022/23	YTD Expenditure Projections 31 January 2023	YTD Actual Expenditure 31 January 2023	Variance (Actual vs Projections)	Actual as % of Expenditure Projection	Actual as % of Original Budget
	(R)	(R)	(R)	(R)	%	%
Public Transport Infrastructure and Systems Grant (PTIS)	269 700 000	87 855 290	37 265 579	(50 589 711)	42.4%	13.8%
Neighbourhood Development Partnership Grant (NDPG)	10 215 000	2 553 750	645 258	(1 908 492)	25.3%	6.3%
Urban Settlements Development Grant (USDG)	1 012 788 000	560 122 896	302 976 850	(257 146 046)	54.1%	29.9%
Energy Efficiency Demand Side Management (EEDSM)	8 280 000	1 308 313	4 310 074	3 001 761	329.4%	52.1%
Community Library Services (CLS)	14 562 000	2 912 400	6 350 151	3 437 751	218.0%	43.6%
Informal Settlements Upgrading Partnership Grant	564 000 750	357 728 131	175 257 605	(182 470 526)	49.0%	31.1%
Housing Company Tshwane - Social Housing Regulatory Authority (SHRA)	194 999 705	155 177 411	88 081 655	(67 095 756)	56.8%	45.2%
Total Grant Funding	2 074 545 455	1 167 658 192	614 887 173	(552 771 018)	52.7%	29.6%
Borrowings	487 719 010	161 470 180	119 510 008	(41 960 173)	74.0%	24.5%
Council Funding	180 840 687	122 117 355	67 312 042	(54 805 313)	55.1%	37.2%
Total Internally generated funds	180 840 687	122 117 355	67 312 042	(54 805 313)	55.1%	37.2%
Public Contributions & Donations	50 000 000	26 240 952	2 723 885	(23 517 067)	10.4%	5.4%
Total Contributions	50 000 000	26 240 952	2 723 885	(23 517 067)	10.4%	5.4%
Total	2 793 105 151	1 477 486 679	804 433 108	(673 053 571)	54.4%	28.8%

An amount of R804,4 million or 28,8% of the budget has been spent.

The reasons for variances per department (vote) are captured in Table SC1 of this report. Table SC12 provides an analysis of the actual capital expenditure compared to the budget targets on a monthly and YTD basis.

Charts C1 and C2 illustrate the trend in capital expenditure against the budget per month and the YTD actual expenditure against the YTD target.

Chart C1: 2022/23 Capital expenditure (monthly trend: actual versus target)

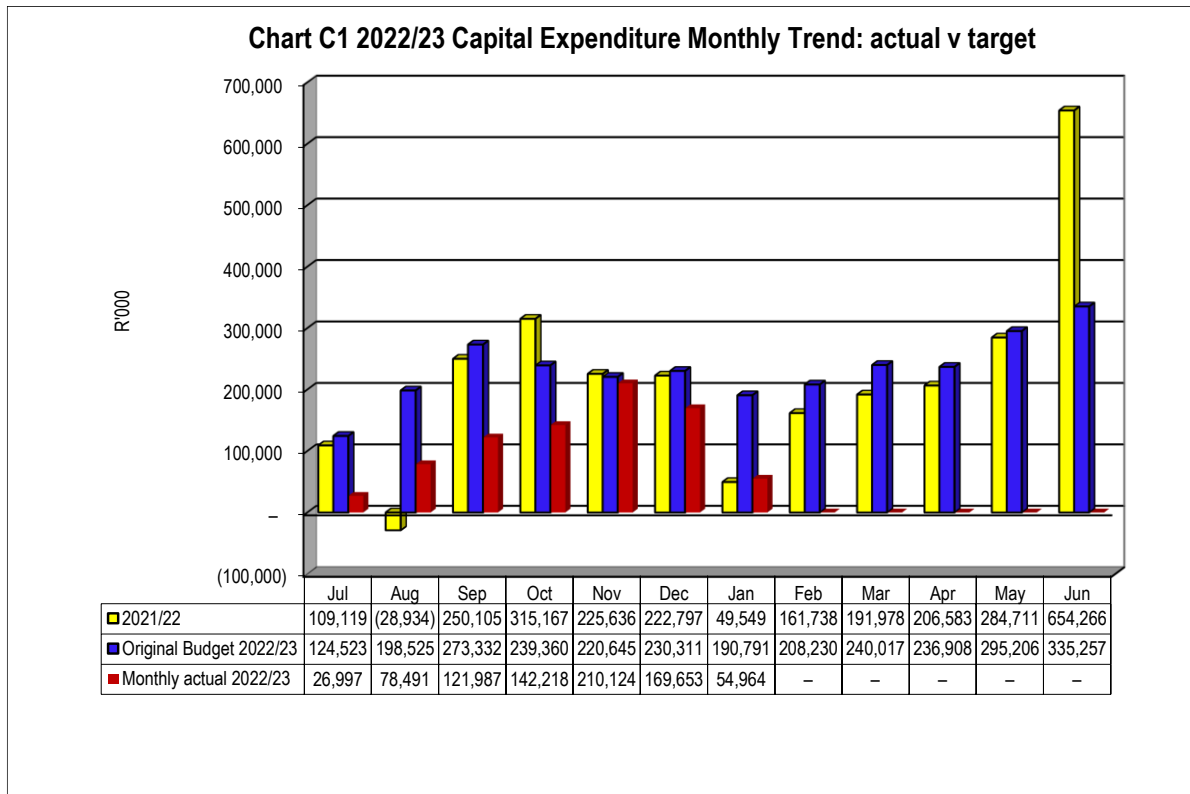
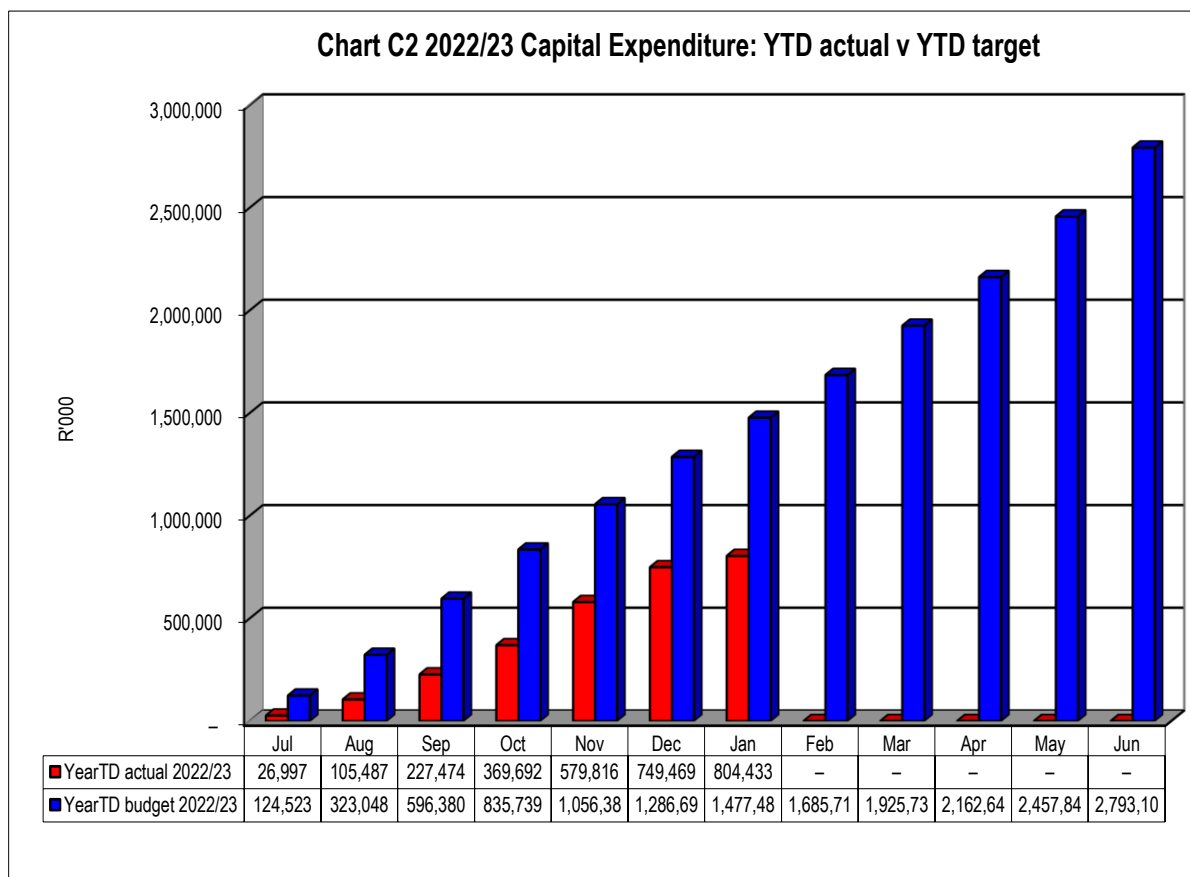


Chart C2: 2022/23 Capital expenditure (YTD actual versus YTD target)



Capital expenditure by asset class, on new assets and on the renewal and upgrading of existing assets are contained in Tables SC13a, SC13b and SC13e.

The expenditure on repairs and maintenance by asset class and the depreciation by asset class are detailed in Tables SC13c and SC13d.

Financial position

The financial position, as indicated in Table C1, shows that the community wealth or equity of the City of Tshwane as at 31 January 2023 amounts to R38,2 billion. Details related to the assets and liabilities of the City of Tshwane are provided in Table C6 in a format that is consistent with international standards and aligned with GRAP 1.

Cash flow

The cash flow of the City of Tshwane, as depicted in Tables C1 and C7, indicates the following:

- Cash and cash equivalents as at the end of 31 January 2023 amount to R738 million.
- The cash flow from operating activities reflects a positive R1,3 billion.
- The cash flow from investing activities amounts to R634 million.
- The cash flow from financing activities amounts to R249,7 million.

Debtors' age analysis

The debtors' report, as reflected in Tables C1 and SC3, has been prepared based on the format required to be lodged electronically with the National Treasury. This format provides an extended age analysis, as well as an age analysis by debtor type.

It also compares this month's results with those of the same period of the previous financial year.

Chart C3 illustrates the aged consumer debtors and reflects a problem with collection pertaining to debtors in the over-one-year category.

An amount of R12,2 billion is outstanding in this category, compared to R10 billion in the 2021/22 financial year. The total debtors are at R18,5 billion.

Chart C3: Aged consumer debtors analysis

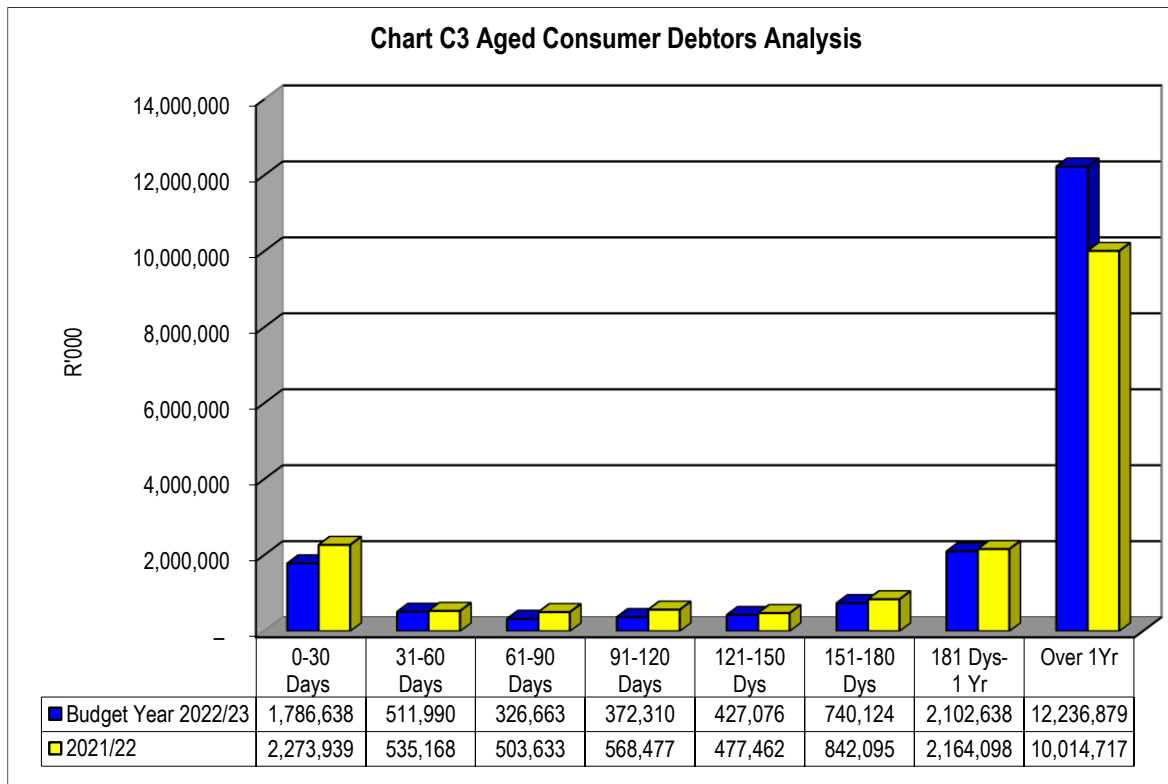
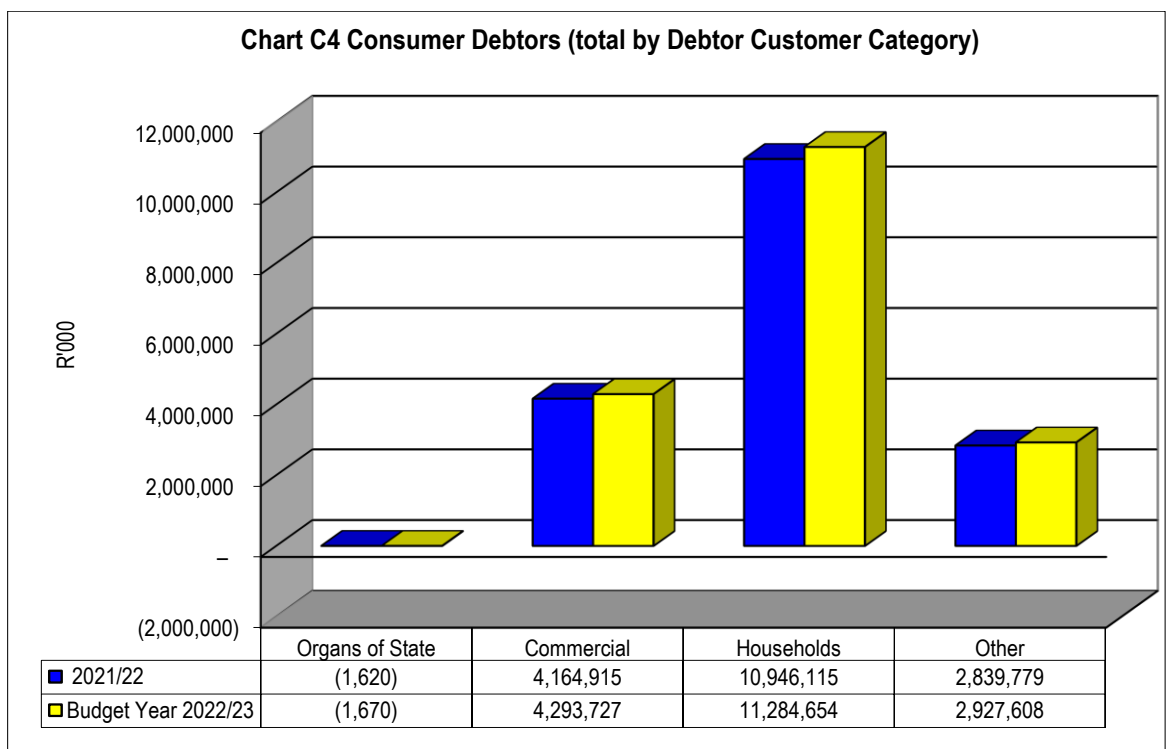


Chart C4 shows that the increase in the customer category is attributable to households, which reflects an increase of R338 million compared to the previous financial year.

