

**STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF
THE 2025/26 BUDGET FOR THE PERIOD ENDED 31 MARCH 2026**

1. PURPOSE

The purpose of the report is for the Council to **CONSIDER** and **NOTE** the statement of financial performance and the implementation of the 2025/26 budget of the Buffalo City Metropolitan Municipality for the period ended 31 March 2026.

2. AUTHORITY

Buffalo City Metropolitan Municipality Council.

3. LEGAL / STATUTORY REQUIREMENTS

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

3.2. Municipal Finance Management Act No 56, 2003 Chapter 7, Section 52

3.3. Municipal Budget and Reporting Regulations, 2009

4. BACKGROUND / REASONING

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

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

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

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PART 1: IN-YEAR REPORT

5. RESOLUTIONS

It is recommended that:

- (i) Council **CONSIDERS** and **NOTES** the report on the statement of financial performance and the implementation of the 2025/26 budget for the period ended 31 March 2026 including supporting documentation attached as Annexure A to G.
- (ii) Council **NOTES** the spending trend on capital and operating projects as well as the reasons for such an expenditure as indicated in section 14 and 15 respectively of this report.
- (iii) Council **NOTES** the year to date collection rate for the period ended 31 March 2026 of 71.18%.

P. FAKU

EXECUTIVE MAYOR

BUFFALO CITY METROPOLITAN MUNICIPALITY

MXOLISI YAWA/ SP

DATE

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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 31 MARCH 2026

6.1. Dashboard / Performance Summary

Table 1: Performance Summary

OVERALL OPERATING RESULTS – 31 MARCH 2025		OVERALL OPERATING RESULTS – 31 MARCH 2026	
Income	R 7,995,553,193	Income	R 8,604,559,560
Expenditure	(R 8,437,698,079)	Expenditure	(R 8,713,123,270)
Operating Surplus/(Deficit) before Transfers and Subsidies Recognised – Capital	(R 442,144,886)	Operating Surplus/(Deficit) before Transfers and Subsidies Recognised – Capital	(R 108,563,710)
Transfers and Subsidies Recognized – Capital	R 337,133,505	Transfers and Subsidies Recognised – Capital	R 482,611,705
Intercompany/Parent subsidiary transactions	R 38,970,628	Intercompany/Parent subsidiary transactions	R 33,043,478
Surplus/(Deficit) after Capital Transfers	(R 66,040,753)	Surplus/(Deficit) after Capital Transfers	R 407,091,473
CASH MANAGEMENT – 31 MARCH 2025		CASH MANAGEMENT – 31 MARCH 2026	
Cash and cash equivalents	R 1,291,536,713	Cash and cash equivalents	R 1,512,542,011
Account Payables	(R 1,175,607,045)	Account Payables	(R 1,173,096,410)
Unspent conditional grants	(R 739,067,750)	Unspent conditional grants	(R 562,305,747)
Committed to Capital budget-own funds	(R 285,645,368)	Committed to Capital budget-own funds	(R 215,721,908)
DEBTORS – 31 MARCH 2025		DEBTORS – 31 MARCH 2026	
Total debtors' book (incl. impairment)	R 8,805,415,666	Total debtors' book (incl. impairment)	R 10,002,231,341
Total debtors – Government	R 135,358,124	Total debtors – Government	R 202,761,121
Total debtors – Business	R 1,550,343,787	Total debtors – Business	R 1,799,589,044
Total debtors – Households	R 7,119,713,755	Total debtors – Households	R 7,999,881,176
Total debt written off incl. Vat (YTD)	R 368,343,206	Total debt written off incl. Vat (YTD)	R 725,412,642
TOTAL LONG-TERM LOANS		SURPLUS / (DEFICIT) PER SERVICE	
31 MARCH 2025	31 MARCH 2026	31 MARCH 2025	31 MARCH 2026
R 79,653,503	R 54,600,658	Water R 242,796,863	R 233,755,050
REPAIRS AND MAINTENANCE		Electricity (R 701,511,721)	(R 739,687,659)
31 MARCH 2025	31 MARCH 2026	Refuse R 139,850,926	R 169,009,698
Exp.= R297.08 m, which is 59% of budget of R507.75 m	Exp.= R256.90 m, which is 57% of budget of R450.80 m	Sewerage R 213,703,329	R 267,281,327
CAPITAL EXPENDITURE		OPERATING PROJECTS EXPENDITURE	
<u>31 March 2025: Exp. as a % of Adjusted Budget of R1.43b:</u>	<u>31 March 2026: Exp. as a % of Adjusted Budget of R1.55b:</u>	<u>31 March 2025: Exp. as a % of Adjusted Budget of R529.32m:</u>	<u>31 March 2026: Exp. as a % of Adjusted Budget of R581.67m:</u>
Exp. (excl. vat) = R603.04 mil % exp. (Excl. vat): 42%	Exp. (excl. vat) = R660,17 mil % exp. (Excl. vat) :43%	Exp. (excl. vat) = R189.39 mil % exp. (excl. vat): 36%	Exp. (excl. vat) = R266.89 mil % exp. (excl. vat): 46%
Exp. (incl. vat) = R651.06 mil % exp. (incl. vat): 45%	Exp. (incl. vat) = R712.77 mil % exp. (incl. vat): 46%	Exp. (incl. vat) = R194.55 mil % exp. (incl. vat): 37%	Exp. (incl. vat) = R274.41 mil % exp. (incl. vat): 47%

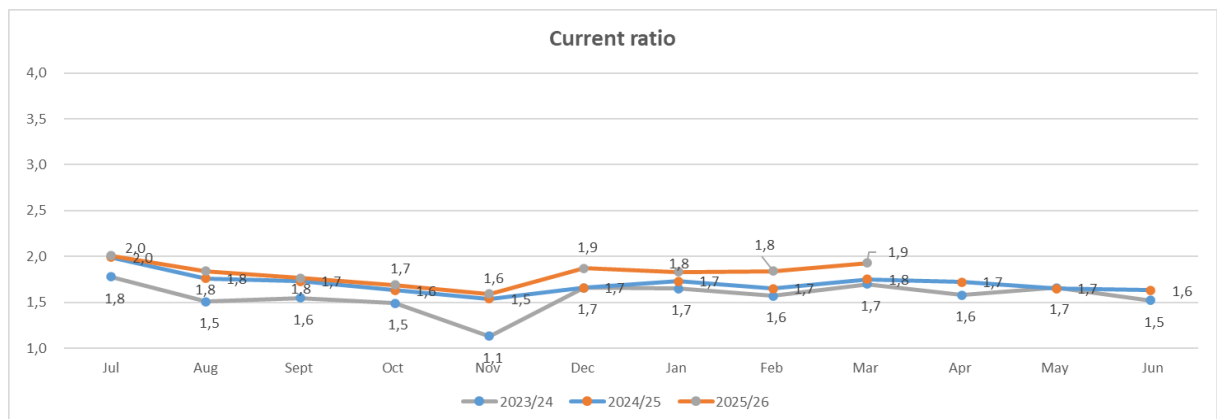
FINANCIAL	31 MARCH 2025	31 MARCH 2026	HUMAN RESOURCES 31 MARCH 2026	
Operating Surplus/(Deficit) after Capital Transfers and Intercompany transactions	(R 66,040,753)	R 407,091,473	Total staff complement	4,837
Debtors' collection ratio	70,08%	71.18%	Staff Appointments	179
YTD Grants and subsidies: recognized – Capital	R 337,133,505	R 482,611,705	Staff Terminations	151
Creditor's payment days	25 days	34 days	Number of funded vacant posts (under recruitment process)	371
Current ratio	1.75:1	1.93:1	Total overtime paid (YTD)	R 132,272,910
Total Debt to Revenue	0,89%:	0.58%	Allowances and benefits – Councillors (YTD)	R 54,297,910
Capital Charges to Operating Expenditure	0.45%	0.37%	Salary bill – Officials (YTD)	R 2,139,932,246
Cost coverage ratio	0.84 month	1.35 month	Workforce costs as a % of expenditure	25.18%

6.2. Liquidity position

Buffalo City Metropolitan Municipality's liquidity is considered stable as the Current Ratio is 1.93:1. 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 non-achievement of the budgeted collection of 76% 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 a comparison of the current ratio for the current financial year and the two previous financial years.

Figure 1: Current Ratio

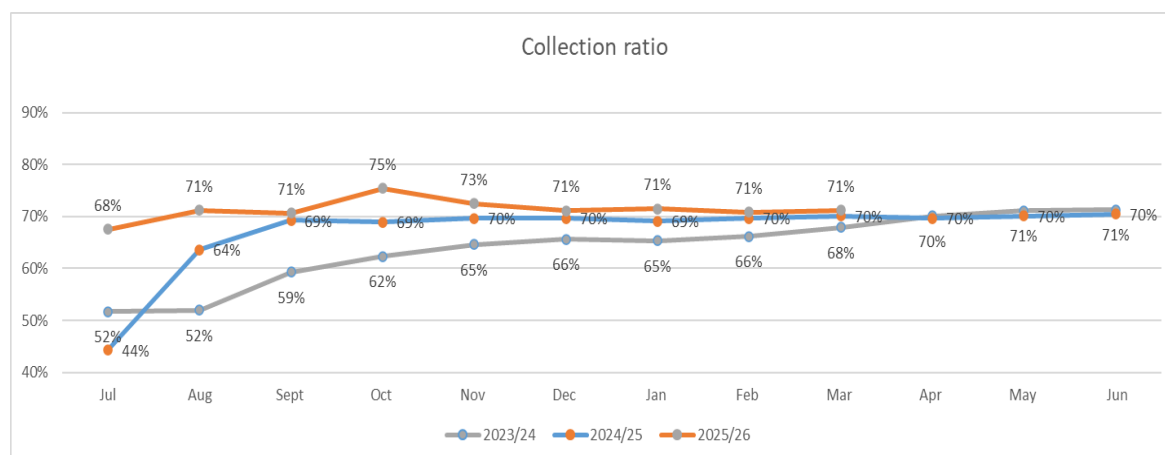


6.3. Collection Rate and Outstanding Debtors

The year-to-date collection rate as at 31 March 2026 is 71.18% (2024/25: 70,08%). This ratio denotes the City's ability to collect the billed revenue from its consumers. The collection rate has increased by 0.35% from last month where 70,83% was achieved for the period ended 28 February 2026. Refer to Section 8 for further details.

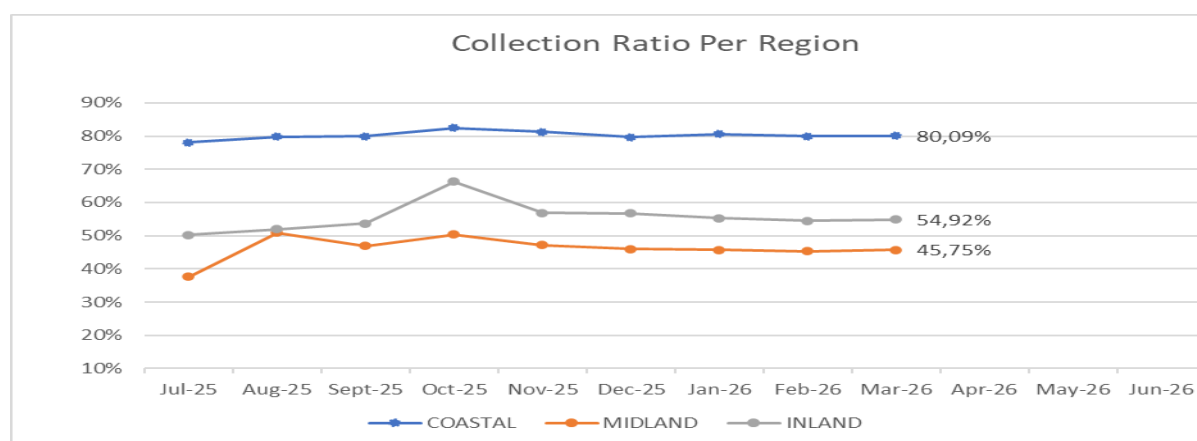
The graph below shows a comparison of the monthly collection ratio for the current financial year and the two previous financial years.

Figure 2: Collection Ratio



The graph below shows comparison of the monthly collection ratio per region for the current financial year. The year-to-date collection rate as at 31 March 2026 per region is as follows: Coastal 80,09% Midland 45,75% and Inland 54,92%.

Figure 3: Collection Ratio Per Region



Total gross debtors' book (including current accounts) as at 31 March 2026 amounts to R10.00 billion (2024/25 R8.81 billion). Households: R7.99 billion, Business: R1.80 billion and Government: R202.76 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 46% (R712.77 million, inclusive of reclaimed vat) of its 2025/26 adjusted capital budget of R1.55 billion as at 31 March 2026. This reflects an improvement when compared to the same period in the previous financial year where 45% (R651.06 million, inclusive of reclaimed vat) of the adjusted capital budget of R1.43 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 47% (R274.41 million, inclusive of reclaimed vat) of its 2025/26 adjusted operating projects budget of R581.67 million as at 31 March 2026. This reflects an improvement when compared to the same period in the previous financial year where 37% (R194.55 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R529.32 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)

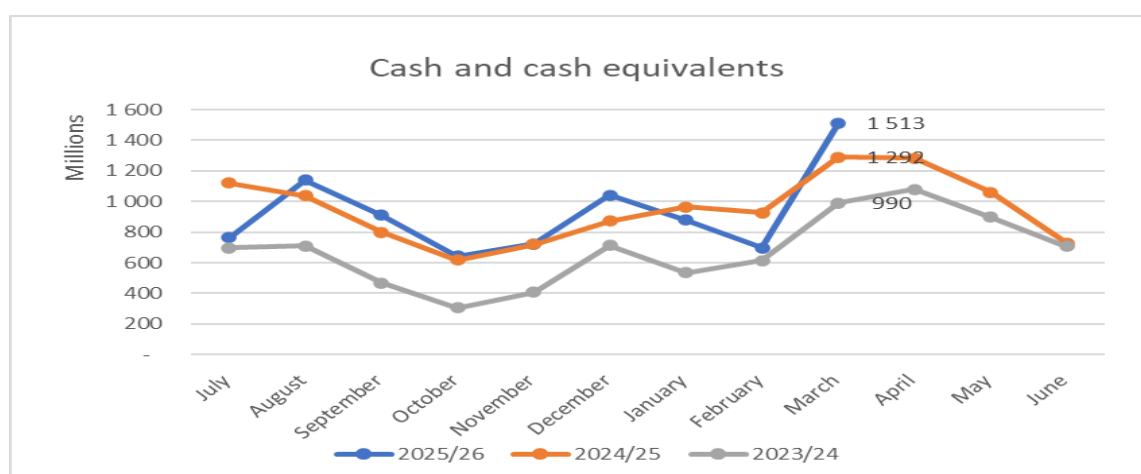
The Metro has spent 47% (R581.14 million, inclusive of reclaimed vat) of its 2025/26 conditional grants approved adjusted budget of R1.25 billion as at 31 March 2026. This reflects a slight decline when compared to the same period in the previous financial year where 49% (R512.02 million, inclusive of reclaimed vat) of conditional grants budget of R1.05 billion was spent. (Refer to Section 11.1 for further details).

6.7. Cash and Cash Equivalents

The cash and cash equivalents of the City as at 31 March 2026 is R1.51 billion made up of cash at the primary bank account amounting to R256.70 million and call investment deposits of R1.26 billion. This funding is invested with various financial institutions in compliance with the MFMA.

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

Figure 4: Cash and Cash Equivalents



Cash reserves have shown an improvement when compared to the same period over the previous two financial years. 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 City has since decreased its capital investment from internally generated funds.

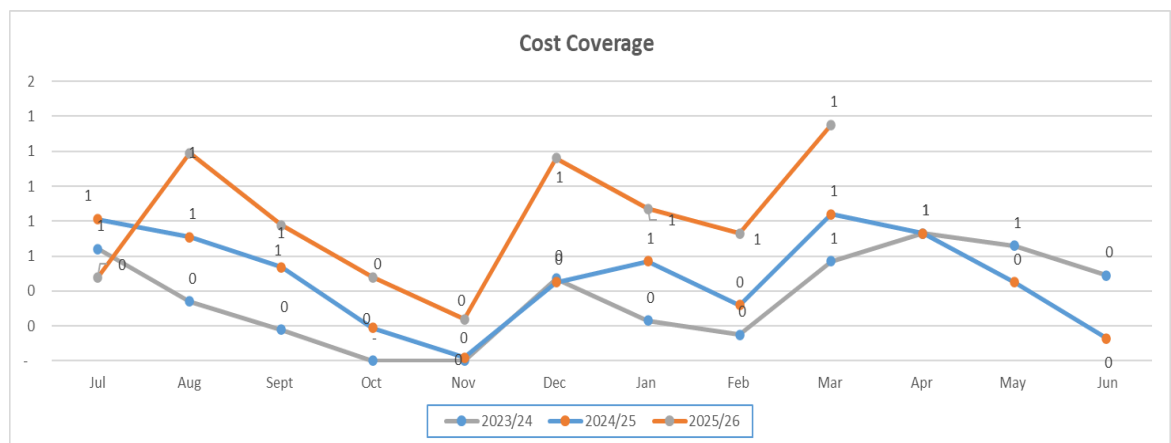
The cost coverage ratio of the City is 1.35 month. This ratio indicates the municipality's ability to meet its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue during that period. This ratio denotes that the City will be able to meet its monthly operating commitments as the ratio is within the norm of 1-3 months as per the MFMA circular 71. The City's cost coverage will have a short- and long-term negative effect on the City's Credit Ratings.

