REPORT TO COUNCIL: 22 OCTOBER 2026

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AUTHOR: Executive Mayor (P. Faku)/my

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2026/27 BUDGET FOR THE PERIOD ENDED 30 SEPTEMBER 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 2026/27 budget of the Buffalo City Metropolitan Municipality for the period ended 30 September 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 2026/27 budget for the period ended 30 September 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 30 September 2026 of 75.75%.

(iv) Council **NOTES** the implemented and approved virement request from Directorate of Sports, Recreation and Community Development to Directorate of Corporate Services as indicated in section 16 of this report.

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P. FAKU **DATE**

EXECUTIVE MAYOR

BUFFALO CITY METROPOLITAN MUNICIPALITY

MXOLISI YAWA/ SP

ANNEXURES:

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Service Delivery and Budget Implementation Plan 2026/2027

6. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY FOR THE PERIOD ENDED 30 SEPTEMBER 2026

6.1. Dashboard / Performance Summary

Table 1: Performance Summary

OVERALL OPERATING RESULTS – 30 SEPTEMBER 2025		OVERALL OPERATING RESULTS – 30 SEPTEMBER 2026	
Income	R 3 064 923 066	Income	R 3 035 395 391
Expenditure	(R 2 986 756 238)	Expenditure	(R 3 161 151 796)
Operating Surplus/(Deficit) before Transfers and Subsidies Recognised – Capital	R 78 166 827	Operating Surplus/(Deficit) before Transfers and Subsidies Recognised – Capital	(R 125 756 405)
Transfers and Subsidies Recognized – Capital	R 20 283 141	Transfers and Subsidies Recognised – Capital	R 26 625 968
Intercompany/Parent subsidiary transactions	R 16 521 739	Intercompany/Parent subsidiary transactions	R 0
Surplus/(Deficit) after Capital Transfers	R 114 971 708	Surplus/(Deficit) after Capital Transfers	(R 99 130 437)
CASH MANAGEMENT – 30 SEPTEMBER 2025		**CASH MANAGEMENT – 30 SEPTEMBER 2026**	
Cash and cash equivalents	**R 910 750 972**	**Cash and cash equivalents**	**R 674 728 072**
Account Payables	(R 1 299 763 012)	Account Payables	(R 1 183 032 064)
Unspent conditional grants	(R 357 738 784)	Unspent conditional grants	(R 214 150 266)
Committed to Capital budget-own funds	(R 400 345 423)	Committed to Capital budget-own funds	(R 442 362 284)
DEBTORS – 30 SEPTEMBER 2025		**DEBTORS – 30 SEPTEMBER 2026**	
Total debtors' book (incl. impairment)	R 9 307 083 460	Total debtors' book (incl. impairment)	R 10 969 277 058
Total debtors – Government	R 183 547 397	Total debtors – Government	R 279 398 498
Total debtors – Business	R 1 729 252 403	Total debtors – Business	R 1 831 888 203
Total debtors – Households	R 7 394 283 660	Total debtors – Households	R 8 857 990 357
Total debt written off incl. Vat (YTD)	R 336 664 566	Total debt written off incl. Vat (YTD)	R 74 807 922
TOTAL LONG-TERM LOANS		**SURPLUS / (DEFICIT) PER SERVICE**	
30 SEPTEMBER 2025	**30 SEPTEMBER 2026**	**30 SEPTEMBER 2025**	**30 SEPTEMBER 2026**
R 64 215 242	R 44 310 917	Water R 76 951 095	R 92 445 254
REPAIRS AND MAINTENANCE		Electricity (R 395 910 281)	(R 388 572 603)
30 SEPTEMBER 2025	**30 SEPTEMBER 2026**	Refuse R 82 576 236	R 41 097 274
Exp.= R372.30 m, which is 71% of budget of R527.75 m	Exp.= R46.54m, which is 10% of budget of R460.41m	Sewerage R 129 893 059	R 101 481 958
CAPITAL EXPENDITURE		**OPERATING PROJECTS EXPENDITURE**	
30September 2025: Exp. as a % of Adjusted Budget of R1.26b:	**30 September 2026: Exp. as a % of Adjusted Budget of R1.45b:**	**30 September 2025: Exp. as a % of Adjusted Budget of R637.11m:**	**30 September 2026: Exp. as a % of Adjusted Budget of R547.44m:**
Exp. (excl. vat) = R118,91 mil % exp. (Excl. vat) :9% Exp. (incl. vat) = R128,65 mil % exp. (incl. vat): 10%	Exp. (excl. vat) = R81.39 mil % exp. (Excl. vat) :6% Exp. (incl. vat) = R83.01 mil % exp. (incl. vat): 6%	Exp. (excl. vat) = R44.34 mil % exp. (excl. vat): 7% Exp. (incl. vat) = R45.70 mil % exp. (incl. vat): 7%	Exp. (excl. vat) = R104.05 mil % exp. (excl. vat): 19% Exp. (incl. vat) = R104.09 mil % exp. (incl. vat): 19%

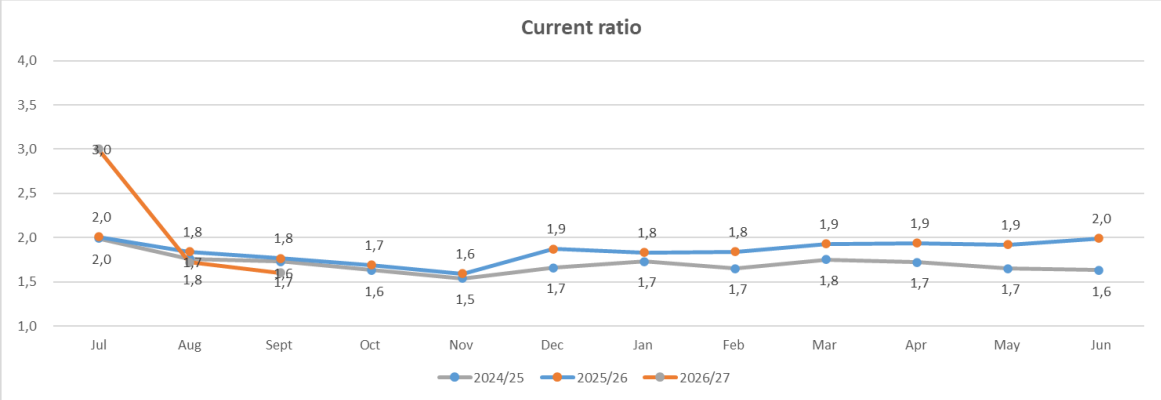
FINANCIAL	30 September 2025	30 September 2026	HUMAN RESOURCES 30 September 2026	
Operating Surplus/(Deficit) after Capital Transfers and Intercompany transactions	114 971 708	(R 99 130 437)	Total staff complement	4 803
Debtors' collection ratio	70,63%	75,75%	Staff Appointments	53
YTD Grants and subsidies: recognized – Capital	R 20 283 141	R 26 625 968	Staff Terminations	41
Creditor's payment days	14 days	40 days	Number of funded vacant posts (under recruitment process)	388
Current ratio	1,77:1	1.60:1	Total overtime paid (YTD)	R 54 265 097
Total Debt to Revenue	0,62%:	0.41%	Allowances and benefits – Councillors (YTD)	R 19 026 413
Capital Charges to Operating Expenditure	0,17%	0.41%	Salary bill – Officials (YTD)	R 753 59 709
Cost coverage ratio	0.78 month	0.61 month	Workforce costs as a % of expenditure	24.44%

6.2. Liquidity position

Buffalo City Metropolitan Municipality's liquidity is considered stable as the Current Ratio is 1.60:1. 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

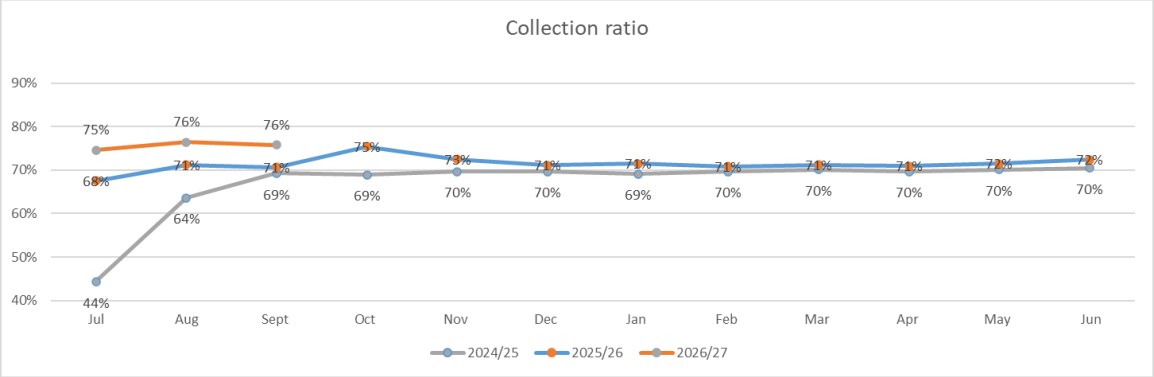


6.3. Collection Rate and Outstanding Debtors

The year-to-date collection rate as at 30 September 2026 is 75.75% (2025/26: 70.63%). This ratio denotes the City's ability to collect the billed revenue from its consumers. The collection rate has decreased by 0.70% from last month where 76.45% was achieved for the period ended 31 August 2026. Refer to Section 8 for further details.

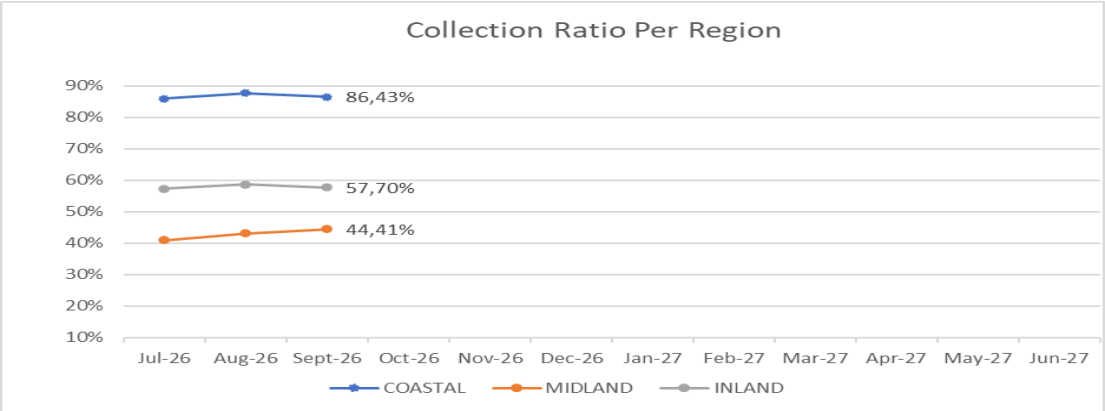
The graph below shows a comparison of the monthly collection ratio for the current financial year and the two previous financial years.

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 30 September 2026 per region is as follows: Coastal 86,43% Midland 44,41% and Inland 57,70%.

Figure 3: Collection Ratio Per Region



Total gross debtors' book (including current accounts) as at 30 September 2026 amounts to R10.97 billion (2025/26 R9.31 billion). Households: R8.86 billion, Business: R1.83 billion and Government: R279.40 million. Refer to section 8 of the report for details on debtors' management. The debtors' age analysis report is reflected on Annexure B – SC2.

6.4. Capital Expenditure

The Metro has spent 6% (R83.01 million, inclusive of reclaimed vat) of its 2026/27 adjusted capital budget of R1.45 billion as at 30 September 2026. This reflects a decline when compared to the same period in the previous financial year where 10% (R128.65 million, inclusive of reclaimed vat) of the adjusted capital budget of R1.26 billion was spent. Low expenditure can be attributed to the challenge the Metro is experiencing with the automation of the new e-procurement system. However, this is being attended to and a manual system is being utilised as the Metro deals with the continuing challenges. Expenditure will improve once the Metro has dealt with the challenges of automation. (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 19% (R104.09 million, inclusive of reclaimed vat) of its 2026/27 adjusted operating projects budget of R547.44 million as at 30 September 2026. This reflects an improvement when compared to the same period in the previous financial year where 7% (R45.70 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R637.11 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)

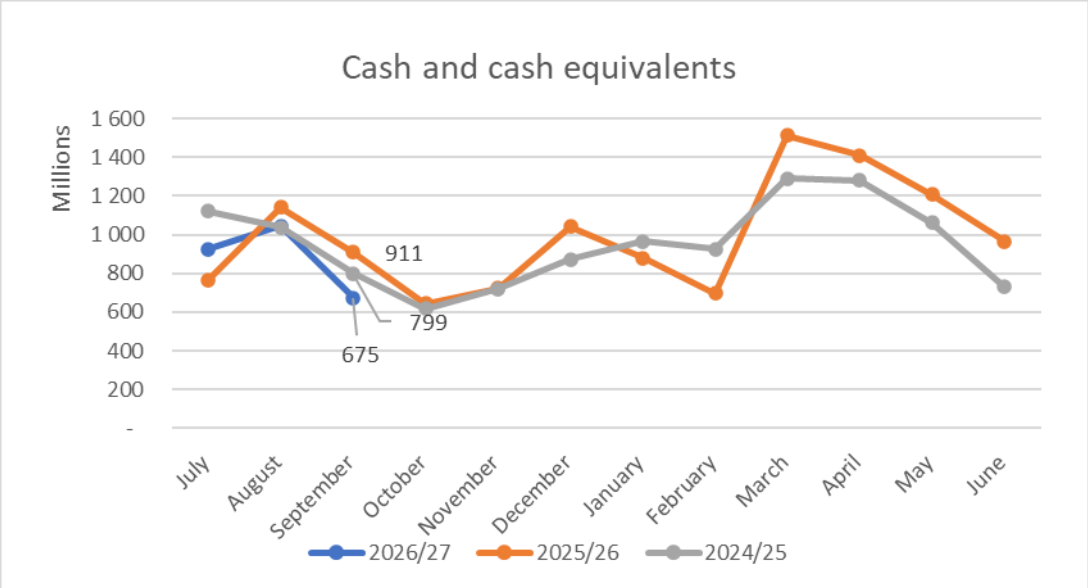
The Metro has spent 5% (R50.00 million, inclusive of reclaimed vat) of its 2026/27 conditional grants approved adjusted budget of R1.10 billion as at 30 September 2026. This expenditure reflects a decline when compared to the same period in the previous financial year where 12% (R111.39 million, inclusive of reclaimed vat) of conditional grants budget of R938.54 million was spent. Low expenditure can be attributed to the challenge the Metro is experiencing with the automation of the new e-procurement system. However, this is being attended to and a manual system is being utilised as the Metro deals with the continuing challenges. Expenditure will improve once the Metro has dealt with the challenges of automation (Refer to Section 11.1 for further details).

6.7. Cash and Cash Equivalents

The cash and cash equivalents of the City as at 30 September 2026 is R674.73. 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 a decline 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 – SC16 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 0.61 month. This ratio indicates the municipality's ability to meet its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue during that period.

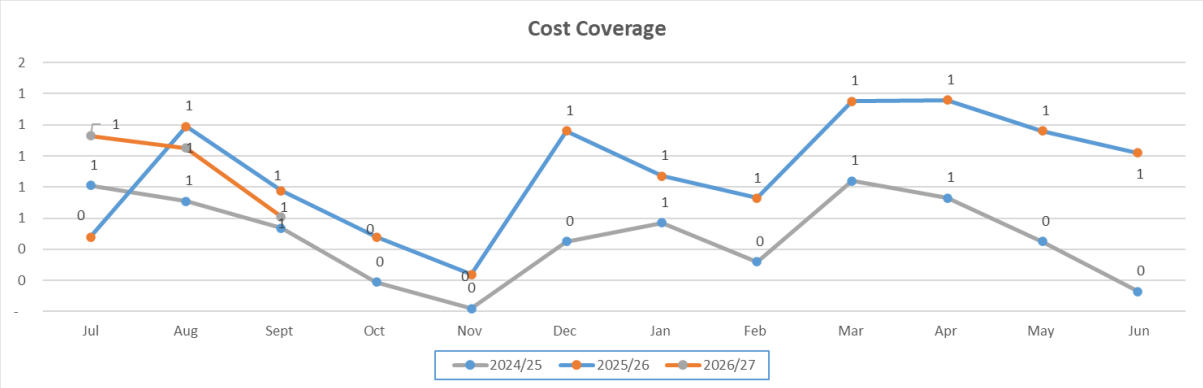
This ratio denotes that the City will struggle to meet its monthly operating commitments as the ratio is below the norm of 1-3 months as per the MFMA circular 71. The City's cost coverage will have a short- and long-term negative effect on the City's Credit Ratings.

