

**STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION
OF THE 2020/21 BUDGET FOR THE PERIOD ENDED 30 SEPTEMBER 2020**

1. PURPOSE

The purpose of the report is for Executive Mayor to consider and note the statement of financial performance and the implementation of the 2020/21 budget of the Buffalo City Metropolitan Municipality for the period ended 30 September 2020.

2. AUTHORITY

Executive Mayor.

3. LEGAL / STATUTORY REQUIREMENTS

- 3.1. The Constitution of the Republic of South Africa, 1996
- 3.2. Municipal Finance Management Act No 56, 2003 Chapter 7, Section 71
- 3.3. Municipal Budget and Reporting Regulations, 2009

4. BACKGROUND

In terms of Section 71 of the Municipal Finance Management Act No 56, 2003, “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”.

According to the Municipal Budget Reporting and Regulations (MBRR), 2009, “the monthly budget statement of a municipality must be in a format specified in Schedule C and include all the required tables, charts and explanatory information taking into account any guidelines issued by the Minister in terms of S168(1) of the Act” (MFMA).

This report follows the legislative requirements of the Municipal Budget and Reporting Regulations (Schedule C format).

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PART 1: IN-YEAR REPORT

5. RESOLUTIONS

It is recommended that:

- (i) The Executive Mayor considers and notes the report on the statement of financial performance and the implementation of the 2020/21 budget for the period ended 30 September 2020 including supporting documentation attached as Annexure A to F.

- (ii) The Executive Mayor notes the spending trend on capital and operating projects as well as the reasons for such an expenditure as indicated in section 14 and 15 respectively of this report.

- (iii) The Executive Mayor notes the year to date collection rate for the period ended 30 September 2020 of 53.22%.

A. SIHLAHLA

CITY MANAGER

BUFFALO CITY METROPOLITAN MUNICIPALITY

Ntsikelelo Sigcau/ YM

DATE

6. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY FOR THE PERIOD ENDED 30 SEPTEMBER 2020

6.1. Dashboard / Performance Summary

Table 1: Performance Summary

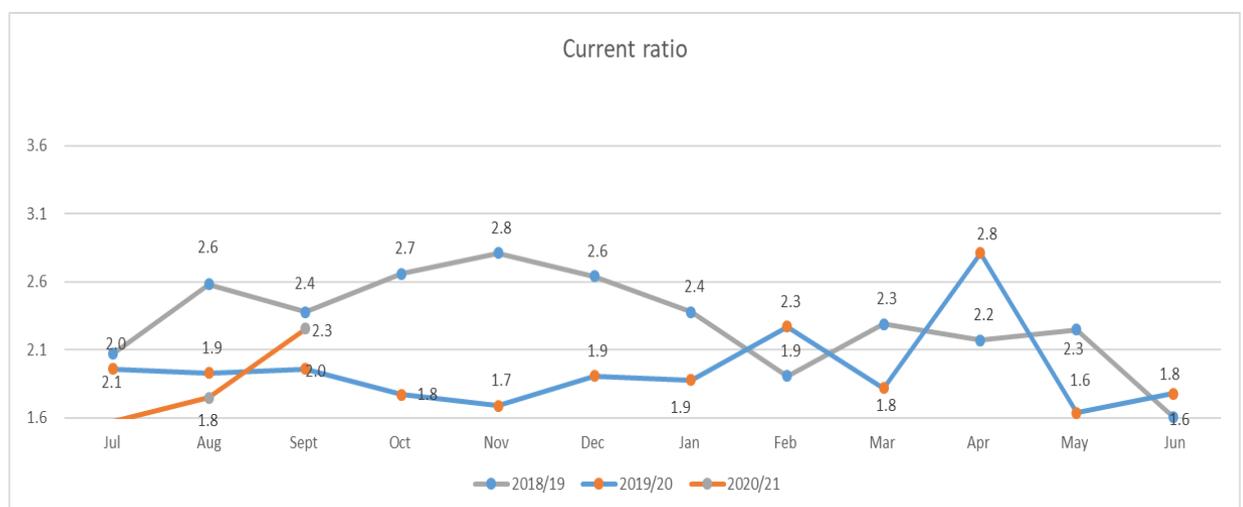
OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	R 2 044 858 148	Bank Balance	R 145 198 139
Expenditure	(R 1 961 566 360)	Call investments (excl. int.)	R 1 038 901 484
Operating surplus before Transfers and Subsidies Recognised – Capital	R 83 291 788	Cash and cash equivalents	R 1 184 099 623
Transfers and Subsidies Recognised – Capital	R 37 940 908	<i>Account Payables</i>	<i>(R 704 172 021)</i>
Surplus After Capital Transfers	R 121 232 696	<i>Unspent conditional grants</i>	<i>(R 663 247 999)</i>
DEBTORS		<i>Committed to Capital budget-own funds</i>	<i>(R 1 051 115 137)</i>
Total debtors book (incl. impairment)	R 3 488 297 625	Possible cash deficit should there be no revenue collection made	(R 1 234 435 534)
Total debtors - Government	R 101 004 243		
Total debtors - Business	R 852 736 077	Total Long-term loans	R 268 069 960
Total debtors - Households	R 2 534 557 305	SURPLUS / (DEFICIT) PER SERVICE	
		Water	R 117 280 649
REPAIRS AND MAINTENANCE		Electricity	<i>(R 280 794 765)</i>
2019/2020: Exp.= R94.38 m, which is 19% of budget of R493.62 m	2020/2021: Exp.= R80,42 m, which is 20% of budget of R399.03 m	Refuse	R 66 353 481
		Sewerage	R 81 716 482
CAPITAL EXPENDITURE		OPERATING PROJECTS EXPENDITURE	
<u>2019/2020: Exp. as a % of Adjusted Budget of R1.95b:</u> Exp. (excl. vat) = R135.35 mil % exp. (Excl. vat) :7% Exp. (incl. vat) = R145.87 mil % exp. (incl. vat): 7%	<u>2020/2021: Exp. as a % of Adjusted Budget of R1.82b:</u> Exp. (excl. vat) = R104.15 mil % exp. (Excl. vat) :6% Exp. (incl. vat) = R112.64 mil % exp. (incl. vat): 6%	<u>2019/2020: Exp. as a % of Adjusted Budget of R466,26m:</u> Exp. (excl. vat) = R27.05 mil % exp. (excl. vat): 6% Exp. (incl. vat) = R27.22 mil % exp. (incl. vat): 6%	<u>2020/2021: Exp. as a % of Adjusted Budget of R376,71m:</u> Exp. (excl. vat) = R36.29 mil % exp. (excl. vat): 10% Exp. (incl. vat) = R36.51 mil % exp. (incl. vat): 10%
FINANCIAL		HUMAN RESOURCES	
Operating surplus before Capital Transfers	R 83 291 788	Total staff complement	5 646
Debtors collection ratio	53.22%	Staff Appointments	16
YTD Grants and subsidies: recognized – Capital	R 37 940 908	Staff Terminations	21
Creditors payment days	25 days	Number of funded vacant posts (under recruitment process)	390
Current ratio	2.26:1	Total overtime paid (YTD)	R 34 123 080
Total Debt to Revenue	2.92%	Allowances and benefits – Councillors (YTD)	R 15 908 025
Capital Charges to Operating Expenditure	0.99%	Salary bill – Officials (YTD)	R 520 881 347
Cost coverage ratio	1 month	Workforce costs as a % of expenditure	27.37%

6.2. Liquidity position

Buffalo City Metropolitan Municipality's liquidity is considered stable as the Current Ratio is 2.26:1 which indicates the ability of municipality's current assets to cover its current liabilities. This is above the norm of 1.5-2:1. The City can easily meet its immediate obligations, however, the stagnant revenue base and high rate of increase in operating costs is a threat to the City's cash position. This ratio denotes that the City can meet its short-term liabilities and is within the norm.

The graph below shows comparison of the current ratio for the current financial year and the two previous financial years.

Figure 1: Current Ratio

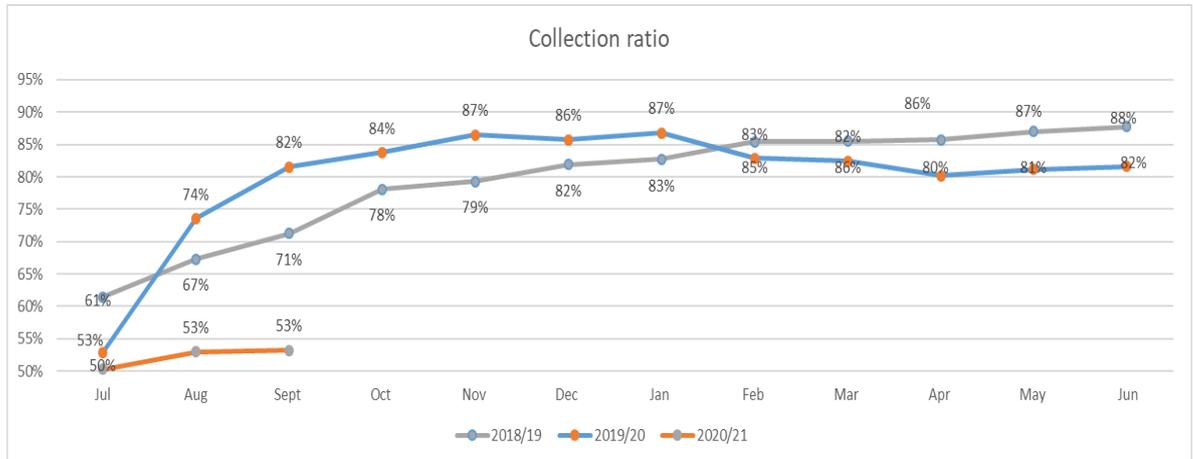


6.3. Collection Rate and Outstanding Debtors

The year to date collection rate as at 30 September 2020 is 53.22% (2019/20: 81.54%). This ratio denotes the City's ability to collect the billed revenue from its consumers. The collection rate has slightly increased by 0.28% from last month where 52.94% was achieved for the period ended 31 August 2020. The primary reason for the low collection rate relates to full credit control action that is still under suspension in response to Covid-19 pandemic. Refer to section 8.1.1 for further details.

The graph below shows comparison of the monthly collection ratio for the current financial year and the two previous financial years.

Figure 2: Collection Ratio



Total gross debtors' book (including current accounts) as at 30 September 2020 amounts to R3.49 billion (2019/20: R2.22 billion). Households: R2.53 billion, Business: R852.74 million and Government: R101 million.

Refer to section 8.1 of the report for details on debtors' management. The debtors' age analysis report is reflected on Annexure B – SC3.

6.4. Capital Expenditure

BCMM has spent 6% (R112.64 million, inclusive of reclaimed vat) of its 2020/21 capital budget of R1.82 billion as at 30 September 2020. This reflects a decline when compared to the same period in the previous financial year where 7% (R145.87 million, inclusive of reclaimed vat) of the budget of R1.95 billion was spent. The Covid-19 pandemic continues to negatively affect expenditure performance. However, it is expected that expenditure will improve in the second quarter as procurement processes for major contracts would have been concluded. (Refer to Section 14 for further details).

A detailed schedule of the capital projects expenditure is outlined in **Annexure E**.

6.5. Operating Projects

The Metro has spent 10% (R36.51 million, inclusive of reclaimed vat) of its 2020/21 operating projects budget of R376.71 million as at 30 September 2020. This reflects an improvement when compared to the same period in the previous financial year where 6% (R27.22 million, inclusive of reclaimed vat) of the operating projects budget of R466.26 million was spent. The Covid-19 pandemic continues to negatively affect expenditure performance. However, it is expected that expenditure will improve in the second quarter as procurement processes for major contracts would have been concluded. (Refer to Section 15 for further details).

A detailed schedule of the operating projects expenditure is outlined in **Annexure D**.

6.6. Expenditure on Conditional Grants (DoRA Allocation)

The Metro has spent 11% (R86.74 million, inclusive of reclaimed vat) of its 2020/2021 conditional grants budget of R826.13 million as at 30 September 2020. This reflects an improvement when compared to the same period in the previous financial year where 9% (R98.25 million, inclusive of reclaimed vat) of conditional grants budget of R1.09 billion was spent. The Covid-19 pandemic continues to negatively affect expenditure performance. However, it is expected that expenditure will improve in the second quarter as procurement processes for major contracts would have been concluded. (Refer to Section 11.1 for further details).

6.7. Urban Settlement Development Grant (USDG) funded projects

BCMM has spent 10% (R65.89 million, inclusive of reclaimed vat) of its 2020/2021 USDG approved budget of R687.12 billion as at 30 September 2020. This reflects an improvement when compared to the same period in the previous financial year where 8% (R67.63 million, inclusive of reclaimed of vat) of USDG budget of R817.42 billion was spent. The Covid-19 pandemic continues to negatively affect expenditure performance. However, it is expected that expenditure will improve in the second quarter as procurement

processes for major contracts would have been concluded. (Refer to Section 11.1 for further details).

6.8. Cash and Cash Equivalents

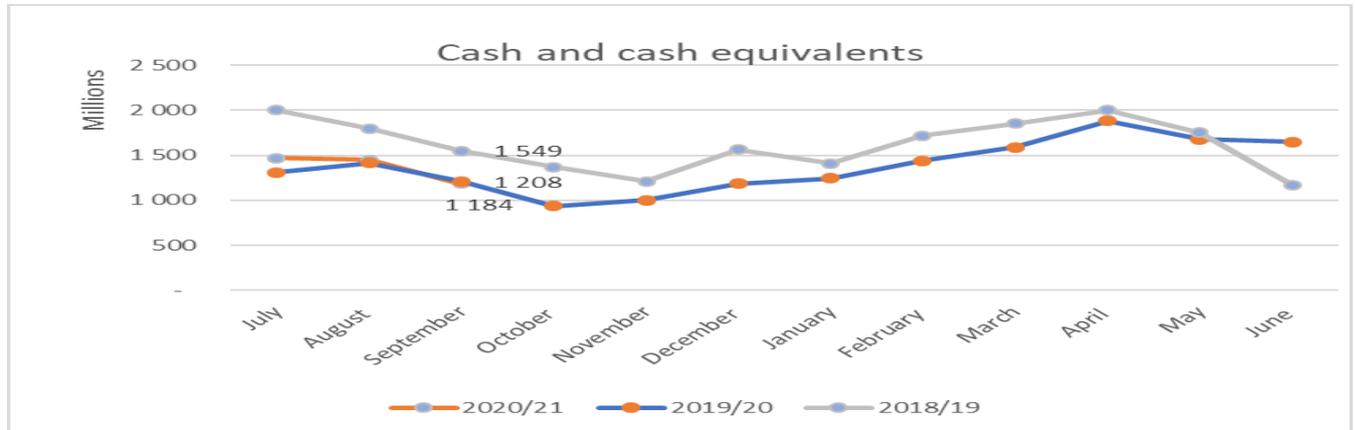
The cash and cash equivalents of the City as at 30 September 2020 is R1.18 billion made up of cash at the primary bank account amounting to R145.20 million and call investment deposits of R1.03 billion. This funding is invested with various financial institutions in compliance with the MFMA.

The City's cash reserves have decreased over the past few years due to the City vigorously investing in its asset renewal and upgrading program that is funded by its own funding. This is an indication of the City's commitment in addressing the aging infrastructure and ensuring that cash reserves are re-invested into infrastructure assets. The decrease in cash reserves is also caused by the non-achievement of the targeted collection rate of 90.5%. Refer to Section 7.4.5 and Annexure A – C7 for the cash flow statement as well as Section 10 and Annexure B – SC5 for the investment portfolio breakdown.

The cost coverage ratio of the City is 1 month. This ratio indicates the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue during that period. This ratio denotes that the City can meet its monthly operating commitments 1 times, which is within the norm of 1-3 months as per the MFMA circular 71. It is however a concern to note that the City's cash and cash equivalent reserve is decreasing due to decline in collection rate and operating expenditure that is increasing at a high rate. There has also been high capital investment that is funded by internally generated funds.

