REPORT TO EXECUTIVE MAYOR: 15 MAY 2023

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STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2022/23 BUDGET FOR THE PERIOD ENDED 30 APRIL 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 2022/23 budget of the Buffalo City Metropolitan Municipality for the period ended 30 April 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).

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PART 1: IN-YEAR REPORT

5. RESOLUTIONS

It is recommended that:

(i) The Executive Mayor **CONSIDERS** and **NOTES** the report on the statement of financial performance and the implementation of the 2022/23 budget for the period ended 30 April 2023 including supporting documentation attached as Annexure A to F.

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

(iii) The Executive Mayor **NOTES** the year to date collection rate for the period ended 30 April 2023 of 81,88%.

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M. YAWA **DATE**

CITY MANAGER

BUFFALO CITY METROPOLITAN MUNICIPALITY

ANDILE XOSEKA/ YM

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6. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY FOR THE PERIOD ENDED 30 APRIL 2023

6.1. Dashboard / Performance Summary

Table 1: Performance Summary

OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	R 6 849 218 321	Bank Balance	R 161 337 668
Expenditure	(R 7 799 103 283)	Call investments (excl. int.)	R 942 729 325
Operating deficit before Transfers and Subsidies Recognised – Capital	(R 949 884 961)	**Cash and cash equivalents**	**R 1 104 066 993**
Transfers and Subsidies Recognised – Capital	R 423 367 819	*Account Payables*	*(R 988 660 695)*
Surplus deficit Capital Transfers	(R 526 517 143)	*Unspent conditional grants*	*(R 566 311 665)*
DEBTORS		*Committed to Capital budget-own funds*	*(R 319 450 993)*
Total debtors' book (incl. impairment)	R 5 744 518 588	**Possible cash deficit should there be no revenue collection made**	**(R 770 356 360)**
Total debtors – Government	R 129 928 568		
Total debtors – Business	R 1 584 754 169	Total Long-term loans	R 151 536 456
Total debtors – Households	R 4 029 835 851		
Total debt written off incl. Vat (YTD)	R 338 518 560	**SURPLUS / (DEFICIT) PER SERVICE**	
		Water	R 49 724 858
REPAIRS AND MAINTENANCE		Electricity	(R 463 540 281)
2021/2022:	**2022/2023:**	Refuse	R 125 110 751
Exp.= R328.11 m, which is 79% of budget of R414.55 m	Exp.= R345.36 m, which is 73% of budget of R472.43 m	Sewerage	R 141 117 079
CAPITAL EXPENDITURE		**OPERATING PROJECTS EXPENDITURE**	
2021/2022: Exp. as a % of Adjusted Budget of R1.83b: Exp. (excl. vat) = R832.64 mil % exp. (Excl. vat) :46% Exp. (incl. vat) = R870.01 mil % exp. (incl. vat): 48%	**2022/2023: Exp. as a % of Adjusted Budget of R1.39b:** Exp. (excl. vat) = R756.86 mil % exp. (Excl. vat) :54% Exp. (incl. vat) = R809.39 mil % exp. (incl. vat): 58%	**2021/2022: Exp. as a % of Adjusted Budget of R445,69m:** Exp. (excl. vat) = R180.98 mil % exp. (excl. vat): 41% Exp. (incl. vat) = R185.81 mil % exp. (incl. vat): 42%	**2022/2023: Exp. as a % of Adjusted Budget of R423,02m:** Exp. (excl. vat) = R208.40 mil % exp. (excl. vat): 49% Exp. (incl. vat) = R215.30 mil % exp. (incl. vat): 51%
FINANCIAL		**HUMAN RESOURCES**	
Operating Deficit before Capital Transfers	(R 949 884 961)	Total staff complement	5 309
Debtors' collection ratio	81,88%	Staff Appointments	19
YTD Grants and subsidies: recognized – Capital	R 423 367 819	Staff Terminations	14
Creditor's payment days	33 days	Number of funded vacant posts (under recruitment process)	768
Current ratio	1,61 :1	Total overtime paid (YTD)	R 127 540 284
Total Debt to Revenue	2,05%	Allowances and benefits – Councillors (YTD)	R 57 589 274
Capital Charges to Operating Expenditure	0,67%	Salary bill – Officials (YTD)	R 2 126 155 660
Cost coverage ratio	0,94 months	Workforce costs as a % of expenditure	28%

6.2. Liquidity position

Buffalo City Metropolitan Municipality's liquidity is considered stable as the Current Ratio is 1.61:1 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 30 April 2023 is 81.88% (2021/22: 69.02%). This ratio denotes the City's ability to collect the billed revenue from its consumers. The collection rate has increased by 2.86% from last month where 79.02% was achieved for the period ended 31 March 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 30 April 2023 per region is as follows: Coastal 85.90%, Midland 67.63% Inland 72.01%.

Figure 3: Collection Ratio Per Region

Total gross debtors' book (including current accounts) as at 30 April 2023 amounts to R5.74 billion (2021/22: R5.27 billion). Households: R4.03 billion, Business: R1.58 billion and Government: R129.93 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 58% (R809.39 million, inclusive of reclaimed vat) of its 2022/23 adjusted capital budget of R1.39 billion as at 30 April 2023. This reflects an improvement when compared to the same period in the previous financial year where 48% (R870.01 million, inclusive of reclaimed vat) of the adjusted capital budget of R1.83 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 51% (R215.30 million, inclusive of reclaimed vat) of its 2022/23 adjusted operating projects budget of R423.02 million as at 30 April 2023. This reflects an improvement when compared to the same period in the previous financial year where 42% (R185.81 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R445.69 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 66% (R574.12 million, inclusive of reclaimed vat) of its 2022/23 conditional grants adjusted budget of R873.12 million as at 30 April 2023. This reflects an improvement when compared to the same period in the previous financial year where 51% (R427.93 million, inclusive of reclaimed vat) of conditional grants budget of R836.21 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 30 April 2023 is R1.10 billion made up of cash at the primary bank account amounting to R161.34 million and call investment deposits of R942.73 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 targeted collection rate of 80.5%. Refer to Section 7.4.5 and Annexure A – C7 for the cash flow statement as well as Section 10 and Annexure B – SC5 for the investment portfolio breakdown.

The cost coverage ratio of the City is 0.94 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 is paying 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 (30 April 2023) is 33 days. Refer to Section 9 for details.

6.9. Long-Term Debt Profile

The total long-term borrowings of the municipality as at 30 April 2023 amounts to R151.54 million. Refer to Annexure C for the schedule of borrowings.

The ratio of capital charges to operating expenditure as at 30 April 2023 is 0.67%. This ratio assesses the level of capital charges / interest charges to operating expenditure. The norm as per the MFMA circular 71 is between 6 and 8%.

The total debt to revenue ratio is 2.05% as at 30 April 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 463 540 281 for the period ended 30 April 2023. The following are the factors that contributed to the deficit.

i. The Metro has high electricity losses which account for R0.17 for every kWh sold.
ii. Increase in meter tampering and illegal connections into the BCMM Electrical Grid.
iii. The move by more affluent consumers off grid or alternative energy sources.
iv. The City is using revaluation model to value its infrastructure assets which results in huge depreciation cost for the Metro's network assets.

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 - M10 April

Description	2021/22	Budget Year 2022/23							
	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	1 733 914	1 958 216	1 958 216	(42 298)	1 366 799	1 631 847	(265 048)	-16%	1 958 216
Service charges	4 312 993	4 253 303	4 173 303	293 809	3 069 207	3 566 409	(497 203)	-14%	4 173 303
Investment revenue	33 086	30 876	30 820	5 987	33 847	25 372	8 474	33%	30 820
Transfers and subsidies	1 099 255	1 446 763	1 480 169	41 231	1 192 030	1 384 938	(192 908)	-14%	1 480 169
Other own revenue	1 069 737	1 182 480	1 228 835	43 047	1 187 336	1 025 201	162 135	16%	1 228 835
Total Revenue (excluding capital transfers and contributions)	**8 248 985**	**8 871 639**	**8 871 344**	**341 776**	**6 849 218**	**7 633 768**	**(784 550)**	**-10%**	**8 871 344**
Employee costs	2 536 403	2 686 871	2 623 180	216 262	2 126 156	2 176 050	(49 894)	-2%	2 623 180
Remuneration of Councillors	64 683	70 263	70 263	5 531	57 589	58 641	(1 052)	-2%	70 263
Depreciation & asset impairment	1 569 797	614 397	614 223	148 853	1 506 312	512 592	993 720	194%	614 223
Finance charges	20 684	49 361	49 358	1 305	13 808	41 478	(27 669)	-67%	49 358
Inventory consumed and bulk purchases	2 293 210	2 475 266	2 391 556	160 829	1 830 873	1 949 937	(119 064)	-6%	2 391 556
Transfers and subsidies	127 299	170 553	189 984	7 728	112 959	157 993	(45 034)	-29%	189 984
Other expenditure	2 589 020	2 803 699	2 772 729	(137 439)	2 151 405	2 303 791	(152 386)	-7%	2 772 729
Total Expenditure	**9 201 096**	**8 870 409**	**8 711 293**	**403 069**	**7 799 103**	**7 200 482**	**598 621**	**8%**	**8 711 293**
Surplus/(Deficit)	**(952 111)**	**1 229**	**160 051**	**(61 293)**	**(949 885)**	**433 286**	**(1 383 171)**	**-319%**	**160 051**
Transfers and subsidies - capital (monetary	687 065	736 015	731 380	77 909	402 141	598 282	(196 141)	-33%	731 380
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions,	2 495	–	–	–	21 227	–	21 227	–	–
contributions	**(262 551)**	**737 245**	**891 431**	**16 615**	**(526 517)**	**1 031 568**	**(1 558 085)**	**-151%**	**891 431**
Share of surplus/ (deficit) of associate	29 869	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(232 682)**	**737 245**	**891 431**	**16 615**	**(526 517)**	**1 031 568**	**(1 558 085)**	**-151%**	**891 431**
Capital expenditure & funds sources									
Capital expenditure	**1 408 515**	**2 086 362**	**1 391 406**	**98 108**	**756 862**	**1 258 157**	**(501 295)**	**-40%**	**1 391 406**
Capital transfers recognised	624 464	734 875	730 498	47 473	415 415	611 104	(195 689)	-32%	730 498
Borrowing	11 727	732 614	–	–	1 556	98 269	(96 713)	-98%	–
Internally generated funds	**772 324**	**618 873**	**660 908**	**50 635**	**339 891**	**548 784**	**(208 894)**	**-38%**	**660 908**
Total sources of capital funds	**1 408 515**	**2 086 362**	**1 391 406**	**98 108**	**756 862**	**1 258 157**	**(501 295)**	**-40%**	**1 391 406**
Financial position									
Total current assets	10 217 212	3 516 679	3 632 859		11 109 035				3 632 859
Total non current assets	25 670 881	24 120 494	23 425 712		24 921 431				23 425 712
Total current liabilities	8 865 399	1 862 363	1 848 712		9 592 471				1 848 712
Total non current liabilities	1 143 933	2 254 276	1 521 661		1 085 751				1 521 661
Community wealth/Equity	**25 878 762**	**23 534 769**	**23 791 187**		**25 352 244**				**23 791 187**
Cash flows									
Net cash from (used) operating	1 128 842	1 036 020	534 148	294 023	3 578 458	445 123	(3 133 335)	-704%	534 148
Net cash from (used) investing	(1 531 602)	(2 086 362)	(2 086 362)	(98 108)	(875 454)	(1 738 635)	(863 181)	50%	(2 086 362)
Net cash from (used) financing	(45 191)	677 964	669 782	(819 355)	(2 814 779)	564 970	3 379 749	598%	677 964
Cash/cash equivalents at the month/year end	**697 457**	**512 296**	**2 067**	**–**	**1 104 067**	**155 958**	**(948 109)**	**-608%**	**(176 794)**
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	438 735	224 220	183 500	160 960	137 969	138 286	888 280	3 572 569	5 744 519
Creditors Age Analysis									
Total Creditors	956 500	32 160	–	–	–	–	–	–	988 661