The below are the strategies to improve the cost coverage ratio:

- Continuous engagements with the Provincial Department of Human Settlements and BCMM Human Settlements to fast track the payment of HSDG projects and collection thereof.
- Recovery of collectable debt owed through full implementation of the Credit Control Policy
- Increase the Revenue base of the Metro
- Review and address the under/unfunded mandates the City carries out on behalf of other Government Departments
- Continuous implementation of the Cost Containment Measures currently in place to improve the City's financial health.

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. Outstanding Creditors

The Metro always strives to pay all its creditors within 30 days as stipulated by section 65 (e) of the MFMA except when there are disputes on received invoices. The creditors payment period for the reporting period (31 March 2026) is 34 days. Refer to Section 9 for details.

Table 2 below reflects a breakdown of Account Payables for the reporting period under review which amounted to R1,17 billion made up of the following:

Table 2: Account Payables breakdown

Accounts Payable	Amount
Trade payables	328 316 216
Payments received in advance	220 856 796
Retention monies	76 690 338
Accrued leave pay	133 051 435
Deposits received	8 220 095
Sundry creditors - other	405 961 529
Total	1 173 096 410

6.9. Long-Term Debt Profile

The total long-term borrowings of the municipality as at 31 March 2026 amounts to R54.60 million. Refer to Annexure C for the schedule of borrowings. The ratio of capital charges to operating expenditure as at 31 March 2026 is 0.37%. 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 0.58% as at 31 March 2026, 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%.

6.10. Performance by Trading Service - Electricity

The electricity service has achieved an operating deficit of R 739 687 659 for the period ended 31 March 2026. The following are the factors that contributed to the deficit.

- i. The Metro has high electricity losses which account for R1.28 for every kWh sold.
- ii. Increase in meter tampering and illegal connections into the BCMM Electrical Grid.
- iii. The move by more affluent consumers off grid or alternative energy sources.

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

Remedial action to address loss of revenue from electricity services:

- i. The monitoring of Smart Electricity Metering will assist in curbing non-technical losses.
- 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).
- v. The Metro has introduced a revised basic charge for Small-scale embedded generation (SSEG) customers to off-set some of the financial loss associated with "off-grid" customers.
- vi. The Metro has embarked on a National Treasury turn-around strategy where it is expected to derive funding from National Treasury to fund the loss reduction program.

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 3:C1: Monthly Budget Statement Summary

BUF Buffalo City - Table C1 Consolidated Monthly Budget Statement Summary - M09 March

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
<u>Financial Performance</u>									
Property rates	2,169,015	2,328,401	2,328,401	169,443	1,678,678	1,704,157	(25,478)	-1%	2,328,401
Service charges	4,994,155	5,391,833	5,335,333	443,906	3,996,246	3,990,567	5,679	0%	5,335,333
Investment revenue	72,215	71,134	71,134	3,559	39,037	54,182	(15,145)	-28%	71,134
Transfers and subsidies - Operational	1,483,807	1,801,124	1,771,062	338,576	1,490,956	1,449,353	41,602	0	1,771,062
Other own revenue	1,558,575	1,361,077	1,417,577	342,986	1,399,642	1,222,897	176,746	14%	1,417,577
contributions)	10,277,766	10,953,569	10,923,507	1,298,470	8,604,560	8,421,157	183,403	2%	10,923,507
Employee costs	2,780,686	2,932,056	2,899,791	227,347	2,139,932	2,109,948	29,984	1%	2,899,791
Remuneration of Councillors	70,373	81,578	81,578	6,036	54,298	57,276	(2,978)	-5%	81,578
Depreciation and amortisation	2,362,853	595,663	599,663	228,252	1,247,116	452,757	794,359	175%	599,663
Interest	44,468	6,551	21,551	547	5,161	11,145	(5,984)	-54%	21,551
Inventory consumed and bulk purchases	2,984,568	3,483,065	3,359,886	255,914	2,536,047	2,428,504	107,544	4%	3,359,886
Transfers and subsidies	102,451	117,729	129,479	4,562	84,467	77,145	7,322	9%	129,479
Other expenditure	3,737,721	3,734,958	3,829,590	312,487	2,646,102	2,734,067	(87,965)	-3%	3,829,590
Total Expenditure	12,083,121	10,951,601	10,921,539	1,035,145	8,713,123	7,870,842	842,281	11%	10,921,539
Surplus/(Deficit)	(1,805,354)	1,968	1,968	263,325	(108,564)	550,315	(658,878)	-120%	1,968
Transfers and subsidies - capital (monetary allocations)	773,040	808,900	1,101,895	73,828	482,612	516,126	(33,514)	-6%	1,101,895
Transfers and subsidies - capital (in-kind)	5,666	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(1,026,648)	810,868	1,103,864	337,154	374,048	1,066,441	(692,393)	-65%	1,103,864
Share of surplus/ (deficit) of associate	36,996	-	-	-	33,043	-	33,043	-	-
Surplus/ (Deficit) for the year	(989,651)	810,868	1,103,864	337,154	407,091	1,066,441	(659,349)	-62%	1,103,864
<u>Capital expenditure & funds sources</u>									
Capital expenditure	1,230,341	1,159,709	1,549,220	65,260	660,167	1,038,496	(378,329)	-36%	1,549,220
Capital transfers recognised	702,486	808,800	1,102,795	77,782	428,506	715,006	(286,501)	-40%	1,102,795
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	527,855	350,908	446,425	(12,522)	231,662	323,490	(91,828)	-28%	446,425
Total sources of capital funds	1,230,341	1,159,709	1,549,220	65,260	660,167	1,038,496	(378,329)	-36%	1,549,220
<u>Financial position</u>									
Total current assets	5,595,370	6,037,042	5,977,169		7,603,891				5,977,169
Total non current assets	42,466,105	31,201,935	42,408,034		41,876,932				42,408,034
Total current liabilities	7,384,468	3,727,589	4,036,967		4,763,122				4,036,967
Total non current liabilities	1,331,812	1,049,141	1,374,428		1,304,469				1,374,428
Community wealth/Equity	43,011,000	32,462,247	42,973,808		43,588,371				42,973,808
<u>Cash flows</u>									
Net cash from (used) operating	5,791,310	1,195,726	1,627,210	1,590,021	5,382,134	(9,265)	(5,391,399)	58193%	1,627,210
Net cash from (used) investing	(1,213,755)	(1,159,709)	(1,549,220)	(65,260)	(668,199)	(1,161,915)	(493,716)	42%	(1,549,220)
Net cash from (used) financing	(7,704)	(21,746)	(21,746)	(9,788)	(22,863)	(16,310)	6,554	-40%	(21,746)
Cash/cash equivalents at the month/year end	5,290,837	871,066	787,272	5,422,100	5,422,100	(456,461)	(5,878,560)	1288%	787,272
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
<u>Debtors Age Analysis</u>									
Total By Income Source	702,272	360,472	290,879	285,972	246,634	316,890	1,292,177	6,506,935	10,002,231
<u>Creditors Age Analysis</u>									
Total Creditors	1,126,307	46,790	-	-	-	-	-	-	1,173,096

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

BUF Buffalo City - Table C2 Consolidated Monthly Budget Statement - Financial Performance (functional classification) - M09 March

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		3,810,696	4,133,003	3,975,186	599,662	3,251,166	3,224,469	26,697	1%	3,975,186
Executive and council		22,480	19,211	19,211	2,340	23,558	15,376	8,182	53%	19,211
Finance and administration		3,788,216	4,113,792	3,955,975	597,322	3,227,608	3,209,093	18,515	1%	3,955,975
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		591,214	809,936	676,158	40,013	394,156	480,425	(86,269)	-18%	676,158
Community and social services		33,400	87,169	59,669	1,731	27,388	39,915	(12,527)	-31%	59,669
Sport and recreation		17,572	26,592	26,670	2,182	11,410	15,662	(4,252)	-27%	26,670
Public safety		242,505	208,755	216,376	28,523	183,510	152,315	31,195	20%	216,376
Housing		296,186	487,379	373,402	7,504	171,254	272,508	(101,255)	-37%	373,402
Health		1,552	42	42	73	594	26	569	2220%	42
<i>Economic and environmental services</i>		266,933	195,291	374,309	7,302	130,558	229,986	(99,428)	-43%	374,309
Planning and development		97,802	132,130	129,311	5,755	53,916	89,333	(35,417)	-40%	129,311
Road transport		169,131	63,160	244,998	1,548	76,642	140,653	(64,011)	-46%	244,998
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		6,303,481	6,518,064	6,902,856	720,544	5,272,430	4,940,095	332,335	7%	6,902,856
Energy sources		3,272,365	3,384,566	3,494,365	360,492	2,756,307	2,643,216	113,091	4%	3,494,365
Water management		1,399,786	1,376,974	1,557,549	172,978	1,216,552	1,048,486	168,066	16%	1,557,549
Waste water management		883,160	897,870	994,311	89,574	673,245	652,069	21,176	3%	994,311
Waste management		748,170	858,654	856,631	97,500	626,326	596,324	30,002	5%	856,631
<i>Other</i>	4	84,149	106,175	96,892	4,778	38,862	62,308	(23,446)	-38%	96,892
Total Revenue - Functional	2	11,056,473	11,762,469	12,025,402	1,372,298	9,087,171	8,937,283	149,889	2%	12,025,402
Expenditure - Functional										
<i>Governance and administration</i>		2,127,905	2,167,654	2,235,561	208,120	1,583,640	1,616,624	(32,984)	-2%	2,235,561
Executive and council		328,614	349,398	383,940	34,001	266,681	267,528	(848)	0%	383,940
Finance and administration		1,787,421	1,801,686	1,835,033	172,988	1,307,399	1,337,210	(29,812)	-2%	1,835,033
Internal audit		11,870	16,570	16,588	1,131	9,561	11,886	(2,324)	-20%	16,588
<i>Community and public safety</i>		1,537,433	1,558,816	1,470,469	124,857	1,084,122	1,066,458	17,664	2%	1,470,469
Community and social services		216,319	169,006	171,109	18,012	150,147	125,283	24,864	20%	171,109
Sport and recreation		500,646	409,831	432,239	54,222	389,647	310,163	79,484	26%	432,239
Public safety		624,517	558,069	564,964	42,561	407,030	405,997	1,033	0%	564,964
Housing		140,841	366,108	244,578	5,526	94,745	183,589	(88,844)	-48%	244,578
Health		55,110	55,802	57,578	4,536	42,553	41,426	1,127	3%	57,578
<i>Economic and environmental services</i>		786,385	741,073	764,094	118,328	746,749	561,312	185,436	33%	764,094
Planning and development		247,883	264,827	266,812	15,819	139,498	189,384	(49,886)	-26%	266,812
Road transport		538,502	476,246	497,282	102,509	607,251	371,928	235,322	63%	497,282
Environmental protection		—	—	—	—	—	—	—	—	—
<i>Trading services</i>		7,483,820	6,328,267	6,279,542	574,503	5,190,080	4,509,606	680,475	15%	6,279,542
Energy sources		3,625,107	4,382,455	4,226,132	339,831	3,332,693	3,029,341	303,353	10%	4,226,132
Water management		1,754,669	920,192	913,663	105,785	934,464	679,315	255,149	38%	913,663
Waste water management		1,302,563	461,200	495,720	59,308	406,264	351,442	54,822	16%	495,720
Waste management		801,480	644,419	644,027	69,579	516,659	449,508	67,151	15%	644,027
<i>Other</i>		149,554	155,791	171,873	9,337	108,532	116,842	(8,310)	-7%	171,873
Total Expenditure - Functional	3	12,085,096	10,951,601	10,921,539	1,035,145	8,713,123	7,870,842	842,281	11%	10,921,539
Surplus/ (Deficit) for the year		(1,028,624)	810,868	1,103,864	337,154	374,048	1,066,441	(692,393)	-0.64926	1,103,864

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

BUF Buffalo City - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M09 March

Vote Description		Ref	2024/25	Budget Year 2025/26							
			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			148	–	935	–	72	447	(375)	-83.9%	935
Vote 02 - Directorate - Municipal Manager			22,798	19,211	19,211	2,370	23,588	15,376	8,212	53.4%	19,211
Vote 03 - Directorate - Human Settlement			296,186	487,379	373,402	7,504	171,254	272,508	(101,255)	-37.2%	373,402
Vote 04 - Directorate - Chief Financial Officer			3,706,308	4,075,817	3,917,065	592,705	3,202,099	3,182,712	19,386	0.6%	3,917,065
Vote 05 - Directorate - Corporate Services			15,638	9,851	9,851	338	7,523	7,713	(191)	-2.5%	9,851
Vote 06 - Directorate - Infrastructure Services			5,724,454	5,722,571	6,291,224	624,591	4,722,746	4,484,424	238,322	5.3%	6,291,224
Vote 07 - Directorate - Spatial Planning And Development			152,615	98,155	95,336	9,068	61,702	57,680	4,021	7.0%	95,336
Vote 08 - Directorate - Health / Public Safety & Emergency Services			242,505	227,755	216,376	28,523	183,510	152,316	31,194	20.5%	216,376
Vote 09 - Directorate - Municipal Services			–	–	–	–	–	–	–		–
Vote 10 - Directorate - Economic Development & Agencies			132,125	168,273	158,991	5,714	82,004	112,181	(30,177)	-26.9%	158,991
Vote 11 - Directorate - Solid Waste And Environmental Management			754,520	864,673	862,649	97,573	629,792	599,194	30,598	5.1%	862,649
Vote 12 - Directorate - Sport, Recreation & Community Development			46,173	88,783	80,361	3,913	35,945	52,731	(16,786)	-31.8%	80,361
Total Revenue by Vote		2	11,093,469	11,762,469	12,025,402	1,372,298	9,120,233	8,937,283	182,950	2.0%	12,025,402
Expenditure by Vote		1									
Vote 01 - Directorate - Executive Support Services			258,821	291,081	308,016	24,042	199,101	215,590	(16,490)	-7.6%	308,016
Vote 02 - Directorate - Municipal Manager			174,057	172,129	187,746	16,929	143,419	126,782	16,637	13.1%	187,746
Vote 03 - Directorate - Human Settlement			140,453	366,108	244,220	5,526	94,445	183,320	(88,876)	-48.5%	244,220
Vote 04 - Directorate - Chief Financial Officer			1,136,938	1,231,183	1,247,682	106,614	902,419	919,941	(17,522)	-1.9%	1,247,682
Vote 05 - Directorate - Corporate Services			239,628	245,802	271,702	22,233	195,279	196,729	(1,450)	-0.7%	271,702
Vote 06 - Directorate - Infrastructure Services			7,417,008	6,379,738	6,309,788	625,490	5,387,406	4,560,586	826,819	18.1%	6,309,788
Vote 07 - Directorate - Spatial Planning And Development			371,625	290,643	291,543	35,949	175,630	209,640	(34,011)	-16.2%	291,543
Vote 08 - Directorate - Health / Public Safety & Emergency Services			629,057	568,420	572,978	43,066	410,889	411,280	(392)	-0.1%	572,978
Vote 09 - Directorate - Municipal Services			–	–	–	–	–	–	–		–
Vote 10 - Directorate - Economic Development & Agencies			183,148	217,790	224,308	12,442	140,839	150,912	(10,073)	-6.7%	224,308
Vote 11 - Directorate - Solid Waste And Environmental Management			972,196	744,979	819,229	84,732	656,343	574,646	81,697	14.2%	819,229
Vote 12 - Directorate - Sport, Recreation & Community Development			562,166	443,727	444,327	58,121	407,355	321,413	85,942	26.7%	444,327
Total Expenditure by Vote		2	12,085,096	10,951,601	10,921,539	1,035,145	8,713,123	7,870,842	842,281	10.7%	10,921,539
Surplus/ (Deficit) for the year		2	(991,627)	810,868	1,103,864	337,154	407,110	1,066,441	(659,331)	-61.8%	1,103,864

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

The statement of financial performance presented in table below, compares the expenditure and revenue on accrual basis against budget for the period ended 31 March 2026.