Chart C4: Consumer debtors by customer category

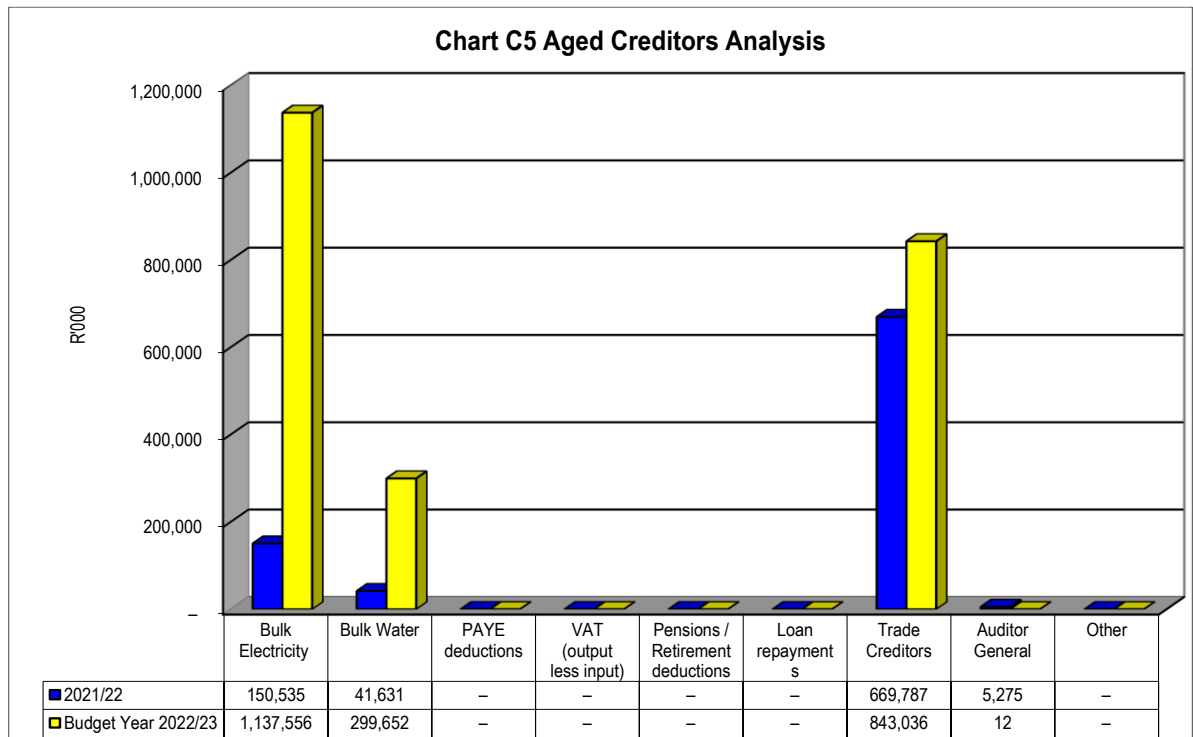


Creditors' age analysis

Tables C1 and SC4 provide an extended age analysis by creditor type.

The chart compares this month's results with that of the previous financial year in the same month, which shows the aged creditors per category.

Chart C5: Aged creditors' analysis



Investment portfolio analysis (Table SC5)

The investment portfolio analysis shown in Table SC5 reflects the institution where funds are invested, the period of investment, the type of investment and the accrued interest for the month. The market value at the end of the month amounts to R1,5 billion.

Allocation of grant receipts and expenditure (Tables SC6 and SC7)

The disclosure on transfers and grant receipts for operating and capital expenditure is reflected in Table SC6. The receipts from national, provincial and other grant providers are also indicated.

The total original budget is R6,6 billion and an amount of R4,1 billion was received for the period. A variance of R242 million is reflected, mainly due to outstanding transfers on the Public Network Grant, Primary Healthcare Grant and Restructuring Capital Grant of the Social Housing Regulatory Authority (RCG-SHRA).

Table SC7(1) indicates the expenditure incurred against each allocation for the reporting period. The disclosure on the transfer and grant expenditure table reflects the actual expenditure incurred, amounting to R3,5 billion. A variance of R894 million is reflected.

Expenditure on councillor and staff benefits (Table SC8)

Disclosure of the benefits of councillors, board members and employees are captured in Table SC8. The table provides a comparison of actual and budgeted expenditure.

Parent municipality's financial performance (Table SC10)

This disclosure is required by the National Treasury. Municipalities that have municipal entities should provide the monthly statement of financial performance for the parent municipality only.

Summary of municipal entities (Table SC11)

The City of Tshwane has two municipal entities, as indicated in Table SC11:

- Housing Company Tshwane (HCT)
- Tshwane Economic Development Agency (TEDA)

This table summarises the revenue, operating expenditure and capital expenditure of these entities. The reasons for the variance are captured in Table SC1.

Performance indicators (Table SC2)

This table reflects various ratios, such as –

- borrowing management;
- liquidity;
- revenue management; and
- creditor management.

1.4 In-year budget statement tables

The financial results for the period ended 31 January 2023 are reflected in Tables C1 to C7, and these are followed by the supporting documents contained in Tables SC1 to SC13e.

(a) Table C1: Consolidated monthly budget statement – Summary

TSH City Of Tshwane - Table C1 Consolidated Monthly Budget Statement Summary - M07 January							
Description	2021/22	Budget Year 2022/23					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands							
Financial Performance							
Property rates	8,572,924	9,102,662	744,511	5,090,266	5,192,840	(102,573)	-2%
Service charges	21,335,419	24,482,176	1,724,838	13,188,073	14,347,665	(1,159,592)	-8%
Investment revenue	158,892	52,870	9,746	56,309	30,841	25,468	83%
Transfers and subsidies	5,387,168	4,496,044	12,915	2,827,537	3,230,694	(403,157)	-12%
Other own revenue	2,244,284	4,018,088	177,678	2,456,738	2,439,830	16,908	1%
Total Revenue (excluding capital transfers and contributions)	37,698,687	42,151,840	2,669,689	23,618,922	25,241,869	(1,622,947)	-6%
Employee costs	11,587,842	12,633,285	830,802	6,593,193	7,274,602	(681,409)	-9%
Remuneration of Councillors	129,577	163,863	11,089	77,580	95,587	(18,007)	-19%
Depreciation & asset impairment	2,910,880	2,642,244	193,310	1,578,404	1,541,309	37,094	2%
Finance charges	3,270,841	1,508,150	432,801	674,050	754,451	(80,402)	-11%
Inventory consumed and bulk purchases	15,132,519	16,454,699	1,309,514	9,076,000	10,473,405	(1,397,405)	-13%
Transfers and subsidies	8,051	38,058	-	1,483	22,860	(21,377)	-94%
Other expenditure	8,697,935	8,708,233	458,577	4,587,861	5,428,990	(841,129)	-15%
Total Expenditure	41,737,645	42,148,532	3,236,093	22,588,571	25,591,205	(3,002,633)	-12%
Surplus/(Deficit)	(4,038,958)	3,308	(566,404)	1,030,351	(349,336)	1,379,687	-395%
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1,887,617	2,074,545	58,613	647,091	1,126,231	(479,140)	-43%
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	9,206	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & contributions	(2,142,136)	2,077,853	(507,791)	1,677,441	776,895	900,547	116%
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	
Surplus/ (Deficit) for the year	(2,142,136)	2,077,853	(507,791)	1,677,441	776,895	900,547	116%
Capital expenditure & funds sources							
Capital expenditure	2,642,715	2,793,105	54,964	804,433	1,477,487	(673,054)	-46%
Capital transfers recognised	1,896,755	2,074,545	24,213	526,806	1,012,481	(485,675)	-48%
Borrowing	705	487,719	12,416	119,510	161,470	(41,960)	
Internally generated funds	745,255	230,841	18,334	158,118	303,536	(145,418)	-48%
Total sources of capital funds	2,642,715	2,793,105	54,964	804,433	1,477,487	(673,054)	-46%
Financial position							
Total current assets	8,541,579	11,237,254		12,414,275			
Total non current assets	59,404,596	49,152,711		58,208,899			
Total current liabilities	15,205,569	15,445,107		16,250,370			
Total non current liabilities	16,154,887	13,134,703		16,135,682			
Community wealth/Equity	36,585,719	31,810,155		38,237,122			
Cash flows							
Net cash from (used) operating	2,851,834	4,514,622	1,412,788	1,280,408	3,484,595	2,204,187	63%
Net cash from (used) investing	(2,906,398)	(3,145,071)	26,805	(633,965)	(1,477,487)	(843,522)	57%
Net cash from (used) financing	(642,917)	(878,812)	(155,989)	(249,741)	(235,736)	14,005	-6%
Cash/cash equivalents at the month/year end	217,482	846,180	-	738,154	2,126,813	1,388,660	65%
Debtors & creditors analysis	0-30 Days	31-60 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr
Debtors Age Analysis							
Total By Income Source	1,786,638	511,990	372,310	427,076	740,124	2,102,638	12,236,879
Creditors Age Analysis							
Total Creditors	860,624	766,761	89,881	236,851	-	-	-

(b) Table C2: Consolidated monthly budget statement – Financial performance (standard classification)

TSH City Of Tshwane - Table C2 Consolidated Monthly Budget Statement - Financial Performance (functional classification) - M07 January							
Description	2021/22	Budget Year 2022/23					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands							
Revenue - Functional							
<i>Governance and administration</i>	13,973,328	14,966,238	813,649	9,271,356	9,351,716	(80,359)	-1%
Executive and council	15,722	66,094	9,743	15,528	28,678	(13,151)	-46%
Finance and administration	13,957,577	14,899,915	803,906	9,253,656	9,322,904	(69,248)	-1%
Internal audit	29	228	1	2,173	133	2,040	1531%
<i>Community and public safety</i>	931,712	1,331,471	25,234	403,874	781,858	(377,983)	-48%
Community and social services	60,582	43,780	1,499	22,690	25,538	(2,848)	-11%
Sport and recreation	20,731	53,101	705	14,771	44,309	(29,538)	-67%
Public safety	95,815	295,948	10,986	91,162	149,714	(58,552)	-39%
Housing	665,929	799,161	9,938	228,956	458,021	(229,065)	-50%
Health	88,655	139,481	2,106	46,295	104,275	(57,979)	-56%
<i>Economic and environmental services</i>	1,614,350	1,475,298	58,794	513,107	762,107	(249,000)	-33%
Planning and development	459,443	253,436	8,415	77,845	144,433	(66,587)	-46%
Road transport	1,159,220	1,213,769	49,814	432,082	612,953	(180,871)	-30%
Environmental protection	(4,313)	8,093	564	3,180	4,721	(1,541)	-33%
<i>Trading services</i>	22,791,141	26,248,379	1,809,797	13,916,677	15,372,621	(1,455,944)	-9%
Energy sources	13,915,838	16,503,622	1,020,922	8,476,358	9,733,243	(1,256,885)	-13%
Water management	5,352,039	6,153,273	494,048	3,322,408	3,488,933	(166,526)	-5%
Waste water management	1,895,908	1,857,974	152,416	1,098,002	1,121,545	(23,543)	-2%
Waste management	1,627,356	1,733,510	142,412	1,019,909	1,028,899	(8,990)	-1%
<i>Other</i>	285,012	205,000	21,251	163,120	119,583	43,537	36%
Total Revenue - Functional	39,595,543	44,226,386	2,728,725	24,268,135	26,387,885	(2,119,750)	-8%
Expenditure - Functional							
<i>Governance and administration</i>	10,243,427	8,872,687	822,190	4,542,672	5,109,180	(566,509)	-11%
Executive and council	1,199,514	1,318,983	69,333	655,042	777,520	(122,478)	-16%
Finance and administration	8,957,815	7,429,488	748,812	3,844,938	4,259,201	(414,263)	-10%
Internal audit	86,098	124,215	4,045	42,691	72,459	(29,767)	-41%
<i>Community and public safety</i>	5,888,495	6,977,609	414,473	3,594,631	4,107,797	(513,167)	-12%
Community and social services	332,301	417,684	(8,502)	192,998	250,345	(57,347)	-23%
Sport and recreation	459,474	583,458	30,699	231,388	341,826	(110,439)	-32%
Public safety	3,437,046	4,060,562	291,915	2,175,524	2,375,841	(200,317)	-8%
Housing	913,477	886,111	33,905	469,816	517,106	(47,291)	-9%
Health	746,196	1,029,796	66,456	524,906	622,679	(97,773)	-16%
<i>Economic and environmental services</i>	3,970,098	3,561,913	255,986	2,047,227	2,084,595	(37,368)	-2%
Planning and development	940,482	1,107,649	63,810	495,288	650,887	(155,599)	-24%
Road transport	2,767,200	2,238,995	176,028	1,442,929	1,299,106	143,823	11%
Environmental protection	262,416	215,269	16,148	109,010	134,602	(25,592)	-19%
<i>Trading services</i>	21,428,629	22,530,675	1,731,377	12,301,519	14,192,181	(1,890,662)	-13%
Energy sources	14,487,616	15,155,569	943,311	8,561,324	9,582,248	(1,020,925)	-11%
Water management	4,340,581	4,860,094	644,326	2,566,726	2,971,140	(404,414)	-14%
Waste water management	977,824	826,442	47,410	390,057	494,174	(104,117)	-21%
Waste management	1,622,608	1,688,570	96,329	783,412	1,144,618	(361,206)	-32%
<i>Other</i>	208,617	205,649	12,491	104,644	117,536	(12,892)	-11%
Total Expenditure - Functional	41,739,267	42,148,532	3,236,516	22,590,693	25,611,290	(3,020,597)	-12%
Surplus/ (Deficit) for the year	(2,143,724)	2,077,853	(507,791)	1,677,441	776,594	900,847	116%

Note: The variance in total revenue in Table C1 differs from that in Table C2, because the item “Capital transfers” is excluded in Table C1, whereas in Table C2 it has been included. The tables also exclude internal charges.