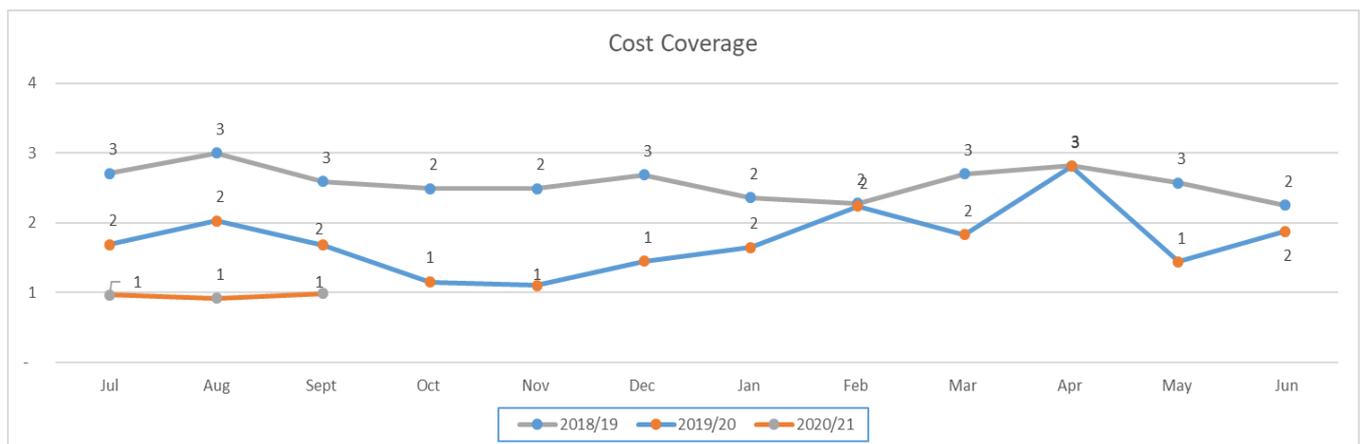
The graph below shows comparison of the monthly cash and cash equivalents over the 3-year period.

Figure 3: Cash and Cash Equivalents



The graph below shows comparison of the monthly cost coverage for the current financial year and the two previous financial years.

Figure 4: Cost Coverage



6.9. Outstanding Creditors

The creditors payment period for the reporting period (30 September 2020) 25 days, this shows that the Metro is paying its creditors within 30 days as stipulated by the MFMA. Small Micro Medium Enterprises (SMME) are paid on a fortnightly basis to assist emerging service providers. Refer to Section 9 for details.

6.10. Long-Term Debt Profile

The total long-term borrowings of the municipality as at 30 September 2020 amounts to R268.07 million. Refer to Annexure C for the schedule of borrowings.

The ratio of capital charges to operating expenditure as at 30 September 2020 is 0.99%. This ratio assesses the level of capital charges / interest charges to operating expenditure. The norm as per the MFMA circular 71 is between 6 and 8%.

The total debt to revenue ratio is 2.92% as at 30 September 2020, this indicates the extent of total borrowings (short- and long-term debt financing) in relation to total operating revenue of the municipality. The purpose of the ratio is to provide assurance that sufficient revenue will be generated to repay liabilities. The outcome is below the National Treasury set ceiling of 45%. Both of the above financial indicators reflect that the municipality has capacity to take on additional financing from borrowing to invest in infrastructure projects. BCMM is in the process of considering new loan funding which will move these ratios closer to the National Treasury set norms. However due to weak economic performance and regression of banks by rating agencies, as well as a weak collection rate, this process needs to be undertaken with caution.

6.11. Performance by Performance by Trading Service - Electricity

The electricity service has achieved an operating deficit of R 280 794 765 for the period ended 30 September 2020. The following are the factors that contributed to the deficit.

- i. The Metro has high electricity losses which account for R0.20 for every kWh sold.
- ii. Increase in meter tampering and illegal connections into the BCMM Electrical Grid.

- iii. The move by more affluent consumers off grid or alternative energy sources.
- iv. The City is using revaluation model to value its infrastructure assets which results in huge depreciation cost for the Metro's network assets.
- v. Operating expenditure is not equally incurred proportionally over the financial year but varies according to different seasons.

Remedial action to address loss of revenue from electricity services:

- i. The installation of Smart Electricity Metering will assist in curbing illegal connections / tampering.
- ii. Electrification of informal areas at a large scale is currently under investigation to reduce illegal connections.
- iii. Investigating alternative ways to provide non-grid solutions to informal areas with potential support from Department of Energy (DoE).
- iv. Revenue protection services performs raids through collaborations with other law enforcement agencies (SAPS, Metro law enforcement & Department of Justice).

7. IN-YEAR BUDGET STATEMENT MAIN TABLES

7.1 Monthly Budget Statement Summary

The table below provides a high-level summary of the Metro's financial performance, capital expenditure, financial position, cash flow, debtors and creditors analysis.

Table 2:C1: Monthly Budget Statement Summary

BUF Buffalo City - Table C1 Consolidated Monthly Budget Statement Summary - M03 September									
Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	1 467 400	1 687 667	1 687 667	77 738	496 334	540 222	(43 889)	-8%	1 687 667
Service charges	3 151 192	3 546 712	3 546 712	254 147	825 834	988 230	(162 397)	-16%	3 546 712
Investment revenue	70 650	54 473	54 473	3 843	10 401	15 792	(5 391)	-34%	54 473
Transfers and subsidies	986 694	1 230 979	1 447 950	6 446	419 560	546 968	(127 408)	-23%	1 447 950
Other own revenue	922 281	987 720	987 720	(7 894)	292 730	312 069	(19 339)	-6%	987 720
Total Revenue (excluding capital transfers and contributions)	6 598 216	7 507 552	7 724 523	334 279	2 044 858	2 403 282	(358 423)	-15%	7 724 523
Employee costs	2 202 811	2 354 465	2 424 188	198 513	520 881	569 040	(48 158)	-8%	2 424 188
Remuneration of Councillors	64 687	72 766	72 766	5 346	15 908	17 791	(1 883)	-11%	72 766
Depreciation & asset impairment	1 703 463	866 757	896 757	214 402	332 795	251 111	81 685	33%	896 757
Finance charges	32 564	44 211	44 211	-	4 737	11 641	(6 904)	-59%	44 211
Materials and bulk purchases	1 868 142	2 185 127	2 226 617	132 351	592 459	711 640	(119 181)	-17%	2 226 617
Transfers and subsidies	131 019	115 981	115 981	1 491	22 558	34 261	(11 703)	-34%	115 981
Other expenditure	1 210 822	1 867 645	1 943 404	207 202	472 228	438 620	33 607	8%	1 943 404
Total Expenditure	7 213 508	7 506 953	7 723 924	759 306	1 961 566	2 034 104	(72 537)	-4%	7 723 924
Surplus/(Deficit)	(615 291)	599	599	(425 027)	83 292	369 178	(285 886)	-77%	599
Transfers and subsidies - capital (monetary)	1 010 413	808 929	732 197	27 773	27 770	45 754	(17 984)	-39%	732 197
Transfers and subsidies - capital (monetary allocations) (National / Provincial)									
Departmental Agencies, Households, Non-contributions	13 811	-	-	4 364	10 171	-	10 171	-	-
Share of surplus/ (deficit) of associate	105 406	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	514 340	809 528	732 796	(392 891)	121 233	414 931	(293 699)	-71%	732 796
Capital expenditure & funds sources									
Capital expenditure	1 549 628	1 660 239	1 825 164	68 098	104 150	142 650	(38 500)	-27%	1 825 164
Capital transfers recognised	905 530	806 419	731 687	35 599	59 942	34 399	25 543	74%	731 687
Borrowing	-	230 800	230 800	-	-	19 970	(19 970)	-100%	230 800
Internally generated funds	644 098	623 019	862 677	32 499	44 209	88 281	(44 073)	-50%	862 677
Total sources of capital funds	1 549 628	1 660 239	1 825 164	68 098	104 150	142 650	(38 500)	-27%	1 825 164
Financial position									
Total current assets	9 108 856	2 699 673	2 674 987		9 289 643				2 674 987
Total non current assets	20 446 141	22 539 836	22 704 761		20 217 496				22 704 761
Total current liabilities	7 565 484	1 332 145	1 285 413		7 453 593				1 285 413
Total non current liabilities	934 815	1 088 289	1 088 289		877 616				1 088 289
Community wealth/Equity	20 222 836	22 819 075	23 082 778		21 176 089				23 082 778
Cash flows									
Net cash from (used) operating	-	1 582 471	1 582 471	(164 016)	300 640	395 618	94 978	24%	1 594 612
Net cash from (used) investing	-	(1 660 239)	(1 825 164)	(68 098)	(104 150)	(456 291)	(352 140)	77%	(1 825 164)
Net cash from (used) financing	-	176 405	176 405	(19 511)	(19 511)	(13 599)	5 912	-43%	176 405
Cash/cash equivalents at the month/year end	-	1 105 758	940 833	-	1 184 100	(74 272)	(1 258 372)	1694%	(54 147)
Debtors & creditors analysis	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
Debtors Age Analysis									
Total By Income Source	998 610	196 630	132 345	93 876	99 917	108 331	346 238	1 512 351	3 488 298
Creditors Age Analysis									
Total Creditors	704 172	-	-	-	-	-	-	-	704 172

7.2 Monthly Budget Statement – Financial Performance (standard classification)

The table below is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification.

Table 3: C2: Monthly Budget Statement – Financial Performance (standard classification)

BUF Buffalo City - Table C2 Consolidated Monthly Budget Statement - Financial Performance (functional classification) - M03 September

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		2 675 200	2 908 586	3 053 746	66 753	913 801	1 035 457	(121 656)	-12%	3 053 746
Executive and council		32 555	32 779	35 120	1 757	3 424	13 653	(10 229)	-75%	35 120
Finance and administration		2 642 645	2 875 807	3 018 625	64 996	910 377	1 021 804	(111 427)	-11%	3 018 625
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		472 593	622 417	648 285	13 888	62 276	118 042	(55 766)	-47%	648 285
Community and social services		24 613	31 934	31 934	566	2 729	8 875	(6 146)	-69%	31 934
Sport and recreation		4 363	6 183	6 183	25	38	1 299	(1 260)	-97%	6 183
Public safety		153 127	190 904	190 904	4 224	50 437	43 712	6 725	15%	190 904
Housing		290 187	393 365	419 232	9 072	9 072	64 152	(55 080)	-86%	419 232
Health		304	32	32	–	–	4	(4)	-100%	32
<i>Economic and environmental services</i>		498 007	513 478	494 390	22 089	51 428	76 547	(25 118)	-33%	494 390
Planning and development		292 025	300 689	301 231	22 089	51 429	63 946	(12 517)	-20%	301 231
Road transport		205 143	208 873	189 244	–	(0)	12 084	(12 084)	-100%	189 244
Environmental protection		839	3 915	3 915	(0)	(0)	517	(518)	-100%	3 915
<i>Trading services</i>		3 940 932	4 228 210	4 216 510	261 225	1 048 422	1 210 071	(161 650)	-13%	4 216 510
Energy sources		1 957 799	2 273 390	2 270 690	158 007	419 113	617 647	(198 534)	-32%	2 270 690
Water management		835 986	864 701	861 701	107 576	308 748	279 479	29 269	10%	861 701
Waste water management		612 598	602 537	596 537	7 145	159 656	165 850	(6 193)	-4%	596 537
Waste management		534 550	487 582	487 582	(11 503)	160 904	147 096	13 809	9%	487 582
<i>Other</i>	4	35 708	43 789	43 789	2 461	6 873	8 918	(2 046)	-23%	43 789
Total Revenue - Functional	2	7 622 441	8 316 481	8 456 720	366 415	2 082 799	2 449 035	(366 236)	-15%	8 456 720
Expenditure - Functional										
<i>Governance and administration</i>		1 185 284	1 531 830	1 597 373	124 997	327 576	381 140	(53 564)	-14%	1 597 373
Executive and council		438 666	436 341	438 801	27 405	115 833	106 200	9 633	9%	438 801
Finance and administration		737 169	1 081 979	1 145 062	96 796	209 496	271 867	(62 371)	-23%	1 145 062
Internal audit		9 448	13 510	13 510	796	2 247	3 072	(826)	-27%	13 510
<i>Community and public safety</i>		967 741	1 073 889	1 189 289	105 108	254 642	271 974	(17 333)	-6%	1 189 289
Community and social services		136 656	150 844	174 844	12 253	33 502	39 882	(6 380)	-16%	174 844
Sport and recreation		352 568	305 910	311 162	32 433	80 231	72 719	7 511	10%	311 162
Public safety		389 830	436 528	445 865	42 541	107 443	105 086	2 356	2%	445 865
Housing		45 602	133 967	205 898	14 498	23 560	42 467	(18 908)	-45%	205 898
Health		43 085	46 641	51 520	3 383	9 907	11 819	(1 912)	-16%	51 520
<i>Economic and environmental services</i>		1 573 738	847 591	862 393	141 725	275 118	211 801	63 316	30%	862 393
Planning and development		574 534	259 799	260 378	33 239	90 321	59 053	31 268	53%	260 378
Road transport		972 002	558 138	572 360	106 012	177 863	145 802	32 060	22%	572 360
Environmental protection		27 202	29 654	29 654	2 473	6 934	6 946	(12)	0%	29 654
<i>Trading services</i>		3 259 931	3 920 661	3 941 769	382 176	1 070 449	1 134 104	(63 655)	-6%	3 941 769
Energy sources		2 109 081	2 400 027	2 401 160	191 589	702 886	737 064	(34 178)	-5%	2 401 160
Water management		480 787	695 248	699 941	104 989	193 113	194 509	(1 396)	-1%	699 941
Waste water management		272 180	444 158	456 395	44 580	77 194	111 536	(34 342)	-31%	456 395
Waste management		397 882	381 229	384 273	41 018	97 256	90 994	6 262	7%	384 273
<i>Other</i>		121 408	132 981	133 100	5 301	33 782	35 085	(1 302)	-4%	133 100
Total Expenditure - Functional	3	7 108 101	7 506 953	7 723 924	759 306	1 961 566	2 034 104	(72 537)	-4%	7 723 924
Surplus/ (Deficit) for the year		514 340	809 528	732 796	(392 891)	121 233	414 931	(293 699)	-71%	732 796

7.3 Monthly Budget Statement – Financial Performance (Revenue and expenditure by municipal vote)

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

Table 4: C3: Monthly Budget Statement – Financial Performance (Revenue and expenditure by municipal vote)

BUF Buffalo City - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September										
Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Directorate - Executive Support Services		90	-	822	(0)	(0)	150	(150)	-100.0%	822
Vote 02 - Directorate - Municipal Manager		32 547	32 128	34 469	1 757	3 424	13 569	(10 145)	-74.8%	34 469
Vote 03 - Directorate - Human Settlement		290 187	393 365	419 232	9 072	9 072	64 152	(55 080)	-85.9%	419 232
Vote 04 - Directorate - Chief Financial Officer		2 610 630	2 855 470	2 998 042	63 288	905 920	1 014 815	(108 895)	-10.7%	2 998 042
Vote 05 - Directorate - Corporate Services		10 957	12 166	11 590	582	1 037	4 633	(3 596)	-77.6%	11 590
Vote 06 - Directorate - Infrastructure Services		3 611 525	3 949 502	3 918 172	272 727	887 517	1 075 059	(187 542)	-17.4%	3 918 172
Vote 07 - Directorate - Spatial Planning And Development		250 001	172 866	173 408	17 941	22 202	14 756	7 446	50.5%	173 408
Vote 08 - Directorate - Health / Public Safety & Emergency Services		153 431	190 936	190 936	4 224	50 437	43 716	6 721	15.4%	190 936
Vote 09 - Directorate - Municipal Services		564 364	529 614	529 614	(10 912)	163 671	157 787	5 884	3.7%	529 614
Vote 10 - Directorate - Economic Development & Agencies		98 709	180 434	180 434	7 735	39 520	60 399	(20 880)	-34.6%	180 434
Total Revenue by Vote	2	7 622 441	8 316 481	8 456 720	366 415	2 082 799	2 449 035	(366 236)	-15.0%	8 456 720
Expenditure by Vote	1									
Vote 01 - Directorate - Executive Support Services		311 503	290 855	291 796	18 636	49 929	72 365	(22 437)	-31.0%	291 796
Vote 02 - Directorate - Municipal Manager		134 950	148 158	150 618	9 163	41 480	33 533	7 947	23.7%	150 618
Vote 03 - Directorate - Human Settlement		45 602	133 967	205 898	14 498	23 560	42 467	(18 908)	-44.5%	205 898
Vote 04 - Directorate - Chief Financial Officer		306 911	627 891	678 938	55 042	129 263	158 431	(29 168)	-18.4%	678 938
Vote 05 - Directorate - Corporate Services		224 614	243 553	253 955	17 921	61 937	60 134	1 803	3.0%	253 955
Vote 06 - Directorate - Infrastructure Services		3 935 965	4 161 751	4 194 419	458 364	1 172 563	1 203 938	(31 375)	-2.6%	4 194 419
Vote 07 - Directorate - Spatial Planning And Development		630 223	282 856	283 747	38 682	93 502	71 453	22 049	30.9%	283 747
Vote 08 - Directorate - Health / Public Safety & Emergency Services		438 042	488 866	503 083	46 291	118 682	118 236	446	0.4%	503 083
Vote 09 - Directorate - Municipal Services		909 181	861 939	894 235	87 811	216 590	209 211	7 379	3.5%	894 235
Vote 10 - Directorate - Economic Development & Agencies		171 110	267 116	267 234	12 900	54 062	64 335	(10 273)	-16.0%	267 234
Total Expenditure by Vote	2	7 108 101	7 506 953	7 723 924	759 306	1 961 566	2 034 104	(72 537)	-3.6%	7 723 924
Surplus/ (Deficit) for the year	2	514 340	809 528	732 796	(392 891)	121 233	414 931	(293 699)	-70.8%	732 796

7.4 Monthly Budget Statement – Financial Performance (Revenue by Source and Expenditure by Type)

The statement of financial performance presented in table below, compares the expenditure and revenue on accrual basis against budget for the period ended 30 September 2020.