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 (30 September 2026) is 40 days.

Table 2 below reflects a breakdown of Account Payables for the reporting period under review which amounted to R1,18 billion made up of the following:

Table 2: Account Payables breakdown

Account Payables	Amount
Trade payables	609 526 780
Payments received in advance	247 213 301
Retention monies	73 629 569
Accrued leave pay	179 871 212
Deposits received	8 352 046
Sundry creditors - other	64 439 155
Total	**1 183 032 064**

6.9. Long-Term Debt Profile

The total long-term borrowings of the municipality as at 30 September 2026 amounts to R44.31 million. Refer to Annexure C for the schedule of borrowings. The ratio of capital charges to operating expenditure as at 30 September 2026 is 0.41%. 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 0.41% as at 30 September 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 388 572 603 for the period ended 30 September 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 - M03 September

Description	2025/26	Budget Year 2026/27							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Financial Performance									
Property rates	2,196,406	2,382,109	2,382,109	171,552	666,989	689,382	(22,393)	-3%	2,382,109
Service charges	5,473,214	5,853,646	5,853,646	452,808	1,404,433	1,549,497	(145,064)	-9%	5,853,646
Investment revenue	61,054	60,460	60,460	5,577	15,105	17,140	(2,035)	-12%	60,460
Transfers and subsidies - Operational	1,598,144	1,669,116	1,716,877	1,588	581,412	542,490	38,922	0	1,716,877
Other own revenue	1,716,637	1,495,028	1,495,028	33,730	367,456	446,731	(79,275)	-18%	1,495,028
Total Revenue (excluding capital transfers and contributions)	**11,045,455**	**11,460,359**	**11,508,120**	**665,254**	**3,035,395**	**3,245,239**	**(209,844)**	**-6%**	**11,508,120**
Employee costs	2,941,022	3,146,710	3,146,710	261,097	753,595	759,047	(5,452)	-1%	3,146,710
Remuneration of Councillors	75,451	85,453	85,453	6,325	19,026	18,381	645	4%	85,453
Depreciation, amortisation and impairment	2,694,757	587,597	602,597	125,165	383,815	157,739	226,077	143%	602,597
Interest, Dividends and Rent on Land	45,566	44,669	44,669	458	1,406	12,766	(11,361)	-89%	44,669
Inventory consumed and bulk purchases	3,293,507	3,641,393	3,640,893	402,134	1,110,940	1,121,371	(10,431)	-1%	3,640,893
Transfers and subsidies	127,307	111,237	120,207	4,863	30,823	30,121	702	2%	120,207
Other expenditure	4,419,877	3,841,205	3,865,496	309,580	861,546	843,376	18,171	2%	3,865,496
Total Expenditure	**13,597,487**	**11,458,264**	**11,506,025**	**1,109,623**	**3,161,152**	**2,942,801**	**218,351**	**7%**	**11,506,025**
Surplus/(Deficit)	**(2,552,032)**	**2,095**	**2,095**	**(444,368)**	**(125,756)**	**302,439**	**(428,195)**	**-142%**	**2,095**
Transfers and subsidies - capital (monetary allocations)	998,541	971,963	971,963	24,578	26,626	81,519	(54,893)	-67%	971,963
Transfers and subsidies - capital (in-kind)	2,329	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	**(1,551,162)**	**974,058**	**974,058**	**(419,790)**	**(99,130)**	**383,957**	**(483,088)**	**-126%**	**974,058**
Share of surplus/ (deficit) of associate	(3,441)	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**(1,554,603)**	**974,058**	**974,058**	**(419,790)**	**(99,130)**	**383,957**	**(483,088)**	**-126%**	**974,058**
Capital expenditure & funds sources									
Capital expenditure	**1,131,834**	**1,397,435**	**1,454,492**	**77,508**	**81,393**	**343,963**	**(262,570)**	**-76%**	**1,454,492**
Capital transfers recognised	902,457	970,547	971,377	40,398	41,357	232,185	(190,829)	-82%	971,377
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	**229,376**	**426,889**	**483,115**	**37,110**	**40,036**	**111,778**	**(71,741)**	**-64%**	**483,115**
Total sources of capital funds	**1,131,834**	**1,397,435**	**1,454,492**	**77,508**	**81,393**	**343,963**	**(262,570)**	**-76%**	**1,454,492**
Financial position									
Total current assets	6,383,658	6,217,402	6,185,345		6,357,519				6,185,345
Total non current assets	33,002,760	41,669,059	41,726,116		32,700,337				41,726,116
Total current liabilities	4,977,726	4,150,239	4,175,239		4,752,290				4,175,239
Total non current liabilities	1,566,431	1,116,907	1,116,907		1,562,254				1,116,907
Community wealth/Equity	**35,323,240**	**42,619,316**	**42,619,316**		**32,743,312**				**42,619,316**
Cash flows									
Net cash from (used) operating	6,334,881	1,451,304	1,476,304	24,293	1,831,151	224,350	(1,606,801)	-716%	1,476,304
Net cash from (used) investing	(1,202,968)	(1,393,399)	(1,450,456)	(77,507)	(79,658)	(362,614)	(282,956)	78%	(1,450,456)
Net cash from (used) financing	(22,390)	(17,323)	(17,323)	(9,681)	(8,459)	(4,331)	4,128	-95%	(17,323)
Cash/cash equivalents at the month/year end	**5,840,552**	**842,767**	**810,710**	**2,716,871**	**2,716,871**	**659,590**	**(2,057,281)**	**-312%**	**982,361**
Debtors & creditors analysis	**0-30 Days**	**31-60 Days**	**61-90 Days**	**91-120 Days**	**121-150 Dys**	**151-180 Dys**	**181 Dys-1 Yr**	**Over 1Yr**	**Total**
Debtors Age Analysis									
Total By Income Source	849,058	331,246	296,106	284,126	267,004	253,291	1,372,817	7,315,630	10,969,277
Creditors Age Analysis									
Total Creditors	1,147,566	35,466	–	–	–	–	–	–	1,183,032

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) - M03 September

Description	Ref	2025/26	Budget Year 2026/27							
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue - Functional										
Governance and administration		**3 892 682**	**3 844 656**	**3 845 377**	**181 367**	**1 130 093**	**1 159 503**	(29 410)	-3%	**3 845 377**
Executive and council		18 518	13 076	13 076	(1 139)	3 804	4 184	(380)	-9%	13 076
Finance and administration		3 874 164	3 815 828	3 816 549	182 505	1 126 289	1 150 278	(23 989)	-2%	3 816 549
Internal audit		–	15 753	15 753	–	–	5 041	(5 041)	-100%	15 753
Community and public safety		**586 098**	**669 503**	**669 503**	**22 761**	**81 884**	**132 780**	(50 896)	-38%	**669 503**
Community and social services		33 609	38 281	38 281	806	2 592	9 411	(6 820)	-72%	38 281
Sport and recreation		14 499	49 375	49 375	179	538	6 672	(6 134)	-92%	49 375
Public safety		268 954	223 012	223 012	13 154	68 458	55 577	12 881	23%	223 012
Housing		268 187	358 791	358 791	8 551	10 087	61 112	(51 026)	-83%	358 791
Health		849	43	43	71	209	7	201	2725%	43
Economic and environmental services		**291 182**	**180 088**	**225 276**	**2 633**	**8 708**	**42 390**	(33 681)	-79%	**225 276**
Planning and development		74 741	116 126	116 126	1 489	7 564	28 718	(21 154)	-74%	116 126
Road transport		216 442	63 962	109 150	1 144	1 144	13 672	(12 528)	-92%	109 150
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**7 192 577**	**7 641 927**	**7 641 927**	**477 873**	**1 829 643**	**1 977 670**	**(148 027)**	-7%	**7 641 927**
Energy sources		3 704 026	4 064 326	4 064 326	298 611	1 001 677	1 133 354	(131 677)	-12%	4 064 326
Water management		1 737 339	1 659 437	1 659 437	81 629	385 007	409 943	(24 937)	-6%	1 659 437
Waste water management		956 708	1 013 515	1 013 515	53 568	225 333	226 651	(1 318)	-1%	1 013 515
Waste management		794 505	904 650	904 650	44 065	217 626	207 721	9 905	5%	904 650
Other	4	**83 787**	**96 148**	**98 000**	**5 199**	**11 693**	**14 415**	**(2 722)**	**-19%**	**98 000**
Total Revenue - Functional	2	**12 046 326**	**12 432 322**	**12 480 083**	**689 833**	**3 062 021**	**3 326 758**	**(264 737)**	**-8%**	**12 480 083**
Expenditure - Functional										
Governance and administration		**3 243 452**	**2 243 351**	**2 246 842**	**170 608**	**590 468**	**539 001**	51 467	10%	**2 246 842**
Executive and council		1 296 206	421 314	421 314	23 792	106 106	98 116	7 990	8%	421 314
Finance and administration		1 934 548	1 804 299	1 807 790	145 528	480 840	436 820	44 019	10%	1 807 790
Internal audit		12 699	17 738	17 738	1 288	3 523	4 065	(542)	-13%	17 738
Community and public safety		**1 613 320**	**1 555 343**	**1 552 574**	**137 942**	**354 603**	**346 912**	7 692	2%	**1 552 574**
Community and social services		214 903	192 665	192 094	18 035	46 777	46 966	(189)	0%	192 094
Sport and recreation		545 152	511 274	509 076	42 214	123 059	119 191	3 868	3%	509 076
Public safety		648 654	603 525	603 525	55 590	142 264	140 978	1 286	1%	603 525
Housing		147 208	171 087	171 087	16 881	28 207	23 359	4 848	21%	171 087
Health		57 403	76 792	76 792	5 222	14 297	16 418	(2 121)	-13%	76 792
Economic and environmental services		**1 090 147**	**740 487**	**775 675**	**68 927**	**204 924**	**179 483**	25 441	14%	**775 675**
Planning and development		305 165	265 444	265 444	14 781	41 115	63 352	(22 237)	-35%	265 444
Road transport		784 981	475 043	510 230	54 146	163 808	116 131	47 678	41%	510 230
Environmental protection		–	–	–	–	–	–	–		–
Trading services		**7 483 035**	**6 738 641**	**6 738 641**	**725 678**	**1 973 198**	**1 835 210**	**137 988**	8%	**6 738 641**
Energy sources		4 231 551	4 538 874	4 534 074	509 602	1 361 207	1 323 208	37 999	3%	4 534 074
Water management		1 733 429	1 054 281	1 059 081	107 227	296 164	244 341	51 823	21%	1 059 081
Waste water management		606 124	514 887	514 887	44 630	134 206	116 749	17 457	15%	514 887
Waste management		911 931	630 598	630 598	64 219	181 622	150 912	30 710	20%	630 598
Other		**164 093**	**180 442**	**192 294**	**6 467**	**37 958**	**42 196**	**(4 238)**	**-10%**	**192 294**
Total Expenditure - Functional	3	**13 594 046**	**11 458 264**	**11 506 025**	**1 109 623**	**3 161 152**	**2 942 802**	**218 350**	**7%**	**11 506 025**
Surplus/ (Deficit) for the year		**(1 547 720)**	**974 058**	**974 058**	**(419 790)**	**(99 130)**	**383 957**	**(483 087)**	**-1,258181**	**974 058**

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) - M03 September

Vote Description		2025/26	Budget Year 2026/27							
R thousands	Ref	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue by Vote	1									
Vote 01 - Directorate - Executive Support Services		216	3	724	–	–	132	(132)	-100,0%	724
Vote 02 - Directorate - Municipal Manager		18 548	30 133	30 133	(1 139)	3 804	9 643	(5 839)	-60,6%	30 133
Vote 03 - Directorate - Human Settlement		268 187	358 791	358 791	8 551	10 087	61 112	(51 026)	-83,5%	358 791
Vote 04 - Directorate - Chief Financial Officer		3 790 775	3 768 502	3 768 502	179 868	1 131 156	1 136 323	(5 167)	-0,5%	3 768 502
Vote 05 - Directorate - Corporate Services		12 168	27 303	27 303	668	2 048	8 521	(6 473)	-76,0%	27 303
Vote 06 - Directorate - Infrastructure Services		6 614 514	6 801 239	6 846 427	434 952	1 613 161	1 783 621	(170 460)	-9,6%	6 846 427
Vote 07 - Directorate - Spatial Planning And Development		131 461	67 848	67 848	3 279	(4 054)	11 635	(15 689)	-134,8%	67 848
Vote 08 - Directorate - Health / Public Safety & Emergency Services		268 954	223 012	223 012	13 154	68 458	55 577	12 881	23,2%	223 012
Vote 09 - Directorate - Municipal Services		(18)	–	–	–	–	–	–		–
Vote 10 - Directorate - Economic Development & Agencies		131 085	163 141	164 993	5 377	16 396	36 382	(19 986)	-54,9%	164 993
Vote 11 - Directorate - Solid Waste And Environmental Management		797 647	909 444	909 444	44 136	217 835	208 154	9 681	4,7%	909 444
Vote 12 - Directorate - Sport, Recreation & Community Development		45 833	82 905	82 905	985	3 130	15 658	(12 528)	-80,0%	82 905
Total Revenue by Vote	2	**12 079 369**	**12 432 322**	**12 480 083**	**689 833**	**3 062 021**	**3 326 758**	**(264 737)**	**-8,0%**	**12 480 083**
Expenditure by Vote	1									
Vote 01 - Directorate - Executive Support Services		1 311 427	321 944	322 665	19 260	69 723	77 901	(8 177)	-10,5%	322 665
Vote 02 - Directorate - Municipal Manager		194 833	208 639	208 639	13 957	66 672	42 569	24 103	56,6%	208 639
Vote 03 - Directorate - Human Settlement		146 841	170 716	170 716	16 873	28 003	23 267	4 736	20,4%	170 716
Vote 04 - Directorate - Chief Financial Officer		1 358 986	1 290 272	1 290 272	97 601	318 879	315 073	3 806	1,2%	1 290 272
Vote 05 - Directorate - Corporate Services		260 671	266 070	268 839	21 322	93 921	68 266	25 656	37,6%	268 839
Vote 06 - Directorate - Infrastructure Services		7 520 877	6 717 677	6 752 865	728 025	1 982 046	1 832 190	149 857	8,2%	6 752 865
Vote 07 - Directorate - Spatial Planning And Development		254 435	288 221	288 221	20 515	55 470	69 092	(13 622)	-19,7%	288 221
Vote 08 - Directorate - Health / Public Safety & Emergency Services		656 254	612 502	612 502	56 105	143 163	142 983	181	0,1%	612 502
Vote 09 - Directorate - Municipal Services		–	–	–	–	–	–	–		–
Vote 10 - Directorate - Economic Development & Agencies		209 008	236 092	247 944	9 110	46 371	53 968	(7 598)	-14,1%	247 944
Vote 11 - Directorate - Solid Waste And Environmental Management		1 098 190	858 220	858 220	80 026	226 942	201 249	25 693	12,8%	858 220
Vote 12 - Directorate - Sport, Recreation & Community Development		582 523	487 911	485 142	46 828	129 960	116 245	13 715	11,8%	485 142
Total Expenditure by Vote	2	**13 594 046**	**11 458 264**	**11 506 025**	**1 109 623**	**3 161 152**	**2 942 801**	**218 351**	**7,4%**	**11 506 025**
Surplus/ (Deficit) for the year	2	**(1 514 677)**	**974 058**	**974 058**	**(419 790)**	**(99 130)**	**383 957**	**(483 088)**	**-125,8%**	**974 058**

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

The statement of financial performance presented in table below, compares the expenditure and revenue on accrual basis against budget for the period ended 30 September 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) - M03 September