(c) Table C3: Consolidated monthly budget statement – Financial performance (revenue and expenditure by municipal vote)

TSH City Of Tshwane - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January							
Vote Description	2021/22	Budget Year 2022/23					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
R thousands							%
Revenue by Vote							
Vote 1 - Community & Social Development Services Department	(512)	70,904	832	27,612	49,112	(21,500)	-43.8%
Vote 2 - Economic Development & Spatial Planning Department	390,526	487,867	30,456	242,385	284,589	(42,204)	-14.8%
Vote 3 - Emergency Services Department	10,723	12,343	671	5,065	7,200	(2,135)	-29.6%
Vote 4 - Environment & Agriculture Management Department	1,632,752	1,753,864	143,219	1,027,200	1,040,773	(13,573)	-1.3%
Vote 5 - Group Financial Services Department	13,830,220	14,760,008	798,734	9,210,350	9,242,376	(32,026)	-0.3%
Vote 6 - Group Property Management Department	65,624	62,464	4,372	10,904	36,438	(25,533)	
Vote 7 - Health Department	86,658	137,583	2,106	46,293	103,168	(56,874)	-55.1%
Vote 8 - Human Settlement Department	665,953	799,211	9,938	228,925	458,051	(229,126)	-50.0%
Vote 9 - Tshwane Metro Police Department	87,018	284,933	10,315	86,102	143,289	(57,187)	-39.9%
Vote 10 - Regional Operations & Coordination Department	44,464	42,448	1,866	13,566	25,101	(11,535)	-46.0%
Vote 11 - Roads & Transport Department	1,252,558	1,240,847	49,810	458,510	625,969	(167,459)	-26.8%
Vote 12 - Shared Services Department	18	-	0	5	-	5	
Vote 13 - Electricity Department	13,912,507	16,498,648	1,020,755	8,474,615	9,730,002	(1,255,388)	-12.9%
Vote 14 - Water and Sanitation Department	7,236,461	8,008,384	646,464	4,414,550	4,608,183	(193,633)	-4.2%
Vote 15 - Other Departments	380,574	66,881	9,187	22,052	33,635	(11,584)	-34.4%
Total Revenue by Vote	39,595,543	44,226,386	2,728,725	24,268,135	26,387,885	(2,119,750)	-8.0%
Expenditure by Vote							
Vote 1 - Community & Social Development Services Department	467,645	533,689	39,100	282,417	311,734	(29,317)	-9.4%
Vote 2 - Economic Development & Spatial Planning Department	653,236	812,491	39,173	352,489	479,146	(126,657)	-26.4%
Vote 3 - Emergency Services Department	698,594	976,839	68,977	505,319	576,468	(71,149)	-12.3%
Vote 4 - Environment & Agriculture Management Department	2,003,521	2,046,834	121,598	950,834	1,364,143	(413,310)	-30.3%
Vote 5 - Group Financial Services Department	6,068,029	4,141,794	597,750	2,215,961	2,308,677	(92,716)	-4.0%
Vote 6 - Group Property Management Department	943,814	913,003	45,302	419,432	555,372	(135,940)	-24.5%
Vote 7 - Health Department	504,008	578,264	35,160	279,957	359,663	(79,706)	-22.2%
Vote 8 - Human Settlement Department	972,866	921,490	35,936	486,481	537,744	(51,263)	-9.5%
Vote 9 - Tshwane Metro Police Department	2,183,707	2,827,079	187,484	1,443,573	1,652,201	(208,628)	-12.6%
Vote 10 - Regional Operations & Coordination Department	3,751,862	3,058,662	223,008	2,011,497	1,799,491	212,005	11.8%
Vote 11 - Roads & Transport Department	1,995,107	2,025,006	97,177	878,225	1,171,979	(293,753)	-25.1%
Vote 12 - Shared Services Department	1,062,412	1,431,789	48,440	786,301	834,972	(48,671)	-5.8%
Vote 13 - Electricity Department	13,075,602	13,990,044	863,756	7,913,434	8,888,940	(975,505)	-11.0%
Vote 14 - Water and Sanitation Department	4,932,785	5,272,236	666,562	2,735,337	3,222,192	(486,855)	-15.1%
Vote 15 - Other Departments	2,426,078	2,619,313	167,092	1,329,435	1,548,567	(219,132)	-14.2%
Total Expenditure by Vote	41,739,267	42,148,532	3,236,516	22,590,693	25,611,290	(3,020,597)	-11.8%
Surplus/ (Deficit) for the year	(2,143,724)	2,077,853	(507,791)	1,677,441	776,594	900,847	116.0%

(d) Table C4: Consolidated monthly budget statement – Financial performance (revenue and expenditure)

TSH City Of Tshwane - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January							
Description	2021/22	Budget Year 2022/23					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands							
Revenue By Source							
Property rates	8,572,924	9,102,662	744,511	5,090,266	5,192,840	(102,573)	-2%
Service charges - electricity revenue	13,344,146	15,697,113	983,629	8,185,560	9,316,831	(1,131,271)	-12%
Service charges - water revenue	4,958,680	5,554,721	458,367	3,034,268	3,112,758	(78,490)	-3%
Service charges - sanitation revenue	1,448,161	1,502,943	140,583	949,151	892,325	56,826	6%
Service charges - refuse revenue	1,584,431	1,727,398	142,259	1,019,094	1,025,751	(6,657)	-1%
Rental of facilities and equipment	144,144	185,329	7,758	52,930	108,108	(55,179)	-51%
Interest earned - external investments	158,892	52,870	9,746	56,309	30,841	25,468	83%
Interest earned - outstanding debtors	724,268	839,462	99,155	682,540	489,686	192,854	39%
Fines, penalties and forfeits	85,915	274,803	9,843	85,833	138,150	(52,317)	-38%
Licences and permits	41,245	54,534	3,202	22,324	27,349	(5,025)	-18%
Transfers and subsidies	5,387,168	4,496,044	12,915	2,827,537	3,230,694	(403,157)	-12%
Other revenue	1,221,267	2,663,961	57,721	1,613,111	1,676,537	(63,426)	-4%
Gains	27,446	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	37,698,687	42,151,840	2,669,689	23,618,922	25,241,869	(1,622,947)	-6%
Expenditure By Type							
Employee related costs	11,587,842	12,633,285	830,802	6,593,193	7,274,602	(681,409)	-9%
Remuneration of councillors	129,577	163,863	11,089	77,580	95,587	(18,007)	-19%
Debt impairment	2,603,238	2,306,620	194,489	1,347,722	1,345,528	2,194	0%
Depreciation & asset impairment	2,910,880	2,642,244	193,310	1,578,404	1,541,309	37,094	2%
Finance charges	3,270,841	1,508,150	432,801	674,050	754,451	(80,402)	-11%
Bulk purchases - electricity	11,376,780	12,121,755	739,510	6,911,219	7,776,002	(864,782)	-11%
Inventory consumed	3,755,739	4,332,944	570,004	2,164,781	2,697,404	(532,623)	-20%
Contracted services	4,124,872	4,334,204	224,967	2,086,224	2,812,221	(725,997)	-26%
Transfers and subsidies	8,051	38,058	-	1,483	22,860	(21,377)	-94%
Other expenditure	1,736,733	2,067,362	39,122	1,153,777	1,271,214	(117,436)	-9%
Losses	233,093	47	-	138	27	110	401%
Total Expenditure	41,737,645	42,148,532	3,236,093	22,588,571	25,591,205	(3,002,633)	-12%
Surplus/(Deficit)	(4,038,958)	3,308	(566,404)	1,030,351	(349,336)	1,379,687	-395%
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1,887,617	2,074,545	58,613	647,091	1,126,231	(479,140)	-43%
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	9,206	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(2,142,136)	2,077,853	(507,791)	1,677,441	776,895		
Taxation	1,589	515	-	-	300	(300)	-100%
Surplus/(Deficit) after taxation	(2,143,724)	2,077,338	(507,791)	1,677,441	776,594		
Attributable to minorities			-	-	-		
Surplus/(Deficit) attributable to municipality	(2,143,724)	2,077,338	(507,791)	1,677,441	776,594		
Share of surplus/ (deficit) of associate							
Surplus/ (Deficit) for the year	(2,143,724)	2,077,338	(507,791)	1,677,441	776,594		

Note: Total revenue excludes capital transfers and contributions. These are indicated separately in this table as "Transfers recognised – capital."

(e) Table C5: Consolidated monthly budget statement – Capital expenditure by vote, standard classification and funding

TSH City Of Tshwane - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - M07 January)							
Vote Description	2021/22	Budget Year 2022/23					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands							
Multi-Year expenditure appropriation							
Vote 1 - Community & Social Development Services Department	69,822	71,562	565	32,682	47,412	(14,730)	-31%
Vote 2 - Economic Development & Spatial Planning Department	232	17,000	—	2,300	10,467	(8,167)	-78%
Vote 3 - Emergency Services Department	—	—	—	—	—	—	—
Vote 4 - Environment & Agriculture Management Department	9,681	6,000	—	908	3,200	(2,292)	-72%
Vote 5 - Group Financial Services Department	10,342	35,000	4	11,340	12,450	(1,110)	-9%
Vote 6 - Group Property Management Department	30,707	—	—	—	—	—	—
Vote 7 - Health Department	23,095	49,500	1,922	4,510	26,200	(21,690)	-83%
Vote 8 - Human Settlement Department	699,628	644,916	3,450	161,443	400,874	(239,431)	-60%
Vote 9 - Tshwane Metro Police Department	4,777	10,000	—	—	200	(200)	-100%
Vote 10 - Regional Operations & Coordination Department	200	—	—	—	3,325	(3,325)	—
Vote 11 - Roads & Transport Department	496,079	403,340	5,616	116,609	164,086	(47,477)	-29%
Vote 12 - Shared Services Department	167,318	241,000	27,155	99,625	108,100	(8,475)	-8%
Vote 13 - Electricity Department	399,252	596,739	12,756	156,803	259,017	(102,213)	-39%
Vote 14 - Water and Sanitation Department	585,366	551,000	3,358	189,553	364,728	(175,174)	-48%
Vote 15 - Other Departments	128,671	125,708	155	24,124	68,878	(44,754)	-65%
Total Capital Multi-year expenditure	2,625,172	2,751,764	54,981	799,899	1,468,936	(669,037)	-46%
Single Year expenditure appropriation							
Vote 1 - Community & Social Development Services Department	—	—	—	—	—	—	—
Vote 2 - Economic Development & Spatial Planning Department	—	452	—	129	452	(323)	-71%
Vote 3 - Emergency Services Department	—	—	—	—	—	—	—
Vote 4 - Environment & Agriculture Management Department	—	—	—	—	—	—	—
Vote 5 - Group Financial Services Department	—	—	—	—	—	—	—
Vote 6 - Group Property Management Department	—	25,000	—	—	—	—	—
Vote 7 - Health Department	—	—	—	—	—	—	—
Vote 8 - Human Settlement Department	17,015	952	(17)	1,166	952	214	23%
Vote 9 - Tshwane Metro Police Department	—	—	—	—	—	—	—
Vote 10 - Regional Operations & Coordination Department	—	2,937	—	2,806	2,937	(131)	-4%
Vote 11 - Roads & Transport Department	528	1,000	—	433	710	(277)	-39%
Vote 12 - Shared Services Department	—	10,000	—	—	3,500	(3,500)	—
Vote 13 - Electricity Department	—	—	—	—	—	—	—
Vote 14 - Water and Sanitation Department	—	1,000	—	—	—	—	—
Vote 15 - Other Departments	—	—	—	—	—	—	—
Total Capital single-year expenditure	17,543	41,341	(17)	4,534	8,551	(4,016)	-47%
Total Capital Expenditure	2,642,715	2,793,105	54,964	804,433	1,477,487	(673,054)	-46%
Capital Expenditure - Functional Classification							
Governance and administration	214,913	315,000	27,159	110,965	121,570	(10,605)	-9%
Executive and council	—	5,000	—	—	—	—	—
Finance and administration	214,913	310,000	27,159	110,965	121,570	(10,605)	-9%
Internal audit	—	—	—	—	—	—	—
Community and public safety	750,044	584,793	5,920	185,212	368,641	(183,429)	-50%
Community and social services	13,394	25,562	565	7,258	3,612	3,646	101%
Sport and recreation	33,681	57,000	—	26,332	44,500	(18,168)	-41%
Public safety	28,782	1,000	—	—	200	(200)	-100%
Housing	641,657	441,731	3,433	147,111	287,128	(140,017)	-49%
Health	32,530	59,500	1,922	4,510	33,200	(28,690)	-86%
Economic and environmental services	616,498	561,684	5,771	141,167	240,233	(99,066)	-41%
Planning and development	99,261	120,493	155	23,479	66,671	(43,192)	-65%
Road transport	517,237	441,191	5,616	117,688	173,562	(55,874)	-32%
Environmental protection	—	—	—	—	—	—	—
Trading services	1,055,416	1,321,629	16,114	364,790	737,043	(372,253)	-51%
Energy sources	394,683	595,676	12,756	159,610	261,284	(101,675)	-39%
Water management	336,638	383,531	1,281	96,441	255,027	(158,586)	-62%
Waste water management	315,399	337,422	2,078	108,739	218,232	(109,493)	-50%
Waste management	8,695	5,000	—	—	2,500	(2,500)	-100%
Other	5,844	10,000	—	2,300	10,000	(7,700)	—
Total Capital Expenditure - Functional Classification	2,642,715	2,793,105	54,964	804,433	1,477,487	(673,054)	-46%
Funded by:							
National Government	1,779,004	1,864,984	23,648	520,455	1,009,568	(489,113)	-48%
Provincial Government	12,408	14,562	565	6,350	2,912	3,438	—
District Municipality	—	—	—	—	—	—	—
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	105,344	195,000	—	—	—	—	—
Transfers recognised - capital	1,896,755	2,074,545	24,213	526,806	1,012,481	(485,675)	-48%
Borrowing	705	487,719	12,416	119,510	161,470	(41,960)	-26%
Internally generated funds	745,255	230,841	18,334	158,118	303,536	(145,418)	-48%
Total Capital Funding	2,642,715	2,793,105	54,964	804,433	1,477,487	(673,054)	-46%

(f) Table C6: Consolidated monthly budget statement – Financial position

TSH City Of Tshwane - Table C6 Consolidated Monthly Budget Statement - Financial Position - M07 January			
Description	2021/22	Budget Year 2022/23	
	Audited Outcome	Original Budget	YearTD actual
R thousands			
<u>ASSETS</u>			
Current assets			
Cash	217,482	253,409	738,154
Call investment deposits	870,166	1,002,663	102,356
Consumer debtors	5,189,707	7,303,694	3,120,916
Other debtors	930,588	1,694,535	6,976,205
Current portion of long-term receivables	319,764	114,755	282,144
Inventory	1,013,872	868,198	1,194,500
Total current assets	8,541,579	11,237,254	12,414,275
Non current assets			
Long-term receivables	20,021	35,462	15,181
Investments	320,114	1,028,280	165,503
Investment property	1,087,230	1,257,497	1,030,007
Investments in Associate	729,983		729,982
Property, plant and equipment	56,219,377	45,884,442	55,348,972
Biological	–		–
Intangible	1,027,871	947,030	919,253
Other non-current assets	–		–
Total non current assets	59,404,596	49,152,711	58,208,899
TOTAL ASSETS	67,946,175	60,389,965	70,623,174
<u>LIABILITIES</u>			
Current liabilities			
Bank overdraft	–	–	–
Borrowing	705,633	1,887,982	98,648
Consumer deposits	781,191	985,167	778,257
Trade and other payables	13,718,746	12,571,958	15,373,464
Provisions	–		–
Total current liabilities	15,205,569	15,445,107	16,250,370
Non current liabilities			
Borrowing	12,748,609	9,689,045	12,283,926
Provisions	3,406,279	3,445,658	3,851,756
Total non current liabilities	16,154,887	13,134,703	16,135,682
TOTAL LIABILITIES	31,360,456	28,579,809	32,386,052
NET ASSETS	36,585,719	31,810,155	38,237,122
<u>COMMUNITY WEALTH/EQUITY</u>			
Accumulated Surplus/(Deficit)	36,585,719	31,507,594	37,934,560
Reserves	0	302,562	302,562
TOTAL COMMUNITY WEALTH/EQUITY	36,585,719	31,810,155	38,237,122