Table 5: C4: Monthly Budget Statement – Financial Performance (Revenue by Source and Expenditure by Type)

BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September										
Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		1 467 400	1 687 667	1 687 667	77 738	496 334	540 222	(43 889)	-8%	1 687 667
Service charges - electricity revenue		1 838 105	2 184 209	2 184 209	154 904	385 467	592 576	(207 109)	-35%	2 184 209
Service charges - water revenue		624 456	631 338	631 338	104 854	226 179	203 480	22 699	11%	631 338
Service charges - sanitation revenue		386 561	397 037	397 037	5 997	119 606	105 969	13 637	13%	397 037
Service charges - refuse revenue		302 070	334 128	334 128	(11 608)	94 581	86 205	8 376	10%	334 128
Rental of facilities and equipment		23 089	20 885	20 885	1 314	4 505	5 424	(919)	-17%	20 885
Interest earned - external investments		70 650	54 473	54 473	3 843	10 401	15 792	(5 391)	-34%	54 473
Interest earned - outstanding debtors		122 587	88 009	88 009	(29 514)	10 982	18 288	(7 306)	-40%	88 009
Fines, penalties and forfeits		10 864	19 712	19 712	1 047	2 130	4 496	(2 366)	-53%	19 712
Licences and permits		12 587	17 343	17 343	885	2 315	3 394	(1 079)	-32%	17 343
Agency services		23 428	43 909	43 909	5 005	6 067	11 091	(5 024)	-45%	43 909
Transfers and subsidies		986 694	1 230 979	1 447 950	6 446	419 560	546 968	(127 408)	-23%	1 447 950
Other revenue		725 473	797 862	797 862	13 246	265 302	269 376	(4 073)	-2%	797 862
Gains		4 254	-	-	123	1 428	-	1 428	0%	-
Total Revenue (excluding capital transfers and contributions)		6 598 216	7 507 552	7 724 523	334 279	2 044 858	2 403 282	(358 423)	-15%	7 724 523

BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2019/20	Budget Year 2020/21							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Expenditure By Type										
Employee related costs		2 202 811	2 354 465	2 424 188	198 513	520 881	569 040	(48 158)	-8%	2 424 188
Remuneration of councillors		64 687	72 766	72 766	5 346	15 908	17 791	(1 883)	-11%	72 766
Debt impairment		(5 725)	497 286	497 286	91 633	174 514	123 973	50 541	41%	497 286
Depreciation & asset impairment		1 703 463	866 757	896 757	214 402	332 795	251 111	81 685	33%	896 757
Finance charges		32 564	44 211	44 211	-	4 737	11 641	(6 904)	-59%	44 211
Bulk purchases		1 772 339	2 057 476	2 057 476	129 950	585 653	679 173	(93 520)	-14%	2 057 476
Other materials		95 802	127 652	169 141	2 401	6 806	32 467	(25 661)	-79%	169 141
Contracted services		681 952	829 196	917 064	75 999	141 910	186 081	(44 171)	-24%	917 064
Transfers and subsidies		131 019	115 981	115 981	1 491	22 558	34 261	(11 703)	-34%	115 981
Other expenditure		520 573	541 164	529 055	39 569	154 917	128 566	26 351	20%	529 055
Losses		14 022	-	-	-	886	-	886	0%	-
Total Expenditure		7 213 508	7 506 953	7 723 924	759 306	1 961 566	2 034 104	(72 537)	-4%	7 723 924
Surplus/(Deficit)		(615 291)	599	599	(425 027)	83 292	369 178	(285 886)	(0)	599
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		1 010 413	808 929	732 197	27 773	27 770	45 754	(17 984)	(0)	732 197
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		13 811	-	-	4 364	10 171	-	10 171	-	-
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		408 933	809 528	732 796	(392 891)	121 233	414 931			732 796
Taxation		-	-	-	-	-	-	-		-
Surplus/(Deficit) after taxation		408 933	809 528	732 796	(392 891)	121 233	414 931			732 796
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		408 933	809 528	732 796	(392 891)	121 233	414 931			732 796
Share of surplus/ (deficit) of associate		105 406	-	-	-	-	-			-
Surplus/ (Deficit) for the year		514 340	809 528	732 796	(392 891)	121 233	414 931			732 796

7.4.1 ANALYSIS OF STATEMENT OF FINANCIAL PERFORMANCE

The explanation below pertains to all variances in excess of 10%.

7.4.1.1 Service charges - electricity revenue

The Electricity Service Charge has realised less revenue than budgeted due to the following:

- i. The continued drive by Eskom to reduce electricity consumption.
- ii. The move by more affluent consumers to off grid or alternative energy sources.
- iii. Increase in meter tampering and illegal connections into the BCMM Electrical Grid.

7.4.1.2 Service charges - water revenue

Overperformance is caused by the following:

- i. The increase in the water billing is as a result of actual readings obtained and processed which resulted in the reversal of interim accounts whereby the actual consumption exceeded the interim consumption.
- ii. The increase is also attributed to the implementation of the Punitive Tariffs at level 3, which applies to consumption over 20kl per month per meter.

7.4.1.3 Service charges - sanitation revenue

The variance is caused by the following:

- i. Annual charges that are normally raised in July of each financial year as requested by some owners that are mainly under industrial and government category, these are payable at the end of the first quarter.

7.4.1.4 Rental of facilities and equipment

Underperformance of rental of facilities and equipment is caused by resorts, halls and facilities which have not been hired out to the public due to lockdown protocols implemented to curb the spread of covid-19.

7.4.1.5 Interested earned – external investments

The decrease in cash reserves that is mainly caused by the low collection rate when compared to the set targets, is having a negative impact on interest earned on external investments.

7.4.1.6 Interest earned – outstanding debtors

The variance is due to the fact that the Interest was backcharged on overdue debtors for the period 18/19 and 19/20 on the debtor's accounts in August 2020. These were subsequently posted to the correct financial year in the ledger of September 2020. The actual interest raised for September 2020 was R11m on overdue Debtors.

7.4.1.7 Fines, penalties and forfeits

The material variance in Fines & Penalties is caused by the following factors:

- (i) Cases that are struck of the Court Roll.
- (ii) Tracing of offenders is a challenge due to people not updating their particulars i.e. address etc. when relocating.
- (iii) Buyers of vehicles not registering their vehicles in their name thus details are not updated to new owner's details which makes it difficult to trace traffic offenders.
- (iv) Shortage of process servers to serve summons and with current COVID-19 restrictions process servers are on hold for appointment until the COVID-19 restrictions as eased or lifted.

It must be noted that the magistrate buildings are only dealing with urgent matters, all traffic related matters have been placed on hold until Covid-19 lockdown has been eased.

7.4.1.8 Licences and permits

Three private companies other than BCMM also offer roadworthy testing of vehicles. The department is not yet fully operational due to the COVID-19 restrictions which means that there is less public allowed to enter the building at a given time. The department currently uses appointment system where

the public is given a date and time to come in and renew/ apply for their drivers licences/ learners and Professional Driving Permits (PRDP) to ensure compliance with the COVID-19 regulations.

7.4.1.9 Agency services

Under collection or decrease in revenue can be attributed to the fact that vehicle licences can be renewed at the Post Office and the Provincial Department of Transport directly. Members of the public generally go to the closest convenient point in order to pay which may not always be BCMM. It must further be noted that certain Banks now offer the same services and the services are now available for online registration. Due to the COVID-19 restrictions, this means that less public is allowed to enter the building at a given time.

7.4.1.10 Transfers and subsidies

The underperformance is caused by grant revenue which has not yet been recognized. Revenue on grants can only be recognized when conditions are met.

7.4.1.11 Gains on disposal of Property Plant and Equipment

The variance is as a result of stock take adjustments which resulted in a surplus that was not budgeted.

7.4.1.12 Remuneration of councillors

The variance in Remuneration of councillors is due to the annual increase that has not yet been implemented.

7.4.1.13 Debt impairment

In 2018/2019 and 2019/2020 rates and services debt was written off in respect of indigent debtors. In the review of the Indigent Register as at 30 June 2020, debt of beneficiaries who did not qualify for the Indigent subsidy for the aforementioned period and was written off previously was reversed

back onto the debtor's accounts. The write offs for the deregistered Indigents in the amount of R50,192,988 was reversed for both 2018/2019 and 2019/2020 in the billing system in September 2020 and integrated to the ledger in September 2020. These reversal transactions have been posted to the correct financial period in October 2020 ledger as part of the 2019/2020 Annual Financial Statements finalization.

7.4.1.14 Depreciation & asset impairment

The variance is due to the fact that the City is using revaluation model to value its infrastructure assets which result in huge depreciation expenditure. The change of valuation model is still under consideration.

7.4.1.15 Finance charges

BCMM is securing new loan funding, to date these new loans have not been activated, therefore no drawdown on the funds. This results in expenditure incurred on finance charges being less than the year to date budget and the associated variance for September 2020.

7.4.1.16 Bulk purchases

The variance on bulk purchases is due to the fact that expenditure on water and electricity is not incurred proportionally throughout the year due to cyclic demands.

7.4.1.17 Other materials

Underperformance on other materials can be attributed to the slow start of the financial year as a result of the COVID-19 pandemic which continues to negatively affect operations. It is expected that the expenditure will improve in the following months as operations have resumed back to normal.

7.4.1.18 Contracted services

The variance is mainly due to the under expenditure on operating projects. It is expected that the expenditure will improve in the following months as procurement processes would be concluded.

7.4.1.19 Transfers and subsidies

Transfers and grants are paid at predetermined intervals. These payments are therefore not made at a constant rate throughout the year.

7.4.1.20 Other expenditure

Other expenditure is made up of numerous miscellaneous items (e.g. printing & publications, plant hire, professional bodies membership and subscriptions, travel and accommodation, insurance premiums, software licences etc.).

The variance of R26 million results from annual payment of software licences for Microsoft used by the metro's computers as well as payment for licences for Wi-Fi, microwave & routers, the vote is however not overspent.

7.4.1.21 Losses

The variance is as a result of write-off of obsolete stock which were not budgeted for.

7.4.2 Repairs and maintenance

Table 6 below reflects that as at 30 September 2020, the repairs and maintenance expenditure is 20% of the budget of R399.03 million (2019/20: 19%). Refer to Annexure B: SC13c (repairs and maintenance by asset class).

Table 6: Repairs and Maintenance per Directorate

Directorate	<u>2020/2021</u> <u>Annual</u> <u>Budget</u> R	<u>2020/2021</u> <u>Annual</u> <u>Expenditure</u> R	<u>2020/2021</u> <u>Variance</u> R	<u>2020/2021</u> <u>% of</u> <u>Budget</u> %
Directorate of Executive Support Services	3 196 404	274 449	2 921 955	9%
Directorate of The City Manager	263 229	7 814	255 415	3%
Directorate of Corporate Services	8 251 398	1 190 635	7 060 763	14%
Directorate of Development & Spatial Planning	18 074 582	1 555 278	16 519 304	9%
Directorate of Economic Development & Agencies	5 786 121	187 076	5 599 045	3%
Directorate of Finance	2 700 861	304 472	2 396 389	11%
Directorate of Health / Public Safety & Emergency Services	6 450 940	763 226	5 687 714	12%
Directorate of Human Settlement	519 159	103 746	415 413	20%
Directorate of Infrastructure Services	324 511 712	69 423 549	255 088 163	21%
<i>Electricity</i>	123 887 955	35 010 859	88 877 096	28%
<i>Water</i>	39 967 163	8 915 838	31 051 325	22%
<i>Sanitation</i>	35 664 033	5 573 084	30 090 949	16%
<i>Other</i>	124 992 561	19 923 768	105 068 793	16%
Directorate of Municipal Services	29 279 234	6 616 486	22 662 748	23%
TOTAL	399 033 640	80 426 730	318 606 910	20%

The repairs and maintenance budget of the Metro is below the recommended National Treasury norm of 8% as the percentage of Property Plant and Equipment. The main challenge in achieving the 8% is the use of the revaluation model to value Property Plant and Equipment. The Metro's infrastructure repairs, and maintenance programme is complemented by the renewal and upgrading of existing assets capital programme.

The metro has allocated R538.33 million in the upgrading and renewal programme that complements the repairs and maintenance. Refer to Annexure B: SC13b (Capital expenditure on renewal of existing assets by) and SC13e (Capital expenditure on upgrading of existing assets by asset class).

7.4.3 Capital Expenditure excluding vat (municipal vote, standard classification and funding)

The table below reflects the Metro's capital programme in relation to capital expenditure by municipal vote, capital expenditure by standard classification and funding sources.

Table 7: C5: Monthly Budget Statement – Capital Expenditure (municipal vote, standard classification and funding)

BUF Buffalo City - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03 September										
Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Directorate - Executive Support Services		2 783	4 000	4 561	-	-	600	(600)	-100%	4 561
Vote 02 - Directorate - Municipal Manager		777	5 669	5 669	57	57	1 348	(1 290)	-96%	5 669
Vote 03 - Directorate - Human Settlement		268 249	312 493	266 549	19 616	24 645	939	23 706	2524%	266 549
Vote 04 - Directorate - Chief Financial Officer		69 255	83 094	145 680	6 800	6 813	15 708	(8 895)	-57%	145 680
Vote 05 - Directorate - Corporate Services		30 114	13 499	19 231	783	846	1 204	(358)	-30%	19 231
Vote 06 - Directorate - Infrastructure Services		737 607	928 515	926 473	22 794	29 050	71 408	(42 359)	-59%	926 473
Vote 07 - Directorate - Spatial Planning And Development		232 207	158 200	174 244	5 496	19 145	24 121	(4 976)	-21%	174 244
Vote 08 - Directorate - Health / Public Safety & Emergency Services		8 380	20 973	40 473	177	424	4 851	(4 427)	-91%	40 473
Vote 09 - Directorate - Municipal Services		137 554	49 310	93 868	3 071	5 605	10 089	(4 484)	-44%	93 868
Vote 10 - Directorate - Economic Development & Agencies		62 702	84 485	148 415	9 305	17 565	12 382	5 183	42%	148 415
Total Capital Multi-year expenditure	4,7	1 549 628	1 660 239	1 825 164	68 098	104 150	142 650	(38 500)	-27%	1 825 164
Total Capital Expenditure		1 549 628	1 660 239	1 825 164	68 098	104 150	142 650	(38 500)	-27%	1 825 164
Capital Expenditure - Functional Classification										
Governance and administration		133 210	153 162	229 161	7 982	8 058	22 499	(14 441)	-64%	229 161
Executive and council		32 649	20 518	21 470	783	809	1 697	(888)	-52%	21 470
Finance and administration		100 561	132 644	207 691	7 199	7 249	20 802	(13 553)	-65%	207 691
Internal audit										
Community and public safety		316 733	362 267	362 506	20 477	26 677	12 273	14 404	117%	362 506
Community and social services		12 232	10 800	23 255	121	979	3 502	(2 523)	-72%	23 255
Sport and recreation		28 041	18 100	39 773	563	630	4 339	(3 709)	-85%	39 773
Public safety		7 109	20 373	32 321	99	345	3 450	(3 105)	-90%	32 321
Housing		268 249	312 493	266 549	19 616	24 645	939	23 706	2524%	266 549
Health		1 102	500	608	78	78	43	35	82%	608
Economic and environmental services		544 540	543 957	545 078	19 670	33 431	37 461	(4 030)	-11%	545 078
Planning and development		215 299	148 810	157 735	5 310	19 053	21 512	(2 459)	-11%	157 735
Road transport		327 124	395 147	387 343	14 360	14 378	15 949	(1 570)	-10%	387 343
Environmental protection		2 117								
Trading services		494 118	518 879	542 514	10 817	18 666	58 048	(39 382)	-68%	542 514
Energy sources		133 475	121 377	118 677	3 990	7 215	27 473	(20 258)	-74%	118 677
Water management		122 702	104 191	106 162	4 236	6 601	10 306	(3 705)	-36%	106 162
Waste water management		142 609	272 800	279 291	205	853	16 662	(15 809)	-95%	279 291
Waste management		95 333	20 510	38 383	2 387	3 997	3 607	390	11%	38 383
Other		61 027	81 975	145 905	9 152	17 318	12 370	4 949	40%	145 905
Total Capital Expenditure - Functional Classification	3	1 549 628	1 660 239	1 825 164	68 098	104 150	142 650	(38 500)	-27%	1 825 164
Funded by:										
National Government		903 951	806 419	731 687	35 540	59 789	34 399	25 390	74%	731 687
Provincial Government		1 579	-	-	-	-	-	-		-
District Municipality										
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)					59	153		153	0%	
Transfers recognised - capital		905 530	806 419	731 687	35 599	59 942	34 399	25 543	74%	731 687
Borrowing	6		230 800	230 800			19 970	(19 970)	-100%	230 800
Internally generated funds		644 098	623 019	862 677	32 499	44 209	88 281	(44 073)	-50%	862 677
Total Capital Funding		1 549 628	1 660 239	1 825 164	68 098	104 150	142 650	(38 500)	-27%	1 825 164

7.4.4 Monthly Budget Statement – Financial Position

The table below reflects the financial position of the Metro. It is good to note that the Metro is having excess assets over liabilities resulting into the net worth of R21.18 billion as per statement of financial position. Consumer debtors and other debtors are reflected net of impairments as per the statement of financial position.

