

CAPITAL BUDGET PERFORMANCE AT 31 December 2016

Below is an analysis of the capital expenditure compared to the approved 2016/17 Capital Budget.

Org Name	2016/17 Capital Budget	Actuals as at 31 December 2016 R'000	% Spent of Budget
Rate and General - Infrastrucutre & Engineering	221,789	84,337	38.03%
Human Settlements	211,100	70,314	33.31%
Public Health	53,850	26,755	49.69%
Safety and Security	14,600	2,500	17.12%
Corporate Services	23,400	9,912	42.36%
Budget and Treasury	28,466	21,410	75.21%
Sanitation Services	306,750	90,522	29.51%
Water Services	176,551	58,080	32.90%
Electricity and Energy	228,244	120,728	52.89%
Executive and Council (COO)	10,137	129	1.27%
Special Programmes Directorate	7,285	–	0.00%
Economic Development, Tourism and Agriculture	76,729	21,831	28.45%
Sport, Arts and Recreational Services	57,500	23,280	40.49%
Nelson Mandela Bay Stadium	–	–	
Total	1,416,400	529,798	37.40%

Source of Funding	2016/17 Capital Budget R'000	Actual as at 31 December 2016 R'000	% of Budget
Internally Generated Funding (Fuel Levy,CRR)	532,733	223,976	42.04
Public Contributions	53,000	41,937	79.13
Government Grants	794,191	263,876	33.23
Other transfers & Grants	36,475	9	0.03
Total	1,416,400	529,798	37.40

It is to be noted that an amount of R529.8 million has been spent as at 31 December 2016, compared to the approved capital budget of R1.42 billion. This represents a spending performance of 37.40% relating to the approved Capital Budget.

Payment is due 30 days from date of invoice and therefore the actual spending levels for July is normally minimal.

The impact of the Capital Budget on the Municipality's cash flow position is discussed in **Annexure A3** of this report.

The following provide further detail to the expenditure trends being experienced with assets:

Directorate	YTD Actual	YTD Budget	Variance	%	Comments
Budget and treasury office	21,410	11,861	9,549	81%	The variance is as a result of the procurement of hardware equipment required for mSCOA go live
Community and social services	10,386	5,000	5,386	108%	The Mendi Bottle Store Capital Project - Phase 1 is currently in the completion stage hence the accelerated spending
Sport and recreation	12,894	16,450	(3,556)	-20%	Commitments have been created for the significant projects, however no invoices have been received for processing yet
Electricity	120,728	72,597	48,131	66%	Due to the urgent need within the wards and in order to address safety concerns, the Public Lighting Capital Project expenditure has been expedited.
Waste water management	90,522	137,140	(46,618)	-34%	According to the Directorate, they are currently on track with their expenditure. The variance is due to invoices that are still being captured but not yet reflected as paid.
Waste management	10,923	3,750	7,173	191%	Spending on the Waste to Energy Beneficiation project has caused the variance as all enabling infrastructure for this project must be completed as part of the initial phase.