(g) Table C7: Consolidated monthly budget statement – Cash flow

TSH City Of Tshwane - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M07 January							
Description	2021/22	Budget Year 2022/23					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
R thousands							%
CASH FLOW FROM OPERATING ACTIVITIES							
Receipts							
Property rates	8,574,855	8,510,989	744,511	5,090,266	5,140,935	(50,669)	-1%
Service charges	21,408,219	23,158,745	2,348,755	15,435,614	14,830,412	605,202	4%
Other revenue	214,379	2,973,621	1,149,144	2,920,161	1,802,837	1,117,324	62%
Transfers and Subsidies - Operational	5,557,633	4,496,044	80,981	2,817,711	3,230,694	(412,983)	-13%
Transfers and Subsidies - Capital	1,800,617	2,074,545	7,600	1,142,331	1,126,231	16,100	1%
Interest	-	837,766	20,757	171,956	30,841	141,115	458%
Dividends							
Payments							
Suppliers and employees	(31,410,536)	(35,990,882)	(2,506,172)	(25,573,296)	(21,900,420)	3,672,876	-17%
Finance charges	(3,267,450)	(1,508,150)	(432,789)	(673,951)	(754,075)	(80,124)	11%
Transfers and Grants	(25,882)	(38,058)	-	(50,384)	(22,860)	27,524	-120%
NET CASH FROM/(USED) OPERATING ACTIVITIES	2,851,834	4,514,622	1,412,788	1,280,408	3,484,595	2,204,187	63%
CASH FLOWS FROM INVESTING ACTIVITIES							
Receipts							
Proceeds on disposal of PPE	158,238	-	-	-	-	-	
Decrease (increase) in non-current receivables	(1,438)	(1,966)	(410)	(410)	-	(410)	
Decrease (increase) in non-current investments	(271,203)	(350,000)	80,000	80,000	-	80,000	
Payments							
Capital assets	(2,791,994)	(2,793,105)	(52,785)	(713,555)	(1,477,487)	(763,932)	52%
NET CASH FROM/(USED) INVESTING ACTIVITIES	(2,906,398)	(3,145,071)	26,805	(633,965)	(1,477,487)	(843,522)	57%
CASH FLOWS FROM FINANCING ACTIVITIES							
Receipts							
Short term loans	-	-	-	-	-	-	
Borrowing long term/refinancing	-	487,719	-	-	-	-	
Increase (decrease) in consumer deposits	-	19,317	-	-	-	-	
Payments							
Repayment of borrowing	(642,917)	(1,385,848)	(155,989)	(249,741)	(235,736)	14,005	-6%
NET CASH FROM/(USED) FINANCING ACTIVITIES	(642,917)	(878,812)	(155,989)	(249,741)	(235,736)	14,005	-6%
NET INCREASE/ (DECREASE) IN CASH HELD	26,622	490,738	1,283,605	396,702	1,771,372		
Cash/cash equivalents at beginning:	190,860	355,441	341,452	341,452	355,441		
Cash/cash equivalents at month/year end:	217,482	846,180	-	738,154	2,126,813		

Note: The cash and equivalents as at 31 January 2023 are at R738 million, which only includes highly liquid investments.

PART 2: SUPPORTING DOCUMENTATION

(a) Table SC1: Material variance explanations

TSH City Of Tshwane - Supporting Table SC1 Material variance explanations - M07 January			
Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands			
Revenue By Source			
Property rates	(102,573)	Revenue was less than projected. The Appeal Board has reduced Property Market Values by 14.7% which has resulted in a decrease in property rates revenue by R 68,5 million. Property Rates revenue will be adjusted during budget adjustment process.	
Service charges - electricity revenue	(1,131,271)	Revenue was less than projected, mainly on Sale of Electricity and Reconnection Fees. The under billing of revenue impacted by various factors such as; (Illegal connections due to rise in informal settlements. (Vandalism of electrical infrastructure resulting in the inability to meter the consumption from either conventional or prepayment system. (Load shedding resulting in the reduction of electricity bulk purchases and consumption. (There is also a noticeable reduction of consumption from customers who have installed embedded electricity generation system. The department has put interventions that are focusing on revenue collection to enhance revenue collectability and billing with the focus on metering infrastructure of large power users as this customer category contribute to the larger percentage of electricity revenue. The interventions are yielding results and the improvement will be gradually noticeable.	
Service charges - water revenue	(78,490)	Revenue was less than projected, mainly on Cross-Border Bulk Water. Due to the following: (The city has stopped water supply to Moretele Local Municipality from July 2022. This is because Magalies Water is now supplying the area after they commissioned the newly constructed pipeline to Moretele. (There is a huge reduction in Water supply to Thembisile Hani Local Municipality. This is due to continuous maintenance related breakdowns experienced at Bronkhorstspuit Water Treatment Plant.	
Service charges - sanitation revenue	56,826	Revenue was better than projected, mainly on Sanitation Fees and Cross-border Bulk Sewerage.	
Service charges - refuse revenue	(6,657)	Revenue was less than projected, due to billing, delayed payments and inconsistent deduction of landfill site fees from the invoices of contractors who use landfill sites for dumping.	
Rental of facilities and equipment	(55,179)	Revenue was less than the budget, mainly on Rental Stands. (The cancellation of rental accounts or leased properties that have been sold, donated or the lessee passing away (data clean-up). However, the rental account continued to be billed over a long period and the amount is accounted for in the current period once the account is cancelled. The departments are putting together a journal to correct and distribute the billed revenue to the correct billing periods. (Expired lease agreements, delays in the conclusion of new agreements and incorrect and inconsistent data across the portfolio; and (Delays in the allocation of billed revenue on the SAP system for the month of January 2023. The process to enter into new lease agreements for expired leases has commenced and is currently undergoing various approval stages; and a journal to correct and spread the billed revenue to the correct billing periods has been submitted for processing.	
Interest earned - external investments	25,468	Revenue was more than projected, mainly on Interest Earned on Investments.	
Interest earned - outstanding debtors	192,854	Revenue was more than projected due to Interest on Arrears Debtors.	
Dividends received	-		
Fines, penalties and forfeits	(52,317)	Revenue was less than projected, mainly on AARTO, the Road Traffic Infringement Agency (RTIA) cancelled the payment of enforcement orders from October to December 2022 because of non-payment of AARTO infringement by the public. The moratorium was uplifted and implemented on 01 January 2023.	
Licences and permits	(5,025)	Revenue was less than expected, mainly on driving licences due to inability to operate at two centres namely Akasia and Rayton and a combined 50 hours of load-shedding on a weekly basis and non-compliance of customers with their online bookings. Most items in this group are customer dependent.	
Agency services	-		
Transfers and subsidies	(403,157)	Mainly on the Public Transport Network Grant, Neighbourhood Development Partnership Grant (Public Employment Programme), Human Settlements Development Grant, Equitable Share, Primary Health Care and Project Preparation Grant. Revenue will be recognised based on the performance of the grants. The equitable share projections will be aligned with the payment schedule during the budget adjustment.	
Other revenue	(63,426)	Revenue was less than projected, mainly on Reminder Fees, Admin Handling Fees, Approval Fees, Capital Income Received, VAT Corrections, Township Development and Contribution Electricity.	
Gains	-		
Expenditure By Type			
Employee related costs	(681,409)	Mainly on salaries, unfixed allowance, and provision for leave payments.	
Remuneration of councillors	(18,007)	Councillor remuneration increases are still to be determined.	
Debt impairment	2,194		
Depreciation & asset impairment	37,094	Due to the newly identified assets recently loaded in the 2021/22 financial year that did not form part of the budget for the 2022/23 financial year.	
Finance charges	(80,402)	Mainly on interest on Swaps and Rehabilitations provision, transactions are processed at year-end.	
Bulk purchases	(864,782)	Mainly on Bulk Electricity, the Bulk Electricity Eskom invoices for January 2023 will be paid on 13 February 2023.	
Inventory Consumed	(532,623)	The underspending is mainly on Petrol and Diesel, Rand Water, Consumables, Magalies Water, Bulk Water Purchases: Own Plants, Substations, Electronic Equipment, Substations, Power stations, Equipment and Chemicals. Invoices for January 2023 are still to be processed.	
Contracted services	(725,997)	Mainly on Tshwane House Contract Cost, Collection Fees, Asset Register Administration, Project link housing Project Management Services, Research and Advisory, Personnel and Labour, Consultant: Civil Engineering, Household Refuse Removal, Horticulture: Clearing, Buildings, Grounds, Water Reticulation Network, Lights, Substations, Cleaning Material, Reticulation Electricity and Forensic Audit due to delays in the submission of invoices by suppliers and payment of invoices. Funds are committed and expended Mainly on Tshwane House Contract Cost, Collection Fees, Asset Register Administration, Project link housing Project Management Services, Research and Advisory, Personnel and Labour, Consultant: Civil Engineering, Household Refuse Removal, Horticulture: Clearing, Buildings, Grounds, Water Reticulation Network, Lights, Substations, Cleaning Material, Reticulation Electricity and Forensic Audit due to delays in the submission of invoices by suppliers and payment of invoices. Funds are committed and expenditure is expected to increase in the following months.	
Transfers and subsidies	(21,377)	Mainly on Gratuities and Municipal Entities.	
Other expenditure	(117,436)	Mainly on SAP Enterprise Support Fee, Building Rentals, Postage, Training Board Fees, Auto Fare Collection System, Compensation Commissioner (IOD), Uniform: General Expense, Rental of Tracking System, Fibre and UTP Repairs.	
Losses	110		

Table SC1: Material variance explanations (continued)

TSH City Of Tshwane - Supporting Table SC1 Material variance explanations - M07 January			
Description	Variance	Reasons for material deviations	Remedial or corrective steps/remarks
R thousands			
Capital Expenditure			
Vote 1 - Community & Social Development Services Department	(14,730)	Upgrade Refilwe Stadium - Delayed progress by contractor due to capacity issues and cash flow challenges.	Service provider put on terms. Submission of catch-up plans and revised construction schedules. Close monitoring of progress by consulting team.
Vote 2 - Economic Development & Spatial Planning Department	(8,490)	Supply and installation of public lights Tshwane Market - Waiting for an appointment letter of a service provider.	Follow up with SCM.
Vote 3 - Emergency Services Department	-	None.	None.
Vote 4 - Environment & Agriculture Management Department	(2,292)	Provision of waste containers - Delays in finalising and processing invoice.	Invoice has now been approved for payment.
Vote 5 - Group Financial Services Department	(1,110)	Insurance Replacements (CTMM Contribution) - 133 WBS numbers with a total value of R14,6 million have been created. The 133 WBS numbers created cover 165 claims. Approval letters typed and submitted to departments. Commitments to the value of R2,9 million reflect on 64 claims and Actuals to the value of R3,7 million reflect on 16 claims. Procurement is the responsibility of the Department where the loss occurred.	Departments to procure capital assets.
Vote 6 - Group Property Management Department	-	None.	None.
Vote 7 - Health Department	(21,690)	New Clinic Lusaka - No site activities for the month of January 2023 at Lusaka Clinic, the delays are as a result of non-payment of invoice that was supposed to be paid in December to the contractor. The contractor was unable to pay employees and subcontractors, citing the cashflow challenges as a result of the unpaid invoice from the City. Payment to the Contractor was done on the 27 January 2023.	The Contractor has submitted recovery plan indicating how he will remedy his cashflow challenges to ensure financial progress improves on the project. The Department is to continue making follow ups with Finance Department regarding submitted invoices to ensure that they are paid within the stipulated timeframe.
Vote 8 - Human Settlement Department	(239,216)	Booyens X4 (30ML Reservoir) - Contractor delayed with site mobilisation after the builder's break. Delivery of material on site has impacted resumption of works.	Contractor to come up with a catch-up plan on time lost.
Vote 9 - Tshwane Metro Police Department	(200)	None.	None.
Vote 10 - Regional Operations & Coordination Department	(3,456)	Electrical infrastructure testing and maintenance equipment - Awaiting delivery of equipment on last order for R104 400.	None.
Vote 11 - Roads & Transport Department	(47,754)	Wonderboom Intermodal Facility (Building Works) - Delays on the project due to late payments and unfavorable weather.	The extension of time has been approved therefore there is revised programme and milestones are adjusted.
Vote 12 - Shared Services Department	(11,975)	SAP 4 Hanna - Delay in deliverables verification due to the December holidays.	The verification of the deliverables was concluded in January 2023.
Vote 13 - Electricity Department	(102,213)	Network Control Centre Reconfiguration - Milestone delayed. City Manager signed the BAC resolutions for the SID EE 15 2020/21 Tender and directed SCM to negotiate prices with the recommended contractor. Awaiting negotiation finalization.	Continuous follow-up with SCM.
Vote 14 - Water and Sanitation Department	(175,174)	Klipgat WWTW: Upgrading of existing infrastructure to 40ML/d - The milestone is not achieved, the completion stage of the project has not been reached. The revised completion date is revised to 15 May 2023. The overall physical progress is still at 82% , the contractor is proceeding to complete the buildings so that installation of equipment can commence.	Close monitoring of physical progress to ensure completion by the revised completion date (15 May 2023). Close monitoring of physical progress to ensure completion by the revised completion date (15 May 2023).
Vote 15 - Other Departments	(44,754)	Tshwane Automotive SEZ Phase 1 Bulk Infrastructure Roll out - Invoices are received as and when work is completed by the service providers onsite.	Ensure all invoices for the completed work are submitted by TASEZ for further processing by the City.
Financial Position			
Current assets	1,177,021	Due to increase in other debtors.	
Non current assets	9,056,188	Due to increase in property , plant and equipment.	
Current liabilities	805,263	Due to increase in trade and other payables.	
Non current liabilities	3,000,980	Mainly on borrowings.	
Cash Flow			
Cash flow from operating activities	2,204,187	Mainly on suppliers and employees.	
Cash flow from investing activities	(843,522)	Mainly on capital assets.	
Cash flow from financing activities	14,005		
Measurable performance			
Municipal Entities			
Revenue By Municipal Entity			
Housing Company Tshwane	(28,781)	Mainly on Rental and facilities. Variance was due to group property which has not yet been invoiced by HCT as conveyancers has recently been appointed to facilitate property transfer process.	
Tshwane Economic Development Agency	(5,389)	Mainly on Transfers and Subsidies. The Grant is quarterly invoiced.	
Expenditure By Municipal Entity			
Housing Company Tshwane	(24,713)	Mainly on Employee related costs, Depreciation, Other Material and contracted services. Delay in filling vacant positions awaiting for the financial sustainability of new posts to be approved by the REMCO and Board. Procurement processes are currently underway to appoint service providers to conduct repairs and maintenance services and Human resource services such as trainings as per HCT's procurement plan. Variance on Depreciation is due Townlands building which has not yet brought into use.	
Tshwane Economic Development Agency	(639)		
Capital Expenditure By Municipal Entity			
Housing Company Tshwane	(78,958)	Chantelle detail design and bulk infrastructure upgrade - The entity does not have enough funding to honor commitments on the project as SHRA grant funding has not been received.	The budget from Timberlands has been diverted to Chantelle project during the adjustment budget process.
Tshwane Economic Development Agency	(323)	Furniture and Office Equipment - The commitment on computer items will ensure expenditure is within the budget.	To ensure that the procurement of assets are within the timelines.