Description	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue										
Exchange Revenue										
Service charges - Electricity		3 290 952	3 542 330	3 542 330	283 930	864 210	1 005 313	(141 103)	-14%	3 542 330
Service charges - Water		1 102 068	1 079 693	1 079 693	74 896	245 009	269 480	(24 472)	-9%	1 079 693
Service charges - Waste Water Management		591 739	643 739	643 739	51 113	167 452	149 605	17 847	12%	643 739
Service charges - Waste management		488 456	587 884	587 884	42 869	127 762	125 098	2 664	2%	587 884
Sale of Goods and Rendering of Services		127 315	138 203	138 203	10 637	32 612	27 799	4 813	17%	138 203
Agency services		22 687	30 476	30 476	2 052	10 126	10 362	(236)	-2%	30 476
Interest								–		
Interest earned from Receivables		356 607	291 996	291 996	7 963	19 942	82 781	(62 838)	-76%	291 996
Interest from Current and Non Current Assets		61 054	60 460	60 460	5 577	15 105	17 140	(2 035)	-12%	60 460
Dividends								–		
Rent on Land								–		
Rental from Fixed Assets		36 343	26 242	26 242	2 508	(5 519)	9 055	(14 574)	-161%	26 242
Licence and permits								–		
Special rating levies								–		
Construction Contract Revenue										
Development Charges		–	–	–	–	–	–			–
Operational Revenue		51 757	90 890	90 890	3 436	12 658	17 031	(4 373)	-26%	90 890
Non-Exchange Revenue								–		
Property rates		2 196 406	2 382 109	2 382 109	171 552	666 989	689 382	(22 393)	-3%	2 382 109
Surcharges and Taxes								–		
Fines, penalties and forfeits		63 436	10 482	10 482	1 074	2 968	3 542	(574)	-16%	10 482
Licence and permits		15 712	13 432	13 432	1 290	3 652	2 756	896	32%	13 432
Transfers and subsidies - Operational		1 598 144	1 669 116	1 716 877	1 588	581 412	542 490	38 922	7%	1 716 877
Interest		152 835	6 741	6 741	157	475	1 451	(976)	-67%	6 741
Fuel Levy		798 042	827 976	827 976	–	275 992	276 047	(55)	0%	827 976
Operational Revenue		62 642	58 591	58 591	4 613	14 550	15 907	(1 357)	-9%	58 591
Gains on disposal of Fixed and Intangible Assets		171	–	–	–	–	–	–		–
Other Gains		29 091	–	–	–	–	–	–		–
Discontinued Operations								–		
Total Revenue (excluding capital transfers and contributions)		**11 045 455**	**11 460 359**	**11 508 120**	**665 254**	**3 035 395**	**3 245 239**	**(209 844)**	**-6%**	**11 508 120**

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

Description R thousands	Ref	2025/26	Budget Year 2026/27							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Expenditure By Type										
Employee related costs		2 941 022	3 146 710	3 146 710	261 097	753 595	759 047	(5 452)	-1%	3 146 710
Remuneration of councillors		75 451	85 453	85 453	6 325	19 026	18 381	645	4%	85 453
Bulk purchases - electricity		2 873 703	3 334 209	3 334 209	380 969	1 036 714	1 057 611	(20 898)	-2%	3 334 209
Inventory consumed		419 804	307 184	306 684	21 165	74 227	63 760	10 467	16%	306 684
Debt impairment		2 131 001	1 910 728	1 910 728	158 946	477 600	478 255	(655)	0%	1 910 728
Depreciation, amortisation and impairment		2 694 757	587 597	602 597	125 165	383 815	157 739	226 077	143%	602 597
Interest, Dividends and Rent on Land		45 566	44 669	44 669	458	1 406	12 766	(11 361)	-89%	44 669
Contracted services		1 038 743	1 210 535	1 227 373	77 220	191 925	139 143	52 782	38%	1 227 373
Transfers and subsidies		127 307	111 237	120 207	4 863	30 823	30 121	702	2%	120 207
Irrecoverable debts written off		–	–	–	–	–	–	–		–
Operational costs		700 466	592 101	599 555	61 550	160 280	194 528	(34 248)	-18%	599 555
Disposal of Fixed and Intangible Assets		217 174	–	–	–	8	–	8		–
Other Losses		332 494	127 841	127 841	11 864	31 732	31 449	284	1%	127 841
Total Expenditure		**13 597 487**	**11 458 264**	**11 506 025**	**1 109 623**	**3 161 152**	**2 942 801**	**218 351**	**7%**	**11 506 025**
Surplus/(Deficit)		**(2 552 032)**	**2 095**	**2 095**	**(444 368)**	**(125 756)**	**302 439**	**(428 195)**	**(0)**	**2 095**
Transfers and subsidies - capital (monetary allocations)		998 541	971 963	971 963	24 578	26 626	81 519	(54 893)	**(0)**	971 963
Transfers and subsidies - capital (in-kind)		2 329	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**(1 551 162)**	**974 058**	**974 058**	**(419 790)**	**(99 130)**	**383 957**	**(483 088)**	**(0)**	**974 058**
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) after income tax		**(1 551 162)**	**974 058**	**974 058**	**(419 790)**	**(99 130)**	**383 957**	**(483 088)**	**(0)**	**974 058**
Share of Surplus/Deficit attributable to Joint Venture								–		
Share of Surplus/Deficit attributable to Minorities								–		
Surplus/(Deficit) attributable to municipality		**(1 551 162)**	**974 058**	**974 058**	**(419 790)**	**(99 130)**	**383 957**	(483 088)	(0)	**974 058**
Share of Surplus/Deficit attributable to Associate		(3 441)	–	–	–	–	–	–		–
Intercompany/Parent subsidiary transactions		33 043	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year		**(1 521 559)**	**974 058**	**974 058**	**(419 790)**	**(99 130)**	**383 957**	**(483 088)**	**(0)**	**974 058**

7.4.1 ANALYSIS OF STATEMENT OF FINANCIAL PERFORMANCE

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

7.4.1.1 Service charges – Electricity

The under billing as at 30 September 2026 was due to the Municipality no longer implementing the basic service charge on the electricity for senior citizen as from July 2026. Also, there were adjustments made in the current financial year due to non existing factories being billed. This decreased billing and accrual revenue.

7.4.1.2 Service charges – Waste Water Management

The favourable variance is as a result of customers that are charged annual rates for sanitation rather than monthly.

7.4.1.3 Sale of Goods and Rendering of Services

Sale of Goods and Rendering of Services is made up of numerous miscellaneous items such as, building plan approval fees, cemetery and burial fees, sale of scrap waste and entrance fees for recreational facilities which makes it difficult to predict, some are market and/or demand driven.

7.4.1.4 Interest earned from Receivables

The variance is a result of the implementation of Council approval to reduce the interest rate instead of charging prime rate + 1 %. The adjustment will be considered as part of the mid-year adjustment budget process.

7.4.1.5 Interest from Current and Non Current Assets

The variance is caused by a reduction in total value of investments due to year end payments.

7.4.1.6 Rental from Fixed Assets

The variance is due to property rental adjustments that were incorrectly processed. A correcting journal has been submitted and will reflect in the month of October 2026.

7.4.1.7 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.

7.4.1.8 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. There are currently no new fines being issued as the metro is waiting for the new Administrative Adjudication of Road Traffic Offences Act (AARTO) system to go online.

7.4.1.9 Licences and permits

Overperformance can be attributed to allowing walk-ins in order to assist in the increase of Licence and permits renewals and applications. The roadworthy testing station is now operational which also contributed to the overperformance.

7.4.1.10 Interest (Non-Exchange Revenue)

The variance is as a result of interest charged on availability charge relating to serviced vacant or undeveloped land. The implementation of the Council approved reduction in the interest rate instead of applying prime rate + 1 % contributed to the variance. The adjustment will be considered as part of the mid year adjustment budget process.

7.4.1.11 Inventory consumed

Overperformance on inventory consumed is largely attributed to fuel usage, which is inherently difficult to forecast as a result of its fluctuating demand.

7.4.1.12 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.

7.4.1.13 Interest

Interest in respect of the Rehabilitation of Landfill sites has not yet been realised on the financial system. Provision to be realised at financial year-end to reflect the unwinding of the discount on the rehabilitation provision.

7.4.1.14 Contracted services

The overperformance on contracted services can be attributed to Operating projects caused by the following Directorates:

i. Corporate Service – A Payment of R35 million was made for the supply and installation of cybersecurity software to better protect the Metro from increasingly sophisticated cyber-attacks.
ii. Solid Waste Trading Service – A Payment of R15 million was made for Expanded Public Works Participants (EPWP) who assist with the operational demands of the trading service.
iii. Human Settlements – A Payment of R11 million was made for Cambridge CNIP top structures. The contractor reached the project's milestone earlier than originally anticipated.

7.4.1.15 Operational costs

Other expenditure is made up of numerous miscellaneous items (e.g. printing & publications, plant hire, professional bodies membership and subscriptions, travel and accommodation, insurance premiums, software licences etc.). Under performance can be attributed to the slow start of the financial year as Directorates were busy finalising operational matters in the first months of the financial year.

7.4.2 Repairs and maintenance

Table 7 below reflects that as at 30 September 2026 the repairs and maintenance expenditure is 10% of the approved budget of R460.41 million (2025/26:14%). Refer to Annexure B: SC13c (repairs and maintenance by asset class).

Table 7: Repairs and Maintenance per Directorate

Directorate	2026/2027 Annual Budget R	2026/2027 Annual Expenditure R	2026/2027 - Variance R	2026/2027 % Of Budget %
Directorate of Executive Support Services	2 068 602	596 900	1 471 702	29%
Directorate of The City Manager	210 064	-	210 064	0%
Directorate of Corporate Services	7 194 804	2 067 203	5 127 601	29%
Directorate of Spatial Planning & Development	23 250 960	616 328	22 634 632	3%
Directorate of Economic Development & Agencies	13 542 056	5 037	13 537 019	0%
Directorate of Finance	2 889 791	237 044	2 652 747	8%
Directorate of Public Safety & Emergency Services	8 928 945	62 550	8 866 395	1%
Directorate of Human Settlement	521 507	-	521 507	0%
Directorate Of Electricity and Energy	163 218 175	37 874 026	125 344 149	23%
Directorate Of Infrastructure Services	91 241 777	655 632	90 586 145	1%
Directorate Of Water and Sanitation	116 609 039	4 019 537	112 589 502	3%
Directorate of Solid Waste Trading Services	13 837 570	14 850	13 822 720	0%
Directorate Of Health & Environmental Management	3 670 794	187 860	3 482 934	5%
Directorate Of Sport, Recreation & Community Development	13 223 473	198 663	13 024 810	2%
TOTAL	**460 407 557**	**46 535 630**	**400 049 207**	**10%**

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 R645.97 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 - M03 September

Vote Description	Ref	2025/26	Budget Year 2026/27							
		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		1 081	2 500	2 500	–	–	605	(605)	-100%	2 500
Vote 02 - Directorate - Municipal Manager		306	11 800	13 300	3 203	6 103	3 203	2 901	91%	13 300
Vote 03 - Directorate - Human Settlement		158 926	227 770	227 770	6 702	6 976	52 100	(45 123)	-87%	227 770
Vote 04 - Directorate - Chief Financial Officer		32 138	17 400	24 818	–	–	5 179	(5 179)	-100%	24 818
Vote 05 - Directorate - Corporate Services		14 225	20 150	20 150	–	–	4 930	(4 930)	-100%	20 150
Vote 06 - Directorate - Infrastructure Services		763 906	763 644	767 887	20 903	20 903	185 886	(164 983)	-89%	767 887
Vote 07 - Directorate - Spatial Planning And Development		52 105	63 564	65 569	28	28	15 659	(15 632)	-100%	65 569
Vote 08 - Directorate - Health / Public Safety & Emergency Services		24 436	44 336	64 261	–	19	14 177	(14 158)	-100%	64 261
Vote 09 - Directorate - Municipal Services		–	–	–	–	–	–	–		–
Vote 10 - Directorate - Economic Development & Agencies		25 451	48 808	49 629	1 890	2 234	10 598	(8 364)	-79%	49 629
Vote 11 - Directorate - Solid Waste And Environmental Management		36 814	109 945	120 847	23 102	23 450	28 986	(5 536)	-19%	120 847
Vote 12 - Directorate - Sport, Recreation & Community Development		22 446	87 518	94 645	21 680	21 680	22 074	(394)	-2%	94 645
Total Capital Multi-year expenditure	4,7	**1 131 834**	**1 397 435**	**1 451 375**	**77 508**	**81 393**	**343 396**	**(262 003)**	**-76%**	**1 451 375**
Single Year expenditure appropriation	2									
Vote 11 - Directorate - Solid Waste And Environmental Management		–	–	3 117	–	–	567	(567)	-100%	3 117
Total Capital Expenditure		**1 131 834**	**1 397 435**	**1 454 492**	**77 508**	**81 393**	**343 963**	**(262 570)**	**-76%**	**1 454 492**
Capital Expenditure - Functional Classification										
Governance and administration		**62 131**	**62 672**	**71 590**	**3 203**	**6 103**	**16 422**	(10 319)	-63%	**71 590**
Executive and council		1 388	14 300	14 300	3 203	6 103	3 535	2 568	73%	14 300
Finance and administration		60 744	48 372	55 790	–	–	12 614	(12 614)	-100%	55 790
Internal audit		–	–	1 500	–	–	273	(273)	-100%	1 500
Community and public safety		**212 162**	**375 336**	**413 503**	**33 418**	**33 711**	**94 035**	(60 324)	-64%	**413 503**
Community and social services		12 676	37 818	50 333	909	927	10 905	(9 978)	-91%	50 333
Sport and recreation		15 851	82 112	88 421	20 783	20 783	20 672	111	1%	88 421
Public safety		20 346	22 036	32 528	–	–	7 349	(7 349)	-100%	32 528
Housing		158 926	227 770	227 770	6 702	6 976	52 100	(45 123)	-87%	227 770
Health		4 363	5 600	14 450	5 024	5 024	3 009	2 015	67%	14 450
Economic and environmental services		**292 737**	**209 851**	**211 856**	**7 613**	**7 613**	**48 527**	(40 914)	-84%	**211 856**
Planning and development		37 729	58 442	60 447	28	28	14 351	(14 323)	-100%	60 447
Road transport		255 008	151 410	151 410	7 586	7 586	34 177	(26 591)	-78%	151 410
Environmental protection								–		
Trading services		**539 358**	**701 468**	**708 614**	**31 384**	**31 732**	**174 527**	(142 796)	-82%	**708 614**
Energy sources		188 252	175 224	175 224	10 746	10 746	43 702	(32 956)	-75%	175 224
Water management		188 891	259 114	261 856	2 571	2 571	63 460	(60 889)	-96%	261 856
Waste water management		131 755	172 897	174 398	–	–	43 497	(43 497)	-100%	174 398
Waste management		30 459	94 233	97 137	18 066	18 414	23 868	(5 454)	-23%	97 137
Other		25 446	48 108	48 929	1 890	2 234	10 451	(8 217)	-79%	48 929
Total Capital Expenditure - Functional Classification	3	**1 131 834**	**1 397 435**	**1 454 492**	**77 508**	**81 393**	**343 963**	**(262 570)**	**-76%**	**1 454 492**
Funded by:										
National Government		900 133	970 547	970 547	40 398	41 357	232 034	(190 677)	-82%	970 547
Provincial Government		–	–	–	–	–	–	–		–
District Municipality		–	–	–	–	–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		2 325	–	831	–	–	151	(151)	-100%	831
Transfers recognised - capital		**902 457**	**970 547**	**971 377**	**40 398**	**41 357**	**232 185**	**(190 829)**	**-82%**	**971 377**
Borrowing	6	–	–	–	–	–	–	–		–
Internally generated funds		229 376	426 889	483 115	37 110	40 036	111 778	(71 741)	-64%	483 115
Total Capital Funding		**1 131 834**	**1 397 435**	**1 454 492**	**77 508**	**81 393**	**343 963**	**(262 570)**	**-76%**	**1 454 492**

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 R32.74 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 - M03 September

Description	Ref	2025/26	Budget Year 2026/27			
R thousands	1	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
ASSETS						
Current assets						
Cash and cash equivalents		973 836	842 767	810 710	674 728	810 710
Short term Investments						
Trade and other receivables from exchange transactions		2 287 933	2 726 345	2 726 345	2 224 389	2 726 345
Receivables from non-exchange transactions		1 230 694	1 608 920	1 608 920	1 306 582	1 608 920
Current portion of non-current receivables		(1)	–	–	(1)	–
Inventory		88 254	67 167	67 167	90 012	67 167
VAT Receivable		1 793 819	953 703	953 703	2 048 664	953 703
Other current assets		9 122	18 502	18 502	13 146	18 502
Total current assets		**6 383 658**	**6 217 402**	**6 185 345**	**6 357 519**	**6 185 345**
Non current assets						
Investments						
Investment property		817 365	803 223	803 223	817 365	803 223
Property, plant and equipment		31 380 034	40 015 877	40 071 434	31 072 528	40 071 434
Biological assets						
Living resources						
Heritage assets		54 600	53 392	53 392	54 600	53 392
Intangible assets		37 728	69 975	71 475	42 812	71 475
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions		–	–	–	–	–
Other non-current assets		713 033	726 592	726 592	713 033	726 592
Total non current assets		**33 002 760**	**41 669 059**	**41 726 116**	**32 700 337**	**41 726 116**
TOTAL ASSETS		**39 386 418**	**47 886 462**	**47 911 462**	**39 057 856**	**47 911 462**
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities		20 829	6 121	6 121	14 742	6 121
Consumer deposits		102 177	104 827	104 827	103 901	104 827
Trade and other payables from exchange transactions		3 448 660	1 951 412	1 928 651	2 916 114	1 928 651
Trade and other payables from non-exchange transactions		114 602	52 650	100 411	253 854	100 411
Provision		390 339	412 321	412 321	345 441	412 321
VAT Payable		871 805	1 601 771	1 601 771	1 044 028	1 601 771
Other current liabilities		29 313	21 136	21 136	74 211	21 136
Total current liabilities		**4 977 726**	**4 150 239**	**4 175 239**	**4 752 290**	**4 175 239**
Non current liabilities						
Financial liabilities		33 746	27 813	27 813	29 569	27 813
Provision		135 497	130 496	130 496	135 497	130 496
Long term portion of trade payables		292 892	281 911	281 911	292 892	281 911
Other non-current liabilities		1 104 297	676 686	676 686	1 104 297	676 686
Total non current liabilities		**1 566 431**	**1 116 907**	**1 116 907**	**1 562 254**	**1 116 907**
TOTAL LIABILITIES		**6 544 157**	**5 267 146**	**5 292 146**	**6 314 544**	**5 292 146**
NET ASSETS	2	**32 842 261**	**42 619 316**	**42 619 316**	**32 743 312**	**42 619 316**
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		28 227 834	31 275 755	31 275 755	25 647 906	31 275 755
Reserves and funds		7 095 406	11 343 561	11 343 561	7 095 406	11 343 561
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	**35 323 240**	**42 619 316**	**42 619 316**	**32 743 312**	**42 619 316**

7.4.5 Monthly Budget Statement – Cash Flow

The Metros' cash flow position and cash/cash equivalent outcome is shown in the table below. The Metro's cash position reflects a net decrease of R289.40 million resulting in cash and cash equivalents closing balance of R674.73 million as at 30 September 2026.

Table 10: C7: Monthly Budget Statement – Cash Flow

BUF Buffalo City - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M03 September 2026

Description R thousands	Ref 1	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Property rates		1 840 179	125 554	404 645	460 045	(55 400)	-12%	1 840 179
Service charges		4 521 942	384 351	1 163 154	1 130 485	32 669	3%	4 521 942
Other revenue		1 122 489	414 746	2 102 986	280 622	1 822 364	649%	1 122 489
Transfers and Subsidies - Operational		1 669 116	7 342	558 285	429 219	129 066	30%	1 716 877
Transfers and Subsidies - Capital		971 963	7 171	180 730	242 991	(62 261)	-26%	971 963
Interest		291 234	8 749	24 702	72 808	(48 107)	-66%	291 234
Dividends						–		
Payments								
Suppliers and employees		(8 848 912)	(919 566)	(2 577 062)	(2 362 644)	214 418	-9%	(8 871 673)
Finance charges		(4 669)	(2 797)	(2 797)	(1 167)	1 629	-140%	(4 669)
Transfers and Subsidies		(112 037)	(1 257)	(23 492)	(28 009)	(4 518)	16%	(112 037)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**1 451 304**	**24 293**	**1 831 151**	**224 350**	**(1 606 801)**	**-716%**	**1 476 304**
CASH FLOWS FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE		–	–	–	–	–		–
Decrease (increase) in non-current receivables		–	–	–	–	–		–
Decrease (increase) in non-current investments						–		
Insurance Refund - Capital		4 036	2	1 735	1 009	726		4 036
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments						–		
Payments								
Capital assets		(1 408 581)	(77 508)	(81 393)	(363 623)	(282 230)	78%	(1 454 492)
Retention (Capital)						–		
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(1 404 545)**	**(77 507)**	**(79 658)**	**(362 614)**	**(282 956)**	**78%**	**(1 450 456)**
CASH FLOWS FROM FINANCING ACTIVITIES								
Receipts								
Short term loans		–	–	–	–	–		–
Borrowing long term/refinancing						–		
Increase (decrease) in consumer deposits		3 507	(306 152)	(2 030 705)	877	(2 031 582)	-231739%	3 507
Payments								
Repayment of borrowing		(20 829)	(10 183)	(10 183)	(5 207)	4 975	-96%	(20 829)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(17 323)**	**(316 335)**	**(2 040 888)**	**(4 331)**	**2 036 557**	**-47026%**	**(17 323)**
NET INCREASE/ (DECREASE) IN CASH HELD		**29 436**	**(369 548)**	**(289 395)**	**(142 595)**			**8 525**
Cash/cash equivalents at beginning:		802 185	964 123	964 123	802 185			964 123
Cash/cash equivalents at month/year end:		831 620		674 728	659 590			972 648

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: SC2 Monthly Budget Statement Aged Debtors

BUF Buffalo City - Supporting Table SC2 Monthly Budget Statement - aged debtors - M03 September 2026

Description	NT Code	0											
R thousands		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	123 289	90 397	96 028	74 424	73 521	65 045	314 345	2 104 013	2 941 062	2 631 348	3 007	19 956 069
Trade and Other Receivables from Exchange Transactions - Electricity	1300	263 433	81 761	61 450	53 012	48 719	43 468	289 847	767 452	1 609 142	1 202 497	2 949	58 033 035
Receivables from Non-exchange Transactions - Property Rates	1400	325 054	79 130	63 171	51 586	47 113	45 774	254 759	1 445 344	2 311 930	1 844 576	6 655	52 116 731
Receivables from Exchange Transactions - Waste Water Management	1500	67 941	31 851	26 529	22 680	20 032	19 742	106 732	631 843	927 350	801 029	1 854	13 534 408
Receivables from Exchange Transactions - Waste Management	1600	46 328	29 817	27 613	25 804	23 128	23 272	126 324	893 819	1 196 106	1 092 347	1 237	12 018 009
Receivables from Exchange Transactions - Property Rental Debtors	1700	285	276	276	268	265	251	1 492	11 987	15 101	14 263		
Interest on Arrear Debtor Accounts	1810	9 761	9 233	9 245	48 884	47 311	46 949	245 064	1 185 703	1 602 149	1 573 910		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	12 966	8 780	11 794	7 468	6 915	8 790	34 254	275 470	366 437	332 897	3 642	3 287
Total By Income Source	**2000**	**849 058**	**331 246**	**296 106**	**284 126**	**267 004**	**253 291**	**1 372 817**	**7 315 630**	**10 969 277**	**9 492 867**	**19 345**	**158 946**
2025/26 - totals only		724 189	358 304	294 661	244 582	186 253	196 118	1 042 697	5 081 332	8 128 137	**6 750 982**	7 354	134 354
Debtors Age Analysis By Customer Group													
Organs of State	2200	178 194	14 958	12 490	4 797	4 737	3 339	24 480	36 403	279 398	73 756	–	–
Commercial	2300	323 118	81 735	60 507	53 787	46 842	45 494	231 884	988 520	1 831 888	1 366 528	–	–
Households	2400	347 746	234 553	223 109	225 541	215 425	204 458	1 116 452	6 290 706	8 857 990	8 052 583	19 345	158 946
Other	2500	–	–	–	–	–	–	–	–	–	–		–
Total By Customer Group	**2600**	**849 058**	**331 246**	**296 106**	**284 126**	**267 004**	**253 291**	**1 372 817**	**7 315 630**	**10 969 277**	**9 492 867**	**19 345**	**158 946**

8.1. Additional debtors' information

The total debtor's book, which includes all charges including VAT, amounted to R10,969,277,058 as at 30 September 2026 which is an increase of R145,422,708 over the amount of R10 823,854,350 as at 31 August 2026.

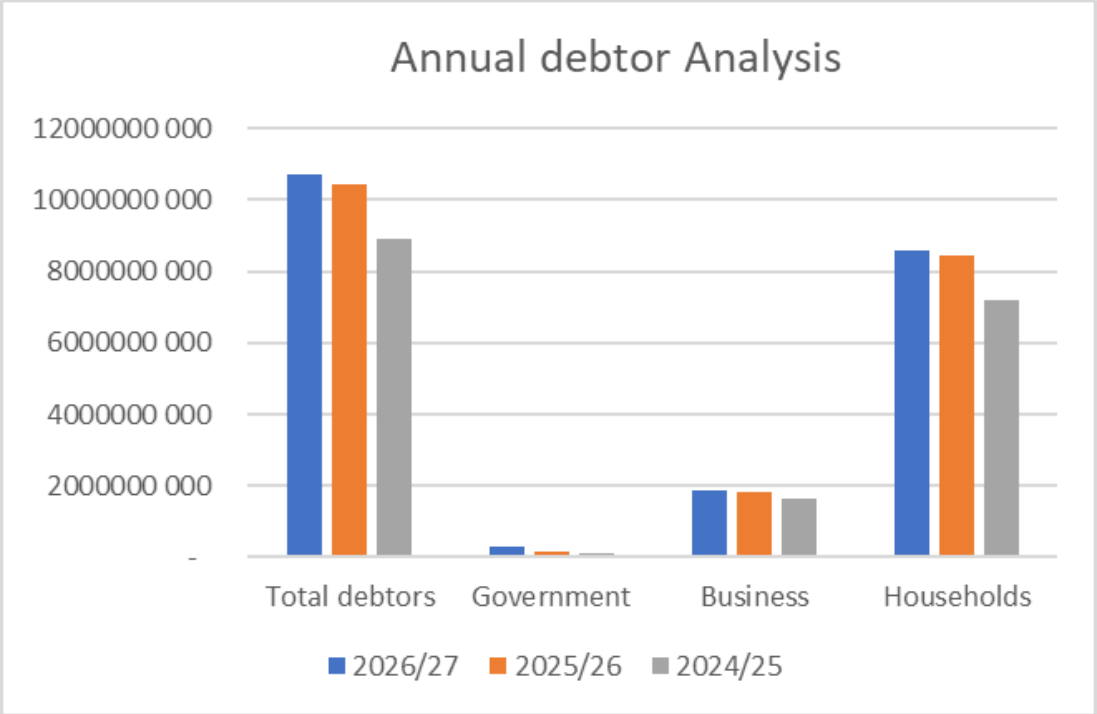
During the month, credit control action and debt collection action was implemented. Pre-termination notices were sent to all customers due for disconnection/blocking. This relates to residential and non-residential customers. Registered Indigent Debtors who are in arrears remain on the partial block 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 30 September 2026 amounts to R10.97 billion (2025/26 R9.31 billion). Households: R8.86 billion, Business: R1.83 billion and Government: R279.40 million

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 30 September 2026. It also provides comparison with the previous month (31 August 2026) which indicates an increase from 10.82 billion to R10.97 billion.

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

AGEING	RATES	SEWERAGE	ELECTRICITY	WATER	REFUSE	SUNDRY DEBTORS	TOTAL FOR SEPTEMBER 2026	TOTAL FOR AUGUST 2026
CURRENT	327 624 379	68 982 686	265 212 289	126 035 481	47 595 175	13 607 492	849 057 502	851 551 424
30 DAYS	81 583 773	32 786 058	83 552 567	92 864 107	31 054 159	9 405 137	331 245 801	353 288 220
60 DAYS	65 661 746	27 493 352	62 874 626	98 780 326	28 875 169	12 421 094	296 106 313	309 356 486
90 DAYS	64 673 409	27 671 949	60 474 359	89 091 284	32 575 992	9 638 904	284 125 898	279 390 436
120 DAYS TO 360 DAYS	503 489 627	199 991 225	472 349 271	611 648 387	241 704 331	71 763 001	2 100 945 843	2 069 717 215
YEAR 1+	1 751 842 537	738 011 118	849 284 246	2 402 091 504	1 024 957 620	341 608 675	7 107 795 701	6 960 550 569
TOTAL	**2 794 875 472**	**1 094 936 388**	**1 793 747 358**	**3 420 511 090**	**1 406 762 446**	**458 444 303**	**10 969 277 058**	**10 823 854 350**

8.2.2. Age Analysis per Category

Table 13 below details debtors age analysis per category type as at 30 September 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	313 813 360	202 880 934	190 659 835	199 533 085	7 512 819 894	8 419 707 108	77
Indigent	30 375 505	30 355 966	31 376 171	25 207 186	300 052 416	417 367 244	4
Business	323 118 114	81 734 890	60 506 847	53 787 399	1 312 740 953	1 831 888 203	17
Government	178 193 721	14 958 392	12 490 401	4 797 087	68 958 897	279 398 498	3
Municipal Staff*	3 455 192	1 295 144	1 072 984	801 141	14 123 761	20 748 221	0
Councillors*	101 610	20 475	75	-	45 622	167 783	0
Total	**849 057 502**	**331 245 801**	**296 106 313**	**284 125 898**	**9 208 741 544**	**10 969 277 058**	**100**

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

During the month of September 2026, a total of **R3 040 729.32** was receipted against staff and councillors accounts. The amount was allocated as follows:

Current Billing Receipts	R 2 336 783.21
Arrear's Receipts	R 703 946.11
Total Receipts	R 3 040 729.32

8.2.3. Government Accounts

The total owed by Government Departments to Buffalo City Metropolitan Municipality as at 30 September 2026 amounted to R279,398,498 and this is a decrease of R5,994,450 as compared to 31 August 2026. It must also be noted that Government departments do not settle their accounts by the due date and often pay after month-end, resulting in the accounts being unpaid at the time of reporting.

The breakdown of the arrears per department (excluding accounts in credit) indicated in the table hereunder, as at 30 September 2026.

Table 14: Analysis of Government Debtors

DEPARTMENT	PROPERTY RATES	SERVICES	VALUE AS AT 30 SEPTEMBER 2026	VALUE AS AT 31 AUGUST 2026	DIFFERENCE
National Department Of Public Works	18 591 935	13 736 921	32 328 856	41 056 397	(8 727 541)
Provincial Department Of Public Works	159 022 609	17 101 185	176 123 794	171 939 430	4 184 364
Department Of Education	-	28 067 244	28 067 244	29 086 546	(1 019 303)
Department Of Health	-	22 229 191	22 229 191	22 936 584	(707 393)
Department Of Social Development	-	929 168	929 168	903 720	25 448
Department Of Transport	-	189 977	189 977	86 382	103 595
Department Of Agriculture	-	149 185	149 185	164 163	(14 978)
Department Of Nature Conservation	-	336 670	336 670	336 742	(71)
Department of Human Settlements	-	4 918 088	4 918 088	4 977 082	(58 994)
Sport, Recreation, Arts and Culture	-	192 834	192 834	128 404	64 431
Department of Labour - UIF Services	-	53 847	53 847	-	53 847
Members Of Provincial Legislature	-	316 497	316 497	305 000	11 497
Department of Rural Development and Land Reform	-	13 563 146	13 563 146	13 472 498	90 648
TOTAL	**177 614 544**	**101 783 954**	**279 398 498**	**285 392 948**	**(5 994 450)**

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 (30 September 2026) is 40 days.

Table 15: SC4 Monthly Budget Statement Aged Creditors

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

Description R thousands	NT Code	Budget Year 2026/27									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	296 134								296 134	
Bulk Water	0200	21 336								21 336	
PAYE deductions	0300	45 293								45 293	
VAT (output less input)	0400									-	
Pensions / Retirement deductions	0500	42 652								42 652	
Loan repayments	0600	12 979								12 979	
Trade Creditors	0700	574 061	35 466							609 527	
Auditor General	0800	5 502								5 502	
Other	0900	149 609								149 609	
Total By Customer Type	**1000**	**1 147 566**	**35 466**	**-**	**-**	**-**	**-**	**-**	**-**	**1 183 032**	**-**

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

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

CREDITOR	30 DAYS	60 DAYS	90 DAYS	120 DAYS	TOTAL
CREDITOR 1	296 134 075				296 134 075
CREDITOR 2	31 336 027				31 336 027
CREDITOR 3		19 802 169			19 802 169
CREDITOR 4	14 350 870				14 350 870
CREDITOR 5	4 531 048	6 935 071			11 466 119
CREDITOR 6	4 483 926	1 944 310			6 428 237
CREDITOR 7	4 017 367				4 017 367
CREDITOR 8		3 449 071			3 449 071
CREDITOR 9		3 335 000			3 335 000
CREDITOR 10	2 595 198				2 595 198
CREDITOR 11	2 515 508				2 515 508
CREDITOR 12	2 415 519				2 415 519
CREDITOR 13	2 363 607				2 363 607
CREDITOR 14	2 336 719				2 336 719
CREDITOR 15	2 259 450				2 259 450
CREDITOR 16	1 956 786				1 956 786
CREDITOR 17	1 857 159				1 857 159
CREDITOR 18	1 846 114				1 846 114
CREDITOR 19	1 774 710				1 774 710
CREDITOR 20	1 753 751				1 753 751
TOTAL	**378 527 835**	**35 465 622**	**0**	**0**	**413 993 457**

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: SC16 Monthly Budget Statement – investment portfolio

BUF Buffalo City - Supporting Table SC16 Monthly Budget Statement - Investment Portfolio - M03 September

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ³	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Absa - 4094793455		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	154	1	144	1 200	1 211
Absa - 4094788949		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	4 154	48	–	–	4 202
Absa - 4094793968		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	268	3	–	–	271
First National Bank - 62938182285		Call Account	Call Account	Yes	Variable	7,10	-		Call Account	57	1	–	–	57
Stanlib - 552200137		Call Account	Call Account	Yes	Variable	7,36	-		Call Account	16	0	–	–	16
Nedbank - 03/7881532939/000041		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	1 474	17	–	–	1 491
Nedbank - 03/7881532939/000108		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	127	1	–	–	128
Absa - 4094789157		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	1 260	15	–	–	1 274
Nedbank - 03/7881532939/000110		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	458	5	–	–	463
Absa - 4094790083		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	1 799	21	–	–	1 820
Stanlib - 552200133		Call Account	Call Account	Yes	Variable	7,36	-		Call Account	394	5	–	–	399
Stanlib - 700475605		Call Account	Call Account	Yes	Variable	7,36	-		Call Account	1	0	–	–	1
Nedbank - 03/7881532939/000128		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	13 179	61	13 000	13 330	13 569
First National Bank - 62938013572		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	3 726	46	–	16 000	19 772
Standard - 76586/442745		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	81 556	390	76 251	–	5 695
Absa - 4094790211		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	92 558	728	47 284	–	46 002
First National Bank - 62938181039		Call Account	Call Account	Yes	Variable	7,10	-		Call Account	2 966	22	1 729	6 500	7 759
Stanlib - 552200140		Call Account	Call Account	Yes	Variable	7,36	-		Call Account	272	3	–	–	275
First National Bank - 62938179951		Call Account	Call Account	Yes	Variable	7,10	-		Call Account	4	0	–	1 006	1 010
Nedbank - 03/7881532939/000133		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	6 469	75	–	1 171	7 715
Nedbank - 03/7881532939/000134		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	208	2	–	–	210

BUF Buffalo City - Supporting Table SC16 Monthly Budget Statement - Investment Portfolio - M03 September

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ³	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Absa - 4094793455		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	154	1	144	1 200	1 211
Absa - 4094788949		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	4 154	48	–	–	4 202
First National Bank - 62938190080		Call Account	Call Account	Yes	Variable	7,10	-		Call Account	5 738	25	5 738	7 171	7 196
Standard - 76586/524914		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	22	0	–	–	23
Nedbank - 03/7881532939/000136		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	4	0	–	–	4
Nedbank - 03/7881532939/000144		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	728	4	–	–	733
Nedbank - 03/7881532939/000145		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	4 705	53	161	–	4 597
Standard - 76586/553472		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	790	9	–	–	799
Standard - 76586/553471		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	823	10	–	–	832
Absa - 4101937017		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	56 193	430	33 854	55 000	77 769
Standard - 76586/571767		Call Account	Call Account	Yes	Variable	7,36	-		Call Account	22 654	133	19 168	55 392	59 012
Stanlib - 552200136		Call Account	Call Account	Yes	Variable	7,36	-		Call Account	4 014	49	–	–	4 063
Stanlib - 700893064		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	2 513	31	–	–	2 544
Standard Bank - 76586/570901		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	12 586	146	–	–	12 732
Standard Bank - 76586/570902		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	4 577	53	–	–	4 630
First National Bank - 63074776891		Call Account	Call Account	Yes	Variable	7,10	-		Call Account	157 593	1 839	–	–	159 432
Nedbank - 03/7881532939/000153		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	135 298	786	–	–	136 084
Absa - 4117284828		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	13 033	118	4 536	–	8 615
Nedbank - 03/7881532939/000154		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	5 004	23	4 816	–	211
Standard Bank - 76586/573578		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	33 107	251	17 995	–	15 363
First National Bank - 63170877775		Call Account	Call Account	Yes	Variable	7,10	-		Call Account	35 517	158	35 000	–	675
Nedbank - 03/7881532939/000155		Call Account	Call Account	Yes	Variable	7,10	-		Call Account	31 557	158	28 519	–	3 196
First National Bank - 63040210667		Call Account	Call Account	Yes	Variable	7,10	-		Call Account	33 083	386	–	–	33 469
Stanlib - 552200130		Call Account	Call Account	Yes	Variable	7,36	-		Call Account	432	141	–	30 000	30 574
Stanlib - 552200132		Call Account	Call Account	Yes	Variable	7,36	-		Call Account	17	0	–	–	18
Standard - 76586/442736		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	1 313	523	85 000	84 000	835
Stanlib - 552200131		Call Account	Call Account	Yes	Variable	7,36	-		Call Account	18 269	588	63 000	45 000	857
First National Bank - 62938189471		Call Account	Call Account	Yes	Variable	7,10	-		Call Account	1 010	192	98 000	97 000	202
Nedbank - 03/7881532939/000101		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	879	476	148 000	147 000	355
Absa - 4094793536		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	20 291	995	178 000	157 000	286
Absa - 4094789872		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	530	6	–	–	536
Standard - 76586/442741		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	216	3	–	–	219
Standard - 76586/442744		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	1 275	15	–	7 000	8 290
First National Bank - 62938188887		Call Account	Call Account	Yes	Variable	7,10	-		Call Account	86	1	–	–	87
Nedbank - 03/7881532939/000129		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	1 132	13	–	–	1 145
Standard - 76586/442738		Call Account	Call Account	Yes	Variable	7,05	-		Call Account	0	0	–	–	0
Municipality sub-total										**816 089**	**9 062**	**860 196**	**723 770**	**688 725**
Entities														
														–
Entities sub-total										**–**		**–**	**–**	**–**
TOTAL INVESTMENTS AND INTEREST	2									**816 089**	**9 062**	**860 196**	**723 770**	**688 725**

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: SC18 Monthly Budget Statement – transfers and grants receipts

BUF Buffalo City - Supporting Schedule SC18 Monthly Budget Statement - Transfers and Grant Receipts - M03 September

Description	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS	1,2									
Operating										
National Government										
Monetary Allocations								–		
Equitable Share		1 296 018	1 363 341	1 363 341	–	568 059	568 059	–		1 363 341
Energy Efficiency And Demand Side Management Grant		3	–	–	–	–	–	–		–
Expanded Public Works Programme Integrated Grant		2 434	4 024	4 024	–	1 006	1 006	–		4 024
Infrastructure Skills Development Grant		8 795	9 300	9 300	6 500	6 500	6 500	–		9 300
Local Government Financial Management Grant		1 000	1 200	1 200	–	1 200	1 200	–		1 200
Metro Informal Settlements Partnership Grant		22 089	15 500	15 500	–	–	–	–		15 500
Neighbourhood Development Partnership Grant		22 500	–	–	–	–	–	–		–
Programme And Project Preparation Support Grant		16 000	62 843	62 843	–	–	–	–		62 843
Urban Development Financing Grant		16 801	–	–	–	–	–	–		–
Urban Settlement Development Grant		61 362	34 662	34 662	–	–	–			34 662
Total Monetary Allocations		**1 447 003**	**1 490 869**	**1 490 869**	**6 500**	**576 765**	**576 765**	**-**		**1 490 869**
Total Operating/National Government		**1 447 003**	**1 490 869**	**1 490 869**	**6 500**	**576 765**	**576 765**	**-**		**1 490 869**
Provincial Government								–		
Monetary Allocations								–		
Hsdg		–	–	1 852	–	–	–			1 852
Infrastructure Grant		–	117 898	163 086	–	–	–			163 086
Mdants Urban Renew		–	–	–	48	48	48			–
Needscamp Planning		–	57 349	57 349	–	–	–			57 349
Reeston Dev-Land Aff		–	–	–	3	3	3			–
Total Monetary Allocations		**-**	**175 247**	**222 287**	**51**	**51**	**51**	**-**		**222 287**
Total Operating/Provincial Government		**-**	**175 247**	**222 287**	**51**	**51**	**51**	**-**		**222 287**
Other Grant Providers								–		
Monetary Allocations								–		
Eastern Cape Arts Council		17 883	3 000	3 000	–	–	–	–		3 000
European Union		–	–	–	21	21	21	–		–
Institutional Support (Housing)		–	–	–	1 567	1 567	1 567	–		–
Local Government Water And Related Service Seta		–	–	–	–	–	–	–		–
Peoples Housing Process (Housing)		–	–	–	1 839	1 839	1 839			–
Umsombomvu Fund		–	–	–	5	5	5			–
Unsp. City Of Leiden		–	–	–	1	1	1			–
Unsp. City Of Oldenburg		–	–	721	75	1 246	1 246			721
Unsp. Salaida/Galve		–	–	–	5	5	5			–
Total Monetary Allocations		**17 883**	**3 000**	**3 721**	**3 514**	**4 685**	**4 685**	**-**		**3 721**
Total Operating	5	**1 464 886**	**1 669 116**	**1 716 877**	**10 065**	**581 501**	**581 501**			**1 716 877**
Capital										
National Government										
Monetary Allocations										
Energy Efficiency and Demand Side Management Grant		(3)	–	–	–	–	–			–
Neighbourhood Development Partnership Grant		–	31 185	31 185	7 171	7 171	7 171			31 185
Urban Development Financing Grant		165 797	494 541	494 541	–	–	–			494 541
Urban Settlement Development Grant		490 055	162 735	162 735	–	63 167	63 167			162 735
Metro Informal Settlements Partnership Grant		277 774	282 601	282 601	–	110 392	110 392			282 601
Infrastructure Skills Development Grant		205	200	200	–	–	–			200
Municipal Disaster Recovery Grant		–	700	700	–	–	–			700
Total Monetary Allocations		**933 827**	**971 963**	**971 963**	**7 171**	**180 730**	**180 730**			**971 963**
Total Capital/National Government		**933 827**	**971 963**	**971 963**	**7 171**	**180 730**	**180 730**			**971 963**
Other Grant Providers										
Monetary Allocations										
Parent Municipality		–	1 634	1 634	–	–	–			1 634
Unspecified		2 599	–	–	–	–	–			–
Total Monetary Allocations		**2 599**	**1 634**	**1 634**	**-**	**-**	**-**			**1 634**
Total Capital	5	**936 427**	**973 597**	**973 597**	**7 171**	**180 730**	**180 730**			**973 597**
TOTAL RECEIPTS OF TRANSFERS AND GRANTS		**2 401 312**	**2 642 713**	**2 690 474**	**17 236**	**762 231**	**762 231**			**2 690 474**

11.1. Expenditure on Conditional Grants (DoRA Allocation)

The Metro has spent 5% (R50.00 million, inclusive of reclaimed vat) of its 2026/27 conditional grants approved adjusted budget of R1.10 billion as at 30 September 2026. This expenditure reflects a decline when compared to the same period in the previous financial year where 12% (R111.39 million, inclusive of reclaimed vat) of conditional grants budget of R938.54 million was spent. However, this is being attended to and a manual system is being utilised as the Metro deals with the continuing challenges. Expenditure will improve once the Metro has dealt with the challenges of automation.

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

Table 19: Spending per Conditional Grant Funding Allocation

Funding/Grant	2025/26 Approved Budget	YTD Expenditure (vat) R	YTD Variance (vat incl.) R	% Expenditure (vat incl.)
Finance Management Grant	1 200 000	110 894	1 089 106	9%
Infrastructure Skills Development Grant	9 500 000	1 263 369	8 236 631	13%
Urban Settlement Development Grant	197 397 001	23 778 949	173 618 052	12%
Neighbourhood Development Partnership Grant	31 185 000	0	31 185 000	0%
Informal Settlement Upgrading Partnership Grant	298 101 002	10 761 715	287 339 287	4%
Expanded Public Works Programme Grant	4 024 000	1 475 105	2 548 895	37%
Programme and Project Preparation Support Grant (PPPSG)	10 971 000	0	10 971 000	0%
Urban Development Financing Grant	546 413 000	12 606 291	533 806 709	2%
TOTAL	**1 098 791 002**	**49 996 323**	**1 048 794 679**	**5%**

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. FINANCIAL MANAGEMENT GRANT (FMG)

There are currently 4 (four) interns serving on the internship programme. The interns are being remunerated accordingly. Recruitment of four (4) additional interns is underway, as the target is to have eight (8) interns serving on the internship programme. Furthermore, the grant will be utilised for capacity and upskilling of the interns and officials in the Finance directorate as well as Internal Audit.

11.1.2. INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)

A payment for the salaries of mentors isn't reflected in the ISDG expenditure above due to the payment being made from a vote not linked to ISDG. A journal has been prepared and submitted to rectify this error.

11.1.3. URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)

BCMM has spent 12% (R4.12 million, inclusive of reclaimed vat) of its 2026/2027 USDG adjusted budget of R197.39 million as at 30 September 2026. Low expenditure can be attributed to the challenge the Metro is experiencing with the automation of the new E-Procurement system. However, this is being attended to and a manual system is being utilised as the Metro deals with the continuing challenges, which will Improve expenditure.

11.1.4. NEIGHBORHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG)

The project managers are in the process of procuring the services of the contractor for the next phase of the contract. Requisitions for the work have been prepared and submitted.

11.1.5. INFORMAL SETTLEMENT UPGRADING PARTNERSHIP GRANT (ISUPG)

BCMM has spent 4% (R2.03 million, inclusive of reclaimed vat) of its 2026/2027 ISUPG budget of R298.10 million as at 31 September 2026. Low expenditure can be attributed to the challenge the Metro is experiencing with the automation of the new E-Procurement system. However, this is being attended to and a manual system is being utilised as the Metro deals with the continuing challenges, which will Improve expenditure.

11.1.6. PROGRAMME AND PROJECT PREPARATION SUPPORT GRANT (PPPSG)

The tender for the appointment of panel of Professional Service Providers is still at bid adjudication stage and is expected to be awarded by end of October 2026. Where urgent professional services are required before the panel is finalised, deviation processes in line with Supply Chain Management (SCM) policy and National Treasury regulations will be utilised, ensuring proper justification and approval is obtained and reported to the relevant oversight structures.

11.1.7. METRO TRADING SERVICES

Low expenditure can be attributed to the challenge the Metro is experiencing with the automation of the new E-Procurement system. However, this is being attended to and a manual system is being utilised as the Metro deals with the continuing challenges, which will Improve expenditure.

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 24.44%. This is within the norm of 25% - 40%.

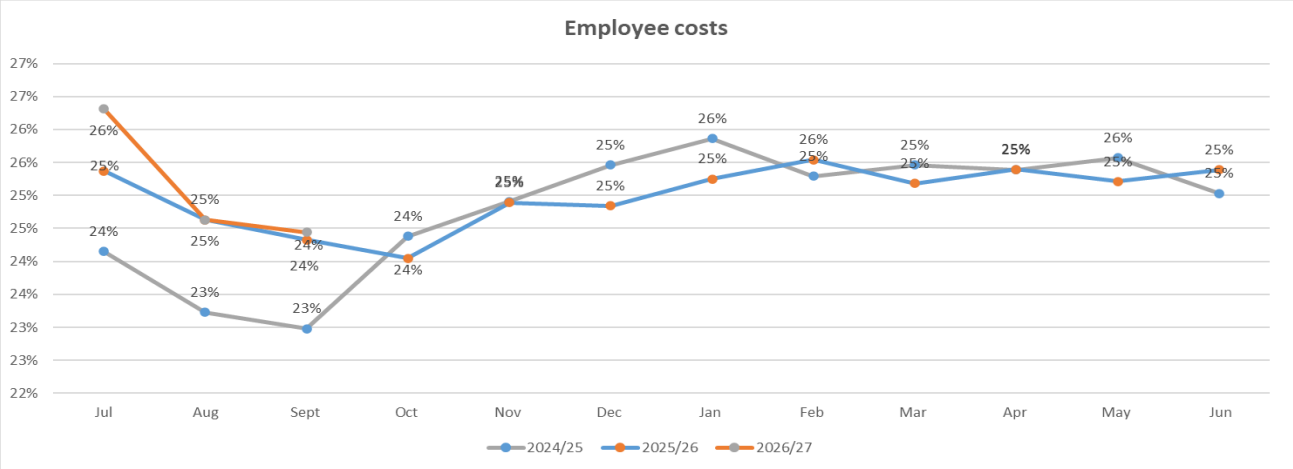
Table 20: SC22 Monthly Budget Statement – Councillor, Board Members and Staff Benefits

BUF Buffalo City - Supporting Table SC22 Monthly Budget Statement - councillor and staff benefits - M03 September

Summary of Employee and Councillor remuneration	Ref	2025/26	Budget Year 2026/27							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		1 728 831	1 926 152	1 926 152	154 224	452 362	464 646	(12 285)	-3%	1 926 152
Bonuses								–		
Allowance										
Accommodation, Travel and Incidental		4 329	3 470	3 470	412	1 312	837	474	57%	3 470
Cellular and Telephone	3	3 828	4 433	4 433	315	938	1 069	(132)	-12%	4 433
Housing Benefits	3	39 571	46 996	46 996	3 271	10 059	11 336	(1 276)	-11%	46 996
Travel or Motor Vehicle	3	53 603	59 691	59 691	4 800	14 329	14 398	(68)	0%	59 691
Voluntary Work								–		
Total Allowance		101 331	114 590	114 590	8 799	26 638	27 640	(1 002)	-4%	114 590
Service Related Benefits										
Acting	3	13 524	15 983	15 983	1 064	3 096	3 855	(759)	-20%	15 983
Bonus	3	146 537	146 259	146 259	16 866	44 432	35 278	9 155	26%	146 259
Leave Pay	3	56 711	–	–	–	–	–	–		–
Long Service Award		51 427	68 737	68 737	4 710	14 093	16 579	(2 486)	-15%	68 737
Overtime		182 424	190 828	190 828	21 413	54 265	46 028	8 237	18%	190 828
Scarcity	3	39 814	38 488	38 488	3 619	10 935	9 283	1 652	18%	38 488
Standby Allowance	3	14 789	13 192	13 192	1 710	4 128	3 182	946	30%	13 192
Tools Allowance	3	100	86	86	8	25	21	4	18%	86
Uniform/Special/Protective Clothing	3	306	–	–	162	178	–	178		–
Total Service Related Benefits		505 631	473 572	473 572	49 552	131 153	114 226	16 926	15%	473 572
Total Salaries and Allowances		2 335 794	2 514 315	2 514 315	212 574	610 153	606 513	3 640	1%	2 514 315
Social Contributions										
Bargaining Council		(16 760)	1 501	1 501	62	186	362	(176)	-49%	1 501
Group Life Insurance		11 478	15 221	15 221	1 097	3 297	3 671	(375)	-10%	15 221
Medical		133 392	177 801	177 801	11 506	34 673	42 886	(8 213)	-19%	177 801
Pension		333 985	334 792	334 792	29 875	87 614	80 752	6 862	8%	334 792
Unemployment Insurance		10 588	35 233	35 233	861	2 601	8 498	(5 898)	-69%	35 233
Total Social Contributions		472 683	564 547	564 547	43 402	128 371	136 170	(7 798)	-6%	564 547
Post-retirement Benefit	6									
Medical		68 588	–	–	–	–	–	–		–
Pension		1	–	–	0	0	–	0		–
Total Post-retirement Benefit		68 589	-	-	0	0	-	0		-
Sub Total - Other Municipal Staff		2 877 066	3 078 862	3 078 862	255 975	738 524	742 682	(4 158)		3 078 862
% increase	4									
Total Parent Municipality		2 984 821	3 198 220	3 198 220	264 755	764 917	769 241	(4 324)	-1%	3 198 220
TOTAL MANAGERS AND STAFF	5,7	2 941 022	3 146 710	3 146 710	261 097	753 595	759 047	(5 452)		3 146 710

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 30 September 2026. Table 22 below details overtime expenditure incurred per cost centre for the past three months ended 30 September 2026.

Table 21: Overtime per Directorate

Directorate Overtime	2026/2027 Annual Budget R	2026/2027 YTD Budget R	2026/2027 YTD Expenditure R	2026/2027 YTD Variance R	2026/2027 % of YTD Budget %
Directorate of Executive Support Services	7 645 824	1 844 320	2 209 786	(365 466)	120%
Directorate of The City Manager	622 880	150 251	252 321	(102 070)	168%
Directorate of Corporate Services	752 274	181 463	215 786	(34 323)	119%
Directorate of Spatial Planning & Development	148 108	35 727	129 532	(93 805)	363%
Directorate of Economic Development & Agencies	830 728	200 388	250 962	(50 574)	125%
Directorate of Finance	37 729 416	9 101 062	2 219 364	6 881 698	24%
Directorate of Public Safety & Emergency Services	55 961 168	13 498 912	16 625 189	(3 126 277)	123%
Directorate Of Electricity and Energy	20 682 585	4 989 038	6 827 137	(1 838 099)	137%
Directorate of Infrastructure Services	2 395 888	577 934	926 880	(348 945)	160%
Directorate Of Water and Sanitation	31 622 307	7 627 910	14 412 284	(6 784 375)	189%
Directorate of Solid Waste & Environmental Management	12 488 851	3 012 551	4 239 225	(1 226 674)	141%
Directorate Of Health & Environmental Management	1 688 766	407 363	494 860	(87 497)	121%
Directorate of Sport, Recreation & Community Development	18 258 771	4 404 367	5 461 772	(1 057 405)	124%
Total	**190 827 566**	**46 031 285**	**54 265 097**	**(8 233 812)**	**118%**

The total overtime payment for July 2026, August 2026 and September 2026 is reflected below. There was an increase in the total payment of overtime between July 2026 and August 2026 of R970 785, and an increase in the total payment of overtime between August 2026 and September 2026 of R4 505 785.

Table 22: Overtime Per Cost Centre: July 2026 – September 2026

	July Amount	Aug Amount	Sept Amount
DIRECTORATE -EXECUTIVE SUPPORT SERVICES			
OFFICE OF THE DIRECTOR EXECUTIVE SUPPORT SERVICES	10,278.32	9,807.30	
COMM/MARKETING /INTERNAT & INTERGOV REL	-	5,475.38	
INTERNATIONAL & INTERGOVERNMENTAL RELAT	-	13,586.60	1,678.44
IDP & BUDGET INTEGRATION	25,571.21		
POLITICAL OFFICE ADMINISTRATION	-	8,267.87	
OFFICE OF THE CHIEF WHIP	105,454.06	50,722.30	208,034.55
OFFICE OF THE DEPUTY EXECUTIVE MAYOR	9,424.92		10,337.76
OFFICE OF THE EXECUTIVE MAYOR	219,990.99	278,099.90	280,227.75
OFFICE OF THE SPEAKER	267,682.37	261,182.06	342,420.30
	638,401.87	**627,141.41**	**842,698.80**
DIRECTORATE OF THE CITY MANAGER			
OFFICE OF THE CITY MANAGER	42,627.41	39,241.17	42,069.22
GOVERNANCE & INTERNAL AUDITING	33,512.77	-	81,152.96
	76,140.18	**39,241.17**	**123,222.18**
DIRECTORATE OF CORPORATE SERVICES			
ADMINISTRATIVE & CORPORATE SUPPORT	3,076.81	4,741.57	12,158.30
AUXILLIARY / RECORDS & DECISION TRACKING AND TELECOMMUNICATIONS	7,066.16	17,285.73	52,472.48
INFORMATION / TECHNOLOGY & SUPPORT	25,632.88	21,249.21	48,576.04
ORGANISATIONAL DEVELOPMENT	1,957.20	9,231.42	
EMPLOYEE RELATIONS	-	-	2,797.40
ORGANISATIONAL DEVELOPMENT	-	-	2,763.32
	37,733.05	**52,507.93**	**118,767.54**
DIRECTORATE OF DEVELOPMENT & SPATIAL PLANNING			
BUILDING MAINTENANCE	36,661.54	27,325.20	27,325.20
INTEGRATED PUBLIC TRANSPORT NETWORK OPERATIONS	-	-	-

	July Amount	Aug Amount	Sept Amount
TRAFFIC MANAGEMENT & SAFETY	2,119.68	2,187.90	4,411.85
	38,781.22	**29,513.10**	**31,737.05**
DIRECTORATE OF ECONOMIC DEVELOPMENT & AGENCIES			
FRESH PRODUCE MARKET	36,311.43	47,122.62	11,841.97
TOURISM / ARTS / CULTURE & HERITAGE	10,252.00	-	-
TRADE / INDUSTRY & RURAL AGRARIAN	2,544.00	-	-
	49,107.43	**47,122.62**	**11,841.97**
DIRECTORATE OF FINANCE			
OFFICE OF THE HOD OF FINANCE			
BUDGET & TREASURY MANAGEMENT	5,378.94	-	7,253.62
CORPORATE ASSET MANAGEMENT	11,593.40	80,433.75	89,527.42
PAYROLL & BENEFITS	-	5,273.88	-
VAT / LEASES & PAYMENTS	61,048.12	42,855.44	-
ACCOUNTS MANAGEMENT & REVENUE CONTROL	6,403.32	1,960.75	32.54
COASTAL REVENUE MANAGEMENT	34,337.16	84,051.82	30,289.94
CUSTOMER RELATIONS (CALL CENTRE)	273518.50	308377.43	349,738.56
INLAND REVENUE MANAGEMENT	3,360.00	97,423.75	55533.13
MIDLAND REVENUE MANAGEMENT	-	86,152.73	26,443.58
RATES & VALUATIONS	-	24,839.50	30,683.64
STRATEGY & OPERATIONS	36,158.08	25,617.90	50,368.20
SUPPLY CHAIN MANAGEMENT	162,903.69	35,384.52	22,238.04
	594,701.21	**792,371.47**	**662,108.67**
DIRECTORATE OF HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES			
DISASTER MANAGEMENT	10,498.69	2,177.81	3,525.97
FIRE & RESCUE	626,620.73	511,052.80	1,386,206.07
LAW ENFORCEMENT SERVICES	751,007.00	799,180.05	994,096.40
TRAFFIC SERVICES	496,299.05	534,520.46	756,263.11
SECURITY SERV & VIP PROTECTION	1,251,285.30	1,195,267.06	2,091,466.92

	July Amount	Aug Amount	Sept Amount
	3,135,710.77	**3,042,198.18**	**5,231,558.47**
DIRECTORATE OF ELECTRICITY & ENERGY TRADING SERVICE			
ELECTRICAL & ENERGY SERVICES	3,694.50	6,006.63	4,813.54
CUSTOMER SERVICES & REVENUE PROTECTION	210,760.60	-	527,789.91
ELECTRICAL DEVELOPMENT / CONTRACTS & ASSETS	1,992.15	3,108.74	2,664.63
ELECTRICAL DISTRIBUTION	1,663,686.79	1,922,740.84	2,270,070.99
	1,880,134.04	**1,931,856.21**	**2,805,339.07**
DIRECTORATE OF INFRASTRUCTURE SERVICES			
OFFICE OF THE DIRECTOR OF INFRASTRUCTURE SERVICES	57,902.27	87,091.14	70,607.43
ROADS / PIU & CONSTRUCTION	1,370.82	-	
CONSTRUCTION	26,788.06	44,340.01	25,689.09
ROADS	108628.21	129,995.47	121,465.77
FLEET SERVICES & PLANT	12,785.73	16,249.48	22,485.76
WORKSHOPS	102696.95	53359.56	
	310,172.04	**331,035.66**	**240,248.05**
DIRECTORATE OF WATER & SANITATION TRADING SERVICE			
SANITATION	1,492,416.58	1,764,622.76	1,980,142.27
SCIENTIFIC SERVICES	25,742.44	22,817.90	22,817.90
MADEN DAM	26,030.64	22,255.92	24,332.28
WATER SERVICES	1,147,479.11	1,351,412.98	1,436,083.09
UMZONYANA WATER TREATMENT WORKS	113,748.75	185,932.36	196,467.42
KWT WATER TREATMENT WORKS	85,067.42	104,525.70	108,904.17
MDANTSANE BULK PUMPING	43,932.66	67,565.34	69,104.04
WATER OPERATION & MAINT (INLAND)	434,592.67	568,120.15	625,780.03
WATER OPERATION & MAINT (MIDLAND)	406,208.24	459,758.99	551,878.23
	3,775,218.51	**4,547,012.10**	**5,015,509.43**

	July Amount	Aug Amount	Sept Amount
DIRECTORATE OF SOLID WASTE TRADING SERVICE			
LANDFILLS & TRANSFER STATIONS	317,634.79	423,999.17	587,490.75
WASTE REMOVAL & CLEANSING (COASTAL)	183,777.67	207,806.77	283,632.11
WASTE REMOVAL & CLEANSING (MIDLAND)	256,697.14	264,683.24	376,273.32
LANDFILL & TRANSFER STATIONS	107,078.55	138,164.15	90,313.81
	865,188.15	**1,034,653.33**	**1,337,709.99**
DIRECTORATE OF HEALTH & ENVIRONMENTAL MANAGEMENT			
ENVIROMENTAL PLANNING (IEMP)	13,369.04	12,216.89	8,371.64
COASTAL BEACHES & NATURE MANAGEMENT	43,352.29	32,710.54	60,733.72
GRASS CUTTING & VEGETATION CONTROL	61,049.68	101,548.95	54,283.83
HEALTH SERVICES	-	-	11,858.87
	117,771.01	**146,476.38**	**135,248.06**
DIRECORATE OF SPORT, RECREATION & COMMUNITY DEVELOPMENT			
OFFICE OF THE DIRECTOR OF SPORT ,RECREATION & COMMUNITY DEVELOPMENT	5,254.40	4,827.24	18,479.08
GM OFFICE	59,206.63	56,188.98	84,540.57
LIBRARIES	63,477.74	98,789.23	87,034.14
HALLS	306,722.30	307,730.94	400,316.38
ZOO & AQUARIUM	161,335.40	188,275.25	236,430.54
PARKS (COASTAL)	-	8,023.72	
CEMETERIES (COASTAL)	137,270.55	152,930.16	256,700.10
PARKS (MIDLAND)	9,112.24	9,357.05	17,230.63
CEMETERIES (MIDLAND)	130,087.85	27,141.53	338,463.85
PARKS (INLAND)	160,212.75	198,925.52	157725.16
CEMETERIES (INLAND)	149,154.50	143,754.38	144,743.92
GM OFFICE	4,707.92	6,377.84	8,846.64
FACILITIES	99,541.71	105,423.81	132,998.08

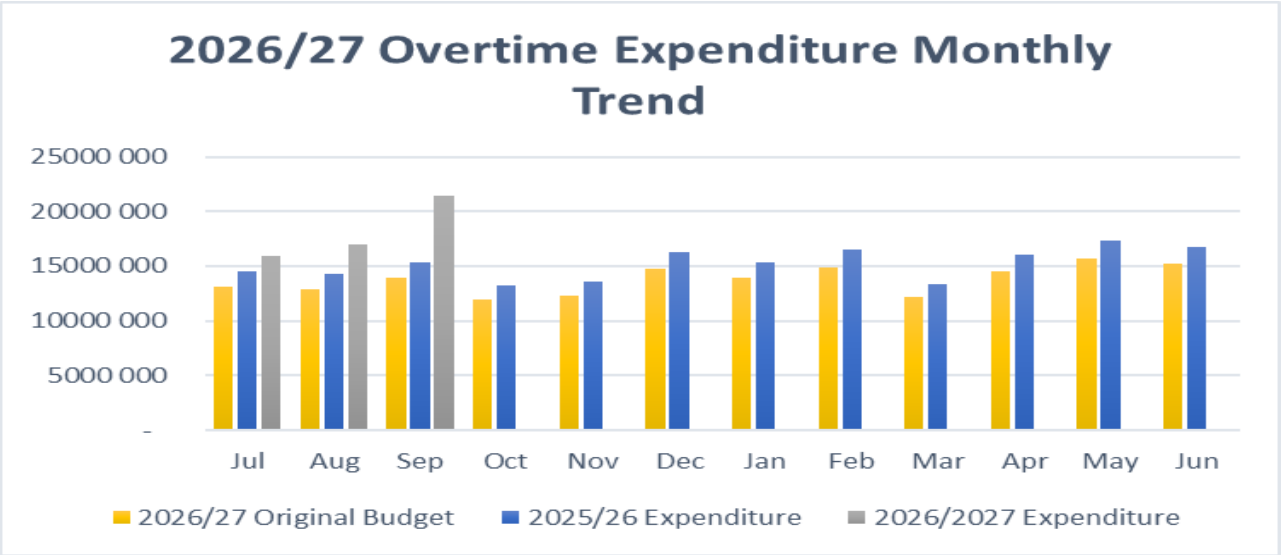
	July Amount	Aug Amount	Sept Amount
SWIMMING POOLS	364,369.56	204,433.74	177,233.50
RESORTS MANAGEMENT	49,600.26	56,589.64	78,951.87
	1,700,053.81	**1,568,769.03**	**2,139,694.46**
TOTAL OVERTIME	**13,219,113.29**	**14,189,898.59**	**18,695,683.74**

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 Executive Support

Staff assisted with preparations for Makinana and Tete memorials as well as the funerals. Overtime was also incurred in the deep cleaning that took place at the City Hall.

b) Directorate of The City Manager

The nature of tasks within City Manager's office contribute to excessive hours of work. The Governance & Internal Auditing unit had overtime for inventory count which also contributed to the over expenditure.

c) Directorate of Corporate Services

Due to an increase in vandalism targeting fibre infrastructure, after-hours support was required to ensure continuous network availability. Overtime was also incurred in the upgrading of the municipality's servers to improve network speed.

d) Directorate of Spatial Planning & Development

Overtime was pre-approved for Leasing personnel who worked over the weekend to finalise lease agreements within the required urgent timelines. The additional capacity was necessary to address the Material Irregularity (MI) related to unbilled

leases and to ensure the timely completion, processing, and regularisation of outstanding lease documentation.

e) 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.

i. 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.

f) Directorate of Electricity and Energy Trading Service

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.

g) Directorate of Infrastructure Services

Overtime is due to the jetting of blocked stormwater drains, the removal of hazards that might obstruct the road surface and closing of dangerous potholes.

h) Directorate of Water and Sanitation Trading Service

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.

i) Directorate of Solid Waste Trading Service

The over expenditure on overtime is mainly due to increased operational and service delivery demands across the three regions. Staff were required to work additional hours to maintain essential waste collection, cleaning, and related services, including addressing operational challenges and service backlogs.

j) Directorate of Health & Environmental Management

The over-expenditure on overtime is due to staff being incorrectly remunerated from the Directorate's votes. The matter has been escalated to Human Resource Management to investigate and correct the issue.

k) 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 July 2026, August 2026 and September 2026. There was an increase in the total payment between July 2026 and August 2026 of R87 420 and an increase in the total payment between August 2026 and September 2026 of R198 971.

Table 23: Standby & Shift Allowance per Directorate

	July Amount	August Amount	September Amount
Directorate of Executive Support Services	13,563	12,710	14,362
Directorate of the City Manager	1,048	707	676
Directorate of Corporate Services	8,832	11,087	11,098
Directorate of Development & Spatial Planning	10,740	16,275	11,615
Directorate of Economic Development & Agencies	3,106	2,858	3,044
Directorate of Finance	24,546	26,839	14,381
Directorate of Health/Public Safety & Emergency Services	989,783	1,063,609	1,062,255
Directorate of Infrastructure Services	1,082,599	150,099	123,656
Directorate of Electricity & Energy Trading Service	-	285,969	391,660
Directorate of Water & Sanitation Trading Service	-	666,497	745,455
Directorate of Environmental & Health	-	89,874	88,998
Directorate of Solid Waste Trading Service	425,388	318,668	376,650
Directorate of Sport, Recreation & Community Development	33,440	35,274	35,586
TOTAL	**2,593,045**	**2,680,465**	**2,879,436**

12.4. Cost of Temporary Staff

Table 24 below reflects the total payment of Temporary Staff for the months of July 2026, August 2026 and September 2026. There was an increase in the total payment between July 2026 and August 2026 of R2 890 909 and a decrease in the total payment between August 2026 and September 2026 of R2 779 751.

Table 24: Temporary Staff per Directorate

	July Amount	August Amount	September Amount
Directorate of Executive Support Services	2,684,181	2,534,710	2,537,186
Directorate of the City Manager	293,674	336,301	242,586
Directorate of Corporate Services	1,497,144	4,296,941	1,333,068
Directorate of Development & Spatial Planning	103,877	70,443	70,253
Directorate of Finance	1,101,256	1,002,021	1,086,143
Directorate of Health/Public Safety & Emergency Services	72,955	231,200	204,516
Directorate of Infrastructure Services	816,113	108,725	175,156
Directorate of Electricity & Energy Trading Service	-	212,464	108,725
Directorate of Water & Sanitation Trading Services	-	114	127,059
Directorate of Environmental & Health	-	575,692	464,952
Directorate of Solid Waste Trading service	1,075,045	358,471	578,875
Directorate of Sport, Recreation & Community Development	116,094	123,647	142,460
TOTAL	**6,959,821**	**9,850,730**	**7,070,979**

12.5. Councillors Costs

The table below shows the budget and expenditure to date for councillors' costs. The year-to-date budget of R18.38 million less the year-to-date expenditure of R19.03 million which results in a variance of -R0.65 million.

Table 25: Councillors Costs

Councillors Allowances and Benefits

Councillors Allowances And Benefits	2026/2027 Annual Budget R	2026/2027 YTD Budget R	2026/2027 YTD Expenditure R	2026/2027 Variance R	2026/2027 Variance %
Councillors Allowances	57 169 143	12 297 115	11 832 821	464 294	3,78
Housing Allowance	2 974 137	639 739	3 905 636	-3 265 897	-510,50
Medical Aid Allowance	2 511 349	540 193	526 238	13 955	2,58
Pension Allowance	5 191 904	1 116 781	1 220 879	-104 097	-9,32
Travel Allowance	17 606 324	3 787 130	1 540 840	2 246 291	59,31
Total	**85 452 857**	**18 380 958**	**19 026 413**	**-645 455**	**-3,51**

13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE

BCMDA has spent R11.12 million (17%) of its 2026/2027 approved operating budget of R66.29 million. A detailed analysis of the entity's performance for month ended 30 September 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) - M03 September

Description	Ref	2024/25	Current Year 2025/26							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue	1									
Exchange Revenue								–		
Service charges - Electricity								–		
Service charges - Water								–		
Service charges - Waste Water Management								–		
Service charges - Waste Management								–		
Sale of Goods and Rendering of Services		18	–	–	–	–	–	–		–
Agency services		–	–	–	–	–	–	–		–
Interest								–		
Interest earned from Receivables								–		
Interest earned from Current and Non Current Assets		1 847	2 338	2 338	168	373	663	(290)	-43,7%	2 338
Dividends								–		
Rent on Land								–		
Rental from Fixed Assets		–	–	–	–	–	–	–		–
Licence and permits								–		
Special rating levies								–		
Construction Contract Revenue								–		
Development Charges								–		
Operational Revenue		11	24 594	24 594	–	(30)	8 485	(8 515)	-100,4%	24 594
Non-Exchange Revenue										
Property rates								–		
Surcharges and Taxes								–		
Fines, penalties and forfeits								–		
Licences or permits								–		
Transfer and subsidies - Operational		12 378	39 361	39 361	10	4 360	12 595	(8 236)	-65,4%	39 361
Interest Receivables								–		
Fuel Levy								–		
Operational Revenue - Service Charges								–		
Gains on disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–		–
Other Gains		–	–	–	–	–	–	–		–
Discontinued Operations								–		
Total Revenue (excluding capital transfers and contributions)		**14 254**	**66 293**	**66 293**	**178**	**4 703**	**21 743**	**(17 040)**	**-78,4%**	**66 293**
Expenditure By Type										
Employee related costs		31 652	33 942	33 942	2 667	7 704	8 187	(483)	-5,9%	33 942
Remuneration of board members								–		
Bulk purchases - electricity								–		
Inventory consumed		208	641	641	5	30	133	(104)	-77,8%	641
Debt impairment								–		
Depreciation, amortisation and impairment	2	383	565	565	24	50	149	(99)	-66,6%	565
Finance charges		–	–	–	–	–	–	–		–
Contracted services		16 419	19 056	19 056	633	2 719	2 010	709	35,2%	19 056
Transfers and subsidies		–	–	–	–	–	–	–		–
Irrecoverable debts written off		–	–	–	–	–	–	–		–
Operational costs		5 506	12 088	12 088	273	604	3 941	(3 337)	-84,7%	12 088
Disposal of Fixed and Intangible Assets		–	–	–	–	8	–	8		–
Other Losses		–	–	–	–	–	–	–		–
Total Expenditure	3	**54 169**	**66 293**	**66 293**	**3 603**	**11 115**	**14 420**	**(3 306)**	**-22,9%**	**66 293**
Surplus/(Deficit)		**(39 914)**	**–**	**–**	**(3 425)**	**(6 411)**	**7 323**	**(13 734)**	**-187,6%**	**–**
Transfers and subsidies - capital (monetary allocations)		–	700	700	–	–	224	**(224)**	**-100,0%**	700
Transfers and subsidies - capital (in-kind)								–		
Surplus/(Deficit) before taxation		(39 914)	700	700	(3 425)	(6 411)	7 547	**(13 958)**	**-185,0%**	700
Income Tax		–	–	–	–	–	–	–		–
Surplus/(Deficit) for the year		**(39 914)**	**700**	**700**	**(3 425)**	**(6 411)**	**7 547**	**(13 958)**		**700**

14. CAPITAL PROGRAMME PERFORMANCE

The Metro has spent 6% (R83.01 million, inclusive of reclaimed vat) of its 2026/27 adjusted capital budget of R1.45 billion as at 30 September 2026. This reflects a decline when compared to the same period in the previous financial year where 10% (R128.65 million, inclusive of reclaimed vat) of the adjusted capital budget of R1.26 billion was spent. Low expenditure can be attributed to the challenge the Metro is experiencing with the automation of the new e-procurement system. However, this is being attended to and a manual system is being utilised as the Metro deals with the continuing challenges. Expenditure will improve once the Metro has dealt with the challenges of automation.

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	2026/2027 Adjusted Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
TOTAL OWN FUNDING	**482 398 631**	**40 036 347**	**442 362 284**	**8%**
Urban Settlement Development Grant	162 735 091	21 450 106	141 284 985	13%
City of Oldenburg	830 873	0	830 873	0%
Informal Settlements Upgrading Partnership Grant	282 601 002	8 912 473	273 688 529	3%
Neighbourhood Development Partnership Grant	31 185 000	0	31 185 000	0%
Infrastructure Skills Development Grant	200 000	0	200 000	0%
Metro Trading Services	494 541 490	12 606 291	481 935 199	3%
TOTAL GRANTS	**972 093 456**	**42 968 870**	**929 124 587**	**4%**
TOTAL CAPITAL BUDGET	**1 454 492 087**	**83 005 217**	**1 371 486 871**	**6%**

Table 28 below reflects capital expenditure performance per function.

Table 28: Actual Expenditure per Function against Budget

Function	2026/2027 Adjusted Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Governance and administration	**71 589 784**	**6 103 343**	**65 486 441**	**9%**
Executive and council	15 800 000	6 103 343	9 696 657	39%
Finance and administration	55 789 784	0	55 789 784	0%
Community and public safety	**413 502 684**	**34 116 057**	**379 386 627**	**8%**
Community and social services	50 333 457	927 326	49 406 131	2%
Sport and recreation	88 420 692	20 783 040	67 637 652	24%
Public safety	32 528 459	0	32 528 459	0%
Human settlements	227 769 728	7 381 656	220 388 072	3%
Health	14 450 348	5 024 035	9 426 313	35%
Economic and environmental services	**211 856 141**	**7 613 063**	**204 243 078**	**4%**
Planning and development	60 446 576	27 500	60 419 076	0%
Road transport	151 409 565	7 585 563	143 824 002	5%
Trading services	**708 614 484**	**32 835 509**	**675 778 975**	**5%**
Energy sources	175 223 999	11 850 076	163 373 923	7%
Water management	261 855 736	2 571 269	259 284 467	1%
Waste water management	174 397 718	0	174 397 718	0%
Waste management	97 137 032	18 414 164	78 722 868	19%
Other - LED	**48 928 994**	**2 337 245**	**46 591 750**	**5%**
TOTAL - PER FUNCTION	**1 454 492 087**	**83 005 217**	**1 371 486 871**	**6%**

Table 29 below reflects capital expenditure performance per directorate.

Table 29: Actual Expenditure per Directorate against Budget

Directorate	2026/2027 Adjusted Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Executive Support Services	2 500 000	0	2 500 000	0%
City Manager's Office	13 300 000	6 103 343	7 196 657	46%
Corporate Services	20 150 000	0	20 150 000	0%
Spatial Planning & Development	65 568 625	27 500	65 541 125	0%
Economic Development & Agencies	48 928 994	2 337 245	46 591 750	5%
Finance Services	10 833 944	0	10 833 944	0%
Public Safety & Emergency Services	64 260 730	18 630	64 242 100	0%
Human Settlements	227 769 728	7 381 656	220 388 072	3%
Electricity & Energy Trading Service	174 723 999	11 850 076	162 873 923	7%
Infrastructure Services	156 909 565	7 585 563	149 324 002	5%
Water & Sanitation Trading Service	436 253 454	2 571 269	433 682 185	1%
Sports, Recreation & Community Development	94 644 863	21 679 827	72 965 036	23%
Solid Waste Trading Service	86 183 190	17 848 374	68 334 816	21%
Health & Environmental Management	37 781 205	5 601 735	32 179 470	15%
TOTAL DIRECTORATES	**1 439 808 296**	**83 005 217**	**1 356 803 080**	**6%**
BCMDA Projects	700 000	0	700 000	0%
Asset Replacements	13 983 791	0	13 983 791	0%
TOTAL CONSOLIDATED CAPITAL PER DIRECTORATE	**1 454 492 087**	**83 005 217**	**1 371 486 871**	**6%**

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

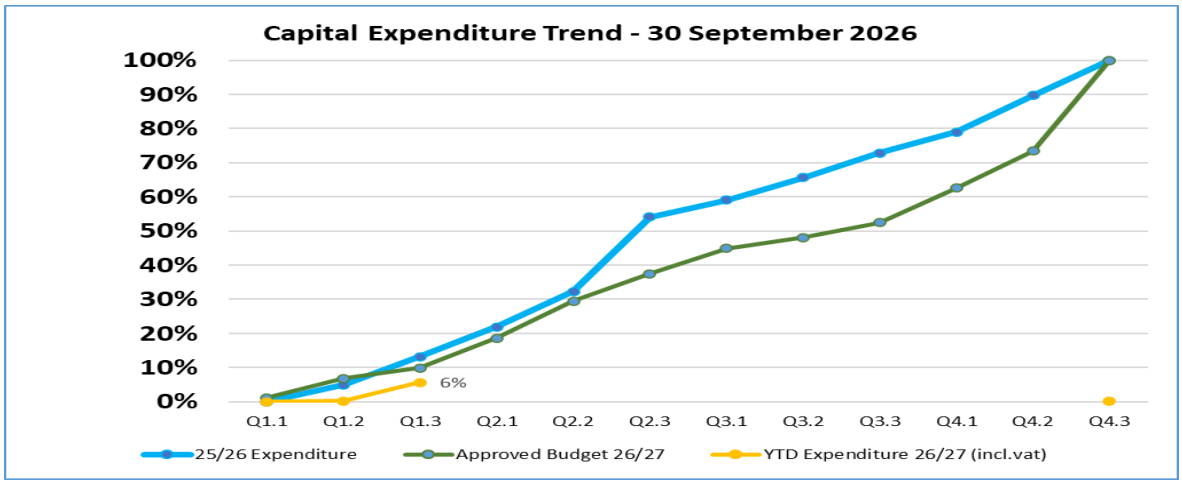
Table 30: SC12 Monthly Budget Statement – capital expenditure trend

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

Month	2025/26	Budget Year 2026/27							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
Monthly expenditure performance trend									
July	0	107,186	107,186	8	8	107,186	107,178	100.0%	0%
August	45,707	116,430	116,430	3,877	3,877	223,616	219,739	98.3%	0%
September	73,203	120,346	120,346	77,508	77,508	343,963	266,455	77.5%	5%
October	83,338	124,263	124,263	–	–	468,225	468,225	100.0%	0%
November	92,766	128,179	128,179	–	–	596,404	596,404	100.0%	0%
December	198,084	112,514	112,514	–	–	708,918	708,918	100.0%	0%
January	43,420	116,430	116,430	–	–	825,348	825,348	100.0%	0%
February	58,389	120,346	120,346	–	–	945,694	945,694	100.0%	0%
March	65,260	124,263	124,263	–	–	1,069,957	1,069,957	100.0%	0%
April	49,267	128,179	128,179	–	–	1,198,136	1,198,136	100.0%	–
May	91,652	132,095	132,095	–	–	1,330,231	1,330,231	100.0%	–
June	330,748	124,262	124,262	–	–	1,454,492	1,454,492	100.0%	–
Total Capital expenditure	1,131,834	1,454,492	1,454,492	81,393					

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 19% (R104.09 million, inclusive of reclaimed vat) of its 2026/27 adjusted operating projects budget of R547.44 million as at 30 September 2026. This reflects an improvement when compared to the same period in the previous financial year where 7% (R45.70 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R637.11 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

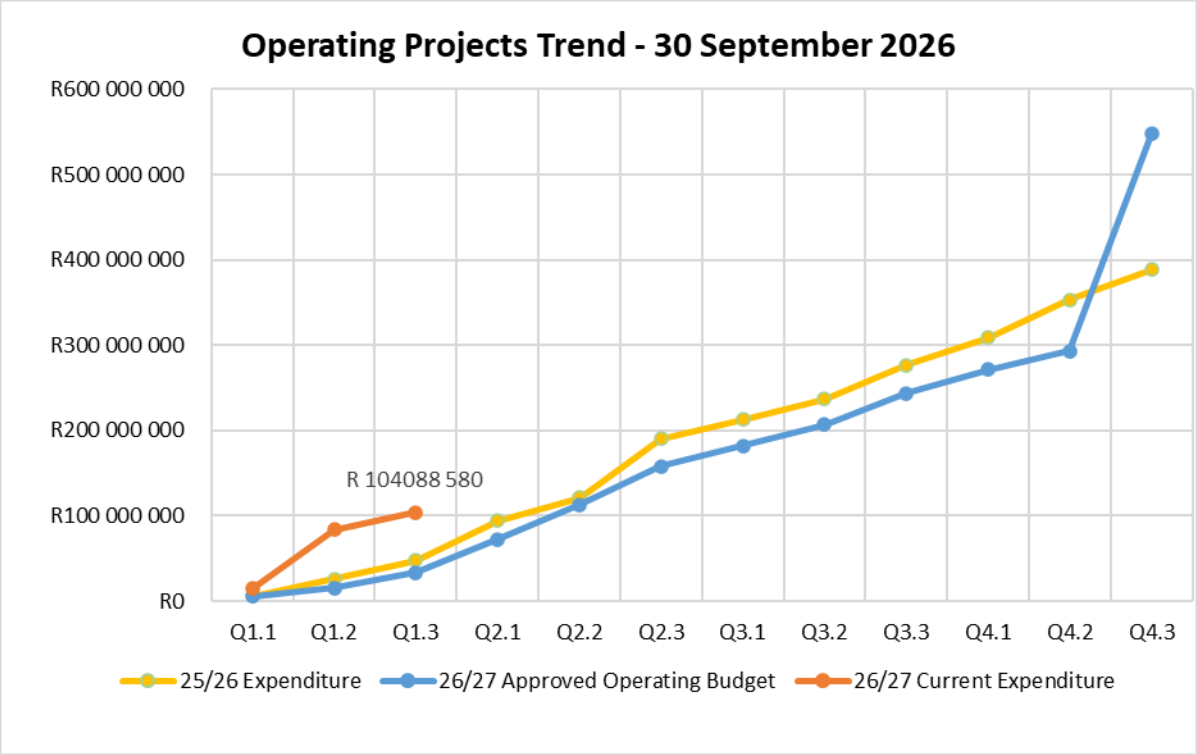
Directorate	2026/2027 Adjusted Budget	YTD Expenditure (incl. vat)	Variance (incl.VAT)	% Expenditure (incl. vat)
Executive Support Services	31 721 099	7 743 837	23 977 262	24%
City Manager's Office	36 542 032	7 139 270	29 402 762	20%
Corporate Services	18 800 000	36 729 925	-17 929 925	195%
Spatial Planning & Development	4 200 000	12 980	4 187 020	0%
Economic Development & Agencies	52 842 073	1 515 080	51 326 993	3%
Finance Services	46 500 000	1 798 274	44 701 726	4%
Public Safety & Emergency Services	2 600 000	0	2 600 000	0%
Human Settlements	135 898 000	14 361 746	121 536 254	11%
Electricity & Energy Trading Service	38 155 000	0	38 155 000	0%
Infrastructure Services	48 187 831	1 143 710	47 044 121	2%
Water & Sanitation Trading Service	57 797 890	0	57 797 890	0%
Directorate of Sports, Recreation & Community Development	10 500 000	565 217	9 934 783	5%
Solid Waste Trading Service	44 500 000	32 242 125	12 257 875	72%
Health & Environmental Management	19 200 000	836 415	18 363 585	4%
TOTAL OPERATING PROJECTS	**547 443 924**	**104 088 580**	**443 355 344**	**19%**

Table 32: Operating Projects Per Funding Source

Funding	2026/2027 Adjusted Budget	YTD Expenditure (incl. vat)	Variance (incl.VAT)	% Expenditure (incl. vat)
TOTAL OWN FUNDING	**273 130 122**	**83 346 095**	**189 784 027**	**31%**
City of Oldenburg C/O	721 099	0	721 099	0%
Urban Settlement Development Grant	34 661 910	2 328 843	32 333 067	7%
Finance Management Grant	1 200 000	110 894	1 089 106	9%
Informal Settlements Upgrading Partnership Grant	15 500 000	1 849 242	13 650 758	12%
Infrastructure Skills Development Grant	9 300 000	1 263 398	8 036 602	14%
Programme and Project Preparation Support Grant	10 971 000	0	10 971 000	0%
Expanded Public Works Programme	4 024 000	1 475 105	2 548 895	37%
Human Settlements Development Grant	117 898 000	12 138 048	105 759 952	10%
Sector Education and Training Authorities	3 000 000	433 244	2 566 756	14%
Sector Education and Training Authorities C/O	1 852 073	0	1 852 073	0%
Department of Transport C/O	45 187 831	1 143 710	44 044 121	3%
Metro Trading Services	29 997 890	0	29 997 890	0%
TOTAL GRANTS	**274 313 802**	**20 742 485**	**253 571 317**	**8%**
TOTAL OPERATING PROJECTS BUDGET	**547 443 924**	**104 088 580**	**443 355 344**	**19%**

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. VIREMENTS ON THE 2026/27 BUDGET

Changing circumstances and prioritisation during a financial year may give rise to a need for virement of funds within the vote as permitted in terms of the Municipal Finance Management Act (MFMA) no 56 of 2003. The City's virement policy permits that sufficient budgetary provision should be available within the "giving" vote or project concerned to give effect to the budgetary virement.

The implemented virement is in accordance with the prescripts of section 15 of the MFMA. Furthermore section 29(2) (c) of the MFMA, permits the Mayor to report such virement in the next municipal council after being implemented.

16.1. Directorates of Sport, Recreation and Community Development and the Directorate of Corporate Services

An amount totalling R2 769 277 was reallocated from the Directorate of Sport, Recreation and Community Development to the Directorate of Corporate Services, which houses the Buffalo City Metropolitan Municipality Sports and Recreation Club (BCMMSRC). The purpose of the virement is to enable the BCMMSRC to partake Southern Africa Inter-Municipal Sports Association (SAIMSA) wellness games. BCMM is a member of SAIMSA and as hosts of the 2027 SAIMSA games, it was imperative that BCMM attend the games to display an expression of interest and readiness to host and partake in the games next year.

Table 33: Virement Implemented between Directorate of Sport, Recreation and Community Development, and the Directorate of Corporate Services

Directorate Name	2026/2027 Adjustment Budget	2026/2027 Transfers	2026/2027 Budget after Adjustment
Transferred from Directorate of Sports, Recreation and Community Development:			
Non-Prof: Unspecified	1 848 446	(1 030 000)	818 446
Opr Leases: Machinery & Equipment	102 690	(102 690)	0
Inv - Consumable Stores - Zero Rated	1 074 473	(500 000)	574 473
C&PS: B&A Research & Advisory	571 200	(571 200)	0
Licenses - General	1 689 150	(200 000)	1 489 150
OC: Hire Charges	956 939	(29 562)	927 377
T&S Domestic Accommodation	413 349	(53 915)	359 434

OS: Catering Services	866 454	(181 910)	684 544
OS: Animal Care	1 348 395	(100 000)	1 248 395
Transferred To Directorate of Corporate Services			
OC: T&S Domestic Accommodation	R 502 246	R2 769 277	R3 271 523

17. COST CONTAINMENT MEASURES

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

Table 34 below compares expenditure incurred on cost containment items per quarter and total savings realised for the quarter under review.

Table 34: Cost Containment Quarterly Report

Measures	2026/2027 Budget	Q1 July - September	July – September	Savings realised when compared to year to date expenditure
		YTD Budget	26/27 Expenditure	
Catering	8 179 338	2 044 835	4 098 879	(2 054 045)
Use of Consultants	117 684 341	29 421 085	24 934 566	4 486 519
Travel & Subsistence and Accommodation	18 296 644	4 574 161	1 320 177	3 253 984
Entertainment	1 147 586	286 897	99 385	187 511
Advertising, Publication & Marketing	12 679 638	3 169 910	348 857	2 821 052
Sponsorships and Events	22 078 985	5 519 746	13 129 116	(7 609 370)
Total	**180 066 532**	**45 016 633**	**43 930 981**	**1 085 652**

18. SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS

The Buffalo City Metropolitan Municipality's (BCMM) in-year performance monitoring and reporting process is guided by the 2026/2027 Service Delivery and Budget Implementation Plan (SDBIP), which was approved by the Executive Mayor on 26 June 2026. All performance targets contained in the approved SDBIP have been disaggregated into quarterly targets to facilitate effective monitoring, measurement and reporting on service delivery and budget implementation.

In accordance with Section 52 of the Municipal Finance Management Act (MFMA), the Municipality is required to compile an in-year report at the end of each quarter, providing an update on budget implementation and the financial state of affairs of the Municipality. The report must be tabled before Council to enable oversight and support informed decision-making regarding the Municipality's financial performance and service delivery progress.

Indicators and targets are categorised into two; namely, National prescribed performance indicators and BCMM indicators.
They are also classified as:

a) Service delivery indicators and targets. These are indicators that are budgeted for and are addressing service delivery needs or priorities.

b) Compliance indicators. These indicators respond to different legislations, norms and standards.

Below is the summary of the un-audited first quarter service delivery targets and performance indicators reported per directorate.

18.1. SERVICE DELIVERY TARGETS AND PERFORMANCE INDICATORS FOURTH QUARTER 2026/2027 PER DIRECTORATE

i. Executive Support Services

The Directorate has two service delivery indicators/targets and both 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, one indicator/ target has been achieved and two have not been achieved. The remaining two are not for reporting in this quarter. The Directorate has achieved 33% 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 three service delivery indicators/targets. One has been achieved and two are not for reporting in this quarter. The Directorate has achieved 100% performance for Service Delivery indicators/targets

vi. Health and Environmental Management

The Directorate has no service delivery indicators/targets.

vii. **Spatial Planning And Development**

The Directorate has six service delivery indicators/targets. Five targets have not been achieved, and one is not for reporting in this quarter.

The Directorate has achieved 0% performance for Service Delivery indicators/targets.

viii. **Economic Development And Agencies**

The Directorate has fourteen service delivery indicators/targets, six have been achieved and five have not achieved. Three indicators are not for reporting in this quarter. The Directorate has achieved 55% performance for Service Delivery indicators/targets.

ix. **Public Safety And Emergency Services**

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

x. **Solid Waste And Environmental Management**

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

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

The Directorate has nine service delivery indicators/targets, one has been achieved. Eight indicators are not for reporting for this quarter. The Directorate has achieved 100% performance for Service Delivery indicators/targets

xii. **Electricity and Energy**

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

xiii. Infrastructure Services (Roads and Stormwater)

The Directorate has eight service delivery indicators/targets, three have been achieved, two not have not been achieved and three are not for reporting in this quarter. The Directorate has achieved 60% performance for Service Delivery indicators/targets

xiv. Water and Sanitation

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

The un-audited overall performance for service delivery indicators is **64%.**

Table 35: Summary of BCMM First 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	First Quarter % of KPI's achieved
Executive Support Services	2	2	0	0	100%
Human Settlements	5	1	2	2	33%
Directorate of Finance	2	2	0	0	100%
Corporate Services	1	1	0	0	100%
COO	3	1	0	2	100%
Infrastructure Services (Roads and Stormwater)	8	3	2	3	60%
Spatial Planning & Development	6	0	5	1	0%
Economic Development and Agencies	14	6	5	3	55%
Health and environmental management	N/A	N/A	N/A	N/A	N/A
Public Safety and Emergency Services	3	2	0	1	100%
Solid Waste and Environmental Management	5	2	0	3	100%
Sport, Recreation And Community Development	9	1	0	8	100%
Electricity and Energy	3	1	0	2	100%
Water and Sanitation	3	3	0	0	100%
TOTALS	**64**	**25**	**14**	**25**	**64%**

18.2. PERFORMANCE TARGETS THAT ARE FOR COMPLIANCE AND REPORTING ONLY

Below is the summary of Circular 88 compliance indicators per directorate. Out of thirteen directorates, three directorates (Infrastructure (roads and stormwater), Office of the Chief Operations Officer and Sport, recreation, and community development) are not allocated compliance indicators by National Treasury.

i. Executive Support Services

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

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-two compliance and reporting indicators/targets. Thirteen have been achieved and six have not been achieved. Thirteen are not for reporting

iv. Corporate Services

The Directorate has a total of seven compliance & reporting indicators/targets and four have been achieved. Two not achieved and one not for reporting.

v. Spatial Planning And Development

The Directorate has two compliance indicators/targets and one has been achieved and one not achieved.

vi. Economic Development And Agencies

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

vii. **Health and Environmental Management**

The Directorate has seven compliance indicators/targets and three have been achieved and four are not for reporting this quarter.

viii. **Public Safety And Emergency Services**

The Directorate has five compliance & reporting indicators/targets and two have been achieved and one not achieved. Two are not for reporting this quarter.

ix. **Solid Waste And Environmental Management**

The Directorate has no compliance & reporting indicators/ targets.

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

The Directorate has no compliance indicators/targets.

xi. **Electricity and Energy**

The Directorate has six compliance and reporting indicator/target and one has been achieved and one has not been achieved. Four indicators are not for reporting this quarter.

xii. **Water and Sanitation**

The Directorate has nine compliance indicators/targets and two have been achieved. One is not achieved. Six indicators are not for reporting.

xiii. **Infrastructure Services (Roads and Stormwater)**

The Directorate has no compliance indicators/targets.

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

The Directorate has no compliance indicators/targets.

Table 36: Summary of BCMM First 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	3	1	0
Human Settlements	1	1	0	0
Directorate of Finance	32	13	6	13
Corporate Services	7	4	2	1
Infrastructure Services (Roads and Stormwater)	N/A	N/A	N/A	N/A
Office of the Chief Operations Officer	N/A	N/A	N/A	N/A
Spatial Planning & Development	2	1	1	0
Economic Development and Agencies	2	2	0	0
Health and Environmental Management	7	3	0	4
Public Safety and Emergency Services	5	2	1	2
Solid Waste and Environmental Management	N/A	N/A	N/A	N/A
Sport, Recreation and Community Development	N/A	N/A	N/A	N/A
Electricity and Energy	6	1	1	4
Water and Sanitation	9	2	1	6

19. CONCLUSION

This First quarter Service Delivery targets and Performance indicators Report 2026/2027 is unaudited at this stage and is still going to be subjected to internal audit processes.

20. 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 **September 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: .....