REPORT TO COUNCIL: 29 APRIL 2021

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STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2020/21 BUDGET FOR THE PERIOD ENDED 31 MARCH 2021

1. PURPOSE

The purpose of the report is for Council 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 31 March 2021.

2. AUTHORITY

Buffalo City Metropolitan Council.

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 52

3.3. Municipal Budget and Reporting Regulations, 2009

4. BACKGROUND

In terms of Section 52 (d) of the Municipal Finance Management Act No 56, 2003 Chapter 7, “the Mayor must within 30 (thirty) days of the end of each quarter, submit a report to Council on the implementation of the budget and the financial state of affairs of the Municipality”.

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) Council **CONSIDERS** and **NOTES** the report on the statement of financial performance and the implementation of the 2020/21 budget for the period ended 31 March 2021 including supporting documentation attached as Annexure A to G.

(ii) Council **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) Council **NOTES** the year to date collection rate for the period ended 31 March 2021 of 64.27%.

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X. PAKATI **DATE**

EXECUTIVE MAYOR

BUFFALO CITY METROPOLITAN MUNICIPALITY

ANDILE SIHLAHLA/ NS

6. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY FOR THE PERIOD ENDED 31 MARCH 2021

6.1. Dashboard / Performance Summary

Table 1: Performance Summary

OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	R 6 196 308 443	Bank Balance	R 380 586 616
Expenditure	(R 5 651 143 750)	Call investments (excl. int.)	R 1 343 952 482
Operating surplus before Transfers and Subsidies Recognised – Capital	R 545 164 693	**Cash and cash equivalents**	**R 1 724 539 098**
Transfers and Subsidies Recognised – Capital	R 444 000 394	*Account Payables*	*(R 546 295 364)*
Surplus After Capital Transfers	R 989 165 087	*Unspent conditional grants*	*(R 442 190 912)*
DEBTORS		*Committed to Capital budget-own funds*	*(R 754 053 629)*
Total debtors book (incl. impairment)	R 4 221 315 387	**Possible cash deficit should there be no revenue collection made**	**(R 18 000 807)**
Total debtors - Government	R 85 996 636		
Total debtors - Business	R 992 133 760	Total Long-term loans	R 245 422 693
Total debtors - Households	R 3 143 184 991		
		SURPLUS / (DEFICIT) PER SERVICE	
		Water	R 601 602 784
REPAIRS AND MAINTENANCE		Electricity	(R 298 668 989)
2019/2020: Exp.= R287.37 m, which is 72% of budget of R397,61 m	**2020/2021:** Exp.= 299,71 m, which is 73% of budget of R412.16 m	Refuse	R 108 041 167
		Sewerage	R 181 613 202
CAPITAL EXPENDITURE		**OPERATING PROJECTS EXPENDITURE**	
2019/2020: Exp. as a % of Adjusted Budget of R1.90b: Exp. (excl. vat) = R829.48 mil % exp. (Excl. vat) :44% Exp. (incl. vat) = R887.08 mil % exp. (incl. vat): 47%	**2020/2021: Exp. as a % of Adjusted Budget of R2.04b:** Exp. (excl. vat) = R737.06 mil % exp. (Excl. vat) :36% Exp. (incl. vat) = R790.67 mil % exp. (incl. vat): 39%	**2019/2020: Exp. as a % of Adjusted Budget of R416,16m:** Exp. (excl. vat) = R194.97 mil % exp. (excl. vat): 47% Exp. (incl. vat) = R203.63 mil % exp. (incl. vat): 49%	**2020/2021: Exp. as a % of Adjusted Budget of R385,16m:** Exp. (excl. vat) = R169.76 mil % exp. (excl. vat): 44% Exp. (incl. vat) = R177.11 mil % exp. (incl. vat): 46%
FINANCIAL		**HUMAN RESOURCES**	
Operating surplus before Capital Transfers	R 545 164 693	Total staff complement	5 581
Debtors collection ratio	64.27%	Staff Appointments	12
YTD Grants and subsidies: recognized – Capital	R 444 000 394	Staff Terminations	26
Creditors payment days	14 days	Number of funded vacant posts (under recruitment process)	458
Current ratio	2,50:1	Total overtime paid (YTD)	R 107 144 773
Total Debt to Revenue	3,91%	Allowances and benefits – Councillors (YTD)	R 47 932 304
Capital Charges to Operating Expenditure	1,15 %	Salary bill – Officials (YTD)	R 1 761 061 977
Cost coverage ratio	2,43 months	Workforce costs as a % of expenditure	32,01%

6.2. Liquidity position

Buffalo City Metropolitan Municipality's liquidity is considered stable as the Current Ratio is 2.50:1 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.

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 31 March 2021 is 64.27% (2019/20: 82.44%). This ratio denotes the City's ability to collect the billed revenue from its consumers. The collection rate has increased by 1.32% from last month where 62.95% was achieved for the period ended 28 February 2021. Refer to section 8.1 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

The graph below shows comparison of the monthly collection ratio per region for the current financial year. The year to date collection rate as at 31 March 2021 per region is as follows: Coastal 77.99%, Inland 59.46% Midland 27.50%.

Figure 3: Collection Ratio Per Region

Total gross debtors' book (including current accounts) as at 31 March 2021 amounts to R4.22 billion (2019/20: R2.56 billion). Households: R3.14 billion, Business: R992.13 million and Government: R85.99 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 39% (R790.67 million, inclusive of reclaimed vat) of its 2020/21 adjusted capital budget of R2.04 billion as at 31 March 2021. This reflects a decline when compared to the same period in the previous financial year where 47% (R887.08 million, inclusive of reclaimed vat) of the budget of R1.90 billion was spent. Expenditure is expected to improve during the last quarter of the financial year as procurement processes 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 46% (R177.11 million, inclusive of reclaimed vat) of its 2020/21 adjusted operating projects budget of R385.16 million as at 31 March 2021. This reflects a decline when compared to the same period in the previous financial year where 49% (R203.63 million, inclusive of reclaimed vat) of the operating projects budget of R416.16 million was spent. Expenditure is expected to improve during the last quarter of the financial year as procurement processes 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 52% (R540.35 million, inclusive of reclaimed vat) of its 2020/2021 adjusted conditional grants budget of R1.04 billion as at 31 March 2021. This reflects a decline when compared to the same period in the previous financial year where 55% (R598.21 million, inclusive of reclaimed vat) of conditional grants budget of R1.09 billion was spent. Expenditure is expected to improve during the last quarter of the financial year as procurement processes would have been concluded. (Refer to Section 11.1 for further details).

6.7. Urban Settlement Development Grant (USDG) funded projects

BCMM has spent 53% (R484.22 million, inclusive of reclaimed vat) of its 2020/2021 USDG adjusted budget of R910.18 billion as at 31 March 2021. This reflects a decline when compared to the same period in the previous financial year where 58% (R470.75 million, inclusive of reclaimed of vat) of USDG budget of R817.42 billion was spent. Expenditure is expected to improve during the last quarter of the financial year as procurement processes 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 31 March 2021 is R1.72 billion made up of cash at the primary bank account amounting to R380.59 million and call investment deposits of R1.34 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 ageing 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 2.43 months. 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 2.43 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 4: 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 5: Cost Coverage

6.9. <u>Outstanding Creditors</u>

The creditors payment period for the reporting period (31 March 2021) is 14 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 31 March 2021 amounts to R245.42 million. Refer to Annexure C for the schedule of borrowings.

The ratio of capital charges to operating expenditure as at 31 March 2021 is 1.15%. 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 3.91% as at 31 March 2021, 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. Both of the above financial indicators and recent positive credit ratings issued by global credit ratings agency on the 31 March 2021 reflect that the municipality has capacity to take on additional financing from borrowing to invest in infrastructure projects. The East London Sewer Diversion was approved by council in the prior years. BCMM is also considering taking up more additional loans in relation to water works project, which will ensure that the municipality draws closer to the National Treasury Norm. However, due to weak economic performance as well as a weak collection rate, the process for additional loans for waterworks projects is undertaken with caution.

6.11. Performance by Trading Service - Electricity

The electricity service has achieved an operating deficit of R 298 668 989 for the period ended 31 March 2021. 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 - M09 March

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	121 220	1 229 589	1 306 592	(77 003)	-6%	1 687 667
Service charges	3 260 941	3 546 712	3 546 712	302 633	2 835 744	2 715 448	120 296	4%	3 546 712
Investment revenue	70 650	54 473	46 473	2 720	27 961	36 622	(8 661)	-24%	46 473
Transfers and subsidies	987 005	1 230 979	1 448 934	261 345	1 212 019	1 333 791	(121 771)	-9%	1 448 934
Other own revenue	921 868	987 720	995 720	225 553	890 996	849 708	41 288	5%	995 720
contributions)	**6 707 864**	**7 507 552**	**7 725 508**	**913 470**	**6 196 308**	**6 242 160**	**(45 851)**	**-1%**	**7 725 508**
Employee costs	2 204 375	2 354 465	2 434 390	209 219	1 761 062	1 821 813	(60 751)	-3%	2 434 390
Remuneration of Councillors	64 687	72 766	72 766	5 252	47 932	54 750	(6 818)	-12%	72 766
Depreciation & asset impairment	1 710 062	866 757	896 757	112 667	998 473	689 266	309 207	45%	896 757
Finance charges	32 564	44 211	44 211	2 079	19 876	33 689	(13 813)	-41%	44 211
Materials and bulk purchases	1 868 140	2 185 127	2 176 951	161 842	1 422 422	1 660 516	(238 094)	-14%	2 176 951
Transfers and subsidies	131 019	115 981	129 831	12 405	67 603	95 204	(27 601)	-29%	129 831
Other expenditure	1 819 596	1 867 645	1 970 003	120 989	1 333 776	1 446 966	(113 189)	-8%	1 970 003
Total Expenditure	**7 830 443**	**7 506 953**	**7 724 909**	**624 453**	**5 651 144**	**5 802 203**	**(151 059)**	**-3%**	**7 724 909**
Surplus/(Deficit)	**(1 122 579)**	**599**	**599**	**289 017**	**545 165**	**439 957**	**105 208**	**24%**	**599**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	1 010 413	808 929	946 540	36 584	387 617	618 106	(230 489)	-37%	946 540
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	13 811	–	–	6 733	56 383	–	56 383	–	–
contributions	**(98 354)**	**809 528**	**947 139**	**332 334**	**989 165**	**1 058 063**	**(68 898)**	**-7%**	**947 139**
Share of surplus/ (deficit) of associate	105 406	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**7 052**	**809 528**	**947 139**	**332 334**	**989 165**	**1 058 063**	**(68 898)**	**-7%**	**947 139**
Capital expenditure & funds sources									
Capital expenditure	**1 549 596**	**1 660 239**	**2 035 751**	**110 651**	**737 059**	**1 158 755**	**(421 695)**	**-36%**	**2 035 751**
Capital transfers recognised	904 101	806 419	944 030	57 077	399 643	492 526	(92 883)	-19%	944 030
Borrowing	–	230 800	230 800	355	1 979	150 942	(148 963)	-99%	230 800
Internally generated funds	**645 495**	**623 019**	**860 921**	**53 219**	**335 437**	**515 287**	**(179 850)**	**-35%**	**860 921**
Total sources of capital funds	**1 549 596**	**1 660 239**	**2 035 751**	**110 651**	**737 059**	**1 158 755**	**(421 695)**	**-36%**	**2 035 751**
Financial position									
Total current assets	8 629 993	2 699 673	2 491 772		10 301 327				2 491 772
Total non current assets	20 426 201	22 539 836	22 915 348		20 164 810				22 915 348
Total current liabilities	7 573 346	1 332 145	1 285 413		8 027 972				1 285 413
Total non current liabilities	933 965	1 088 289	1 088 289		900 115				1 088 289
Community wealth/Equity	**20 548 894**	**22 819 075**	**22 895 807**		**21 772 853**				**22 895 807**
Cash flows									
Net cash from (used) operating	–	1 582 471	1 750 082	541 882	1 496 635	1 312 562	(184 073)	-14%	2 333 142
Net cash from (used) investing	–	(1 660 239)	(2 035 751)	(110 651)	(737 059)	(1 526 813)	(789 754)	52%	(2 035 751)
Net cash from (used) financing	–	176 405	176 405	(10 932)	(42 158)	(40 797)	1 361	-3%	(54 396)
Cash/cash equivalents at the month/year end	**–**	**1 105 758**	**897 857**	**–**	**1 724 539**	**(255 048)**	**(1 979 587)**	**776%**	**242 995**
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	480 569	235 832	213 137	233 659	187 477	206 069	862 350	1 802 222	4 221 315
Creditors Age Analysis									
Total Creditors	546 295	–	–	–	–	–	–	–	546 295