(b) Table SC2: Monthly budget statement – Performance indicators

TSH City Of Tshwane - Supporting Table SC2 Monthly Budget Statement - performance indicators - M07 January				
Description of financial indicator	Basis of calculation	2021/22	Budget Year 2022/23	
		Audited Outcome	Original Budget	YearTD actual
<u>Borrowing Management</u>				
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	9.4%	6.9%	10.0%
Borrowed funding of 'ow n' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	0.0%	67.9%	0.0%
<u>Safety of Capital</u>				
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	74.3%	75.9%	72.6%
<u>Liquidity</u>				
Current Ratio	Current assets/current liabilities	0.6	0.7	0.8
Liquidity Ratio	Monetary Assets/Current Liabilities	0.07	0.1	0.05
<u>Revenue Management</u>				
Payment Level %	Last 12 Mths Receipts/ Last 12 Mths Billing	100.2%	94.3%	108.3%
<u>Creditors Management</u>				
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))	100.0%	100.0%	59.0%
<u>Other Indicators</u>				
Water Distribution Losses	% Volume (units purchased and own source less units sold)/Total units purchased and own source	32.3%	29.0%	30.4%
Employee costs	Employee costs/Total Revenue - capital revenue	30.7%	30.0%	27.9%
Repairs & Maintenance	R&M/Total Revenue - capital revenue	3.4%	3.3%	2.3%
Interest & Depreciation	I&D/Total Revenue - capital revenue	16.4%	9.8%	9.5%
<u>IDP regulation financial viability indicators</u>				
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	8.3	28.3	22.5
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	20.1%	27.0%	29.2%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.4	0.3	(0.1)

(c) Table SC3: Monthly budget statement – Aged debtors

TSH City Of Tshwane - Supporting Table SC3 Monthly Budget Statement - aged debtors - M07 January												
Description	NT Code	Budget Year 2022/23									Actual Bad Debts Written Off against Debtors	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total over 90 days		
R thousands												
Debtors Age Analysis By Income Source												
Trade and Other Receivables from Exchange Transactions - Water	1200	626,852	197,092	97,364	118,990	125,169	102,105	635,719	2,394,581	4,297,874	3,376,565	1,852
Trade and Other Receivables from Exchange Transactions - Electricity	1300	414,125	64,668	20,719	58,060	61,730	41,811	290,048	1,593,124	2,544,285	2,044,773	243
Receivables from Non-exchange Transactions - Property Rates	1400	684,402	102,680	51,120	48,787	71,612	71,601	344,459	2,375,415	3,750,076	2,911,874	651
Receivables from Exchange Transactions - Waste Water Management	1500	154,605	91,128	19,976	24,970	26,288	19,461	123,482	457,465	917,375	651,666	476
Receivables from Exchange Transactions - Waste Management	1600	154,783	33,062	21,540	24,834	26,687	20,509	121,681	838,501	1,241,597	1,032,212	626
Receivables from Exchange Transactions - Property Rental Debtors	1700	12,242	1,297	2,980	1,604	2,924	394,332	152	82,001	497,534	481,014	1,861
Interest on Arrear Debtor Accounts	1810	231,418	101,590	66,591	78,467	81,167	63,811	370,076	3,026,236	4,019,355	3,619,757	832
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-
Other	1900	(491,789)	(79,527)	46,371	16,598	31,499	26,493	217,020	1,469,556	1,236,223	1,761,167	433
Total By Income Source	2000	1,786,638	511,990	326,663	372,310	427,076	740,124	2,102,638	12,236,879	18,504,319	15,879,027	6,974
2021/22 - totals only		2,273,939	535,168	503,633	568,477	477,462	842,095	2,164,098	10,014,717	17,379,588	14,066,849	5,764
Debtors Age Analysis By Customer Group												
Organs of State	2200	53,860	(43,569)	(125,482)	(38,573)	(791)	3,199	10,053	139,632	(1,670)	113,520	-
Commercial	2300	258,346	151,438	74,062	115,321	109,939	233,033	493,573	2,858,016	4,293,727	3,809,881	-
Households	2400	1,253,578	406,123	227,925	280,995	295,453	233,510	1,414,838	7,172,231	11,284,654	9,397,028	4,619
Other	2500	220,854	(2,003)	150,159	14,567	22,474	270,382	184,174	2,067,000	2,927,608	2,558,597	2,355
Total By Customer Group	2600	1,786,638	511,990	326,663	372,310	427,076	740,124	2,102,638	12,236,879	18,504,319	15,879,027	6,974

Table SC3 indicates that the total debtors amount to R18,5 billion.

(d) Table SC4: Monthly budget statement – Aged creditors

TSH City Of Tshwane - Supporting Table SC4 Monthly Budget Statement - aged creditors - M07 January								
Description	NT Code	Budget Year 2022/23						Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	Total	
R thousands								
Creditors Age Analysis By Customer Type								
Bulk Electricity	0100	767,529	369,927	82	–	17	1,137,556	150,535
Bulk Water	0200	–	182,964	116,687	–	–	299,652	41,631
PAYE deductions	0300	–	–	–	–	–	–	–
VAT (output less input)	0400	–	–	–	–	–	–	–
Pensions / Retirement deductions	0500	–	–	–	–	–	–	–
Loan repayments	0600	–	–	–	–	–	–	–
Trade Creditors	0700	93,095	213,870	209,369	89,881	236,822	843,036	669,787
Auditor General	0800	–	–	–	–	12	12	5,275
Other	0900	–	–	–	–	–	–	–
Total By Customer Type	1000	860,624	766,761	326,138	89,881	236,851	2,280,255	867,229

(e) Table SC5: Monthly budget statement – Investment portfolio

TSH City Of Tshwane - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M07 January								
Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Closing Balance
R thousands	Yrs/Months							
<u>Municipality</u>								
Call Investment deposits < 90 days								
Knysna Stocks	15y	Stock	31.12.2018	0		-	-	0
Sanlam	14y	Insurance policy	07.12.2015	-	3.0%	-	-	-
Sanlam	14y	Insurance policy	01.01.2016	-	3.0%	-	-	-
Capital Alliance	8y	Insurance policy	On selling date	1	2.0%	788	-	789
Capital Alliance	9y	Insurance policy	On selling date	6	3.0%	2,470	-	2,476
ABSA	On Call	Money Market	On call	249	7.3%	40,472	-	40,721
ABSA	On Call	Money Market	On call	87	7.3%	14,183	-	14,270
ABSA	On Call	Money Market	On call	65	7.3%	10,623	-	10,688
ABSA	On Call	Money Market	On call	1	7.3%	234	-	235
Investec Bank	On Call	Money Market	On call	220	7.3%	35,795	-	36,015
Investec Bank	On Call	Money Market	On call	70	7.3%	11,441	-	11,511
Investec Bank	On Call	Money Market	On call	10	7.3%	1,563	-	1,572
Standard Bank	On Call	Money Market	On call	856	7.8%	129,156	-	130,011
Standard Bank	On Call	Money Market	On call	27	7.8%	4,023	-	4,050
Investec Bank	On Call	Money Market	On call	232	6.8%	40,099	-	40,331
RMB	On Call	Money Market	31.10.2011	-	0.0%	-	-	-
STANLIB	On Call	Money Market	On call	-	0.4%	299	1	300
ABSA	On Call	Short Term	On call	-	6.7%	-	-	-
Nedbank	On Call	Short Term	On call	-	6.7%	-	-	-
Standard Bank	On Call	Short Term	On call	-	6.6%	424,823	(75,984)	348,839
First National Bank	On Call	Short Term	On call	-	0.0%	-	-	-
Nedbank	On Call	Short Term	On call	-	0.0%	-	-	-
ABSA	On Call	Short Term	On call	-	0.0%	346,408	-	346,408
Standard Bank	On Call	Sinking Fund	On call	-	0.0%	-	-	-
Nedbank	On Call	Short Term	On call	-	0.0%	390,353	-	390,353
ABSA	On Call	Short Term	On call	-	0.0%	-	-	-
Standard Bank	On Call	Short Term	On call	-	7.8%	93,238	-	93,238
Municipality sub-total				1,825	-	1,545,967	(75,983)	1,471,809
<u>Entities</u>								
2779381.07		Call account	As and when required	10	350.0%	739	10	758
Entities sub-total				10		739	10	758
TOTAL INVESTMENTS AND INTEREST				1,835		1,546,706	(75,974)	1,472,567

(f) Table SC6: Monthly budget statement – Transfers and grant receipts

TSH City Of Tshwane - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M07 January							
Description	2021/22	Budget Year 2022/23					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands							
RECEIPTS:							
Operating Transfers and Grants							
National Government:	5,326,414	4,306,186	85,981	2,930,492	2,946,780	(16,288)	-0.6%
Local Government Equitable Share	3,088,576	3,551,250		2,568,736	2,568,736	–	
Fuel Levy	1,564,720	–				–	
Local Government Finance Management Grant	2,100	2,200		2,200	2,200	–	
Urban Settlement Development Grant	31,547	31,323		31,323	31,323	–	
Expanded Public Works Programme Incentive (EPWP)	19,031	15,496		10,848	10,848	–	
Public Transport Network Grant	423,380	483,981		121,000	137,288	(16,288)	-11.9%
Programme and Project Preparation Support Grant	55,375	51,532	25,766	25,766	25,766	–	
Municipal Disaster Recovery Grant						–	
Energy Efficiency and Demand Side Management	500	720		720	720	–	
Neighbourhood Development Partnership Grant (PEP)	141,185	140,000	60,215	140,215	140,215	–	
Informal Settlements Upgrading Partnership Grant		29,684		29,684	29,684	–	
Provincial Government:	146,630	189,858	–	76,662	106,161	(29,498)	-27.8%
Primary Health Care	58,845	61,258		24,504	42,881	(18,377)	-42.9%
HIV and Aids Grant	24,392	25,612		25,612	25,612	–	
Human Settlement Development Grant (HSDG)		34,800				–	
Libraries Plan	7,522	7,188		7,188	7,188	–	
Mamelodi Bus Operations Subsidy	55,871	61,000		19,358	30,480	(11,122)	-36.5%
Gautrans	–		–	–	–	–	
Research and Technology Development Services	–					–	
District Municipality:	–	–	–	–	–	–	–
<i>[insert description]</i>						–	
Other grant providers:	2,000	–	–	–	–	–	–
DBSA	–	–	–	–	–	–	
BroadBand Wifi						–	
HCT Social Housing SHRA						–	
LG SETA Discretionary grant (93 appies over 3 years)	2,000	–		–	–	–	
Total Operating Transfers and Grants	5,475,044	4,496,044	85,981	3,007,154	3,052,941	(45,786)	-1.5%
Capital Transfers and Grants							
National Government:	1,854,819	1,864,984	–	1,122,769	1,260,217	(137,448)	-10.9%
Urban Settlement Development Grant	1,020,010	1,012,788		616,026	616,026	–	
Public Transport Network Grant	252,082	269,700		135,252	269,700	(134,448)	-49.9%
Integrated National Electrification Programme		–				–	
Neighbourhood Development Partnership Grant	17,926	10,215		10,000	10,000	–	
Energy Efficiency and Demand Side Management	4,500	8,280		5,280	8,280	(3,000)	-36.2%
Integrated City Development Grant		–				–	
Informal Settlements Upgrading Partnership Grant	560,301	564,001		356,211	356,211	–	
Provincial Government:	12,727	14,562	–	11,962	14,562	(2,600)	-17.9%
Recapitalisation of Community Libraries Grant	12,727	14,562		11,962	14,562	(2,600)	-17.9%
Gautrans						–	
Social Infrastructure Grant						–	
HCT - SHRA						–	
District Municipality:	–	–	–	–	–	–	–
<i>[insert description]</i>						–	
Other grant providers:	97,294	195,000	–	–	55,725	(55,725)	-100.0%
LG SETA Discretionary grant (93 appies over 3 years)	1,089	–		–	–	–	0.0%
RCG-SHRA	96,205	195,000		–	55,725	(55,725)	
DBSA - Installation of Bulkwater (Water pilot study)	–	–	–	–	–	–	0.0%
Total Capital Transfers and Grants	1,964,840	2,074,545	–	1,134,731	1,330,504	(195,773)	-14.7%
TOTAL RECEIPTS OF TRANSFERS & GRANTS	7,439,885	6,570,590	85,981	4,141,885	4,383,445	(241,559)	-5.5%

The total original budget is R6,6 billion and an amount of R4,1 billion was received for the period. A variance of R242 million is reflected, mainly due to outstanding transfers on the Public Transport Network Grant, Primary Healthcare Grant and RCG-SHRA.

(g) Table SC7(1): Monthly budget statement – Transfers and grant expenditures

TSH City Of Tshwane - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M07 January							
Description	2021/22	Budget Year 2022/23					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands							
EXPENDITURE							
Operating expenditure of Transfers and Grants							
National Government:	5,217,785	4,306,186	21,917	2,830,182	3,100,957	(270,775)	-8.7%
Local Government Equitable Share	3,088,576	3,551,250		2,568,736	2,663,438	(94,702)	-3.6%
Fuel Levy	1,564,720	–				–	
Local Government Finance Management Grant	2,006	2,200	57	935	1,250	(315)	
Urban Settlement Development Grant	31,547	31,323		31,323	31,323	–	
Expanded Public Works Programme Incentive (EPWP)	19,031	15,496		10,848	9,039	1,809	20.0%
Public Transport Network Grant	414,712	483,981	18,406	182,878	266,444	(83,566)	
Programme and Project Preparation Support Grant	49,967	51,532		9,178	30,060	(20,883)	
Energy Efficiency and Demand Side Management	176	720	78	78	420	(342)	
Neighbourhood Development Partnership Grant (PEP)	47,050	140,000		16,790	81,667	(64,877)	-79.4%
Informal Settlements Upgrading Partnership Grant		29,684	3,376	9,416	17,316	(7,900)	-45.6%
Provincial Government:	169,370	189,858	6,142	71,677	142,478	(70,800)	-49.7%
Primary Health Care	58,845	61,258		24,504	61,258	(36,754)	-60.0%
HIV and Aids Grant	24,392	25,612	2,563	18,176	21,000	(2,824)	-13.4%
Human Settlement Development Grant (HSDG)	19,370	34,800		2,801	20,300	(17,499)	-86.2%
Libraries Plan	8,133	7,188	(333)	2,987	4,360	(1,373)	-31.5%
Mamelodi Bus Operations Subsidy	58,631	61,000	3,912	23,210	35,560	(12,350)	-34.7%
District Municipality:	–	–	–	–	–	–	
[insert description]						–	
Other grant providers:	2,000	–	–	–	–	–	
DBSA	–	–				–	
LG SETA Discretionary grant (93 applies over 3 years)	2,000	–		–	–	–	
Total operating expenditure of Transfers and Grants:	5,389,155	4,496,044	28,059	2,901,859	3,243,434	(341,575)	-10.5%
Capital expenditure of Transfers and Grants							
National Government:	1,779,004	1,864,984	23,648	520,455	1,009,568	(489,113)	-48.4%
Urban Settlement Development Grant	1,017,758	1,012,788	14,117	302,977	560,123	(257,146)	-45.9%
Public Transport Network Grant	208,428	269,700	5,616	37,266	87,855	(50,590)	-57.6%
Integrated National Electrification Programme		–				–	
Neighbourhood Development Partnership Grant	17,926	10,215		645	2,554	(1,908)	-74.7%
Finance Management Grant		–				–	
Energy Efficiency and Demand Side Management	4,490	8,280		4,310	1,308	3,002	229.4%
Integrated City Development Grant		–				–	
Informal Settlements Upgrading Partnership Grant	530,402	564,001	3,915	175,258	357,728	(182,471)	-51.0%
Provincial Government:	12,408	14,562	565	6,350	2,912	3,438	-54.0%
Recapitalisation of Community Libraries Grant	12,408	14,562	565	6,350	2,912	3,438	118.0%
Social Infrastructure Grant						–	
HCT - SHRA						–	
District Municipality:	–	–	–	–	–	–	
[insert description]						–	
Other grant providers:	105,411	195,000	2,196	88,082	155,177	(67,096)	-43.2%
LG SETA Discretionary grant (93 applies over 3 years)	9,206	–				–	
RCG-SHRA	96,205	195,000	2,196	88,082	155,177	(67,096)	-43.2%
DBSA - Installation of Bulkwater (Water pilot study)						–	
Total capital expenditure of Transfers and Grants	1,896,823	2,074,545	26,409	614,887	1,167,658	(552,771)	-47.3%
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	7,285,978	6,570,590	54,469	3,516,746	4,411,093	(894,346)	-20.3%

Table SC7(1) indicates the expenditure incurred against each allocation for the reporting period. The disclosure on the transfer and grant expenditure table reflects the actual expenditure incurred, amounting to R3,5 billion. A variance of R894 million is reflected.