Table 6: C4: Monthly Budget Statement – Financial Performance (Revenue by Source and Expenditure by Type)

BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March										
Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		3,019,887	3,197,096	3,162,327	278,602	2,448,581	2,471,037	(22,456)	-1%	3,162,327
Service charges - Water		913,969	1,000,901	996,670	77,872	741,729	708,133	33,596	5%	996,670
Service charges - Waste Water Management		580,716	632,342	614,842	47,711	445,078	436,263	8,815	2%	614,842
Service charges - Waste management		479,584	561,494	561,494	39,721	360,858	375,134	(14,276)	-4%	561,494
Sale of Goods and Rendering of Services		122,557	159,693	133,271	10,086	93,453	89,972	3,481	4%	133,271
Agency services		21,002	29,389	29,389	3,996	25,421	19,690	5,731	29%	29,389
Interest								—		
Interest earned from Receivables		375,564	231,858	281,578	46,259	353,772	196,315	157,456	80%	281,578
Interest from Current and Non Current Assets		72,215	71,134	71,134	3,559	39,037	54,182	(15,145)	-28%	71,134
Dividends								—		
Rent on Land								—		
Rental from Fixed Assets		31,261	25,306	25,306	4,783	26,211	22,191	4,020	18%	25,306
Licence and permits								—		
Special rating levies								—		
Operational Revenue		66,617	92,056	63,931	3,843	30,436	51,939	(21,504)	-41%	63,931
Non-Exchange Revenue								—		
Property rates		2,169,015	2,328,401	2,328,401	169,443	1,678,678	1,704,157	(25,478)	-1%	2,328,401
Surcharges and Taxes								—		
Fines, penalties and forfeits		56,647	10,108	10,108	734	7,042	8,334	(1,291)	-15%	10,108
Licence and permits		16,427	14,625	12,953	1,428	11,460	11,213	247	2%	12,953
Transfers and subsidies - Operational		1,483,807	1,801,124	1,771,062	338,576	1,490,956	1,449,353	41,602	3%	1,771,062
Interest		6,327	—	6,500	817	6,620	2,600	4,020	155%	6,500
Fuel Levy		777,132	798,042	798,042	266,014	798,042	798,042	—		798,042
Operational Revenue		54,818	—	56,500	5,027	47,146	22,600	24,546	109%	56,500
Gains on disposal of Assets		1,211	—	—	—	40	—	40	0%	—
Other Gains		29,012	—	—	—	—	—	—		—
Discontinued Operations								—		
Total Revenue (excluding capital transfers and contributions)		10,277,766	10,953,569	10,923,507	1,298,470	8,604,560	8,421,157	183,403	2%	10,923,507

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

Description	Ref	2024/25	Budget Year 2025/26							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Expenditure By Type										
Employee related costs		2,780,686	2,932,056	2,899,791	227,347	2,139,932	2,109,948	29,984	1%	2,899,791
Remuneration of councillors		70,373	81,578	81,578	6,036	54,298	57,276	(2,978)	-5%	81,578
Bulk purchases - electricity		2,631,543	3,193,457	3,065,657	227,272	2,296,485	2,205,243	91,242	4%	3,065,657
Inventory consumed		353,025	289,608	294,229	28,642	239,562	223,261	16,302	7%	294,229
Debt impairment		1,987,596	1,891,898	1,891,898	157,379	1,417,169	1,419,113	(1,944)	0%	1,891,898
Depreciation and amortisation		2,362,853	595,663	599,663	228,252	1,247,116	452,757	794,359	175%	599,663
Interest		44,468	6,551	21,551	547	5,161	11,145	(5,984)	-54%	21,551
Contracted services		854,597	1,165,425	1,153,463	89,533	630,620	698,030	(67,411)	-10%	1,153,463
Transfers and subsidies		102,451	117,729	129,479	4,562	84,467	77,145	7,322	9%	129,479
Irrecoverable debts written off		—	—	—	—	—	—	—		—
Operational costs		671,089	556,263	662,858	54,997	501,845	524,439	(22,594)	-4%	662,858
Losses on Disposal of Assets		11,817	—	—	—	—	—	—		—
Other Losses		212,622	121,371	121,371	10,578	96,468	92,485	3,983	4%	121,371
Total Expenditure		12,083,121	10,951,601	10,921,539	1,035,145	8,713,123	7,870,842	842,281	11%	10,921,539
Surplus/(Deficit)		(1,805,354)	1,968	1,968	263,325	(108,564)	550,315	(658,878)	(0)	1,968
Transfers and subsidies - capital (monetary allocations)		773,040	808,900	1,101,895	73,828	482,612	516,126	(33,514)	(0)	1,101,895
Transfers and subsidies - capital (in-kind)		5,666	—	—	—	—	—	—		—
Surplus/(Deficit) after capital transfers & contributions		(1,026,648)	810,868	1,103,864	337,154	374,048	1,066,441	(692,393)	(0)	1,103,864
Income Tax		—	—	—	—	—	—	—		—
Surplus/(Deficit) after income tax		(1,026,648)	810,868	1,103,864	337,154	374,048	1,066,441	(692,393)	(0)	1,103,864
Share of Surplus/Deficit attributable to Joint Venture								—		
Share of Surplus/Deficit attributable to Minorities								—		
Surplus/(Deficit) attributable to municipality		(1,026,648)	810,868	1,103,864	337,154	374,048	1,066,441	(692,393)	(0)	1,103,864
Share of Surplus/Deficit attributable to Associate		1,976	—	—	—	—	—	—		—
Intercompany/Parent subsidiary transactions		36,996	—	—	—	33,043	—	33,043	—	—
Surplus/ (Deficit) for the year		(987,676)	810,868	1,103,864	337,154	407,091	1,066,441	(659,349)	(0)	1,103,864

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 Agency services

The variance can be attributed to an increase in vehicle licencing renewals that were processed.

7.4.1.2 Interest earned from Receivables

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.

7.4.1.3 Interest from Current and Non Current Assets

A decrease in the interest rate has contributed to the underperformance of interest on external investments.

7.4.1.4 Rental from Fixed Assets

Rental from Fixed Assets has increased following as Revenue Management is currently in the process of aligning the billing register with the lease register; as a result of this exercise, certain lease debtor accounts were reviewed, updated, and adjusted accordingly, which has led to an increase in the revenue billed.

7.4.1.5 Operational Revenue - Exchange Revenue

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

7.4.1.6 Fines, penalties and forfeits

Underperformance can be attributed to the fact that the department cannot compel an offender to pay their fine. An offender has the right to submit a representation to reduce or withdraw a fine, furthermore the offender also has

the right to appear in court and the Magistrate or State Public Prosecutor may decide whether to proceed with the traffic offence or withdraw.

7.4.1.7 Interest

The variance is as a result of interest charged on availability charge that is charged on serviced vacant or undeveloped land, which has resulted in the debtor's book that is increasing due to non-payment of debtors despite credit control action being implemented.

7.4.1.8 Operational Revenue - Non-Exchange Revenue

Operational revenue relates to availability charge that is charged on serviced vacant or undeveloped land.

7.4.1.9 Depreciation & asset impairment

The depreciation amount as disclosed in the Statement of Financial Performance is inclusive of the Revaluation component which then translates into higher depreciation costs. The budget for depreciation resulting from the revalued portion of Property, Plant and Equipment is budgeted in the Statement of Financial Position in line with MFMA circular no.58, however, the monthly transactions are sitting in the Statement of Financial Performance and will be transferred to the Statement of Financial Position at year end to correct the overspending and align with the budget.

7.4.1.10 Interest

The variance is a result of interest related to the rehabilitation of landfill sites that is calculated at financial year-end to reflect the unwinding of the discount on the rehabilitation provision. This will be calculated and processed as at 30 June 2026.

7.4.2 Repairs and maintenance

Table 7 below reflects that as at 31 March 2026 the repairs and maintenance expenditure is 57% of the approved budget of R450.80 million (2024/25:59%). Refer to Annexure B: SC13c (repairs and maintenance by asset class).

Table 7: Repairs and Maintenance per Directorate

Directorate	<u>2025/2026</u> <u>Annual</u> <u>Budget</u> <u>R</u>	<u>2025/2026</u> <u>Annual</u> <u>Expenditure</u> <u>R</u>	<u>2025/2026</u> <u>-</u> <u>Variance</u> <u>R</u>	<u>2025/2026</u> <u>% Of</u> <u>Budget</u> <u>%</u>
Directorate of Executive Support Services	1 994 811	220 318	1 774 493	11%
Directorate of The City Manager	202 568	18 195	184 373	9%
Directorate of Corporate Services	6 938 094	4 077 537	2 860 557	59%
Directorate of Spatial Planning & Development	22 421 369	8 792 852	13 628 517	39%
Directorate of Economic Development & Agencies	16 538 609	1 255 992	15 282 617	8%
Directorate of Finance	12 283 540	4 762 234	7 521 306	39%
Directorate of Public Safety & Emergency Services	8 610 360	1 978 836	6 631 524	23%
Directorate of Human Settlement	502 899	150 351	352 548	30%
Directorate of Infrastructure Services	351 672 011	223 802 973	127 869 038	64%
Electricity	156 162 523	102 950 493	53 212 030	66%
Water	41 463 591	19 562 498	21 901 093	47%
Sanitation	50 333 612	29 979 496	20 354 116	60%
Other	103 712 285	71 310 487	32 401 798	69%
Directorate of Solid Waste & Environmental Management	16 883 667	6 216 639	10 667 028	37%
Directorate of Sport, Recreation & Community Developmental Services	12 751 658	5 626 272	7 125 386	44%
TOTAL	450 799 586	256 902 200	193 897 386	57%

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

In the current financial year, the metro has allocated R758.65 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 8: C5: Monthly Budget Statement – Capital Expenditure (municipal vote, standard classification, and funding)

BUF Buffalo City - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - M09 March

Vote Description	Ref	2024/25	Budget Year 2025/26							
		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		679	2 500	2 500	210	879	1 750	(871)	-50%	2 500
Vote 02 - Directorate - Municipal Manager		9 120	3 750	25 850	5 824	5 879	11 580	(5 701)	-49%	25 850
Vote 03 - Directorate - Human Settlement		192 372	182 007	189 918	5 202	108 412	131 844	(23 431)	-18%	189 918
Vote 04 - Directorate - Chief Financial Officer		148 285	58 015	94 995	(17 190)	80 921	68 113	12 808	19%	94 995
Vote 05 - Directorate - Corporate Services		12 289	10 900	28 123	268	4 058	15 580	(11 521)	-74%	28 123
Vote 06 - Directorate - Infrastructure Services		700 980	555 443	865 416	55 262	359 484	549 493	(190 010)	-35%	865 416
Vote 07 - Directorate - Spatial Planning And Development		71 344	54 435	61 615	3 981	33 485	42 231	(8 746)	-21%	61 615
Vote 08 - Directorate - Health / Public Safety & Emergency Services		12 538	52 500	51 005	5 088	17 528	41 148	(23 620)	-57%	51 005
Vote 09 - Directorate - Municipal Services		-	-	-	-	-	-	-	-	-
Vote 10 - Directorate - Economic Development & Agencies		29 212	59 567	49 567	891	13 134	38 543	(25 409)	-66%	49 567
Vote 11 - Directorate - Solid Waste And Environmental Management		32 681	117 941	103 691	1 255	24 446	83 861	(59 415)	-71%	103 691
Vote 12 - Directorate - Sport, Recreation & Community Development		20 841	62 651	76 539	4 469	11 942	54 354	(42 412)	-78%	76 539
Total Capital Expenditure		1 230 341	1 159 709	1 549 220	65 260	660 167	1 038 496	(378 329)	-36%	1 549 220
Capital Expenditure - Functional Classification										
Governance and administration		194 194	91 138	167 741	(10 887)	96 831	108 335	(11 504)	-11%	167 741
Executive and council		9 799	6 250	26 850	6 035	6 758	12 730	(5 972)	-47%	26 850
Finance and administration		184 394	84 888	139 391	(16 922)	90 074	95 005	(4 931)	-5%	139 391
Internal audit		-	-	1 500	-	-	600	(600)	-100%	1 500
Community and public safety		238 611	312 504	341 319	15 151	144 273	242 422	(98 149)	-40%	341 319
Community and social services		7 567	45 915	51 265	1 432	6 914	36 067	(29 152)	-81%	51 265
Sport and recreation		21 937	36 582	48 371	3 429	9 997	34 929	(24 933)	-71%	48 371
Public safety		12 538	41 700	37 305	5 088	15 329	31 093	(15 765)	-51%	37 305
Housing		192 372	182 007	189 918	5 202	108 412	131 844	(23 431)	-18%	189 918
Health		4 197	6 300	14 461	-	3 622	8 490	(4 868)	-57%	14 461
Economic and environmental services		306 845	112 870	322 667	23 898	125 536	184 233	(58 697)	-32%	322 667
Planning and development		62 165	38 562	45 443	3 981	28 390	30 988	(2 598)	-8%	45 443
Road transport		244 680	74 309	277 225	19 917	97 146	153 245	(56 098)	-37%	277 225
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		461 498	583 729	668 025	36 208	280 392	465 033	(184 640)	-40%	668 025
Energy sources		208 474	186 195	212 647	18 516	119 942	148 761	(28 819)	-19%	212 647
Water management		135 836	161 031	190 119	9 943	115 057	130 158	(15 101)	-12%	190 119
Waste water management		97 367	133 909	185 426	6 885	27 339	117 330	(89 991)	-77%	185 426
Waste management		19 820	102 594	79 834	863	18 055	68 784	(50 729)	-74%	79 834
Other		29 193	59 467	49 467	891	13 134	38 473	(25 339)	-66%	49 467
Total Capital Expenditure - Functional Classification	3	1 230 341	1 159 709	1 549 220	65 260	660 167	1 038 496	(378 329)	-36%	1 549 220
Funded by:										
National Government		702 486	808 685	1 099 639	76 691	427 415	713 705	(286 290)	-40%	1 099 639
Provincial Government		-	115	-	-	-	39	(39)	-100%	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm		-	-	-	-	-	-	-	-	-
Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	3 156	1 091	1 091	1 262	(171)	-14%	3 156
Transfers recognised - capital		702 486	808 800	1 102 795	77 782	428 506	715 006	(286 501)	-40%	1 102 795
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		527 855	350 908	446 425	(12 522)	231 662	323 490	(91 828)	-28%	446 425
Total Capital Funding		1 230 341	1 159 709	1 549 220	65 260	660 167	1 038 496	(378 329)	-36%	1 549 220

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 in the net worth of R43.41 billion as per statement of financial position. Consumer debtors and other debtors are reflected net of impairments.

Table 9: C6: Monthly Budget Statement – Financial Position

BUF Buffalo City - Table C6 Consolidated Monthly Budget Statement - Financial Position - M09 March

Description	Ref	2024/25	Budget Year 2025/26			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
<u>ASSETS</u>						
Current assets						
Cash and cash equivalents		488,787	891,066	802,185	1,512,542	802,185
Trade and other receivables from exchange transactions		2,503,901	2,889,108	2,572,589	2,943,010	2,572,589
Receivables from non-exchange transactions		1,554,164	1,229,872	1,559,807	1,528,907	1,559,807
Current portion of non-current receivables		—	—	—	(1)	—
Inventory		64,219	77,652	64,061	85,564	64,061
VAT		965,689	929,804	960,214	1,522,881	960,214
Other current assets		18,610	19,539	18,313	10,988	18,313
Total current assets		5,595,370	6,037,042	5,977,169	7,603,891	5,977,169
Non current assets						
Investments						
Investment property		788,463	497,715	795,663	788,463	795,663
Property, plant and equipment		40,902,960	29,892,101	40,793,613	40,278,441	40,793,613
Biological assets						
Living and non-living resources						
Heritage assets		53,392	54,060	53,392	53,392	53,392
Intangible assets		11,698	29,955	46,775	47,043	46,775
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions		—	—	—	—	—
Other non-current assets		709,592	728,104	718,592	709,592	718,592
Total non current assets		42,466,105	31,201,935	42,408,034	41,876,932	42,408,034
TOTAL ASSETS		48,061,475	37,238,977	48,385,203	49,480,823	48,385,203
<u>LIABILITIES</u>						
Current liabilities						
Bank overdraft		—	—	—	—	—
Financial liabilities		47,553	20,829	18,534	20,829	18,534
Consumer deposits		97,981	105,157	101,320	101,333	101,320
Trade and other payables from exchange transactions		4,994,769	1,297,305	1,722,185	1,164,876	1,722,185
Trade and other payables from non-exchange transactions		166,229	289,601	52,650	647,701	52,650
Provision		473,646	443,844	470,507	473,646	470,507
VAT		1,604,290	1,570,854	1,671,771	2,354,736	1,671,771
Other current liabilities		—	—	—	—	—
Total current liabilities		7,384,468	3,727,589	4,036,967	4,763,122	4,036,967
Non current liabilities						
Financial liabilities		54,708	33,934	36,230	33,771	36,230
Provision		1,003,193	1,015,207	1,064,286	996,787	1,064,286
Long term portion of trade payables		273,911	—	273,911	273,911	273,911
Other non-current liabilities		—	—	—	—	—
Total non current liabilities		1,331,812	1,049,141	1,374,428	1,304,469	1,374,428
TOTAL LIABILITIES		8,716,280	4,776,730	5,411,395	6,067,591	5,411,395
NET ASSETS	2	39,345,195	32,462,247	42,973,808	43,413,232	42,973,808
<u>COMMUNITY WEALTH/EQUITY</u>						
Accumulated surplus/(deficit)		32,430,401	10,058,352	32,027,445	32,832,633	32,027,445
Reserves and funds		10,580,599	22,403,895	10,946,363	10,580,599	10,946,363
Other		—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	2	43,011,000	32,462,247	42,973,808	43,413,232	42,973,808

7.4.5 Monthly Budget Statement – Cash Flow

The Metros' cash flow position and cash/cash equivalent outcome is shown in the table below. The Metro's cash position reflects a net increase of R781.51 million resulting in cash and cash equivalents closing balance of R1.51 billion as at 31 March 2026.