Table 8: C6: Monthly Budget Statement – Financial Position

BUF Buffalo City - Table C6 Consolidated Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		257 433	80 155	267 126	145 198	267 126
Call investment deposits		1 115 234	1 025 604	813 946	1 038 901	813 946
Consumer debtors		2 110 096	945 195	945 195	2 364 309	945 195
Other debtors		5 593 286	609 869	609 869	5 708 693	609 869
Current portion of long-term receivables		–	–	–	–	–
Inventory		32 807	38 851	38 851	32 541	38 851
Total current assets		9 108 856	2 699 673	2 674 987	9 289 643	2 674 987
Non current assets						
Long-term receivables		491	–	–	491	–
Investments						
Investment property		406 526	419 616	440 830	407 763	440 830
Investments in Associate		702 799	624 275	624 275	702 799	624 275
Property, plant and equipment		19 269 120	21 422 360	21 538 920	19 038 885	21 538 920
Biological						
Intangible		16 692	20 799	42 978	17 045	42 978
Other non-current assets		50 513	52 787	57 759	50 513	57 759
Total non current assets		20 446 141	22 539 836	22 704 761	20 217 496	22 704 761
TOTAL ASSETS		29 554 996	25 239 509	25 379 748	29 507 139	25 379 748
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		54 396	48 750	48 750	54 396	48 750
Consumer deposits		77 704	66 994	66 994	79 501	66 994
Trade and other payables		7 062 191	907 862	861 130	6 948 502	861 130
Provisions		371 194	308 539	308 539	371 194	308 539
Total current liabilities		7 565 484	1 332 145	1 285 413	7 453 593	1 285 413
Non current liabilities						
Borrowing		233 185	366 485	366 485	213 674	366 485
Provisions		701 630	721 804	721 804	663 941	721 804
Total non current liabilities		934 815	1 088 289	1 088 289	877 616	1 088 289
TOTAL LIABILITIES		8 500 299	2 420 434	2 373 702	8 331 209	2 373 702
NET ASSETS	2	21 054 697	22 819 075	23 006 046	21 175 930	23 006 046
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		10 769 682	12 508 060	12 771 764	11 722 934	12 771 764
Reserves		9 453 154	10 311 014	10 311 014	9 453 154	10 311 014
TOTAL COMMUNITY WEALTH/EQUITY	2	20 222 836	22 819 075	23 082 778	21 176 089	23 082 778

7.4.5 Monthly Budget Statement – Cash Flow

The Metros' cash flow position and cash/cash equivalent outcome is shown in the table below. The Metro's cash position reflects a net increase of R176.98 million, resulting in cash and cash equivalents closing balance of R1.18 billion as at 30 September 2020.

Table 9: C7: Monthly Budget Statement – Cash Flow

BUF Buffalo City - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M03 September

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		-	1 527 339	1 527 339	41 371	257 053	381 835	(124 782)	-33%	1 527 339
Service charges		-	3 209 775	3 209 775	221 815	434 929	802 444	(367 515)	-46%	3 209 775
Other revenue		-	814 239	814 239	21 497	280 320	203 560	76 760	38%	906 028
Transfers and Subsidies - Operational		-	1 230 979	1 230 979	(956)	418 869	307 745	111 124	36%	1 230 979
Transfers and Subsidies - Capital		-	808 929	808 929	(4 507)	205 797	202 232	3 565	2%	808 929
Interest		-	134 121	134 121	(25 671)	21 383	33 530	(12 147)	-36%	54 473
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		-	(5 982 718)	(5 982 718)	(416 327)	(1 290 670)	(1 495 679)	(205 010)	14%	(5 982 718)
Finance charges		-	(44 211)	(44 211)	-	(4 737)	(11 053)	(6 316)	57%	(44 211)
Transfers and Grants		-	(115 981)	(115 981)	(1 238)	(22 304)	(28 995)	(6 691)	23%	(115 981)
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	1 582 471	1 582 471	(164 016)	300 640	395 618	94 978	24%	1 594 612
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		-	(1 660 239)	(1 825 164)	(68 098)	(104 150)	(456 291)	(352 140)	77%	(1 825 164)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	(1 660 239)	(1 825 164)	(68 098)	(104 150)	(456 291)	(352 140)	77%	(1 825 164)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	230 800	230 800	-	-	-	-		230 800
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		-	(54 396)	(54 396)	(19 511)	(19 511)	(13 599)	5 912	-43%	(54 396)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	176 405	176 405	(19 511)	(19 511)	(13 599)	5 912	-43%	176 405
NET INCREASE/ (DECREASE) IN CASH HELD		-	98 637	(66 288)	(251 625)	176 979	(74 272)			(54 147)
Cash/cash equivalents at beginning:		-	1 007 121	1 007 121		1 007 121				
Cash/cash equivalents at month/year end:		-	1 105 758	940 833		1 184 100	(74 272)			(54 147)

PART 2: SUPPORTING **DOCUMENTATION**

8. IN-YEAR BUDGET STATEMENT SUPPORTING TABLES AND DOCUMENTATION

8.1 Debtors

The debtor analysis below (table 10) provides an age analysis summary by revenue source and customer category for the total debtors.

Table 10: SC3 Monthly Budget Statement Aged Debtors

BUF Buffalo City - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September 2020														
Description	NT Code	Budget Year 2020/2021									Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr					
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	310 223	86 556	57 221	29 139	42 566	40 256	82 947	288 964	937 874	483 873		37 419	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	145 505	23 887	13 736	8 714	10 841	19 674	32 743	63 554	318 654	135 526		17 878	
Receivables from Non-exchange Transactions - Property Rates	1400	266 939	45 543	32 875	29 555	23 030	20 367	95 792	349 316	863 417	518 060		19 505	
Receivables from Exchange Transactions - Waste Water Management	1500	94 081	12 720	7 938	6 765	5 689	5 264	24 618	135 239	292 314	177 575		7 454	
Receivables from Exchange Transactions - Waste Management	1600	105 441	12 669	7 791	7 100	6 118	5 744	28 076	201 508	374 447	248 546		6 739	
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	32	32	32			
Interest on Arrear Debtor Accounts	1810	42 797	8 756	8 629	8 467	8 856	9 398	51 178	239 216	377 297	317 116			
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-			
Other	1900	33 625	6 498	4 156	4 135	2 816	7 628	30 883	234 522	324 264	279 985		2 639	
Total By Income Source	2000	998 610	196 630	132 345	93 876	99 917	108 331	346 238	1 512 351	3 488 298	2 160 713		91 633	
Debtors Age Analysis By Customer Group														
Organs of State	2200	65 085	9 818	4 906	4 048	3 443	1 739	5 305	6 661	101 004 243	21 196	-	-	
Commercial	2300	260 649	50 216	35 702	27 796	25 807	32 882	100 418	319 267	852 736 076	506 170	-	-	
Households	2400	672 876	136 597	91 738	62 032	70 668	73 710	240 515	1 186 423	2 534 557 306	1 633 347		91 633	
Other	2500	-	-	-	-	-	-	-	-	-	-		-	
Total By Customer Group	2600	998 610	196 630	132 345	93 876	99 917	108 331	346 238	1 512 351	3 488 297 625	2 160 713		91 633	

8.1.1. Additional debtors' information

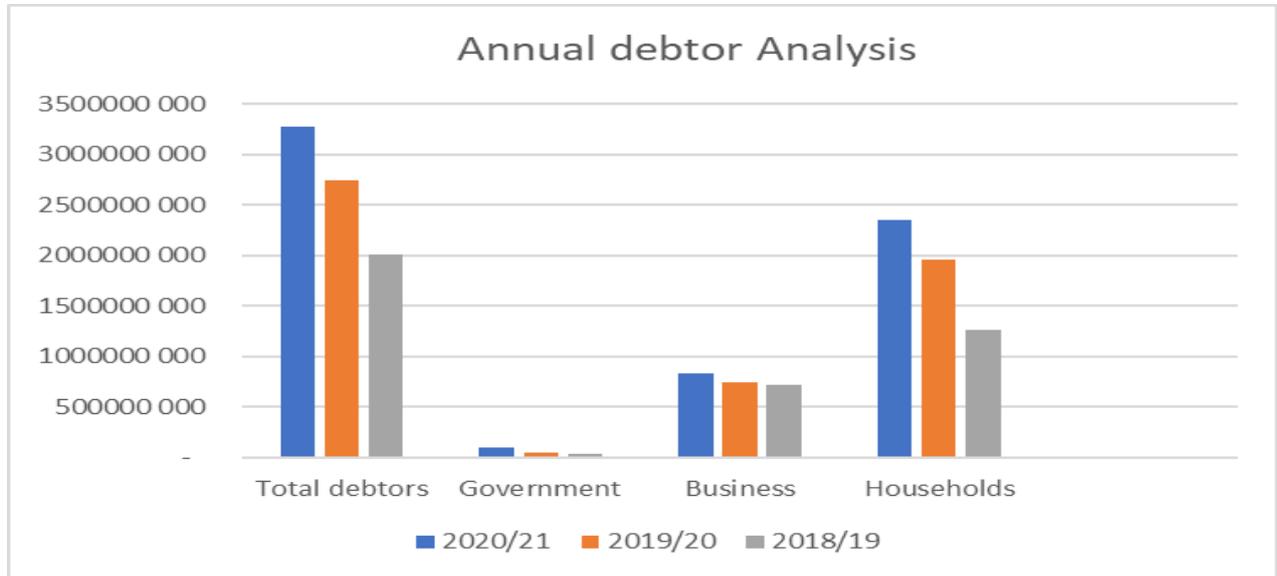
The total debtor's book, which includes all charges excluding VAT, amounted to R3,488,297,625 as at 30 September 2020, which is an increase of R216,199,498 over the amount of R3,272,098,127 as at 31 August 2020. The increase is primarily due to the annual charges raised in July 2020, which are due on 30 September 2020.

During the month, Credit control action and debt collection action were not implemented fully due to the National Lockdown as a result of COVID-19 pandemic. However, all customers in arrears who are on the electricity prepayment system were placed on a partial block type. This means that for every rand tendered for electricity, 60 cents were allocated as electricity purchase and 40 cents was allocated towards the arrears. Customer were able to pay their accounts at various municipal pay points and electronic platforms, such as Easy Pay and Online Banking. The increase in debt book is also attributed to the implementation of Stage 3 water punitive tariffs which is significantly more costly per kiloliter than the normal water tariff.

Therefore, with all the mentioned above, it is recommended that Buffalo City Metropolitan Municipality resume with the implementation of the full Credit Control Policy to recover the outstanding debts in order to increase the cash flow of the Municipality, as it is evident that the partial implementation of the Credit Control Policy is negatively affecting the financial position of the City.

The graph below shows comparison of annual movements in debtors of the 3-year period.

Figure 5: Debtors age analysis over the 3-year period



8.2. Additional debtor's information.

8.2.1. Age Analysis per Category

Table 11 below details debtors age analysis by income source as at 30 September 2020. It also provides comparison with the previous month (31 August 2020) which indicates an increase from 3.27 billion to 3.49 billion.

Table 11: Debtor's Age Analysis by Income Source Comparison

AGEING	RATES	SEWERAGE	ELECTRICITY	WATER	REFUSE	SUNDRY DEBTORS	TOTAL FOR SEPTEMBER 2020	TOTAL FOR AUGUST 2020
CURRENT	171 543 389	50 805 450	112 677 613	172 547 544	44 117 242	12 949 334	564 640 572	670 858 152
30 DAYS	104 870 048	53 241 081	40 262 529	150 312 248	67 989 393	17 290 374	433 965 673	233 227 186
60 DAYS	48 646 399	14 389 873	25 577 561	87 893 944	13 741 450	6 380 921	196 630 147	154 132 727
90 DAYS	35 963 430	9 427 629	14 849 984	59 131 162	8 812 242	4 160 765	132 345 211	104 724 563
120 DAYS TO 360 DAYS	195 839 247	55 289 995	99 238 487	210 383 966	57 081 972	30 527 805	648 361 471	630 584 502
YEAR 2	138 135 256	43 589 394	53 214 504	80 260 886	52 231 242	32 487 695	399 918 978	391 731 206
YEAR 3	91 522 406	35 740 505	33 611 714	72 768 819	42 183 444	30 306 320	306 133 208	299 797 848
YEAR 4	51 915 319	26 156 769	23 323 020	59 559 133	31 575 691	18 090 444	210 620 375	204 412 244
YEAR 5	39 282 762	20 986 830	14 380 669	38 204 333	24 646 750	13 461 932	150 963 276	146 452 163
YEAR 5+	108 721 098	66 979 223	21 446 664	95 920 268	89 285 978	62 365 482	444 718 713	436 177 535
TOTAL	986 439 353	376 606 748	438 582 744	1 026 982 304	431 665 403	228 021 072	3 488 297 625	3 272 098 127

8.2.2. Age Analysis per Category

Table 12 below details debtors age analysis per category type as at 30 September 2020. It also reflects the percentage split per category with domestic consumers having the highest share followed by business. Please note that the financial system is not able to produce a collection ratio per category, however the collection ratio is reported on total debtors.

Table 12: Age Analysis per Category Type

CATEGORY TYPE	CURRENT	30 DAYS	60 DAYS	90 DAYS	120 DAYS+	Total	% Share
Domestic	556 512 430	90 950 501	52 069 247	41 172 960	1 475 283 405	2 215 988 542	63.53
Indigent	113 763 910	44 602 399	38 987 948	20 323 107	94 533 006	312 210 370	8.95
Business	260 648 803	50 215 912	35 701 590	27 796 205	478 373 567	852 736 077	24.45
Government	65 085 093	9 817 644	4 905 828	4 048 243	17 147 435	101 004 243	2.90
Municipal Staff*	2 492 949	892 215	670 236	518 233	1 479 409	6 053 042	0.17
Councillors*	106 577	151 475	10 361	17 225	19 711	305 350	0.01
Total	998 609 762	196 630 146	132 345 210	93 875 974	2 066 836 533	3 488 297 625	100.00

Note*: A stop order deduction is implemented for all municipal staff and councillors in arrears. When new staff join the employ of the municipality in many instances there is services debt, and therefore the arrears will be liquidated over an acceptable period of time, in terms of the Credit Control Policy. The reason why the debt reflects in the 30/60/90 day columns relating to staff and councillors is due to the fact that when the stop orders are receipted the payment is allocated to the oldest ageing category. In terms of the accounting treatment of the amounts received, within the financial system the amounts are allocated against the oldest debt first resulting in the outstanding balance as reflected in the above table.

During the month of September 2020, a total of R1,993,813.40 was receipted against staff and councillors accounts. The amount was allocated as follows:

Current Billing Receipts	R 1,437,331.67
Arrears Receipts	<u>R 556,481.73</u>
Total Receipts	<u>R 1 993,813.40</u>

Billing related queries such as water leaks prevent the debt from decreasing until it is resolved.

8.2.3. Government Accounts

The total arrears owed by Government Departments to Buffalo City Metropolitan Municipality as at 30 September 2020 amounted to R101,004,243 and this is an increase of R8,806,867 as compared to August 2020

The breakdown of the arrears per department (excluding accounts in credit) are indicated in the table hereunder, as at 30 September 2020.