(h) **Table SC7 (2): Monthly budget statement – Expenditure against approved rollovers**

TSH City Of Tshwane - Supporting Table SC7(2) Monthly Budget Statement - Expenditure against approved rollovers - M07 January					
Description	Budget Year 2022/23				
	Approved Rollover 2021/22	Monthly actual	YearTD actual	YTD variance	YTD variance
R thousands					%
<u>EXPENDITURE</u>					
<u>Operating expenditure of Approved Roll-overs</u>					
National Government:	-	-	-	-	
Local Government Equitable Share				-	
Fuel Levy				-	
Local Government Finance Management Grant				-	
Urban Settlement Development Grant				-	
Expanded Public Works Programme Incentive (EPWP)				-	
Public Transport Network Grant				-	
Provincial Government:	-	-	-	-	
Primary Health Care				-	
Human Settlement Development Grant (HSDG)	-	-	-	-	
Libraries Plan	-	-	-	-	
Mamelodi Bus Operations Subsidy				-	
District Municipality:	-	-	-	-	
				-	
Other grant providers:	-	-	-	-	
DBSA				-	
Total operating expenditure of Approved Roll-overs	-	-	-	-	
<u>Capital expenditure of Approved Roll-overs</u>					
National Government:	-	-	-	-	
Urban Settlement Development Grant				-	
Integrated City Development Grant				-	
Informal Settlements Upgrading Partnership Grant				-	
Informal Settlements Upgrading Partnership Grant				-	
Provincial Government:	-	-	-	-	
Recapitalisation of Community Libraries Grant	-	-	-	-	
				-	
District Municipality:	-	-	-	-	
				-	
Other grant providers:	-	-	-	-	
				-	
Total capital expenditure of Approved Roll-overs	-	-	-	-	
TOTAL EXPENDITURE OF APPROVED ROLL-OVERS	-	-	-	-	

Expenditure against the approved rollovers will reflect after the adjustment budget approval.

(i) Table SC8: Monthly budget statement – Councillor and staff benefits

TSH City Of Tshwane - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January							
Summary of Employee and Councillor remuneration	2021/22	Budget Year 2022/23					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands	A	B					%
Councillors (Political Office Bearers plus Other)							
Basic Salaries and Wages	129,577	115,175	11,089	77,580	67,185	10,395	15%
Pension and UIF Contributions	—	4,564	—	—	2,662	(2,662)	-100%
Medical Aid Contributions	—	4,509	—	—	2,630	(2,630)	-100%
Motor Vehicle Allowance	—	33,059	—	—	19,285	(19,285)	-100%
Cellphone Allowance	—	6,555	—	—	3,824	(3,824)	-100%
Housing Allowances	—	—	—	—	—	—	—
Other benefits and allowances	—	—	—	—	—	—	—
Sub Total - Councillors	129,577	163,863	11,089	77,580	95,587	(18,007)	-19%
% increase		26.5%					
Senior Managers of the Municipality							
Basic Salaries and Wages	16,530	20,508	687	5,516	11,154	(5,638)	-51%
Pension and UIF Contributions	13	245	1	4	134	(129)	-97%
Medical Aid Contributions	—	62	—	—	34	(34)	-100%
Overtime	—	—	—	—	—	—	—
Performance Bonus	—	—	—	—	—	—	—
Motor Vehicle Allowance	—	—	—	—	—	—	—
Cellphone Allowance	153	240	6	44	132	(88)	-66%
Housing Allowances	—	—	—	—	—	—	—
Other benefits and allowances	446	2,726	7	216	1,500	(1,285)	-86%
Payments in lieu of leave	2,957	925	(118)	(529)	509	(1,038)	-204%
Long service awards	—	—	—	—	—	—	—
Post-retirement benefit obligations	—	—	—	—	—	—	—
Sub Total - Senior Managers of Municipality	20,100	24,706	582	5,251	13,462	(8,212)	-61%
% increase		22.9%					
Other Municipal Staff							
Basic Salaries and Wages	7,694,556	7,572,543	636,317	4,463,178	4,747,173	(283,995)	-6%
Pension and UIF Contributions	1,445,660	1,471,995	123,423	870,482	925,325	(54,843)	-6%
Medical Aid Contributions	675,158	640,190	58,214	398,679	420,227	(21,549)	-5%
Overtime	526,980	968,735	61,948	303,937	250,374	53,563	21%
Performance Bonus	539	574,404	1	326	16	310	1886%
Motor Vehicle Allowance	310,317	337,370	31,643	178,072	196,578	(18,506)	-9%
Cellphone Allowance	16,507	18,815	1,362	9,553	10,478	(925)	-9%
Housing Allowances	59,581	58,907	5,260	37,223	34,515	2,707	8%
Other benefits and allowances	558,964	251,056	73,333	513,134	418,380	94,754	23%
Payments in lieu of leave	192,469	342,382	(168,519)	(237,938)	199,619	(437,557)	-219%
Long service awards	2,455	3,160	161	1,200	1,843	(643)	-35%
Post-retirement benefit obligations	—	271,974	—	—	—	—	—
Sub Total - Other Municipal Staff	11,483,185	12,511,530	823,143	6,537,845	7,204,528	(666,683)	-9%
% increase		9.0%					
Total Parent Municipality	11,632,862	12,700,099	834,814	6,620,676	7,313,577	(692,902)	-9%
Unpaid salary, allowances & benefits in arrears:							
Board Members of Entities							
Basic Salaries and Wages	—	—	—	—	—	—	—
Pension and UIF Contributions	—	—	—	—	—	—	—
Medical Aid Contributions	—	—	—	—	—	—	—
Overtime	—	—	—	—	—	—	—
Performance Bonus	—	—	—	—	—	—	—
Motor Vehicle Allowance	—	—	—	—	—	—	—
Cellphone Allowance	—	—	—	—	—	—	—
Housing Allowances	—	—	—	—	—	—	—
Other benefits and allowances	—	—	—	—	—	—	—
Board Fees	5,164	6,386	489	2,354	3,725	(1,371)	-37%
Payments in lieu of leave	—	—	—	—	—	—	—
Long service awards	—	—	—	—	—	—	—
Post-retirement benefit obligations	—	—	—	—	—	—	—
Sub Total - Board Members of Entities	5,164	6,386	489	2,354	3,725	(1,371)	-37%
Senior Managers of Entities							
Basic Salaries and Wages	15,823	15,281	1,196	7,904	8,914	(1,010)	-11%
Pension and UIF Contributions	968	1,632	149	736	917	(182)	-20%
Medical Aid Contributions	127	334	17	92	195	(103)	-53%
Overtime	—	—	—	—	—	—	—
Performance Bonus	—	389	—	—	261	(261)	-100%
Motor Vehicle Allowance	717	838	63	676	620	57	9%
Cellphone Allowance	235	438	87	91	125	(34)	-27%
Housing Allowances	20	—	2	67	139	(72)	-52%
Other benefits and allowances	—	238	14	—	—	—	—
Payments in lieu of leave	—	1,479	—	219	863	(643)	-75%
Long service awards	—	—	—	—	—	—	—
Post-retirement benefit obligations	—	—	—	—	—	—	—
Sub Total - Senior Managers of Entities	17,890	20,630	1,529	9,785	12,034	(2,249)	-19%
% increase		15.3%					
Other Staff of Entities							
Basic Salaries and Wages	50,139	56,734	4,005	32,099	33,095	(996)	-3%
Pension and UIF Contributions	3,904	5,225	415	2,866	3,048	(182)	-6%
Medical Aid Contributions	1,889	2,423	183	1,169	1,413	(244)	-17%
Overtime	541	1,500	378	1,271	875	396	45%
Performance Bonus	—	1,815	—	—	1,059	(1,059)	-100%
Motor Vehicle Allowance	—	—	—	10	—	10	—
Cellphone Allowance	378	452	36	251	264	(13)	-5%
Housing Allowances	64	1,250	9	54	729	(676)	-93%
Other benefits and allowances	—	633	34	238	369	(132)	-36%
Payments in lieu of leave	—	—	—	—	—	—	—
Long service awards	—	—	—	—	—	—	—
Post-retirement benefit obligations	—	—	—	—	—	—	—
Sub Total - Other Staff of Entities	56,915	70,033	5,059	37,958	40,852	(2,895)	-7%
% increase		23.0%					
Total Municipal Entities	79,969	97,049	7,077	50,098	56,612	(6,514)	-12%
TOTAL SALARY, ALLOWANCES & BENEFITS	11,712,831	12,797,148	841,891	6,670,773	7,370,189	(699,416)	-9%
% increase		9.3%					
TOTAL MANAGERS AND STAFF	11,583,254	12,633,285	830,802	6,593,193	7,274,602	(681,409)	-9%

(j) Table SC10: Monthly budget statement – Parent municipality’s financial performance (revenue and expenditure)

TSH City Of Tshwane - Supporting Table SC10 Monthly Budget Statement - Parent Municipality Financial Performance (revenue and expenditure) - M07 January							
Description	2021/22	Budget Year 2022/23					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
R thousands							%
Revenue By Source							
Property rates	8,574,855	9,102,662	744,511	5,090,266	5,192,840	(102,573)	-2%
Service charges - electricity revenue	13,345,122	15,697,113	983,629	8,185,560	9,316,831	(1,131,271)	-12%
Service charges - water revenue	4,958,680	5,554,721	458,367	3,034,268	3,112,758	(78,490)	-3%
Service charges - sanitation revenue	1,448,161	1,502,943	140,583	949,151	892,325	56,826	6%
Service charges - refuse revenue	1,584,431	1,727,398	142,259	1,019,094	1,025,751	(6,657)	-1%
Rental of facilities and equipment	134,996	114,052	6,538	46,267	66,530	(20,263)	-30%
Interest earned - external investments	158,238	51,616	9,650	55,780	30,109	25,671	85%
Interest earned - outstanding debtors	724,104	839,210	99,143	682,462	489,539	192,923	39%
Dividends received	-	-	-	-	-	-	-
Fines, penalties and forfeits	85,915	274,803	9,843	85,833	138,150	(52,317)	-38%
Licences and permits	41,245	54,534	3,202	22,324	27,349	(5,025)	-18%
Agency services	-	-	-	-	-	-	-
Transfers and subsidies	5,387,168	4,496,044	12,915	2,827,537	3,230,694	(403,157)	-12%
Other revenue	1,220,552	2,663,285	57,635	1,612,430	1,676,143	(63,713)	-4%
Gains	27,446	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	37,690,913	42,078,382	2,668,276	23,610,972	25,199,018	(1,588,046)	-6%
Expenditure By Type							
Employee related costs	11,513,865	12,536,236	824,214	6,545,450	7,221,716	(676,266)	-9%
Remuneration of councillors	129,577	163,863	11,089	77,580	95,587	(18,007)	-19%
Debt impairment	2,601,809	2,305,357	194,489	1,347,167	1,344,791	2,375	0%
Depreciation & asset impairment	2,909,024	2,623,015	193,225	1,577,051	1,530,092	46,959	3%
Finance charges	3,267,450	1,507,813	432,789	673,951	754,255	(80,304)	-11%
Bulk purchases - electricity	11,376,780	12,121,755	739,510	6,911,219	7,776,002	(864,782)	-12%
Inventory consumed	3,755,440	4,326,552	570,002	2,164,747	2,693,675	(528,928)	-20%
Contracted services	4,114,721	4,307,123	224,026	2,074,456	2,796,424	(721,967)	-26%
Transfers and subsidies	102,761	135,860	-	50,384	96,211	(45,827)	-48%
Other expenditure	1,716,867	2,048,016	37,426	1,141,080	1,256,203	(115,123)	-9%
Losses	232,873	-	-	138	-	138	-
Total Expenditure	41,721,166	42,075,589	3,226,769	22,563,223	25,564,955	(3,001,732)	-12%
Surplus/(Deficit)	(4,030,253)	2,793	(558,493)	1,047,749	(365,937)	1,413,686	-386%
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1,791,411	1,879,546	56,418	559,009	1,012,481	(453,472)	-45%
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	9,206	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(2,229,636)	1,882,339	(502,075)	1,606,758	646,544	960,214	149%
Taxation	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation	(2,229,636)	1,882,339	(502,075)	1,606,758	646,544	960,214	149%

(k) Table SC11: Monthly budget statement – Summary of municipal entities

TSH City Of Tshwane - Supporting Table SC11 Monthly Budget Statement - summary of municipal entities - M07 January							
Description	2021/22	Budget Year 2022/23					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands							
<u>Revenue By Municipal Entity</u>							
Housing Company Tshwane	44,806	107,707	10,207	34,047	62,829	(28,781)	-46%
Tshwane Economic Development Agency	60,618	63,553	86	31,684	37,073	(5,389)	-15%
Total Operating Revenue	105,424	171,260	10,293	65,731	99,902	(34,171)	-34%
<u>Expenditure By Municipal Entity</u>							
Housing Company Tshwane	59,865	107,707	4,899	38,116	62,829	(24,713)	-39%
Tshwane Economic Development Agency	54,826	63,038	4,425	36,133	36,772	(639)	-2%
Total Operating Expenditure	114,691	170,745	9,324	74,249	99,601	(25,352)	-25%
Surplus/ (Deficit) for the yr/period	(8,540)	515	969	(8,518)	300	(8,819)	-2935%
<u>Capital Expenditure By Municipal Entity</u>							
Housing Company Tshwane	248,368	233,970	2,179	90,749	169,707	(78,958)	-153%
Tshwane Economic Development Agency	237	452	–	129	452	(323)	-71%
Total Capital Expenditure	248,605	234,421	2,179	90,878	170,159	(79,281)	-47%