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) - M09 March

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										
Governance and administration		**2 674 764**	**2 908 586**	**3 058 647**	**519 770**	**2 544 033**	**2 530 628**	13 405	1%	**3 058 647**
Executive and council		32 555	32 779	35 021	3 609	28 430	32 266	(3 836)	-12%	35 021
Finance and administration		2 642 208	2 875 807	3 023 625	516 161	2 515 603	2 498 362	17 241	1%	3 023 625
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**472 593**	**622 417**	**810 815**	**46 535**	**360 363**	**593 059**	(232 696)	-39%	**810 815**
Community and social services		24 613	31 934	31 934	17 536	23 499	28 051	(4 553)	-16%	31 934
Sport and recreation		4 363	6 183	6 183	184	629	4 991	(4 362)	-87%	6 183
Public safety		153 127	190 904	190 904	11 488	133 001	147 221	(14 220)	-10%	190 904
Housing		290 187	393 365	581 762	17 308	203 209	412 769	(209 560)	-51%	581 762
Health		304	32	32	19	25	27	(2)	-6%	32
Economic and environmental services		**498 342**	**513 478**	**499 770**	**26 577**	**271 546**	**371 653**	(100 106)	-27%	**499 770**
Planning and development		292 360	300 689	294 255	11 785	172 320	232 890	(60 570)	-26%	294 255
Road transport		205 143	208 873	201 600	14 767	99 122	135 478	(36 356)	-27%	201 600
Environmental protection		839	3 915	3 915	26	104	3 285	(3 180)	-97%	3 915
Trading services		**4 050 682**	**4 228 210**	**4 249 140**	**361 383**	**3 432 845**	**3 321 557**	111 288	3%	**4 249 140**
Energy sources		1 957 799	2 273 390	2 154 080	169 047	1 454 143	1 665 577	(211 434)	-13%	2 154 080
Water management		921 274	864 701	960 105	103 940	1 080 109	766 407	313 701	41%	960 105
Waste water management		603 286	602 537	623 167	48 143	489 884	483 427	6 457	1%	623 167
Waste management		568 323	487 582	511 788	40 254	408 709	406 146	2 563	1%	511 788
Other	4	**35 708**	**43 789**	**53 675**	**2 521**	**31 522**	**43 369**	**(11 847)**	**-27%**	**53 675**
Total Revenue - Functional	2	**7 732 088**	**8 316 481**	**8 672 048**	**956 786**	**6 640 309**	**6 860 266**	**(219 957)**	**-3%**	**8 672 048**
Expenditure - Functional										
Governance and administration		**1 313 645**	**1 531 830**	**1 596 456**	**114 422**	**1 068 744**	**1 196 810**	(128 066)	-11%	**1 596 456**
Executive and council		437 806	436 341	459 691	28 101	291 275	337 945	(46 670)	-14%	459 691
Finance and administration		866 396	1 081 979	1 123 255	85 445	770 364	848 796	(78 431)	-9%	1 123 255
Internal audit		9 442	13 510	13 510	876	7 105	10 069	(2 964)	-29%	13 510
Community and public safety		**1 005 038**	**1 073 889**	**1 191 789**	**94 979**	**804 984**	**888 825**	(83 842)	-9%	**1 191 789**
Community and social services		137 194	150 844	171 780	12 593	117 557	129 915	(12 358)	-10%	171 780
Sport and recreation		353 214	305 910	312 022	27 450	255 834	233 342	22 492	10%	312 022
Public safety		425 979	436 528	449 565	39 301	314 235	335 950	(21 715)	-6%	449 565
Housing		45 567	133 967	206 898	12 201	85 879	151 079	(65 200)	-43%	206 898
Health		43 084	46 641	51 525	3 434	31 479	38 539	(7 060)	-18%	51 525
Economic and environmental services		**1 578 877**	**847 591**	**886 485**	**94 475**	**868 960**	**657 357**	211 603	32%	**886 485**
Planning and development		573 903	259 799	284 471	28 191	258 863	203 064	55 799	27%	284 471
Road transport		977 756	558 138	572 360	63 820	588 553	432 053	156 500	36%	572 360
Environmental protection		27 218	29 654	29 654	2 464	21 544	22 240	(696)	-3%	29 654
Trading services		**3 706 925**	**3 920 661**	**3 916 578**	**315 805**	**2 820 206**	**2 956 586**	(136 380)	-5%	**3 916 578**
Energy sources		2 126 985	2 400 027	2 376 919	176 091	1 760 557	1 784 067	(23 510)	-1%	2 376 919
Water management		654 320	695 248	683 791	73 791	467 169	535 616	(68 447)	-13%	683 791
Waste water management		377 346	444 158	457 520	30 417	282 830	343 200	(60 371)	-18%	457 520
Waste management		548 274	381 229	398 348	35 507	309 649	293 702	15 947	5%	398 348
Other		**120 552**	**132 981**	**133 600**	**4 771**	**88 251**	**102 625**	**(14 374)**	**-14%**	**133 600**
Total Expenditure - Functional	3	**7 725 037**	**7 506 953**	**7 724 909**	**624 453**	**5 651 144**	**5 802 203**	**(151 059)**	**-3%**	**7 724 909**
Surplus/ (Deficit) for the year		**7 052**	**809 528**	**947 139**	**332 334**	**989 165**	**1 058 063**	**(68 898)**	**-7%**	**947 139**

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) - M09 March

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	–	441	598	(157)	-26,2%	822
Vote 02 - Directorate - Municipal Manager		32 547	32 128	34 370	3 609	28 430	31 714	(3 284)	-10,4%	34 370
Vote 03 - Directorate - Human Settlement		290 187	393 365	581 762	17 308	203 209	412 769	(209 560)	-50,8%	581 762
Vote 04 - Directorate - Chief Financial Officer		2 610 630	2 855 470	3 003 042	511 704	2 497 248	2 480 766	16 482	0,7%	3 003 042
Vote 05 - Directorate - Corporate Services		10 957	12 166	11 590	3 337	7 537	10 649	(3 112)	-29,2%	11 590
Vote 06 - Directorate - Infrastructure Services		3 687 501	3 949 502	3 938 952	335 896	3 123 257	3 050 889	72 368	2,4%	3 938 952
Vote 07 - Directorate - Spatial Planning And Development		249 564	172 866	166 432	6 990	76 118	117 726	(41 608)	-35,3%	166 432
Vote 08 - Directorate - Health / Public Safety & Emergency Services		153 431	190 936	190 936	11 506	133 026	147 248	(14 222)	-9,7%	190 936
Vote 09 - Directorate - Municipal Services		598 138	529 614	553 821	58 000	432 941	442 473	(9 532)	-2,2%	553 821
Vote 10 - Directorate - Economic Development & Agencies		99 044	180 434	190 320	8 436	138 101	165 434	(27 333)	-16,5%	190 320
Total Revenue by Vote	2	**7 732 088**	**8 316 481**	**8 672 048**	**956 786**	**6 640 309**	**6 860 266**	**(219 957)**	**-3,2%**	**8 672 048**
Expenditure by Vote	1									
Vote 01 - Directorate - Executive Support Services		310 518	290 855	307 796	21 198	176 199	226 358	(50 159)	-22,2%	307 796
Vote 02 - Directorate - Municipal Manager		134 884	148 158	155 519	7 933	102 240	113 473	(11 233)	-9,9%	155 519
Vote 03 - Directorate - Human Settlement		45 567	133 967	206 898	12 201	85 879	151 079	(65 200)	-43,2%	206 898
Vote 04 - Directorate - Chief Financial Officer		434 456	627 891	678 938	47 944	438 707	507 024	(68 317)	-13,5%	678 938
Vote 05 - Directorate - Corporate Services		224 517	243 553	254 346	19 083	186 955	190 206	(3 251)	-1,7%	254 346
Vote 06 - Directorate - Infrastructure Services		4 237 858	4 161 751	4 155 153	351 973	3 168 414	3 143 461	24 954	0,8%	4 155 153
Vote 07 - Directorate - Spatial Planning And Development		627 806	282 856	285 630	27 505	265 565	215 771	49 794	23,1%	285 630
Vote 08 - Directorate - Health / Public Safety & Emergency Services		474 180	488 866	506 583	43 092	349 430	378 681	(29 251)	-7,7%	506 583
Vote 09 - Directorate - Municipal Services		1 060 783	861 939	906 310	77 657	700 868	675 008	25 860	3,8%	906 310
Vote 10 - Directorate - Economic Development & Agencies		174 468	267 116	267 734	15 867	176 887	201 143	(24 256)	-12,1%	267 734
Total Expenditure by Vote	2	**7 725 037**	**7 506 953**	**7 724 909**	**624 453**	**5 651 144**	**5 802 203**	**(151 059)**	**-2,6%**	**7 724 909**
Surplus/ (Deficit) for the year	2	**7 052**	**809 528**	**947 139**	**332 334**	**989 165**	**1 058 063**	**(68 898)**	**-6,5%**	**947 139**

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 31 March 2021.

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) - M09 March

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	121 220	1 229 589	1 306 592	(77 003)	-6%	1 687 667
Service charges - electricity revenue		1 838 105	2 184 209	2 066 209	162 475	1 374 339	1 587 844	(213 505)	-13%	2 066 209
Service charges - water revenue		709 744	631 338	729 338	81 366	876 827	566 126	310 701	55%	729 338
Service charges - sanitation revenue		377 249	397 037	412 037	32 612	323 830	307 712	16 118	5%	412 037
Service charges - refuse revenue		335 843	334 128	339 128	26 181	260 749	253 766	6 983	3%	339 128
Rental of facilities and equipment		22 652	20 885	19 299	2 105	13 795	15 593	(1 798)	-12%	19 299
Interest earned - external investments		70 650	54 473	46 473	2 720	27 961	36 622	(8 661)	-24%	46 473
Interest earned - outstanding debtors		122 587	88 009	101 009	10 176	88 972	66 586	22 386	34%	101 009
Fines, penalties and forfeits		10 864	19 712	19 712	1 760	8 885	12 084	(3 198)	-26%	19 712
Licences and permits		12 587	17 343	17 343	942	9 034	11 420	(2 387)	-21%	17 343
Agency services		23 428	43 909	43 909	(143)	18 822	24 501	(5 679)	-23%	43 909
Transfers and subsidies		987 005	1 230 979	1 448 934	261 345	1 212 019	1 333 791	(121 771)	-9%	1 448 934
Other revenue		725 497	797 862	794 448	210 713	749 906	719 524	30 382	4%	794 448
Gains		4 254	–	–	–	1 582	–	1 582	0%	–
Total Revenue (excluding capital transfers and contributions)		**6 707 864**	**7 507 552**	**7 725 508**	**913 470**	**6 196 308**	**6 242 160**	**(45 851)**	**-1%**	**7 725 508**

BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

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									%	
Expenditure By Type										
Employee related costs		2 204 375	2 354 465	2 434 390	209 219	1 761 062	1 821 813	(60 751)	-3%	2 434 390
Remuneration of councillors		64 687	72 766	72 766	5 252	47 932	54 750	(6 818)	-12%	72 766
Debt impairment		601 842	497 286	497 286	41 440	372 964	373 312	(348)	0%	497 286
Depreciation & asset impairment		1 710 062	866 757	896 757	112 667	998 473	689 266	309 207	45%	896 757
Finance charges		32 564	44 211	44 211	2 079	19 876	33 689	(13 813)	-41%	44 211
Bulk purchases		1 772 339	2 057 476	1 754 307	(5 475)	1 206 304	1 431 791	(225 487)	-16%	1 754 307
Other materials		95 801	127 652	422 643	167 317	216 117	228 725	(12 608)	-6%	422 643
Contracted services		683 679	829 196	945 855	55 530	573 026	674 590	(101 564)	-15%	945 855
Transfers and subsidies		131 019	115 981	129 831	12 405	67 603	95 204	(27 601)	-29%	129 831
Other expenditure		520 392	541 164	526 862	24 019	386 900	399 063	(12 164)	-3%	526 862
Losses		13 683	–	–	–	886	–	886	0%	–
Total Expenditure		**7 830 443**	**7 506 953**	**7 724 909**	**624 453**	**5 651 144**	**5 802 203**	**(151 059)**	**-3%**	**7 724 909**
Surplus/(Deficit)		**(1 122 579)**	**599**	**599**	**289 017**	**545 165**	**439 957**	**105 208**	**0**	**599**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		1 010 413	808 929	946 540	36 584	387 617	618 106	(230 489)	**(0)**	946 540
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		13 811	–	–	6 733	56 383	–	56 383	–	–
Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**(98 354)**	**809 528**	**947 139**	**332 334**	**989 165**	**1 058 063**			**947 139**
Taxation		–	–	–	–	–	–	–		–
Surplus/(Deficit) after taxation		**(98 354)**	**809 528**	**947 139**	**332 334**	**989 165**	**1 058 063**			**947 139**
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		**(98 354)**	**809 528**	**947 139**	**332 334**	**989 165**	**1 058 063**			**947 139**
Share of surplus/ (deficit) of associate		105 406	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**7 052**	**809 528**	**947 139**	**332 334**	**989 165**	**1 058 063**			**947 139**

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.
IV. None and slow operations by the business sector due to Covid-19 lockdown.

7.4.1.2 Service charges - water revenue

Over performance 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 can also be attributed to the implementation of the Punitive Tariffs at level 3, which applies to consumption over 20kl per month per meter.
iii. Furthermore, the cause of the increase is attributed to the system error of double billing on some of the properties that were recently installed with Water Smart Meters. This will be rectified in the month of April 2021.

7.4.1.3 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.

7.4.1.4 <u>Interested earned – external investments</u>

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.

7.4.1.5 <u>Interest earned – outstanding debtors</u>

The variance is as a result of the debtor's book that is increasing due to non-payment of debtors. The increase in debtors results in an increase in interest charges.

7.4.1.6 <u>Fines, penalties and forfeits</u>

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

(i) Traffic fines court related matters were placed on hold during level 5-2 whereby courts were only dealing with urgent matters which did not include traffic matters (offenders on the court roll who are to appear in court) warrants that cannot be executed and summonses that cannot be placed on the court roll.

(ii) Covid-19 has adversely affected the payments of fines due to regulations in place in terms of social distancing, etc.

(iii) After a certain period, the notices for summonses/warrants are struck off the court roll in with Public Prosecutions guidelines.

(iv) Process servers not fully functional as the limitations of Covid-19 regulations to serve summonses on offenders is problematic.

(v) Fines reductions due to the Covid-19 pandemic which has placed financial strain on the offenders who are unable to afford to pay their fines due to unemployment and retrenchment. Cognizance should be noted due to the complexity of the indicator, it must be noted that the Traffic Services is bound and guided by (DPP) Directives of Public Prosecutions as well as Legislation in terms of traffic offences issued, every effort is made in terms of notifying offenders of outstanding fines.

7.4.1.7 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 driver's licences/ learners and Professional Driving Permits (PRDP) to ensure compliance with the Covid-19 regulations. The number of learners in a class was reduced in order to ensure that the Covid-19 regulations were complied with. The theft of Telkom cable has resulted in the system not being operational at times which contributed to the underperformance.

7.4.1.8 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.

7.4.1.9 Remuneration of councillors

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

7.4.1.10 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.

7.4.1.11 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.

7.4.1.12 Bulk purchases

The variance on bulk purchases is due to less electricity consumed by businesses due to the impact of the Covid-19 lockdown on production.

7.4.1.13 Contracted services

Under Performance of contracted service is caused by operating projects which have performed slower than anticipated. Expenditure is expected to improve during the last quarter as it is envisioned that procurement process would have been concluded.

7.4.1.14 Transfers and subsidies

Under performance of transfers and grants can be attributed to delays in the implementation of ward initiative programme during the first half of the financial year. Expenditure is expected to improve during the last Quarter of the financial year.

7.4.2 Repairs and maintenance

Table 6 below reflects that as at 31 March 2021, the repairs and maintenance expenditure is 73% of the budget of R412.16 million (2019/20: 72%). Refer to Annexure B: SC13c (repairs and maintenance by asset class).

Table 6: Repairs and Maintenance per Directorate

Directorate	2020/2021 Annual Budget R	2020/2021 Annual Expenditure R	2020/2021 - Variance R	2020/2021 % of Budget %
Directorate of Executive Support Services	3 196 404	1 968 694	1 227 710	62%
Directorate of The City Manager	263 229	19 911	243 318	8%
Directorate of Corporate Services	8 642 398	3 907 460	4 734 938	45%
Directorate of Development & Spatial Planning	18 874 582	15 110 185	3 764 397	80%
Directorate of Economic Development & Agencies	5 986 121	550 908	5 420 263	9%
Directorate of Finance	2 735 861	1 402 610	1 333 251	51%
Directorate of Health / Public Safety & Emergency Services	6 550 940	2 645 773	3 905 167	40%
Directorate of Human Settlement	519 159	357 643	161 516	69%
Directorate of Infrastructure Services	336 111 712	250 413 213	85 698 499	75%
Electricity	*135 487 955*	*92 697 252*	*42 790 703*	*68%*
Water	*39 967 163*	*24 273 796*	*15 693 367*	*61%*
Sanitation	*35 664 033*	*31 456 680*	*4 207 353*	*88%*
Other	*124 992 561*	*101 985 484*	*23 007 077*	*82%*
Directorate of Municipal Services	29 279 234	23 330 526	5 948 708	80%
TOTAL	**412 159 640**	**299 706 922**	**112 437 768**	**73%**

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.

In the current financial year, the metro has allocated R1.01 billion 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 - M09 March

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	3 061	–	69	1 886	(1 817)	-96%	3 061
Vote 02 - Directorate - Municipal Manager		777	5 669	5 669	–	9	4 049	(4 040)	-100%	5 669
Vote 03 - Directorate - Human Settlement		268 249	312 493	429 079	11 415	154 569	207 870	(53 301)	-26%	429 079
Vote 04 - Directorate - Chief Financial Officer		69 252	83 094	145 680	15 670	75 767	89 112	(13 345)	-15%	145 680
Vote 05 - Directorate - Corporate Services		30 114	13 499	19 475	338	7 425	8 958	(1 533)	-17%	19 475
Vote 06 - Directorate - Infrastructure Services		737 607	928 515	952 253	60 339	314 355	550 395	(236 040)	-43%	952 253
Vote 07 - Directorate - Spatial Planning And Development		232 207	158 200	168 685	8 290	67 864	115 424	(47 560)	-41%	168 685
Vote 08 - Directorate - Health / Public Safety & Emergency Services		8 257	20 973	40 473	873	13 809	26 158	(12 349)	-47%	40 473
Vote 09 - Directorate - Municipal Services		137 421	49 310	113 075	4 000	31 556	67 550	(35 994)	-53%	113 075
Vote 10 - Directorate - Economic Development & Agencies		62 929	84 485	158 301	9 726	71 637	87 353	(15 716)	-18%	158 301
Total Capital Multi-year expenditure	4,7	**1 549 596**	**1 660 239**	**2 035 751**	**110 651**	**737 059**	**1 158 755**	**(421 695)**	**-36%**	**2 035 751**
Capital Expenditure - Functional Classification										
Governance and administration		**133 207**	**153 162**	**225 905**	**16 468**	**103 132**	**128 140**	(25 009)	-20%	**225 905**
Executive and council		32 649	20 518	20 214	308	7 384	9 356	(1 971)	-21%	20 214
Finance and administration		100 558	132 644	205 691	16 161	95 747	118 785	(23 038)	-19%	205 691
Internal audit								–		
Community and public safety		**316 498**	**362 267**	**525 036**	**15 928**	**183 849**	**267 880**	(84 031)	-31%	**525 036**
Community and social services		12 081	10 800	22 655	1 515	8 663	14 962	(6 298)	-42%	22 655
Sport and recreation		27 961	18 100	39 773	2 125	6 808	24 082	(17 274)	-72%	39 773
Public safety		7 107	20 373	32 921	873	13 568	20 499	(6 931)	-34%	32 921
Housing		268 249	312 493	429 079	11 415	154 569	207 870	(53 301)	-26%	429 079
Health		1 102	500	608	–	241	467	(226)	-48%	608
Economic and environmental services		**544 794**	**543 957**	**553 875**	**28 792**	**206 895**	**322 281**	(115 386)	-36%	**553 875**
Planning and development		215 553	148 810	154 176	8 081	64 572	104 143	(39 571)	-38%	154 176
Road transport		327 124	395 147	399 699	20 711	142 323	218 138	(75 815)	-35%	399 699
Environmental protection		2 117	–	–	–	–	–	–		–
Trading services		**494 097**	**518 879**	**575 144**	**39 989**	**172 082**	**353 501**	(181 420)	-51%	**575 144**
Energy sources		133 475	121 377	120 066	12 398	62 351	85 447	(23 096)	-27%	120 066
Water management		122 702	104 191	106 566	4 743	39 161	51 099	(11 937)	-23%	106 566
Waste water management		142 609	272 800	290 921	22 488	54 485	183 258	(128 773)	-70%	290 921
Waste management		95 312	20 510	57 590	360	16 084	33 698	(17 613)	-52%	57 590
Other		60 999	81 975	155 791	9 474	71 102	86 952	(15 850)	-18%	155 791
Total Capital Expenditure - Functional Classification	3	**1 549 596**	**1 660 239**	**2 035 751**	**110 651**	**737 059**	**1 158 755**	**(421 695)**	**-36%**	**2 035 751**
Funded by:										
National Government		903 947	806 419	944 030	56 826	399 392	492 526	(93 134)	-19%	944 030
Provincial Government		1 579	–	–	–	–	–	–		–
District Municipality								–		
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		(1 425)	–	–	251	251	–	251	0%	–
Transfers recognised - capital		**904 101**	**806 419**	**944 030**	**57 077**	**399 643**	**492 526**	**(92 883)**	**-19%**	**944 030**
Borrowing	6	–	230 800	230 800	355	1 979	150 942	(148 963)	-99%	230 800
Internally generated funds		645 495	623 019	860 921	53 219	335 437	515 287	(179 850)	-35%	860 921
Total Capital Funding		**1 549 596**	**1 660 239**	**2 035 751**	**110 651**	**737 059**	**1 158 755**	**(421 695)**	**-36%**	**2 035 751**

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 R21.77 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 - M09 March

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		258 477	80 155	80 155	380 587	80 155
Call investment deposits		1 115 234	1 025 604	817 702	1 343 952	817 702
Consumer debtors		1 628 981	945 195	945 195	2 536 560	945 195
Other debtors		5 594 470	609 869	609 869	6 005 528	609 869
Current portion of long-term receivables		–	–	–	(1)	–
Inventory		32 832	38 851	38 851	34 701	38 851
Total current assets		**8 629 993**	**2 699 673**	**2 491 772**	**10 301 327**	**2 491 772**
Non current assets						
Long-term receivables		491	–	–	491	–
Investments						
Investment property		406 526	419 616	440 830	415 235	440 830
Investments in Associate		702 799	624 275	624 275	702 799	624 275
Property, plant and equipment		19 250 898	21 422 360	21 749 207	18 972 694	21 749 207
Biological						
Intangible		14 975	20 799	43 278	22 926	43 278
Other non-current assets		50 513	52 787	57 759	50 665	57 759
Total non current assets		**20 426 201**	**22 539 836**	**22 915 348**	**20 164 810**	**22 915 348**
TOTAL ASSETS		**29 056 195**	**25 239 509**	**25 407 120**	**30 466 137**	**25 407 120**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		54 396	48 750	48 750	46 087	48 750
Consumer deposits		77 767	66 994	66 994	80 852	66 994
Trade and other payables		7 067 897	907 862	861 130	7 527 747	861 130
Provisions		373 286	308 539	308 539	373 286	308 539
Total current liabilities		**7 573 346**	**1 332 145**	**1 285 413**	**8 027 972**	**1 285 413**
Non current liabilities						
Borrowing		233 185	366 485	366 485	199 336	366 485
Provisions		700 780	721 804	721 804	700 780	721 804
Total non current liabilities		**933 965**	**1 088 289**	**1 088 289**	**900 115**	**1 088 289**
TOTAL LIABILITIES		**8 507 310**	**2 420 434**	**2 373 702**	**8 928 087**	**2 373 702**
NET ASSETS	2	**20 548 884**	**22 819 075**	**23 033 418**	**21 538 050**	**23 033 418**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		11 093 407	12 508 060	12 584 793	12 317 367	12 584 793
Reserves		9 455 487	10 311 014	10 311 014	9 455 487	10 311 014
TOTAL COMMUNITY WEALTH/EQUITY	2	**20 548 894**	**22 819 075**	**22 895 807**	**21 772 853**	**22 895 807**

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 717.42 million, resulting in cash and cash equivalents closing balance of R1.72 billion as at 31 March 2021.

Table 9: C7: Monthly Budget Statement – Cash Flow

BUF Buffalo City - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M09 March

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	121 220	1 229 589	1 145 504	84 084	7%	1 687 667
Service charges		–	3 209 775	3 209 775	302 633	2 835 744	2 407 331	428 413	18%	3 546 712
Other revenue		–	814 239	822 239	215 377	800 441	616 679	183 762	30%	894 712
Transfers and Subsidies - Operational		–	1 230 979	1 448 934	15 870	867 154	1 086 701	(219 547)	-20%	1 448 934
Transfers and Subsidies - Capital		–	808 929	946 540	–	732 504	709 905	22 599	3%	946 540
Interest		–	134 121	126 121	12 896	116 933	94 591	22 343	24%	147 482
Dividends			–	–	–	–	–	–		
Payments										
Suppliers and employees		–	(5 982 718)	(6 156 824)	(105 940)	(5 005 358)	(4 617 618)	387 740	-8%	(6 230 763)
Finance charges		–	(44 211)	(44 211)	(8 578)	(22 585)	(33 158)	(10 573)	32%	(44 211)
Transfers and Grants		–	(115 981)	(129 831)	(11 596)	(57 787)	(97 373)	(39 586)	41%	(63 931)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**–**	**1 582 471**	**1 750 082**	**541 882**	**1 496 635**	**1 312 562**	**(184 073)**	**-14%**	**2 333 142**
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)	(2 035 751)	(110 651)	(737 059)	(1 526 813)	(789 754)	52%	(2 035 751)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**–**	**(1 660 239)**	**(2 035 751)**	**(110 651)**	**(737 059)**	**(1 526 813)**	**(789 754)**	**52%**	**(2 035 751)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing		–	230 800	230 800	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		–	(54 396)	(54 396)	(10 932)	(42 158)	(40 797)	1 361	-3%	(54 396)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**–**	**176 405**	**176 405**	**(10 932)**	**(42 158)**	**(40 797)**	**1 361**	**-3%**	**(54 396)**
NET INCREASE/ (DECREASE) IN CASH HELD		**–**	**98 637**	**(109 264)**	**420 299**	**717 418**	**(255 048)**			**242 995**
Cash/cash equivalents at beginning:		–	1 007 121	1 007 121		1 007 121				
Cash/cash equivalents at month/year end:		–	1 105 758	897 857		1 724 539	(255 048)			242 995

PART 2: SUPPORTING DOCUMENTATION

8. DEBTOR'S MANAGEMENT

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 - M09 March

Description	NT Code	Budget Year 2020/21											
R thousands		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	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	155 307	103 038	101 901	134 796	99 346	82 716	353 406	355 562	1 386 071	1 025 825		4 895
Trade and Other Receivables from Exchange Transactions - Electricity	1300	132 715	31 390	24 168	19 175	17 058	24 118	52 743	98 178	399 546	211 273		16 779
Receivables from Non-exchange Transactions - Property Rates	1400	117 991	54 164	42 947	38 147	33 845	48 312	168 396	417 584	921 386	706 284		13 196
Receivables from Exchange Transactions - Waste Water Management	1500	28 771	14 808	12 009	11 370	10 703	12 448	78 627	155 088	323 824	268 236		3 105
Receivables from Exchange Transactions - Waste Management	1600	23 932	13 836	11 890	12 760	12 255	11 862	103 470	227 164	417 168	367 511		2 545
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	32	32	32		
Interest on Arrear Debtor Accounts	1810	11 450	10 967	10 631	10 103	9 401	21 945	70 758	289 722	434 977	401 929		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-		
Other	1900	10 404	7 629	9 591	7 308	4 869	4 668	34 950	258 893	338 312	310 688		919
Total By Income Source	**2000**	**480 569**	**235 832**	**213 137**	**233 659**	**187 477**	**206 069**	**862 350**	**1 802 222**	**4 221 315**	**3 291 777**	**-**	**41 440**
2019/20 - totals only										-	-		
Debtors Age Analysis By Customer Group													
Organs of State	2200	18 426	12 885	11 557	8 836	6 462	9 663	8 549	9 620	85 997	43 130	-	-
Commercial	2300	221 876	63 539	51 591	41 650	35 931	53 731	127 545	396 271	992 134	655 128	-	-
Households	2400	240 267	159 408	149 989	183 173	145 084	142 675	726 257	1 396 331	3 143 185	2 593 520		41 440
Other	2500									-	-	-	-
Total By Customer Group	**2600**	**480 569**	**235 832**	**213 137**	**233 659**	**187 477**	**206 069**	**862 350**	**1 802 222**	**4 221 315**	**3 291 777**	**-**	**41 440**

8.1. Additional debtors' information

The total debtors book, which includes all charges excluding VAT, amounted to R4,221,315,387 as at 31 March 2021 which is an increase of R97,575,267 over the amount of R4,123,740,120 as at 28 February 2021.

During the month, Credit control action and debt collection action commenced. Pre-termination notices were sent to all customers due for disconnection/blocking. For those debtors who did not respond, electricity supply was either blocked or disconnected. This relates to residential and non-residential customers. Registered Indigent Debtors who are in arrears remain on the partial block type (60/40).

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

Figure 6: Debtors age analysis over the 3-year period

8.2. Debtor's Age Analysis.

8.2.1. Age Analysis by income source.

Table 11 below details debtors age analysis by income source as at 31 March 2021. It also provides comparison with the previous month (28 February 2021) which indicates an increase from R 4.12 billion to R 4.22 billion.

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

AGEING	RATES	SEWERAGE	ELECTRICITY	WATER	REFUSE	SUNDRY DEBTORS	TOTAL FOR MARCH 2021	TOTAL FOR FEBUARY 2021
CURRENT	121 892 466	32 368 256	134 454 992	158 168 477	25 168 870	8 516 535	480 569 595	432 913 888
30 DAYS	57 971 150	18 994 307	33 769 835	104 948 582	15 020 469	5 125 654	235 829 997	258 996 474
60 DAYS	46 671 679	16 158 030	27 858 195	104 513 039	13 060 403	4 876 202	213 137 548	258 205 771
90 DAYS	41 691 354	13 131 791	22 605 344	137 212 973	13 929 302	5 087 840	233 658 606	204 271 480
120 DAYS TO 360 DAYS	295 048 251	124 679 084	128 042 882	592 871 911	149 414 990	48 534 597	1 338 591 715	1 270 807 477
YEAR 2	161 899 298	50 851 046	70 249 414	104 695 580	58 676 948	35 645 577	482 017 863	468 604 296
YEAR 3	108 010 180	36 550 467	35 523 000	68 526 637	44 632 426	23 730 009	316 972 718	315 366 435
YEAR 4	61 723 274	30 280 737	30 791 946	63 909 834	36 075 823	27 194 049	249 975 662	248 379 227
YEAR 5	43 542 997	23 556 910	17 684 797	47 021 429	28 155 647	14 745 490	174 707 270	171 419 354
YEAR 5+	121 563 484	75 317 514	27 460 367	108 389 182	99 163 700	63 960 167	495 854 414	494 775 720
TOTAL	**1 060 014 132**	**421 888 142**	**528 440 774**	**1 490 257 643**	**483 298 576**	**237 416 120**	**4 221 315 387**	**4 123 740 120**

8.2.2. Age Analysis per Category

Table 12 below details debtors age analysis per category type as at 31 March 2021. 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	191 075 358	115 345 105	103 793 856	115 420 680	2 028 329 041	2 553 964 040	61
Indigent	47 215 685	43 060 373	45 524 419	66 564 287	378 617 844	580 982 607	14
Business	221 876 016	63 538 711	51 591 441	41 650 093	613 477 499	992 133 760	24
Government	18 425 587	12 884 767	11 556 723	8 835 861	34 293 698	85 996 636	2
Municipal Staff*	1 922 150	990 817	657 969	1 180 018	3 349 049	8 100 004	0
Councillors*	54 251	12 194	12 837	7 769	51 289	138 340	0
Total	**480 569 047**	**235 831 967**	**213 137 245**	**233 658 708**	**3 058 118 420**	**4 221 315 387**	**100**

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 March 2021, a total of R2,159,917.56 was receipted against staff and councillors accounts. The amount was allocated as follows:

Current Billing Receipts	R 1,508,851.81
Arrears Receipts	R 651,065.75
Total Receipts	R 2 159,917.56

8.2.3. Government Accounts

The total arrears owed by Government Departments to Buffalo City Metropolitan Municipality as at 31 March 2021 amounted to R85,996,636 and this is an increase of R9,420,132 as compared to February 2021.

The following action was implemented during March 2021 to recover outstanding debt from Government Departments:

1. Account statements were auto-emailed and hand delivered to the Government Departments.
2. BCMM Officials engaged with all the Government Departments to assist in reconciling and logging queries identified on behalf of the Departments,
3. BCMM Officials sent letters of demand to the Heads of the Department with the intention of suspending electricity supply, where applicable;
4. BCMM Official submitted arrear reports to National and Provincial Treasury outlining the current status of Government Departments.
5. The Department of Health wrote to BCMM and stated that it did not have money to pay for its Services and that it had applied to Provincial Treasury for a bail-out. BCMM has subsequently written to the Head of Department for the Department of Health in this matter and demanding payment.

The breakdown of the arrears per department (excluding accounts in credit) indicated in the table hereunder, as at 31 March 2021.

Table 13: Analysis of Government Debtors

DEPARTMENT	PROPERTY RATES	SERVICES	ARREARS AS AT 31 MARCH 2021	ARREARS AS AT 28 FEBRUARY 2021	DIFFERENCE
National Department of Public Works	10 568 375	7 487 511	18 055 886	15 087 763	2 968 123
Provincial Department of Public Works	6 255 567	9 426 652	15 682 219	13 928 145	1 754 074
Department of Education	-	18 067 270	18 067 270	17 026 496	1 040 774
Department of Health	-	30 072 222	30 072 222	26 523 954	3 548 268
Department of Social Development	-	710 229	710 229	532 118	178 111
Department of Transport	-	47 164	47 164	148 538	(101 375)
Department of Agriculture	-	44 976	44 976	68 465	(23 488)
Department of Nature Conservation	-	10 475	10 475	10 404	71
Department of Human Settlements	-	2 069 821	2 069 821	2 125 968	(56 147)
Sport, Recreation, Arts and Culture	-	166 593	166 593	93 056	73 537
Department of Labour - UIF Services	-	22 468	22 468	20 729	1 739
Members of Provincial Legislature	-	386 184	386 184	358 778	27 406
Department of Water Affairs	-	4 733	4 733	7 098	(2 365)
Department of Rural Development and Land Reform	-	656 394	656 394	644 991	11 403
TOTAL	**16 823 942**	**69 172 694**	**85 996 636**	**76 576 504**	**9 420 132**

9. CREDITORS' ANALYSIS

The creditors' analysis as depicted in table 14 below contains an aged analysis by customer type. The creditors payment is 14 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 - M09 March

Description	NT Code	Budget Year 2020/21									Prior year totals for chart (same period)
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	137 802								**137 802**	
Bulk Water	0200	16 967								**16 967**	
PAYE deductions	0300	29 081								**29 081**	
VAT (output less input)	0400	–								**–**	
Pensions / Retirement deductions	0500	34 187								**34 187**	
Loan repayments	0600	–								**–**	
Trade Creditors	0700	2 365								**2 365**	
Auditor General	0800	4 665								**4 665**	
Other	0900	321 228								**321 228**	
Total By Customer Type	**1000**	**546 295**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**546 295**	–

The table below (table 15) depicts actual payments made by BCMM to its top twenty (20) creditors in March 2021.

Table 15: Payments made to the 20 highest paid creditors – March 2021

CREDITOR	90 DAYS	60 DAYS	30 DAYS	CURRENT	TOTAL	PAYMENT
ESKOM				137 802 034	137 802 034	137 802 034
AMATOLA WATER				16 966 612	16 966 612	16 966 612
HAW & INGLIS (PTY) LTD				16 364 370	16 364 370	16 364 370
VODACOM (PTY) LTD				14 290 942	14 290 942	14 290 942
EYA BANTU PROFFESSIONAL SERVICES CC				12 850 941	12 850 941	12 850 941
DESIGNER LIGHTING (PTY) LTD				11 430 776	11 430 776	11 430 776
MAKALI PLANT AND CONSTRUCTION (PTY) LTD				10 216 721	10 216 721	10 216 721
IMVUSA TRADING 415 CC				9 020 276	9 020 276	9 020 276
EZULUWENI CONSTRUCTION (PTY) LTD				6 852 407	6 852 407	6 852 407
KOJAMO CONSTRUCTION (PTY) LTD				6 540 866	6 540 866	6 540 866
MVEZO PLANT & CIVILS CC				5 690 558	5 690 558	5 690 558
SHWEME GENERAL TRADING CC JV EXCELLENT				4 502 812	4 502 812	4 502 812
GIBB (PTY) LTD				4 272 317	4 272 317	4 272 317
C & M FASTENERS CC				4 156 438	4 156 438	4 156 438
CHIPPA TRAINING ACADEMY (PTY) LTD				3 702 431	3 702 431	3 702 431
BUSUNESS CONNEXION				3 519 572	3 519 572	3 519 572
KHULANI WASTE MANAGEMENT				2 974 475	2 974 475	2 974 475
NLG GROUP CC				2 329 923	2 329 923	2 329 923
MINTIRHO BUSINESS ENTERPRISE CC				2 308 070	2 308 070	2 308 070
S A M E WATER (PTY) LTD				2 159 646	2 159 646	2 159 646
TOTAL	**-**	**-**	**-**	**277 952 186**	**277 952 186**	**277 952 186**

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 - M08 February

Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ³	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Municipality														
Finance Management Grant		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	810	12	1 092	1 000	**730**
MD Urban Renewal (MT Ruth Node)		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	3 734	70	835	–	**2 968**
Reeston Development		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	187	4	–	–	**192**
Human Settlement Development Grant (HSDG)		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	19 230	418	–	–	**19 648**
Integrated Electrification Programme (INEP)		Call Account	Call Account	Yes	Variable	3,81	0		Call Account	11	0	–	–	**11**
Trust Funds		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	1 142	25	56	–	**1 112**
Department of Sports, Recreation & Culture (DSARC)		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	54	1	54	–	**0**
Department of Sports, Recreation & Culture (DSARC)		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	200	2	202	–	**(0)**
City of Leiden		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	89	2	–	–	**91**
Needscamp Planning		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	1 003	21	66	–	**958**
Umsobomvu Youth Fund (UYF)		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	320	7	–	–	**327**
European Commission		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	1 258	28	–	–	**1 286**
Salaida		Call Account	Call Account	Yes	Variable	3,81	0		Call Account	822	21	73	–	**771**
Electricity Demand Management Grant		Call Account	Call Account	Yes	Variable	3,81	0		Call Account	3	21	–	1 300	**1 324**
Urban Settelement Development Grant		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	61 716	1 682	74 000	109 000	**98 398**
Urban Settelement Development Grant		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	104 242	1 630	106 000	72 000	**71 872**
Urban Settelement Development Grant		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	107 511	2 839	113 067	140 339	**137 622**
Urban Settelement Development Grant		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	190 089	2 826	115 000	32 376	**110 292**
Infrastructure Skills Development Grant		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	5 069	131	4 705	5 787	**6 282**
Infrastructure Development Levy		Call Account	Call Account	Yes	Variable	3,81	0		Call Account	183	5	–	–	**188**
Bcmet		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	542	11	54	–	**499**

BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M08 February

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 [3]	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Expanded Public Works Programme		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	3 075	10	5 196	2 113	**3**
City of Oldenburg		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	368	8	–	–	**376**
Public Transport Network Grant		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	133 112	1 911	70 265	–	**64 758**
DEAT		Call Account	Call Account	Yes	Variable	3,81	0		Call Account	240	3	243	–	**–**
Neighbourhood Development Grant (NDP Grant)		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	9 683	325	4 247	10 000	**15 761**
Integrated City Development Grant (ICDG)		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	10 698	91	10 697	4 158	**4 250**
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		22/07/2020	61 409	224	61 633	–	**–**
Land Affairs - West Bank		Fixed Deposit	Fixed Deposit	Yes	Fixed	6,65	0		22/07/2020	50 233	189	50 422	–	**–**
Land Affairs - East Bank		Fixed Deposit	Fixed Deposit	Yes	Fixed	4,09	0		02/10/2020	96 014	974	96 988	–	**0**
Land Affairs - East Bank		Fixed Deposit	Fixed Deposit	Yes	Fixed	3,25	0		07/01/2021	–	594	97 582	96 988	**–**
Land Affairs - West Bank		Fixed Deposit	Fixed Deposit	Yes	Fixed	3,85	0		09/11/2020	–	520	62 154	61 633	**–**
Land Affairs - West Bank		Fixed Deposit	Fixed Deposit	Yes	Fixed	4,06	0		09/11/2020	–	453	50 875	50 422	**–**
Land Affairs - East Bank		Fixed Deposit	Fixed Deposit	Yes	Fixed	3,55	0		20/04/2021	–	361	–	97 582	**97 942**
Land Affairs - West Bank		Fixed Deposit	Fixed Deposit	Yes	Fixed	4,09	0		01/03/2021	–	473	–	50 875	**51 348**
Land Affairs - West Bank		Fixed Deposit	Fixed Deposit	Yes	Fixed	4,05	0		01/03/2021	–	572	–	62 154	**62 726**
Workmans Compensation (COID)		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	19 366	414	442	–	**19 337**
Capital Replacement Reserve (CRR)		Call Account	Call Account	Yes	Variable	3,81	0		Call Account	17 750	494	–	–	**18 244**
Mayoral Projects (CRR)		Call Account	Call Account	Yes	Variable	3,81	0		Call Account	1 392	39	–	–	**1 431**
Own Funds		Call Account	Call Account	Yes	Variable	3,81	0		Call Account	11 655	260	–	–	**11 916**
Own Funds		Call Account	Call Account	Yes	Variable	3,81	0		Call Account	21 526	599	–	–	**22 125**
Own Funds		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	20 171	438	–	–	**20 609**
Own Funds		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	21 256	475	–	–	**21 731**
Own Funds		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	19 808	443	–	–	**20 251**
Own Funds - CRR		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	60 399	1 349	–	–	**61 749**
Own Funds - CRR		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	14 696	328	–	–	**15 025**
Own Funds - CRR		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	36 393	813	–	–	**37 206**
Own Funds - CRR		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	3 124	68	–	–	**3 192**
Own Funds - CRR		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	5 189	116	–	–	**5 305**
Housing Development		Call Account	Call Account	Yes	Variable	3,3	0		Call Account	3 091	69	–	–	**3 160**
Municipality sub-total										**1 118 867**	**22 371**	**925 945**	**797 726**	**1 013 019**
Entities														
Entities sub-total										**–**	**–**	**–**	**–**	**–**
TOTAL INVESTMENTS AND INTEREST	2									**1 118 867**	**22 371**	**925 945**	**797 726**	**1 013 019**

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 - M09 March

Description	Ref	2019/20	Budget Year 2020/21							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		**959 619**	**1 006 257**	**1 151 578**	**236 841**	**1 150 515**	**1 150 515**	**–**	**0,0%**	**1 151 578**
Department of Environmental Affairs		–	–	–	–	–	–	–		–
Equitable Share		847 431	911 042	1 053 614	227 760	1 053 614	1 053 614	–	0,0%	1 053 614
Expanded Public Works Programme Integrated Grant		9 956	8 449	8 449	–	8 449	8 449	–	0,0%	8 449
Infrastructure Skills Development Grant		7 167	11 364	10 788	5 021	10 808	10 808	–	0,0%	10 788
Integrated City Development Grant		–	6 279	6 180	4 060	6 180	6 180	–	0,0%	6 180
Local Government Financial Management Grant	3	942	1 000	1 000	–	1 000	1 000	–	0,0%	1 000
Metro Informal Settlements Partnership Grant		–	–	–	–	–	–	–		–
Public Transport Network Grant		2 767	–	1 083	–	–	–	–		1 083
Urban Settlement Development Grant		91 357	68 122	70 464	–	70 464	70 464	–	0,0%	70 464
Other transfers and grants [insert description]								–		
Provincial Government:		**–**	**81 276**	**153 088**	**–**	**–**	**–**	**–**		**153 088**
Capacity Building		–	–	–	–	–	–	–		–
Human Settlement Development		–	–	–	–	–	–	–		–
Library Service		–	–	–	–	–	–	–		–
Specify (Add grant description)	4	–	81 276	153 088	–	–	–	–		153 088
Other transfers and grants [insert description]								–		
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
[insert description]								–		
Other grant providers:		**27 385**	**143 445**	**144 268**	**17 427**	**17 427**	**17 427**	**–**	**0,0%**	**144 268**
Eastern Cape Arts Council		15 870	15 870	15 870	15 870	15 870	15 870	–	0,0%	15 870
European Union		–	10 278	10 278	–	–	–	–		10 278
Local Government Water and Related Service SETA		3 712	10 278	10 278	1 557	1 557	1 557	–	0,0%	10 278
Parent Municipality		7 730	107 020	107 020	–	–	–	–		107 020
Salaida		74	–	822	–	–	–	–		822
Total Operating Transfers and Grants	5	**987 005**	**1 230 979**	**1 448 934**	**254 268**	**1 167 942**	**1 167 942**	**–**		**1 448 934**
Capital Transfers and Grants										
National Government:		**1 008 835**	**806 419**	**944 030**	**200 000**	**834 995**	**834 995**	**–**	**0,0%**	**944 030**
Energy Efficiency and Demand Side Management Grant		–	7 000	6 300	–	6 300	6 300	–	0,0%	–
Infrastructure Skills Development Grant		–	–	–	–	–	–	–		–
Integrated City Development Grant		10 382	2 038	2 038	–	2 038	2 038	–	0,0%	2 038
Integrated National Electrification Programme Grant		–	–	–	–	–	–	–		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	77 288	–	–	–	–		77 288
Regional Bulk Infrastructure Grant		58	–	–	–	–	–	–		–
Rural Road Asset Management Systems Grant		–	–	542	–	–	–	–		542
Urban Settlement Development Grant		843 121	693 382	839 863	200 000	816 657	816 657	–	0,0%	839 863
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**	**–**	**–**	**–**	**–**		**2 510**
[insert description]								–		
BCDA		13 811	2 510	2 510	–	–	–	–		2 510
Unspecified		–	–	–	–	–	–	–		–
Total Capital Transfers and Grants	5	**1 024 224**	**808 929**	**946 540**	**200 000**	**834 995**	**834 995**	**–**		**946 540**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	**2 011 229**	**2 039 908**	**2 395 474**	**454 268**	**2 002 937**	**2 002 937**	**–**		**2 395 474**

11.1. Expenditure on Conditional Grants (DoRA Allocation)

The Metro has spent 52% (R540.35 million, inclusive of reclaimed vat) of its 2020/2021 adjusted conditional grants budget of R1.04 billion as at 31 March 2021. This reflects a decline when compared to the same period in the previous financial year where 55% (R598.21 million, inclusive of reclaimed vat) of conditional grants budget of R1.09 billion was spent. Expenditure is expected to improve during the last quarter of the financial year as procurement processes 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	702 649	297 351	70%
Energy Efficiency Demand Side Management Grant	6 300 000	5 307 454	992 546	84%
Infrastructure Skills Development Grant	10 938 000	5 397 604	5 540 396	49%
Urban Settlement Development Grant	687 121 000	413 458 877	273 662 123	60%
Urban Settlement Development Grant c/o	223 055 535	70 770 940	152 284 595	32%
Neighbourhood Development Partnership Grant	18 000 000	4 823 623	13 176 377	27%
Integrated City Development Grant	8 317 000	1 539 189	6 777 811	19%
Expanded Public Works Programme Grant	8 449 000	8 448 910	90	100%
Public Transport Infrastructure and Systems Grant	78 370 990	29 903 776	48 467 214	38%
TOTAL	**1 041 551 525**	**540 353 022**	**501 198 503**	**52%**

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. INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)

Delays in the recruitment of 2 (two) Land Survey interns and their mentor have contributed to the low expenditure. There were also no appointments made for two (2) Natural Scientist mentors due to scarcity of applicants. New Land Survey interns and natural Scientists mentor's recruitment is currently underway through head hunting processes.

11.1.3. URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)

i. Spatial Planning and Development

Bridge Designs & Implementation:

Duncan Village Bridges (Matanzima and Gesini) have been completed. Scenery Park Bridges (North and South) and Sithembiso Primary School Bridge are still under procurement processes which are expected to be completed in the fourth quarter of the 20/21 financial year. Award of a contractor is expected in the fourth quarter which will improve expenditure. Construction of Mswi bridge started during the month of March 2021.

ii. Infrastructure Services

Roads & Storm Water:

Low expenditure can be attributed to the slow start of the financial year due to delays in getting projects started as a result of there being reduced workforce and new restrictions in relation to working conditions because of the Covid-19 pandemic. Expenditure on projects will increase as the roads upgrades reach a point where the more capital intensive activates are taking place. All the current

funding on projects is anticipated to be completed before end of June 2021.

Water:

Orders have been generated and expenditure is expected to improve during the last quarter as some contractors started on site in January 2021 and key projects have been affected by late delivery of materials.

Sanitation:

A contract for Phase 3 of Berlin Sewers is at Bid Specification Committee stage. The tender will be advertised as soon as the contract is approved. Hood Point Marine Outfall Sewer and Auxiliary Works project is still at Bid Specification Committee stage. Expenditure is expected to improve in the last quarter of the 20/21 financial year as it is envisioned that procurement matters would have been resolved.

Electricity:

Street Lighting & Highmast Within BCMM Areas of Supply:

Site Visits have taken place for construction of bases, which were planned to commence on the 1st week of March 2021, however this has been delayed due to non-commitment by the contractor. Orders for equipment which were placed for delivery in the third quarter of the financial year have been delayed and will now be delivered during the fourth quarter. Contractor has requested a session approval to a third party to assist with supply of equipment.

Electrification Programme

Contractor has been appointed for implementation of the Potsdam and Cambridge projects. Potsdam Project has been completed. Cambridge Township project has been cancelled due to community challenges regarding implementation of the project and funds have been reallocated to Mzamomhle project, which has already commenced.

iii. Human Settlements

The directorate 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 last quarter of 2020-2021 financial year.

iv. Municipal Services

The rollover budget for transfer stations was appropriated into the budget mid December 2020 after Council approval. Expenditure will improve during the last quarter of the 2020/2021 financial year.

11.1.4. NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG)

There were delays in the appointment of contractors for the construction of sidewalks which contributed to the low expenditure. The contractors have been appointed for the construction of the sidewalks and are busy on site and are expected to complete construction by the end of the financial year. In addition, a contractor for the construction and installation of streetlights and cabling has been appointed.

11.1.5. INTEGRATED CITY DEVELOPMENT GRANT (ICDG)

a) Upgrading of Central Business District Roads

Low expenditure can be attributed to the fact that other projects were to be completed prior to commencing with the Upgrading of Central Business District Roads works. Work is currently underway on the

Stromwater drainage improvements which will be completed by May 2021.

b) Integrated Design Framework Implementation Plan

The tender for the above project was cancelled on January 2021 due to received bids being above the funding threshold available. The tender has been revised to include a further reduced scope of works and is in the process of being re-advertised.

c) Cities Investment Programme Project Preparation Support (CIPPPF)

Progress has been made in finalizing a list of projects and costings for a number of programmes and projects preparation studies which address city-wide and catalytic programmes areas of the city. A work plan for the expenditure on these projects will be prepared as a next step in this process.

11.1.6. <u>PUBLIC TRANSPORT INFRASTRUCTURE GRANT (PTNG)</u>

a) Qumza Highway:

Currently busy with the relocation of Water & Sewerage Lines for the remainder of Phase 1 section which will commence in April 2021. Relocation of road reserves are at an advanced stage and will be completed in May 2021.

b) Mdantsane Access Road:

Detailed Designs currently being finalized with specialist investigations for the overall Integrated Public Transport Network (IPTN) project. Environmental Process has begun, and an application was submitted in January 2021. Environmental Impact Assessment (EIA) approval is anticipated in the 4th Quarter due to legislated timeframes. A contractor has been appointed for the construction of the None-Motorized Transport Facilities along the Northern side of Mdantsane Access Road in the vicinity of Reeston.

12. COUNCILLOR AND EMPLOYEE BENEFITS

12.1. Councillor and Employees Benefits Summary

Table 19 below provides summary of employees and councilors remuneration. The workforce costs as a percentage of total expenditure amounted to 32,01%. This is within the norm of 25% - 40%.

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

BUF Buffalo City - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M09 March

Summary of Employee and Councillor remuneration	Ref	2019/20	Budget Year 2020/21							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		36 984	45 635	45 175	2 951	27 001	34 147	(7 146)	-21%	45 175
Pension and UIF Contributions		4 505	4 533	4 533	352	3 203	3 412	(209)	-6%	4 533
Medical Aid Contributions		2 500	2 137	2 197	203	1 876	1 632	243	15%	2 197
Motor Vehicle Allowance								–		
Cellphone Allowance		4 095	2 975	2 975	333	3 036	2 239	797	36%	2 975
Housing Allowances		2 311	2 578	2 578	221	1 919	1 940	(22)	-1%	2 578
Other benefits and allowances		14 293	14 908	15 308	1 192	10 898	11 380	(482)	-4%	15 308
Sub Total - Councillors		**64 687**	**72 766**	**72 766**	**5 252**	**47 932**	**54 750**	**(6 818)**	**-12%**	**72 766**
% increase	4		**12,5%**	**12,5%**						**12,5%**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		9 486	14 361	14 361	188	1 257	10 778	(9 521)	-88%	14 361
Pension and UIF Contributions		1 632	2 321	2 321	35	240	1 742	(1 501)	-86%	2 321
Medical Aid Contributions		246	381	381	5	24	286	(262)	-92%	381
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		1 952	2 860	2 860	29	144	2 146	(2 003)	-93%	2 860
Cellphone Allowance		244	286	286	5	40	215	(175)	-81%	286
Housing Allowances		2 332	1 414	1 414	55	593	1 061	(468)	-44%	1 414
Other benefits and allowances		89	141	141	1	4	106	(102)	-96%	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**	**318**	**2 302**	**16 334**	**(14 032)**	**-86%**	**21 763**
% increase	4		**36,2%**	**36,2%**						**36,2%**
Other Municipal Staff										
Basic Salaries and Wages		1 341 267	1 497 241	1 576 666	138 207	1 114 228	1 178 259	(64 031)	-5%	1 576 666
Pension and UIF Contributions		249 195	268 436	268 436	24 789	218 442	201 462	16 979	8%	268 436
Medical Aid Contributions		102 780	132 250	132 250	9 401	82 783	99 254	(16 471)	-17%	132 250
Overtime		152 201	104 232	104 532	12 034	107 145	84 789	22 355	26%	104 532
Performance Bonus		121 770	109 923	109 923	8 194	87 730	82 498	5 232	6%	109 923
Motor Vehicle Allowance		31 792	32 857	32 857	2 968	27 571	24 660	2 911	12%	32 857
Cellphone Allowance		4 357	4 522	4 722	494	3 493	3 474	19	1%	4 722
Housing Allowances		7 561	12 234	12 234	675	6 035	9 182	(3 147)	-34%	12 234
Other benefits and allowances		78 575	83 264	83 264	7 378	68 656	56 049	12 607	22%	83 264
Payments in lieu of leave		71 371	30 000	30 000	–	–	22 516	(22 516)	-100%	30 000
Long service awards		28 082	28 036	28 036	2 650	23 420	21 041	2 379	11%	28 036
Post-retirement benefit obligations	2	(24 636)	1 817	1 817	0	1	1 363	(1 362)	-100%	1 817
Sub Total - Other Municipal Staff		**2 164 314**	**2 304 813**	**2 384 739**	**206 790**	**1 739 504**	**1 784 549**	**(45 044)**	**-3%**	**2 384 739**
% increase	4		**6,5%**	**10,2%**						**10,2%**
TOTAL SALARY, ALLOWANCES & BENEFITS		**2 269 062**	**2 427 231**	**2 507 156**	**214 471**	**1 808 994**	**1 876 563**	**(67 568)**	**-4%**	**2 507 156**
% increase	4		**7,0%**	**10,5%**						**10,5%**
TOTAL MANAGERS AND STAFF		**2 204 375**	**2 354 465**	**2 434 390**	**209 219**	**1 761 062**	**1 820 342**	**(59 280)**	**-3%**	**2 432 431**

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 7: Workforce (Employee) Costs

12.2. Overtime Analysis

Table 20 below provides comparison of overtime expenditure against budget per directorate for the period ended 31 March 2021. Table 21 below details overtime expenditure incurred per cost centre for the past three months ended 31 March 2021.

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	1 680 683	2 243 932	(563 248)	134%
Directorate of The City Manager	631 313	471 397	784 378	(312 982)	166%
Directorate of Corporate Services	651 363	486 368	881 244	(394 876)	181%
Directorate of Spatial Planning & Development	176 464	131 764	194 596	(62 832)	148%
Directorate of Economic Development & Agencies	368 751	275 344	166 397	108 946	60%
Directorate of Finance	2 857 156	2 133 417	4 498 420	(2 365 003)	211%
Directorate of Health / Public Safety & Emergency Services	27 774 669	20 739 140	26 745 020	(6 005 881)	129%
Directorate of Human Settlement	4 305	3 215	0	3 215	0%
Directorate of Infrastructure Services	34 211 337	25 545 352	35 758 876	(10 213 524)	140%
Electricity	*12 145 119*	9 068 670	*12 908 587*	(3 839 917)	*142%*
Water	*10 712 174*	7 998 701	*10 469 414*	(2 470 713)	*131%*
Sanitation	*10 362 508*	7 737 608	*10 982 871*	(3 245 263)	*142%*
Other	*991 536*	740 373	*1 398 004*	(657 632)	*189%*
Directorate of Municipal Services	35 606 018	26 586 750	35 871 908	(9 285 158)	135%
Total	**104 532 213**	**78 053 429**	**107 144 773**	**(29 091 344)**	**137%**

The total overtime payment for the months of January 2021, February 2021 and March 2021 is reflected below. There was a decrease in the total payment of overtime between January 2021 and February 2021 of R644 002 and an increase in the total payment of overtime between February 2021 and March 2021 of R324 773.

Table 21: Overtime Per Cost Centre: January 2020 – March 2021

OVERTIME PER COST CENTRE

		January 2021 Amount	February 2021 Amount	March 2021 Amount
	DIRECTORATE -EXECUTIVE SUPPORT SERVICES			
0505	OFFICE OF THE DIRECTOR EXECUTIVE SUPPORT SERVICES	144 273.09	167 032.87	4 203.54
0523	IDP & BUDGET INTEGRATION	-	-	-
0531	POLITICAL OFFICE ADMINISTRATION	10 428.89	-	8 943.37
0532	OFFICE OF THE CHIEF WHIP	-	-	13 221.23
0533	OFFICE OF THE DEPUTY EXECTIVE MAYOR	-	-	24 183.07
0534	OFFICE OF THE EXECTIVE MAYOR	-	-	58 513.19
0535	OFFICE OF THE SPEAKER	-	-	78 847.02
0536	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	-	-	471.83
		154 701.98	**167 032.87**	**188 383.25**
	DIRECTORATE OF THE CITY MANAGER			
1005	OFFICE OF THE CITY MANAGER	73 254.80	84 039.00	77 833.14
		73 254.80	**84 039.00**	**77 833.14**
	DIRECTORATE OF CORPORATE SERVICES			
1512	ADMINISTRATIVE & CORPORATE SUPPORT	-	12 198.90	17 726.84
1513	AUXILLIARY / RECORDS & DECISION TRACKING AND TELECOMMUNICATIONS	12 033.57	51 662.59	42 250.31
1514	INFORMATION / TECHNOLOGY & SUPPORT	22 993.58	27 448.90	58 238.09
1531	HUMAN RESOURCES MANAGEMENT	10 158.93	2 842.70	15 905.35
1536	ORGANISATIONAL DEVELOPMENT	-500.00	-500.00	-500.00
		44 686.08	**93 653.09**	**133 620.59**
	DIRECTORATE OF DEVELOPMENT & SPATIAL PLANNING			
2034	INTEGRATED PUBLIC TRANSPORT NETWORK OPERATIONS	-	865.62	-
2037	TRAFFIC MANAGEMENT & SAFETY	23 266.91	5 658.74	7 191.98
		23 266.91	**6 524.36**	**7 191.98**

		January 2021 Amount	February 2021 Amount	March 2021 Amount
	DIRECTORATE OF ECONOMIC DEVELOPMENT & AGENCIES			
2511	FRESH PRODUCE MARKET	14 595.73	-	-
2521	TOURISM / ARTS / CULTURE & HERITAGE	-	-	-
		14 595.73	**-**	**-**
	DIRECTORATE OF FINANCE			
3051	REVENUE MANAGEMENT	-	-	7 780.37
3053	COASTAL REVENUE MANAGEMENT	6 296.58	3 701.17	139 980.82
3054	CUSTOMER RELATIONS (CALL CENTRE)	131 836.32	149 675.06	157 507.96
3055	INLAND REVENUE MANAGEMENT	-	-	140 493.60
3056	MIDLAND REVENUE MANAGEMENT	5 721.35	7 296.22	9 905.72
3061	STRATEGY & OPERATIONS	-	-	460.73
3071	SUPPLY CHAIN MANAGEMENT	-	3 903.34	-
		143 854.25	**164 575.79**	**456 129.20**
	DIRECTORATE OF HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES			
3512	DISASTER MANAGEMENT	5 630.34	9 990.56	6139.80
3513	FIRE & RESCUE	813 531.73	811147.48	391504.29
3521	MUNICIPAL HEALTH SERVICES	-	1 269.04	-
3532	LAW ENFORCEMENT SERVICES	1 708 374.73	2 003 437.72	1 102 085.53
3533	TRAFFIC SERVICES	-	492 875.94	119 008.62
3533	TRAFFIC SERVICES	492 412.70	-	431.25
		3 019 949.50	**3 318 720.74**	**1 619 169.49**
	DIRECTORATE OF INFRASTRUCTURE SERVICES			
4505	OFFICE OF THE DIRECTOR OF INFRASTRUCTURE SERVICES	13 217.22	9 010.41	21 578.16
4511	ELECTRICAL & ENERGY SERVICES	2 361.93	2 214.75	1 951.77
4512	CUSTOMER SERVICES & REVENUE PROTECTION	100 753.18	94 773.86	72 760.31
4513	ELECTRICAL DEVELOPMENT / CONTRACTS & ASSETS	1 401.14	724.73	1 111.25
4514	ELECTRICAL DISTRIBUTION	1 557 348.30	1 525 996.28	868 376.97
4521	ROADS / PIU & CONSTRUCTION	14 190.76	-	1 508.10
4522	CONSTRUCTION	4 055.03	4 338.36	3 222.78
4523	PROJECT IMPLEMENTATION UNIT	-	-	1 665.62
4524	ROADS	172 824.76	54 503.42	14 132.40
4532	SANITATION	1 083 019.17	1 216 492.89	977 522.34
4535	WATER SERVICES	1 097 750.17	1 247 376.03	760 318.32
4543	WORKSHOPS	73 785.57	91 697.20	46 326.16
		4 120 707.23	**4 247 127.93**	**2 770 474.18**

		January 2021 Amount	February 2021 Amount	March 2021 Amount
	DIRECTORATE OF MUNICIPAL SERVICES			
5005	OFFICE OF THE DIRECTOR OF MUNICIPAL SERVICES	14 470.20	24 719.52	20 163.36
5011	COMMUNITY AMENITIES	4 038.43	5 611.52	3 608.30
5013	LIBRARIES	2 410.58	4 020.04	9 634.80
5014	HALLS	28 641.91	38 210.34	60 846.78
5015	RECREATION	77 771.44	83 765.13	79 373.93
5016	SPORT FACILITIES	5 444.72	8 620.48	9 393.52
5021	PARKS /CEMETRIES AND CONSERVATION	-	-	2 632.32
5022	CEMETRIES & CREMOTORIA	405 569.00	546 621.08	266 988.84
5023	CONSERVATION	136 902.49	155 875.09	279 749.07
5024	PARKS: COASTAL	150 293.14	224 164.31	347 272.52
5031	SOLID WASTE MANAGEMENT	19 548.12	11 884.16	29 304.18
5032	CLEANSING & REFUSE REMOVAL: COASTAL	1 865 074.70	476 471.45	3 778 022.49
5035	LANDFILLS & TRANSFER STATIONS	144 921.44	125 968.73	174 965.00
5041	SPORT AND RECREATIONAL FACILITIES	-	1 648.64	-
5042	RECREATIONAL FACILITIES	451 767.10	452 604.54	268 274.17
5043	SPORTS FACILITIES	19 558.58	35 567.58	19 167.93
		3 326 411.85	**2 195 752.61**	**5 349 397.21**
	TOTAL OVERTIME	**10 921 428.33**	**10 277 426.39**	**10 602 199.04**

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 8: 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.

d) 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.

e) Directorate of Finance

From July 2020 to January 2021, Consolidated Billing Department worked overtime due to the National Lockdown which hindered the department to work at full capacity as four staff members had to be excluded from work due to chronic illnesses and those staff over 60 years of age were excluded from the workforce. The staff cannot work from home due to lack of resources, such as PC's and network connectivity. The Billing operations that must be done due to staff shortage cannot be completed in normal working hours due to the staff currently at work being on rotation basis due to Covid-19 regulations.

From July 2020 to October 2020, Meter Readers worked overtime due to the suspension of 11 Meter Readers. The readings for those meter books allocated to the suspended meter readers were not obtained on a monthly basis. There are 69 meter books allocated to the 11 suspended Meter Readers. Reading the meters of 69 books cannot be successfully performed during normal working hours due to the shortage of the staff.

Indigent Section worked overtime in the months of August 2020 and October 2020. Due to Covid-19 National lockdown, there was a backlog on indigent application forms. Indigent renewal applications had to be captured before the end of August 2020. Due to staff members that tested positive for Covid-19 and had to quarantine for 14 days at Indigent Section, this caused a high backlog of indigent applications. The indigent renewal application forms must be captured in order for the indigent debtors to be subsidized in the next billing run.

In February 2021 and March 2021 Revenue Management department held the Revenue Roll Out Campaign. Therefore staff had to work overtime to resolve customer queries .

f) Directorate of Health, Public Safety & Emergency Services

Covid-19 regulations and required oversight has resulted in increased overtime. structured overtime is compulsory compensation payable as a result of the requirement to work on Sundays and Public Holidays as part of a shift system. The structured overtime cannot be reduced for Fire & Rescue as this function operates on a 24-hour basis. 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. Excessive Overtime worked by Security Guards throughout the institution has also impacted on the over expenditure on overtime which is combined with Law Enforcement.

g) 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 – Emergency overtime done at Reserve Road for the clearing of blocked storm water drains. Callout received to clear hazardous loose materials on the road at Alexandra Road

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.

h) Directorate of Municipal Services

Cleansing & Refuse Removal: The department provides services 7 days' a week and five days are normal working days. Saturday and Sunday is regarded as structured overtime. Introduction of the shift system is currently under consideration.

Cemeteries and Cremotoria: 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 January 2021, February 2021 and March 2021. There was a decrease in the total payment between January 2021 and February 2021 of R178 119 and an increase in the total payment between February 2021 and March 2021 of R202 965.

Table 22: Standby & Shift Allowance per Directorate

	January 2021 Amount	February 2021 Amount	March 2021 Amount
Directorate of Executive Support Services	3 204	4 036	8 594
Directorate of the City Manager	3 960	4 437	3 768
Directorate of Corporate Services	37 390	39 949	37 266
Directorate of Spatial Planning & Development	15 018	27 962	22 277
Directorate Economic Development & Agencies	2 047	-	-
Directorate of Finance	7 751	9 833	8 717
Directorate of Health/Public Safety & Emergency Services	700 769	726 251	615 254
Directorate of Infrastructure Services	901 805	895 922	741 459
Directorate of Municipal Services	362 047	147 484	621 504
TOTAL	**2 033 992**	**1 855 873**	**2 058 838**

12.4. Cost of Temporary Staff

Table 23 below reflects the total payment of Temporary Staff for the months of January 2021, February 2021 and March 2021. There was a decrease in the total payment between January 2021 and February 2021 of R71 619 and a decrease in the total payment between February 2021 and March 2021 of R406 619.

Table 23: Temporary Staff per Directorate

	January 2021 Amount	February 2021 Amount	March 2021 Amount
Directorate of Executive Support Services	229 128	309 196	346 651
Directorate of the City Manager	-	-	10 328
Directorate of Corporate Services	1 513 893	1 618 034	1 526 360
Directorate Economic Development & Agencies	21 900	21 900	19 653
Directorate of Finance	167 603	238 510	144 534
Directorate of Health/Public Safety & Emergency Services	37 373	16 312	14 921
Directorate of Infrastructure Services	603 630	594 934	601 775
Directorate of Municipal Services	855 429	558 451	286 494
TOTAL	**3 428 956**	**3 357 337**	**2 950 718**

12.5. Councillors Costs

The table below shows the budget and expenditure to date for councillors' costs. The year to date budget of R 54.76 million less the year to date expenditure of R47.93 million leaves a variance of R 6.83 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	48 149 262	36 237 239	30 037 138	6 200 101	17,11
Housing Allowance	2 578 002	1 940 210	1 918 591	21 619	0,00
Medical Aid Allowance	2 196 903	1 653 394	1 875 536	-222 142	-13,44
Pension Allowance	4 533 348	3 411 808	3 202 650	209 157	6,13
Travel Allowance	15 308 269	11 521 036	10 898 389	622 648	5,40
Total	**72 765 784**	**54 763 687**	**47 932 304**	**6 831 383**	**12,47**

13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE

BCMDA has spent R88.64 million (66.09%) of its 2020/2021 approved operating budget of R134.13 million. A detailed analysis of the entity's performance for month ended 31 March 2021 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) - M09 March

Description	2019/20	Current Year 2020/21							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source									
Interest earned - external investments	520	854	854	57	372	617	(244)	-39,7%	854
Agency services	1 752	7 933	7 933	883	4 831	4 427	404	9,1%	7 933
Transfers and subsidies	7 762	117 298	117 298	994	5 335	108 500	(103 165)	-95,1%	117 298
Other revenue	39 491	8 049	8 049	(2 569)	40 140	6 823	33 317	488,3%	8 049
Total Revenue (excluding capital transfers and contributions)	**49 524**	**134 135**	**134 135**	**(636)**	**50 677**	**120 366**	**(69 689)**	**-57,9%**	**134 135**
Expenditure By Type									
Employee related costs	24 079	27 888	27 888	2 112	19 255	20 930	(1 675)	-8,0%	27 888
Depreciation & asset impairment	987	1 921	1 921	86	764	1 476	(713)	-48,3%	1 921
Finance charges	–	4	4	–	0	3	(3)	-99,7%	4
Other materials	1 238	1 481	1 481	53	420	1 139	(719)	-63,1%	1 481
Contracted services	20 620	79 461	79 461	7 994	63 306	57 379	5 927	10,3%	79 461
Transfers and subsidies	197	321	321	–	48	250	(202)	-80,6%	321
Other expenditure	6 793	23 058	23 058	853	4 843	17 340	(12 497)	-72,1%	23 058
Total Expenditure	**53 916**	**134 134**	**134 134**	**11 097**	**88 636**	**98 518**	**(9 882)**	**-10,0%**	**134 134**
Surplus/(Deficit)	**(4 391)**	**0**	**0**	**(11 733)**	**(37 959)**	**21 848**	**(59 807)**	**-273,7%**	**0**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	–	2 510	2 510	–	–	1 699	**(1 699)**	**-100,0%**	2 510
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises,	13 811	–	–	6 551	55 901	–	**55 901**	**0,0%**	–
Transfers and subsidies - capital (in-kind - all)							**–**		
Surplus/(Deficit) before taxation	9 420	2 510	2 510	(5 181)	17 942	23 546	**(5 604)**	**-23,8%**	2 510
Taxation	–	–	–	–	–	–	–		–
Surplus/(Deficit) for the year	**9 420**	**2 510**	**2 510**	**(5 181)**	**17 942**	**23 546**	**(5 604)**		**2 510**

14. CAPITAL PROGRAMME PERFORMANCE

BCMM has spent 39% (R790.67 million, inclusive of reclaimed vat) of its 2020/21 adjusted capital budget of R2.04 billion as at 31 March 2021. This reflects a decline when compared to the same period in the previous financial year where 47% (R887.08 million, inclusive of reclaimed vat) of the budget of R1.90 billion was spent. Expenditure is expected to improve during the last quarter of the financial year as procurement processes 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	619 763 322	254 567 490	365 195 832	41%
Own Funding c/o	241 157 275	81 120 841	160 036 433	34%
Loan	230 800 142	1 978 778	228 821 364	1%
TOTAL OWN FUNDING	**1 091 720 739**	**337 667 109**	**754 053 629**	**31%**
Urban Settlement Development Grant	616 657 370	340 952 233	275 705 137	55%
Urban Settlement Development Grant c/o	223 055 535	70 770 940	152 284 595	32%
BCMET c/o	541 862	0	541 862	0%
Public Transport Network Grant	77 287 570	29 569 680	47 717 890	38%
Intergrated City Development Grant	2 037 665	1 539 189	498 476	76%
Energy Efficiency Demand Side Management Grant	6 300 000	5 307 454	992 546	84%
Neighborhood Development Partnership Grant	18 000 000	4 823 623	13 176 377	27%
Infrastructure Skills Development Grant	150 000	42 162	107 838	28%
TOTAL GRANTS	**944 030 002**	**453 005 281**	**491 024 721**	**48%**
TOTAL CAPITAL BUDGET	**2 035 750 741**	**790 672 391**	**1 245 078 350**	**39%**

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	16 095 997	40 068 536	29%
Electricity	119 565 839	64 154 374	55 411 465	54%
Human Settlements	428 578 763	171 860 706	256 718 057	40%
Local Economic Development	155 544 266	72 020 074	83 524 192	46%
Other: BCMM Fleet	35 000 000	16 034 564	18 965 437	46%
Public Safety	39 681 621	13 588 247	26 093 374	34%
Roads	399 699 169	157 006 622	242 692 547	39%
Spatial Planning	18 112 680	4 385 412	13 727 268	24%
Support Services	179 683 739	85 044 392	94 639 347	47%
Transport Planning	149 572 391	71 475 770	78 096 621	48%
Waste Management	56 660 028	15 262 195	41 397 833	27%
Waste Water	278 430 322	52 009 916	226 420 406	19%
Water	119 057 388	51 734 122	67 323 266	43%
TOTAL - PER SERVICE	**2 035 750 741**	**790 672 391**	**1 245 078 350**	**39%**

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	3 061 406	68 704	2 992 702	2%
City Manager's Office	5 669 366	8 539	5 660 827	0%
Corporate Services	19 474 583	7 430 666	12 043 917	38%
Spatial Planning & Development	168 685 071	76 087 154	92 597 917	45%
Economic Development & Agencies	61 856 077	22 843 801	39 012 276	37%
Finance Services	134 998 979	70 030 796	64 968 182	52%
Health/Public Safety & Emergency Services	40 472 581	13 808 901	26 663 680	34%
Human Settlements	429 078 763	172 130 827	256 947 936	40%
Infrastructure Services	952 252 718	341 085 271	611 167 447	36%
Municipal Services	113 074 562	31 555 910	81 518 651	28%
TOTAL DIRECTORATES	**1 928 624 106**	**735 050 570**	**1 193 573 535**	**38%**
Asset Replacements	10 681 236	5 736 180	4 945 056	54%
BCMDA Projects	96 445 399	49 885 640	46 559 759	52%
TOTAL CONSOLIDATED CAPITAL PER DIRECTORATE	**2 035 750 741**	**790 672 391**	**1 245 078 350**	**39%**

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 - M09 March

Month	2019/20	Budget Year 2020/21							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
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	120 305	141 619	245 769	262 955	17 186	6,5%	15%
November	100 843	138 353	100 512	78 952	324 722	363 467	38 746	10,7%	20%
December	171 076	138 353	203 659	201 581	526 302	567 127	40 824	7,2%	32%
January	43 263	138 353	127 751	35 957	562 259	694 878	132 618	19,1%	34%
February	103 431	138 353	215 259	64 149	626 408	910 137	283 728	31,2%	38%
March	132 334	138 353	248 618	110 651	737 059	1 158 755	421 695	36,4%	44%
April	32 673	138 353	249 354	–		1 408 108	–		
May	82 738	138 353	284 740	–		1 692 848	–		
June	604 704	138 353	342 903	–		2 035 751	–		
Total Capital expenditure	**1 549 596**	**1 660 239**	**2 035 751**	**737 059**					

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

Figure 9: 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 46% (R177.11 million, inclusive of reclaimed vat) of its 2020/21 adjusted operating projects budget of R385.16 million as at 31 March 2021. This reflects a decline when compared to the same period in the previous financial year where 49% (R203.63 million, inclusive of reclaimed vat) of the operating projects budget of R416.16 million was spent. Expenditure is expected to improve during the last quarter of the financial year as procurement processes would have been concluded

A detailed schedule of the operating projects expenditure is outlined in **Annexure D.** Also refer to section 15.1 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	2020/2021 Adjusted Budget	YTD Expenditure (incl. vat)	Variance (incl. VAT))	% Expenditure (incl. vat)
Executive Support Services	53 822 313	10 370 642	43 451 671	19%
City Manager's Office	55 434 430	34 324 263	21 110 167	62%
Corporate Services	22 547 237	9 316 636	13 230 601	41%
Spatial Planning & Development	7 394 125	2 342 249	5 051 876	32%
Economic Development & Agencies	6 150 000	2 842 406	3 307 594	46%
Finance Services	24 868 316	6 773 505	18 094 811	27%
Health/Public Safety & Emergency Services	1 574 413	9 743	1 564 671	1%
Human Settlements	154 088 401	52 950 741	101 137 660	34%
Infrastructure Services	53 284 251	57 930 969	-4 646 718	109%
Municipal Services	6 000 000	247 060	5 752 940	4%
TOTAL PER DIRECTORATE	**385 163 486**	**177 108 213**	**208 055 273**	**46%**

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	**133 288 387**	**36 791 785**	**96 496 602**	**28%**
Urban Settlement Development Grant	70 463 630	72 506 644	-2 043 014	103%
Salaida c/o	822 313	441 456	380 857	54%
Finance Management Grant	1 000 000	702 649	297 351	70%
Infrastructure Skills Development Grant	10 788 000	5 355 442	5 432 558	50%
Integrated City Development Grant	6 180 335	0	6 180 335	0%
Public Transport Network Grant c/o	1 083 420	334 096	749 324	31%
Expanded Public Works Programme	8 449 000	8 448 910	90	100%
Human Settlements Development Grant	81 276 351	7 002 904	74 273 447	9%
Human Settlements Development Grant c/o	71 812 050	45 524 328	26 287 722	63%
TOTAL PER FUNDING SOURCE	**251 875 099**	**140 316 428**	**111 558 671**	**56%**
TOTAL OPERATING PROJECTS	**385 163 486**	**177 108 213**	**208 055 273**	**46%**

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

Figure 10: 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**	**3 460 298**	**905 477**	**0**	**4 365 774**
GM - EMERGENCY SERVICES	**(101 134 102)**	**76 587 734**	**13 359 136**	**702 728**	**90 649 598**
EMERGENCY SERVICES	0	2 098 999	414 883	1 086	2 514 967
DISASTER MANAGEMENT	0	3 013 777	689 970	12 186	3 715 933
FIRE & RESCUE	(101 134 102)	71 474 959	12 254 283	689 456	84 418 698
GM - MUNICIPAL HEALTH SERVICES	**(25 369)**	**29 285 126**	**1 866 833**	**326 905**	**31 478 864**
MUNICIPAL HEALTH SERVICES: COASTAL REGION	(25 369)	29 285 126	1 866 833	326 905	31 478 864
GM - PUBLIC SAFETY & PROTECTION SERVICES	**(31 866 917)**	**202 908 398**	**18 410 806**	**1 616 140**	**222 935 344**
PUBLIC SAFETY & PROTECTION SERVICES	15 375	1 866 152	544 705	0	2 410 857
LAW ENFORCEMENT SERVICES	0	116 279 396	8 849 882	475 549	125 604 827
TRAFFIC SERVICES	(31 882 292)	84 762 849	9 016 219	1 140 591	94 919 659
Total	**(133 026 388)**	**312 241 556**	**34 542 251**	**2 645 773**	**349 429 580**

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**	**8 209 686**	**754 150**	**17 308**	**8 981 144**
GM - COMMUNITY AMENITIES	**(16 429 057)**	**60 811 816**	**51 845 773**	**4 036 823**	**116 694 412**
COMMUNITY AMENITIES		10 663 421	47 454 156	743 919,42	58 861 497
LIBRARIES	(15 876 778)	26 193 231	1 643 798	682 721	28 519 750
HALLS	(59 530)	18 257 606	1 824 257	1 982 735	22 064 598
RESORTS	(492 749)	5 697 558	923 562	627 447	7 248 567
GM - SPORTS & RECREATION FACILITIES MANAGEMENT	**(97 017)**	**60 989 664**	**5 860 797**	**3 721 034**	**70 571 496**
SPORTS & RECREATION FACILITIES MANAGEMENT	0	1 279 004	624 602		1 903 606
RECREATION	(59 747)	37 062 876	1 550 744	1 474 389	40 088 009
SPORTS FACILITIES	(37 271)	22 647 783,80	3 685 451,43	2 246 646	28 579 881
GM - PARKS / CEMETRIES & CONSERVATION	**(7 705 776)**	**156 067 577**	**40 812 485**	**7 072 585**	**203 952 647**
PARKS / CEMETRIES & CONSERVATION		2 523 062	1 034 326	0	3 557 387
CEMETRIES & CREMOTORIA	(7 562 593)	32 154 748	29 578 041	1 523 717	63 256 507
CONSERVATION	-104 443	18 379 322	2 337 240	827 061	21 543 623
PARKS: COASTAL	(38 740)	103 010 445	7 862 878	4 721 807	115 595 130
GM - SOLID WASTE MANAGEMENT	**(408 709 065)**	**172 593 191**	**119 591 932**	**8 482 776**	**300 667 898**
SOLID WASTE MANAGEMENT	0	13 357 836	39 950 008	7 154 003	60 461 848
CLEANSING & REFUSE REMOVAL: COASTAL	(407 250 648)	146 562 063	56 489 548	1 328 773	204 380 383
LANDFILLS & TRANSFER STATIONS	(1 458 417)	12 673 292	23 152 376	0	35 825 667
Total	**(432 940 915)**	**458 671 934**	**218 865 137**	**23 330 526**	**700 867 597**

17. COST CONTAINMENT MEASURES

The cost containment policy of BCMM was approved by council on 29 June 2020 with effect from 01 July 2020. In terms of regulation 15(1) of the cost containment regulations, the disclosure of cost containment measures applied by the municipality and municipal entity must be included in the municipal in-year budget reports and annual costs savings disclosed in the annual report.

Table 34 below compares expenditure incurred on cost containment items per quarter and total savings realised from 1 July 2020 to 31 March 2021.

Table 34: Cost Containment Quarterly Report

	Cost Containment In-Year Report							
Measures	Budget	Q1 July - September		Q2 October - December		Q3 January - March		Savings realised when compared to 2019
		19/20	20/21	19/20	20/21	19/20	20/21	
Catering	3 944 799	1 220 255	443 962	3 613 494	942 890	5 585 551	2 503 833	6 528 615
Use of Consultants	59 603 132	15 711 846	5 831 888	23 816 505	18 359 775	40 934 818	21 355 777	34 915 729
Travel & Subsistence and Accomodation	6 280 895	3 891 539	485 174	8 745 332	1 808 536	11 478 170	3 664 408	18 156 923
Entertainment	1 797 854	560 469	429 716	1 268 413	672 853	1 933 438	741 088	1 918 663
Advertising, Publication & Marketing	10 269 261	1 427 779	2 302 509	5 367 997	4 269 672	7 141 855	6 681 406	684 043
Sponsorships and Events	15 791 946	3 523 215	1 597 301	15 531 717	2 384 344	20 471 718	14 156 819	21 388 185
Total	**97 687 887**	**26 335 103**	**11 090 549**	**58 343 458**	**28 438 070**	**87 545 549**	**49 103 331**	**83 592 159**

18. SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP)

The SDBIP is a management, implementation and monitoring tool which assists the Executive Mayor, Councillors, Accounting Officer, Senior Managers and the community with the realisation of Municipality's strategic objectives as contained in the Integrated Development Plan (IDP). It also seeks to ensure monitoring and execution of the budget, performance of senior management and the achievement of the service delivery objectives set by Council. SDBIP enhances the principle of democratic and accountable local government as enshrined in section 152 of the Constitution. The SDBIP should therefore contain information that pertains to performance indicators, service delivery targets as well as measurement source. The SDBIP for the 2020/2021 financial year per vote is informed by Council resolutions to improve the quality of life of residents and citizens of BCMM.

The BCMM 2020/2021 Service Delivery Targets and Performance Indicators as well as actual performance achieved during third quarter is attached as Annexure G.

Below is the summary of the 3rd quarter SDBIP performance per directorate.

18.1. SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS - THIRD QUARTER 2020/2021 PER DIRECTORATE

i. Executive Support Services

The Executive Support Services Directorate has set 6 Key Performance Indicators. The total number of KPI's achieved is 4, not achieved is 1 and not for reporting in this quarter is 1. Therefore, the overall 3rd Quarter Performance for Executive Support Services is 80%.

ii. Human Settlements

The Human Settlements Directorate has set 6 Key Performance Indicators (KPI's) on their SDBIP. The total of KPI's achieved is 4, not

achieved is 2 and 0 not for reporting for this quarter. Therefore, the overall 3rd Quarter Performance for Human Settlements is 67%.

iii. **Directorate of Finance**

The Directorate of Finance has set 12 KPI's on their SDBIP. The total number of KPI's achieved is 7, not achieved is 5 and not for reporting for this quarter is 0. Therefore, the overall 3rd Quarter Performance for Directorate of Finance is 58%.

iv. **Corporate Services**

The Corporate Services Directorate has set 10 KPI's. The total number of KPI's achieved is 5, not achieved is 2 and not for reporting for this quarter is 3. Therefore, the overall 3rd Quarter Performance for Corporate Services is 71%.

v. **Infrastructure Services**

The Directorate of Infrastructure Services has set 22 KPI's. The total number of KPI's achieved is 9, not achieved is 5 and not for reporting for this quarter is 8. Therefore, the overall 3rd Quarter Performance for Infrastructure Services is 64%.

vi. **Spatial Planning and Development**

The Directorate of Spatial Planning and Development has set 13 KPI's. The total number of KPI's achieved is 6, not achieved is 4 and not for reporting for this quarter is 3. Therefore, the overall 3rd Quarter Performance for Spatial Planning and Development is standing at 60%.

vii. **Economic Development and Agencies**

The Directorate of Economic Development & Agencies has set 8 KPI's on their SDBIP. The total number of KPI's achieved is 5, not achieved is 1 and not for reporting 2. Therefore, the overall 3rd Quarter Performance for Economic Development & Agencies is standing at 83%.

viii. **Health/Public Safety and Emergency Services**

The Directorate of Health/Public Safety and Emergency Services has set 7 KPI's. The total number of KPI's achieved is 5, not achieved in this quarter is 2 and not for reporting for this quarter is 0. Therefore, the overall 3rd Quarter Performance for Health/Public Safety and Emergency Services is standing at 71%

ix. **Solid Waste And Environmental Management**

The Directorate of Solid Waste and Environmental Management Services has set 4 KPI's. The total number of KPI's achieved is 1, not achieved is 0 and not for reporting in this quarter is 3. Therefore, the overall 3rd Quarter Performance for Municipal Services is 100%.

x. **Sport, Recreation And Community Development**

The Directorate of Municipal Services has set 10 KPI's. The total number of KPI's achieved is 2, not achieved is 0 and not for reporting in this quarter is 8. Therefore, the overall 3rd Quarter Performance for Municipal Services is 100%.

The overall institutional performance for the third quarter is standing at **69%**. The above information is summarized in the table below.

Table 35: Summary of BCMM 3rd Quarter Performance per Directorate

Directorates	Total no. of KPI(s)	No. of KPI(s) achieved	No. of KPI's not achieved	Not for reporting this quarter	3rd Quarter % of KPI's achieved
Executive Support Services	6	4	1	1	80%
Human Settlements	6	4	2	0	67%
Directorate of Finance	12	7	5	0	58%
Corporate Services	10	5	2	3	71%
Infrastructure Services	22	9	5	8	64%
Spatial Planning & Development	13	6	4	3	60%
Economic Development and Agencies	8	5	1	2	83%
Health/Public Safety and Emergency Services	7	5	2	0	71%
Solid Waste and Environmental Management	4	1	0	3	100%
Sport, Recreation and Community Development	10	2	0	8	100%
Total	**98**	**48**	**22**	**28**	**69%**

18.2. SUMMARY AND ANALYSIS

All Directorates of the institution have recorded quite an impressive performance during the third quarter 2020/2021 as they performed above the average of 50%. The overall performance of the institution for the 3rd quarter 2020/2021 financial year is standing at **69%** as compared to **54%** of 2019/2020 finacial year during the same period.

19. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

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

☐ The quarterly report on the implementation of the budget and financial state of affairs of the municipality (Section 52d Report)

for the period ending **March 2021** 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)

C5 Monthly Budget Statement - Capital Expenditure (Municipal Vote Std Classification and Funding)

C6 Monthly Budget Statement - Financial Position

C7 Monthly Budget Statement - Cash Flow

Annexure B

SC1 Material Variance Explanation

SC2 Performance Indicators

SC3 Aged Debtors

SC4 Aged Creditors

SC5 Investment Portfolio

SC6 Transfers and Grants Receipts

SC7 (1) Transfers and Grants Expenditure

SC7 (2) Expenditure against approved rollovers

SC8 Councillor and Staff Benefits

SC9 Actuals and Revised Targets for Cash Receipts

SC11 Monthly Budget Statement – Summary of Municipal Entity

SC14 Capital Expenditure trend

SC13a Capital Expenditure on New Assets by Class

SC13b Capital Expenditure on Renewal of Existing Assets by Class

SC13c Expenditure on Repairs and Maintenance by Asset Class

SC13d Depreciation by Asset Class

Annexure C

Schedule of Borrowings

Annexure D

Operating expenditure report

Annexure E

Capital expenditure report

Annexure F

Buffalo City Metropolitan Development Agency Performance Report

Annexure G

Third Quarter Service Delivery and Budget Implementation Plan 2020/2021