Table 13: Analysis of Government Debtors

DEPARTMENT	PROPERTY RATES	SERVICES	ARREARS AS AT 30 SEPTEMBER 2020	ARREARS AS AT 31 AUGUST 2020	DIFFERENCE
National Department of Public Works	18 164 917	7 149 363	25 314 280	25 152 140	162 140
Provincial Department of Public Works	27 416 342	12 976 449	40 392 791	40 267 785	125 006
Department of Education	-	13 668 352	13 668 352	11 605 487	2 062 865
Department of Health	-	18 336 943	18 336 943	11 846 939	6 490 004
Department of Social Development	-	923 016	923 016	726 928	196 087
Department of Transport	-	127 372	127 372	134 778	(7 406)
Department of Agriculture	-	16 766	16 766	134 699	(117 933)
Department of Nature Conservation	-	2 749	2 749	2 601	148
Department of Human Settlements	-	393 356	393 356	359 506	33 850
Sport, Recreation, Arts and Culture	-	175 337	175 337	101 380	73 957
Department of Labour - UIF Services	-	275 995	275 995	569 827	(293 833)
Members of Provincial Legislature	-	311 261	311 261	250 991	60 270
Department of Water Affairs	-	9 119	9 119	6 745	2 374
Department of Rural Development and Land Reform	-	1 056 907	1 056 907	1 034 569	22 338
TOTAL	45 581 259	55 422 984	101 004 243	92 194 376	8 809 867

9. CREDITORS' ANALYSIS

The creditors' analysis as depicted in table 14 below contains an aged analysis by customer type. The creditors payment is 25 days, this shows that the Metro is paying its creditors within 30 days as stipulated by the MFMA.

Table 14: SC4 Monthly Budget Statement Aged Creditors

BUF Buffalo City - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Description R thousands	NT Code	Budget Year 2020/21								Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	138 537								138 537	
Bulk Water	0200	22 280								22 280	
PAYE deductions	0300	29 695								29 695	
VAT (output less input)	0400	-								-	
Pensions / Retirement deductions	0500	32 919								32 919	
Loan repayments	0600	19 511								19 511	
Trade Creditors	0700	208 453								208 453	
Auditor General	0800	420								420	
Other	0900	252 358								252 358	
Total By Customer Type	1000	704 172	-	-	-	-	-	-	-	704 172	-

The table below (table 15) depicts actual payments made by BCMM to its top twenty (20) creditors in September 2020.

Table 15: Payments made to the 20 highest paid creditors – September 2020

<u>CREDITOR</u>	<u>90 DAYS</u>	<u>60 DAYS</u>	<u>30 DAYS</u>	<u>CURRENT</u>	<u>TOTAL</u>	<u>PAYMENT</u>
ESKOM				138 537 113	138 537 113	138 537 113
AMATOLA WATER				22 280 056	22 280 056	22 280 056
MAKALI PLANT AND CONSTRUCTION (PTY) LTD				14 106 523	14 106 523	14 106 523
RUWACON (PTY) LTD				12 006 613	12 006 613	12 006 613
MVEZO PLANT & CIVILS CC				10 787 986	10 787 986	10 787 986
MANTELLA TRADING 522CC				10 625 540	10 625 540	10 625 540
EZULUWENI CONSTRUCTION (PTY) LTD				7 665 575	7 665 575	7 665 575
VODACOM (PTY) LTD				6 788 059	6 788 059	6 788 059
EYA BANTU PROFESSIONAL SERVICES CC				6 505 909	6 505 909	6 505 909
IMVUSA TRADING 415 CC				5 373 992	5 373 992	5 373 992
GIBB (PTY) LTD				3 460 463	3 460 463	3 460 463
C & M FASTNERS				3 042 183	3 042 183	3 042 183
CHALOB - ANDY JV				2 986 350	2 986 350	2 986 350
UMSO/IMVUSA TRADING 454 (DON CIVILS) JV				2 876 499	2 876 499	2 876 499
DOWN TOUCH INVESTMENTS (PTY) LTD				2 864 981	2 864 981	2 864 981
LUQAQAMBO CIVILS CONSTRUCTION CC				2 774 503	2 774 503	2 774 503
MMAKGOGI GROUP MPELWANE JV				2 553 979	2 553 979	2 553 979
MINTIRHO BUSINESS ENTERPRISE CC				2 444 027	2 444 027	2 444 027
KHULANI WASTE MANAGEMENT				2 258 250	2 258 250	2 258 250
SAFIKA CONSTRUCTION CC				2 078 786	2 078 786	2 078 786
TOTAL	-	-	-	262 017 388	262 017 388	262 017 388

10. INVESTMENT PORTFOLIO ANALYSIS

The investment portfolio analysis detailed in table 16 below includes information of the institution where funds are invested, period of investment, type of investment and accrued interest for the month.

Table 16: SC5 Monthly Budget Statement – investment portfolio

BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commissio n Paid (Rands)	Commissio n Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial /	Investment Top Up	Closing Balance
		Yrs/Months										Premature Withdrawal (4)		
R thousands														
Municipality														
Finance Management Grant		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	810	2	810	-	2
MD Urban Renewal (MT Ruth Node)		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	3 734	30	835	-	2 928
Workmans Compensation (COID)		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	19 366	159	283	-	19 242
Reeston Development		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	187	2	-	-	189
Human Settlement Development Grant (HSDG)		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	19 230	160	-	-	19 390
Intergrated Electrification Programme (INEP)		Call Account	Call Account	Yes	Variable	4.38	0		Call Account	11	0	-	-	11
Trust Funds		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	1 142	10	-	-	1 152
Department of Sports, Recreation & Culture (DSARC)		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	54	0	-	-	54
Department of Sports, Recreation & Culture (DSARC)		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	200	2	-	-	202
City of Leiden		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	89	1	-	-	89
Needscamp Planning		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	1 003	8	66	-	945
Umsobomvu Youth Fund (UYF)		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	320	3	-	-	323
European Commission		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	1 258	11	-	-	1 268
Salaida		Call Account	Call Account	Yes	Variable	4.38	0		Call Account	822	9	73	-	758
Electricity Demand Management Grant		Call Account	Call Account	Yes	Variable	4.38	0		Call Account	3	0	-	-	3
Urban Settelement Dev elopment Grant		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	61 716	607	59 000	64 000	67 324
Urban Settelement Dev elopment Grant		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	104 242	827	62 000	33 000	76 069
Urban Settelement Dev elopment Grant		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	107 511	1 128	50 503	93 339	151 475
Urban Settelement Dev elopment Grant		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	190 089	1 435	69 000	-	122 524
Infrastructure Skills Development Grant		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	5 069	46	3 346	5 787	7 556
Infrastructure Development Levy		Call Account	Call Account	Yes	Variable	4.38	0		Call Account	183	2	-	-	185
Bcmet		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	542	4	54	-	492

BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ^a	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial /	Investment Top Up	Closing Balance
		Yrs/Months										Premature Withdrawal (4)		
R thousands														
Municipality														
Expanded Public Works Programme		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	3 075	8	3 075	-	8
City of Oldenburg		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	368	3	-	-	371
Public Transport Network Grant		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	133 112	962	31 295	-	102 779
DEAT		Call Account	Call Account	Yes	Variable	4.38	0		Call Account	240	3	-	-	243
Neighbourhood Development Grant (NDP Grant)		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	9 683	111	1 628	10 000	18 165
Integrated City Development Grant (ICDG)		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	10 698	36	10 697	-	37
Municipal Emergency Housing Grant (MEHG)		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	3	0	-	-	3
Land Affairs - West Bank		Fixed Deposit	Fixed Deposit	Yes	Fixed	6.45	0		Fixed Deposit	61 409	224	61 633	-	-
Land Affairs - West Bank		Fixed Deposit	Fixed Deposit	Yes	Fixed	6.65	0		Fixed Deposit	50 233	189	50 422	-	-
Land Affairs - East Bank		Fixed Deposit	Fixed Deposit	Yes	Fixed	4.09	0		Fixed Deposit	96 014	963	-	-	96 977
Land Affairs - West Bank		Fixed Deposit	Fixed Deposit	Yes	Fixed	3.85	0		Fixed Deposit		267	-	61 633	61 900
Land Affairs - West Bank		Fixed Deposit	Fixed Deposit	Yes	Fixed	4.06	0		Fixed Deposit		303	-	50 422	50 725
Capital Replacement Reserve (CRR)		Call Account	Call Account	Yes	Variable	4.38	0		Call Account	17 750	196	-	-	17 946
Mayoral Projects (CRR)		Call Account	Call Account	Yes	Variable	4.38	0		Call Account	1 392	15	-	-	1 407
Own Funds		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	11 655	99	-	-	11 754
Own Funds		Call Account	Call Account	Yes	Variable	4.38	0		Call Account	21 526	238	-	-	21 764
Own Funds		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	20 171	168	-	-	20 338
Own Funds		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	21 256	181	-	-	21 437
Own Funds		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	19 808	168	-	-	19 976
Own Funds - CRR		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	60 399	513	-	-	60 913
Own Funds - CRR		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	14 696	125	-	-	14 821
Own Funds - CRR		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	36 393	309	-	-	36 702
Own Funds - CRR		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	3 124	26	-	-	3 150
Own Funds - CRR		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	5 189	44	-	-	5 234
Housing Development		Call Account	Call Account	Yes	Variable	3.3	0		Call Account	3 091	26	-	-	3 117
Municipality sub-total										1 118 867	9 622	404 719	318 181	1 041 951
Entities														
Entities sub-total										-	-	-	-	-
TOTAL INVESTMENTS AND INTEREST	2									1 118 867	9 622	404 719	318 181	1 041 951

11. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Transfers and grants receipts per allocation or grant is provided in the table below. Further details on grants expenditure performance (inclusive of vat) is detailed in section 11.1 below.

Table 17: SC6 Monthly Budget Statement – transfers and grants receipts

BUF Buffalo City - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 September

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		959 619	1 006 257	1 150 594	–	418 869	418 869	–	0.0%	1 150 594
Department of Environmental Affairs		–	–	–	–	–	–	–	–	–
Equitable Share		847 431	911 042	1 053 614	–	409 969	409 969	–	0.0%	1 053 614
Expanded Public Works Programme Integrated Grant		9 956	8 449	8 449	–	2 113	2 113	–	0.0%	8 449
Infrastructure Skills Development Grant		7 167	11 364	10 788	–	5 787	5 787	–	0.0%	10 788
Integrated City Development Grant		–	6 279	6 279	–	–	–	–	–	6 279
Local Government Financial Management Grant	3	942	1 000	1 000	–	1 000	1 000	–	0.0%	1 000
Public Transport Network Grant		2 767	–	–	–	–	–	–	–	–
Urban Settlement Development Grant		91 357	68 122	70 464	–	–	–	–	–	70 464
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	–
Provincial Government:		–	81 276	153 088	–	–	47 526	(47 526)	-100.0%	153 088
Capacity Building		–	–	–	–	–	–	–	–	–
Human Settlement Development		–	–	–	–	–	–	–	–	–
Library Service		–	–	–	–	–	–	–	–	–
Human Settlement Development	4	–	81 276	153 088	–	–	47 526	(47 526)	-100.0%	153 088
Other transfers and grants [insert description]		–	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]		–	–	–	–	–	–	–	–	–
Other grant providers:		27 074	26 148	26 970	–	–	10 857	(10 857)	-100.0%	144 268
Eastern Cape Arts Council		15 870	15 870	15 870	–	–	6 499	(6 499)	-100.0%	15 870
European Union		–	–	–	–	–	–	–	–	10 278
Local Government Water and Related Service SETA		3 712	10 278	10 278	–	–	4 209	(4 209)	-100.0%	10 278
Parent Municipality		7 419	–	–	–	–	–	–	–	107 020
Salauda		74	–	822	–	–	150	(150)	-100.0%	822
Total Operating Transfers and Grants	5	986 694	1 113 681	1 330 652	–	418 869	477 252	(58 383)	-12.2%	1 447 950
Capital Transfers and Grants										
National Government:		1 008 835	806 419	729 687	1 300	205 797	205 797	–	0.0%	729 687
Energy Efficiency and Demand Side Management Grant		–	–	–	1 300	1 300	1 300	–	0.0%	–
Infrastructure Skills Development Grant		–	–	–	–	–	–	–	–	–
Integrated City Development Grant		10 382	2 038	2 038	–	4 158	4 158	–	0.0%	2 038
Integrated National Electrification Programme Grant		–	7 000	6 300	–	–	–	–	–	6 300
Local Government Financial Management Grant		–	–	–	–	–	–	–	–	–
Metro Informal Settlements Partnership Grant		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		1 945	18 000	18 000	–	10 000	10 000	–	0.0%	18 000
Public Transport Infrastructure Grant		–	–	–	–	–	–	–	–	–
Public Transport Network Grant		153 328	86 000	86 000	–	–	–	–	–	86 000
Regional Bulk Infrastructure Grant		58	–	–	–	–	–	–	–	–
Rural Road Asset Management Systems Grant		–	–	542	–	–	–	–	–	542
Urban Settlement Development Grant		843 121	693 382	616 807	–	190 339	190 339	–	0.0%	616 807
Provincial Government:		1 579	–	–	–	–	–	–	–	–
Human Settlement Development		–	–	–	–	–	–	–	–	–
Road Infrastructure		–	–	–	–	–	–	–	–	–
LGTH		1 579	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Finance and Admin		–	–	–	–	–	–	–	–	–
Other grant providers:		13 811	2 510	2 510	–	–	157	(157)	-100.0%	2 510
[insert description]		–	–	–	–	–	–	–	–	–
BCDA		13 811	2 510	2 510	–	–	157	(157)	-100.0%	2 510
Unspecified		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	1 024 224	808 929	732 197	1 300	205 797	205 954	(157)	-0.1%	732 197
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	2 010 918	1 922 610	2 062 849	1 300	624 666	683 206	(58 540)	-8.6%	2 180 147

11.1 Expenditure on Conditional Grants (DoRA Allocation)

The Metro has spent 11% (R86.74 million, inclusive of reclaimed vat) of its 2020/2021 conditional grants budget of R826.13 million as at 30 September 2020. This reflects an improvement when compared to the same period in the previous financial year where 9% (R98.25 million, inclusive of reclaimed vat) of conditional grants budget of R1.09 billion was spent. The Covid-19 pandemic continues to negatively affect expenditure performance. However, it is expected that expenditure will improve in the second quarter as procurement processes for major contracts would have been concluded.

Table 18 below reflects the year to date expenditure on 2020/21 total conditional grants.

Table 18: Spending per Conditional Grant Funding Allocation

Funding/Grant	2020/21 Adjusted Budget	YTD Expenditure (vat) R	YTD Variance (vat incl.) R	% Expenditure (vat incl.)
Finance Management Grant	1 000 000	209 666	790 334	21%
Energy Efficiency Demand Side Management Grant	6 300 000	0	6 300 000	0%
Infrastructure Skills Development Grant	10 938 000	1 829 888	9 108 112	17%
Urban Settlement Development Grant	687 121 000	65 890 751	621 230 249	10%
Neighbourhood Development Partnership Grant	18 000 000	1 174 520	16 825 480	7%
Integrated City Development Grant	8 317 000	0	8 317 000	0%
Expanded Public Works Programme Grant	8 449 000	3 995 594	4 453 406	47%
Public Transport Infrastructure and Systems Grant	86 000 000	13 643 394	72 356 606	16%
TOTAL	826 125 000	86 743 813	739 381 187	11%

Comments on performance of programmes that are implemented by the above funding are detailed below.

Details of the projects that are implemented by each grant are reflected in both Annexure D and E.

Also refer to section 14.1 of the report on measures to improve expenditure performance.

11.1.1. FINANCE MANAGEMENT GRANT (FMG)

There are 8 (eight) interns serving on the internship programme. The interns are being remunerated accordingly. Furthermore, the grant will be utilised for capacity and upskilling of officials in the Finance directorate as well as Internal Audit. Grant funding is being utilized in line with the set targets.

11.1.2. ENERGY EFFICIENCY DEMAND SIDE MANAGEMENT GRANT (EEDSMG)

Contracts for the Energy Efficiency Demand Side Management has been signed and returned to the Department of Mineral Resources and Energy (DMRE). Material has been ordered and work will commence in Mid-October 2020.

11.1.3. INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)

Recruitment process for 2 (two) interns and 3 (three) mentors is still underway. Late submission of claims by mentors have also contributed to low expenditure.

11.1.4. URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)

i. Spatial Planning and Development

Bridge Designs & Implementation:

Duncan Village Bridges (Matanzima and Gesini) have been completed as at the end of August 2020. Scenery Park Bridges (North and South) and Sithembiso Primary School Bridge requisitions for construction have been completed and submitted, projects to commence shortly.

Sleeper Site:

The Construction of the roadworks between Tutton and Moore is at Base level. Road closure at Commercial Road is in progress to prepare for the joining of the two roads. The project is performing inline with the set targets.

ii. **Infrastructure Services**

Roads & stormwater:

Engagement and project scope identification process is underway to prepare requisitions for the work to be undertaken.