(l) Table SC12: Consolidated monthly budget statement – Capital expenditure trend

TSH City Of Tshwane - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M07 January								
Month	2021/22	Budget Year 2022/23						
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands								
<u>Monthly expenditure performance trend</u>								
July	109,119	124,523	26,997	26,997	124,523	97,526	78.3%	1%
August	(28,934)	198,525	78,491	105,487	323,048	217,561	67.3%	4%
September	250,105	273,332	121,987	227,474	596,380	368,906	61.9%	8%
October	315,167	239,360	142,218	369,692	835,739	466,047	55.8%	13%
November	225,636	220,645	210,124	579,816	1,056,384	476,568	45.1%	21%
December	222,797	230,311	169,653	749,469	1,286,696	537,226	41.8%	27%
January	49,549	190,791	54,964	804,433	1,477,487	673,054	45.6%	29%
February	161,738	208,230	–		1,685,717	–		
March	191,978	240,017	–		1,925,734	–		
April	206,583	236,908	–		2,162,642	–		
May	284,711	295,206	–		2,457,848	–		
June	654,266	335,257	–		2,793,105	–		
Total Capital expenditure	2,642,715	2,793,105	804,433					

(m) Table SC13a: Consolidated monthly budget statement – Capital expenditure on new assets by asset class

TSH City Of Tshwane - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M07 January							
Description	2021/22	Budget Year 2022/23					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
R thousands							%
Capital expenditure on new assets by Asset Class/Sub-class							
Infrastructure	1,149,704	1,307,593	11,474	394,472	701,728	307,255	43.8%
Roads Infrastructure	398,889	437,643	3,786	143,080	231,087	88,007	38.1%
Roads	332,189	339,428	2,476	120,153	185,891	65,738	35.4%
Road Structures	59,618	79,715	1,310	22,927	44,866	21,939	48.9%
Road Furniture	7,082	18,500	–	–	330	330	100.0%
Storm water Infrastructure	80,632	8,700	–	6,774	2,750	(4,024)	
Storm water Conveyance	80,632	8,700	–	6,774	2,750	(4,024)	
Electrical Infrastructure	242,286	303,279	4,708	105,607	145,611	40,004	27.5%
Power Plants	–	4,000	–	–	406	406	100.0%
HV Substations	14,470	61,000	–	6,954	17,750	10,796	60.8%
HV Transmission Conductors	–	10,000	–	–	3,000	3,000	100.0%
MV Substations	35,849	33,000	–	6,101	13,700	7,599	55.5%
MV Networks	98,287	100,200	3,982	45,500	50,180	4,680	9.3%
LV Networks	93,680	95,079	726	47,052	60,576	13,524	22.3%
Water Supply Infrastructure	233,223	311,724	1,258	58,484	185,098	126,614	68.4%
Reservoirs	50,028	68,497	1,258	2,592	39,092	36,501	93.4%
Pump Stations	–	1,500	–	–	–	–	
Water Treatment Works	–	1,000	–	–	–	–	
Bulk Mains	16,770	33,000	–	100	20,850	20,750	99.5%
Distribution	76,690	117,727	–	11,554	71,156	59,601	83.8%
Distribution Points	89,735	90,000	–	44,238	54,000	9,762	18.1%
Sanitation Infrastructure	184,020	229,546	1,723	80,527	131,181	50,654	38.6%
Pump Station	–	18,000	–	5,386	15,698	10,312	65.7%
Reticulation	178,662	192,351	1,723	75,141	112,493	37,352	33.2%
Waste Water Treatment Works	–	4,000	–	–	840	840	100.0%
Outfall Sewers	5,358	15,195	–	–	2,150	2,150	100.0%
Solid Waste Infrastructure	8,695	5,000	–	–	2,500	2,500	100.0%
Capital Spares	8,695	5,000	–	–	2,500	2,500	100.0%
Information and Communication Infrastructure	1,960	11,700	–	–	3,500	3,500	100.0%
Data Centres	–	10,000	–	–	3,500	3,500	100.0%
Distribution Layers	1,960	1,700	–	–	–	–	
Community Assets	30,179	77,262	2,487	10,521	32,582	22,062	67.7%
Community Facilities	30,179	77,262	2,487	10,521	32,582	22,062	67.7%
Clinics/Care Centres	14,596	49,000	1,922	4,170	25,970	21,800	83.9%
Fire/Ambulance Stations	3,176	–	–	–	–	–	
Libraries	12,408	14,562	565	6,350	2,912	(3,438)	-118.0%
Police	–	10,000	–	–	–	–	
Markets	–	3,700	–	–	3,700	3,700	100.0%
Investment properties	30,435	25,000	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	
Improved Property	–	–	–	–	–	–	
Unimproved Property	–	–	–	–	–	–	
Non-revenue Generating	30,435	25,000	–	–	–	–	
Improved Property	30,435	25,000	–	–	–	–	
Unimproved Property	–	–	–	–	–	–	
Other assets	271,172	235,018	2,196	90,138	170,755	80,617	47.2%
Operational Buildings	5,848	–	–	–	–	–	
Municipal Offices	5,848	–	–	–	–	–	
Housing	265,324	235,018	2,196	90,138	170,755	80,617	47.2%
Social Housing	265,324	235,018	2,196	90,138	170,755	80,617	47.2%
Intangible Assets	8,951	–	–	–	–	–	–
Licences and Rights	8,951	–	–	–	–	–	
Computer Software and Applications	8,951	–	–	–	–	–	
Computer Equipment	9,758	20,200	–	5,000	12,700	7,700	60.6%
Computer Equipment	9,758	20,200	–	5,000	12,700	7,700	60.6%
Furniture and Office Equipment	880	1,604	(17)	1,295	1,404	109	7.7%
Furniture and Office Equipment	880	1,604	(17)	1,295	1,404	109	7.7%
Machinery and Equipment	45,379	23,317	–	7,456	5,225	(2,231)	-42.7%
Machinery and Equipment	45,379	23,317	–	7,456	5,225	(2,231)	-42.7%
Transport Assets	9,729	–	–	–	–	–	–
Transport Assets	9,729	–	–	–	–	–	
Land	–	5,000	–	–	–	–	–
Land	–	5,000	–	–	–	–	
Total Capital Expenditure on new assets	1,556,187	1,694,993	16,140	508,882	924,395	415,513	44.9%

(n) Table SC13b: Consolidated monthly budget statement – Capital expenditure on the renewal of existing assets by asset class

TSH City Of Tshwane - Supporting Table SC13b Consolidated Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M07 January							
Description	2021/22	Budget Year 2022/23					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands							
Capital expenditure on renewal of existing assets by Asset Class/Sub-class							
Infrastructure	488,768	339,894	1,890	92,136	188,935	96,798	51.2%
Roads Infrastructure	255,850	44,592	-	8,167	18,379	10,211	55.6%
Roads	254,345	44,592	-	5,508	18,379	12,871	70.0%
Road Structures	1,504	-	-	2,660	-	(2,660)	#DIV/0!
Electrical Infrastructure	44,262	144,202	220	27,859	56,666	28,807	50.8%
HV Substations	-	75,000	-	3,856	15,900	12,044	75.7%
MV Networks	2,519	7,500	-	1,578	3,825	2,247	58.7%
LV Networks	41,743	59,202	220	22,425	34,441	12,016	34.9%
Capital Spares	-	2,500	-	-	2,500	2,500	100.0%
Water Supply Infrastructure	169,519	134,100	1,277	47,183	101,480	54,297	53.5%
Reservoirs	2,861	4,000	-	134	3,250	3,116	95.9%
Water Treatment Works	67,997	36,100	-	19,522	35,750	16,228	45.4%
Bulk Mains	-	13,000	-	8,998	8,860	(138)	-1.6%
Distribution	98,662	77,000	1,277	18,529	53,620	35,091	65.4%
Sanitation Infrastructure	15,902	17,000	393	8,927	12,410	3,483	28.1%
Reticulation	12,927	13,000	-	7,109	10,010	2,901	29.0%
Waste Water Treatment Works	2,975	4,000	393	1,818	2,400	582	24.2%
Information and Communication Infrastructure	3,235	-	-	-	-	-	
Data Centres	3,235	-	-	-	-	-	
Capital Spares	-	7,000	-	-	-	-	
		7,000					
Community Assets	1,957	-	-	-	467	467	100.0%
Community Facilities	1,957	-	-	-	467	467	100.0%
Cemeteries/Crematoria	611	-	-	-	-	-	
Nature Reserves	-	7,000	-	-	-	-	
Other assets	14,835	15,300	-	1,031	8,618	7,587	88.0%
Operational Buildings	14,835	15,300	-	1,031	8,618	7,587	88.0%
Training Centres	6,997	1,000	-	-	120	120	100.0%
Depots	7,838	14,300	-	1,031	8,498	7,467	87.9%
Intangible Assets	125,034	15,000	-	-	8,500	8,500	100.0%
Servitudes	-	-	-	-	-	-	
Licences and Rights	125,034	15,000	-	-	8,500	8,500	100.0%
Computer Software and Applications	125,034	15,000	-	-	8,500	8,500	100.0%
Computer Equipment	20,375	8,000	-	-	4,400	4,400	100.0%
Computer Equipment	20,375	8,000	-	-	4,400	4,400	100.0%
Machinery and Equipment	2,300	15,000	4	1,699	7,950	6,251	78.6%
Machinery and Equipment	2,300	15,000	4	1,699	7,950	6,251	78.6%
Transport Assets	(15)	100,000	11,003	63,551	-	(63,551)	
Transport Assets	(15)	100,000	11,003	63,551	-	(63,551)	
Total Capital Expenditure on renewal of existing assets	653,254	500,194	12,897	158,418	218,870	60,452	27.6%

(o) Table SC13c: Consolidated monthly budget statement – Repairs and maintenance by asset class

TSH City Of Tshwane - Supporting Table SC13c Consolidated Monthly Budget Statement - expenditure on repairs and maintenance by asset class - M07 January							
Description	2021/22	Budget Year 2022/23					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands							
Repairs and maintenance expenditure by Asset Class/Sub-class							
Infrastructure	815,684	808,490	29,437	330,918	505,521	174,603	34.5%
Roads Infrastructure	119,635	108,778	9,557	41,735	63,237	21,502	34.0%
Roads	84,258	82,917	9,436	37,135	45,690	8,555	18.7%
Road Structures	4,569	47	—	—	27	27	
Road Furniture	30,808	25,815	121	4,600	17,519	12,919	73.7%
Storm water Infrastructure	17,918	18,398	299	2,190	10,595	8,405	79.3%
Drainage Collection	9,445	9,532	146	917	5,560	4,643	83.5%
Storm water Conveyance	8,473	8,866	152	1,273	5,035	3,762	74.7%
Electrical Infrastructure	421,563	348,779	10,820	159,892	228,527	68,635	30.0%
Power Plants	24,022	25,379	—	4,812	15,998	11,186	69.9%
HV Substations	5,843	12,140	22	4,679	7,994	3,316	
HV Switching Station	4,075	4,637	22	2,415	3,550	1,135	32.0%
HV Transmission Conductors	313	452	—	292	331	39	
MV Substations	80,342	52,924	1,829	27,900	55,046	27,147	49.3%
MV Switching Stations	13,513	11,942	323	6,736	7,120	384	5.4%
MV Networks	117,783	126,436	5,653	62,233	71,509	9,276	13.0%
LV Networks	175,672	114,868	2,971	50,827	66,978	16,151	24.1%
Water Supply Infrastructure	137,869	184,053	4,496	58,845	105,614	46,769	44.3%
Reservoirs	10,477	11,511	936	4,136	6,715	2,579	38.4%
Water Treatment Works	13,175	14,161	382	3,636	8,260	4,625	56.0%
Bulk Mains	8,869	9,740	52	3,644	5,681	2,038	35.9%
Distribution	105,348	148,641	3,126	47,429	84,957	37,528	44.2%
Sanitation Infrastructure	112,470	137,113	3,757	64,948	89,438	24,490	27.4%
Pump Station	6,378	12,819	—	2,879	7,478	4,599	61.5%
Reticulation	28,965	36,768	446	17,797	22,563	4,766	21.1%
Waste Water Treatment Works	70,348	78,007	3,239	41,287	52,344	11,057	21.1%
Outfall Sewers	6,780	9,520	72	2,984	7,053	4,069	57.7%
Solid Waste Infrastructure	4,018	9,354	509	3,309	7,275	3,966	54.5%
Landfill Sites	4,018	7,534	509	3,309	5,859	2,551	43.5%
Waste Transfer Stations	—	596	—	—	463	463	100.0%
Waste Drop-off Points	—	1,202	—	—	935	935	100.0%
Waste Separation Facilities	—	22	—	—	17	17	100.0%
Rail Infrastructure	765	2,000	—	—	826	826	100.0%
Rail Lines	765	2,000	—	—	826	826	100.0%
Information and Communication Infrastructure	1,446	17	—	—	10	10	100.0%
Distribution Layers	1,446	17	—	—	10	10	100.0%
Community Assets	99,334	129,999	5,970	34,320	88,402	54,083	61.2%
Community Facilities	86,804	99,199	5,279	29,631	70,436	40,804	57.9%
Halls	—	232	—	20	135	115	85.1%
Centres	22	469	—	19	274	254	92.9%
Clinics/Care Centres	8,812	9,941	77	813	9,941	9,128	91.8%
Fire/Ambulance Stations	2,971	4,178	12	2,265	4,178	1,912	45.8%
Museums	12	92	15	45	54	9	15.9%
Galleries	24	87	1	43	51	8	14.8%
Libraries	5,022	4,196	160	422	2,655	2,233	84.1%
Cemeteries/Crematoria	9,135	7,293	226	1,179	4,578	3,399	74.2%
Police	2,987	3,008	9	943	1,053	110	10.5%
Parks	30,412	41,241	2,214	11,697	26,503	14,806	55.9%
Public Open Space	19,138	17,780	2,218	8,633	13,779	5,145	37.3%
Nature Reserves	3,678	5,638	185	1,281	4,385	3,104	70.8%
Markets	4,589	5,044	161	2,270	2,851	582	20.4%
Sport and Recreation Facilities	12,530	30,799	692	4,688	17,967	13,279	73.9%
Indoor Facilities	1,227	191	—	—	111	111	100.0%
Outdoor Facilities	11,303	30,608	692	4,688	17,855	13,167	73.7%
Heritage assets	46	120	—	3	70	67	95.1%
Historic Buildings	46	120	—	3	70	67	95.1%
Investment properties	20,196	17,395	339	6,473	17,474	11,001	63.0%
Revenue Generating	15,852	17,395	323	6,254	10,436	4,182	40.1%
Improved Property	744	—	—	111	938	827	88.1%
Unimproved Property	15,107	17,395	323	6,143	9,498	3,355	35.3%
Non-revenue Generating	4,344	—	16	219	7,039	6,819	96.9%
Improved Property	—	—	—	—	—	—	
Unimproved Property	4,344	—	16	219	7,039	6,819	96.9%
Other assets	74,943	109,481	1,748	33,604	55,754	22,151	39.7%
Operational Buildings	73,030	100,395	1,748	33,586	54,623	21,037	38.5%
Municipal Offices	52,604	73,646	1,700	25,482	39,515	14,033	35.5%
Pay/Enquiry Points	5	373	—	40	218	178	81.7%
Yards	611	254	—	6	197	191	96.7%
Training Centres	25	1	—	11	1	(11)	-1882.6%
Manufacturing Plant	297	5,326	—	2,085	3,107	1,022	32.9%
Depots	19,489	20,795	48	5,960	11,585	5,625	48.6%
Housing	1,912	9,086	—	18	1,131	1,113	98.4%
Social Housing	1,912	9,086	—	18	1,131	1,113	98.4%
Intangible Assets	65,991	55,607	11,438	42,259	32,438	(9,821)	-30.3%
Servitudes	—	—	—	—	—	—	
Licences and Rights	65,991	55,607	11,438	42,259	32,438	(9,821)	-30.3%
Computer Software and Applications	65,991	55,607	11,438	42,259	32,438	(9,821)	-30.3%
Computer Equipment	43,224	43,804	1,909	10,552	26,018	15,465	59.4%
Computer Equipment	43,224	43,804	1,909	10,552	26,018	15,465	59.4%
Furniture and Office Equipment	137	449	16	26	349	322	92.5%
Furniture and Office Equipment	137	449	16	26	349	322	92.5%
Machinery and Equipment	41,772	82,534	178	17,941	48,724	30,783	63.2%
Machinery and Equipment	41,772	82,534	178	17,941	48,724	30,783	63.2%
Transport Assets	106,433	137,985	3,167	73,599	86,560	12,960	15.0%
Transport Assets	106,433	137,985	3,167	73,599	86,560	12,960	15.0%
Total Repairs and Maintenance Expenditure	1,267,760	1,385,865	54,203	549,696	861,309	311,614	36.2%