Table 10: C7: Monthly Budget Statement – Cash Flow

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

Description	Ref	2024/25	Budget Year 2025/26							
		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		1 549 289	1 769 585	1 769 585	131 574	1 262 752	1 327 189	(64 437)	-5%	1 769 585
Service charges		3 911 764	4 097 793	4 054 853	378 649	3 257 115	3 041 140	215 975	7%	4 097 793
Other revenue		941 362	1 213 438	1 314 064	1 201 502	5 164 667	985 548	4 179 119	424%	1 213 438
Transfers and Subsidies - Operational		1 410 094	1 741 520	1 710 437	333 004	1 431 778	1 282 828	148 950	12%	1 741 520
Transfers and Subsidies - Capital		773 040	808 685	904 925	298 801	782 363	678 694	103 669	15%	808 685
Interest		354 639	257 153	285 133	8 915	84 544	213 849	(129 306)	-60%	257 153
Dividends								-		
Payments										
Suppliers and employees		(7 713 540)	(8 599 507)	(8 294 047)	(755 112)	(6 525 527)	(7 450 207)	(924 681)	12%	(8 437 385)
Interest		(9 577)	(6 551)	(21 551)	(3 211)	(7 089)	(16 163)	(9 074)	56%	(6 551)
Transfers and Subsidies		(61 780)	(86 389)	(96 189)	(4 101)	(68 469)	(72 142)	(3 673)	5%	(86 389)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 155 291	1 195 726	1 627 210	1 590 021	5 382 134	(9 265)	(5 391 399)	58193%	1 357 849
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		77 752	-	-	-	(8 032)	-	(8 032)	#DIV/0!	-
Decrease (increase) in non-current receivables			-	-	-	-	-	-		
Decrease (increase) in non-current investments								-		
Payments										
Capital assets		(1 194 010)	(1 159 709)	(1 549 220)	(65 260)	(660 167)	(1 161 915)	(501 748)	43%	(1 159 709)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1 116 258)	(1 159 709)	(1 549 220)	(65 260)	(668 199)	(1 161 915)	(493 716)	42%	(1 159 709)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		-	3 340	3 340	(20)	(3 907 335)	2 505	(3 909 840)	-156096%	3 340
Payments										
Repayment of borrowing		(28 991)	(25 086)	(25 086)	(9 768)	(25 086)	(18 814)	6 271	-33%	(25 086)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(28 991)	(21 746)	(21 746)	(9 788)	(3 932 421)	(16 310)	3 916 112	-24011%	(21 746)
NET INCREASE/ (DECREASE) IN CASH HELD		10 042	14 272	56 244	1 514 973	781 513	(1 187 489)			176 394
Cash/cash equivalents at beginning:		720 987	856 795	731 029		731 029	731 029			731 029
Cash/cash equivalents at month/year end:		731 029	871 066	787 272		1 512 542	(456 461)			907 423

PART 2: SUPPORTING **DOCUMENTATION**

8. DEBTOR'S MANAGEMENT

The debtor analysis below (table 11) provides an age analysis summary by revenue source and customer category for the total debtors.

Table 11: SC3 Monthly Budget Statement Aged Debtors

BUF Buffalo City - Supporting Table SC3 Monthly Budget Statement - aged debtors - M09 March

Description	NT Code	Budget Year 2025/26											
		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
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	116 991	77 727	55 671	63 466	59 331	68 128	270 542	1 941 423	2 653 280	2 402 892	164 175	19 759
Trade and Other Receivables from Exchange Transactions - Electricity	1300	254 211	90 019	62 839	68 035	50 925	89 911	254 484	607 734	1 478 159	1 071 089	19 809	57 461
Receivables from Non-exchange Transactions - Property Rates	1400	166 064	75 811	63 296	53 359	47 353	68 037	282 840	1 297 382	2 054 141	1 748 971	37 996	51 603
Receivables from Exchange Transactions - Waste Water Management	1500	55 384	30 200	25 850	22 778	21 794	27 254	111 936	560 202	855 398	743 963	20 709	13 401
Receivables from Exchange Transactions - Waste Management	1600	44 333	28 400	26 394	24 277	23 279	22 654	132 577	791 993	1 093 908	994 781	22 054	11 900
Receivables from Exchange Transactions - Property Rental Debtors	1700	258	251	252	249	248	248	1 320	10 703	13 529	12 768	-	-
Interest on Arrear Debtor Accounts	1810	49 479	48 660	48 436	45 897	36 390	33 577	191 288	1 044 282	1 498 008	1 351 433	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-		
Other	1900	15 552	9 403	8 141	7 911	7 313	7 082	47 189	253 216	355 808	322 711	9 463	3 255
Total By Income Source	2000	702 272	360 472	290 879	285 972	246 634	316 890	1 292 177	6 506 935	10 002 231	8 648 608	274 205	157 379
2024/25 - totals only		636 036	374 189	310 394	250 740	238 701	263 245	1 095 027	5 637 084	8 805 416	7 484 797	6 894	147 630
Debtors Age Analysis By Customer Group													
Organs of State	2200	32 543	22 487	16 180	13 305	11 834	32 643	33 306	40 463	202 761	131 551	-	-
Commercial	2300	296 204	91 531	67 607	59 050	49 851	65 849	257 192	912 305	1 799 589	1 344 248	-	-
Households	2400	373 525	246 454	207 093	213 617	184 949	218 398	1 001 679	5 554 166	7 999 881	7 172 810	274 205	157 379
Other	2500									-	-		
Total By Customer Group	2600	702 272	360 472	290 879	285 972	246 634	316 890	1 292 177	6 506 935	10 002 231	8 648 608	274 205	157 379

8.1. Additional debtors' information

The total debtors book, which includes all charges including VAT, amounted to R10,002,231,341 as at 31 March 2026 which is a decrease of R112,068,428 over the amount of R10,114,299,769 as at 28 February 2026.

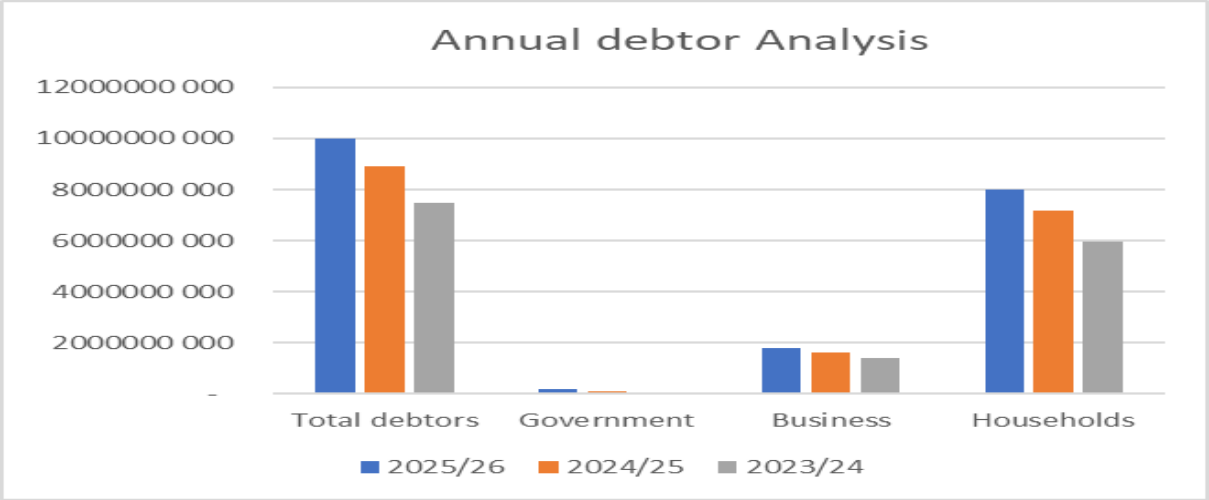
During the month, credit control action and debt collection action was implemented. Pre-termination notices were sent to all customers due for disconnection/blocking. This relates to residential and non-residential customers. Registered Indigent Debtors who are in arrears remain on the partial block type (60/40).

The following process has been done to assess the recoverability of the Debt Book:

- Analysis of indigent customers that are included in the debt book.
- Perform an analysis to identify bad debts to be written off on non-Indigent consumers using the appropriate reasonable methodologies.
- The irrecoverable debt will be quantified on each individual debt affected and the report will be submitted to Council for consideration.
- Business debtors to be considered based upon individual application for debt reduction of which the process is underway.
- Review the current incentive scheme and recommend that the 50/50 **(Option1 rand for rand incentive (Settlement 50% of the arrear debt and receive a 50% discount)** percentage be based on the reducing balance method when making an arrangement of the payment portion till the outstanding balance is settled.

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

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



Total gross debtors' book (including current accounts) as at 31 March 2026 amounts to R10.00 billion (2024/25 R8.81 billion). Households: R7.99 billion, Business: R1.80 billion and Government: R202.76 million. Refer to section 8 of the report for details on debtors' management.

8.2. Debtor's Age Analysis.

8.2.1. Age Analysis by income source.

Table 12 below details debtors age analysis by income source as at 31 March 2026. It also provides comparison with the previous month (28 February 2026) which indicates a decrease from 10.11 billion to R 10.00 billion.

Table 12: Debtor's Age Analysis by Income Source Comparison

AGEING	RATES	SEWERAGE	ELECTRICITY	WATER	REFUSE	SUNDRY DEBTORS	TOTAL FOR MARCH 2026	TOTAL FOR FEBRUARY 2026
CURRENT	179,591,484	60,493,508	262,093,093	131,478,767	50,957,751	17,657,349	702,271,952	706,492,546
30 DAYS	88,900,552	35,168,564	98,135,666	91,932,814	34,859,878	11,474,767	360,472,241	370,750,843
60 DAYS	77,546,316	30,672,071	70,064,930	69,725,125	32,695,108	10,175,817	290,879,367	344,340,979
90 DAYS	65,740,407	27,467,243	75,106,066	77,231,989	30,504,655	9,922,028	285,972,387	289,523,587
120 DAYS TO 360 DAYS	527,769,237	206,172,336	474,701,169	514,436,762	233,306,339	81,622,516	2,038,008,359	2,165,878,539
YEAR 1+	1,575,204,769	651,920,077	670,164,309	2,213,215,348	903,749,427	310,373,106	6,324,627,035	6,237,313,275
TOTAL	2,514,752,765	1,011,893,799	1,650,265,233	3,098,020,804	1,286,073,157	441,225,583	10,002,231,341	10,114,299,769

8.2.2. Age Analysis per Category

Table 13 below details debtors age analysis per category type as at 31 March 2026. 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 13: Age Analysis per Category Type

CATEGORY TYPE	CURRENT	30 DAYS	60 DAYS	90 DAYS	120 DAYS+	Total	% Share
Domestic	342,119,534	232,512,160	204,301,395	209,997,105	6,751,234,059	7,740,164,254	77.38
Indigent	27,920,415	12,650,871	1,963,731	2,805,639	194,771,341	240,111,998	2.40
Business	296,203,979	91,530,613	67,606,735	59,050,318	1,285,197,399	1,799,589,044	17.99
Government	32,543,365	22,487,296	16,179,923	13,304,937	118,245,600	202,761,121	2.03
Municipal Staff*	3,381,881	1,250,619	805,256	794,244	13,078,318	19,310,318	0.19
Councillors*	102,778	40,682	22,326	20,143	108,677	294,606	0.00
Total	702,271,952	360,472,241	290,879,367	285,972,387	8,362,635,394	10,002,231,341	100.00

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

During the month of March 2026 a total of R3,485,456.99 was receipted against staff and councillors accounts. The amount was allocated as follows:

Current Billing Receipts	R 2,609 170.58
Arrear's Receipts	<u>R 876 286.41</u>
Total Receipts	<u>R 3,485 456.99</u>

8.2.3. Government Accounts

The total owed by Government Departments to Buffalo City Metropolitan Municipality as at 31 March 2026 amounted to R202,761,121 and this is an increase of R11,828,837 as compared to 28 February 2026. The debt is actively being pursued, and suspension of services is implemented for debt that is unpaid.

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

The breakdown of the arrears per department (excluding accounts in credit) indicated in the table hereunder, as at 31 March 2026.

Table 14: Analysis of Government Debtors

DEPARTMENT	PROPERTY RATES	SERVICES	VALUE AS AT 31 MARCH 2026	VALUE AS AT 28 FEBRUARY 2026	DIFFERENCE
National Department of Public Works	19,219,638	16,266,332	35,485,970	33,792,236	1,693,733
Provincial Department of Public Works	51,440,227	20,734,014	72,174,241	67,353,425	4,820,816
Department of Education	-	37,467,378	37,467,378	36,017,816	1,449,562
Department of Health	-	40,453,657	40,453,657	35,192,069	5,261,589
Department of Social Development	-	76,659	76,659	410,633	(333,974)
Department of Transport	-	103,157	103,157	201,913	(98,756)
Department of Agriculture	-	124,188	124,188	210,109	(85,920)
Department of Nature Conservation	-	313,950	313,950	322,504	(8,554)
Department of Human Settlements	-	4,757,406	4,757,406	5,595,585	(838,179)
Sport, Recreation, Arts and Culture	-	141,511	141,511	353,339	(211,828)
Department of Labour - UIF Services	-	42,409	42,409	40,832	1,577
Members of Provincial Legislature	-	183,499	183,499	143,154	40,345
Department of Water Affairs	-	82,672	82,672	78,556	4,116
Department of Rural Development and Land Reform	-	11,354,423	11,354,423	11,220,114	134,309
TOTAL	70,659,865	132,101,256	202,761,121	190,932,284	11,828,837

9. CREDITOR'S ANALYSIS

The creditors' analysis as depicted in table 15 below contains an aged analysis by customer type. The Metro strives to pay its creditors within 30 days as stipulated by section 65 (e) of the MFMA except when there are disputes on received invoices. The creditors payment period for the reporting period (31 March 2026) is 34 days.

Table 15: SC4 Monthly Budget Statement Aged Creditors

BUF Buffalo City - Supporting Table SC4 Monthly Budget Statement - aged creditors - M09 March

Description R thousands	NT Code	Budget Year 2025/26									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	235 657	-	-	-	-	-	-	-	235 657	200 548
Bulk Water	0200	31 032	-	-	-	-	-	-	-	31 032	27 506
PAYE deductions	0300	37 705	-	-	-	-	-	-	-	37 705	46 492
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	39 312	-	-	-	-	-	-	-	39 312	44 237
Loan repayments	0600	12 979	-	-	-	-	-	-	-	12 979	19 196
Trade Creditors	0700	281 526	46 790	-	-	-	-	-	-	328 316	422 915
Auditor General	0800	40	-	-	-	-	-	-	-	40	1 726
Other	0900	488 055	-	-	-	-	-	-	-	488 055	495 355
Medical Aid deductions	0950	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	1 126 307	46 790	-	-	-	-	-	-	1 173 096	1 257 976

The table below (table 16) depicts actual payments made by BCMM to its top twenty (20) creditors in March 2026.