Water and Sanitation:

The department is still finalizing works packages and submission of requisitions for purchase orders. One of the major projects (Tunnel) is still in the procurement stage. The Department is expediting the generation of purchase orders and close monitoring of contractors already on site. Expenditure is expected to improve during the second quarter.

Electricity:

Street Lighting & Highmast Within BCMM Areas of Supply:

The project is at the award stage of procurement. Once appointment has been finalized, equipment will be ordered, and installation will take place.

Electrification Programme

Contractor has been appointed for implementation and expenditure will improve as projects progress.

Electrification - Informal Dwelling Areas – BCMM

Projects have commenced in Mzamomhle and Xhwithinja, expenditure will improve as projects progress. Awaiting the finalisation of the process of identifying additional informal areas that meet the minimum requirements for electrification.

iii. **Human Settlements**

The department is currently in the process of getting new work orders for construction to proceed. The Directorate is Fast-tracking

the conclusion of new contracts work orders to speed up works on site and to follow up on contracts under procurement. Expenditure is expected to improve during the second quarter of 2020-2021 financial year.

11.1.5. NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG)

New projects have just been identified and are being packaged for approval by National Treasury. There are currently 3 projects in the Mdantsane Urban Hub that are already under the radar of the National Treasury's Neighborhood Development Partnership (NDPP) Unit. The first project is the Pedestrianization of Mapimpi Boulevard which is still being finalized for submission to the NDP Unit.

The tender document for the appointment of the consulting service providers will be prepared while waiting for approval for the Project by the National Treasury. This will save on time and result in the early commencement of the projects. It is also expected to use the formal tender process route for the appointment of the implementation service providers to avoid delays that have been encountered in the past when annual contractors were utilized.

11.1.6. INTEGRATED CITY DEVELOPMENT GRANT (ICDG)

a) Upgrading of Central Business District Roads

Engagement and project scope identification process is underway to prepare requisitions for the work to be undertaken. Requisitions and orders to be generated so that work can commence.

b) Integrated Design Framework Implementation Plan

The project is under procurement processes for the appointment of specialist consultants to undertake the work. Appointment of consultants is expected to take place end of second quarter. The project is proceeding as per the Business Plan.

c) Cities Investment Programme Project Preparation Support (CIPPPF)

The city has been required to meet several conditions from National Treasury which have been investigated. These include the following:

- Adopt the Cities Infrastructure Delivery and Management Systems (CIDMS) guidelines.
- Indicate a work plan with activities relating to the establishment and institutionalisation of a programme and project preparation facility.
- Establish a programme and project approval committee which meets the requirements for the authorising environment in terms of the (CIPPPF) guideline issued by National Treasury.
- Commit to co-financing contributions and budget management arrangements.

The above requirements have been addressed by the city and progress on each of the items have been presented to National Treasury. The city has also committed co-funding of 50% to the value of R 4 158 500 for the 2020/21 financial year from BCMM own funds towards the CIPPPF.

Technical support for the project is currently being assembled by National Treasury. As per the project business plan, expenditure on the project is expected to commence in the second quarter once the above support is made available.

11.1.7. PUBLIC TRANSPORT INFRASTRUCTURE GRANT (PTNG)

a) Qumza Highway:

Contractor is 100% complete and final invoice is expected during the month of October 2020 as Contractor is busy with construction of access paving to some properties in NU 11.

b) Mdantsane Access Road:

Detailed Designs currently being finalized with specialist investigations. Environmental Process has begun, and an application will be submitted by end October. Environmental Impact Assessment (EIA) approval is anticipated in the 4th Quarter due to legislated timeframes. Non-Motorized Transport Facilities are being investigated for implementation

along the Northern side of Mdantsane Access Road in the vicinity of Reeston. Requisitions for construction have been completed and submitted, awaiting generation of work orders for projects to commence.

12. COUNCILLOR AND EMPLOYEE BENEFITS

12.1. Councillor and Employees Benefits Summary

Table 19 below provides summary of employees and councillors remuneration. The workforce costs as a percentage of total expenditure amounted to 27.37%. This is within the norm of 25% - 40%.

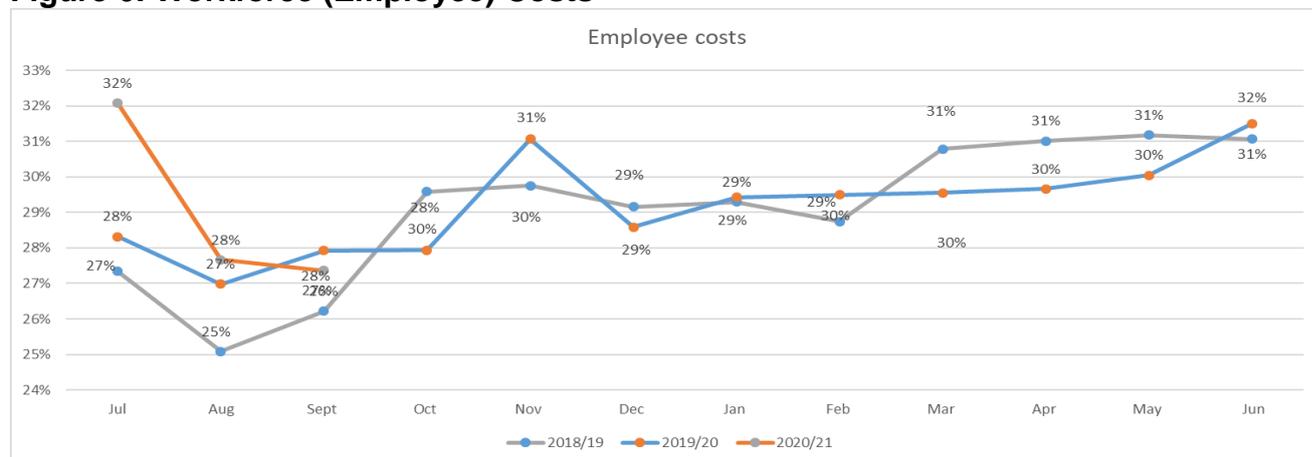
Table 19: SC8 Monthly Budget Statement – Councillor, Board Members and Staff Benefits

BUF Buffalo City - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

Summary of Employee and Councillor remuneration	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		36 984	45 635	45 635	3 006	8 954	11 158	(2 204)	-20%	45 635
Pension and UIF Contributions		4 505	4 533	4 533	364	1 083	1 108	(26)	-2%	4 533
Medical Aid Contributions		2 500	2 137	2 137	209	629	522	107	20%	2 137
Motor Vehicle Allowance										
Cellphone Allowance		4 095	2 975	2 975	337	1 001	727	274	38%	2 975
Housing Allowances		2 311	2 578	2 578	210	616	630	(14)	-2%	2 578
Other benefits and allowances		14 293	14 908	14 908	1 221	3 625	3 645	(20)	-1%	14 908
Sub Total - Councillors		64 687	72 766	72 766	5 346	15 908	17 791	(1 883)	-11%	72 766
% increase	4		12.5%	12.5%						12.5%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	9 486	14 361	14 361	80	240	3 394	(3 154)	-93%	14 361
Pension and UIF Contributions		1 632	2 321	2 321	16	47	548	(501)	-91%	2 321
Medical Aid Contributions		246	381	381	-	-	90	(90)	-100%	381
Overtime		-	-	-	-	-	-	-		-
Performance Bonus		-	-	-	-	-	-	-		-
Motor Vehicle Allowance		1 952	2 860	2 860	-	-	676	(676)	-100%	2 860
Cellphone Allowance		244	286	286	2	7	68	(60)	-89%	286
Housing Allowances		2 332	1 414	1 414	38	113	334	(222)	-66%	1 414
Other benefits and allowances		89	141	141	0	0	33	(33)	-100%	141
Payments in lieu of leave		-	-	-	-	-	-	-		-
Long service awards		-	-	-	-	-	-	-		-
Post-retirement benefit obligations	2									
Sub Total - Senior Managers of Municipality		15 982	21 763	21 763	135	406	5 143	(4 736)	-92%	21 763
% increase	4		36.2%	36.2%						36.2%
Other Municipal Staff										
Basic Salaries and Wages		1 341 267	1 497 241	1 566 964	121 260	361 287	366 475	(5 188)	-1%	1 566 964
Pension and UIF Contributions		249 195	268 436	268 436	23 986	52 634	63 432	(10 798)	-17%	268 436
Medical Aid Contributions		102 780	132 250	132 250	9 068	27 256	31 251	(3 995)	-13%	132 250
Overtime		142 919	104 232	104 232	13 739	34 123	24 630	9 493	39%	104 232
Performance Bonus		121 770	109 923	109 923	13 743	33 853	25 975	7 878	30%	109 923
Motor Vehicle Allowance		31 792	32 857	32 857	3 081	9 259	7 764	1 495	19%	32 857
Cellphone Allowance		4 357	4 522	4 522	381	1 137	1 069	68	6%	4 522
Housing Allowances		7 561	12 234	12 234	665	1 990	2 891	(901)	-31%	12 234
Other benefits and allowances		87 857	83 264	83 264	7 777	22 809	19 676	3 133	16%	83 264
Payments in lieu of leave		71 371	30 000	30 000	-	-	7 089	(7 089)	-100%	30 000
Long service awards		28 082	28 036	28 036	2 605	7 707	6 625	1 082	16%	28 036
Post-retirement benefit obligations	2	(24 636)	1 817	1 817	0	(37 689)	429	(38 118)	-880%	1 817
Sub Total - Other Municipal Staff		2 164 314	2 304 813	2 374 537	196 304	514 367	557 307	(42 940)	-8%	2 374 537
% increase	4		6.5%	9.7%						9.7%
TOTAL SALARY, ALLOWANCES & BENEFITS		2 267 499	2 427 231	2 496 954	203 859	536 789	586 831	(50 041)	-9%	2 496 954
% increase	4		7.0%	10.1%						10.1%
TOTAL MANAGERS AND STAFF		2 202 811	2 354 465	2 424 188	198 513	520 881	568 577	(47 695)	-8%	2 422 229

The graph below shows the workforce costs as a percentage of total expenditure for the current financial year and the two previous financial years.

Figure 6: Workforce (Employee) Costs



12.2. Overtime Analysis

Table 20 below provides comparison of overtime expenditure against budget per directorate for the period ended 30 September 2020. Table 21 below details overtime expenditure incurred per cost centre for the past three months ended 30 September 2020.

Table 20: Overtime per Directorate

Directorate Overtime	2020/2021 Annual Budget R	2020/2021 YTD Budget R	2020/2021 YTD Expenditure R	2020/2021 YTD Variance R	2020/2021 % of YTD Budget %
Directorate of Executive Support Services	2 250 837	528 348	752 606	(224 258)	142%
Directorate of The City Manager	631 313	148 191	225 413	(77 223)	152%
Directorate of Corporate Services	651 363	152 897	250 827	(97 930)	164%
Directorate of Spatial Planning & Development	176 464	41 422	78 520	(37 097)	190%
Directorate of Economic Development & Agencies	368 751	86 558	98 741	(12 182)	114%
Directorate of Finance	2 857 156	670 672	1 879 517	(1 208 845)	280%
Directorate of Health / Public Safety & Emergency Services	27 474 669	6 449 241	8 423 672	(1 974 431)	131%
Directorate of Human Settlement	4 305	1 011	0	1 011	0%
Directorate of Infrastructure Services	34 211 337	8 030 566	11 251 575	(3 221 009)	140%
<i>Electricity</i>	12 145 119	2 850 873	4 145 828	(1 294 954)	145%
<i>Water</i>	10 712 174	2 514 512	3 398 029	(883 517)	135%
<i>Sanitation</i>	10 362 508	2 432 434	3 329 754	(897 320)	137%
<i>Other</i>	991 536	232 747	377 965	(145 218)	162%
Directorate of Municipal Services	35 606 018	8 357 945	11 162 209	(2 804 264)	134%
Total	104 232 213	24 466 851	34 123 080	(9 656 229)	139%

The total overtime payment for the months of July 2020, August 2020 and September 2020 is reflected below. There was a decrease in the total payment of overtime between July 2020 and August 2020 of R317 862 and an increase in the total payment of overtime between August 2020 and September 2020 of R3 536 317.

Table 21: Overtime Per Cost Centre: July 2020 – September 2020

OVERTIME PER COST CENTRE

		July 2020 Amount	August 2020 Amount	September 2020 Amount
	DIRECTORATE -EXECUTIVE SUPPORT SERVICES			
0505	OFFICE OF THE DIRECTOR EXECUTIVE SUPPORT SERVICES	221 792.05	237 445.51	265 952.85
0511	COMM/MARKETING/INTERNAT & INTERGOV RELATIONS	5 400.66	-	-
0512	INTERNATIONAL & INTERGOVERNMENTAL RELATIONS	5 136.34	-	1 905.08
0536	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	970.08	-	-
		233 299.13	237 445.51	267 857.93
	DIRECTORATE OF THE CITY MANAGER			
1005	OFFICE OF THE CITY MANAGER	69 245.79	57 398.93	84 775.29
		69 245.79	57 398.93	84 775.29
	DIRECTORATE OF CORPORATE SERVICES			
1505	OFFICE OF THE DIRECTOR CORPORATE SERVICES	-138.56	-	-
1512	ADMINISTRATIVE & CORPORATE SUPPORT	25 847.10	20 473.13	26 932.35
1513	AUXILLIARY / RECORDS & DECISION TRACKING AND TELECOMMUNICATIONS	34 926.03	22 184.41	37 023.16
1514	INFORMATION / TECHNOLOGY & SUPPORT	14 295.93	-	40 548.50
1531	HUMAN RESOURCES MANAGEMENT	-	10 416.17	15 078.76
1536	ORGANISATIONAL DEVELOPMENT	-500.00	-500.00	-500.00
		74 430.50	52 573.71	119 082.77
	DIRECTORATE OF DEVELOPMENT & SPATIAL PLANNING			
2034	INTEGRATED PUBLIC TRANSPORT NETWORK OPERATIONS	49 849.31	10 889.34	5 554.76
2037	TRAFFIC MANAGEMENT & SAFETY	7 472.11	2 580.79	-
		57 321.42	13 470.13	5 554.76
	DIRECTORATE OF ECONOMIC DEVELOPMENT & AGENCIES			
2511	FRESH PRODUCE MARKET	63 798.66	14 222.40	14 421.99
		63 798.66	14 222.40	14 421.99

		July 2020 Amount	August 2020 Amount	September 2020 Amount
	DIRECTORATE OF FINANCE			
3011	BUDGET & TREASURY MANAGEMENT	-	-	2 776.03
3021	CORPORATE ASSET MANAGEMENT	3 559.92	1 936.76	-
3034	VAT / LEASES & PAYMENTS	-	36 523.00	598.05
3051	VAT / LEASES & PAYMENTS	6 107.08	-	-
3051	REVENUE MANAGEMENT	6 443.92	10 634.17	9 357.21
3052	ACCOUNTS MANAGEMENT & REVENUE CONTROL	1 618.96	5 810.56	2 665.60
3053	COASTAL REVENUE MANAGEMENT	167 394.84	301 027.81	297 224.62
3054	CUSTOMER RELATIONS (CALL CENTRE)	119 386.66	152 190.50	201 221.53
3055	INLAND REVENUE MANAGEMENT	50 412.34	146 759.02	127 650.27
3056	MIDLAND REVENUE MANAGEMENT	7 625.35	49 987.20	51 704.65
3061	STRATEGY & OPERATIONS	-	1 948.00	2 254.70
3071	SUPPLY CHAIN MANAGEMENT	30 758.28	58 489.70	2 605.08
		393 307.35	765 306.72	698 057.74
	DIRECTORATE OF HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES			
3512	DISASTER MANAGEMENT	10 699.43	15 529.18	10 611.41
3513	FIRE & RESCUE	482 602.89	318 085.39	865 838.30
3521	MUNICIPAL HEALTH SERVICES	51 670.83	86 083.11	69 846.76
3532	LAW ENFORCEMENT SERVICES	1 143 952.57	827 955.93	1 987 225.42
3533	TRAFFIC SERVICES	201 209.18	229 261.47	345 150.95
		1 890 134.90	1 476 915.08	3 278 672.84
	DIRECTORATE OF INFRASTRUCTURE SERVICES			
4505	OFFICE OF THE DIRECTOR OF INFRASTRUCTURE SERVICES	29 786.40	9 086.81	5 010.60
4511	ELECTRICAL & ENERGY SERVICES	-	-	853.99
4512	CUSTOMER SERVICES & REVENUE PROTECTION	85 533.44	117 978.87	-
4513	ELECTRICAL DEVELOPMENT / CONTRACTS & ASSETS	-	-	289.89
4514	ELECTRICAL DISTRIBUTION	1 018 221.81	1 298 133.20	1 456 204.74
4522	CONSTRUCTION	4 085.03	7 001.36	4 356.05
4524	ROADS	36 941.92	20 977.62	34 509.37
4532	SANITATION	952 639.51	1 155 420.49	949 801.43
4535	WATER SERVICES	992 215.92	762 972.06	1 492 518.68
4542	FLEET SERVICES & PLANT	3 986.36	-2 686.67	2 599.45
4543	WORKSHOPS	69 590.91	96 518.65	93 743.90
		3 193 001.30	3 465 402.39	4 039 888.10