(q) Table SC13d: Consolidated monthly budget statement – Depreciation by asset class

TSH City Of Tshwane - Supporting Table SC13d Consolidated Monthly Budget Statement - depreciation by asset class - M07 January							
Description	2021/22 Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands							
Depreciation by Asset Class/Sub-class							
Infrastructure	1,933,039	1,382,090	162,905	1,147,120	806,219	(340,901)	-42.3%
Roads Infrastructure	889,872	461,897	73,728	531,873	269,440	(262,433)	-97.4%
Roads	783,898	369,572	63,420	460,354	215,584	(244,770)	-113.5%
Road Structures	19,184	8,974	1,499	10,396	5,235	(5,162)	-98.6%
Road Furniture	86,790	83,351	8,809	61,122	48,621	(12,501)	-25.7%
Storm water Infrastructure	287,766	97,423	24,586	170,515	56,830	(113,685)	-200.0%
Drainage Collection	284,549	94,533	24,295	168,494	55,144	(113,350)	-205.6%
Storm water Conveyance	3,196	2,890	290	2,009	1,686	(323)	-19.2%
Attenuation	20	—	2	12	—	(12)	—
Electrical Infrastructure	371,418	324,271	30,079	208,491	189,158	(19,333)	-10.2%
Power Plants	44,090	5,548	3,745	25,974	3,236	(22,738)	-702.6%
HV Substations	83,879	84,258	5,440	37,729	49,150	11,422	23.2%
HV Switching Station	68	6	—	39	—	(39)	—
HV Transmission Conductors	11,030	27,421	937	6,497	15,996	9,499	59.4%
MV Substations	26,606	15,963	2,314	16,079	9,312	(6,768)	-72.7%
MV Switching Stations	(0)	3,329	—	—	1,942	1,942	100.0%
MV Networks	79,128	49,286	6,858	47,407	28,750	(18,657)	-64.9%
LV Networks	126,616	138,466	10,780	74,765	80,772	6,007	7.4%
Water Supply Infrastructure	204,057	186,818	17,304	120,243	108,977	(11,266)	-10.3%
Dams and Weirs	4,772	528	405	2,811	308	(2,503)	-813.4%
Boreholes	—	297	—	—	(136)	(136)	-352.7%
Reservoirs	21,968	21,893	1,864	12,930	12,771	(159)	-1.2%
Pump Stations	4,491	8,810	381	2,644	5,139	2,495	48.5%
Water Treatment Works	41,384	24,925	3,514	24,374	14,540	(9,835)	-67.6%
Bulk Mains	31,287	28,127	2,655	18,413	16,407	(2,006)	-12.2%
Distribution	97,718	101,574	8,258	57,504	59,252	1,748	2.9%
Distribution Points	1,290	104	110	760	61	(699)	-1150.6%
PRV Stations	852	792	91	633	462	(171)	-36.9%
Sanitation Infrastructure	123,911	150,390	10,519	72,956	87,728	14,772	16.8%
Pump Station	2,532	1,471	215	1,490	858	(632)	-73.7%
Reticulation	42,168	97,081	3,581	24,839	56,631	31,792	56.1%
Waste Water Treatment Works	62,386	40,007	5,303	36,775	23,337	(13,438)	-57.6%
Outfall Sewers	16,724	11,810	1,420	9,851	6,889	(2,962)	-43.0%
Toilet Facilities	—	—	—	—	13	13	100.0%
Capital Spares	—	—	—	—	—	—	—
Solid Waste Infrastructure	3,396	47,886	287	1,991	27,933	25,943	92.9%
Landfill Sites	2,287	47,483	191	1,326	27,699	26,373	95.2%
Waste Transfer Stations	246	—	21	145	—	(145)	—
Waste Processing Facilities	147	—	13	87	—	(87)	—
Waste Drop-off Points	729	403	62	429	235	(194)	-82.8%
Electricity Generation Facilities	7	—	—	—	(4)	(4)	—
Rail Infrastructure	3,759	1	316	2,189	0	(2,188)	-567661.9%
Rail Lines	3,716	—	316	2,189	—	(2,189)	—
Rail Structures	—	1	—	—	0	0	100.0%
Information and Communication Infrastructure	48,960	113,404	6,087	38,863	66,152	27,289	41.3%
Data Centres	601	1,065	64	442	621	179	28.9%
Core Layers	30,007	112,338	3,817	26,586	65,531	38,944	59.4%
Distribution Layers	18,352	—	2,206	11,835	—	(11,835)	—
Community Assets	339,731	381,750	(5,309)	181,163	222,688	41,524	18.6%
Community Facilities	204,542	286,443	(14,083)	117,678	167,092	49,414	29.6%
Halls	5,349	1,835	—	1,076	—	(1,076)	-192.1%
Centres	10,482	148,311	6,383	86,515	80,132	(6,383)	-92.6%
Crèches	1,782	450	119	906	263	(643)	-244.9%
Clinics/Care Centres	17,861	11,933	1,517	10,522	6,961	(3,561)	-51.2%
Fire/Ambulance Stations	12,052	4,222	647	4,494	2,463	(2,031)	-82.5%
Testing Stations	2,486	235	189	1,422	137	(1,285)	-935.3%
Museums	579	303	49	341	177	(165)	-93.1%
Theatres	149	—	13	88	—	(88)	—
Libraries	30,744	20,789	(28,101)	18,163	12,127	(6,036)	-49.8%
Cemeteries/Crematoria	9,808	8,543	638	5,832	4,983	(848)	-17.0%
Police	7,305	501	626	4,360	292	(4,068)	-1391.7%
Parks	25,392	—	1,951	14,648	—	(14,648)	—
Public Open Space	4,177	28,125	—	2,455	16,406	13,951	85.0%
Nature Reserves	7,815	5,521	655	4,589	3,220	(1,369)	-42.5%
Public Ablution Facilities	488	101	41	284	59	(225)	-381.7%
Markets	23,200	13,019	1,950	13,641	7,594	(6,046)	-79.6%
Stalls	3,853	2,424	327	2,269	1,414	(855)	-60.5%
Abattoirs	—	—	—	—	—	—	—
Airports	23,488	23,885	1,984	13,790	13,933	143	1.0%
Taxi Ranks/Bus Terminals	17,531	16,247	1,492	10,365	9,478	(887)	-9.4%
Capital Spares	—	—	—	—	—	—	—
Sport and Recreation Facilities	135,190	95,307	8,775	63,485	55,596	(7,890)	-14.2%
Indoor Facilities	1,824	1,022	155	1,075	596	(479)	-80.3%
Outdoor Facilities	133,366	94,285	8,620	62,411	55,000	(7,411)	-13.5%
Capital Spares	—	—	—	—	—	—	—
Heritage assets	—	—	—	—	—	—	—
Monuments	—	—	—	—	—	—	—
Historic Buildings	—	—	—	—	—	—	—
Investment properties	3,930	6,855	334	2,315	3,999	1,684	42.1%
Revenue Generating	67	—	6	40	—	(40)	—
Improved Property	67	—	6	40	—	(40)	—
Unimproved Property	—	—	—	—	—	—	—
Non-revenue Generating	3,863	6,855	328	2,275	3,999	1,723	43.1%
Improved Property	3,863	6,855	328	2,275	3,999	1,723	43.1%
Unimproved Property	0	—	—	—	—	(0)	—
Other assets	172,220	179,324	14,369	101,567	114,501	12,934	11.3%
Operational Buildings	102,455	123,008	8,656	61,213	72,037	10,824	15.0%
Municipal Offices	56,765	83,229	4,733	33,442	48,833	15,391	31.5%
Pay/Enquiry Points	130	237	11	76	138	62	44.7%
Workshops	3,973	423	335	2,332	247	(2,085)	-844.0%
Yards	1,296	—	110	764	—	(764)	—
Stores	812	1,077	69	478	628	150	23.9%
Laboratories	—	—	—	—	—	—	—
Training Centres	1,694	116	144	998	67	(930)	-1379.3%
Manufacturing Plant	10,022	—	978	6,877	—	(6,877)	—
Depots	27,764	37,927	2,275	16,248	22,124	5,876	26.6%
Capital Spares	—	—	—	—	—	—	—
Housing	69,764	56,317	5,713	40,354	42,464	2,110	5.0%
Staff Housing	11,146	10,445	927	6,542	6,093	(449)	-7.4%
Social Housing	58,618	45,871	4,786	33,811	36,371	2,559	7.0%
Capital Spares	—	—	—	—	—	—	—
Biological or Cultivated Assets	11	45,871	1	7	40	33	83.0%
Biological or Cultivated Assets	11	69	1	7	40	33	83.0%
Intangible Assets	43,226	68,618	3,982	27,623	40,028	12,405	31.0%
Servitudes	—	—	—	—	—	—	—
Licences and Rights	43,226	68,618	3,982	27,623	40,028	12,405	31.0%
Computer Software and Applications	43,226	68,618	3,982	27,623	40,028	12,405	31.0%
Load Settlement Software Applications	—	—	—	—	—	—	—
Unspecified	—	—	—	—	—	—	—
Computer Equipment	30,961	191,271	2,790	19,500	101,957	82,456	80.9%
Computer Equipment	30,961	191,271	2,790	19,500	101,957	82,456	80.9%
Furniture and Office Equipment	12,592	157,996	1,098	7,680	91,885	84,204	91.6%
Furniture and Office Equipment	12,592	157,996	1,098	7,680	91,885	84,204	91.6%
Machinery and Equipment	44,501	148,805	3,671	25,521	86,803	61,282	70.6%
Machinery and Equipment	44,501	148,805	3,671	25,521	86,803	61,282	70.6%
Transport Assets	106,015	125,466	9,468	65,906	73,191	7,284	10.0%
Transport Assets	106,015	125,466	9,468	65,906	73,191	7,284	10.0%
Land	—	—	—	—	—	—	—
Land	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals	—	—	—	—	—	—	—
Total Depreciation	2,686,227	2,642,244	193,310	1,578,404	1,541,309	(37,094)	-2.4%

(r) Table SC13e: Monthly budget statement – Capital expenditure on the upgrading of existing assets by asset class

TSH City Of Tshwane - Supporting Table SC13e Monthly Budget Statement - capital expenditure on upgrading of existing assets by asset class - M07 January							
Description	2021/22	Budget Year 2022/23					
	Audited Outcome	Original Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance
R thousands							%
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class							
Infrastructure	377,695	433,619	19,775	93,342	221,912	128,570	57.9%
Roads Infrastructure	99,735	112,740	1,986	24,242	28,240	3,998	14.2%
Roads	99,735	110,740	1,986	24,242	28,240	3,998	14.2%
Capital Spares	-	2,000	-	-	-	-	
Electrical Infrastructure	103,646	136,978	7,828	19,028	56,762	37,734	66.5%
HV Substations	49,705	69,000	-	2,838	23,250	20,412	87.8%
LV Networks	53,940	67,978	7,828	16,190	31,512	15,322	48.6%
Capital Spares	-	-	-	-	2,000	2,000	100.0%
Sanitation Infrastructure	149,772	142,900	(38)	32,151	107,310	75,159	70.0%
Waste Water Treatment Works	149,772	142,800	(38)	32,151	107,210	75,059	70.0%
Outfall Sewers	-	100	-	-	100	100	100.0%
Information and Communication Infrastructure	14,508	41,000	10,000	17,922	29,600	11,678	39.5%
Data Centres	14,508	30,000	10,000	17,922	23,000	5,078	22.1%
Core Layers	-	11,000	-	-	6,600	6,600	100.0%
Community Assets	54,403	81,300	-	29,297	50,150	20,853	41.6%
Community Facilities	20,722	24,300	-	2,965	5,650	2,685	47.5%
Markets	(4)	4,300	-	2,300	4,300	2,000	
Taxi Ranks/Bus Terminals	20,727	20,000	-	665	1,350	685	50.7%
Capital Spares	-	-	-	-	-	-	
Sport and Recreation Facilities	33,681	57,000	-	26,332	44,500	18,168	40.8%
Indoor Facilities	-	-	-	-	-	-	
Outdoor Facilities	33,681	57,000	-	26,332	44,500	18,168	40.8%
Capital Spares	-	-	-	-	-	-	
Other assets	801	7,000	-	433	1,460	1,027	70.3%
Operational Buildings	801	1,000	-	433	710	277	
Municipal Offices	273	-	-	-	-	-	
Depots	528	1,000	-	433	710	277	39.0%
Housing	-	6,000	-	-	750	750	100.0%
Social Housing	-	6,000	-	-	750	750	100.0%
Intangible Assets	-	75,000	6,152	13,152	60,000	46,848	78.1%
Licences and Rights	-	75,000	6,152	13,152	60,000	46,848	78.1%
Computer Software and Applications	-	75,000	6,152	13,152	60,000	46,848	78.1%
Furniture and Office Equipment	375	1,000	-	908	700	(208)	-29.8%
Furniture and Office Equipment	375	1,000	-	908	700	(208)	-29.8%
Total Capital Expenditure on upgrading of existing assets	433,274	597,919	25,927	137,133	334,222	197,089	59.0%

(s) Municipal Manager's quality certification

QUALITY CERTIFICATE

I, Johann Mettler, the City Manager of the City of Tshwane, hereby certify that the monthly budget statement for **January 2023** has been prepared in accordance with the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) and regulations made under this act.

J Mettler
CITY MANAGER
CITY OF TSHWANE

Signature: _____

Date: _____