Table 16: Payments made to the 20 highest paid creditors – March 2026

<u>CREDITOR</u>	<u>30 DAYS</u>	<u>60 DAYS</u>	<u>90 DAYS</u>	<u>120 DAYS</u>	<u>TOTAL</u>
Creditor 1	235,657,278				235,657,278
Creditor 2		33,938,882			33,938,882
Creditor 3	31,032,305				31,032,305
Creditor 4	20,188,105				20,188,105
Creditor 5	6,670,000				6,670,000
Creditor 6	4,001,424	2,637,831			6,639,255
Creditor 7	6,165,102				6,165,102
Creditor 8	6,083,371				6,083,371
Creditor 9	3,464,115	1,146,077			4,610,192
Creditor 10	-	4,453,414			4,453,414
Creditor 11	4,323,198				4,323,198
Creditor 12	3,739,029	547,271			4,286,300
Creditor 13	3,490,797				3,490,797
Creditor 14	748,892	2,467,280			3,216,171
Creditor 15	3,203,207				3,203,207
Creditor 16	2,135,570	768,504			2,904,074
Creditor 17	2,779,550	97,405			2,876,955
Creditor 18	2,803,991				2,803,991
Creditor 19	2,734,261				2,734,261
Creditor 20	1,948,102	733,180			2,681,283
TOTAL	341,168,298	46,789,844	-	-	387,958,142

10. INVESTMENT PORTFOLIO ANALYSIS

The investment portfolio analysis detailed in table 17 below includes information of the institution where funds are invested, period of investment, type of investment and accrued interest for the month.

Table 17: SC5 Monthly Budget Statement – investment portfolio

BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M09 March

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commissio n Paid (Rands)	Commissio n Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Absa - 4094793455		Call Account	Call Account	Yes	Variable	6,55	0		Call Account	235	28	–	1 000	1 263
Absa - 4094788949		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	3 886	178	–	–	4 063
Absa - 4094793968		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	251	11	–	–	262
First National Bank - 62938182285		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	2 937	135	1 815	–	1 257
Stanlib - 552200137		Call Account	Call Account	Yes	Variable	706,00%	0		Call Account	15	1	–	–	16
Nedbank - 03/7881532939/000041		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	1 379	63	–	–	1 442
Nedbank - 03/7881532939/000108		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	119	5	–	–	124
Absa - 4094789157		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	1 178	54	–	–	1 232
Nedbank - 03/7881532939/000110		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	428	20	–	–	448
Absa - 4094790083		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	1 683	77	–	–	1 760
Stanlib - 552200133		Call Account	Call Account	Yes	Variable	706,00%	0		Call Account	367	18	–	–	385
Stanlib - 700475605		Call Account	Call Account	Yes	Variable	706,00%	0		Call Account	1	0	–	–	1
Nedbank - 03/7881532939/000128		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	18 008	1 540	151 480	144 175	12 243
First National Bank - 62938013572		Call Account	Call Account	Yes	Variable	660,00%	0		Call Account	14 906	1 135	83 394	70 996	3 644
Standard - 76586/442745		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	27 483	681	66 000	58 000	20 164
Absa - 4094790211		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	67 469	2 420	182 838	145 000	32 050
First National Bank - 62938181039		Call Account	Call Account	Yes	Variable	660,00%	0		Call Account	1 211	205	5 705	6 000	1 711
Stanlib - 552200140		Call Account	Call Account	Yes	Variable	706,00%	0		Call Account	253	13	–	–	265
Absa - 4094793895		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	653	12	665	–	0
First National Bank - 62938179951		Call Account	Call Account	Yes	Variable	660,00%	0		Call Account	617	28	–	–	646
Nedbank - 03/7881532939/000133		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	3 954	181	–	–	4 135

BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M09 March

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commissio n Paid (Rands)	Commissio n Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Nedbank - 03/7881532939/000134		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	194	9	–	–	203
First National Bank - 62938190080		Call Account	Call Account	Yes	Variable	660,00%	0		Call Account	3 315	327	–	20 000	23 642
Standard - 76586/524914		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	21	1	–	–	22
Nedbank - 03/7881532939/000136		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	4	0	–	–	4
Nedbank - 03/7881532939/000144		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	681	31	–	–	712
Nedbank - 03/7881532939/000145		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	2 237	190	–	9 500	11 927
Standard - 76586/553472		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	739	34	–	–	773
Standard - 76586/553471		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	1 604	73	–	–	1 677
Absa - 4101937017		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	2 489	1 930	47 400	100 000	57 019
Standard - 76586/571767		Call Account	Call Account	Yes	Variable	706,00%	0		Call Account	873	1 377	154 066	169 332	17 515
Stanlib - 552200136		Call Account	Call Account	Yes	Variable	706,00%	0		Call Account	3 736	186	–	–	3 921
Stanlib - 700893064		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	2 313	115	–	10 000	12 428
Standard Bank - 76586/570901		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	11 773	538	–	–	12 311
Standard Bank - 76586/570902		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	4 281	196	–	–	4 477
First National Bank - 63074776891		Call Account	Call Account	Yes	Variable	660,00%	0		Call Account	147 347	6 783	–	–	154 130
Nedbank - 03/7881532939/000153		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	126 564	5 782	–	–	132 347
Absa - 4117284828		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	36 079	1 266	16 706	–	20 639
Nedbank - 03/7881532939/000154		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	30 579	1 219	18 376	–	13 422
Standard Bank - 76586/573578		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	77 212	3 371	23 636	–	56 946
First National Bank - 63170877775		Call Account	Call Account	Yes	Variable	660,00%	0		Call Account		440	14 870	14 500	70
First National Bank - 63040210667		Call Account	Call Account	Yes	Variable	660,00%	0		Call Account	26 360	1 213	–	4 797	32 370
Stanlib - 552200130		Call Account	Call Account	Yes	Variable	706,00%	0		Call Account	402	20	–	–	422
Stanlib - 552200132		Call Account	Call Account	Yes	Variable	706,00%	0		Call Account	16	1	–	–	17
Standard - 76586/442736		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	620	483	30 000	125 000	96 103
Stanlib - 552200131		Call Account	Call Account	Yes	Variable	706,00%	0		Call Account	516	1 694	164 000	247 000	85 210
First National Bank - 62938189471		Call Account	Call Account	Yes	Variable	660,00%	0		Call Account	788	251	66 000	161 000	96 039
Nedbank - 03/7881532939/000101		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	169	773	115 000	250 000	135 943
Absa - 4094793536		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	180	2 088	224 000	417 000	195 269
Absa - 4094789872		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	496	23	–	–	519
Standard - 76586/442741		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	202	9	–	–	211
Standard - 76586/442744		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	1 193	55	–	–	1 248
First National Bank - 62938188887		Call Account	Call Account	Yes	Variable	660,00%	0		Call Account	81	4	–	–	84
Nedbank - 03/7881532939/000129		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	1 059	48	–	–	1 107
Standard - 76586/442738		Call Account	Call Account	Yes	Variable	655,00%	0		Call Account	4 137	76	4 213	–	0
Municipality sub-total										635 293	37 409	1 370 163	1 953 300	1 255 838
Entities														
Entities sub-total										–	–	–	–	–
TOTAL INVESTMENTS AND INTEREST	2									635 293	37 409	1 370 163	1 953 300	1 255 838

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 18: SC6 Monthly Budget Statement – transfers and grants receipts

BUF Buffalo City - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M09 March									
Description	Ref	2024/25	Budget Year 2025/26						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands									
RECEIPTS:	1,2								
Operating Transfers and Grants									
National Government:		1,367,872	1,425,869	1,444,039	351,174	1,434,039	1,444,039	(10,000)	-0.7%
Energy Efficiency And Demand Side Management Grant		—	—	—	—	—	—	—	—
Equitable Share		1,218,324	1,296,018	1,296,018	324,004	1,296,018	1,296,018	—	0.0%
Expanded Public Works Programme Integrated Grant		2,314	2,434	2,434	—	2,434	2,434	—	0.0%
Infrastructure Skills Development Grant		10,800	8,800	8,800	—	8,800	8,800	—	0.0%
Local Government Financial Management Grant		981	1,000	1,000	—	1,000	1,000	—	0.0%
Metro Informal Settlements Partnership Grant		23,233	23,992	23,992	—	23,992	23,992	—	0.0%
Neighbourhood Development Partnership Grant		35,847	22,500	22,500	8,000	18,000	22,500	(4,500)	-20.0%
Programme And Project Preparation Support Grant		15,000	16,000	16,000	1,000	10,500	16,000	(5,500)	-34.4%
Public Transport Network Grant		—	—	—	—	—	—	—	—
Urban Development Financing Grant		—	—	18,170	18,170	18,170	18,170	—	0.0%
Urban Settlement Development Grant		61,373	55,125	55,125	—	55,125	55,125	—	0.0%
Provincial Government:		30,000	315,651	247,612	—	—	—	—	—
Deat		—	—	—	—	—	—	—	—
Dsrac		—	18,757	8,112	—	—	—	—	—
Friends Of Zoo (Felzoo)		—	—	—	—	—	—	—	—
Gompo & Mdants Art		—	—	—	—	—	—	—	—
Gompo Surv (Dvri)		—	—	—	—	—	—	—	—
Ikhwezi Block / Dev		—	—	—	—	—	—	—	—
Infrastructure Grant		30,000	296,894	239,500	—	—	—	—	—
Kwt: Grants Gov		—	—	—	—	—	—	—	—
Mdants Upgr Md Asses Study		—	—	—	—	—	—	—	—
Mdants Urban Renew		—	—	—	—	—	—	—	—
Needscamp Planning		—	—	—	—	—	—	—	—
Pilot Housing Proj		—	—	—	—	—	—	—	—
Reeston Dev -Land Aff		—	—	—	—	—	—	—	—
Transitional Grant		—	—	—	—	—	—	—	—
Other transfers and grants [insert description]		—	—	—	—	—	—	—	—
District Municipality:		—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—
Other grant providers:		20,385	—	19,692	—	15,908	19,115	(3,207)	-16.8%
Eastern Cape Arts Council		17,883	—	18,757	—	15,550	18,757	(3,207)	-17.1%
European Union		—	—	—	—	—	—	—	—
Institutional Support (Housing)		—	—	—	—	—	—	—	—
Local Government Water And Related Service Seta		—	—	—	—	—	—	—	—
Peoples Housing Process (Housing)		—	—	—	—	—	—	—	—
Umsombomvu Fund		—	—	—	—	—	—	—	—
Unsp. City Of Leiden		—	—	—	—	—	—	—	—
Unsp. City Of Oldenburg		2,502	—	935	—	358	358	—	0.0%
Unsp. Glasgow Partnshp		—	—	—	—	—	—	—	—
Unsp. Salaida/Galve		—	—	—	—	—	—	—	—
Total Operating Transfers and Grants	5	1,418,257	1,741,520	1,711,343	351,174	1,449,947	1,463,154	(13,207)	-0.9%
Capital Transfers and Grants									
National Government:		901,181	808,685	1,044,457	463,229	946,791	973,113	(26,322)	-2.7%
Energy Efficiency And Demand Side Management Grant		—	—	—	—	—	—	—	—
Public Transport Network Grant		—	—	—	—	—	—	—	—
Neighbourhood Development Partnership Grant		2,000	10,000	10,000	—	10,000	10,000	—	0.0%
Urban Development Financing Grant		—	—	164,428	164,428	164,428	164,428	—	0.0%
Integrated City Development Grant		—	—	—	—	—	—	—	—
Municipal Disaster Relief Grant		44,600	—	—	—	—	—	—	—
Local Government Financial Management Grant		—	—	—	—	—	—	—	—
Urban Settlement Development Grant		563,992	504,119	504,119	215,871	496,292	504,119	(7,827)	-1.6%
Rural Road Asset Management Systems Grant		—	—	—	—	—	—	—	—
Metro Informal Settlements Partnership Grant		212,389	294,366	294,366	82,930	275,871	294,366	(18,495)	-6.3%
Infrastructure Skills Development Grant		200	200	200	—	200	200	—	0.0%
Integrated National Electrification Programme Grant		—	—	—	—	—	—	—	—
Municipal Disaster Recovery Grant		78,000	—	71,344	—	—	—	—	—
Provincial Government:		19	—	—	—	—	—	—	—
Capacity Building And Other Grants		19	—	—	—	—	—	—	—
District Municipality:		—	—	—	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—
Other grant providers:		—	1,485	4,641	—	—	—	—	—
[insert description]		—	—	—	—	—	—	—	—
Parent Municipality		—	1,485	1,485	—	—	—	—	—
Unspecified		—	—	3,156	—	—	—	—	—
Total Capital Transfers and Grants	5	901,199	810,170	1,049,098	463,229	946,791	973,113	(26,322)	-2.7%
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	2,319,457	2,551,690	2,760,441	814,403	2,396,738	2,436,267	(39,529)	-1.6%

11.1. Expenditure on Conditional Grants (DoRA Allocation)

The Metro has spent 47% (R581.14 million, inclusive of reclaimed vat) of its 2025/26 conditional grants approved adjusted budget of R1.25 billion as at 31 March 2026. This reflects a slight decline when compared to the same period in the previous financial year where 49% (R512.02 million, inclusive of reclaimed vat) of conditional grants budget of R1.05 billion was spent.

Table 19 below reflects the year-to-date expenditure on 2025/2026 total conditional grants.

Table 19: Spending per Conditional Grant Funding Allocation

<u>Funding/Grant</u>	<u>2025/26 Approved Budget</u>	<u>YTD Expenditure (vat) R</u>	<u>YTD Variance (vat incl.) R</u>	<u>% Expenditure (vat incl.)</u>
Finance Management Grant	1 000 000	736 514	263 486	74%
Infrastructure Skills Development Grant	9 000 000	5 527 564	3 472 436	61%
Urban Settlement Development Grant	559 244 001	312 037 834	247 206 167	56%
Urban Settlement Development Grant c/o	26 186 107	8 283 521	17 902 587	32%
Neighbourhood Development Partnership Grant	10 000 000	25 265	9 974 735	0%
Neighbourhood Development Partnership Grant (PEP)	22 500 000	17 214 020	5 285 980	77%
Informal Settlement Upgrading Partnership Grant	318 358 000	162 820 198	155 537 802	51%
Expanded Public Works Programme Grant	2 434 000	3 820 557	(1 386 557)	157%
Programme and Project Preparation Support Grant (PPPSG)	16 000 000	5 956 077	10 043 924	37%
Municipal Disaster Response Grant c/o	27 996 396	9 682 273	18 314 123	35%
Municipal Disaster Recovery Grant c/o	71 343 637	20 411 786	50 931 851	29%
Metro Trading Service	182 597 998	34 620 832	147 977 166	19%
TOTAL	1 246 660 139	581 136 441	665 523 698	47%

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 8 (eight) interns serving on the internship programme. The interns are being remunerated accordingly. Furthermore, the grant will be utilised for capacity and upskilling of 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 current level of expenditure reflects steady progress in accordance with the approved implementation plan. Spending remains aligned with planned activities, and no significant underspending has been identified to date. Expenditure is in line with set targets.

11.1.3. URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)

BCMM has spent 56% (R312,04 million, inclusive of reclaimed vat) of its 2025/2026 USDG adjusted budget of R559.24 million as at 31 March 2026. Under expenditure can be attributed to projects which are still under procurement processes, expenditure is expected to improve as procurement processes are concluded for the different projects. What has been approved by National Treasury as a rollover is R26,19 million and 32% expenditure has been incurred against this rollover amount as it was only approved on December 2025 Council.

11.1.4. NEIGHBORHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG)

Delays in the procurement of a service provider, as well as the non-performance of the appointed contractor, resulted in no expenditure being incurred on the contract. The process to terminate the current contract and appoint a replacement service provider is still in progress.

11.1.5. INFORMAL SETTLEMENT UPGRADING PARTNERSHIP GRANT (ISUPG)

BCMM has spent 51% (R162,82 million, inclusive of reclaimed vat) of its 2025/2026 ISUPG budget of R318.36 million as at 31 March 2026. Under expenditure can be attributed to projects which are still under procurement processes, expenditure is expected to improve as procurement processes are concluded for the different projects.

11.1.6. PROGRAMME AND PROJECT PREPARATION SUPPORT GRANT (PPPSG)

There are currently two (2) projects being implemented under the PPPSG programme. The first is the Detailed Feasibility Study: West Bank and Woodbrook Battery Storage, which has been completed. The second is the Feasibility Study, including the signing of a Power Purchase Agreement and Public–Private Partnerships for Buffalo City Metropolitan Municipality, which was awaiting council approval to proceed with the appointment of GTAC (Government Technical Advisory Centre). Council has approved the appointment of GTAC in the January 2026 Council meeting and the grant will fully be spent by 30 June 2026.