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) - M10 April

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		**3 130 086**	**3 404 043**	**3 482 632**	**11 372**	**2 863 846**	**2 943 753**	(79 907)	-3%	**3 482 632**
Executive and council		27 407	24 215	24 215	2 658	23 303	22 348	955	4%	24 215
Finance and administration		3 102 680	3 379 828	3 458 417	8 713	2 840 542	2 921 404	(80 862)	-3%	3 458 417
Internal audit		–	–	–	–	–	–	–		–
Community and public safety		**450 333**	**638 480**	**642 854**	**30 828**	**324 655**	**558 989**	(234 335)	-42%	**642 854**
Community and social services		25 320	47 067	46 982	1 436	21 183	39 172	(17 988)	-46%	46 982
Sport and recreation		8 435	24 210	33 502	2 146	18 692	25 750	(7 058)	-27%	33 502
Public safety		179 714	219 117	197 516	8 277	155 164	180 619	(25 455)	-14%	197 516
Housing		236 851	348 050	364 818	18 969	129 582	313 419	(183 837)	-59%	364 818
Health		13	36	36	1	34	30	4	13%	36
Economic and environmental services		**288 637**	**420 899**	**424 350**	**41 565**	**265 592**	**365 473**	(99 881)	-27%	**424 350**
Planning and development		140 658	239 954	235 405	10 513	132 010	212 892	(80 882)	-38%	235 405
Road transport		147 979	180 945	188 945	31 052	133 582	152 580	(18 999)	-12%	188 945
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**4 990 728**	**5 025 896**	**4 941 046**	**330 469**	**3 779 679**	**4 263 283**	(483 604)	-11%	**4 941 046**
Energy sources		2 248 953	2 645 758	2 560 758	176 582	1 882 437	2 151 767	(269 330)	-13%	2 560 758
Water management		1 541 833	1 152 514	1 144 514	71 913	828 671	1 053 469	(224 798)	-21%	1 144 514
Waste water management		650 803	642 008	642 008	43 810	558 342	564 537	(6 195)	-1%	642 008
Waste management		549 140	585 615	593 766	38 164	510 228	493 510	16 718	3%	593 766
Other	4	**78 761**	**118 337**	**111 841**	**5 451**	**38 815**	**100 552**	**(61 737)**	**-61%**	**111 841**
Total Revenue - Functional	2	**8 938 545**	**9 607 654**	**9 602 724**	**419 685**	**7 272 586**	**8 232 050**	**(959 464)**	**-12%**	**9 602 724**
Expenditure - Functional										
Governance and administration		**1 671 206**	**1 813 110**	**1 778 296**	**29 944**	**1 503 243**	**1 477 784**	25 458	2%	**1 778 296**
Executive and council		346 987	360 044	352 421	24 495	277 288	294 054	(16 766)	-6%	352 421
Finance and administration		1 313 220	1 438 849	1 412 038	4 678	1 217 560	1 172 226	45 334	4%	1 412 038
Internal audit		10 998	14 216	13 838	771	8 394	11 504	(3 110)	-27%	13 838
Community and public safety		**1 211 276**	**1 306 265**	**1 256 692**	**77 238**	**1 029 717**	**1 047 818**	(18 101)	-2%	**1 256 692**
Community and social services		178 875	169 963	162 673	13 596	143 345	133 726	9 619	7%	162 673
Sport and recreation		435 689	419 859	395 805	36 028	377 618	329 799	47 820	14%	395 805
Public safety		496 627	496 608	469 524	13 079	376 136	391 153	(15 017)	-4%	469 524
Housing		48 631	162 205	176 656	10 336	89 580	149 693	(60 113)	-40%	176 656
Health		51 454	57 631	52 035	4 199	43 038	43 447	(410)	-1%	52 035
Economic and environmental services		**1 151 812**	**849 083**	**830 987**	**108 552**	**1 116 460**	**689 997**	426 463	62%	**830 987**
Planning and development		257 688	343 116	326 865	27 812	273 858	273 204	654	0%	326 865
Road transport		894 124	505 966	504 122	80 740	842 602	416 793	425 809	102%	504 122
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**4 999 525**	**4 724 022**	**4 670 614**	**180 691**	**4 029 789**	**3 837 403**	192 386	5%	**4 670 614**
Energy sources		2 708 470	3 022 224	2 974 066	173 219	2 469 459	2 433 887	35 572	1%	2 974 066
Water management		1 230 632	812 623	804 565	(14 017)	742 288	668 458	73 829	11%	804 565
Waste water management		526 763	415 022	412 098	10 211	413 771	340 732	73 039	21%	412 098
Waste management		533 661	474 152	479 885	11 279	404 271	394 325	9 946	3%	479 885
Other		**137 726**	**177 930**	**174 704**	**6 645**	**119 895**	**147 482**	**(27 588)**	**-19%**	**174 704**
Total Expenditure - Functional	3	**9 171 545**	**8 870 409**	**8 711 293**	**403 069**	**7 799 103**	**7 200 484**	**598 619**	**8%**	**8 711 293**
Surplus/ (Deficit) for the year		**(232 999)**	**737 245**	**891 431**	**16 615**	**(526 517)**	**1 031 565**	**#######**	**-151%**	**891 431**

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) - M10 April

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue by Vote	1									
Vote 01 - Directorate - Executive Support Services		191	522	712	11	823	590	233	39,4%	712
Vote 02 - Directorate - Municipal Manager		27 415	23 693	23 693	2 658	22 534	21 913	621	2,8%	23 693
Vote 03 - Directorate - Human Settlement		236 851	348 050	364 818	18 969	129 582	313 419	(183 837)	-58,7%	364 818
Vote 04 - Directorate - Chief Financial Officer		3 035 621	3 340 617	3 420 366	4 742	2 812 331	2 887 150	(74 819)	-2,6%	3 420 366
Vote 05 - Directorate - Corporate Services		12 451	12 489	12 489	2 531	12 032	11 996	36	0,3%	12 489
Vote 06 - Directorate - Infrastructure Services		4 589 568	4 621 226	4 536 226	323 357	3 403 032	3 922 354	(519 322)	-13,2%	4 536 226
Vote 07 - Directorate - Spatial Planning And Development		140 429	113 984	121 388	10 501	64 487	101 506	(37 019)	-36,5%	121 388
Vote 08 - Directorate - Health / Public Safety & Emergency Services		179 714	219 117	197 516	8 277	155 164	180 619	(25 455)	-14,1%	197 516
Vote 10 - Directorate - Economic Development & Agencies		133 397	271 029	251 231	6 891	122 465	234 041	(111 577)	-47,7%	251 231
Vote 11 - Directorate - Solid Waste And Environmental Management		549 405	591 151	608 802	38 167	516 003	503 823	12 180	2,4%	608 802
Vote 12 - Directorate - Sport, Recreation & Community Development		33 503	65 776	65 484	3 581	34 135	54 638	(20 503)	-37,5%	65 484
Total Revenue by Vote	2	**8 938 545**	**9 607 654**	**9 602 724**	**419 685**	**7 272 586**	**8 232 050**	**(959 464)**	**-11,7%**	**9 602 724**
Expenditure by Vote	1									
Vote 01 - Directorate - Executive Support Services		278 459	291 865	282 531	23 489	235 726	235 869	(144)	-0,1%	282 531
Vote 02 - Directorate - Municipal Manager		148 509	154 574	153 479	9 185	117 967	125 271	(7 303)	-5,8%	153 479
Vote 03 - Directorate - Human Settlement		48 283	161 814	176 266	10 299	89 294	149 367	(60 073)	-40,2%	176 266
Vote 04 - Directorate - Chief Financial Officer		752 638	970 076	948 379	(36 366)	765 437	789 210	(23 774)	-3,0%	948 379
Vote 05 - Directorate - Corporate Services		243 555	227 076	227 678	16 839	208 049	188 663	19 387	10,3%	227 678
Vote 06 - Directorate - Infrastructure Services		5 493 492	4 869 537	4 804 397	261 640	4 574 009	3 951 703	622 305	15,7%	4 804 397
Vote 07 - Directorate - Spatial Planning And Development		356 036	281 535	279 191	29 991	300 234	232 399	67 835	29,2%	279 191
Vote 08 - Directorate - Health / Public Safety & Emergency Services		501 899	501 008	473 471	13 411	379 712	394 471	(14 759)	-3,7%	473 471
Vote 10 - Directorate - Economic Development & Agencies		184 357	322 856	306 686	12 631	189 474	258 222	(68 748)	-26,6%	306 686
Vote 11 - Directorate - Solid Waste And Environmental Management		695 442	656 627	644 938	22 321	529 661	533 362	(3 701)	-0,7%	644 938
Vote 12 - Directorate - Sport, Recreation & Community Development		468 558	433 442	414 277	39 629	409 541	341 944	67 597	19,8%	414 277
Total Expenditure by Vote	2	**9 171 227**	**8 870 409**	**8 711 293**	**403 069**	**7 799 103**	**7 200 482**	**598 621**	**8,3%**	**8 711 293**
Surplus/ (Deficit) for the year	2	**(232 682)**	**737 245**	**891 431**	**16 615**	**(526 517)**	**1 031 568**	**(1 558 085)**	**-151,0%**	**891 431**

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

The statement of financial performance presented in table below, compares the expenditure and revenue on accrual basis against budget for the period ended 30 April 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) - M10 April

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue By Source										
Property rates		1 733 914	1 958 216	1 958 216	(42 298)	1 366 799	1 631 847	(265 048)	-16%	1 958 216
Service charges - electricity revenue		2 199 541	2 549 552	2 469 552	169 107	1 778 969	2 061 786	(282 817)	-14%	2 469 552
Service charges - water revenue		1 255 133	849 617	849 617	54 577	561 738	779 979	(218 241)	-28%	849 617
Service charges - sanitation revenue		470 773	468 519	468 519	37 442	398 310	403 299	(4 989)	-1%	468 519
Service charges - refuse revenue		387 546	385 616	385 616	32 683	330 190	321 346	8 844	3%	385 616
Rental of facilities and equipment		21 116	21 965	21 965	2 005	19 656	18 672	984	5%	21 965
Interest earned - external investments		33 086	30 876	30 820	5 987	33 847	25 372	8 474	33%	30 820
Interest earned - outstanding debtors		176 561	121 249	201 249	28 608	237 144	145 856	91 288	63%	201 249
Dividends received								–		
Fines, penalties and forfeits		12 408	22 435	19 070	683	9 848	14 785	(4 937)	-33%	19 070
Licences and permits		12 128	19 739	16 778	396	9 557	13 241	(3 683)	-28%	16 778
Agency services		30 536	44 713	28 243	(1 357)	17 262	23 489	(6 227)	-27%	28 243
Transfers and subsidies		1 099 255	1 446 763	1 480 169	41 231	1 192 030	1 384 938	(192 908)	-14%	1 480 169
Other revenue		800 273	952 379	941 530	12 692	893 665	809 158	84 507	10%	941 530
Gains		16 715	–	–	20	204	–	204	0%	–
Total Revenue (excluding capital transfers and contributions)		**8 248 985**	**8 871 639**	**8 871 344**	**341 776**	**6 849 218**	**7 633 768**	**(784 550)**	**-10%**	**8 871 344**

BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 April

Description	Ref	2021/22	Budget Year 2022/23							
		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		2 536 403	2 686 871	2 623 180	216 262	2 126 156	2 176 050	(49 894)	-2%	2 623 180
Remuneration of councillors		64 683	70 263	70 263	5 531	57 589	58 641	(1 052)	-2%	70 263
Debt impairment		1 385 422	1 211 246	1 211 246	(210 028)	1 009 372	1 009 372	(0)	0%	1 211 246
Depreciation & asset impairment		1 569 797	614 397	614 223	148 853	1 506 312	512 592	993 720	194%	614 223
Finance charges		20 684	49 361	49 358	1 305	13 808	41 478	(27 669)	-67%	49 358
Bulk purchases - electricity		1 922 255	2 160 427	2 120 427	126 564	1 579 907	1 725 108	(145 201)	-8%	2 120 427
Inventory consumed		370 955	314 839	271 129	34 265	250 967	224 829	26 138	12%	271 129
Contracted services		595 097	977 494	959 983	45 235	602 463	793 414	(190 952)	-24%	959 983
Transfers and subsidies		127 299	170 553	189 984	7 728	112 959	157 993	(45 034)	-29%	189 984
Other expenditure		607 177	532 823	519 364	19 785	472 129	432 558	39 570	9%	519 364
Losses		1 324	82 136	82 136	7 570	67 442	68 447	(1 005)	-1%	82 136
Total Expenditure		**9 201 096**	**8 870 409**	**8 711 293**	**403 069**	**7 799 103**	**7 200 482**	**598 621**	**8%**	**8 711 293**
Surplus/(Deficit)		**(952 111)**	**1 229**	**160 051**	**(61 293)**	**(949 885)**	**433 286**	**(1 383 171)**	**(0)**	**160 051**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		687 065	736 015	731 380	77 909	402 141	598 282	(196 141)	**(0)**	731 380
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		202	–	–	–	21 227	–	21 227	–	–
Transfers and subsidies - capital (in-kind - all)		2 294	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**(262 551)**	**737 245**	**891 431**	**16 615**	**(526 517)**	**1 031 568**			**891 431**
Taxation		–	–	–	–	–	–	–		–
Surplus/(Deficit) after taxation		**(262 551)**	**737 245**	**891 431**	**16 615**	**(526 517)**	**1 031 568**			**891 431**
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		**(262 551)**	**737 245**	**891 431**	**16 615**	**(526 517)**	**1 031 568**			**891 431**
Share of surplus/ (deficit) of associate		29 869	–	–	–	–	–			–
Surplus/ (Deficit) for the year		**(232 682)**	**737 245**	**891 431**	**16 615**	**(526 517)**	**1 031 568**			**891 431**

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 Property rates

Property rates has realised less revenue than projected due to downward adjustment of property values for six high value properties as per the Valuation Appeal Board.

7.4.1.2 Service charges - electricity revenue

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

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

7.4.1.3 Service charges - water revenue

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

i. Issues relating to no-go areas have contributed to the decrease in water billing.
ii. Interim readings obtained and processed. The actual reading are yet to be obtained which may be higher than the interim readings.

7.4.1.4 Interest earned - external investments

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

7.4.1.5 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.

7.4.1.6 Fines, penalties and forfeits

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

(i) Section 56 notices that were issued during the lockdown period were struck off the court roll, this has impacted on the current status.

(ii) Tracing offenders is a challenge due to people not updating their particulars i.e., residential address when relocating.

(iii) Buyers of vehicles not registering their vehicles in their name thus details are not updated to new owner's details which makes it difficult to trace traffic offenders.

(iv) Fines are withdrawn or reduced.

7.4.1.7 Licences and Permits

Three private companies other than BCMM also offer roadworthy testing of vehicles. Learners Licenses and Professional Driver's License testing can also be undertaken at the Department of Transport. Loadshedding has also impacted on the services from being effectively delivered to the public as the times impact on how the department operates. The loadshedding times 06:00-09:00 means that the offices open late, and the system needs time to boot up. 09:00 to 12:00 the public are turned away and rescheduled for another day or requested to stay until power has resumed noting that there is time for the system still to boot up, same is said for 12:00-15:00 and from 15:00 to 18:00. The internet connectivity down time has greatly impacted on services being rendered.

7.4.1.8 Agency services

Under collection or decrease in revenue can be attributed to the fact that vehicle licences can be renewed at the Post Office, 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.

7.4.1.9 Transfers and subsidies

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

7.4.1.10 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 revaluation of Property, Plant and Equipment is budgeted in the Statement of Financial Position in line with MFMA circular no.58.

7.4.1.11 Finance charges

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 Inventory consumed

Overperformance on inventory consumed is mainly caused by fuel and material and supplies votes which are demand driven.

7.4.1.13 Contracted services

Under Performance of contracted services is mainly caused by the Human Settlement Development Grant funded projects. This is a result of delays by the Eastern Cape Department of Human Settlements in processing funding agreements for some of the projects.

7.4.1.14 Transfers and subsidies

The variance on transfers and subsidies can be attributed to the following:

i. Delays in the implementation of ward initiative programme as a result of a moratorium that was placed on internally funded projects.

ii. Grant allocation is transferred to Buffalo City Metropolitan Development Agency (BCMDA) and Border-Kei Chamber of Business (BKCOB) upon receipt of invoices for work done as per the Memorandum of Understanding (MOU). Expenditure will improve as the implementing partners submit invoices as the project progresses.

7.4.2 Repairs and maintenance

Table 6 below reflects that as at 30 April 2023 the repairs and maintenance expenditure is 73% of the budget of R472.43 million (2021/22:79%). Refer to Annexure B: SC13c (repairs and maintenance by asset class).

Table 6: Repairs and Maintenance per Directorate

Directorate	2022/2023 Annual Budget R	2022/2023 Annual Expenditure R	2022/2023 - Variance R	2022/2023 % Of Budget %
Directorate of Executive Support Services	2 576 593	1 822 246	754 347	71%
Directorate of The City Manager	267 177	20 809	246 368	8%
Directorate of Corporate Services	8 772 034	4 976 106	3 795 928	57%
Directorate of Spatial Planning & Development	26 029 989	14 637 213	11 392 776	56%
Directorate of Economic Development & Agencies	1 581 993	1 032 931	549 062	65%
Directorate of Finance	15 303 081	5 137 937	10 165 144	34%
Directorate of Public Safety & Emergency Services	8 904 365	3 217 770	5 686 595	36%
Directorate of Human Settlement	526 946	246 489	280 457	47%
Directorate of Infrastructure Services	376 153 393	288 074 509	88 078 884	77%
Electricity	*142 520 275*	*114 456 354*	*28 063 921*	*80%*
Water	*60 566 672*	*34 906 592*	*25 660 080*	*58%*
Sanitation	*41 198 996*	*29 665 763*	*11 533 233*	*72%*
Other	*131 867 450*	*109 045 800*	*22 821 650*	*83%*
Directorate of Solid Waste & Environmental Management	*16 130 449*	*11 156 394*	*4 974 055*	*69%*
Directorate of Sport, Recreation & Community Developmental Services	16 186 990	15 040 544	*1 146 446*	93%
TOTAL	**472 433 010**	**345 362 949**	**127 070 061**	**73%**

The repairs and maintenance budget of the Metro is not within the recommended National Treasury norm of 8% as the percentage of Property Plant and Equipment. The main challenge in achieving the 8% is the use of the revaluation model to value Property Plant and Equipment. The Metro's infrastructure repairs, and maintenance programme is complemented by the renewal and upgrading of existing assets capital programme.

In the current financial year, the metro has allocated R845.82 million in the upgrading and renewal programme that complements the repairs and maintenance. Refer to Annexure B: SC13b (Capital expenditure on renewal of existing assets by) and SC13e (Capital expenditure on upgrading of existing assets by asset class).

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

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

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

BUF Buffalo City - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - M10 April

Vote Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Multi-Year expenditure appropriation	2									
Vote 01 - Directorate - Executive Support Services		5 369	500	1 200	(0)	414	990	(576)	-58%	1 200
Vote 02 - Directorate - Municipal Manager		2 946	600	1 650	–	81	1 130	(1 049)	-93%	1 650
Vote 03 - Directorate - Human Settlement		214 662	235 992	235 992	16 343	101 398	196 660	(95 263)	-48%	235 992
Vote 04 - Directorate - Chief Financial Officer		205 433	250 714	83 138	182	47 032	70 571	(23 539)	-33%	83 138
Vote 05 - Directorate - Corporate Services		4 494	4 980	14 664	354	7 457	12 236	(4 779)	-39%	14 664
Vote 06 - Directorate - Infrastructure Services		653 787	1 274 245	727 891	69 858	466 398	703 181	(236 783)	-34%	727 891
Vote 07 - Directorate - Spatial Planning And Development		115 477	105 341	98 399	1 159	41 410	85 081	(43 671)	-51%	98 399
Vote 08 - Directorate - Health / Public Safety & Emergency Services		8 836	22 900	40 805	112	15 612	34 078	(18 466)	-54%	40 805
Vote 10 - Directorate - Economic Development & Agencies		140 761	104 701	80 858	3 276	30 537	65 772	(35 235)	-54%	80 858
Vote 11 - Directorate - Solid Waste And Environmental Management		13 027	38 319	50 919	4 810	10 335	42 242	(31 907)	-76%	50 919
Vote 12 - Directorate - Sport, Recreation & Community Development		43 723	48 070	55 889	2 015	36 188	46 216	(10 028)	-22%	55 889
Total Capital Multi-year expenditure	4,7	**1 408 515**	**2 086 362**	**1 391 406**	**98 108**	**756 862**	**1 258 157**	**(501 295)**	**-40%**	**1 391 406**
Total Capital Expenditure		**1 408 515**	**2 086 362**	**1 391 406**	**98 108**	**756 862**	**1 258 157**	**(501 295)**	**-40%**	**1 391 406**
Capital Expenditure - Functional Classification										
Governance and administration		**260 451**	**283 794**	**132 001**	**600**	**61 762**	**110 056**	(48 294)	-44%	**132 001**
Executive and council		7 969	1 100	2 400	(0)	495	1 850	(1 354)	-73%	2 400
Finance and administration		252 482	282 694	129 150	600	61 267	107 937	(46 670)	-43%	129 150
Internal audit		–	–	450	–	–	270	(270)	-100%	450
Community and public safety		**271 363**	**318 812**	**359 635**	**22 959**	**163 212**	**296 615**	(133 403)	-45%	**359 635**
Community and social services		15 882	29 400	27 400	1 206	19 486	23 300	(3 814)	-16%	27 400
Sport and recreation		32 823	27 520	52 308	5 103	26 618	39 971	(13 353)	-33%	52 308
Public safety		6 033	20 900	38 805	112	15 244	32 411	(17 167)	-53%	38 805
Housing		214 662	235 992	235 992	16 343	101 398	196 660	(95 263)	-48%	235 992
Health		1 963	5 000	5 129	195	465	4 272	(3 807)	-89%	5 129
Economic and environmental services		**440 972**	**479 709**	**536 398**	**43 334**	**335 103**	**441 202**	(106 099)	-24%	**536 398**
Planning and development		81 611	84 481	75 219	1 104	34 752	65 925	(31 173)	-47%	75 219
Road transport		359 361	395 228	461 180	42 230	300 351	375 277	(74 926)	-20%	461 180
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**295 599**	**900 486**	**283 396**	**27 949**	**166 367**	**345 376**	(179 009)	-52%	**283 396**
Energy sources		120 634	145 513	104 149	11 593	69 205	96 442	(27 237)	-28%	104 149
Water management		104 762	160 980	107 275	12 043	65 861	91 312	(25 451)	-28%	107 275
Waste water management		61 318	567 524	48 000	3 992	30 980	135 041	(104 060)	-77%	48 000
Waste management		8 886	26 469	23 971	321	321	22 582	(22 261)	-99%	23 971
Other		140 130	103 561	79 977	3 266	30 418	64 908	(34 491)	-53%	79 977
Total Capital Expenditure - Functional Classification	3	**1 408 515**	**2 086 362**	**1 391 406**	**98 108**	**756 862**	**1 258 157**	**(501 295)**	**-40%**	**1 391 406**
Funded by:										
National Government		624 464	734 875	730 498	47 463	415 405	611 104	(195 699)	-32%	730 498
Provincial Government		–	–	–	–	–	–	–		–
District Municipality								–		
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	–	–	10	10	–	10	0%	–
Transfers recognised - capital		**624 464**	**734 875**	**730 498**	**47 473**	**415 415**	**611 104**	**(195 689)**	**-32%**	**730 498**
Borrowing	6	11 727	732 614	–	–	1 556	98 269	(96 713)	-98%	–
Internally generated funds		772 324	618 873	660 908	50 635	339 891	548 784	(208 894)	-38%	660 908
Total Capital Funding		**1 408 515**	**2 086 362**	**1 391 406**	**98 108**	**756 862**	**1 258 157**	**(501 295)**	**-40%**	**1 391 406**

7.4.4 Monthly Budget Statement – Financial Position

The table below reflects the financial position of the Metro. It is good to note that the Metro has excess assets over liabilities resulting into the net worth of R25.35 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 -

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		117 700	80 172	79 999	161 338	79 999
Call investment deposits		579 757	804 502	840 856	942 729	840 856
Consumer debtors		2 621 767	1 766 723	1 846 723	2 607 969	1 846 723
Other debtors		6 853 778	827 009	827 009	7 348 700	827 009
Current portion of long-term receivables		–	–	–	(1)	–
Inventory		44 210	38 273	38 273	48 301	38 273
Total current assets		**10 217 212**	**3 516 679**	**3 632 859**	**11 109 035**	**3 632 859**
Non current assets						
Long-term receivables		(15 820)	–	–	(15 820)	–
Investments						
Investment property		451 398	440 098	440 098	451 398	440 098
Investments in Associate		706 317	708 919	708 919	706 317	708 919
Property, plant and equipment		24 467 626	22 907 239	22 212 457	23 720 231	22 212 457
Biological						
Intangible		10 847	13 724	13 724	8 793	13 724
Other non-current assets		50 513	50 513	50 514	50 513	50 514
Total non current assets		**25 670 881**	**24 120 494**	**23 425 712**	**24 921 431**	**23 425 712**
TOTAL ASSETS		**35 888 093**	**27 637 173**	**27 058 571**	**36 030 466**	**27 058 571**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		49 141	56 859	56 859	50 158	56 859
Consumer deposits		88 247	77 789	77 789	93 300	77 789
Trade and other payables		8 378 481	1 314 879	1 315 464	9 098 943	1 315 464
Provisions		349 529	398 601	398 601	350 070	398 601
Total current liabilities		**8 865 399**	**1 848 128**	**1 848 712**	**9 592 471**	**1 848 712**
Non current liabilities						
Borrowing		138 854	1 422 411	689 797	101 379	689 797
Provisions		1 005 079	831 865	831 865	984 372	831 865
Total non current liabilities		**1 143 933**	**2 254 276**	**1 521 661**	**1 085 751**	**1 521 661**
TOTAL LIABILITIES		**10 009 331**	**4 102 403**	**3 370 374**	**10 678 222**	**3 370 374**
NET ASSETS	2	**25 878 762**	**23 534 769**	**23 688 197**	**25 352 244**	**23 688 197**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		11 247 269	13 422 127	13 575 554	10 720 752	13 575 554
Reserves		14 631 492	10 112 643	10 112 643	14 631 492	10 112 643
TOTAL COMMUNITY WEALTH/EQUITY	2	**25 878 762**	**23 534 769**	**23 688 197**	**25 352 244**	**23 688 197**

7.4.5 Monthly Budget Statement – Cash Flow

The Metros' cash flow position and cash/cash equivalent outcome is shown in the table below. The Metro's cash position reflects a net decrease of R111.78 million, resulting in cash and cash equivalents closing balance of R1.10 billion as at 30 April 2023.

Table 9: C7: Monthly Budget Statement – Cash Flow

BUF Buffalo City - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M010 April

Description	Ref	2021/22	Budget Year 2022/23							
		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		1 375 151	1 576 364	1 576 364	108 893	1 265 934	1 313 637	(47 703)	-4%	1 576 364
Service charges		2 944 978	3 423 909	3 423 909	228 552	1 844 675	2 853 258	(1 008 582)	-35%	3 423 909
Other revenue		1 065 308	866 859	903 386	379 523	3 111 944	752 822	2 359 122	313%	903 386
Transfers and Subsidies - Operational		1 043 268	1 446 763	1 446 763	32 469	1 423 568	1 205 636	217 932	18%	1 446 763
Transfers and Subsidies - Capital		686 434	736 015	736 015	(391)	879 860	613 346	266 514	43%	736 015
Interest		209 646	30 876	30 703	5 987	689 693	25 586	664 108	2596%	30 703
Dividends		–				–		–		
Payments										
Suppliers and employees		(6 048 181)	(6 824 853)	(7 342 599)	(453 303)	(5 506 395)	(6 118 832)	(612 437)	10%	(7 342 599)
Finance charges		(20 684)	(49 361)	(49 361)	–	(18 401)	(41 134)	(22 733)	55%	(49 361)
Transfers and Grants		(127 078)	(170 553)	(191 034)	(7 707)	(112 421)	(159 195)	(46 774)	29%	(191 034)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1 128 842**	**1 036 020**	**534 148**	**294 023**	**3 578 458**	**445 123**	**(3 133 335)**	**-704%**	**534 148**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		1 380	–	–	–	2	–	2	0%	–
					–	–	–			
Decrease (increase) in non-current receivables		–			–	–	–	–		
Decrease (increase) in non-current investments					–	–	–	–		
Payments										
Capital assets		(1 532 982)	(2 086 362)	(2 086 362)	(98 108)	(875 457)	(1 738 635)	(863 179)	50%	(2 086 362)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(1 531 602)**	**(2 086 362)**	**(2 086 362)**	**(98 108)**	**(875 454)**	**(1 738 635)**	**(863 181)**	**50%**	**(2 086 362)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing			732 614	732 614	–	–	610 512	(610 512)	-100%	732 614
Increase (decrease) in consumer deposits			8 182	–	(819 355)	(2 778 321)	6 818	(2 785 140)	0%	8 182
Payments										
Repayment of borrowing		(45 191)	(62 833)	(62 833)	–	(36 458)	(52 360)	(15 903)	30%	(62 833)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(45 191)**	**677 964**	**669 782**	**(819 355)**	**(2 814 779)**	**564 970**	**3 379 749**	**598%**	**677 964**
NET INCREASE/ (DECREASE) IN CASH HELD		**(447 950)**	**(372 378)**	**(882 433)**	**(623 440)**	**(111 775)**	**(728 542)**			**(874 251)**
Cash/cash equivalents at beginning:		1 145 407	884 674	884 674	(111 775)	1 215 842				
Cash/cash equivalents at month/year end:		697 457	512 296	2 241		1 104 067	(728 542)			(874 251)

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 - M10 April

Description		Budget Year 2022/23											
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 Other Receivables from Exchange Transactions - Water	1200	71 902	55 202	50 934	42 735	36 685	38 955	268 125	1 266 787	1 831 325	1 653 287	–	13 806
Trade and Other Receivables from Exchange Transactions - Electricity	1300	124 272	34 624	22 345	16 144	16 422	13 925	70 653	203 796	502 180	320 939	–	39 360
Receivables from Non-exchange Transactions - Property Rates	1400	133 498	59 245	42 376	34 862	31 487	32 022	213 017	665 315	1 211 822	976 702	–	31 821
Receivables from Exchange Transactions - Waste Water Management	1500	35 625	19 625	14 312	11 997	10 753	10 079	68 228	255 724	426 343	356 781	–	7 613
Receivables from Exchange Transactions - Waste Management	1600	31 566	19 888	16 510	15 136	13 697	13 121	90 343	378 188	578 451	510 486	–	6 266
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	29	29	29	–	–
Interest on Arrear Debtor Accounts	1810	29 888	27 571	27 059	25 180	23 989	23 030	118 861	472 980	748 559	664 041	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	11 983	8 065	9 964	14 906	4 937	7 155	59 051	329 750	445 809	415 798	–	2 070
Total By Income Source	**2000**	**438 735**	**224 220**	**183 500**	**160 960**	**137 969**	**138 286**	**888 280**	**3 572 569**	**5 744 519**	**4 898 064**	**–**	**100 937**
2021/22 - totals only		468 783	303 626	235 455	184 457	183 331	198 350	961 787	2 734 045	5 269 834	**4 261 970**	0	72 664
Debtors Age Analysis By Customer Group													
Organs of State	2200	18 186	10 717	8 919	6 542	5 488	5 643	33 067	41 367	129 929	92 107	–	–
Commercial	2300	215 056	73 281	52 165	45 064	39 447	38 200	241 229	880 312	1 584 754	1 244 252	–	–
Households	2400	205 492	140 222	122 416	109 354	93 034	94 444	613 983	2 650 890	4 029 836	3 561 705	–	100 937
Other	2500	–	–	–	–	–	–	–	–	–	–	–	–
Total By Customer Group	**2600**	**438 735**	**224 220**	**183 500**	**160 960**	**137 969**	**138 286**	**888 280**	**3 572 569**	**5 744 519**	**4 898 064**	**–**	**100 937**

8.1. Additional debtors' information

The total debtors book, which includes all charges excluding VAT, amounted to R5,744,518,588 as at 30 April 2023 which is an increase of R90,431,377 over the amount of R5,654,087,211 as at 31 March 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. From 1 March 2023, in terms of the approved Credit Control Policy, the 80/20 block type was implemented for non-indigent customers who are in arrears. 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 30 April 2023 amounts to R5.74 billion (2021/22: R5.27 billion). Households: R4.03 billion, Business: R1.58 billion and Government: R129.93 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 30 April 2023. It also provides comparison with the previous month (31 March 2023) which indicates an increase from R 5.65 billion to R 5.74 billion.

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

AGEING	RATES	SEWERAGE	ELECTRICITY	WATER	REFUSE	SUNDRY DEBTORS	TOTAL FOR APRIL 2023	TOTAL FOR MARCH 2023
CURRENT	142 004 472	39 897 760	128 544 310	81 739 461	35 034 840	11 513 806	438 734 650	440 968 473
30 DAYS	67 155 935	23 090 098	38 447 229	64 261 522	23 104 675	8 160 449	224 219 908	223 260 375
60 DAYS	50 031 246	17 665 032	28 836 067	59 601 334	19 662 053	7 704 128	183 499 861	178 411 056
90 DAYS	41 994 477	15 052 541	27 342 806	50 473 319	17 897 293	8 199 327	160 959 762	148 083 866
120 DAYS TO 360 DAYS	322 906 884	110 539 647	147 535 014	399 730 347	137 028 840	46 787 271	1 164 528 003	1 207 680 717
YEAR 2	234 963 190	86 931 209	122 224 643	690 183 575	125 060 059	43 291 825	1 302 654 501	1 263 870 937
YEAR 3	187 756 348	84 130 704	84 233 112	403 598 077	103 060 498	40 236 205	903 014 944	863 356 112
YEAR 4	108 223 625	39 640 273	53 322 160	70 828 429	48 092 832	29 899 499	350 006 819	331 152 993
YEAR 5	87 166 687	30 316 816	28 298 950	49 895 077	37 826 809	20 099 133	253 603 471	248 612 816
YEAR 5+	195 186 648	108 825 750	62 139 747	172 614 618	134 851 694	89 678 212,41	763 296 669	748 689 865
TOTAL	**1 437 389 512**	**556 089 831**	**720 924 038**	**2 042 925 759**	**681 619 593**	**305 569 855**	**5 744 518 588**	**5 654 087 211**

8.2.2. Age Analysis per Category

Table 12 below details debtors age analysis per category type as at 30 April 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	175 660 039	112 197 593	96 437 444	88 148 103	3 020 911 765	3 493 354 943	61
Indigent	27 799 438	27 382 055	25 427 796	20 737 231	423 276 129	524 622 649	9
Business	215 056 368	73 280 977	52 165 293	45 063 767	1 199 187 764	1 584 754 169	28
Government	18 185 793	10 716 547	8 918 972	6 541 880	85 565 376	129 928 568	2
Municipal Staff*	1 975 878	619 645	538 282	454 742	8 062 067	11 650 614	0
Councillors*	57 134	23 091	12 074	14 039	101 306	207 644	0
Total	**438 734 650**	**224 219 908**	**183 499 861**	**160 959 762**	**4 737 104 407**	**5 744 518 588**	**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 April 2023, a total of R1,952,218.60was receipted against staff and councillors accounts. The amount was allocated as follows:

Current Billing Receipts	R 1,412 687.59
Arrears Receipts	R 539 531.01
Total Receipts	R 1,952,218.60

8.2.3. Government Accounts

The total owed by Government Departments to Buffalo City Metropolitan Municipality as at 30 April 2023 amounted to R129,928,568 and this is a decrease of R8,721,220 as compared to March 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 30 April 2023.