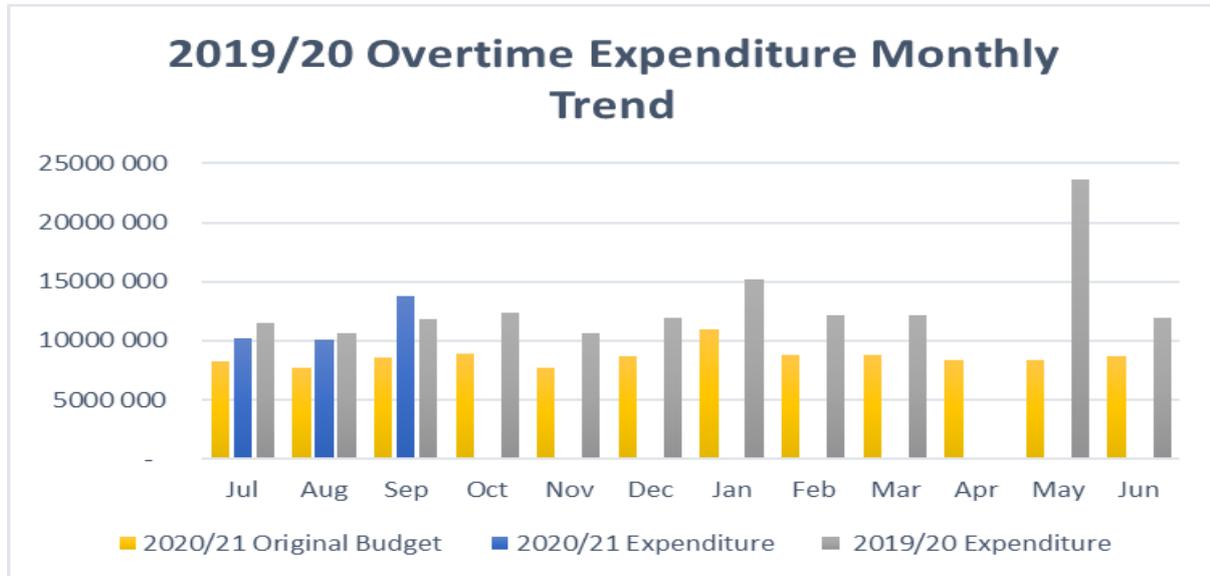
		July 2020 Amount	August 2020 Amount	September 2020 Amount
	DIRECTORATE OF MUNICIPAL SERVICES			
5005	OFFICE OF THE DIRECTOR OF MUNICIPAL SERVICES	6 465.90	-	1 402.88
5011	COMMUNITY AMENITIES	8 858.10	7 624.33	5 125.60
5013	LIBRARIES	926.75	-923.00	8 919.80
5014	HALLS	40 840.87	46 057.83	59 177.80
5015	RECREATION	3 697.44	4 314.70	39 199.03
5016	SPORT FACILITIES	-	-	2 988.40
5022	CEMETRIES & CREMATORIA	393 106.12	452 988.18	504 780.12
5023	CONSERVATION	76 418.18	122 487.82	230 350.62
5024	PARKS: COASTAL	609 474.24	276 586.62	316 183.31
5031	SOLID WASTE MANAGEMENT	15 948.95	18 089.12	22 455.02
5032	CLEANSING & REFUSE REMOVAL: COASTAL	1 916 751.43	1 763 739.79	2 311 169.56
5035	LANDFILLS & TRANSFER STATIONS	141 933.41	123 962.50	175 221.20
5042	RECREATIONAL FACILITIES	-418.55	3 701.40	225 495.04
5043	SPORTS FACILITIES	30 683.98	-	26 901.59
		3 244 686.82	2 818 629.29	3 929 369.97
	TOTAL OVERTIME	9 219 225.87	8 901 364.16	12 437 681.39

The measures that have been put in place to reduce overtime are the following:

- a) Employees are not permitted to work more than ten (10) hours overtime per week – this is in line with the Basic Conditions of Employment Act.
- b) All planned overtime is capped at forty (40) hours per month - this is in line with the Basic Conditions of Employment Act.
- c) All emergency overtime to be signed and approved by Heads of Directorates to ensure accountability and emphasis on control measures.
- d) Further to the above, an in-depth study to be undertaken on the overtime work in comparison to the service delivery need, available staff complement and allocated overtime budget.

The graph below shows the overtime expenditure monthly trend for the current financial year compared to prior year

Figure 7: Overtime Expenditure Monthly Trend



12.2.1. Comments on Overtime

a) Directorate of Executive Support Services

The planned and emergency nature of tasks within the Political Offices contribute to excessive hours of work. Overtime incurred is also due to Inter-departmental and Inter-Governmental Relation programmes.

b) Directorate of The City Manager

The nature of tasks within City Manager’s office contribute to excessive hours of work.

c) Directorate of Corporate Services

The over expenditure on overtime is as a result of nature of operations which necessitates the drivers to deliver council packages outside the normal operating hours. In some cases, staff are required to do special deliveries to political officers and officials so that deadlines can be met.

a) Directorate of Spatial Planning & Development

The over-expenditure on Year-To-Date (YTD) Overtime was caused by the Bus Services that are currently transporting Solid Waste Employees to and from work during the Covid-19 lockdown.

b) Directorate of Economic Development & Agencies

Overtime is a result of cold room employees coming to do inspections outside of normal working hours as well as a Caretaker coming in to attend to faults outside normal working hours.

c) Directorate of Finance

The over expenditure on overtime is as a result of staff that worked to process and finalise financial month end processes. Furthermore, due to the National Lockdown in place, operations to perform at full capacity have been affected as staff members work on rotational basis due to Covid-19 regulations. Without the full staff complement, it is impossible to perform the full functions associated with the post during normal working hours which include exceptions, terminations, meter changes, adjustments to the accounts where necessary on the meter books which were supposed to be allocated to the employees excluded from work.

The Billing Enquiries Section had to work overtime for 4 weekends to update the interim Inland accounts to make sure that the Billing system is in order. The exercise was to reduce the interim charges, increase turnover for the institution and improve service delivery.

d) Directorate of Health, Public Safety & Emergency Services

Covid-19 regulations and required oversight has resulted in increased overtime. Excessive fire calls have also resulted in increased overtime. Vector Control Section is also continuously disinfecting hot spot areas, public spaces and offices due to Covid-19 pandemic. Environmental Health practitioners must be present for monitoring all Covid-19 related burials.

e) Directorate of Infrastructure Services

- i. Electricity – This is due to emergency raids which are carried out after hours to eradicate illegal connections and emergency standby work carried out over weekends and after hours. Vandalism & Theft contributes a large percentage of overtime worked. Theft of overhead copper cable has been excessive in certain areas.
- ii. Roads – All overtime are done due to emergencies Re-gravelling of roads in Tshatshu location for Heritage Day preparations. Patching of roads in Alexander Road KWT. Call out received from Traffic dept to operate TLB for the closure of roads in Amalinda and Wilsonia.
- iii. Sanitation – The Sanitation Department is an Essential Service department, compelled in terms of legislative framework to always ensure that maintenance teams are available on standby on a 24hr basis each day. Similarly, the department operates 15 wastewater treatment works, which must be manned by staff on a 24hr basis, on a shift basis. Staff shortages at treatment works result in increased overtime. COVID-19 compliance also has an added impact.
- iv. Water - Overtime expenditure is due to emergency callouts for burst pipes and replacement of shift workers at water treatment works and pump stations.
- v. Mechanical Workshop - Overtime is mainly caused by call outs by departments for either mechanical breakdown, tyre punctures, vehicles getting stuck, accidents and assisting with water deliveries.

f) Directorate of Municipal Services

Cleansing & Refuse Removal: Inland – the department provides services 7 days' a week and five days are normal working days. The department is busy negotiating with HR in order to introduce Shift System.

Cemeteries and Crematoria: Overtime is caused by staff who must work on weekends for burials and cremations.

Parks: The over expenditure on overtime is as a result of grass cutting backlog as well as emergency overtime which needed to be worked to clear hazardous loose materials (trees).

12.3. Standby and Shift Allowance Analysis

Table 22 below reflects the total standby and shift payment for the months of July 2020, August 2020 and September 2020. There was an increase in the total payment between July 2020 and August 2020 of R6 294 and an increase in the total payment between August 2020 and September 2020 of R230 729.

Table 22: Standby & Shift Allowance per Directorate

	July 2020 Amount	August 2020 Amount	September 2020 Amount
Directorate of Executive Support Services	4 785	4 966	4 187
Directorate of the City Manager	4 922	4 536	4 536
Directorate of Corporate Services	49 683	35 318	37 920
Directorate of Spatial Planning & Development	33 668	22 721	9 277
Directorate Economic Development & Agencies	2 716	2 466	1 116
Directorate of Finance	7 057	6 798	8 990
Directorate of Health/Public Safety & Emergency Services	632 247	665 458	716 631
Directorate of Infrastructure Services	807 321	744 004	862 179
Directorate of Municipal Services	340 353	402 779	474 939
TOTAL	1 882 751	1 889 045	2 119 774

12.4. Cost of Temporary Staff

Table 23 below reflects the total payment of Temporary Staff for the months of July 2020, August 2020 and September 2020. There was an increase in the total payment between July 2020 and August 2020 of R126 165 and an increase in the total payment between August 2020 and September 2020 of R335 043.

Table 23: Temporary Staff per Directorate

	July 2020 Amount	August 2020 Amount	September 2020 Amount
Directorate of Executive Support Services	254 363	215 216	216 501
Directorate of the City Manager	95 946	15 267	16 785
Directorate of Corporate Services	1 433 550	1 602 687	1 782 388
Directorate of Spatial Planning & Development	250 703	-	
Directorate Economic Development & Agencies	-	125 533	-
Directorate of Finance	101 691	242 311	627 127
Directorate of Health/Public Safety & Emergency Services	87 598	100 891	75 635
Directorate of Infrastructure Services	503 661	465 957	462 483
Directorate of Municipal Services	123 009	208 824	130 809
TOTAL	2 850 520	2 976 685	3 311 728

12.5. Councillors Costs

The table below shows the budget and expenditure to date for councillors' costs. The year to date budget of R 17.79 million less the year to date expenditure of R 15.91 million leaves a variance of R 1.88 million.

Table 24: Councillors Costs**Councillors Allowances and Benefits**

Councillors Allowances And Benefits	2020/2021 Annual Budget R	2020/2021 YTD Budget R	2020/2021 YTD Expenditure R	2020/2021 Variance R	2020/2021 Variance %
Councillors Allowances	48 609 262	11 884 996	9 955 164	1 929 832	16.24
Housing Allowance	2 578 002	630 323	615 892.59	14 431	0.00
Medical Aid Allowance	2 136 903	522 474	628 987	-106 512	-20.39
Pension Allowance	4 533 348	1 108 407	1 082 607	25 800	2.33
Travel Allowance	14 908 269	3 645 081	3 625 375	19 707	0.54
Total	72 765 784	17 791 281	15 908 025	1 883 256	10.59

13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE

BCMDA has spent R20.28 million (15.12%) of its 2020/2021 approved operating budget of R134.13 million. A detailed analysis of the entity's performance for month ended 30 September 2020 is outlined in the attached **Annexure F**.

Table 25: Monthly Budget Statement – summary of municipal entity

Buffalo City Development Agency - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	2019/20	Current Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Interest earned - external investments	520	854	854	44	120	248	(127)	-51.5%	854
Agency services	1 752	7 933	7 933	349	814	2 004	(1 190)	-59.4%	7 933
Transfers and subsidies	7 451	117 298	117 298	517	1 472	48 033	(46 561)	-96.9%	117 298
Other revenue	39 467	8 049	8 049	-	20 070	1 039	19 031	1831.4%	8 049
Total Revenue (excluding capital transfers and contributions)	49 190	134 135	134 135	910	22 476	51 324	(28 848)	-56.2%	134 135
Expenditure By Type									
Employee related costs	22 516	27 888	27 888	2 074	6 108	6 590	(482)	-7.3%	27 888
Depreciation & asset impairment	-	1 921	1 921	203	294	541	(247)	-45.6%	1 921
Other materials	1 313	1 481	1 481	115	169	226	(58)	-25.5%	1 481
Contracted services	19 079	79 461	79 461	4 929	11 657	16 266	(4 609)	-28.3%	79 461
Transfers and subsidies	197	321	321	-	-	95	(95)	-100.0%	321
Other expenditure	6 596	23 058	23 058	278	2 052	5 532	(3 480)	-62.9%	23 058
Total Expenditure	49 702	134 134	134 134	7 599	20 280	29 251	(8 971)	-30.7%	134 134
Surplus/(Deficit)	(512)	0	0	(6 689)	2 196	22 073	(19 877)	-90.1%	0
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	2 510	2 510	-	-	157	(157)	-100.0%	2 510
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Transfers and subsidies - capital (in-kind - all))	13 811	-	-	4 364	10 171	-	10 171	0.0%	-
Surplus/(Deficit) before taxation	13 299	2 510	2 510	(2 325)	12 367	22 230	(9 863)	-44.4%	2 510
Taxation	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	13 299	2 510	2 510	(2 325)	12 367	22 230	(9 863)		2 510

14. CAPITAL PROGRAMME PERFORMANCE

BCMM has spent 6% (R112.64 million, inclusive of reclaimed vat) of its 2020/21 capital budget of R1.82 billion as at 30 September 2020. This reflects a decline when compared to the same period in the previous financial year where 7% (R145.87 million, inclusive of reclaimed vat) of the budget of R1.95 billion was spent. The Covid-19 pandemic continues to negatively affect expenditure performance. However, it is expected that expenditure will improve in the second quarter as procurement processes for major contracts would have been concluded.

Refer to Annexure A – C5 for the breakdown per municipal vote standard classification & funding; Annexure B – SC14 for monthly expenditure trends; SC13a for breakdown of asset classification for new assets and SC13b for breakdown on asset classification on renewal of existing asset.

A detailed schedule of the capital projects expenditure is outlined in **Annexure E**.

Table 26 below reflects capital expenditure performance per source of funding.

Table 26: Capital Expenditure per Funding Source against Budget

Funding	2020/2021 Adjusted Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Own Funding	623 019 286	40 252 147	582 767 139	6%
Own Funding c/o	241 657 275	4 109 418	237 547 856	2%
Loan	230 800 142	0	230 800 142	0%
TOTAL OWN FUNDING	1 095 476 703	44 361 566	1 051 115 137	4%
Urban Settlement Development Grant	616 657 370	53 415 518	563 241 852	9%
BCMET c/o	541 862	0	541 862	0%
Public Transport Network Grant	86 000 000	13 643 394	72 356 606	16%
Intergrated City Development Grant	2 037 665	0	2 037 665	0%
Energy Efficiency Demand Side Management Grant	6 300 000	0	6 300 000	0%
Neighborhood Development Partnership Grant	18 000 000	1 174 520	16 825 480	7%
Infrastructure Skills Development Grant	150 000	42 162	107 838	28%
TOTAL GRANTS	729 686 897	68 275 595	661 411 302	9%
TOTAL CAPITAL BUDGET	1 825 163 600	112 637 160	1 712 526 439	6%

Table 27 below reflects capital expenditure performance per service

Table 27: Actual Expenditure per Service against Budget

Services	2020/2021 Adjusted Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Amenities	56 164 533	2 000 197	54 164 337	4%
Electricity	118 176 595	7 646 983	110 529 612	6%
Human Settlements	266 048 850	27 902 925	238 145 925	10%
Local Economic Development	145 658 196	17 318 208	128 339 988	12%
Other: BCMM Fleet	35 000 000	2 730	34 997 270	0%
Public Safety	39 901 621	423 879	39 477 742	1%
Roads	387 343 158	15 885 476	371 457 682	4%
Spatial Planning	20 912 680	346 641	20 566 039	2%
Support Services	180 419 703	8 174 499	172 245 204	5%
Transport Planning	152 631 504	21 252 154	131 379 350	14%
Waste Management	37 453 093	3 514 962	33 938 131	9%
Waste Water	266 800 142	980 655	265 819 487	0%
Water	118 653 523	7 187 849	111 465 675	6%
TOTAL - PER SERVICE	1 825 163 600	112 637 160	1 712 526 439	6%

Table 28 below reflects capital expenditure performance per directorate.

Table 28: Actual Expenditure per Directorate against Budget

Directorate	2020/2021 Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Executive Support Services	4 561 406	0	4 561 406	0%
City Manager's Office	5 669 366	57 375	5 611 991	1%
Corporate Services	19 230 547	851 427	18 379 120	4%
Spatial Planning & Development	174 244 184	21 700 123	152 544 061	12%
Economic Development & Agencies	51 970 007	7 147 282	44 822 725	14%
Finance Services	134 998 979	6 788 724	128 210 255	5%
Health/Public Safety & Emergency Services	40 472 581	423 879	40 048 702	1%
Human Settlements	266 548 850	27 916 754	238 632 096	10%
Infrastructure Services	926 473 418	31 703 694	894 769 724	3%
Municipal Services	93 867 627	5 605 359	88 262 268	6%
TOTAL DIRECTORATES	1 718 036 965	102 194 616	1 615 842 348	6%
Asset Replacements	10 681 236	24 526	10 656 710	0%
BCMDA Projects	96 445 399	10 418 018	86 027 381	11%
TOTAL CONSOLIDATED CAPITAL PER DIRECTORATE	1 825 163 600	112 637 160	1 712 526 439	6%

The capital programme performance by month is tabulated in table 29 below (exclusive of Vat).

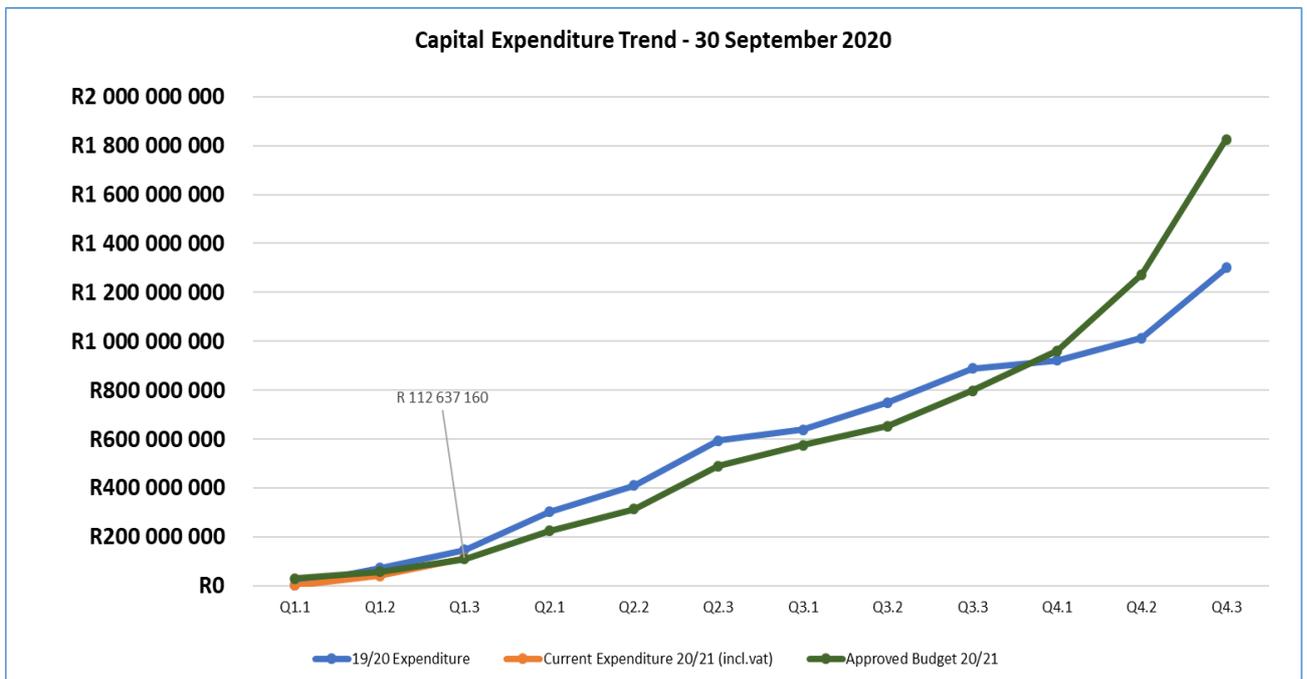
Table 29: SC12 Monthly Budget Statement – capital expenditure trend

BUF Buffalo City - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M03 September

Month	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	2 828	138 353	25 521	166	166	25 521	25 355	99.3%	0%
August	63 892	138 353	47 688	35 886	36 052	73 209	37 156	50.8%	2%
September	68 630	138 353	69 442	68 098	104 150	142 650	38 500	27.0%	6%
October	143 183	138 353	120 261	-	-	262 912	-	-	-
November	100 843	138 353	100 469	-	-	363 381	-	-	-
December	171 076	138 353	173 055	-	-	536 436	-	-	-
January	43 263	138 353	96 148	-	-	632 583	-	-	-
February	103 431	138 353	91 822	-	-	724 406	-	-	-
March	132 334	138 353	146 243	-	-	870 649	-	-	-
April	32 673	138 353	166 762	-	-	1 037 411	-	-	-
May	82 738	138 353	289 896	-	-	1 327 307	-	-	-
June	604 736	138 353	497 857	-	-	1 825 164	-	-	-
Total Capital expenditure	1 549 628	1 660 239	1 825 164	104 150					

The graph below shows the capital expenditure trend inclusive of reclaimed vat for the current financial year and the previous financial year.

Figure 8: Capital Expenditure Trend



14.1. Strategies that have been put in place to improve expenditure

The City continues to implement intervention measures to improve the City's spending performance. As a tool to monitor the performance of each bid committee, the weekly reporting that is submitted to the City Manager on sitting of bid committees assists in early identification of challenges. This has led to further review of bid committees to improve its effectiveness as a result:

- a) All bid committees were restructured at the end of January 2020 to ensure effectiveness and efficiency. Additional members have been appointed to address the problem of non-sitting of committees as a result of meetings failing to meet the required quorum.
- b) With the new restructured committees, it is envisaged that the target of taking an average period of three months from initiation to the award of an open bid; whereas in the past it used to take an average of about six months.
- c) Reconfiguration of processes at the Supply Chain Management unit are also underway to improve all procurement related activities. SCM is compiling weekly register of all requisitions submitted by Directorates and this process will help to address the challenges of missing requisitions or requisitions not captured timeously causing unnecessary procurement delays.
- d) All committee meetings are required to sit twice a week during the lockdown period to address the backlogs.

15. OTHER SUPPORTING DOCUMENTS

15.1. Operating Projects Expenditure

The Metro has spent 10% (R36.51 million, inclusive of reclaimed vat) of its 2020/21 operating projects budget of R376.71 million as at 30 September 2020. This reflects an improvement when compared to the same period in the previous financial year where 6% (R27.22 million, inclusive of reclaimed vat) of the operating projects budget of R466.26 million was spent. The Covid-19 pandemic continues to negatively affect expenditure performance. However, it is expected that expenditure will improve in the second quarter as procurement processes for major contracts would have been concluded.

A detailed schedule of the operating projects expenditure is outlined in **Annexure D**. Also refer to section 14.1 above of the report on measures that are implemented to improve expenditure.

Tables 30 and 31 below summarise Annexure D.

Table 30: Operating Projects per Directorate

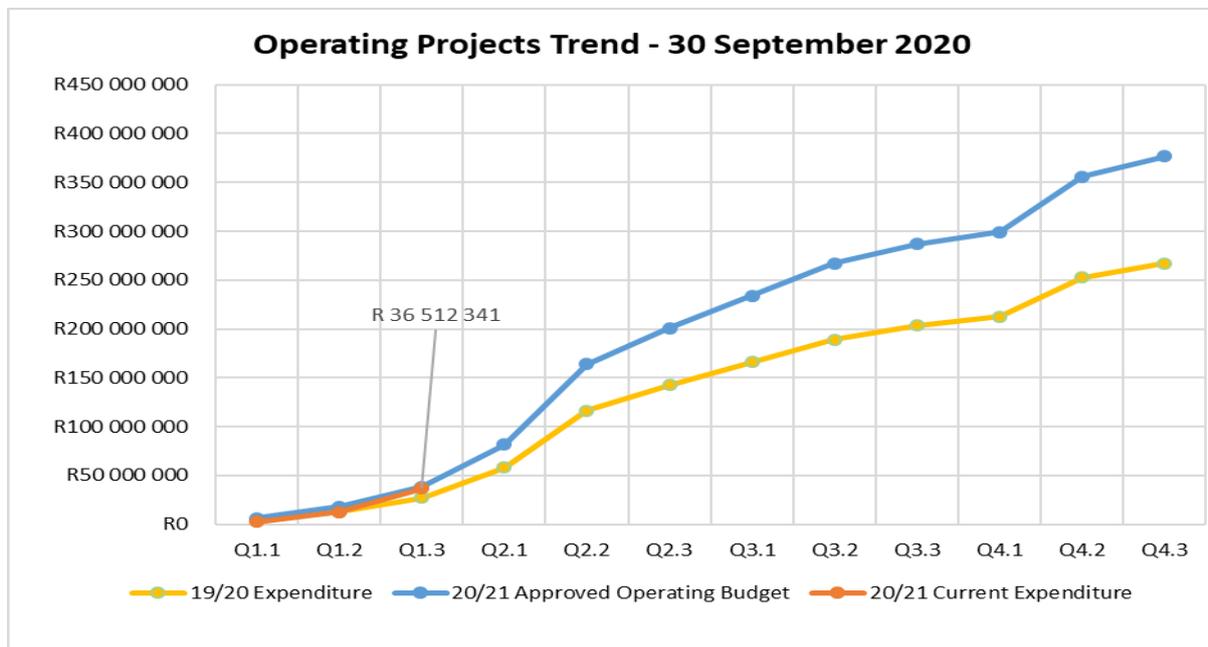
Directorate	<u>2020/2021 Adjusted Budget</u>	<u>YTD Expenditure (incl. vat)</u>	<u>Variance (incl. VAT)</u>	<u>% Expenditure (incl. vat)</u>
Executive Support Services	53 822 313	442 799	53 379 514	1%
City Manager's Office	50 533 430	11 330 476	39 202 955	22%
Corporate Services	22 547 237	2 062 922	20 484 315	9%
Spatial Planning & Development	6 310 705	165 317	6 145 388	3%
Economic Development & Agencies	4 850 000	524 948	4 325 052	11%
Finance Services	28 399 087	511 478	27 887 609	2%
Health/Public Safety & Emergency Services	1 574 413	0	1 574 413	0%
Human Settlements	153 088 401	14 299 127	138 789 274	9%
Infrastructure Services	53 284 251	7 175 275	46 108 976	13%
Municipal Services	2 300 000	0	2 300 000	0%
TOTAL PER DIRECTORATE	376 709 837	36 512 341	340 197 496	10%

Table 31: Operating Projects Per Funding Source

Funding	2020/2021 Adjusted Budget	YTD Expenditure (incl. vat)	Variance (incl. VAT)	% Expenditure (incl. vat)
Total Own Funding	125 819 158	3 744 996	122 074 162	3%
Urban Settlement Development Grant	70 463 630	12 475 233	57 988 397	18%
SALAIDA c/o	822 313	0	822 313	0%
Finance Management Grant	1 000 000	209 666	790 334	21%
Infrastructure Skills Development Grant	10 788 000	1 787 726	9 000 274	17%
Integrated City Development Grant	6 279 335	0	6 279 335	0%
Expanded Public Works Programme	8 449 000	3 995 594	4 453 406	47%
Human Settlements Development Grant	81 276 351	5 936 255	75 340 096	7%
Human Settlements Development Grant c/o	71 812 050	8 362 871	63 449 179	12%
TOTAL PER FUNDING SOURCE	250 890 679	32 767 345	218 123 334	13%
TOTAL OPERATING PROJECTS	376 709 837	36 512 341	340 197 496	10%

The graph below shows the operating projects expenditure trend for the current financial year and the previous financial year.

Figure 9: Operating Projects Expenditure Trend



16. INCOME AND EXPENDITURE REPORTS FOR DIRECTORATE OF HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES AND MUNICIPAL SERVICES

16.1 Health / Public Safety & Emergency Services

Below is the table indicating the breakdown of the Cost Analysis indicating income and expenditure.

Table 32: Health / Public Safety & Emergency Services – Cost Analysis

Health & Public Safety	Total Revenue	Employee Costs	Other Operating Expenditure	Repairs & Maintenance	Total Expenditure Excluding Capital
OFFICE OF THE DIRECTOR OF HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES	0	969 884	271 974	0	1 241 858
GM - EMERGENCY SERVICES	(40 774 228)	24 493 901	7 716 039	248 876	32 458 817
EMERGENCY SERVICES	0	788 725	2 045 998	0	2 834 723
DISASTER MANAGEMENT	0	990 800	337 330	4 204	1 332 334
FIRE & RESCUE	(40 774 228)	22 714 376	5 332 711	244 673	28 291 760
GM - MUNICIPAL HEALTH SERVICES	0	9 692 696	175 335	38 706	9 906 737
MUNICIPAL HEALTH SERVICES: COASTAL REGION	0	9 692 696	175 335	38 706	9 906 737
GM - PUBLIC SAFETY & PROTECTION SERVICES	(9 662 285)	70 051 649	4 547 718	475 644	75 075 011
PUBLIC SAFETY & PROTECTION SERVICES	11 286	607 569	656 037	0	1 263 606
LAW ENFORCEMENT SERVICES	0	41 826 882	2 260 712	156 852	44 244 446
TRAFFIC SERVICES	(9 673 571)	27 617 198	1 630 968	318 792	29 566 958
Total	(50 436 513)	105 208 130	12 711 066	763 226	118 682 422

16.2 Municipal Services

Below is the table indicating the breakdown of the Cost Analysis indicating income and expenditure.

Table 33: Municipal Services – Cost Analysis

Municipal Services	Total Revenue	Employee Costs	Other Operating Expenditure	Repairs & Maintenance	Total Expenditure Excluding Capital
OFFICE OF THE DIRECTOR OF MUNICIPAL SERVICES	0	2 486 135	219 322	0	2 705 457
GM - COMMUNITY AMENITIES	7 348	19 894 823	17 438 386	859 955	38 193 165
COMMUNITY AMENITIES		3 376 926	15 624 864	71 056	19 072 846
LIBRARIES	(212)	8 587 457	795 004	148 510	9 530 971
HALLS	30 569	6 066 134	669 932	487 442	7 223 508
RESORTS	(23 008)	1 864 306	348 587	152 948	2 365 840
GM - SPORTS & RECREATION FACILITIES MANAGEMENT	(2 293)	19 582 140	1 370 256	1 403 450	22 355 846
SPORTS & RECREATION FACILITIES MANAGEMENT	0	434 034	329 652		763 687
RECREATION	653	11 406 205	487 519	59 891	11 953 615
SPORTS FACILITIES	(2 946)	7 741 900	553 085	1 343 559	9 638 545
GM - PARKS / CEMETRIES & CONSERVATION	(2 771 981)	50 574 869	6 079 497	2 130 586	58 784 952
PARKS / CEMETRIES & CONSERVATION		828 382	179 360	0	1 007 743
CEMETRIES & CREMATORIA	(2 759 473)	10 805 719	4 179 261	430 183	15 415 163
CONSERVATION	301	6 151 015	764 184	18 506	6 933 704
PARKS: COASTAL	(12 809)	32 789 753	956 692	1 681 897	35 428 342
GM - SOLID WASTE MANAGEMENT	(160 904 362)	58 419 179	33 909 209	2 222 494	94 550 882
SOLID WASTE MANAGEMENT	0	4 384 577	2 524 204	1 994 302	8 903 083
CLEANSING & REFUSE REMOVAL: COASTAL	(160 506 756)	49 849 258	25 102 524	228 192	75 179 974
LANDFILLS & TRANSFER STATIONS	(397 606)	4 185 344	6 282 481	0	10 467 824
Total	(163 671 287)	150 957 146	59 016 670	6 616 486	216 590 302

17. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

I, Andile Sihlahla, City Manager of Buffalo City Metropolitan Municipality do hereby certify that –

The monthly budget statement (Section 71 Report)

for the period ending **September 2020** has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print name: Andile Sihlahla

City Manager of Buffalo City Metropolitan Municipality

Signature:

ANNEXURES:

Annexure A

- C1 Monthly Budget Statement - Summary
- C2 Monthly Budget Statement - Financial Performance (Std Classification)
- C3 Monthly Budget Statement - Financial Performance (By Municipal Vote)
- C4 Monthly Budget Statement - Financial Performance (Revenue and Expenditure)
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Annexure B

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Annexure C

Schedule of Borrowings

Annexure D

Operating expenditure report

Annexure E

Capital expenditure report

Annexure F

Buffalo City Metropolitan Development Agency Performance Report