11.1.7. MUNICIPAL DISASTER RESPONSE GRANT

The contractors for the projects have been appointed under the Municipal Disaster Response Grant, all projects that required environmental authorization have been approved and some projects are awaiting Water Use License Authorization (WULA). Expenditure is expected to improve as projects progress to implementation stage.

11.1.8. MUNICIPAL DISASTER RECOVERY GRANT

The contractors for the projects have been appointed under the Municipal Disaster Recovery Grant, all projects that required environmental authorization have been approved and some projects are awaiting Water Use License Authorization (WULA). Expenditure is expected to improve as projects progress to implementation stage.

11.1.9. METRO TRADING SERVICES

Funding of R182.60 million was appropriated into the budget after Council approval of the the mid-year adjustment budget. Procurement processes have been initiated to ensure that funding is spent by 30 June 2026.

12. COUNCILLOR AND EMPLOYEE BENEFITS

12.1. Councillor and Employees Benefits Summary

Table 20 below provides summary of employees and councillors remuneration. The workforce costs as a percentage of total expenditure amounted to 25.18%. This is within the norm of 25% - 40%.

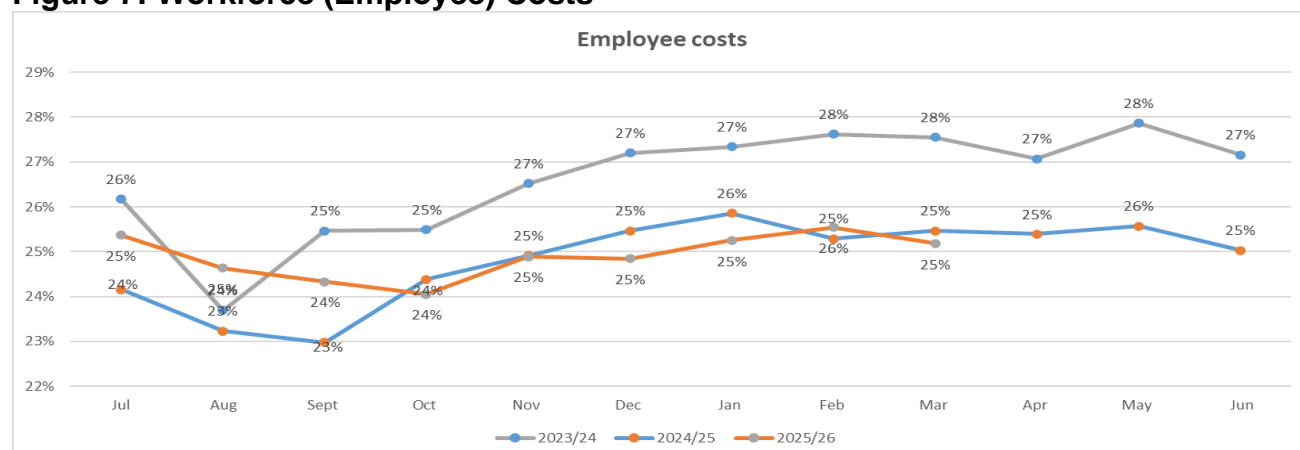
Table 20: SC8 Monthly Budget Statement – Councillor, Board Members and Staff Benefits

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

Summary of Employee and Councillor remuneration	Ref	2024/25	Budget Year 2025/26							
		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
<u>Councillors (Political Office Bearers plus Other)</u>										
Basic Salaries and Wages		39,843	49,631	49,631	3,408	30,643	34,846	(4,203)	-12%	49,631
Pension and UIF Contributions		4,369	4,956	4,956	378	3,368	3,480	(112)	-3%	4,956
Medical Aid Contributions		1,773	2,397	2,397	171	1,463	1,683	(220)	-13%	2,397
Motor Vehicle Allowance										
Cellphone Allowance		4,313	4,945	4,945	356	3,226	3,472	(247)	-7%	4,945
Housing Allowances		14,807	2,839	2,839	1,211	11,047	1,993	9,054	454%	2,839
Other benefits and allowances		5,268	16,808	16,808	512	4,551	11,801	(7,250)	-61%	16,808
Sub Total - Councillors		70,373	81,578	81,578	6,036	54,298	57,276	(2,978)	-5%	81,578
% increase	4		15.9%	15.9%						15.9%
<u>Senior Managers of the Municipality</u>	3									
Basic Salaries and Wages		17,438	19,668	25,379	1,845	14,640	16,332	(1,692)	-10%	25,379
Pension and UIF Contributions		3,304	2,689	2,689	304	2,732	1,946	786	40%	2,689
Medical Aid Contributions		563	434	434	54	456	314	142	45%	434
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	1,050	1,050	–	–	760	(760)	-100%	1,050
Motor Vehicle Allowance		3,749	4,179	4,179	341	3,066	3,024	42	1%	4,179
Cellphone Allowance		309	251	251	27	239	182	57	31%	251
Housing Allowances		4,009	2,041	2,041	349	3,286	1,477	1,809	122%	2,041
Other benefits and allowances		23	55	55	0	(27)	40	(67)	-167%	55
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations		–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		17	99	99	–	–	72	(72)	-100%	99
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		29,412	30,467	36,178	2,920	24,393	24,147	246	1%	36,178
% increase	4		3.6%	23.0%						23.0%
<u>Other Municipal Staff</u>										
Basic Salaries and Wages		1,649,654	1,753,251	1,715,174	140,098	1,326,546	1,254,820	71,726	6%	1,715,174
Pension and UIF Contributions		336,733	376,668	376,668	29,675	267,199	272,559	(5,359)	-2%	376,668
Medical Aid Contributions		126,233	154,275	154,275	11,486	99,132	111,634	(12,502)	-11%	154,275
Overtime		163,884	165,227	165,327	13,387	132,273	119,596	12,677	11%	165,327
Performance Bonus		134,473	152,183	152,183	9,471	104,068	110,120	(6,052)	-5%	152,183
Motor Vehicle Allowance		48,559	49,434	49,434	4,460	40,530	35,771	4,760	13%	49,434
Cellphone Allowance		3,995	4,637	4,637	318	2,875	3,355	(481)	-14%	4,637
Housing Allowances		9,442	15,437	15,437	805	7,149	11,171	(4,022)	-36%	15,437
Other benefits and allowances		27,291	81,722	81,722	3,795	36,640	59,136	(22,496)	-38%	81,722
Payments in lieu of leave		51,801	–	–	–	–	–	–	–	–
Long service awards		52,706	40,184	40,184	3,862	34,896	29,077	5,818	20%	40,184
Post-retirement benefit obligations		65,157	42,031	42,031	0	1	30,414	(30,413)	-100%	42,031
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		39,821	22,086	22,086	3,258	30,332	15,982	14,350	90%	22,086
Acting and post related allowance		13,783	12,187	12,187	1,182	10,210	8,819	1,392	16%	12,187
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		2,723,531	2,869,321	2,831,345	221,797	2,091,851	2,062,452	29,398	1%	2,831,345
% increase	4		5.7%	4.6%						4.6%
TOTAL MANAGERS AND STAFF		2,780,686	2,932,056	2,899,791	227,347	2,139,932	2,109,948	29,984	1%	2,899,791

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 21 below provides comparison of overtime expenditure against budget per directorate for the period ended 31 March 2026. Table 22 below details overtime expenditure incurred per cost centre for the past three months ended 31 March 2026.

Table 21: Overtime per Directorate

Directorate Overtime	2025/2026 Annual Budget R	2025/2026 YTD Budget R	2025/2026 YTD Expenditure R	2025/2026 YTD Variance R	2025/2026 % of YTD Budget %
Directorate of Executive Support Services	6 486 932	6 536 708	6 119 339	417 369	94%
Directorate of The City Manager	903 579	677 173	592 253	84 920	87%
Directorate of Corporate Services	483 244	425 415	536 164	(110 749)	126%
Directorate of Spatial Planning & Development	93 219	145 983	124 346	21 637	85%
Directorate of Economic Development & Agencies	254 256	560 988	633 156	(72 167)	113%
Directorate of Finance	5 545 679	4 465 690	5 886 599	(1 420 909)	132%
Directorate of Public Safety & Emergency Services	37 828 559	39 918 035	40 832 827	(914 792)	102%
Directorate of Infrastructure Services	62 167 450	45 234 336	52 337 499	(7 103 163)	116%
Electricity	23 945 535	17 423 272	22 861 372	(5 438 100)	131%
Water	12 000 961	8 732 150	19 357 266	(10 625 116)	222%
Sanitation	17 285 176	12 577 055	8 177 787	4 399 268	65%
Other	8 935 778	6 501 859	1 941 074	4 560 785	30%
Directorate of Solid Waste & Environmental Management	15 217 564	11 072 618	11 186 822	(114 204)	101%
Directorate of Sport, Recreation & Community Development	15 472 975	11 258 460	14 023 906	(2 765 446)	125%
Total	165 327 034	120 295 405	132 272 910	(11 977 505)	110%

The total overtime payment for the months of January 2026, February 2026 and March 2026 is reflected below. There was an increase in the total payment of overtime between January 2026 and February 2026 of R908 014 and a decrease in the total payment of overtime between February 2026 and March 2026 of R2 837 720.

Table 22: Overtime Per Cost Centre: January 2026 – March 2026

		January 2026 Amount	February 2026 Amount	March 2026 Amount
	DIRECTORATE EXECUTIVE SUPPORT SERVICES			
0511	COMM/MARKETING /INTERNAT & INTERGOV REL	2,369.40	2,369.40	19,202.02
0512	INTERNATIONAL & INTERGOVERNMENTAL RELAT	2,864.16	2,583.36	23,384.95
0523	IDP & BUDGET INTEGRATION	-	8,703.60	9,573.96
0531	POLITICAL OFFICE ADMINISTRATION	6,745.29	5,733.06	-
0532	OFFICE OF THE CHIEF WHIP	153,747.24	146,309.15	148,775.19
0533	OFFICE OF THE DEPUTY EXECUTIVE MAYOR		14,933.12	9,711.00
0534	OFFICE OF THE EXECUTIVE MAYOR	230,813.01	227,071.36	211,315.09
0535	OFFICE OF THE SPEAKER	244,476.86	268,641.47	135,913.68
0536	MPAC	-	18,497.40	23,108.37
0542	SPECIAL PROGRAMMES	-	1,921.06	-
		641,015.96	696,762.98	580,984.26
	DIRECTORATE OF THE CITY MANAGER			
1005	OFFICE OF THE CITY MANAGER	48,233.82	58,064.32	47,073.06
		48,233.82	58,064.32	47,073.06
	DIRECTORATE OF CORPORATE SERVICES			
1512	ADMINISTRATIVE & CORPORATE SUPPORT	-	40,561.78	(8,247.30)
1513	AUXILLIARY / RECORDS & DECISION TRACKING AND TELECOMMUNICATIONS	6,621.86	36,813.26	32,239.29
1514	INFORMATION / TECHNOLOGY & SUPPORT	14,541.71	48,730.23	16,603.90
		21,163.57	126,105.27	40,595.89
	DIRECTORATE OF SPATIAL PLANNING & DEVELOPMENT			
2023	BUILDING MAINTENANCE	1,501.74	-	-
2037	TRAFFIC MANAGEMENT & SAFETY	-	1,589.76	3,974.40
		1,501.74	1,589.76	3,974.40

		January 2026 Amount	February 2026 Amount	March 2026 Amount
	DIRECTORATE OF ECONOMIC DEVELOPMENT & AGENCIES			
2511	FRESH PRODUCE MARKET	21,454.77	24,397.14	26,509.23
2521	TOURISM / ARTS / CULTURE & HERITAGE	28,401.90	-	-
2531	TRADE / INDUSTRY & RURAL AGRARIAN	1,782.60	-	-
		51,639.27	24,397.14	26,509.23
	DIRECTORATE OF FINANCE			
3021	CORPORATE ASSET MANAGEMENT	-	-	601.35
3033	PAYROLL & BENEFITS	-	-	12,210.76
3051	REVENUE MANAGEMENT	3,746.88	-	-
3052	ACCOUNTS MANAGEMENT & REVENUE CONTROL	6,072.99	6,098.40	4,802.49
3053	COASTAL REVENUE MANAGEMENT	91,003.76	70,593.44	20,808.60
3054	CUSTOMER RELATIONS (CALL CENTRE)	193,885.44	200,070.64	230,346.69
3055	INLAND REVENUE MANAGEMENT	38,447.04	51,050.93	22,857.58
3056	MIDLAND REVENUE MANAGEMENT	71,548.21	-	11,348.46
3061	STRATEGY & OPERATIONS	2,134.60	-	21,461.72
3071	SUPPLY CHAIN MANAGEMENT	19,692.16	-	-
		426,531.08	327,813.41	324,437.65
	DIRECTORATE OF PUBLIC SAFETY & EMERGENCY SERVICES			
3512	DISASTER MANAGEMENT	15,816.20	16,483.06	13,598.10
3513	FIRE & RESCUE	1,256,925.90	832,472.59	436,480.51
3532	LAW ENFORCEMENT SERVICES	2,263,616.37	2,053,767.46	1,540,358.90
3533	TRAFFIC SERVICES	593,642.74	624,512.56	404,351.16
		4,130,001.21	3,527,235.67	2,394,788.67
	DIRECTORATE OF INFRASTRUCTURE SERVICES			
4505	OFFICE OF THE DIRECTOR OF INFRASTRUCTURE SERVICES	34,912.32	47,814.92	44,821.84
4511	ELECTRICAL & ENERGY SERVICES	3,786.87	3,694.50	4,125.53
4512	CUSTOMER SERVICES & REVENUE PROTECTION	178,186.84	164,468.20	161,372.08
4513	ELECTRICAL DEVELOPMENT / CONTRACTS & ASSETS	1,887.30	2,097.00	1,782.45
4514	ELECTRICAL DISTRIBUTION	1,563,351.73	1,683,541.74	1,711,586.73
4522	CONSTRUCTION	18,288.57	16,226.09	22,109.32
4524	ROADS	77,781.28	99,280.35	98,433.09
4532	SANITATION	1,320,551.06	1,735,418.67	1,321,135.22
4533	SCIENTIFIC SERVICES	20,199.20	-	20,487.76
4534	MADEN DAM	31,401.36	29,058.42	13,704.78
4535	WATER SERVICES	918,946.98	1,044,429.17	909,297.34
4536	UMZONYANA WATER TREATMENT WORKS	141,837.92	140,409.12	130,847.88