Table 13: Analysis of Government Debtors

DEPARTMENT	PROPERTY RATES	SERVICES	VALUE AS AT 30 APRIL 2023	VALUE AS AT 31 MARCH 2023	DIFFERENCE
National Department of Public Works	5 736 086	28 164 322	33 900 408	34 090 093	(189 685)
Provincial Department of Public Works	14 570 465	20 228 628	34 799 093	36 491 634	(1 692 540)
Department of Education	-	20 176 450	20 176 450	20 715 863	(539 413)
Department of Health	-	37 087 677	37 087 677	43 091 630	(6 003 953)
Department of Social Development	-	423 237	423 237	765 783	(342 546)
Department of Transport	-	70 571	70 571	55 479	15 092
Department of Agriculture	-	71 922	71 922	37 177	34 745
Department of Nature Conservation	-	15 703	15 703	14 465	1 238
Department of Human Settlements	-	411 669	411 669	394 665	17 004
Sport, Recreation, Arts and Culture	-	44 276	44 276	22 138	22 138
Department of Labour - UIF Services	-	57 361	57 361	49 250	8 111
Members of Provincial Legislature	-	1 069 221	1 069 221	1 143 567	(74 347)
Department of Water Affairs	-	2 387	2 387	2 387	-
Department of Rural Development and Land Reform	-	1 798 593	1 798 593	1 775 657	22 936
TOTAL	**20 306 551**	**109 622 017**	**129 928 568**	**138 649 788**	**(8 721 220)**

9. CREDITORS' ANALYSIS

The creditors' analysis as depicted in table 14 below contains an aged analysis by customer type. The Metro is paying 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 (30 April 2023) is 33 days.

Table 14: SC4 Monthly Budget Statement Aged Creditors

BUF Buffalo City - Supporting Table SC4 Monthly Budget Statement - aged creditors - M10 April

Description	NT Code	Budget Year 2022/23									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	104 722	–	–	–	–	–	–	–	**104 722**	150 036
Bulk Water	0200	22 453	–	–	–	–	–	–	–	**22 453**	20 618
PAYE deductions	0300	32 185	–	–	–	–	–	–	–	**32 185**	29 660
VAT (output less input)	0400	–	–	–	–	–	–	–	–	**–**	
Pensions / Retirement deductions	0500	36 098	–	–	–	–	–	–	–	**36 098**	34 174
Loan repayments	0600	–	–	–	–	–	–	–	–	**–**	
Trade Creditors	0700	74 164	32 160	–	–	–	–	–	–	**106 324**	22 374
Auditor General	0800	1 874	–	–	–	–	–	–	–	**1 874**	1 061
Other	0900	685 004	–	–	–	–	–	–	–	**685 004**	369 072
Total By Customer Type	**1000**	**956 500**	**32 160**	**–**	**–**	**–**	**–**	**–**	**–**	**988 661**	626 995

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

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

CREDITOR	90 DAYS	60 DAYS	30 DAYS	CURRENT	TOTAL	PAYMENT
ESKOM				104 722 184	104 722 184	104 722 184
WBHO CONSTRUCTION / MAKALI JV				22 658 333	22 658 333	22 658 333
AMATOLA WATER				22 453 484	22 453 484	22 453 484
EASTERN CAPE DEPARTMENT OF HUMAN SETTLEMENTS				8 841 085	8 841 085	8 841 085
DESIGNER LIGHTING (PTY) LTD			471 722	7 443 332	7 915 054	7 915 054
IMVUSA TRADING 415 CC				7 060 399	7 060 399	7 060 399
BONTIFOR (PTY) LTD				6 074 758	6 074 758	6 074 758
EYA BANTU PROFFESSIONAL SERVICES CC			5 517 345		5 517 345	5 517 345
MINTIRO BUSINESS ENTERPRISE CC				5 483 726	5 483 726	5 483 726
DOWN TOUCH INVESTMENTS (PTY) LTD			4 487 126		4 487 126	4 487 126
C & M FASTNERS CC			4 389 766		4 389 766	4 389 766
ASLA CONSTRUCTION (PTY) LTD			3 969 789		3 969 789	3 969 789
INDUSTRIAL CONTROLS			3 653 510		3 653 510	3 653 510
DAMFIN GENERAL TRADING CC				3 481 595	3 481 595	3 481 595
KGOSHI ELECTRICAL			3 332 272		3 332 272	3 332 272
EZULUWENI CONSTRUCTION (PTY) LTD			1 835 246		1 835 246	2 835 246
KHULANI WASTE MANAGEMENT				2 736 737	2 736 737	2 736 737
PROTEA CHEMICALS (CAPE)			2 734 522		2 734 522	2 734 522
MAKALI PLANT AND CONSTRUCTION (PTY) LTD			1 354 983	1 016 427	2 371 410	2 371 410
SAFIKA CONSTRUCTION CC			414 000	1 895 583	2 309 583	2 309 583
TOTAL	**-**	**-**	**32 160 280**	**193 867 643**	**226 027 923**	**227 027 923**

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 - M10 April

Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ³	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Municipality														
Absa - 4094793455		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	281	38	179	719	**860**
Absa - 4094788949		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	3 114	167	–	–	**3 281**
Absa - 4094793968		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	201	11	–	–	**212**
First National Bank - 62938182285		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	20 611	1 118	–	–	**21 729**
Stanlib - 552200137		Call Account	Call Account	Yes	Variable	798,00%	0		Call Account	12	1	–	–	**13**
Nedbank - 03/7881532939/000041		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	1 105	59	–	–	**1 164**
Nedbank - 03/7881532939/000108		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	95	5	–	–	**100**
Absa - 4094789157		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	944	51	–	–	**995**
Nedbank - 03/7881532939/000110		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	343	18	–	–	**362**
Absa - 4094790083		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	1 349	73	–	–	**1 421**
Stanlib - 552200133		Call Account	Call Account	Yes	Variable	798,00%	0		Call Account	289	17	–	–	**306**
Stanlib - 700475605		Call Account	Call Account	Yes	Variable	798,00%	0		Call Account	1	0	–	–	**1**
Nedbank - 03/7881532939/000128		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	10 144	1 312	34 000	130 669	**108 125**
First National Bank - 62938013572		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	45 593	1 185	79 230	115 543	**83 091**
Standard - 76586/442745		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	51 084	2 238	60 211	67 000	**60 111**
Absa - 4094790211		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	41 567	1 734	22 818	15 010	**35 494**
First National Bank - 62938181039		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	3 878	337	2 232	5 058	**7 042**
Stanlib - 552200140		Call Account	Call Account	Yes	Variable	798,00%	0		Call Account	199	12	–	–	**211**
Absa - 4094793895		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	523	28	–	–	**551**
First National Bank - 62938179951		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	3	33	2 034	2 682	**684**
Nedbank - 03/7881532939/000133		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	892	49	–	149	**1 090**
Nedbank - 03/7881532939/000134		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	156	8	–	–	**164**
First National Bank - 62938190080		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	26 021	1 714	7 003	22 567	**43 300**
Standard - 76586/524914		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	17	1	–	–	**18**
Nedbank - 03/7881532939/000136		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	3	0	–	–	**3**

BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M10 April

Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ³	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Municipality														
Nedbank - 03/7881532939/000144		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	4 845	261	–	–	**5 105**
Nedbank - 03/7881532939/000145		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	8 959	457	2 840	6 888	**13 464**
Standard - 76586/553472		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	5 255	283	–	–	**5 538**
Standard - 76586/553471		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	10 499	1 313	–	42 337	**54 149**
Absa - 4101937017		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	83 022	6 348	78 040	179 157	**190 487**
Stanlib - 552200136		Call Account	Call Account	Yes	Variable	798,00%	0		Call Account	5 586	331	–	–	**5 917**
First National Bank - 76200329912		15/08/2022	Fixed deposit	Yes	Fixed	549,00%	0		15/08/2022	65 699	442	66 141	–	**–**
Nedbank - 03/7881532939/000148		15/08/2022	Fixed deposit	Yes	Fixed	535,00%	0		15/08/2022	102 532	673	103 205	–	**–**
Standard - 76586/558782		15/08/2022	Fixed deposit	Yes	Fixed	520,00%	0		15/08/2022	53 796	343	54 140	–	**–**
Nedbank - 03/7881532939/000149		18/11/2022	Fixed deposit	Yes	Fixed	635,00%	0		18/11/2022	–	1 508	104 713	103 205	**–**
First National Bank- 76201063866		18/11/2022	Fixed deposit	Yes	Fixed	627,00%	0		18/11/2022	–	781	54 921	54 140	**–**
Standard- 76586/560948		18/11/2022	Fixed deposit	Yes	Fixed	666,00%	0		18/11/2022	–	1 013	67 154	66 141	**–**
First National Bank - 76201798512		01/03/2023	Fixed deposit	Yes	Fixed	787,00%	0		01/03/2023	–	980	55 900	54 921	**–**
Nedbank - 03/7881532939/000150		01/03/2023	Fixed deposit	Yes	Fixed	780,00%	0		01/03/2023	–	1 902	106 615	104 713	**–**
Standard - 76586/563393		01/03/2023	Fixed deposit	Yes	Fixed	705,00%	0		01/03/2023	–	1 102	68 242	67 140	**–**
Nedbank - 03/7881532939/000151		15/06/2023	Fixed deposit	Yes	Fixed	823,00%	0		15/06/2023	–	913	–	106 615	**107 528**
Standard - 76586/565685		15/06/2023	Fixed deposit	Yes	Fixed	800,00%	0		15/06/2023	–	568	–	68 242	**68 810**
First National Bank - 76202661130		15/06/2023	Fixed deposit	Yes	Fixed	798,00%	0		15/06/2023	–	464	–	55 900	**56 365**
Rand Merchant Bank - X021904910		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	23 994	1 043	25 037	–	**0**
First National Bank - 63040210667		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	–	250	–	25 037	**25 287**
Stanlib - 552200130		Call Account	Call Account	Yes	Variable	798,00%	0		Call Account	22	1	–	–	**24**
Stanlib - 552200132		Call Account	Call Account	Yes	Variable	798,00%	0		Call Account	13	1	–	–	**13**
Standard - 76586/442736		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	78	4	–	–	**82**
Stanlib - 552200131		Call Account	Call Account	Yes	Variable	798,00%	0		Call Account	129	8	–	–	**136**
First National Bank - 62938189471		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	23	1	–	–	**25**
Nedbank - 03/7881532939/000101		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	98	5	–	–	**103**
Absa - 4094793536		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	12	1	–	–	**12**
Absa - 4094789872		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	6	0	–	–	**7**
Standard - 76586/442741		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	44	2	–	–	**47**
Standard - 76586/442744		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	107	6	–	–	**112**
First National Bank - 62938188887		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	42	2	–	–	**44**
Nedbank - 03/7881532939/000129		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	59	3	–	–	**62**
Standard - 76586/442738		Call Account	Call Account	Yes	Variable	755,00%	0		Call Account	3 315	178	–	–	**3 493**
													37 217	**37 217**
Municipality sub-total										**576 557**	**31 400**	**994 652**	**1 331 048**	**944 353**
Entities sub-total										**–**	**–**	**–**	**–**	**–**
TOTAL INVESTMENTS AND INTEREST	2									**576 557**	**31 400**	**994 652**	**1 331 048**	**944 353**

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 - M10 April

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		1 034 896	1 299 183	1 188 070	32 453	1 166 096	1 183 869	(17 773)	-1,5%	1 188 070
Energy Efficiency And Demand Side Management Grant		–	–	–	–	–	–	–		–
Equitable Share		936 811	1 045 448	1 045 448	27 453	1 045 448	1 045 448	–	0,0%	1 045 448
Expanded Public Works Programme Integrated Grant		7 300	10 728	10 728	–	10 728	10 728	–	0,0%	10 728
Infrastructure Skills Development Grant		10 350	11 600	11 600	–	11 600	11 600	–	0,0%	11 600
Local Government Financial Management Grant		1 000	1 000	977	–	1 000	1 000	–	0,0%	977
Metro Informal Settlements Partnership Grant		5 172	18 359	18 359	–	18 359	18 359	–	0,0%	18 359
Neighbourhood Development Partnership Grant		20 581	21 000	38 773	5 000	21 000	38 773	(17 773)	-45,8%	38 773
Programme And Project Preparation Support Grant		8 941	146 263	18 000	–	13 776	13 776	–	0,0%	18 000
Public Transport Network Grant		–	–	–	–	–	–	–		–
Urban Settlement Development Grant		44 741	44 785	44 185	–	44 185	44 185	–	0,0%	44 185
Other transfers and grants [insert description]								–		
Provincial Government:		15 870	115 983	128 931	–	15 870	15 870	–	0,0%	128 931
Dsrac		15 870	15 870	15 870	–	15 870	15 870	–	0,0%	15 870
Infrastructure Grant		–	–	–	–	–	–	–		–
Transitional Grant		–	100 113	113 061	–	–	–	–		113 061
Other transfers and grants [insert description]								–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
Other grant providers:		34 032	31 598	180 643	–	2 766	0	2 766		180 643
Eastern Cape Arts Council		–	–	–	–	–	–	–		–
European Union		15 685	31 598	31 598	–	2 618	0	2 618		31 598
Local Government Water And Related Service Seta		–	–	57	–	–	–	–		57
Parent Municipality		18 347	–	148 798	–	–	–	–		148 798
Unsp. City Of Oldenburg		–	–	–	–	149	–	149		–
Unsp. Glasgow Partnshp		–	–	–	–	–	–	–		–
Unsp. Salaida/Galve		–	–	190	–	–	–	–		190
Total Operating Transfers and Grants	5	1 084 798	1 446 763	1 497 644	32 453	1 184 732	1 199 739	(15 007)	-1,3%	1 497 644
Capital Transfers and Grants										
National Government:		710 200	736 015	730 475	–	730 475	730 475	–	0,0%	730 475
Energy Efficiency and Demand Side Management Grant		9 000	–	–	–	–	–	–		–
Infrastructure Skills Development Grant		150	–	150	–	150	150	–	0,0%	150
Integrated City Development Grant		–	–	–	–	–	–	–		–
Metro Informal Settlements Partnership Grant		233 086	263 763	263 763	–	263 763	263 763	–	0,0%	263 763
Neighbourhood Development Partnership Grant		13 000	19 581	14 581	–	14 581	14 581	–	0,0%	14 581
Rural Road Asset Management Systems Grant		–	1 290	–	–	–	–	–		–
Urban Settlement Development Grant		454 964	451 381	451 981	–	451 981	451 981	–	0,0%	451 981
Provincial Government:		–	–	–	–	–	–	–		–
[insert description]								–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
Other grant providers:		(149)	–	881	–	–	–	–		881
[insert description]								–		
Parent Municipality		(149)	–	881	–	–	–	–		881
Total Capital Transfers and Grants	5	710 051	736 015	731 357	–	730 475	730 475	–		731 357
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 794 849	2 182 779	2 229 000	32 453	1 915 207	1 930 214	(15 007)	-0,8%	2 229 000

11.1. Expenditure on Conditional Grants (DoRA Allocation)

The Metro has spent 66% (R574.12 million, inclusive of reclaimed vat) of its 2022/23 conditional grants adjusted budget of R873.12 million as at 30 April 2023. This reflects an improvement when compared to the same period in the previous financial year where 51% (R427.93 million, inclusive of reclaimed vat) of conditional grants budget of R836.21 million was spent.

Table 18 below reflects the year-to-date expenditure on 2022/2023 total conditional grants.

Table 18: Spending per Conditional Grant Funding Allocation

Funding/Grant	2022/23 Approved Budget	YTD Expenditure (vat) R	YTD Variance (vat incl.) R	% Expenditure (vat incl.)
Finance Management Grant	1 000 000	722 580	277 420	72%
Infrastructure Skills Development Grant	11 750 000	9 144 992	2 605 008	78%
Urban Settlement Development Grant	496 166 000	365 073 857	131 092 143	74%
Neighbourhood Development Partnership Grant	14 581 000	7 914 611	6 666 389	54%
Neighbourhood Development Partnership Grant(PEP)	38 773 085	15 653 982	23 119 103	40%
Informal Settlement Upgrading Partnership Grant	282 122 000	160 724 856	121 397 144	57%
Expanded Public Works Programme Grant	10 728 000	11 321 003	-593 003	106%
Programme and Project Preparation Support Grant (PPPSG)	18 000 000	3 564 696	14 435 304	20%
TOTAL	**873 120 085**	**574 120 577**	**298 999 508**	**66%**

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 six (6) interns serving on the programme. The recruitment process for two (2) additional interns is underway, as the annual target is eight (8). The interns are being remunerated accordingly. Furthermore, the grant will be utilized 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. INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)

The process of recruiting five (5) additional interns is still underway. Training programmes for ISDG interns are anticipated to occur in the third and fourth quarter of the financial year. The grant will be fully spent at year end.

11.1.3. URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)

Infrastructure Services

a) Water

Low expenditure can be attributed to the fact that there first had to be project preparation and readiness aligned to procurement processes. However, most projects are now at implementation stage and expenditure is currently 79% for USDG funded water projects.

Spatial Planning and Development

a) Sleeper Site Road

Contractor is currently busy with bulk earthworks in Currie Street and progressing well, side streets are 95% complete. Expenditure will improve as invoices are being processed with each milestone reached.

.

b) Qumza Highway Phase 7 - Phase 1 & 2

Delayed start on the Qumza Highway has contributed to the low expenditure as Contractors have requested increase on some of the rates and that would increase the contract value. The contractors requested that the Metro re-look at the issues prior to site establishment. The Metro has concluded the analysis and sent responses to the contractors that only Consumer Price Index is

applicable and that contractor must be on site not later than middle of May 2023.

c) Taxi Rank Infrastructure

Additional budget was received through the mid-year budget adjustment process. Construction is anticipated to start mid-May 2023 and expenditure would improve by end May 2023.

Human Settlements

Some of the major Human Settlement projects that were due to commence before March this year have been delayed following challenges in obtaining works permits from the Department of Labour. The delays have affected production & expenditure. The department will fastrack the approval of work permits by Department of Labour so the construction can commence and expenditure can improve.

Economic Development & Agencies

There was a delay in completing designs that were needed before the contractor could commence with work in the Upgrading of Market Hall. Contractors are currently on site and progressing well. Upgrading of ablutions, kitchen and food hub is complete. Installation of clear view fence at the back of Market Hall is 70% complete. The tender / contract for the extension and construction of Mdantsane Art Centre is still under bid evaluation stage which also contributes to the low expenditure.

Solid Waste & Environmental Management

Low expenditure can be attributed to delays in the procurement processes, however service providers have been appointed and are on site for the upgrading of the following facilities: Gulu main ablution, Leaches Bay ablutions, Nahoon boardwalk, Bonza Bay Ablutions, Lifesavers building and fencing and the Gonubie ablutions, lifesavers building and tidal pool ablutions, Eastern Beach ablutions.

11.1.4. NEIGHBORHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG)

Delays in the appointment of service providers for construction at both Toyana Road None-Motorized Transport (NMT) project and the Billie Road Upgrade project resulted in very low expenditure being reported. Billie Road application for permission to proceed with construction is in progress. The Contractor for the construction of the second zone (Zone 2) at Toyana Road is busy on site and therefore there are two contractors working concurrently on site. Expenditure is expected to improve as the project progresses.

11.1.5. 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). Expenditure will improve as the implementing partners submit invoices as the project progresses.

11.1.6. INFORMAL SETTLEMENT UPGRADING PARTNERSHIP GRANT (ISUPG)

Infrastructure Services

a) Roads

The sites have been handed over to contractors for commencement of the projects. Expenditure will improve as construction progresses.

b) Electricity

Supply and Installation of six (6) High mast Lights order was placed with the supplier and delivery has been completed. Installation is in progress and expenditure is expected to improve as installations are completed.

c) Water

Low expenditure can be attributed to the fact that there first had to be project preparation and readiness aligned to procurement processes. However, projects are now at implementation stage and expenditure is expected to improve during the last quarter of the 2022/2023 financial year.

Local Economic Development

a) Agri-Village

Project is in progress at Sekunjalo Mount coke centre, currently busy with layers and broiler's structure. Project is anticipated to be completed before end of the 2022/2023 financial year.

b) Informal Trade Infrastructure (Hawker Stalls)

Service Provider has been appointed to do stalls for Ndevana and Ilitha and they are busy working on the stalls, project to be completed before 2022/2023 financial year end.

Human Settlements

Some of the major Human Settlement projects that were due to commence before March this year have been delayed following challenges in obtaining work permits from the Department of Labour. The delays have affected production & expenditure. The department will fastrack the approval of work permits by Department of Labour so the construction can commence and expenditure can improve.

Spatial Planning and Development

The Land Acquisition process is currently at different levels such as acquisition, transfer/ registration, signing of the Deed of sale and 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.

11.1.7. 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.

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 28%. 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 - M10 April

Summary of Employee and Councillor remuneration	Ref	2021/22	Budget Year 2022/23							
		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		36 539	42 747	42 747	3 151	33 063	35 677	(2 614)	-7%	42 747
Pension and UIF Contributions		3 524	4 269	4 269	326	3 476	3 563	(87)	-2%	4 269
Medical Aid Contributions		1 666	2 065	2 065	141	1 353	1 723	(371)	-22%	2 065
Motor Vehicle Allowance								–		
Cellphone Allowance		4 110	4 259	4 259	336	3 404	3 555	(151)	-4%	4 259
Housing Allowances		10 333	2 445	2 445	1 179	11 923	2 041	9 882	484%	2 445
Other benefits and allowances		8 510	14 477	14 477	398	4 371	12 082	(7 711)	-64%	14 477
Sub Total - Councillors		**64 683**	**70 263**	**70 263**	**5 531**	**57 589**	**58 641**	**(1 052)**	**-2%**	**70 263**
% increase	4		**8,6%**	**8,6%**						**8,6%**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		11 402	12 585	12 454	974	9 259	10 393	(1 133)	-11%	12 454
Pension and UIF Contributions		2 202	2 501	2 501	189	1 794	2 081	(288)	-14%	2 501
Medical Aid Contributions		337	421	421	35	292	351	(58)	-17%	421
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		2 424	2 942	2 941	208	1 966	2 448	(481)	-20%	2 941
Cellphone Allowance		298	367	367	19	202	306	(104)	-34%	367
Housing Allowances		2 638	2 834	2 826	218	2 121	2 353	(232)	-10%	2 826
Other benefits and allowances		9	2	2	0	7	2	5	272%	2
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	(53 053)	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		**(33 742)**	**21 653**	**21 514**	**1 643**	**15 642**	**17 933**	**(2 291)**	**-13%**	**21 514**
% increase	4		**-164,2%**	**-163,8%**						**-163,8%**
Other Municipal Staff										
Basic Salaries and Wages		1 512 070	1 682 402	1 598 316	130 920	1 290 528	1 331 899	(41 371)	-3%	1 598 316
Pension and UIF Contributions		306 393	322 957	322 957	26 906	264 697	268 785	(4 088)	-2%	322 957
Medical Aid Contributions		113 122	146 878	146 878	9 756	95 012	122 246	(27 234)	-22%	146 878
Overtime		153 631	147 057	147 190	13 464	127 540	122 461	5 080	4%	147 190
Performance Bonus		122 625	139 106	139 106	7 984	102 478	115 774	(13 296)	-11%	139 106
Motor Vehicle Allowance		37 936	44 073	43 556	3 468	33 695	36 362	(2 667)	-7%	43 556
Cellphone Allowance		4 296	4 534	4 509	357	3 633	3 758	(124)	-3%	4 509
Housing Allowances		8 301	15 434	14 902	743	7 487	12 526	(5 039)	-40%	14 902
Other benefits and allowances		42 250	41 556	41 529	3 791	37 639	34 563	3 076	9%	41 529
Payments in lieu of leave		38 923	–	–	6 900	45 417	–	45 417	0%	–
Long service awards		81 302	34 927	34 927	3 176	31 476	29 067	2 409	8%	34 927
Post-retirement benefit obligations	2	74 372	18 270	18 270	0	1	15 225	(15 225)	-100%	18 270
Sub Total - Other Municipal Staff		**2 495 222**	**2 597 194**	**2 512 140**	**207 465**	**2 039 603**	**2 092 665**	**(53 062)**	**-3%**	**2 512 140**
% increase	4		**6,6%**	**3,9%**						**3,9%**
TOTAL MANAGERS AND STAFF		**2 484 929**	**2 648 703**	**2 578 654**	**212 271**	**2 085 227**	**2 140 476**	**(55 250)**	**-3%**	**2 578 654**

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 30 April 2023. Table 21 below details overtime expenditure incurred per cost centre for the past three months ended 30 April 2023.

Table 20: Overtime per Directorate

Directorate Overtime	2022/2023 Annual Budget R	2022/2023 YTD Budget R	2022/2023 YTD Expenditure R	2022/2023 YTD Variance R	2022/2023 % of YTD Budget %
Directorate of Executive Support Services	3 086 741	2 560 572	7 101 756	(4 541 185)	277%
Directorate of The City Manager	747 194	619 826	655 629	(35 802)	106%
Directorate of Corporate Services	757 878	628 689	658 795	(30 105)	105%
Directorate of Spatial Planning & Development	405 901	336 711	185 085	151 625	55%
Directorate of Economic Development & Agencies	654 849	543 223	636 075	(92 852)	117%
Directorate of Finance	4 273 677	3 545 181	3 612 558	(67 377)	102%
Directorate of Public Safety & Emergency Services	46 633 301	38 684 134	39 029 550	(345 416)	101%
Directorate of Human Settlement	985	817	-1 215	2 032	0%
Directorate of Infrastructure Services	49 317 180	40 910 516	47 733 052	(6 822 536)	117%
Electricity	*16 972 045*	14 078 970	*17 559 847*	(3 480 877)	*125%*
Water	*15 832 437*	13 133 621	*16 276 079*	(3 142 458)	*124%*
Sanitation	*15 143 881*	12 562 437	*12 933 831*	(371 394)	*103%*
Other	*1 368 817*	1 135 487	*963 294*	172 193	*85%*
Directorate of Solid Waste & Environmental Management	28 223 888	23 412 811	16 499 859	6 912 952	70%
Directorate of Sport, Recreation & Community Development	13 088 006	10 857 009	11 429 141	(572 132)	105%
Total	**147 189 600**	**122 099 489**	**127 540 284**	**(5 440 795)**	**104%**

The total overtime payment for the months of February 2023, March 2023 and April 2023 is reflected below. There was a decrease in the total payment of overtime between February 2023 and March 2023 of R2 133 265 and an increase in the total payment of overtime between March 2023 and April 2023
of R1 413 193.

Table 21: Overtime Per Cost Centre: February 2023 – April 2023

		February 2023 Amount	March 2023 Amount	April 2023 Amount
	DIRECTORATE -EXECUTIVE SUPPORT SERVICES			
0505	OFFICE OF THE DIRECTOR EXECUTIVE SUPPORT SERVICES	1 024.50	2 117.30	-
0511	COMM/MARKETING /INTERNAT & INTERGOV REL	4 699.20	-	-
0512	INTERNATIONAL & INTERGOVERNMENTAL RELAT	10 831.80	-	-
0523	IDP & BUDGET INTEGRATION	-	-	7 999.40
0531	POLITICAL OFFICE ADMINISTRATION	-	12 100.44	6 827.91
0532	OFFICE OF THE CHIEF WHIP	167 408.12	154 942.28	170 996.05
0533	OFFICE OF THE DEPUTY EXECUTIVE MAYOR	202 088.55	150 834.33	193 212.59
0534	OFFICE OF THE EXECUTIVE MAYOR	251 020.43	280 213.12	342 597.51
0535	OFFICE OF THE SPEAKER	37 552.94	43 796.85	38 476.89
0536	MPAC	-	60 891.34	56 027.28
		674 625.54	**704 895.66**	**816 137.63**
	DIRECTORATE OF THE CITY MANAGER			
1005	OFFICE OF THE CITY MANAGER	14 287.20	11 017.53	115 359.80
		14 287.20	**11 017.53**	**115 359.80**
	DIRECTORATE OF CORPORATE SERVICES			
1512	ADMINISTRATIVE & CORPORATE SUPPORT	20 835.80	4 010.40	22 997.56
1513	AUXILLIARY / RECORDS & DECISION TRACKING AND TELECOMMUNICATIONS	33 765.62	13 823.52	52 486.78
1514	INFORMATION / TECHNOLOGY & SUPPORT	4 257.32	31 828.67	18 788.08
		58 858.74	**49 662.59**	**94 272.42**
	DIRECTORATE OF SPATIAL & DEVELOPMENT PLANNING			
2037	TRAFFIC MANAGEMENT & SAFETY	10 692.30	11 183.90	9 463.30
		10 692.30	**11 183.90**	**9 463.30**

		February 2023 Amount	March 2023 Amount	April 2023 Amount
	DIRECTORATE OF ECONOMIC DEVELOPMENT & AGENCIES			
2511	FRESH PRODUCE MARKET	21 736.67	17 091.75	14 090.87
2521	TOURISM / ARTS / CULTURE & HERITAGE	4 840.65	-	-
		26 577.32	**17 091.75**	**14 090.87**
	DIRECTORATE OF FINANCE			
3051	REVENUE MANAGEMENT	-	-	3 674.37
3052	ACCOUNTS MANAGEMENT & REVENUE CONTROL	2 133.98	4 767.80	4 306.40
3053	COASTAL REVENUE MANAGEMENT	39 222.96	-	83 127.05
3054	CUSTOMER RELATIONS (CALL CENTRE)	236 420.31	234 642.31	241 096.77
3055	INLAND REVENUE MANAGEMENT	-	64 181.39	5 582.15
3056	MIDLAND REVENUE MANAGEMENT	-	29 984.99	24 567.29
3057	RATES AND VALUATIONS	-	-	16 894.08
3061	STRATEGY & OPERATIONS	563.18	-	-
		278 340.43	**333 576.49**	**379 248.11**
	DIRECTORATE OF PUBLIC SAFETY & EMERGENCY SERVICES			
3512	DISASTER MANAGEMENT	-	2 789.40	14 532.75
3513	FIRE & RESCUE	670 794.07	418 949.46	633 391.50
3532	LAW ENFORCEMENT SERVICES	1 930 266.71	1 465 564.79	1 739 225.43
3533	TRAFFIC SERVICES	537 991.18	382 901.79	443 677.60
		3 139 051.96	**2 270 205.44**	**2 830 827.28**
	DIRECTORATE OF HUMAN SETTLEMENT			
4011	HOUSING DELIVERY & IMPLEMENTATION	(550.00)	(550.00)	(550.00)
		(550.00)	**(550.00)**	**(550.00)**
	DIRECTORATE OF INFRASTRUCTURE SERVICES			
4505	OFFICE OF THE DIRECTOR OF INFRASTRUCTURE SERVICES	6 919.92	12 852.56	6 919.92
4511	ELECTRICAL & ENERGY SERVICES	2 727.66	3 147.30	4 196.40
4512	CUSTOMER SERVICES & REVENUE PROTECTION	92 556.94	97 428.55	99 599.98
4514	ELECTRICAL DISTRIBUTION	2 020 464.66	1 589 087.87	1 628 347.15

		February 2023 Amount	March 2023 Amount	April 2023 Amount
4521	ROADS / PIU & CONSTRUCTION	1 474.80	3 072.50	-
4522	CONSTRUCTION	5 603.80	4 555.61	5 099.87
4524	ROADS	64 084.50	30 333.99	43 286.35
4532	SANITATION	1 372 001.47	796 550.28	1 520 829.71
4535	WATER SERVICES	1 598 783.05	1 526 213.49	1 579 198.38
4542	FLEET SERVICES & PLANT	-	9 566.46	9 624.82
4543	WORKSHOPS	35 049.07	75 786.16	52 854.85
		5 199 665.87	**4 148 594.77**	**4 949 957.43**
	DIRECTORATE OF SOLID WASTE & ENVIRONMENTAL MANAGEMENT			
5512	LANDFILLS & TRANSFER STATIONS	484 677.59	310 133.46	423 191.53
5513	WASTE REMOVAL & CLEANSING (COASTAL)	324 327.96	167 812.96	39 891.20
5514	WASTE REMOVAL & CLEANSING (MIDLAND)	223 235.90	228 445.69	271 197.20
5517	LANDFILL & TRANSFER STATIONS	102 281.50	97 546.98	88 337.62
5522	ENVIROMENTAL PLANNING (IEMP)	4 848.76	2 576.32	4 091.28
5523	COASTAL BEACHES & NATURE MANAGEMENT	171 657.18	56 070.98	64 161.30
5524	GRASS CUTTING & VEGETATION CONTROL	218 338.04	59 047.57	24 492.77
5533	MUNICIPAL HEALTH SERVICES	16 536.91	13 897.30	11 925.77
		1 545 903.84	**935 531.26**	**927 288.67**
	DIRECTORATE OF SPORT, RECREATION & COMMUNITY DEVELOPMENT			
6011	GM OFFICE	36 383.31	37 456.18	34 714.43
6012	LIBRARIES	20 518.72	18 585.54	26 076.71
6013	HALLS	148 855.77	191 794.57	218 078.18
6014	ZOO & AQUARIUM	156 841.35	119 684.94	129 335.80
6022	PARKS (COASTAL)	61 351.01	31 138.67	36 095.30
6023	CEMETERIES (COASTAL)	5 414.70	329 628.80	159 042.85
6024	PARKS (MIDLAND)	5 490.32	2 301.48	4 091.52
6025	CEMETERIES (MIDLAND)	58 656.68	93 650.55	72 204.80
6026	PARKS (INLAND)	4 629.95	17 091.68	4 986.10
6027	CEMETERIES (INLAND)	57 616.26	101 119.20	84 381.78
6032	FACILITIES	76 778.15	98 268.90	101 318.38
6033	SWIMMING POOLS	384 989.49	323 003.65	244 076.12
6034	RESORTS MANAGEMENT	66 084.44	52 864.96	60 494.12
		1 083 610.15	**1 416 589.12**	**1 174 896.09**
	TOTAL OVERTIME	**12 031 063.35**	**9 897 798.51**	**11 310 991.60**

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. <u>Comments on Overtime</u>

a) <u>Directorate of Executive Support Services</u>

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

b) Directorate of The City Manager

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

c) Directorate of Corporate Services

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

d) Directorate of 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 because others are off duty. 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.

e) Directorate Of Finance

The over expenditure on overtime is as a result of staff who were requested to work emergency overtime to assist in the processing of property transfers for the Midland region. Overtime was also utilised for the caretaker to be on site for all repairs to water and sewerage issues located at Munifin Building.

f) Directorate of Public Safety & Emergency Services

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.

g) Directorate of Infrastructure Services

i. Electricity – This is due to emergency raids which are carried out after hours to eradicate illegal connections and emergency standby work carried out over weekends and after hours. Vandalism & Theft contributes a large percentage of overtime worked.

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

h) Directorate of Sport, Recreation & Community Development

The Zoo and Aquarium are open 7 days a week and staff are required at the facility to ensure the captive animals are cared for correctly. Halls and Libraries Overtime is linked to hall usage which is also operational for 7 days a week. Cemeteries burials and cremations conducted over weekends due to religious beliefs and cultural customs.

12.3. Standby and Shift Allowance Analysis

Table 22 below reflects the total standby and shift payment for the months February 2023, March 2023 and April 2023. There was a decrease in the total payment between February 2023 and March 2023 of R316 537 and an increase in the total payment between March 2023 and April 2023 of R269 460.

Table 22: Standby & Shift Allowance per Directorate

	February 2023 Amount	March 2023 Amount	April 2023 Amount
Directorate of Executive Support Services	18 616	17 288	19 949
Directorate of the City Manager	25	-	3 347
Directorate of Corporate Services	1 468	6 728	5 274
Directorate of Spatial Planning & Development	9 559	9 433	10 310
Directorate Economic Development & Agencies	2 299	1 970	2 779
Directorate of Finance	16 865	17 314	45 687
Directorate of Public Safety & Emergency Services	832 829	753 914	852 186
Directorate of Infrastructure Services	911 743	817 202	971 264
Directorate of Solid Waste & Environmental Management	519 485	382 889	366 645
Directorate of Sport, Recreation & Community Development	38 559	28 174	26 930
TOTAL	**2 351 448**	**2 034 911**	**2 304 371**

12.4. Cost of Temporary Staff

Table 23 below reflects the total payment of Temporary Staff for the months of February 2023, March 2023 and April 2023. There was an increase in the total payment between February 2023 and March 2023 of R380 332 and a decrease in the total payment between March 2023 and April 2023 of R104 465.

Table 23: Temporary Staff per Directorate

	February 2023 Amount	March 2023 Amount	April 2023 Amount
Directorate of Executive Support Services	726 569	866 908	775 020
Directorate of the City Manager	42 406	41 038	41 038
Directorate of Corporate Services	1 092 403	1 169 608	1 187 572
Directorate of Finance	211 335	290 614	297 692
Directorate of Human Settlement	439 973	451 278	512 607
Directorate of Infrastructure Services	695 403	875 157	718 920
Directorate of Solid Waste & Environmental Management	204 305	129 926	144 276
Directorate of Sport, recreation & Community Development	82 941	51 136	94 077
TOTAL	**3 495 334**	**3 875 666**	**3 771 201**

12.5. Councillors Costs

The table below shows the budget and expenditure to date for councillors' costs. The year-to-date budget of R57.59 million less the year-to-date expenditure of R58.64 million leaves a variance of R1.05 million.

Table 24: Councillors Costs

Councillors Allowances and Benefits

Councillors Allowances And Benefits	2022/2023 Annual Budget R	2022/2023 YTD Budget R	2022/2023 YTD Expenditure R	2022/2023 Variance R	2022/2023 Variance %
Councillors Allowances	47 006 822	39 231 685	36 466 207	2 765 478	7,05
Housing Allowance	2 445 458	2 040 968	11 922 949	-9 881 980	0,00
Medical Aid Allowance	2 064 937	1 723 387	1 352 802	370 585	21,50
Pension Allowance	4 268 995	3 562 884	3 476 196	86 688	2,43
Travel Allowance	14 476 648	12 082 146	4 371 120	7 711 026	63,82
Total	**70 262 860**	**58 641 071**	**57 589 274**	**1 051 797**	**1,79**

13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE

BCMDA has spent R75.72 million (54%) of its 2022/2023 adjusted operating budget of R138,51 million. A detailed analysis of the entity's performance for month ended 30 April 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) - M10 April

Description	Ref	2021/22	Current Year 2022/23							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Source	1									
Interest earned - external investments		722	637	581	156	858	510	349	68,5%	581
Agency services		6 658	3 768	2 735	–	2 015	2 031	(16)	-0,8%	2 735
Transfers and subsidies		46 384	132 487	131 381	1 284	15 253	121 531	(106 278)	-87,4%	131 381
Other revenue		143	14 661	3 812	–	44 297	8 601	35 695	415,0%	3 812
Gains		98	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		**54 004**	**151 552**	**138 508**	**1 440**	**62 423**	**132 673**	**(70 250)**	**-52,9%**	**138 508**
Expenditure By Type										
Employee related costs		26 106	32 354	47 473	3 162	29 982	(31 951)	61 933	-193,8%	47 473
Depreciation & asset impairment		1 114	984	811	65	684	(774)	1 458	-188,3%	811
Finance charges		0	4	2	–	0	(3)	3	-105,6%	2
Inventory consumed		1 777	1 299	4 466	28	2 933	(2 136)	5 069	-237,3%	4 466
Contracted services		18 467	105 568	73 322	2 973	35 401	(71 722)	107 123	-149,4%	73 322
Transfers and subsidies		221	217	345	–	25	(236)	261	-110,4%	345
Other expenditure		6 279	11 126	12 090	473	6 695	(9 379)	16 073	-171,4%	12 090
Losses		22	–	–	–	–	–	–		–
Total Expenditure	3	**53 986**	**151 552**	**138 508**	**6 703**	**75 719**	**(116 201)**	**191 921**	**-165,2%**	**138 508**
Surplus/(Deficit)		**18**	**–**	**–**	**(5 263)**	**(13 296)**	**248 874**	**(262 171)**	**-105,3%**	**–**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		631	1 140	881	–	–	816	**(816)**	**-100,0%**	881
allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–	–	–	–	21 227	–	**21 227**	**0,0%**	–
Transfers and subsidies - capital (in-kind - all)								**–**		
Surplus/(Deficit) before taxation		650	1 140	881	(5 263)	7 930	249 691	**(241 760)**	**-96,8%**	881
Taxation		–	–	–	–	–	–	–		–
Surplus/(Deficit) for the year		**650**	**1 140**	**881**	**(5 263)**	**7 930**	**249 691**	**(241 760)**		**881**

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14. CAPITAL PROGRAMME PERFORMANCE

The Metro has spent 58% (R809.39 million, inclusive of reclaimed vat) of its 2022/23 adjusted capital budget of R1.39 billion as at 30 April 2023. This reflects an improvement when compared to the same period in the previous financial year where 48% (R870.01 million, inclusive of reclaimed vat) of the adjusted capital budget of R1.83 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	2022/2023 Adjusted Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Own Funding	581 383 613	313 718 525	267 665 088	54%
Own Funding C/O	79 524 283	27 738 378	51 785 905	35%
TOTAL OWN FUNDING	**660 907 896**	**341 456 903**	**319 450 993**	**52%**
Urban Settlement Development Grant	451 981 020	310 271 387	141 709 633	69%
Finance Management Grant	23 000	0	23 000	0%
Informal Settlements Upgrading Partnership Grant	263 763 320	149 578 316	114 185 004	57%
Neighbourhood Development Partnership Grant	14 581 000	7 914 611	6 666 389	54%
Infrastructure Skills Development Grant	150 000	172 500	-22 500	115%
TOTAL GRANTS	**730 498 340**	**467 936 814**	**262 561 526**	**64%**
TOTAL CAPITAL BUDGET	**1 391 406 236**	**809 393 717**	**582 012 519**	**58%**

Table 27 below reflects capital expenditure performance per service

Table 27: Actual Expenditure per Service against Budget

Services	2022/2023 Adjusted Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Amenities	69 375 296	38 750 399	30 624 897	56%
Electricity	102 149 000	71 243 297	30 905 703	70%
Human Settlements	235 492 070	111 973 531	123 518 539	48%
Local Economic Development	79 476 995	31 102 872	48 374 123	39%
Other: BCMM Fleet	7 287 217	0	7 287 217	0%
Public Safety	38 400 052	15 109 533	23 290 519	39%
Roads	461 179 569	317 918 643	143 260 926	69%
Spatial Planning	26 278 155	6 845 722	19 432 433	26%
Support Services	108 656 607	57 207 177	51 449 430	53%
Transport Planning	71 620 632	39 376 348	32 244 284	55%
Waste Management	36 215 404	10 055 148	26 160 256	28%
Wastewater	48 000 000	35 168 522	12 831 478	73%
Water	107 275 240	74 642 524	32 632 716	70%
TOTAL - PER SERVICE	**1 391 406 236**	**809 393 717**	**582 012 519**	**58%**

Table 28 below reflects capital expenditure performance per directorate.

Table 28: Actual Expenditure per Directorate against Budget

Directorate	2022/2023 Adjusted Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Executive Support Services	1 200 300	414 002	786 298	34%
City Manager's Office	1 650 009	93 564	1 556 445	6%
Corporate Services	14 664 142	7 479 915	7 184 228	51%
Spatial Planning & Development	98 398 787	46 222 071	52 176 716	47%
Economic Development & Agencies	50 351 706	19 305 511	31 046 195	38%
Finance Services	77 213 041	45 060 495	32 152 546	58%
Public Safety & Emergency Services	40 805 314	15 611 545	25 193 769	38%
Human Settlements	235 992 070	112 312 917	123 679 153	48%
Infrastructure Services	727 891 026	499 582 288	228 308 738	69%
Sports, Recreation & Community Development	55 889 291	38 334 518	17 554 773	69%
Solid Waste & Environmental Management	50 919 384	10 956 223	39 963 160	22%
TOTAL DIRECTORATES	**1 354 975 070**	**795 373 048**	**559 602 021**	**59%**
Asset Replacements	5 924 539	1 971 412	3 953 127	33%
BCMDA Projects	30 506 628	12 049 256	18 457 371	39%
TOTAL CONSOLIDATED CAPITAL PER DIRECTORATE	**1 391 406 236**	**809 393 717**	**582 012 519**	**58%**

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 - M10 April

Month	2021/22	Budget Year 2022/23							
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	117 376	173 864	173 864	1 766	1 766	173 864	172 098	99,0%	0%
August	117 376	173 864	146 985	53 245	55 011	320 849	265 837	82,9%	3%
September	117 376	173 864	147 106	59 794	114 806	467 955	353 149	75,5%	6%
October	117 376	173 864	147 143	75 434	190 240	615 098	424 858	69,1%	9%
November	117 376	173 864	147 412	78 888	269 128	762 510	493 382	64,7%	13%
December	117 376	173 864	147 412	118 595	387 722	909 922	522 200	57,4%	19%
January	117 376	173 864	147 151	41 465	429 187	1 057 073	627 886	59,4%	21%
February	117 376	173 864	67 388	72 810	501 997	1 124 460	622 464	55,4%	24%
March	117 376	173 864	67 453	156 758	658 754	1 191 913	533 159	44,7%	32%
April	117 376	173 864	66 245	98 108	756 862	1 258 157	501 295	39,8%	0
May	117 376	173 864	66 239	–		1 324 397	–		
June	117 376	173 864	67 010	–		1 391 406	–		
Total Capital expenditure	**1 408 515**	**2 086 362**	**1 391 406**	**756 862**					

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 51% (R215.30 million, inclusive of reclaimed vat) of its 2022/23 adjusted operating projects budget of R423.02 million as at 30 April 2023. This reflects an improvement when compared to the same period in the previous financial year where 42% (R185.81 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R445.69 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	2022/2023 Adjusted Budget	YTD Expenditure (incl. vat)	Variance (incl. VAT))	% Expenditure (incl. vat)
Executive Support Services	53 108 628	31 609 752	21 498 876	60%
City Manager's Office	45 681 768	25 794 737	19 887 031	56%
Corporate Services	20 900 000	9 137 994	11 762 006	44%
Spatial Planning & Development	11 976 000	2 686 624	9 289 376	22%
Economic Development & Agencies	16 509 938	5 409 686	11 100 252	33%
Finance Services	49 154 196	21 030 831	28 123 365	43%
Public Safety & Emergency Services	3 446 967	591 626	2 855 341	17%
Human Settlements	131 717 631	51 378 944	80 338 687	39%
Infrastructure Services	43 527 284	41 569 274	1 958 010	96%
Sports, Recreation & Community Development	3 435 970	2 559 082	876 888	74%
Solid Waste & Environmental Management	43 563 665	23 528 003	20 035 662	54%
TOTAL PER DIRECTORATE	**423 022 047**	**215 296 552**	**207 725 495**	**51%**

Table 31: Operating Projects Per Funding Source

Funding	2022/2023 Adjusted Budget	YTD Expenditure (incl. vat)	Variance (incl. VAT)	% Expenditure (incl. vat)
Total Own Funding	**167 149 576**	**69 840 448**	**97 309 127**	**42%**
Salaida c/o	189 775	82 845	106 930	44%
Urban Settlement Development Grant	44 184 980	54 802 470	-10 617 490	124%
Finance Management Grant	977 000	722 580	254 420	74%
Informal Settlements Upgrading Partnership Grant	18 358 680	11 146 540	7 212 140	61%
Infrastructure Skills Development Grant	11 600 000	8 972 492	2 627 508	77%
Programme And Project Preparation Support Grant (PPPSG)	18 000 000	3 564 696	14 435 304	20%
Expanded Public Works Programme	10 728 000	11 321 003	-593 003	106%
Human Settlements Development Grant	41 609 610	14 842 424	26 767 186	36%
Human Settlements Development Grant C/O	71 451 341	24 347 071	47 104 270	34%
Neighbourhood Development Partnership Grant	38 773 085	15 653 982	23 119 103	40%
TOTAL PER FUNDING SOURCE	**255 872 471**	**145 456 104**	**110 416 367**	**57%**
TOTAL OPERATING PROJECTS	**423 022 047**	**215 296 552**	**207 725 495**	**51%**

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 **April 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: .....