REPORT TO EXECUTIVE MAYOR: 14 NOVEMBER 2023

File No.:5/1/1/1[23/24]

AUTHOR: City Manager (M. Yawa)/vp

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2023/24 BUDGET FOR THE PERIOD ENDED 31 OCTOBER 2023

1. PURPOSE

The purpose of the report is for Executive Mayor to **CONSIDER** and **NOTE** the statement of financial performance and the implementation of the 2023/24 budget of the Buffalo City Metropolitan Municipality for the period ended 31 October 2023.

2. AUTHORITY

Executive Mayor.

3. LEGAL / STATUTORY REQUIREMENTS

3.1. The Constitution of the Republic of South Africa, 1996

3.2. Municipal Finance Management Act No 56, 2003 Chapter 7, Section 71

3.3. Municipal Budget and Reporting Regulations, 2009

4. BACKGROUND

In terms of Section 71 of the Municipal Finance Management Act No 56, 2003 Chapter 7, “the Accounting Officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality’s budget”.

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

TABLE OF CONTENTS

REPORT TO EXECUTIVE MAYOR: 14 NOVEMBER 2023 1
1. PURPOSE 1
2. AUTHORITY 1
3. LEGAL / STATUTORY REQUIREMENTS 1
4. BACKGROUND 1
LIST OF TABLES 3
PART 1: IN-YEAR REPORT 4
5. RESOLUTIONS 5
ANNEXURES: 5
6. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY FOR THE PERIOD ENDED 31 OCTOBER 2023 6
7. IN-YEAR BUDGET STATEMENT MAIN TABLES 14
PART 2: SUPPORTING DOCUMENTATION 26
8. DEBTOR'S MANAGEMENT 27
9. CREDITORS' ANALYSIS 32
10. INVESTMENT PORTFOLIO ANALYSIS 34
11. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE 36
12. COUNCILLOR AND EMPLOYEE BENEFITS 43
13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE 53
14. CAPITAL PROGRAMME PERFORMANCE 54
15. OTHER SUPPORTING DOCUMENTS 58
16. MUNICIPAL MANAGER'S QUALITY CERTIFICATION 60

LIST OF FIGURES

Figure 1: Current Ratio 7
Figure 2: Collection Ratio 8
Figure 3: Collection Ratio Per Region 8
Figure 4: Cash and Cash Equivalents 11
Figure 5: Cost Coverage 11
Figure 6: Debtors age analysis over the 3-year period 28
Figure 7: Workforce (Employee) Costs 44
Figure 8: Overtime Expenditure Monthly Trend 49
Figure 9: Capital Expenditure Trend 56
Figure 10: Operating Projects Expenditure Trend 59

LIST OF TABLES

Table 1: Performance Summary 6
Table 2:C1: Monthly Budget Statement Summary 14
Table 3: C2: Monthly Budget Statement – Financial Performance (standard classification) 15
Table 4: C3: Monthly Budget Statement – Financial Performance (Revenue and expenditure by municipal vote) 16
Table 5: C4: Monthly Budget Statement – Financial Performance (Revenue by Source and Expenditure by Type) 17
Table 6: Repairs and Maintenance per Directorate 22
Table 7: C5: Monthly Budget Statement – Capital Expenditure (municipal vote, standard classification, and funding) 23
Table 8: C6: Monthly Budget Statement – Financial Position 24
Table 9: C7: Monthly Budget Statement – Cash Flow 25
Table 10: SC3 Monthly Budget Statement Aged Debtors 27
Table 11: Debtor's Age Analysis by Income Source Comparison 29
Table 12: Age Analysis per Category Type 30
Table 13: Analysis of Government Debtors 31
Table 14: SC4 Monthly Budget Statement Aged Creditors 32
Table 15: Payments made to the 20 highest paid creditors – September 2023 33
Table 16: SC5 Monthly Budget Statement – investment portfolio 34
Table 17: SC6 Monthly Budget Statement – transfers and grants receipts 36
Table 18: Spending per Conditional Grant Funding Allocation 37
Table 19: SC8 Monthly Budget Statement – Councilor, Board Members and Staff Benefits 43
Table 20: Overtime per Directorate 44
Table 21: Overtime Per Cost Centre: July 2023 – September 2023 45
Table 22: Standby & Shift Allowance per Directorate 51
Table 23: Temporary Staff per Directorate 52
Table 24: Councillors Costs 52
Table 25: Monthly Budget Statement – summary of municipal entity 53
Table 26: Capital Expenditure per Funding Source against Budget 54
Table 27: Actual Expenditure per Function against Budget 55
Table 28: Actual Expenditure per Directorate against Budget 55
Table 29: SC12 Monthly Budget Statement – capital expenditure trend 56
Table 30: Operating Projects per Directorate 58
Table 31: Operating Projects Per Funding Source 59

PART 1: IN-YEAR REPORT

5. RESOLUTIONS

It is recommended that:

(i) Executive Mayor **CONSIDERS** and **NOTES** the report on the statement of financial performance and the implementation of the 2023/24 budget for the period ended 31 October 2023 including supporting documentation attached as Annexure A to F.

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

(iii) Executive Mayor **NOTES** the year to date collection rate for the period ended 31 October 2023 of 62,32%.

_____ _____

M. YAWA **DATE**

CITY MANAGER

BUFFALO CITY METROPOLITAN MUNICIPALITY

VINCENT PILAY/ VM

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

6. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY FOR THE PERIOD ENDED 31 OCTOBER 2023

6.1. Dashboard / Performance Summary

Table 1: Performance Summary

OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	R 3 253 123 175	Bank Balance	R 12 414 884
Expenditure	(R 3 605 354 980)	Call investments (excl. int.)	R 293 523 510
Operating deficit before Transfers and Subsidies Recognised – Capital	(R 352 231 806)	**Cash and cash equivalents**	**R 306 034 954**
Transfers and Subsidies Recognised – Capital	R 87 699 001	*Account Payables*	*(R1 163 318 039)*
Intercompany/Parent subsidiary transactions	R 23 122 643	*Unspent conditional grants*	*(R 332 063 705)*
Surplus after Capital Transfers	(R 241 410 162)	*Committed to Capital budget-own funds*	*(R 448 460 541)*
DEBTORS			
Total debtors' book (incl. impairment)	R 6 967 870 409	**Possible cash deficit should there be no revenue collection made**	**(R 1 725 194 735)**
Total debtors – Government	R 87 371 332		
Total debtors – Business	R 1 436 678 863	Total Long-term loans	R 125 860 643
Total debtors – Households	R 5 443 820 214		
Total debt written off incl. Vat (YTD)	R 0	**SURPLUS / (DEFICIT) PER SERVICE**	
		Water	(R 66 310 628)
REPAIRS AND MAINTENANCE		Electricity	(R 432 415 370)
2022/2023:	**2023/2024:**	Refuse	R 90 289 878
Exp.= R143.41 m, which is 32% of budget of R446.13 m	Exp.= R132.70 m, which is 27% of budget of R497.62 m	Sewerage	R 94 169 345
CAPITAL EXPENDITURE		**OPERATING PROJECTS EXPENDITURE**	
2022/2023: Exp. as a % of Adjusted Budget of R1.80b: Exp. (excl. vat) = R190.24 mil % exp. (Excl. vat) :11% Exp. (incl. vat) = R201.49 mil % exp. (incl. vat): 11%	**2023/2024: Exp. as a % of Adjusted Budget of R1.29b:** Exp. (excl. vat) = R235.16 mil % exp. (Excl. vat) :18% Exp. (incl. vat) = R251.11 mil % exp. (incl. vat): 19%	**2022/2023: Exp. as a % of Adjusted Budget of R422,55m:** Exp. (excl. vat) = R56.26 mil % exp. (excl. vat): 13% Exp. (incl. vat) = R57.39 mil % exp. (incl. vat): 14%	**2023/2024: Exp. as a % of Adjusted Budget of R400,30m:** Exp. (excl. vat) = R71.57 mil % exp. (excl. vat): 18% Exp. (incl. vat) = R71.80 mil % exp. (incl. vat): 18%
FINANCIAL		**HUMAN RESOURCES**	
Operating deficit before Capital Transfers	(R 352 231 806)	Total staff complement	5 248
Debtors' collection ratio	62,32%.	Staff Appointments	5
YTD Grants and subsidies: recognized – Capital	R 87 699 001	Staff Terminations	17
Creditor's payment days	49 days	Number of funded vacant posts (under recruitment process)	806
Current ratio	1,5 :1	Total overtime paid (YTD)	R 55 239 035
Total Debt to Revenue	1,41%	Allowances and benefits – Councillors (YTD)	R 25 633 567
Capital Charges to Operating Expenditure	0.53%	Salary bill – Officials (YTD)	R 893 265 720
Cost coverage ratio	0 month	Workforce costs as a % of expenditure	25,49%

6.2. Liquidity position

Buffalo City Metropolitan Municipality's liquidity is considered stable as the Current Ratio is 1.5:1. which indicates the ability of municipality's current assets to cover its current liabilities. This is within the norm of 1.5-2:1. 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 is able to 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 October 2023 is 62.32% (2022/23: 70.76%). This ratio denotes the City's ability to collect the billed revenue from its consumers. The collection rate has increased by 3.03% % from last month where 59.29% was achieved for the period ended 30 September 2023. Refer to section 8 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 October 2023 per region is as follows: Coastal 75.97%, Midland 23.13% and Inland 52.76%.

Figure 3: Collection Ratio Per Region

Total gross debtors' book (including current accounts) as at 31 October 2023 amounts to R6.97 billion (2022/23 R5.83 billion). Households: R5.44 billion, Business: R1.44 billion and Government: R87.37 million.

Refer to section 8 of the report for details on debtors' management. The debtors' age analysis report is reflected on Annexure B – SC3.

6.4. Capital Expenditure

The Metro has spent 19% (R251.11 million, inclusive of reclaimed vat) of its 2023/24 adjusted capital budget of R1.29 billion as at 31 October 2023. This reflects an improvement when compared to the same period in the previous financial year where 11% (R201.49 million, inclusive of reclaimed vat) of the adjusted capital budget of R1.80 billion was spent. (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 18% (R71.80 million, inclusive of reclaimed vat) of its 2023/24 adjusted operating projects budget of R400.30 million as at 31 October 2023. This reflects an improvement when compared to the same period in the previous financial year where 14% (R26.81 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R422.55 million was spent. (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 22% (R194.34 million, inclusive of reclaimed vat) of its 2023/24 conditional grants adjusted budget of R889.75 million as at 31 October 2023. This reflects an improvement when compared to the same period in the previous financial year where 19% (R159.62 million, inclusive of reclaimed vat) of conditional grants budget of R855.70 million was spent. (Refer to Section 11.1 for further details).

6.7. Cash and Cash Equivalents

The cash and cash equivalents of the City as at 31 October 2023 is R306.03 million made up of cash at the primary bank account amounting to R12.51 million and call investment deposits of R293.52 million. 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 National Treasury's collection rate of 95%. 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 0 month. This ratio indicates the municipality's ability to meet 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 will struggle to meet its monthly operating commitments as the ratio is below the norm of 1-3 months as per the MFMA circular 71. The City's cash and cash equivalent reserves have decreased over the years due to a decline in the collection rate. There has also been high capital investment that is funded by internally generated funds.

The City has since decreased its capital investment from internally generated funds and is in the process of appointing a panel of transactional advisers that will be responsible for sourcing funding for economically viable projects.

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

6.8. <u>Outstanding Creditors</u>

The Metro always strives to pay all its creditors within 30 days as stipulated by section 65 (e) of the MFMA except when there are disputes on received invoices. The creditors payment period for the reporting period (31 October 2023) is 49 days. Refer to Section 9 for details.

6.9. Long-Term Debt Profile

The total long-term borrowings of the municipality as at 31 October 2023 amounts to R125.86 million. Refer to Annexure C for the schedule of borrowings.

The ratio of capital charges to operating expenditure as at 31 October 2023 is 0.53%. 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 1.41% as at 31 October 2023, 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 and the recent credit rating issued by Global Credit Ratings Agency as at March 2023 reflects that the municipality has capacity to take on additional financing from borrowing to invest in infrastructure projects. However, due to weak economic performance as well as a low collection rate, the process for additional loans is undertaken with caution.

6.10. Performance by Trading Service - Electricity

The electricity service has achieved an operating deficit of R 432 415 370 for the period ended 31 October 2023. The following are the factors that contributed to the deficit.

i. The Metro has high electricity losses which account for R0.42 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 a Revaluation Model as an accounting policy of choice to subsequently measure its infrastructure assets in line with Generally Recognised Accounting Practices (GRAP) which results to annual increase in the City's asset base due to price increases in the construction industry, this therefore attracts an equivalent increase in the depreciation expense for the Metro's infrastructure network.

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 is currently being implemented in suitable informal settlements 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 - M04 October									
Description	2022/23	Budget Year 2023/24							
	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	1 791 370	2 208 577	2 208 577	163 769	825 125	839 259	(14 135)	-2%	2 208 577
Service charges	3 766 315	4 446 988	4 446 988	349 377	1 436 853	1 553 422	(116 569)	-8%	4 446 988
Investment revenue	47 660	24 054	24 054	2 128	11 408	8 178	3 230	39%	24 054
Transfers and subsidies - Operational	1 212 330	1 463 862	1 466 924	15 783	514 921	453 388	61 533		1 466 924
Other own revenue	1 254 814	1 272 075	1 272 075	55 041	464 816	428 683	36 133	8%	–
Total Revenue (excluding capital transfers and contributions)	**8 072 489**	**9 415 557**	**9 418 619**	**586 100**	**3 253 123**	**3 282 931**	**(29 808)**	**-1%**	**9 418 619**
Employee costs	2 474 491	2 884 448	2 884 448	226 630	893 266	923 027	(29 761)		2 884 448
Remuneration of Councillors	66 749	74 057	74 057	5 753	25 634	25 179	454		74 057
Depreciation and amortisation	1 846 045	609 619	609 619	155 354	616 414	201 175	415 239		609 619
Interest	16 075	13 567	13 567	0	3 236	4 531	(1 295)		13 567
Inventory consumed and bulk purchases	2 256 192	2 798 808	2 798 808	273 879	1 074 711	970 994	103 717		2 798 808
Transfers and subsidies	136 315	154 110	153 691	9 072	40 731	36 986	3 744	10%	153 691
Other expenditure	2 332 822	2 870 733	2 874 214	238 584	951 364	892 898	58 466	7%	2 874 214
Total Expenditure	**9 128 689**	**9 405 342**	**9 408 404**	**909 272**	**3 605 355**	**3 054 791**	**550 564**	**18%**	**9 408 404**
Surplus/(Deficit)	**(1 056 200)**	**10 215**	**10 215**	**(323 173)**	**(352 232)**	**228 140**	**(580 372)**	**-254%**	**10 215**
Transfers and subsidies - capital (monetary	753 828	760 580	760 580	55 609	87 699	67 438	20 261	30%	760 580
Transfers and subsidies - capital (in-kind)	4 160	–	–	–	–	–	–		–
contributions	**(298 211)**	**770 796**	**770 796**	**(267 563)**	**(264 533)**	**295 578**	**(560 111)**	**-189%**	**770 796**
Share of surplus/ (deficit) of associate	44 254	–	–	–	23 123	–	23 123	–	–
Surplus/ (Deficit) for the year	**(253 957)**	**770 796**	**770 796**	**(267 563)**	**(241 410)**	**295 578**	**(536 989)**	**-182%**	**770 796**
Capital expenditure & funds sources									
Capital expenditure	**1 425 946**	**1 219 326**	**1 295 320**	**75 017**	**235 158**	**185 871**	**49 287**	**27%**	**1 295 320**
Capital transfers recognised	696 267	759 472	759 472	46 776	147 968	97 220	50 747	52%	759 472
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**729 679**	**459 854**	**535 848**	**28 242**	**87 190**	**88 650**	**(1 460)**	**-2%**	**535 848**
Total sources of capital funds	**1 425 946**	**1 219 326**	**1 295 320**	**75 017**	**235 158**	**185 871**	**49 287**	**27%**	**1 295 320**
Financial position									
Total current assets	11 193 419	3 592 822	3 516 829		11 167 555				3 516 829
Total non current assets	26 075 993	25 874 155	25 950 149		25 694 737				25 950 149
Total current liabilities	10 160 101	2 204 107	2 204 107		10 065 591				2 204 107
Total non current liabilities	893 792	1 061 163	1 061 163		880 798				1 061 163
Community wealth/Equity	**26 157 312**	**26 201 708**	**26 201 708**		**25 915 902**				**26 201 708**
Cash flows									
Net cash from (used) operating	1 466 878	1 146 286	1 146 286	670 987	994 365	382 095	(612 270)	-160%	1 146 286
Net cash from (used) investing	(1 435 219)	(1 219 326)	(1 295 320)	(74 966)	(307 906)	(431 773)	(123 867)	29%	(1 295 320)
Net cash from (used) financing	(49 141)	(43 136)	(43 136)	243	(849 310)	(14 379)	834 931	-5807%	(43 136)
Cash/cash equivalents at the month/year en	**679 975**	**692 472**	**616 478**	**1 429 333**	**306 035**	**744 592**	**438 557**	**59%**	**487 649**
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	603 697	292 407	323 821	208 311	172 453	141 184	725 935	4 500 064	6 967 870
Creditors Age Analysis									
Total Creditors	1 108 673	54 656	–	–	–	–	–	–	1 163 329

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) - M04 October

Description	Ref	2022/23	Budget Year 2023/24							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**3 391 704**	**3 809 862**	**3 809 896**	**204 384**	**1 441 481**	**1 361 833**	79 648	6%	**3 809 896**
Executive and council		17 681	19 918	19 918	2 368	7 052	6 152	900	15%	19 918
Finance and administration		3 374 023	3 789 944	3 789 978	202 016	1 434 429	1 355 681	78 748	6%	3 789 978
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**476 671**	**704 913**	**709 284**	**38 840**	**111 666**	**149 917**	(38 251)	-26%	**709 284**
Community and social services		36 199	60 942	60 942	715	3 267	13 669	(10 402)	-76%	60 942
Sport and recreation		30 490	27 466	28 390	1 168	2 363	5 547	(3 184)	-57%	28 390
Public safety		175 534	205 616	205 616	13 668	71 068	64 786	6 282	10%	205 616
Housing		234 412	410 850	414 298	23 287	34 965	65 903	(30 938)	-47%	414 298
Health		36	38	38	1	4	13	(9)	-66%	38
Economic and environmental services		**337 242**	**275 093**	**275 093**	**14 871**	**50 887**	**48 901**	1 986	4%	**275 093**
Planning and development		132 222	177 392	177 392	4 964	22 125	38 659	(16 534)	-43%	177 392
Road transport		205 021	97 701	97 701	9 907	28 761	10 242	18 520	181%	97 701
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**4 561 481**	**5 293 190**	**5 292 017**	**378 671**	**1 720 379**	**1 769 815**	**(49 436)**	-3%	**5 292 017**
Energy sources		2 270 135	2 707 089	2 705 089	197 071	836 055	808 385	27 670	3%	2 705 089
Water management		1 041 864	1 240 971	1 240 971	75 558	370 566	517 095	(146 529)	-28%	1 240 971
Waste water management		654 251	723 711	723 711	63 303	260 704	242 697	18 007	7%	723 711
Waste management		595 231	621 419	622 246	42 739	253 054	201 638	51 416	25%	622 246
Other	4	**63 379**	**93 080**	**92 910**	**4 944**	**16 409**	**19 902**	**(3 493)**	**-18%**	**92 910**
Total Revenue - Functional	2	**8 830 478**	**10 176 137**	**10 179 200**	**641 709**	**3 340 822**	**3 350 369**	**(9 547)**	**0%**	**10 179 200**
Expenditure - Functional										
Governance and administration		**1 619 984**	**1 881 909**	**1 881 943**	**150 054**	**677 799**	**603 494**	74 305	12%	**1 881 943**
Executive and council		343 206	368 376	368 376	29 956	125 391	114 646	10 745	9%	368 376
Finance and administration		1 266 032	1 498 577	1 498 611	119 037	548 324	484 178	64 146	13%	1 498 611
Internal audit		10 747	14 957	14 957	1 062	4 084	4 670	(586)	-13%	14 957
Community and public safety		**1 272 478**	**1 416 010**	**1 420 381**	**107 715**	**421 276**	**444 563**	(23 288)	-5%	**1 420 381**
Community and social services		182 051	221 363	221 363	14 612	55 081	71 101	(16 021)	-23%	221 363
Sport and recreation		463 698	444 515	445 439	40 529	149 782	140 549	9 233	7%	445 439
Public safety		512 818	513 143	513 143	41 094	160 880	163 049	(2 170)	-1%	513 143
Housing		62 493	187 830	191 277	7 382	39 114	54 222	(15 108)	-28%	191 277
Health		51 418	49 160	49 160	4 099	16 419	15 641	778	5%	49 160
Economic and environmental services		**1 372 604**	**774 512**	**774 512**	**109 109**	**428 009**	**240 619**	187 390	78%	**774 512**
Planning and development		343 677	271 806	271 806	23 451	106 172	86 226	19 946	23%	271 806
Road transport		1 028 927	502 707	502 707	85 658	321 837	154 393	167 444	108%	502 707
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**4 755 593**	**5 173 555**	**5 172 382**	**533 650**	**2 025 356**	**1 721 314**	**304 041**	18%	**5 172 382**
Energy sources		2 632 649	3 432 312	3 430 312	274 448	1 254 040	1 168 734	85 306	7%	3 430 312
Water management		1 092 492	852 332	852 332	163 410	440 701	270 866	169 835	63%	852 332
Waste water management		484 560	393 769	393 769	47 017	158 471	122 984	35 487	29%	393 769
Waste management		545 891	495 141	495 968	48 774	172 143	158 731	13 412	8%	495 968
Other		**128 173**	**159 355**	**159 185**	**8 744**	**52 915**	**44 800**	**8 116**	**18%**	**159 185**
Total Expenditure - Functional	3	**9 148 832**	**9 405 342**	**9 408 404**	**909 272**	**3 605 355**	**3 054 791**	**550 564**	**18%**	**9 408 404**
Surplus/ (Deficit) for the year		**(318 354)**	**770 796**	**770 796**	**(267 563)**	**(264 533)**	**295 578**	**(560 111)**	**-189%**	**770 796**

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

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

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

BUF Buffalo City - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M04 October

Vote Description	Ref	2022/23	Budget Year 2023/24							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 01 - Directorate - Executive Support Services		976	377	411	0	175	128	47	36,9%	411
Vote 02 - Directorate - Municipal Manager		16 861	19 541	19 541	2 368	6 877	6 036	842	13,9%	19 541
Vote 03 - Directorate - Human Settlement		234 412	410 850	414 298	23 287	34 965	65 903	(30 938)	-46,9%	414 298
Vote 04 - Directorate - Chief Financial Officer		3 318 304	3 750 743	3 750 743	200 639	1 425 776	1 346 520	79 257	5,9%	3 750 743
Vote 05 - Directorate - Corporate Services		15 857	11 778	11 778	905	3 534	3 641	(107)	-2,9%	11 778
Vote 06 - Directorate - Infrastructure Services		4 171 271	4 769 472	4 767 472	345 838	1 496 086	1 578 418	(82 332)	-5,2%	4 767 472
Vote 07 - Directorate - Spatial Planning And Development		127 597	135 746	135 746	3 813	14 570	22 963	(8 393)	-36,6%	135 746
Vote 08 - Directorate - Health / Public Safety & Emergency Services		175 534	205 616	205 616	13 668	71 068	64 786	6 282	9,7%	205 616
Vote 10 - Directorate - Economic Development & Agencies		151 963	162 150	161 980	6 568	52 205	41 107	11 097	27,0%	161 980
Vote 11 - Directorate - Solid Waste And Environmental Management		608 930	627 167	627 994	43 341	253 656	202 211	51 445	25,4%	627 994
Vote 12 - Directorate - Sport, Recreation & Community Development		53 025	82 698	83 622	1 283	5 032	18 656	(13 624)	-73,0%	83 622
Total Revenue by Vote	2	**8 874 731**	**10 176 137**	**10 179 200**	**641 709**	**3 363 945**	**3 350 369**	**13 576**	**0,4%**	**10 179 200**
Expenditure by Vote	1									
Vote 01 - Directorate - Executive Support Services		298 497	304 739	304 773	26 542	94 231	94 668	(437)	-0,5%	304 773
Vote 02 - Directorate - Municipal Manager		140 606	153 112	153 112	11 849	68 333	47 083	21 251	45,1%	153 112
Vote 03 - Directorate - Human Settlement		62 157	187 439	190 887	7 357	38 917	54 092	(15 175)	-28,1%	190 887
Vote 04 - Directorate - Chief Financial Officer		687 709	1 012 840	1 012 840	77 592	347 858	329 751	18 107	5,5%	1 012 840
Vote 05 - Directorate - Corporate Services		249 145	240 909	240 909	17 165	105 851	78 440	27 412	34,9%	240 909
Vote 06 - Directorate - Infrastructure Services		5 368 171	5 291 826	5 289 826	580 865	2 212 784	1 752 787	459 997	26,2%	5 289 826
Vote 07 - Directorate - Spatial Planning And Development		400 339	297 599	297 599	28 734	118 478	94 257	24 221	25,7%	297 599
Vote 08 - Directorate - Health / Public Safety & Emergency Services		517 102	516 559	516 559	41 756	162 470	163 915	(1 445)	-0,9%	516 559
Vote 10 - Directorate - Economic Development & Agencies		217 016	220 691	220 521	12 664	75 873	63 686	12 187	19,1%	220 521
Vote 11 - Directorate - Solid Waste And Environmental Management		697 797	659 806	660 633	61 307	221 122	210 784	10 338	4,9%	660 633
Vote 12 - Directorate - Sport, Recreation & Community Development		510 292	519 821	520 745	43 441	159 437	165 328	(5 890)	-3,6%	520 745
Total Expenditure by Vote	2	**9 148 832**	**9 405 342**	**9 408 404**	**909 272**	**3 605 355**	**3 054 791**	**550 564**	**18,0%**	**9 408 404**
Surplus/ (Deficit) for the year	2	**(274 100)**	**770 796**	**770 796**	**(267 563)**	**(241 410)**	**295 578**	**(536 989)**	**-181,7%**	**770 796**

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

The statement of financial performance presented in table below, compares the expenditure and revenue on accrual basis against budget for the period ended 31 October 2023.

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) - M04 October

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue										
Exchange Revenue										
Service charges - Electricity		2 147 071	2 614 161	2 614 161	196 835	795 682	784 248	11 434	1%	2 614 161
Service charges - Water		738 617	933 423	933 423	67 529	267 930	438 709	(170 779)	-39%	933 423
Service charges - Waste Water Management		482 231	493 351	493 351	45 046	198 936	192 407	6 529	3%	493 351
Service charges - Waste management		398 396	406 053	406 053	39 967	174 305	138 058	36 247	26%	406 053
Sale of Goods and Rendering of Services		109 264	145 958	145 958	10 938	45 500	49 626	(4 125)	-8%	145 958
Agency services		23 879	27 261	27 261	3 577	6 379	8 996	(2 617)	-29%	27 261
Interest								–		
Interest earned from Receivables		300 755	211 915	211 915	33 574	133 313	72 051	61 262	85%	211 915
Interest from Current and Non Current Assets		47 660	24 054	24 054	2 128	11 408	8 178	3 230	39%	24 054
Dividends								–		
Rent on Land								–		
Rental from Fixed Assets		24 501	23 129	23 129	1 076	7 564	7 864	(300)	-4%	23 129
Licence and permits								–		
Operational Revenue		48 482	84 138	84 138	4 068	15 661	28 607	(12 946)	-45%	84 138
Non-Exchange Revenue								–		
Property rates		1 791 370	2 208 577	2 208 577	163 769	825 125	839 259	(14 135)	-2%	2 208 577
Surcharges and Taxes								–		
Fines, penalties and forfeits		6 974	20 080	20 080	782	3 055	5 221	(2 166)	-41%	20 080
Licence and permits		12 216	17 667	17 667	974	3 767	4 063	(296)	-7%	17 667
Transfers and subsidies - Operational		1 212 330	1 463 862	1 466 924	15 783	514 921	453 388	61 533	14%	1 466 924
Interest								–		
Fuel Levy		719 203	741 926	741 926	–	247 309	252 255	(4 946)	-2%	741 926
Operational Revenue								–		
Gains on disposal of Assets		409	–	–	52	2 269	–	2 269	0%	–
Other Gains		9 131	–	–	–	–	–	–		–
Discontinued Operations								–		
Total Revenue (excluding capital transfers and contributions)		**8 072 489**	**9 415 557**	**9 418 619**	**586 100**	**3 253 123**	**3 282 931**	**(29 808)**	**-1%**	**9 418 619**

BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M04 October

Description	Ref	2022/23	Budget Year 2023/24							
		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		2 474 491	2 884 448	2 884 448	226 630	893 266	923 027	(29 761)	-3%	2 884 448
Remuneration of councillors		66 749	74 057	74 057	5 753	25 634	25 179	454	2%	74 057
Bulk purchases - electricity		1 936 963	2 512 494	2 512 494	178 072	867 623	879 373	(11 750)	-1%	2 512 494
Inventory consumed		319 230	286 314	286 314	95 807	207 088	91 621	115 467	126%	286 314
Debt impairment		897 828	1 328 917	1 328 917	110 417	441 667	442 972	(1 305)	0%	1 328 917
Depreciation and amortisation		1 846 045	609 619	609 619	155 354	616 414	201 175	415 239	206%	609 619
Interest		16 075	13 567	13 567	0	3 236	4 531	(1 295)	-29%	13 567
Contracted services		719 187	903 924	907 372	65 218	230 985	229 815	1 170	1%	907 372
Transfers and subsidies		136 315	154 110	153 691	9 072	40 731	36 986	3 744	10%	153 691
Irrecoverable debts written off		–	–	–	–	–	–	–		–
Operational costs		629 504	545 352	545 386	41 766	250 280	190 918	59 361	31%	545 386
Losses on Disposal of Assets		–	–	–	–	–	–	–		–
Other Losses		86 303	92 540	92 540	21 183	28 432	29 192	(760)	-3%	92 540
Total Expenditure		**9 128 689**	**9 405 342**	**9 408 404**	**909 272**	**3 605 355**	**3 054 791**	**550 564**	**18%**	**9 408 404**
Surplus/(Deficit)		**(1 056 200)**	**10 215**	**10 215**	**(323 173)**	**(352 232)**	**228 140**	**(580 372)**	**(0)**	**10 215**
Transfers and subsidies - capital (monetary allocations)		753 828	760 580	760 580	55 609	87 699	67 438	20 261	**0**	760 580
Transfers and subsidies - capital (in-kind)		4 160	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**(298 211)**	**770 796**	**770 796**	**(267 563)**	**(264 533)**	**295 578**	**(560 111)**	**(0)**	**770 796**
Income Tax		–	–	–	–	–	–			–
Surplus/(Deficit) after income tax		**(298 211)**	**770 796**	**770 796**	**(267 563)**	**(264 533)**	**295 578**			**770 796**
Share of Surplus/Deficit attributable to Joint Venture										
Share of Surplus/Deficit attributable to Minorities										
Surplus/(Deficit) attributable to municipality		**(298 211)**	**770 796**	**770 796**	**(267 563)**	**(264 533)**	**295 578**			**770 796**
Share of Surplus/Deficit attributable to Associate		20 143	–	–	–	–	–			–
Intercompany/Parent subsidiary transactions		44 254	–	–	–	23 123	–			–
Surplus/ (Deficit) for the year		**(253 957)**	**770 796**	**770 796**	**(267 563)**	**(241 410)**	**295 578**			**770 796**

7.4.1 ANALYSIS OF STATEMENT OF FINANCIAL PERFORMANCE

The explanation below pertains to all variances that are more than 10%.

7.4.1.1 Service charges - water revenue

The Water Service Charge has realised less revenue than projected due to the following:

i. Interim readings obtained and processed. The actual readings are yet to be obtained which may be higher than the interim readings.

7.4.1.2 Service charges - Waste Management

The reason for the increase in the variance is attributed to the processing of back charges in certain accounts as a result of the reconciliations conducted by the Revenue department.

7.4.1.3 Agency services

Under collection or decrease in revenue can be attributed to the fact that vehicle licences can be renewed at Pick and Pay and the Provincial Department of Transport directly. Members of the public 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.

7.4.1.4 Interest earned – outstanding debtors

The variance is a result of the debtor's book that is increasing due to non-payment of debtors. The increase in debtor's results in an increase in interest charges, despite credit control action being implemented.

7.4.1.5 Interest earned

An increase in the interest rate has contributed to the overperformance of interest on external investments.

7.4.1.6 Operational Revenue

Operational revenue is made up of numerous miscellaneous items such as, sundry income, commission: transaction handling fees, insurance refund and administrative handling fees which makes it difficult to predict and some are market and/ or demand driven. The variance is however expected to stabilize as the year progresses.

7.4.1.7 Fines, penalties and forfeits

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

a) Cases are struck of the Court Roll.
b) Tracing offenders is a challenge due to people not updating their particulars i.e., residential address when relocating.
c) Buyers of vehicles not registering their vehicles in their name thus details are not updated to new owner's details which makes it difficult to trace traffic offenders.
d) Fines are withdrawn or reduced.

7.4.1.8 Transfers and subsidies – Operational

The over performance of Transfers and subsidies is result of revenue recognised that had to be realised as most operating projects met the grant requirement earlier than anticipated.

7.4.1.9 Inventory consumed

The variance on Inventory consumed is as a result of integration journals that were incorrectly processed. The correcting journals will be processed and will reflect in the month of November 2023.

7.4.1.10 Depreciation & asset impairment

The depreciation amount as disclosed in the Statement of Financial Performance is inclusive of the Revaluation component which then translates into higher depreciation costs. The budget for depreciation resulting from the revalued portion of Property, Plant and Equipment is budgeted in the Statement of Financial Position in line with MFMA circular no.58, however,

the monthly transactions are sitting in the Statement of Financial Performance and will be transferred to the Statement of Financial Position at year end to correct the overspending and align with the budget.

7.4.1.11 <u>Interest</u>

Underperformance is a result of reduction in capital portion on loan repayment, which reduces finance costs and the City has also not taken any new loans.

7.4.1.12 <u>Operational costs</u>

Operational costs is made up of numerous miscellaneous items (e.g., printing & publications, plant hire, professional bodies membership and subscriptions, travel and accommodation, insurance premiums, software licences etc.). The variance can be attributed to the following:

a) An annual payment of R18.59 million made to South African Local Government Association (SALGA).
b) An annual insurance premium and broker fee which must be paid upfront for cover to be in place for BCMM to the value of R25.20 million.
c) An annual payment of R29.09 million for software licences for Microsoft used by the metro's computers as well as payment for licences for Wi-Fi, microwave & rooters.

7.1.1 Repairs and maintenance

Table 6 below reflects that as at 31 October 2023 the repairs and maintenance expenditure is 27% of the budget of R497.62 million (2022/23:32%). Refer to Annexure B: SC13c (repairs and maintenance by asset class).

Table 6: Repairs and Maintenance per Directorate

Directorate	2023/2024 Annual Budget R	2023/2024 Annual Expenditure R	2023/2024 - Variance R	2023/2024 % Of Budget %
Directorate of Executive Support Services	2 713 154	860 306	1 852 848	32%
Directorate of The City Manager	281 337	20 961	260 376	7%
Directorate of Corporate Services	9 236 951	1 231 148	8 005 803	13%
Directorate of Spatial Planning & Development	27 409 582	4 630 924	22 778 658	17%
Directorate of Economic Development & Agencies	1 814 249	424 944	1 389 305	23%
Directorate of Finance	16 114 145	72 303	16 041 842	0%
Directorate of Public Safety & Emergency Services	9 376 298	2 089 288	7 287 010	22%
Directorate of Human Settlement	554 874	130 050	424 824	23%
Directorate of Infrastructure Services	396 089 528	114 966 414	281 123 114	29%
Electricity	*150 073 851*	*52 181 138*	97 892 713	35%
Water	*63 776 709*	*16 889 745*	46 886 964	26%
Sanitation	*43 382 543*	*5 428 131*	37 954 412	13%
Other	*138 856 425*	*40 467 400*	98 389 025	29%
Directorate of Solid Waste & Environmental Management	*16 985 361*	*4 259 989*	12 725 372	25%
Directorate of Sport, Recreation & Community Developmental Services	17 044 891	4 009 504	13 035 387	24%
TOTAL	**497 620 370**	**132 695 831**	**364 924 539**	**27%**

The repairs and maintenance budget of the Metro is not within the recommended National Treasury norm of 8% as the percentage of Property P --+lant 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 R665.05 million in the upgrading and renewal programme that complements the repairs and maintenance. Refer to Annexure B: SC13b (Capital expenditure on renewal of existing assets by) and SC13e (Capital expenditure on upgrading of existing assets by asset class).

7.1.2 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 - M04 October

Vote Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Total Capital Expenditure		**1 425 946**	**1 219 326**	**1 295 320**	**75 017**	**235 158**	**185 871**	**49 287**	**27%**	**1 295 320**
Capital Expenditure - Functional Classification										
Governance and administration		**265 933**	**118 178**	**139 645**	**2 372**	**8 300**	**20 265**	(11 965)	-59%	**139 645**
Executive and council		1 498	1 100	1 100	26	26	14	12	85%	1 100
Finance and administration		264 435	117 078	138 545	2 346	8 275	20 251	(11 977)	-59%	138 545
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**295 202**	**379 038**	**411 861**	**32 594**	**58 179**	**62 210**	(4 031)	-6%	**411 861**
Community and social services		22 466	45 950	47 132	391	3 827	13 294	(9 468)	-71%	47 132
Sport and recreation		48 091	33 200	39 617	6 074	8 059	11 194	(3 135)	-28%	39 617
Public safety		16 015	20 688	42 081	2 057	2 139	10 033	(7 894)	-79%	42 081
Housing		207 333	278 200	278 200	23 876	43 959	26 464	17 494	66%	278 200
Health		1 297	1 000	4 832	196	196	1 224	(1 028)	-84%	4 832
Economic and environmental services		**544 000**	**287 386**	**288 030**	**17 030**	**84 979**	**37 621**	47 359	126%	**288 030**
Planning and development		71 833	113 550	114 193	6 540	24 066	13 904	10 162	73%	114 193
Road transport		472 168	173 837	173 837	10 490	60 913	23 716	37 197	157%	173 837
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**262 230**	**370 624**	**378 262**	**21 454**	**74 809**	**54 087**	20 722	38%	**378 262**
Energy sources		98 904	132 820	132 820	13 153	31 805	18 120	13 685	76%	132 820
Water management		104 798	100 205	100 205	6 823	24 098	13 671	10 427	76%	100 205
Waste water management		42 015	103 598	103 598	1 248	18 011	14 134	3 877	27%	103 598
Waste management		16 513	34 000	41 638	230	895	8 162	(7 267)	-89%	41 638
Other		58 581	64 100	77 522	1 568	8 890	11 688	(2 798)	-24%	77 522
Total Capital Expenditure - Functional Classific	3	**1 425 946**	**1 219 326**	**1 295 320**	**75 017**	**235 158**	**185 871**	**49 287**	**27%**	**1 295 320**
Funded by:										
National Government		696 267	759 472	759 472	46 790	147 770	97 220	50 550	52%	759 472
Transfers recognised - capital		**696 267**	**759 472**	**759 472**	**46 776**	**147 968**	**97 220**	**50 747**	**52%**	**759 472**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		729 679	459 854	535 848	28 242	87 190	88 650	(1 460)	-2%	535 848
Total Capital Funding		**1 425 946**	**1 219 326**	**1 295 320**	**75 017**	**235 158**	**185 871**	**49 287**	**27%**	**1 295 320**

7.1.3 Monthly Budget Statement – Financial Position

The table below reflects the financial position of the Metro. It is good to note that the Metro has excess assets over liabilities resulting into the net worth of R25.92 billion as per statement of financial position. Consumer debtors and other debtors are reflected net of impairments.

Table 8: C6: Monthly Budget Statement – Financial Position

BUF Buffalo City - Table C6 Consolidated Monthly Budget Statement - Financial Position - M04 October

Description	Ref	2022/23	Budget Year 2023/24			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		679 818	692 472	616 478	306 035	616 478
Trade and other receivables from exchange transactions		2 171 225	1 988 297	1 988 297	2 287 490	1 988 297
Receivables from non-exchange transactions		1 115 381	867 830	867 830	1 262 716	867 830
Current portion of non-current receivables		(1)	–	–	(1)	–
Inventory		50 869	44 223	44 223	(68 760)	44 223
VAT		7 164 201	–	–	7 369 275	–
Other current assets		11 926	–	–	10 800	–
Total current assets		**11 193 419**	**3 592 822**	**3 516 829**	**11 167 555**	**3 516 829**
Non current assets						
Investments						
Investment property		460 265	467 196	467 196	460 265	467 196
Property, plant and equipment		24 886 004	24 613 967	24 689 761	24 505 360	24 689 761
Biological assets						
Living and non-living resources						
Heritage assets		50 513	50 513	50 513	50 513	50 513
Intangible assets		8 857	11 440	11 640	8 245	11 640
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions						
Other non-current assets		670 354	731 038	731 038	670 354	731 038
Total non current assets		**26 075 993**	**25 874 155**	**25 950 149**	**25 694 737**	**25 950 149**
TOTAL ASSETS		**37 269 412**	**29 466 977**	**29 466 977**	**36 862 291**	**29 466 977**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Financial liabilities		50 158	30 246	30 246	50 158	30 246
Consumer deposits		90 336	83 793	83 793	91 368	83 793
Trade and other payables from exchange transactions		1 795 541	1 397 989	1 397 989	1 156 437	1 397 989
Trade and other payables from non-exchange transactions		252 983	282 535	282 535	388 897	282 535
Provision		389 812	409 544	409 544	448 019	409 544
VAT		7 581 271	–	–	7 930 713	–
Other current liabilities		–	–	–	–	–
Total current liabilities		**10 160 101**	**2 204 107**	**2 204 107**	**10 065 591**	**2 204 107**
Non current liabilities						
Financial liabilities		88 696	108 608	108 608	75 703	108 608
Provision		805 095	952 555	952 555	805 095	952 555
Long term portion of trade payables		–	–	–	–	–
Other non-current liabilities		–	–	–	–	–
Total non current liabilities		**893 792**	**1 061 163**	**1 061 163**	**880 798**	**1 061 163**
TOTAL LIABILITIES		**11 053 893**	**3 265 270**	**3 265 270**	**10 946 389**	**3 265 270**
NET ASSETS	2	**26 215 519**	**26 201 708**	**26 201 708**	**25 915 902**	**26 201 708**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		10 634 687	13 123 267	13 123 267	10 393 277	13 123 267
Reserves and funds		15 522 625	13 078 441	13 078 441	15 522 625	13 078 441
Other		–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	**26 157 312**	**26 201 708**	**26 201 708**	**25 915 902**	**26 201 708**

7.1.4 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 decrease of (R166.85) billion, resulting in cash and cash equivalents closing balance of R306.04 million as at 31 October 2023.

Table 9: C7: Monthly Budget Statement – Cash Flow

BUF Buffalo City - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M04 October

Description	Ref	2022/23	Budget Year 2023/24							
		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		1 791 370	1 777 905	1 777 905	125 380	475 858	592 635	(116 777)	-20%	1 777 905
Service charges		3 766 315	3 579 825	3 579 825	261 543	993 251	1 193 275	(200 024)	-17%	3 579 825
Other revenue		(97 339)	1 006 865	1 006 865	886 297	1 534 645	335 622	1 199 023	357%	1 006 865
Transfers and Subsidies - Operational		1 212 167	1 463 862	1 466 924	10 293	499 580	488 975	10 605	2%	1 466 924
Transfers and Subsidies - Capital		732 602	760 580	760 580	–	212 546	253 527	(40 981)	-16%	760 580
Interest		262 739	24 054	24 054	1 965	11 883	8 018	3 865	48%	24 054
Dividends		–						–		
Payments										
Suppliers and employees		(6 092 945)	(7 299 129)	(7 302 610)	(606 111)	(2 688 184)	(2 434 203)	253 981	-10%	(7 302 610)
Interest		(16 075)	(13 567)	(13 567)	–	(6 202)	(4 522)	1 680	-37%	(13 567)
Transfers and Subsidies		(91 955)	(154 110)	(153 691)	(8 381)	(39 011)	(51 230)	(12 219)	24%	(153 691)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1 466 878**	**1 146 286**	**1 146 286**	**670 987**	**994 365**	**382 095**	**(612 270)**	**-160%**	**1 146 286**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		12 665	–	–	52	2 269	–	2 269	#DIV/0!	–
Decrease (increase) in non-current receivables								–		
Decrease (increase) in non-current investments								–		
Payments										
Capital assets		(1 447 884)	(1 219 326)	(1 295 320)	(75 017)	(310 175)	(431 773)	(121 598)	28%	(1 295 320)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(1 435 219)**	**(1 219 326)**	**(1 295 320)**	**(74 966)**	**(307 906)**	**(431 773)**	**(123 867)**	**29%**	**(1 295 320)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing		–	–	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	6 005	6 005	(837 348)	(836 317)	2 002	(838 318)	-41884%	6 005
Payments										
Repayment of borrowing		(49 141)	(49 141)	(49 141)	–	(12 993)	(16 380)	(3 387)	21%	(49 141)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(49 141)**	**(43 136)**	**(43 136)**	**(837 348)**	**(849 310)**	**(14 379)**	**834 931**	**-5807%**	**(43 136)**
NET INCREASE/ (DECREASE) IN CASH HELD		**(17 482)**	**(116 176)**	**(192 170)**	**(241 327)**	**(162 851)**	**(64 057)**			**(192 170)**
Cash/cash equivalents at beginning:		697 457	808 648	808 648	547 362	468 886	808 648			468 886
Cash/cash equivalents at month/year end:		679 975	692 472	616 478	306 035	306 035	744 592			276 716

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 - M04 October 2023

Description		0											
R thousands	NT Code	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 Ot	1200	101 525	72 982	81 765	52 244	42 463	38 599	191 286	1 587 907	2 168 769	1 912 498		15 168 131
Trade and Ot	1300	151 585	47 865	33 714	25 376	22 988	14 149	85 683	423 383	804 742	571 578		42 480 113
Receivables fr	1400	197 789	77 634	75 672	51 055	35 368	30 505	146 790	800 375	1 415 189	1 064 093		35 889 383
Receivables fr	1500	54 549	25 365	37 191	19 823	13 610	11 381	57 692	385 931	605 543	488 437		8 016 947
Receivables fr	1600	44 713	26 962	49 779	18 957	20 624	13 924	76 750	506 928	758 636	637 183		6 598 364
Receivables fr	1700	36 964	33 860	34 175	32 989	31 881	28 019	141 741	567 658	907 288	802 289		
Interest on Arr	1810	16 397	7 577	11 287	7 714	5 379	4 471	25 173	217 894	295 892	260 631		
Recoverable	1820	–	–	–	–	–	–	–	–	–	–		
Other	1900	174	163	237	152	141	136	820	9 987	11 811	11 236		2 264
Total By Incom	**2000**	**603 697**	**292 407**	**323 821**	**208 311**	**172 453**	**141 184**	**725 935**	**4 500 064**	**6 967 870**	**5 747 946**	**–**	**110 417**
										–	–		
Debtors Age Analysis By Customer Group													
Organs of Sta	2200	38 310	16 548	10 092	6 584	4 341	1 888	2 263	7 346	87 371	22 422	–	–
Commercial	2300	254 983	78 772	61 459	46 754	38 236	34 729	171 058	750 688	1 436 679	1 041 465	–	–
Households	2400	310 404	197 087	252 270	154 972	129 876	104 567	552 614	3 742 030	5 443 820	4 684 059		110 417
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Custo	**2600**	**603 697**	**292 407**	**323 821**	**208 311**	**172 453**	**141 184**	**725 935**	**4 500 064**	**6 967 870**	**5 747 946**	**–**	**110 417**

8.1. Additional debtors' information

The total debtors book, which includes all charges including VAT, amounted to R6,967,870,409 as at 31 October 2023 which is an increase of R147,045,132 over the amount of R6,820,825,277 as at 30 September 2023.

The Metro is implementing full Credit control action and debt collection. Pre-termination notices were sent to all customers due for disconnection/blocking. For those debtors who did not respond to pre-termination notices, electricity was 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 for the 3-year period.

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

Total gross debtors' book (including current accounts) as at 31 October 2023 amounts to R6.97 billion (2022/23 R5.83 billion). Households: R5.44 billion, Business: R1.44 billion and Government: R87.37 million.

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 October 2023. It also provides comparison with the previous month (30 September 2023) which indicates an increase from R 6.82 billion to R 6.97 billion.

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

AGEING	RATES	SEWERAGE	ELECTRICITY	WATER	REFUSE	SUNDRY DEBTORS	TOTAL FOR OCTOBER 2023	TOTAL FOR SEPTEMBER 2023
CURRENT	197 789 213	54 549 437	151 585 137	101 524 712	44 712 645	53 535 627,00	603 696 771	600 321 943
30 DAYS	77 633 983	25 364 836	47 864 959	72 981 601	26 961 648	41 599 507,00	292 406 534	366 506 471
60 DAYS	75 672 485	37 191 432	33 713 800	81 764 837	49 778 924	45 699 573,00	323 821 051	228 133 823
90 DAYS	51 054 959	19 822 670	25 376 109	52 243 903	18 957 004	40 856 054,00	208 310 699	183 325 058
120 DAYS TO 360 DAYS	212 663 323	82 683 401	122 819 611	272 347 018	111 297 664	237 760 235,00	1 039 571 252	1 132 431 489
YEAR 1+	800 375 028	385 931 155	423 382 648	1 587 906 928	506 928 255	795 540 088,00	4 500 064 102	4 310 106 494
TOTAL	**1 415 188 991**	**605 542 931**	**804 742 264**	**2 168 768 999**	**758 636 140**	**1 214 991 084**	**6 967 870 409**	**6 820 825 277**

8.2.2. Age Analysis per Category

Table 12 below details debtors age analysis per category type as at 31 October 2023. 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	264 581 919	168 239 026	223 242 185	132 825 058	4 207 707 711	4 996 595 899	72
Indigent	43 209 274	27 946 511	28 446 648	21 612 139	313 188 201	434 402 772	6
Business	254 982 706	78 771 980	61 459 191	46 754 490	994 710 496	1 436 678 863	21
Government	38 309 618	16 547 725	10 092 042	6 584 329	15 837 618	87 371 332	1
Municipal Staff*	2 557 347	891 293	577 910	534 683	8 147 895	12 709 128	0
Councillors*	55 907	9 999	3 075	-	43 433	112 415	0
Total	**603 696 771**	**292 406 534**	**323 821 051**	**208 310 699**	**5 539 635 354**	**6 967 870 409**	**100**

Note*: A stop order deduction is implemented for all municipal staff and councillors in arrears. When new staff join the employment 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 30/60/90/120-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 October 2023, a total of R2,491,807.46 was receipted against staff and councillors accounts. The amount was allocated as follows:

Current Billing Receipts	R 1 877 761.47
Arrear's Receipts	R 614 045.99
Total Receipts	R 2 491 807.46

8.2.3. Government Accounts

The total owed by Government Departments to Buffalo City Metropolitan Municipality as at 31 October 2023 amounted to R87,371,332 and this is an increase of R7,151,027 as compared to September 2023 at 30 September 2023. The debt is actively being pursued and suspension of services is implemented for debt that is unpaid.

It must also be noted that Government Departments do not settle their accounts by the due date and often pay after month-end, resulting in the accounts being unpaid at the time of reporting.

The breakdown of the arrears per department (excluding accounts in credit) indicated in the table hereunder, as at 31 October 2023.

Table 13: Analysis of Government Debtors

DEPARTMENT	PROPERTY RATES	SERVICES	VALUE AS AT 31 OCTOBER 2023	VALUE AS AT 30 SEPTEMBER 2023	DIFFERENCE
National Department of Public Works	17 472 840	16 121 750	33 594 589	32 966 530	628 059
Provincial Department of Public Works	192 069	6 795 987	6 988 055	11 117 982	(4 129 927)
Department of Education	-	14 943 556	14 943 556	11 692 179	3 251 376
Department of Health	-	27 101 527	27 101 527	20 627 830	6 473 697
Department of Social Development	-	658 696	658 696	687 678	(28 982)
Department of Transport	-	45 365	45 365	47 725	(2 360)
Department of Agriculture	-	90 201	90 201	76 234	13 967
Department of Nature Conservation	-	27 959	27 959	9 849	18 111
Department of Human Settlements	-	439 532	439 532	408 345	31 187
Sport, Recreation, Arts and Culture	-	37 874	37 874	65 966	(28 092)
Department of Labour - UIF Services	-	118 353	118 353	119 154	(801)
Members of Provincial Legislature	-	801 873	801 873	755 051	46 821
Department of Water Affairs	-	3 010	3 010	3 010	-
Department of Rural Development and Land Reform	-	2 520 742	2 520 742	1 642 771	877 971
TOTAL	**17 664 908**	**69 706 424**	**87 371 332**	**80 220 305**	**7 151 027**

9. CREDITORS' ANALYSIS

The creditors' analysis as depicted in table 14 below contains an aged analysis by customer type. The Metro strives to pay its creditors within 30 days as stipulated by section 65 (e) of the MFMA except when there are disputes on received invoices. The creditors payment period for the reporting period (31 October 2023) is 49 days.

Table 14: SC4 Monthly Budget Statement Aged Creditors

BUF Buffalo City - Supporting Table SC4 Monthly Budget Statement - aged creditors - M04 October

Description	NT Code	Budget Year 2023/24									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	193 949	–	–	–	–	–	–	–	**193 949**	163 742
Bulk Water	0200	17 790	–	–	–	–	–	–	–	**17 790**	22 370
PAYE deductions	0300	33 812	–	–	–	–	–	–	–	**33 812**	31 119
VAT (output less input)	0400	–	–	–	–	–	–	–	–	**–**	–
Pensions / Retirement deductions	0500	36 734	–	–	–	–	–	–	–	**36 734**	35 466
Loan repayments	0600	–	–	–	–	–	–	–	–	**–**	–
Trade Creditors	0700	262 316	54 656	–	–	–	–	–	–	**316 973**	175 132
Auditor General	0800	4 715	–	–	–	–	–	–	–	**4 715**	3 602
Other	0900	559 357	–	–	–	–	–	–	–	**559 357**	369 382
Total By Customer Type	**1000**	**1 108 673**	**54 656**	**–**	**–**	**–**	**–**	**–**	**–**	**1 163 329**	800 814

The table below (table 15) depicts actual payments made by BCMM to its top twenty (20) creditors in October 2023.

Table 15: Payments made to the 20 highest paid creditors – October 2023

CREDITOR	90 DAYS	60 DAYS	30 DAYS	CURRENT	TOTAL	PAYMENT
ESKOM				193 948 536	193 948 536	193 948 536
AMATOLA WATER				17 789 696	17 789 696	17 789 696
HOUSING DEVELOPMENT AGENCY		11 715 768			11 715 768	11 715 768
COALITION TRADING JV JCR				10 650 604	10 650 604	10 650 604
EZULUWENI CONSTRUCTION (PTY) LTD			1 628 124	5 872 425	7 500 548	7 500 548
MVEZO PLANT & CIVILS CC		7 125 657			7 125 657	7 125 657
CZAR CONSTRUCTION				7 080 195	7 080 195	7 080 195
IMVUSA TRADING 415 CC				6 971 539	6 971 539	6 971 539
EYA BANTU PROFFESSIONAL SERVICES CC			6 719 359		6 719 359	6 719 359
SHWEME GENERAL TRADING CC JV EXCELLENT				6 423 982	6 423 982	6 423 982
ESRI SOUTH AFRICA		5 813 223			5 813 223	5 813 223
C & M FASTNERS CC			5 760 233		5 760 233	5 760 233
DOWN TOUCH INVESTMENTS (PTY) LTD		5 484 534			5 484 534	5 484 554
DESIGNER LIGHTING (PTY) LTD		1 659 008	1 556 664	1 572 847	4 788 518	4 788 518
DAMFIN GENERAL TRADING CC				4 248 135	4 248 135	4 248 135
RUWACON (PTY) LTD				3 083 953	3 083 953	3 083 953
CITYSAVE 518 TRADING		1 248 385		1 829 880	3 078 265	3 078 265
VITSHA PM CONSULTANTS CC			2 979 461		2 979 461	2 979 461
KHULANI WASTE MANAGEMENT			2 966 000		2 966 000	2 966 000
BONTIFOR (PTY) LTD				2 844 543	2 844 543	2 844 543
TOTAL	**-**	**33 046 574**	**21 609 840**	**262 316 335**	**316 972 749**	**316 972 769**

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 - M04 October 2023

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate [a]	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Absa - 4094793455		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	137	4	–	–	**141**
Absa - 4094788949		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	3 324	91	–	–	**3 415**
Absa - 4094793968		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	215	6	–	–	**220**
First National Bank - 62938182285		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	22 016	583	22 000	–	**599**
Stanlib - 552200137		Call Account	Call Account	Yes	Variable	8,6	-		Call Account	13	0	–	–	**13**
Nedbank - 03/7881532939/000041		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	1 179	32	–	–	**1 212**
Nedbank - 03/7881532939/000108		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	101	3	–	–	**104**
Absa - 4094789157		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	1 008	28	–	–	**1 036**
Nedbank - 03/7881532939/000110		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	366	10	–	–	**376**
Absa - 4094790083		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	1 440	39	–	–	**1 479**
Stanlib - 552200133		Call Account	Call Account	Yes	Variable	8,6	-		Call Account	310	9	–	–	**319**
Stanlib - 700475605		Call Account	Call Account	Yes	Variable	8,6	-		Call Account	1	0	–	–	**1**
Nedbank - 03/7881532939/000128		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	16 566	332	16 794	–	**104**
First National Bank - 62938013572		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	9 091	193	9 216	–	**68**
Standard - 76586/442745		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	650	18	–	–	**668**
Absa - 4094790211		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	35 961	720	36 454	–	**227**
First National Bank - 62938181039		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	2 469	68	–	–	**2 537**
Stanlib - 552200140		Call Account	Call Account	Yes	Variable	8,6	-		Call Account	214	6	–	–	**220**
Absa - 4094793895		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	558	15	–	–	**574**
First National Bank - 62938179951		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	2	0	–	–	**2**
Nedbank - 03/7881532939/000133		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	1 105	30	–	–	**1 135**
Nedbank - 03/7881532939/000134		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	166	5	–	–	**171**
First National Bank - 62938190080		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	17 443	352	17 683	–	**111**

BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M04 October 2023

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														
Standard - 76586/524914		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	18	0	–	–	**18**
Nedbank - 03/7881532939/000136		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	4	0	–	–	**4**
Nedbank - 03/7881532939/000144		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	5 173	105	4 678	–	**599**
Nedbank - 03/7881532939/000145		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	3 217	88	–	–	**3 306**
Standard - 76586/553472		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	5 611	113	5 075	–	**650**
Standard - 76586/553471		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	54 861	1 311	55 164	–	**1 009**
Absa - 4101937017		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	54 347	1 122	55 116	–	**353**
Stanlib - 552200136		Call Account	Call Account	Yes	Variable	8,6	-		Call Account	6 000	177	–	–	**6 177**
Stanlib - 700893064		Call Account	Call Account	Yes	Variable	8,6	-		Call Account	37 807	1 071	38 000	–	**878**
Nedbank - 03/7881532939/000152		28/09/2023	Fixed deposit	Yes	Fixed	9,21	-		28/09/2023	108 665	2 439	111 104	–	**(0)**
Standard - 76586/567288		28/09/2023	Fixed deposit	Yes	Fixed	9,00	-		28/09/2023	56 943	1 249	58 192	–	**–**
First National Bank - 76203378297		28/09/2023	Fixed deposit	Yes	Fixed	9,03	-		28/09/2023	69 518	1 530	71 048	–	**–**
Nedbank - 03/7881532939/000153		Call Account	Call Account	Yes	Variable	8,05	-		Call Account		172	–	129 240	**129 412**
First National Bank - 63040210667		Call Account	Call Account	Yes	Variable	8,05	-		Call Account		147	–	111 104	**111 251**
First National Bank - 63040210667		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	25 621	707	–	–	**26 328**
Stanlib - 552200130		Call Account	Call Account	Yes	Variable	8,6	-		Call Account	24	1	–	–	**25**
Stanlib - 552200132		Call Account	Call Account	Yes	Variable	8,6	-		Call Account	14	0	–	–	**14**
Standard - 76586/442736		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	83	2	–	–	**85**
Stanlib - 552200131		Call Account	Call Account	Yes	Variable	8,6	-		Call Account	138	4	–	–	**142**
First National Bank - 62938189471		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	25	1	–	–	**26**
Nedbank - 03/7881532939/000101		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	104	3	–	–	**107**
Absa - 4094793536		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	12	0	–	–	**13**
Absa - 4094789872		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	7	0	–	–	**7**
Standard - 76586/442741		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	47	1	–	–	**49**
Standard - 76586/442744		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	114	3	–	–	**117**
First National Bank - 62938188887		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	44	1	–	–	**46**
Nedbank - 03/7881532939/000129		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	63	2	–	–	**65**
Standard - 76586/442738		Call Account	Call Account	Yes	Variable	8,05	-		Call Account	3 539	97	–	–	**3 636**
Municipality sub-total										**546 334**	**12 892**	**500 524**	**240 344**	**299 046**
Entities														
														–
Entities sub-total										**–**		**–**	**–**	**–**
TOTAL INVESTMENTS AND INTEREST	2									**546 334**	**12 892**	**500 524**	**240 344**	**299 046**

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) are 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 - M04 October

Description	Ref	2022/23	Budget Year 2023/24							
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:		**1 165 880**	**1 268 758**	**1 268 339**	**10 291**	**499 569**	**385 192**	**114 377**	**29,7%**	**1 268 339**
Energy Efficiency And Demand Side Management Grant		–	–	–	–	–	–	–		–
Equitable Share		1 045 448	1 138 058	1 138 058	–	474 190	352 798	121 392	34,4%	1 138 058
Expanded Public Works Programme Integrated Grant		10 728	6 093	6 093	–	1 523	1 523	–	0,0%	6 093
Infrastructure Skills Development Grant		11 578	10 850	10 850	–	6 000	6 000	–	0,0%	10 850
Local Government Financial Management Grant		1 000	1 000	1 000	–	1 000	1 000	–	0,0%	1 000
Metro Informal Settlements Partnership Grant	3	18 166	27 408	27 408	–	–	–	–		27 408
Neighbourhood Development Partnership Grant		21 000	21 000	20 581	10 291	10 291	10 741	(450)	-4,2%	20 581
Programme And Project Preparation Support Grant		13 776	18 908	18 908	–	6 565	13 130	(6 565)	-50,0%	18 908
Public Transport Network Grant		–	–	–	–	–	–	–		–
Urban Settlement Development Grant		44 185	45 441	45 441	–	–	–	–		45 441
Other transfers and grants [insert description]								–		
Provincial Government:		**15 870**	**128 570**	**132 017**	**–**	**–**	**940**	**(940)**	**-100,0%**	**132 017**
Dsrac		15 870	15 870	15 870	–	–	–	–		15 870
Infrastructure Grant		–	112 700	112 700	–	–	–	–		112 700
Transitional Grant		–	–	3 447	–	–	940	(940)	-100,0%	3 447
Other transfers and grants [insert description]								–		
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
[insert description]								–		
Other grant providers:		**2 766**	**66 534**	**66 568**	**–**	**–**	**9**	(9)	-100,0%	**66 568**
Eastern Cape Arts Council		–	–	–	–	–	–	–		–
European Union		2 618	–	–	–	–	–	–		–
Local Government Water And Related Service Seta		–	66 534	66 534	–	–	–	–		66 534
Parent Municipality		–	–	–	–	–	–	–		–
Unsp. City Of Oldenburg		149	–	–	–	–	–	–		–
Unsp. Glasgow Partnshp		–	–	–	–	–	–	–		–
Unsp. Salaida/Galve		–	–	34	–	–	9	(9)	-100,0%	34
Total Operating Transfers and Grants	5	**1 184 516**	**1 463 862**	**1 466 924**	**10 291**	**499 569**	**386 141**	**113 428**	**29,4%**	**1 466 924**
Capital Transfers and Grants										
National Government:		730 691	760 580	760 580	–	212 546	216 982	(4 436)	**-2,0%**	760 580
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Infrastructure Skills Development Grant		173	150	150	–	–	–	–		150
Integrated City Development Grant		–	–	–	–	–	–	–		–
Metro Informal Settlements Partnership Grant		263 956	267 148	267 148	–	88 367	88 367	–	0,0%	267 148
Neighbourhood Development Partnership Grant		14 581	19 581	19 581	–	15 145	19 581	(4 436)	-22,7%	19 581
Rural Road Asset Management Systems Grant		–	1 108	1 108	–	–	–	–		1 108
Urban Settlement Development Grant		451 981	472 593	472 593	–	109 034	109 034	–	0,0%	472 593
Provincial Government:		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
[insert description]								–		
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**		**–**
[insert description]								–		
Other grant providers:		**–**	**–**	**–**	**–**	**–**	**(369)**	369	-100,0%	**–**
[insert description]								–		
Parent Municipality		–	–	–	–	–	(369)	369	-100,0%	–
Total Capital Transfers and Grants	5	**730 691**	**760 580**	**760 580**	**–**	**212 546**	**216 613**	**(4 067)**	**-1,9%**	**760 580**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 915 207	2 224 443	2 227 505	10 291	712 115	602 754	109 361	18,1%	2 227 505

11.1. Expenditure on Conditional Grants (DoRA Allocation)

The Metro has spent 22% (R194.34 million, inclusive of reclaimed vat) of its 2023/24 conditional grants adjusted budget of R889.75 million as at 31 October 2023. This reflects an improvement when compared to the same period in the previous financial year where 19% (R159.62 million, inclusive of reclaimed vat) of conditional grants budget of R855.70 million was spent

Table 18 below reflects the year-to-date expenditure on 2023/2024 total conditional grants.

Table 18: Spending per Conditional Grant Funding Allocation

Funding/Grant	2023/24 Adjusted Budget	YTD Expenditure (vat) R	YTD Variance (vat incl.) R	% Expenditure (vat incl.)
Finance Management Grant	1 000 000	190 019	809 981	19%
Infrastructure Skills Development Grant	11 000 000	4 315 070	6 684 930	39%
Urban Settlement Development Grant	518 034 000	134 208 709	383 825 291	26%
Neighborhood Development Partnership Grant	19 581 000	14 949	19 566 051	0%
Neighborhood Development Partnership Grant (PEP)	20 581 000	9 173 652	11 407 348	45%
Informal Settlement Upgrading Partnership Grant	294 556 000	42 181 350	252 374 650	14%
Expanded Public Works Programme Grant	6 093 000	4 258 968	1 834 032	70%
Programme and Project Preparation Support Grant (PPPSG)	18 908 000	0	18 908 000	0%
TOTAL	**889 753 000**	**194 342 718**	**695 410 282**	**22%**

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 currently 6 (six) interns serving on the internship programme. The interns are being remunerated accordingly. The process to recruit two (2) additional interns is underway as the target is to have 8 (eight) interns serving in the programme. Furthermore, the grant will be utilised for capacity and upskilling of the interns and officials in the Finance directorate as well as Internal Audit. Expenditure is in line with set targets.

11.1.2. URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)

Infrastructure Services

a) Waste Water

Schedule of work is currently being finalized for preparation of requisitions for Works Orders. To fast track the preparation and issuing of Work Orders for projects, there were procurement delays for other projects due to finalization of scope of work based on available budget.

b) Water

The Department is still undertaking procurement process. Purchase requisitions have been submitted for the generation of orders. Expenditure is expected to pick up at the beginning of the second quarter.

c) Roads

Projects will improve. The projects are currently at construction stage for Mdantsane roads upgrades from gravel to surfaced standards and rural roads projects.

Spatial Planning and Development

a) Sleeper Site Road

The contractor is currently busy with earthworks on site. Priming of Side streets is 80% complete. Invoices are submitted month-end and expenditure will improve once payments are made.

b) Qumza Highway Phase 7 - Phase 1 & 2

Temporarily Bypass for the Traffic Circle at Golden highway Intersection is complete. Contractor will commence with box cutting during October 2023. The expenditure will improve as works is progressing on site and payments are processed.

Human Settlements

Work is still picking up on site as contractors are fell behind construction targets following issues with procurement of local SMMEs. Most local SMMEs who were demanding work on site, have since received their appointment letters, construction progress on site is expected to improve moving forward and expenditure as well.

Economic Development & Agencies

a) Upgrading of Market Hall

Informal tender specifications have been sent to SCM for advertising. Adverts will be publicised once the revised informal tender template is complete. Upgrades will be implemented using annual contracts.

b) Mdantsane Art Centre

The tender to appoint the service provider to implement phase one of the project is currently at Bid Evaluation Committee enroute to Bid Adjudication Committee.

Sports, Recreation & Community Development

Projects have been identified. and expenditure will take place from November 2023.

Directorate of Solid Waste & Environmental Management

The Department will implement the project through the existing memorandum of understanding (MOU) with Boader-Kie Chamber of Business (BKCOB), the project is currently at procurement phase which has resulted to delays in expenditure, however, there have been strides towards finalization of this phase. The Department will follow-up with

BKCOB regarding progress and fast track the procurement processes in order to incur expenditure of 50% by 31 December 2023.

11.1.3. NEIGHBORHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG)

The procurement process for the appointment of service providers for the construction of the remaining zones is in progress. Once the appointment of the service providers for the construction of the zones is concluded, it is expected that expenditure will start to move. The same approach that was used last year will be applied, i.e. that of appointing multiple service providers to tackle the zones simultaneously.

11.1.4. NEIGHBORHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG PUBLIC EMPLOYMENT PROGRAMME)

The project is being implemented by Buffalo City Metropolitan Development Agency (BCMDA) and Border-Kei Chamber of Business (BKCOB) on behalf of the Metro as per Memorandum of Understanding (MOU). The City is awaiting invoices to be submitted by the entities for reimbursement in line with the Memorandum of Understanding (MOU).

11.1.5. INFORMAL SETTLEMENT UPGRADING PARTNERSHIP GRANT (ISUPG)

Infrastructure Services

a) Electricity

Supply and Installation of six (6) High mast Lights order has been placed with the supplier and delivery takes between 6 and 8 weeks. Expenditure is expected to improve once installation has taken place.

b) Wastewater

Schedule of work is currently being finalized for preparation of Requisitions for Works Orders. To fast track the preparation and issuing of Work Orders for projects.

c) Water

The department is still undertaking procurement process. Purchase requisitions have been submitted for the generation of orders. Expenditure is expected to pick up at the beginning of the second quarter.

Economic Development & Agencies

a) Informal Trade Infrastructure (Hawker Stalls)

Funds will be utilised for the construction of the shelter (container mall) for the informal traders. The focus this financial year is Mzamomhle and Fort Jackson Junction Hub.

b) Agri-Village

Presently drafting specification for tender document for design and construction of poultry structures at Sekunjalo Agri-village.

c) Fort Jackson Junction Hub

Funds will be utilised for the construction of the Fort Jacson Junction hub, drawings and other paperwork have been done, the delays are upon the land issues and numerous meetings with relevant departments are in process.

Human Settlements

Work is still picking up on site as contractors are fell behind construction targets following issues with procurement of local SMMEs. Most local SMMEs who were demanding work on site, have since received their appointment letters, construction progress on site is expected to improve moving forward and expenditure as well.

Sports, Recreation & Community Development

Projects have been identified. and expenditure will take place from November 2023.

11.1.6. PROGRAMME AND PROJECT PREPARATION SUPPORT GRANT (PPPSG)

The projects under the programme are still in the procurement stage. The projects are still waiting for the appointment of service providers. Expenditure will increase as soon as appointments are made.

Spatial Planning and Development

The Land Acquisition process is currently at negotiation stage with private owners and State-Owned Entities. Expenditure will improve as the negotiation process for the different Land Parcels are finalized and Deeds of sale are signed.

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 25,46%. 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 - M03 September

Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		37 611	45 056	45 056	5 644	11 877	11 376	502	4%	45 056
Pension and UIF Contributions		4 043	4 500	4 500	522	1 191	1 136	55	5%	4 500
Medical Aid Contributions		1 635	2 176	2 176	140	421	550	(128)	-23%	2 176
Motor Vehicle Allowance								–		
Cellphone Allowance		4 084	4 489	4 489	641	1 323	1 133	190	17%	4 489
Housing Allowances		14 210	2 578	2 578	1 460	3 868	651	3 217	494%	2 578
Other benefits and allowances		5 167	15 258	15 258	401	1 199	3 852	(2 653)	-69%	15 258
Sub Total - Councillors		**66 749**	**74 057**	**74 057**	**8 808**	**19 880**	**18 698**	**1 182**	**6%**	**74 057**
% increase	4		**10,9%**	**10,9%**						**10,9%**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		11 512	14 700	14 700	1 102	2 912	3 475	(564)	-16%	14 700
Pension and UIF Contributions		2 229	2 126	2 126	213	539	503	37	7%	2 126
Medical Aid Contributions		361	361	361	37	108	85	22	26%	361
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	242	242	–	–	57	(57)	-100%	242
Motor Vehicle Allowance		2 383	2 634	2 634	241	661	623	39	6%	2 634
Cellphone Allowance		241	240	240	22	60	57	3	6%	240
Housing Allowances		2 934	2 086	2 086	242	489	493	(4)	-1%	2 086
Other benefits and allowances		25	4	4	1	2	1	1	167%	4
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	10	10	–	–	2	(2)	-100%	10
Post-retirement benefit obligations	2	(86 291)	–	–	–	–	–	–		–
Entertainment		–	–	–	–	–	–			–
Scarcity		–	–	–	–	–	–			–
Acting and post related allowance		199	299	299	10	16	71			299
In kind benefits		–	–	–	–	–	–			–
Sub Total - Senior Managers of Municipality		**(66 408)**	**22 701**	**22 701**	**1 869**	**4 788**	**5 367**	**(579)**	**-11%**	**22 701**
% increase	4		**-134,2%**	**-134,2%**						**-134,2%**
Other Municipal Staff										
Basic Salaries and Wages		1 542 863	1 778 740	1 778 740	133 158	401 848	420 549	(18 702)	-4%	1 778 740
Pension and UIF Contributions		316 335	334 401	334 401	27 292	82 376	79 063	3 313	4%	334 401
Medical Aid Contributions		114 555	165 199	165 199	9 804	29 442	39 058	(9 616)	-25%	165 199
Overtime		156 956	142 650	142 650	13 469	41 051	33 727	7 324	22%	142 650
Performance Bonus		127 188	151 009	151 009	15 406	38 552	35 703	2 848	8%	151 009
Motor Vehicle Allowance		40 571	47 643	47 643	3 618	10 940	11 264	(324)	-3%	47 643
Cellphone Allowance		4 346	5 134	5 134	351	1 057	1 214	(157)	-13%	5 134
Housing Allowances		8 680	18 125	18 125	792	2 381	4 285	(1 904)	-44%	18 125
Other benefits and allowances		45 534	45 640	45 640	3 660	11 597	10 791	806	7%	45 640
Payments in lieu of leave		49 077	–	–	–	8 963	–	8 963	0%	–
Long service awards		(20 730)	39 414	39 414	3 294	9 903	9 319	584	6%	39 414
Post-retirement benefit obligations	2	64 488	22 000	22 000	0	0	5 201	(5 201)	-100%	22 000
Entertainment								–		
Scarcity		36 710	56 280	56 280	3 215	9 689	13 306	(3 617)	-27%	56 280
Acting and post related allowance		11 856	13 486	13 486	846	2 671	3 188	(517)	-16%	13 486
In kind benefits								–		
Sub Total - Other Municipal Staff		**2 498 429**	**2 819 722**	**2 819 722**	**214 906**	**650 470**	**666 670**	**(16 200)**	**-2%**	**2 819 722**
% increase	4		**12,9%**	**12,9%**						**12,9%**
TOTAL MANAGERS AND STAFF		**2 474 491**	**2 884 448**	**2 884 448**	**220 387**	**666 636**	**681 395**	**(14 759)**	**-2%**	**2 882 002**

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 October 2023. Table 21 below details overtime expenditure incurred per cost centre for the past three months ended 31 October 2023.

Table 20: Overtime per Directorate

Directorate Overtime	2023/2024 Annual Budget R	2023/2024 YTD Budget R	2023/2024 YTD Expenditure R	2023/2024 YTD Variance R	2023/2024 % of YTD Budget %
Directorate of Executive Support Services	7 752 402	2 480 778	2 466 647	14 131	99%
Directorate of The City Manager	1 003 164	321 014	410 762	(89 748)	128%
Directorate of Corporate Services	719 550	230 257	185 903	44 354	81%
Directorate of Spatial Planning & Development	242 188	77 500	62 413	15 087	81%
Directorate of Economic Development & Agencies	749 699	239 905	277 531	(37 627)	116%
Directorate of Finance	4 444 981	1 422 399	2 383 718	(961 319)	168%
Directorate of Public Safety & Emergency Services	43 630 138	13 961 696	17 232 278	(3 270 582)	123%
Directorate of Human Settlement	0	0	-1 000	1 000	0%
Directorate of Infrastructure Services	46 656 944	14 930 277	22 368 623	(7 438 346)	150%
Electricity	*17 401 470*	5 568 491	*8 181 499*	(2 613 008)	*147%*
Water	*15 561 856*	4 979 812	*7 634 744*	(2 654 932)	*153%*
Sanitation	*12 623 009*	4 039 378	*5 846 837*	(1 807 459)	*145%*
Other	*1 070 609*	342 596	*705 542*	(362 946)	*206%*
Directorate of Solid Waste & Environmental Management	20 353 314	6 513 085	5 271 497	1 241 587	81%
Directorate of Sport, Recreation & Community Development	17 097 274	5 471 148	4 580 663	890 485	84%
Total	**142 649 654**	**45 648 059**	**55 239 035**	**(9 590 976)**	**121%**

Total overtime payment for the months of August 2023, September 2023 and October 2023 is reflected above. There was a decrease in the total payment of overtime between August 2023 and September 2023 of R977 223 and an increase in the total payment of overtime between September 2023 and October 2023 of R821 933.

Table 21: Overtime Per Cost Centre: August 2023 – October 2023

		August 2023 Amount	September 2023 Amount	October 2023 Amount
	DIRECTORATE OF EXECUTIVE SUPPORT SERVICES			
0505	OFFICE OF THE DIRECTOR EXECUTIVE SUPPORT SERVICES	2 609.65	-	-
0511	COMM/MARKETING /INTERNAT & INTERGOV REL	6 321.86	-	-
0512	INTERNATIONAL & INTERGOVERNMENTAL RELAT	8 366.04	-	-
0523	IDP & BUDGET INTEGRATION	23 112.23	-	-
0531	POLITICAL OFFICE ADMINISTRATION	11 706.72	-	3 845.90
0532	OFFICE OF THE CHIEF WHIP	156 142.39	182 078.38	172 646.01
0533	OFFICE OF THE DEPUTY EXECUTIVE MAYOR	208 829.63	211 472.11	187 982.28
0534	OFFICE OF THE EXECUTIVE MAYOR	175 665.10	127 004.03	127 678.09
0535	OFFICE OF THE SPEAKER	65 437.73	53 400.13	8 235.89
0542	SPECIAL PROGRAMMES	1 638.84	2 731.40	-
		659 830.19	**576 686.05**	**500 388.17**
	DIRECTORATE OF THE CITY MANAGER			
1005	OFFICE OF THE CITY MANAGER	97 086.34	100 420.34	61 389.26
1041	GOVERNANCE & INTERNAL AUDITING		35 610.26	-
		97 086.34	**136 030.60**	**61 389.26**
	DIRECTORATE OF CORPORATE SERVICES			
1512	ADMINISTRATIVE & CORPORATE SUPPORT	22 234.33	18 941.00	7 186.77
1513	AUXILLIARY / RECORDS & DECISION TRACKING AND TELECOMMUNICATIONS	31 067.65	19 723.44	8 226.93
1514	INFORMATION / TECHNOLOGY & SUPPORT	6 894.50	27 060.39	17 901.09
		60 196.48	**65 724.83**	**33 314.79**
	DIRECTORATE OF DEVELOPMENT & SPATIAL PLANNING			
2023	BUILDING MAINTENANCE	-	-	13 707.00
2034	INTEGRATED PUBLIC TRANSPORT NETWORK OPERATIONS	6 024.64	-	-

	August 2023 Amount	August 2023 Amount	September 2023 Amount	October 2023 Amount
2037	TRAFFIC MANAGEMENT & SAFETY	-	-	-
		6 024.64	**-**	**13 707.00**
	DIRECTORATE OF ECONOMIC DEVELOPMENT & AGENCIES			
2511	FRESH PRODUCE MARKET	14 286.16	18 029.11	12 402.21
2521	TOURISM / ARTS / CULTURE & HERITAGE	-	8 501.54	25 711.17
2531	TRADE / INDUSTRY & RURAL AGRARIAN	-	-	7 636.03
		14 286.16	**26 530.65**	**45 749.41**
	DIRECTORATE OF FINANCE			
3011	BUDGET & TREASURY MANAGEMENT	23 141.31	22 829.97	12 521.07
3021	CORPORATE ASSET MANAGEMENT	-	53 465.21	35 719.06
3031	EXPENDITURE & PAYMENTS	-	10 510.50	11 111.10
3033	PAYROLL & BENEFITS	4 110.40	1 761.60	-
3034	VAT / LEASES & PAYMENTS	35 293.58	-	-
3051	REVENUE MANAGEMENT	-	3 118.85	-
3052	ACCOUNTS MANAGEMENT & REVENUE CONTROL	4 579.34	8 483.03	11 434.38
3053	COASTAL REVENUE MANAGEMENT	-	107 239.78	32 010.81
3054	CUSTOMER RELATIONS (CALL CENTRE)	215 771.12	258 135.46	248 717.51
3055	INLAND REVENUE MANAGEMENT	-	112 108.55	143 875.96
3056	MIDLAND REVENUE MANAGEMENT	6 780.43	31 591.14	89 795.51
3057	RATES AND VALUATIONS	40038.22	64 091.24	50 202.88
3061	STRATEGY & OPERATIONS	0.00	16 278.64	1 732.19
3071	SUPPLY CHAIN MANAGEMENT	-	-	-
		329 714.40	**689 613.97**	**637 120.47**
	DIRECTORATE OF PUBLIC SAFETY & EMERGENCY SERVICES			
3512	DISASTER MANAGEMENT	44 139.22	13 645.48	15 838.14
3513	FIRE & RESCUE	656 984.84	568 443.40	757 795.71
3531	PUBLIC SAFETY & PROTECTION SERVICES	-	-	-
3532	LAW ENFORCEMENT SERVICES	1 989 160.08	1 755 780.90	2 070 571.37
3533	TRAFFIC SERVICES	542 355.26	434 192.19	338 919.00
		3 232 639.40	**2 772 061.97**	**3 183 124.22**
	DIRECTORATE OF HUMAN SETTLEMENT			
4011	HOUSING DELIVERY & IMPLEMENTATION	-150.00	-150.00	-150.00
		-150.00	**-150.00**	**-150.00**

		August 2023 Amount	September 2023 Amount	October 2023 Amount
	DIRECTORATE OF INFRASTRUCTURE SERVICES			
4505	OFFICE OF THE DIRECTOR OF INFRASTRUCTURE SERVICES	18 404.96	13 956.60	8 856.32
4511	ELECTRICAL & ENERGY SERVICES	4 090.91	4 090.91	5 349.65
4512	CUSTOMER SERVICES & REVENUE PROTECTION	126 087.85	111 312.26	104 959.74
4514	ELECTRICAL DISTRIBUTION	1 961 594.96	1 847 775.76	1 935 335.95
4521	ROADS / PIU & CONSTRUCTION	-	14 380.28	2 590.70
4522	CONSTRUCTION	5 504.67	5 613.44	5 504.67
4524	ROADS	63 788.62	71 759.28	64 290.75
4532	SANITATION	1 270 934.02	1 080 650.18	1 661 878.85
4535	WATER SERVICES	1 828 319.27	1 806 435.43	1 754 386.44
4543	WORKSHOPS	68 943.50	21 182.38	97 789.07
		5 347 668.76	**4 977 156.52**	**5 640 942.14**
	DIRECTORATE OF SOLID WASTE AND ENVIRONMENTAL SERVICES			
5512	LANDFILLS & TRANSFER STATIONS	458 385.50	407 961.11	270 437.36
5513	WASTE REMOVAL & CLEANSING (COASTAL)	111 090.93	104 270.64	96 369.73
5514	WASTE REMOVAL & CLEANSING (MIDLAND)	253 259.47	237 946.85	158 519.38
5517	LANDFILL & TRANSFER STATIONS	100 236.26	96 599.98	96 667.58
5522	ENVIROMENTAL PLANNING (IEMP)	3 598.04	6 653.68	5 508.08
5523	COASTAL BEACHES & NATURE MANAGEMENT	55 718.24	51 681.61	47 393.27
5524	GRASS CUTTING & VEGETATION CONTROL	138 308.10	27 465.17	11 668.10
5533	MUNICIPAL HEALTH SERVICES	17 133.99	16 937.05	2 773.47
		1 137 730.53	**949 516.09**	**689 336.97**
	DIRECORATE OF SPORT, RECREATION & COMMUNITY DEVELOPMENT			
6005	OFFICE OF THE DIRECTOR OF SPORT, RECREATION & COMMUNITY DEVELOPMENT	3 243.24	4 127.76	4 477.00
6011	GM OFFICE	43 773.17	31 874.39	58 194.95
6012	LIBRARIES	27 079.42	31 427.56	23 875.65
6013	HALLS	270 152.63	256 760.85	251 800.32
6014	ZOO & AQUARIUM	175 512.48	143 958.12	164 600.74
6022	PARKS (COASTAL)	49 805.86	42 222.72	42 268.89
6023	CEMETERIES (COASTAL)	339 562.33	199 686.44	213 295.91

		August 2023 Amount	September 2023 Amount	October 2023 Amount
6024	PARKS (MIDLAND)	2 471.76	7 310.45	2 197.12
6025	CEMETERIES (MIDLAND)	121 015.05	101 480.19	110 820.70
6026	PARKS (INLAND)	39 781.86	385.00	-
6027	CEMETERIES (INLAND)	139 479.59	109 474.87	105 438.77
6031	GM OFFICE	2 591.64	3 743.48	3 167.56
6032	FACILITIES	66 759.37	56 011.41	86 560.76
6033	SWIMMING POOLS	-	-	120 018.84
6034	RESORTS MANAGEMENT	50 031.96	57 430.68	66 194.60
6035	SPORT DEVELOPMENT	-	-	3 163.16
		1 331 260.36	**1 045 893.92**	**1 256 074.97**
	TOTAL OVERTIME	**12 216 287.26**	**11 239 064.60**	**12 060 997.40**

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) hoursper 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 The City Manager

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

b) Directorate of Economic Development & Agencies

One employee works additional hours to conduct patrols to monitor safety related matters due to high level of recent crime incidents. Cold room employees worked outside working hours to monitor the temperatures at the cold storage. Every alternate Saturday, cashiers work additional hours to perform bulk teller duties and supervisor duties. The department is currently exploring alternatives to reduce the cost of overtime. Some employees are compensated with time off whilst some are compensated using leave days.

c) Directorate Of Finance

The over expenditure on overtime is as a result of staff who worked overtime to minimize the high volume of old queries and recent queries to get accounts resolved, as the call centre is required to be operational 365 days a year, which

includes weekends and public holidays. The staff are 5-day workers and as such need to be paid overtime for work done on a weekend and public holidays in order to keep the Call Centre operational.

d) <u>Directorate of Public Safety & Emergency Services</u>

Structured overtime is compulsory compensation payable as a result of the requirements to work on Sundays and Public Holidays as part of a shift system. These include but not limited to:

a) Officers required to attend to emergencies and accidents.
b) Security Guards working longer hours due to the fact that there are installations which require security & safeguarding.

e) <u>Directorate of Infrastructure Services</u>

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.
ii. Water - Overtime expenditure is due to emergency callouts for burst pipes, water leaks, water outages and replacement of shift workers at water treatment works and pump stations.
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.
iv. Other - The over expenditure on overtime is as a result of staff attending to ongoing vehicle breakdowns, accidents and punctures after hours.

12.3. Standby and Shift Allowance Analysis

Table 22 below reflects the total standby and shift payment for the months of August 2023, September 2023 and October 2023 is reflected above. There was a decrease in the total payment between August 2023 and September 2023 of R35 909 and an increase in the total payment between September 2023 and October 2023 of R97 669.

Table 22: Standby & Shift Allowance per Directorate

	August 2023 Amount	September 2023 Amount	October 2023 Amount
Directorate of Executive Support Services	26 024	25 705	22 325
Directorate of the City Manager	1 917	2 389	2 003
Directorate of Corporate Services	4 904	6 013	3 704
Directorate of Spatial Planning & Development	7 829	11 306	5 793
Directorate Economic Development & Agencies	1 225	2 715	2 822
Directorate of Finance	23 739	19 332	28 455
Directorate of Public Safety & Emergency Services	874 960	871 346	867 357
Directorate of Infrastructure Services	951 895	888 238	1 064 663
Directorate of Solid Waste & Environmental Management	422 816	450 016	380 192
Directorate of Sport, Recreation & Community Development	38 280	40 620	38 034
TOTAL	**2 353 588**	**2 317 679**	**2 415 349**

12.4. Cost of Temporary Staff

Table 23 below reflects the total payment of Temporary Staff for the months of August 2023, September 2023 and October 2023 is reflected above. There was a decrease in the total payment between August 2023 and September 2023 of R54 076 and an increase in the total payment between September 2023 and October 2023 of R323 416.

Table 23: Temporary Staff per Directorate

	August 2023 Amount	September 2023 Amount	October 2023 Amount
Directorate of Executive Support Services	932 741	960 083	1 073 669
Directorate of the City Manager	33 163	44 628	84 767
Directorate of Corporate Services	1 253 066	1 076 139	1 079 727
Directorate of Finance	596 443	477 595	577 140
Directorate of Human Settlement	518 860	541 003	600 095
Directorate of Infrastructure Services	497 262	577 272	481 041
Directorate of Solid Waste & Environmental Management	27 043	38 520	25 384
Directorate of Sport, recreation & Community Development	-	89 259	206 093
TOTAL	**3 858 577**	**3 804 501**	**4 127 917**

12.5. Councillors Costs

The table below shows the budget and expenditure to date for councillors' costs. The year-to-date budget of R25.18 million less the year-to-date expenditure of R25.63 million leaves a variance of R0.45 million.

Table 24: Councillors Costs

Councillors Allowances and Benefits

Councillors Allowances And Benefits	2023/2024 Annual Budget R	2023/2024 YTD Budget R	2023/2024 YTD Expenditure R	2023/2024 Variance R	2023/2024 Variance %
Councillors Allowances	49 545 191	16 845 411	16 797 240	48 171	0,29
Housing Allowance	2 577 513	876 357	5 109 782	-4 233 425	0,00
Medical Aid Allowance	2 176 442	739 992	561 429	178 563	24,13
Pension Allowance	4 499 522	1 529 842	1 538 019	-8 178	-0,53
Travel Allowance	15 258 386	5 187 865	1 627 097	3 560 768	68,64
Total	**74 057 054**	**25 179 467**	**25 633 567**	**-454 100**	**-1,80**

13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE

BCMDA has spent R25.41 million (38%) of its 2023/2024 adjusted operating budget of R66.97 million. A detailed analysis of the entity's performance for month ended 31 October 2023 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) - M04 October

Description	Ref	2022/23	Current Year 2023/24							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue	1									
Exchange Revenue								–		
Agency services		2 009	400	400	–	352	132	220	166,5%	400
Interest earned from Current and Non Current Assets		1 117	1 027	1 027	165	708	349	358	102,7%	1 027
Operational Revenue		87	–	–	–	–	–	–		–
Non-Exchange Revenue										
Transfer and subsidies - Operational		19 892	66 534	66 534	1 459	7 217	20 626	(13 408)	-65,0%	66 534
Total Revenue (excluding capital transfers and contributions)		**23 104**	**67 961**	**67 961**	**1 624**	**8 277**	**21 107**	**(12 830)**	**-60,8%**	**67 961**
Expenditure By Type										
Employee related costs		42 469	42 025	42 025	3 069	14 447	13 448	999	7,4%	42 025
Depreciation and asset impairment	2	820	875	875	88	358	289	70	24,1%	875
Interest		0	2	2	0	0	1	(1)	-97,7%	2
Contracted services		39 994	13 608	13 608	1 126	7 730	3 402	4 328	127,2%	13 608
Transfers and subsidies		105	213	213	–	29	51	(23)		213
Irrecoverable debts written off		–	–	–	–	–	–	–		–
Operational costs		9 211	10 249	10 249	310	2 841	3 587	(746)	-20,8%	10 249
Total Expenditure	3	**92 600**	**66 972**	**66 972**	**4 593**	**25 405**	**21 095**	**4 310**	**20,4%**	**67 961**
Surplus/(Deficit)		**(69 496)**	**990**	**990**	**(2 969)**	**(17 128)**	**12**	**(17 141)**	**-138679,0%**	**–**
Transfers and subsidies - capital (monetary allocations)		21 227	1 108	1 108	–	4 397	–	**4 397**	**0,0%**	1 108
Transfers and subsidies - capital (in-kind)								**–**		
Surplus/(Deficit) before taxation		(48 270)	2 098	2 098	(2 969)	(12 732)	12	**(12 744)**	**-103107,9%**	1 108
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) for the year		**(48 270)**	**2 098**	**2 098**	**(2 969)**	**(12 732)**	**12**	**(12 744)**		**1 108**

14. CAPITAL PROGRAMME PERFORMANCE

The Metro has spent 19% (R251.11 million, inclusive of reclaimed vat) of its 2023/24 adjusted capital budget of R1.29 billion as at 31 October 2023. This reflects an improvement when compared to the same period in the previous financial year where 11% (R201.49 million, inclusive of reclaimed vat) of the adjusted capital budget of R1.80 billion was spent.

Refer to Annexure A – C5 for the breakdown per municipal vote standard classification & funding; Annexure B – SC12 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	2023/2024 Adjusted Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
TOTAL OWN FUNDING	**535 847 945**	**87 387 405**	**448 460 541**	**16%**
Urban Settlement Development Grant	472 592 980	125 372 874	347 220 106	27%
Informal Settlements Upgrading Partnership Grant	267 148 320	38 202 023	228 946 297	14%
Neighbourhood Development Partnership Grant	19 581 000	14 949	19 566 051	0%
Infrastructure Skills Development Grant	150 000	128 795	21 205	86%
TOTAL GRANTS	**759 472 300**	**163 718 642**	**595 753 658**	**22%**
TOTAL CAPITAL BUDGET	**1 295 320 245**	**251 106 047**	**1 044 214 198**	**19%**

Table 27 below reflects capital expenditure performance per function.

Table 27: Actual Expenditure per Function against Budget

P Function	2023/2024 Adjusted Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Governance and administration	**139 645 374**	**8 317 236**	109 860 749	6%
Executive and council	1 100 000	25 691	1 074 309	2%
Finance and administration	138 545 374	8 291 545	108 786 440	6%
Community and public safety	**411 861 246**	**63 881 085**	**315 156 815**	**16%**
Community and social services	34 450 000	3 935 965	30 514 035	11%
Sport and recreation	39 617 214	8 394 991	24 805 009	21%
Public safety	54 762 315	2 263 384	29 924 516	4%
Human Settlements	278 200 000	49 090 745	229 109 255	18%
Health	4 831 717	196 000	804 000	4%
Economic and environmental services	**288 029 611**	**90 414 201**	**196 972 160**	**31%**
Planning and development	114 192 986	25 132 667	88 417 069	22%
Road transport	173 836 625	65 281 535	108 555 090	38%
Trading services	**378 262 302**	**79 214 976**	**291 409 082**	**21%**
Energy sources	132 820 423	32 052 144	100 768 278	24%
Water management	100 205 315	26 017 154	74 188 161	26%
Waste water management	103 598 320	20 250 450	83 347 870	20%
Waste management	41 638 244	895 227	33 104 773	2%
Other - LED	77 521 713	9 278 549	54 821 451	12%
TOTAL - PER FUNCTION	**1 295 320 245**	**251 106 047**	**968 220 256**	**19%**

Table 28 below reflects capital expenditure performance per directorate.

Table 28: Actual Expenditure per Directorate against Budget

Directorate	2023/2024 Adjusted Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Executive Support Services	500 000	0	500 000	0%
City Manager's Office	600 000	25 691	574 309	4%
Corporate Services	12 218 189	674 174	11 544 015	6%
Spatial Planning & Development	137 459 760	25 174 806	112 284 954	18%
Economic Development & Agencies	64 123 046	9 278 549	54 844 498	14%
Finance Services	81 627 184	1 147 076	80 480 109	1%
Public Safety & Emergency Services	54 762 315	2 263 384	52 498 931	4%
Human Settlements	278 200 000	49 090 745	229 109 255	18%
Infrastructure Services	520 460 683	149 644 522	370 816 161	29%
Sports, Recreation & Community Development	66 161 224	11 057 427	55 103 797	17%
Solid Waste & Environmental Management	54 375 952	2 364 757	52 011 194	4%
TOTAL DIRECTORATES	**1 270 488 352**	**250 721 130**	**1 019 767 222**	**20%**
Asset Replacements	10 000 000	172 954	9 827 046	2%
BCMDA Projects	14 831 893	211 963	14 619 930	1%
TOTAL CONSOLIDATED CAPITAL PER DIRECTORATE	**1 295 320 245**	**251 106 047**	**1 044 214 198**	**19%**

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 - M04 October

Month	2022/23	Budget Year 2023/24							
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	1 766	7 396	7 396	1 521	1 521	7 396	5 874	79,4%	0%
August	53 245	38 384	38 384	29 419	29 419	45 779	16 360	35,7%	2%
September	59 794	64 086	64 086	129 199	129 199	109 865	(19 334)	-17,6%	10%
October	75 434	76 005	76 005	75 017	75 017	185 871	110 853	59,6%	6%
November	78 888	108 025	108 025	–	–	293 895	293 895	100,0%	0%
December	118 595	149 972	149 972	–	–	443 868	443 868	100,0%	0%
January	41 465	45 357	45 357	–	–	489 225	489 225	100,0%	0%
February	72 810	79 545	79 545	–	–	568 770	568 770	100,0%	0%
March	156 758	118 721	118 721	–	–	687 491	687 491	100,0%	0%
April	98 108	78 458	78 458	–	–	765 949	765 949	100,0%	–
May	132 971	184 774	184 774	–	–	950 722	950 722	100,0%	–
June	536 113	344 598	344 598	–	–	1 295 320	1 295 320	100,0%	–
Total Capital expenditure	1 425 946	1 295 320	1 295 320	235 158					

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, weekly reports are submitted to the City Manager on the sitting of bid committees to assist in early identification of challenges and poor performance by the committees. The above assists the City Manager to produce prompt interventions and remedial actions, the following has been implemented as part of the remedial action:

a) Continuous restructuring of bid committees to ensure effectiveness and efficiency. Additional members have been appointed to address the problem of non-sitting of committees because of meetings failing to meet the required quorum.

b) All bid committee members have been taken through formal training in an effort to:

   I. Improve the turnaround in processing of bids at committees.

   II. Improve quality of bid specifications which in turn makes evaluation swifter and reduce the rate of withdrawn tenders due to incorrect specification.

   III. Reduce the rate of litigations that are a result of incorrect evaluation and award due to poor specifications.

c) This seeks to achieve the envisaged target of three months for the procurement process from initiation to the award of an open bid.

d) 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.

e) All committee meetings are required to sit at least once a week to ensure that there is no backlog.

f) There is a capital spending committee that has been set by the Executive Mayor which is composed of Mayoral Committee

Members and Heads of Directorates; its purpose is to monitor capital expenditure performance.

15. OTHER SUPPORTING DOCUMENTS

15.1. Operating Projects Expenditure

The Metro has spent 18% (R71.80 million, inclusive of reclaimed vat) of its 2023/24 adjusted operating projects budget of R400.30 million as at 31 October 2023. This reflects an improvement when compared to the same period in the previous financial year where 14% (R57.39 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R422.55 million was spent.

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

Tables 30 and 31 below summarise Annexure D.

Table 30: Operating Projects per Directorate

Directorate	2023/2024 Adjusted Budget	YTD Expenditure (incl. vat)	Variance (incl. VAT))	% Expenditure (incl. vat)
Executive Support Services	52 987 844	5 149 004	47 838 840	10%
City Manager's Office	37 784 800	10 647 902	27 136 898	28%
Corporate Services	22 950 000	5 756 467	17 193 533	25%
Spatial Planning & Development	9 954 000	23 760	9 930 240	0%
Economic Development & Agencies	28 628 286	5 813 044	22 815 242	20%
Finance Services	23 790 936	7 704 910	16 086 026	32%
Public Safety & Emergency Services	2 320 000	218 887	2 101 113	9%
Human Settlements	139 484 115	22 307 176	117 176 939	16%
Infrastructure Services	56 901 600	1 275 260	55 626 340	2%
Sports, Recreation & Community Development	1 500 000	489 153	1 010 847	33%
Solid Waste & Environmental Management	23 998 714	12 414 536	11 584 178	52%
TOTAL OPERATING PROJECTS	**400 300 295**	**71 800 099**	**328 500 196**	**18%**

Table 31: Operating Projects Per Funding Source

Funding	2023/2024 Adjusted Budget	YTD Expenditure (incl. vat)	Variance (incl. VAT)	% Expenditure (incl. vat)
Total Own Funding	**153 838 476**	**22 824 025**	**131 014 451**	**15%**
SALAIDA C/O	33 684	389	33 295	1%
Urban Settlement Development Grant	45 441 020	8 835 835	36 605 185	19%
Finance Management Grant	1 000 000	190 019	809 981	19%
Informal Settlements Upgrading Partnership Grant	27 407 680	3 979 326	23 428 354	15%
Infrastructure Skills Development Grant	10 850 000	4 186 275	6 663 725	39%
Programme And Project Preparation Support Grant (PPPSG)	18 908 000	0	18 908 000	0%
Expanded Public Works Programme	6 093 000	4 258 968	1 834 032	70%
Human Settlements Development Grant	91 200 000	18 053 644	73 146 356	20%
Human Settlements Development Grant C/O	24 947 435	297 966	24 649 469	1%
Neighbourhood Development Partnership Grant	20 581 000	9 173 652	11 407 348	45%
TOTAL PER FUNDING SOURCE	**246 461 819**	**48 976 075**	**197 485 744**	**20%**
TOTAL OPERATING PROJECTS	**400 300 295**	**71 800 099**	**328 500 196**	**18%**

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. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

I, Mxolisi Yawa, City Manager of Buffalo City Metropolitan Municipality do hereby certify that –

☐ The monthly budget statement (Section 71 Report)

for the period ending **October 2023** has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print name: Mxolisi Yawa

City Manager of Buffalo City Metropolitan Municipality

Signature: .....