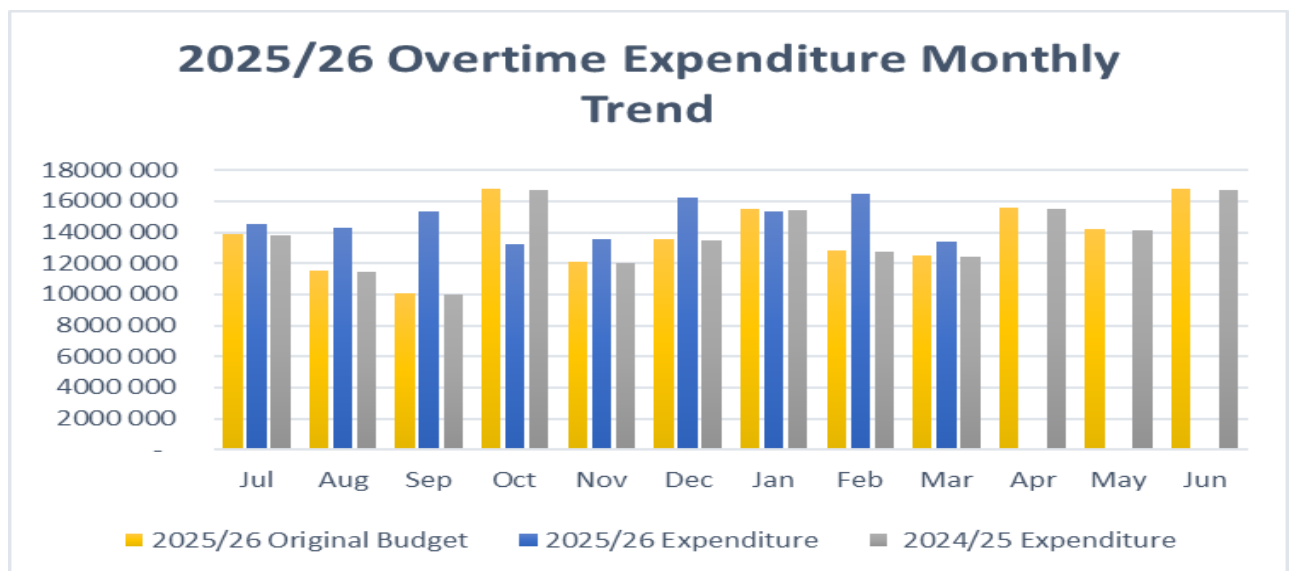
		January 2026 Amount	February 2026 Amount	March 2026 Amount
4537	KWT WATER TREATMENT WORKS	92,318.72	86,883.24	49,319.48
4538	MDANTSANE BULK PUMPING	65,500.38	39,381.02	41,293.20
4539	WATER OPERATION & MAINT (INLAND)	424,740.72	491,098.89	407,023.06
4540	WATER OPERATION & MAINT (MIDLAND)	20,597.62	690,190.45	337,984.51
4542	FLEET SERVICES & PLANT	16,185.82	14,556.61	18,771.28
4543	WORKSHOPS	50,989.61	44,940.79	50,099.95
		4,981,464.30	6,333,489.18	5,344,195.50
	DIRECTORATE OF SOLID WASTE & ENVIRONMENTAL SERVICE			
5511	GENERAL MANAGER'S OFFICE	-	344,228.23	-
5512	LANDFILLS & TRANSFER STATIONS	391,453.20	-	316,829.65
5513	WASTE REMOVAL & CLEANSING (COASTAL)	140,393.05	131,496.15	85,205.11
5514	WASTE REMOVAL & CLEANSING (MIDLAND)	235,839.05	345,107.63	183,472.60
5517	LANDFILL & TRANSFER STATIONS	100,347.99	97,967.00	101,645.63
5522	ENVIROMENTAL PLANNING (IEMP)	15,385.44	7,708.00	3,216.00
5523	COASTAL BEACHES & NATURE MANAGEMENT	178,117.20	172,440.82	45,838.48
5524	GRASS CUTTING & VEGETATION CONTROL	40,677.26	32,370.08	45,220.54
5533	MUNICIPAL HEALTH SERVICES	37,474.83	16,485.30	5,378.70
		1,139,688.02	1,147,803.21	786,806.71
	DIRECTORATE OF SPORT, RECREATION & COMMUNITY DEVELOPMENT			
6005	OFFICE OF THE DIRECTOR OF SPORT, RECREATION & COMMUNITY DEVELOPMENT	-	2,298.80	2,298.80
6011	GM OFFICE	37,521.16	55,291.00	43,837.76
6012	LIBRARIES	30,281.62	39,790.60	39,369.72
6013	HALLS	215,394.44	268,042.91	246,858.62
6014	ZOO & AQUARIUM	176,680.38	170,219.50	149,383.59
6022	PARKS (COASTAL)	6,034.35	4,466.00	1,282.40
6023	CEMETERIES (COASTAL)	113,398.81	146,163.46	132,982.23
6024	PARKS (MIDLAND)	4,289.63	3,447.74	18,446.26
6025	CEMETERIES (MIDLAND)	113,940.51	121,545.02	131,074.86
6026	PARKS (INLAND)	176,070.24	142,270.14	156,536.50
6027	CEMETERIES (INLAND)	95,581.04	74,634.15	91,887.03
6031	GM OFFICE	-	11,097.24	3,699.08
6032	FACILITIES	70,585.34	120,787.36	154,070.69
6033	SWIMMING POOLS	500,397.04	484,709.73	375,359.64
6034	RESORTS MANAGEMENT	86,968.54	88,371.21	42,223.55
		1,627,143.10	1,733,134.86	1,589,310.73
	TOTAL OVERTIME	13,068,382.07	13,976,395.80	11,138,676.10

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 in line with the Basic Conditions of Employment Act.
- b) All planned overtime is capped at forty (40) hours per month 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) Regular communication is maintained with all line managers to ensure close monitoring overtime expenditure.
- e) Payroll division in Human Resources conducts spot checks on departmental calculations.
- f) Office of the Speaker and Chief Whip has implemented a 120-hour overtime threshold, effective from July 2024.
- g) Department of Electricity has capped overtime payments at 80 hours, including emergencies.
- h) The introduction of a twenty-four-hour (24) shift system for Law Enforcement has been put on hold.

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

Figure 8: Overtime Expenditure Monthly Trend



12.2.1. Comments on Overtime

a) Directorate of Corporate Services

Due to an increase in vandalism targeting fibre infrastructure, after-hours support was required to ensure continuous network availability.

b) Directorate Of Economic Development & Agencies

The department prioritises overtime and only approves overtime that is necessary. The cold rooms, cashiers and access controllers are the few sections that work overtime.

c) Directorate of Finance

The over expenditure on overtime is as a result of Revenue Management staff who worked overtime to minimize the high volume of old queries and recent queries to get accounts resolved, as the call centre is required to be operational 365 days a year, which includes weekends and public holidays. The staff are 5-day workers and as such need to be paid overtime for work done on a weekend and public holidays in order to keep the Call Centre operational. The billing department worked overtime to resolve queries relating to meter changes and incorrect readings. Furthermore, overtime was worked for the finalisation of the Annual Financial Statements and attending to audit queries.

d) 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.
- b) Security Guards working longer hours due to the fact that there are installations which require security & safeguarding.
- c) Disaster Management carrying out event safety management, including festive season events; and attending to disasters such as fires, storm damage & floods.

e) Directorate of Infrastructure Services

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

f) Directorate of Solid Waste & Environmental Management

Overtime expenditure was a result of extended working hours for Lifeguards in order to cater for the demand of the service. Supervisor's operating hours were also extended to accommodate operations executed by project participants over weekends. Municipal Health Services officials had to attend to a number of events, mainly musical that took place in the city as part of festive season's activities. Officials from the Department are therefore expected to be present to monitor Sound Levels, Food Vendors, Ablutions Facilities, Waste Management during these events.

g) 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 23 below reflects the total standby and shift payment for the months of January 2026, February 2026 and March 2026. There was an increase in the total payment between January 2026 and February 2026 of R316 826 and a decrease in the total payment between February 2026 and March 2026 of R409 916.

Table 23: Standby & Shift Allowance per Directorate

	January 2026 Amount	February 2026 Amount	March 2026 Amount
Directorate of Executive Support Services	8 252	9 417	18 673
Directorate of the City Manager	927	1 275	623
Directorate of Corporate Services	8 860	8 992	7 095
Directorate of Development & Spatial Planning	-	5 863	912
Directorate of Economic Development & Agencies	3 678	4 019	2 373
Directorate of Finance	23 814	21 188	20 730
Directorate of Public Safety & Emergency Services	978 726	1 001 206	847 447
Directorate of Infrastructure Services	945 708	1 148 452	982 593
Directorate of Solid Waste & Environmental Management	379 998	465 760	379 934
Directorate of Sport, Recreation & Community Development	34 601	35 216	31 094
TOTAL	2 384 563	2 701 389	2 291 473

12.4. Cost of Temporary Staff

Table 24 below reflects the total payment of Temporary Staff for the months of January 2026, February 2026 and March 2026. There was a decrease in the total payment between January 2026 and February 2026 of R1 640 410 and an increase in the total payment between January 2026 and February 2026 of R500 355.

Table 24: Temporary Staff per Directorate

	January 2026 Amount	February 2026 Amount	March 2026 Amount
Directorate of Executive Support Services	2 325 615	2 221 367	2 492 288
Directorate of the City Manager	218 552	186 906	194 182
Directorate of Corporate Services	1 240 496	1 179 341	1 219 880
Directorate of Spatial Planning & Development	31 469	31 469	87 168
Directorate of Finance	614 297	744 110	940 454
Directorate of Public Safety & Emergency Services	62 314	62 314	68 401
Directorate of Infrastructure Services	749 044	692 523	693 797
Directorate of Solid Waste & Environmental Management	2 003 261	715 449	669 687
Directorate of Sport, recreation & Community Development	404 491	175 650	143 626
TOTAL	7 649 539	6 009 129	6 509 485

12.5. Councillors Costs

The table below shows the budget and expenditure to date for councillors' costs. The year-to-date budget of R57.28 million less the year-to-date expenditure of R54.30 million which leaves a variance of R2.98 million.

Table 25: Councillors Costs**Councillors Allowances and Benefits**

Councillors Allowances And Benefits	2025/2026 Annual Budget R	2025/2026 YTD Budget R	2025/2026 YTD Expenditure R	2025/2026 Variance R	2025/2026 Variance %
Councillors Allowances	54 576 747	38 318 437	33 868 974	4 449 463	11,61
Housing Allowance	2 839 272	1 993 458	11 047 187	-9 053 729	-454,17
Medical Aid Allowance	2 397 470	1 683 268	1 463 086	220 182	13,08
Pension Allowance	4 956 471	3 479 948	3 367 526	112 422	3,23
Travel Allowance	16 807 948	11 800 892	4 551 138	7 249 754	61,43
Total	81 577 908	57 276 003	54 297 910	2 978 093	5,20

13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE

BCMDA has spent R39.29 million (63.36%) of its 2025/2026 approved operating budget of R61.99 million. A detailed analysis of the entity's performance for month ended 31 March 2026 is outlined in the attached **Annexure F**.

Table 26: Monthly Budget Statement – summary of municipal entity

Buffalo City Development Agency - Table F2 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M09 March

Description	Ref	2023/24	Current Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue	1									
Exchange Revenue										
Service charges - Electricity								-		
Service charges - Water								-		
Service charges - Waste Water Management								-		
Service charges - Waste Management								-		
Sale of Goods and Rendering of Services		0	-	-	-	18	-	18	#DIV/0!	-
Agency services		-	-	-	-	-	-	-		-
Interest								-		
Interest earned from Receivables								-		
Interest earned from Current and Non Current Assets		2 717	2 281	2 281	139	1 420	1 737	(317)	-18,2%	2 281
Dividends								-		
Rent on Land								-		
Rental from Fixed Assets		-	-	-	-	-	-	-		-
Licence and permits								-		
Special rating levies								-		
Operational Revenue								-		
Non-Exchange Revenue										
Property rates								-		
Surcharges and Taxes								-		
Fines, penalties and forfeits								-		
Licences or permits								-		
Transfer and subsidies - Operational		8 263	59 718	59 718	797	8 649	48 055	(39 407)	-82,0%	59 718
Interest								-		
Fuel Levy								-		
Operational Revenue								-		
Gains on disposal of Assets		-	-	-	-	-	-	-		-
Other Gains		-	-	-	-	-	-	-		-
Discontinued Operations								-		
Total Revenue (excluding capital transfers and contributions)		10 980	61 999	61 999	936	10 087	49 792	(39 705)	-79,7%	61 999
Expenditure By Type										
Employee related costs		27 743	32 268	32 268	2 629	23 689	23 349	339	1,5%	32 268
Remuneration of board members								-		
Bulk purchases - electricity								-		
Inventory consumed		345	235	235	12	156	179	(24)	-13,3%	235
Debt impairment								-		
Depreciation and asset impairment		625	540	540	35	326	408	(82)	-20,1%	540
Interest		20	-	-	-	-	-	-		-
Contracted services		8 324	25 376	25 376	967	10 298	14 228	(3 930)	-27,6%	25 376
Transfers and subsidies		450	-	-	-	-	-	-		-
Irrecoverable debts written off		-	-	-	-	-	-	-		-
Operational costs		6 082	3 580	3 580	238	4 819	3 079	1 740	56,5%	3 580
Losses on disposal of Assets		-	-	-	-	-	-	-		-
Other Losses		9	-	-	-	-	-	-		-
Total Expenditure	3	43 597	61 999	61 999	3 880	39 287	41 244	(1 957)	-4,7%	61 999
Surplus/(Deficit)		(32 617)	-	-	(2 944)	(29 200)	8 549	(37 748)	-441,6%	-
Transfers and subsidies - capital (monetary allocations)		-	100	100	-	-	80	(80)	-100,0%	100
Transfers and subsidies - capital (in-kind)								-		
Surplus/(Deficit) before taxation		(32 617)	100	100	(2 944)	(29 200)	8 629	(37 829)	-438,4%	100
Income Tax		-	-	-	-	-	-	-		-
Surplus/(Deficit) for the year		(32 617)	100	100	(2 944)	(29 200)	8 629	(37 829)		100

14. CAPITAL PROGRAMME PERFORMANCE

The Metro has spent 46% (R712.77 million, inclusive of reclaimed vat) of its 2025/26 adjusted capital budget of R1.55 billion as at 31 March 2026. This reflects an improvement when compared to the same period in the previous financial year where 45% (R651.06 million, inclusive of reclaimed vat) of the adjusted capital budget of R1.43 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; SC13b for breakdown on asset classification on renewal of existing asset and SC13e for breakdown on asset classification on upgrading of existing asset.

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

Table 27 below reflects capital expenditure performance per source of funding.

Table 27: Capital Expenditure per Funding Source against Budget

Funding	2025/2026 Adjusted Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
TOTAL OWN FUNDING	447 424 689	231 702 781	215 721 908	52%
Urban Settlement Development Grant	504 119 128	253 935 627	250 183 501	50%
Urban Settlement Development Grant c/o	26 186 107	8 283 521	17 902 587	32%
City Of Oldenburg	3 155 797	1 091 153	2 064 644	35%
Informal Settlements Upgrading Partnership Grant	294 365 924	152 892 852	141 473 072	52%
Neighbourhood Development Partnership Grant	10 000 000	25 265	9 974 735	0%
Municipal Disaster Response Grant c/o	27 996 396	9 682 273	18 314 123	35%
Municipal Disaster Recovery Grant c/o	71 343 636	20 411 786	50 931 849	29%
Metro Trading Services Funding	164 428 200	34 620 832	129 807 368	21
Infrastructure Skills Development Grant	200 000	119 600	80 400	60%
TOTAL GRANTS	1 101 795 189	481 062 907	704 315 795	44%
TOTAL CAPITAL BUDGET	1 549 219 878	712 765 689	907 557 076	46%

Table 28 below reflects capital expenditure performance per function.

Table 28: Actual Expenditure per Function against Budget

Function	2025/2026 Adjusted Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Governance and administration	167 141 206	96 845 270	70 295 936	58%
Executive and council	28 350 000	6 761 236	21 588 764	24%
Finance and administration	138 791 206	90 084 033	48 707 172	65%
Community and public safety	341 319 252	160 329 657	180 989 595	47%
Community and social services	51 264 638	7 266 177	43 998 461	14%
Sport and recreation	48 370 919	10 729 013	37 641 906	22%
Public safety	37 304 711	16 142 715	21 161 996	43%
Human settlements	189 917 983	122 570 119	67 347 864	65%
Health	14 461 000	3 621 632	10 839 368	25%
Economic and environmental services	323 267 295	136 487 478	186 779 817	42%
Planning and development	46 042 526	32 478 738	13 563 788	71%
Road transport	277 224 768	104 008 739	173 216 028	38%
Trading services	668 024 996	305 132 525	362 892 472	46%
Energy sources	212 646 630	129 064 952	83 581 678	61%
Water management	190 118 522	125 914 396	64 204 126	66%
Waste water management	185 425 951	30 989 147	154 436 803	17%
Waste management	79 833 894	19 164 029	60 669 864	24%
Other - LED	49 467 130	13 970 760	35 496 370	28%
TOTAL - PER FUNCTION	1 549 219 878	712 765 689	836 454 189	46%

Table 29 below reflects capital expenditure performance per directorate.

Table 29: Actual Expenditure per Directorate against Budget

Directorate	2025/2026 Adjusted Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Executive Support Services	2 500 000	878 888	1 621 112	35%
City Manager's Office	25 850 000	5 882 348	19 967 652	23%
Corporate Services	28 123 196	4 058 210	24 064 986	14%
Spatial Planning & Development	61 615 487	37 583 866	24 031 621	61%
Economic Development & Agencies	49 467 130	13 970 760	35 496 370	28%
Finance Services	88 745 049	80 715 501	8 029 548	91%
Public Safety & Emergency Services	51 004 711	18 342 351	32 662 359	36%
Human Settlements	189 917 983	122 570 119	67 347 864	65%
Infrastructure Services	865 415 871	389 977 235	475 438 636	45%
Sports, Recreation & Community Development	76 539 159	12 824 702	63 714 457	17%
Solid Waste & Environmental Management	103 691 292	25 756 514	77 934 778	25%
TOTAL DIRECTORATES	1 542 869 878	712 560 493	830 309 385	46%
BCMDA Projects	100 000	0	100 000	0%
Asset Replacements	6 250 000	205 195	6 044 805	3%
TOTAL CONSOLIDATED CAPITAL PER DIRECTORATE	1 549 219 878	712 765 689	836 454 189	46%

The capital programme performance by month is tabulated in table 30 below (exclusive of Vat).

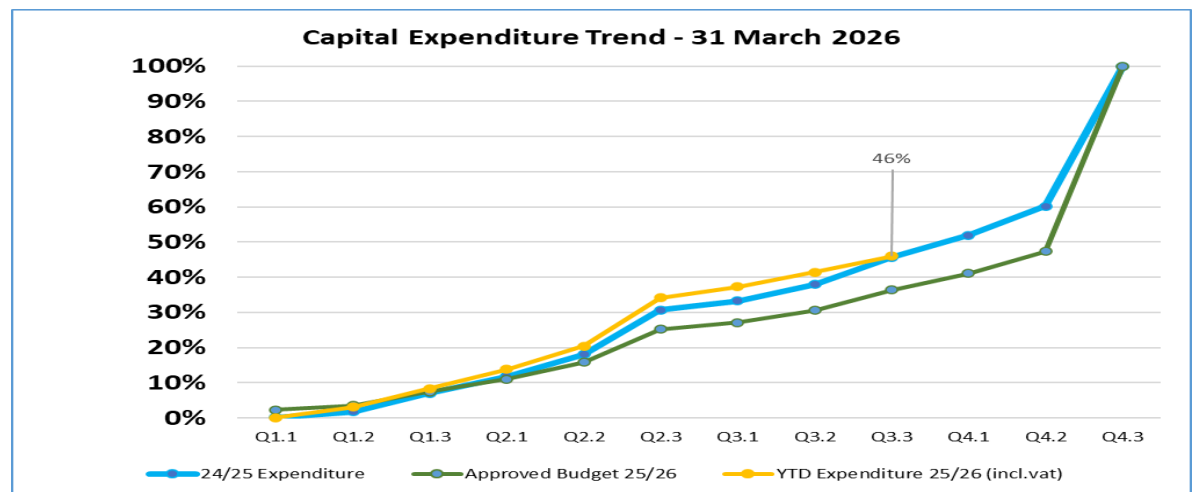
Table 30: SC12 Monthly Budget Statement – capital expenditure trend

BUF Buffalo City - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M09 March

Month	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	1 524	70 803	70 803	0	0	70 803	70 802	100,0%	0%
August	22 635	91 480	91 480	45 707	45 707	162 283	116 576	71,8%	3%
September	68 648	102 018	102 018	73 203	73 203	264 300	191 098	72,3%	5%
October	63 942	112 556	112 556	83 338	83 338	376 856	293 517	77,9%	5%
November	83 769	123 094	123 094	92 766	92 766	499 949	407 183	81,4%	6%
December	165 218	98 874	98 874	198 084	198 084	598 824	400 740	66,9%	13%
January	34 410	109 552	109 552	43 420	43 420	708 376	664 956	93,9%	3%
February	60 583	163 411	163 411	58 389	58 389	871 787	813 398	93,3%	4%
March	102 310	166 709	166 709	65 260	65 260	1 038 496	973 236	93,7%	4%
April	84 303	170 241	170 241	–	–	1 208 738	1 208 738	100,0%	–
May	108 995	173 774	173 774	–	–	1 382 512	1 382 512	100,0%	–
June	434 002	166 708	166 708	–	–	1 549 220	1 549 220	100,0%	–
Total Capital expenditure	1 230 341	1 549 220	1 549 220	660 167					

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 47% (R274.41 million, inclusive of reclaimed vat) of its 2025/26 adjusted operating projects budget of R581.67 million as at 31 March 2026. This reflects an improvement when compared to the same period in the previous financial year where 37% (R194.55 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R529.32 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 31 and 32 below summarise Annexure D.

Table 31: Operating Projects per Directorate

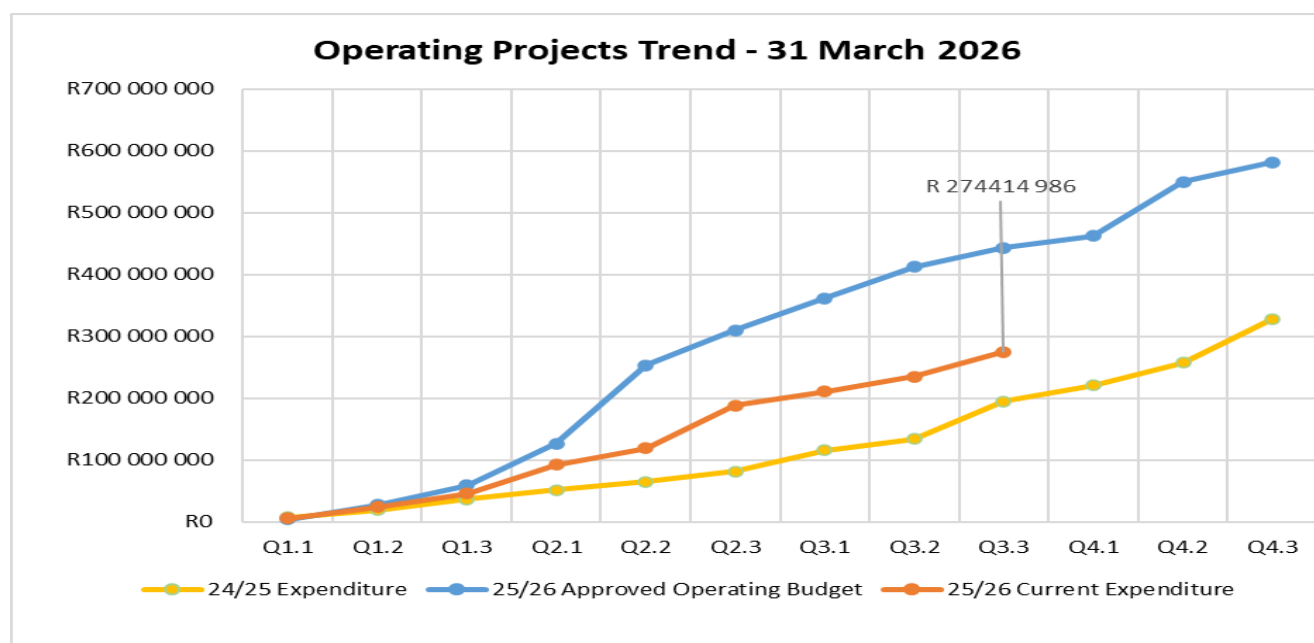
Directorate	<u>2025/2026 Adjusted Budget</u>	<u>YTD Expenditure (incl. vat)</u>	<u>Variance (incl.VAT)</u>	<u>% Expenditure (incl. vat)</u>
Executive Support Services	21 935 398	5 732 789	16 202 609	26%
City Manager's Office	44 810 224	30 632 409	14 177 815	68%
Corporate Services	34 250 000	5 677 964	28 572 036	17%
Spatial Planning & Development	13 414 886	2 637 025	10 777 861	20%
Economic Development & Agencies	50 269 823	16 541 139	33 728 685	33%
Finance Services	12 871 900	10 992 488	1 879 412	85%
Public Safety & Emergency Services	3 900 000	1 300 185	2 599 815	33%
Human Settlements	186 221 637	55 758 998	130 462 639	30%
Infrastructure Services	134 351 095	68 031 512	66 319 583	51%
Sports, Recreation & Community Development	3 450 000	732 872	2 717 128	21%
Solid Waste & Environmental Management	76 191 087	76 377 605	(186 518)	100%
TOTAL OPERATING PROJECTS	581 666 051	274 414 986	307 251 065	47%

Table 32: Operating Projects Per Funding Source

Funding	2025/2026 Adjusted Budget	YTD Expenditure (incl. vat)	Variance (incl. VAT)	% Expenditure (incl. vat)
TOTAL OWN FUNDING	203 267 400	103 195 124	100 072 276	51%
City of Oldenburg c/o	935 398	71 862	863 536	8%
Urban Settlement Development Grant	55 124 874	58 102 208	-2 977 334	105%
Finance Management Grant	1 000 000	736 514	263 486	74%
Informal Settlements Upgrading Partnership Grant	23 992 076	9 819 568	14 172 508	41%
Infrastructure Skills Development Grant	8 800 000	5 407 964	3 392 036	61%
Programme and Project Preparation Support Grant	16 000 000	5 956 077	10 043 924	37%
Expanded Public Works Programme	2 434 000	3 820 557	-1 386 557	157%
Human Settlements Development Grant	167 611 947	46 451 131	121 160 816	28%
Neighbourhood Development Partnership Grant	22 500 000	17 214 020	5 285 980	77%
Department of Transport c/o	71 888 104	20 858 210	51 029 894	29%
Sector Education and Training Authority c/o	3 717 955	1 880 125	1 837 830	51%
Sector Education and Training Authority	4 394 297	901 626	3 492 671	21%
TOTAL GRANTS	378 398 651	171 219 862	207 178 789	45%
TOTAL OPERATING PROJECTS BUDGET	581 666 051	274 414 986	307 251 065	47%

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. COST CONTAINMENT MEASURES

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

Table 33 below compares expenditure incurred on cost containment items per quarter and total savings realised for the quarter under review.

Table 33: Cost Containment Quarterly Report

	Cost Containment In-Year Report			
Measures	2025/2026 Budget	Q3 January - March		Savings realised when compared year to date expenditure
		25/26 Year to Date Expenditure	25/26 Expenditure	
Catering	6,767,633	5,075,725	2,648,121	2,427,604
Use of Consultants	90,513,469	67,885,102	53,754,442	14,130,660
Travel & Subsistence and Accommodation	13,697,218	10,272,914	9,210,883	1,062,031
Entertainment	1,156,586	867,440	292,010	575,430
Advertising, Publication & Marketing	11,465,296	8,598,972	8,981,610	(382,638)
Sponsorships and Events	9,960,381	7,470,286	9,906,783	(2,436,497)
Total	133,560,583	100,170,437	84,793,847	15,376,590

17. SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS

The Third Quarter performance is informed by the Revised BCMM SDBIP 2025/2026 adopted by the Council on the 31 March 2026.

BCMM has categorised its performance indicators and targets into two; that are; National prescribed performance indicators and BCMM indicators. These two categories are reflected on each Directorate report.

These indicators are further classified as follows:

- **Service delivery indicators and targets.** These are indicators that are budgeted for and are addressing service delivery needs or priorities.
- **Compliance indicators.** These are indicators that respond to different legislations, norms and standards and are measuring how effective is the municipality responds to needs, complaints and priorities of the communities.

Below is the summary of the **un-audited** third quarter service delivery targets and performance indicators report per directorate.

17.1. SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS THIRD QUARTER 2025/2026 PER DIRECTORATE

i. Executive Support Services

The Directorate has two service delivery indicators/targets and both of them have been achieved. The Directorate has achieved 100% performance for Service Delivery indicators/targets.

ii. Human Settlements

The Directorate has five service delivery indicators/targets, Two indicator/ target have been achieved and one not been achieved. Two are not for reporting for this quarter. The Directorate has achieved 67% performance for Service Delivery indicators/targets.

iii. **Directorate Of Finance**

The Directorate has two service delivery indicators/targets, both have been achieved. The Directorate has achieved 100% performance for Service Delivery indicators/targets.

iv. **Corporate Services**

The Directorate has one service delivery indicator/target and it has been achieved. The Directorate has achieved 100% performance for Service Delivery indicators/targets.

v. **Office of the Chief Operations Officer**

The Directorate has four service delivery indicators/targets. One achieved and one not achieved. Two are not for reporting for this quarter. The Directorate has achieved 50% performance for Service Delivery indicators/targets.

vi. **Spatial Planning And Development**

The Directorate has six service delivery indicators/targets, three have been achieved and three indicators are not for reporting for this quarter. The Directorate has achieved 100% performance for Service Delivery indicators/targets.

vii. **Economic Development And Agencies**

The Directorate has eleven service delivery indicators/targets, five have been achieved and three not achieved. Three indicators are not for reporting this quarter. The Directorate has achieved 56% performance for Service Delivery indicators/targets.

viii. **Public Safety And Emergency Services**

The Directorate has four service delivery indicators/targets and one has been achieved and one not achieved. Two indicators are not for reporting for this quarter. The Directorate has achieved 50% performance for Service Delivery indicators/targets.

ix. Solid Waste And Environmental Management

The Directorate has two service delivery indicators/targets and two have been achieved for this quarter. The Directorate has achieved 100% performance for Service Delivery indicators/targets.

x. Sport, Recreation And Community Development

The Directorate has fourteen are service delivery indicators/targets, five have been achieved and six not achieved. Three indicators are not for reporting for this quarter. The Directorate has achieved 45% performance for Service Delivery indicators/targets.

xi. Electricity and Energy

The Directorate has four service delivery indicators/targets and two have been achieved. One not achieved. One not for reporting for this quarter. The Directorate has achieved 67% performance for Service Delivery indicators/targets.

xii. Infrastructure Services (Roads and Stormwater)

The Directorate has nine service delivery indicators/targets and four have been achieved, two not achieved and three are not for reporting for this quarter. The Directorate has achieved 67% performance for Service Delivery indicators/targets.

xiii. Water and Sanitation

The Directorate has six service delivery indicators/targets and four have been achieved, and one not achieved. One indicator is not for reporting for this quarter. The Directorate has achieved 80% performance for Service Delivery indicators/targets.

Table 34: Summary of BCMM Third Quarter (Service Delivery) Performance per Directorate

Directorates	Total no. of Service Delivery KPI(s)	No. of KPI(s) achieved	No. of KPI's not achieved	Not for reporting this quarter	Third Quarter % of KPI's achieved
Executive Support Services	2	2	0	0	100%
Human Settlements	5	2	1	2	67%
Directorate of Finance	2	2	0	0	100%
Corporate Services	1	1	0	0	100%
COO	4	1	1	2	50%
Infrastructure Services (Roads and Stormwater)	9	4	2	3	67%
Spatial Planning & Development	6	3	0	3	100%
Economic Development and Agencies	11	5	3	3	56%
Public Safety and Emergency Services	4	1	1	2	50%
Solid Waste and Environmental Management	2	2	0	0	100%
Sport, Recreation And Community Development	14	5	6	3	45%
Electricity and Energy	4	2	1	1	67%
Water and Sanitation	6	4	1	1	80%

17.2. PERFORMANCE TARGETS THAT ARE FOR COMPLIANCE AND REPORTING ONLY

i. Executive Support Services

The Directorate has four compliance and reporting indicators/targets and two have been achieved and one not achieved. One indicator is not for reporting for this quarter.

ii. Human Settlements

The Directorate has one compliance and reporting indicator/target and it has been achieved.

iii. Directorate Of Finance

The Directorate has thirty-three compliance and reporting indicators/targets. Eighteen have been achieved and two have not been achieved. Thirteen are not for reporting for this quarter.

iv. Corporate Services

The Directorate has a total of eight compliance & reporting indicators/targets and four have been achieved. Three have not been achieved and one is not for reporting for this quarter.

v. Spatial Planning And Development

The Directorate has two compliance indicators/targets and both have been achieved.

vi. Economic Development And Agencies

The Directorate has a total of two compliance indicators/targets and both have been achieved.

vii. Public Safety And Emergency Services

The Directorate has four compliance & reporting indicators/targets and three have been achieved and one not achieved.

viii. Solid Waste And Environmental Management

The Directorate has seven compliance & reporting indicators/ targets.
Three indicators have been achieved and four are not for reporting.

ix. Sport, Recreation And Community Development

The Directorate has no compliance indicators/targets.

x. Electricity and Energy

The Directorate has one compliance and reporting indicator/target and it has been achieved.

xi. Water and Sanitation

The Directorate has five compliance indicators/targets and one has been achieved. Four indicators are not for reporting for this quarter.

xii. Infrastructure Services (Roads and Stormwater)

The Directorate has no compliance indicators/targets.

xiii. Office of the Chief Operations Officer

The Directorate has no compliance indicators/targets.

**Table 35: Summary of BCMM Third Quarter (Compliance/Reporting)
Performance per Directorate**

Directorates	Total no. of Compliance KPI(s)	No. of KPI(s) achieved	No. of KPI's not achieved	Not for reporting this quarter
Executive Support Services	4	2	1	1
Human Settlements	1	1	0	0
Directorate of Finance	33	18	2	13
Corporate Services	8	4	3	1
Infrastructure Services (Roads and Stormwater)	N/A	N/A	N/A	N/A
Spatial Planning & Development	2	2	0	0
Economic Development and Agencies	2	2	0	0
Public Safety and Emergency Services	4	3	1	0
Solid Waste and Environmental Management	7	3	0	4
Sport, Recreation And Community Development	N/A	N/A	N/A	N/A
Electricity and Energy	1	1	0	0
Water and Sanitation	5	1	0	4

17.3. CONCLUSION

This Third quarter Service Delivery targets and Performance indicators Report 2025/2026 is **unaudited** at this stage and is still going to be subjected to internal audit processes.

18. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

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

☐

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

for the period ending **March 2026** 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: