REPORT TO EXECUTIVE MAYOR: 12 APRIL 2018

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STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2017/18 BUDGET FOR THE PERIOD ENDED 31 MARCH 2018

1. PURPOSE

The purpose of the report is for the Executive Mayor to consider and note the statement of financial performance and the implementation of the 2017/18 budget of the Buffalo City Metropolitan Municipality for the period ended 31 March 2018.

2. AUTHORITY

Executive Mayor

3. LEGAL / STATUTORY REQUIREMENTS

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

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

3.3. Municipal Budget and Reporting Regulations, 2009

4. BACKGROUND

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

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

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

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PART 1: IN-YEAR REPORT

5. RESOLUTIONS

It is recommended that:

(i) The Executive Mayor considers and notes the report on the statement of financial performance and the implementation of the 2017/18 budget for the period ended 31 March 2018 including supporting documentation attached as Annexure A to F.

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

(iii) The Executive Mayor notes the year to date collection rate for the period ended 31 March 2018 of 85.09%.

_____ _____

A. NAIDOO **DATE**

ACTING CITY MANAGER

BUFFALO CITY METROPOLITAN MUNICIPALITY

SIYABULELA PETER/ AX

6. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY FOR THE PERIOD ENDED 31 MARCH 2018

6.1. Dashboard / Performance Summary

Table 1: Performance Summary

OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	R 4,657,698,972	Bank Balance	R 365,491,250
Expenditure	(R 4,924,942,856)	Call investments (excl. int.)	R 2,038,939,288
Operating Deficit	(R 267,243,884)	**Cash and cash equivalents**	**R 2,404,430,538**
Transfers Recognised - Capital	R 343,403,547	*Account Payables*	*(R 421,497,557)*
Surplus After Capital Transfers	R 76,159,663	*Unspent conditional grants*	*(R 527,366,186)*
DEBTORS		*Committed to Capital budget-own funds*	*(R 594,909,920)*
Total debtors book (incl. impairment)	R 1,951,935,024	**Therefore, Cash and Cash equivalents ring fenced for assets renewal in outer years**	**R 860,656,875**
Total debtors - Government	R 46,051,979		
Total debtors - Business	R 542,900,335	Total Long term loans	R 414,018,342
Total debtors - Households	R 1,085,562,618		
Total debtors - Other	R 277,420,092	**SURPLUS / (DEFICIT) PER SERVICE**	
Total debt written off	R 297,631,273	Water	(R 45,900,970
REPAIRS AND MAINTENANCE		Electricity	(R 111,078,446)
2016/2017: Exp. = R240.2m, which is 57% of approved budget of R418.61 m	**2017/2018:** Exp.= R234.54 m, which is 69% of approved budget of R450.64 m	Refuse	R 31,559,437
		Sewerage	R90,503,353
CAPITAL EXPENDITURE		**OPERATING PROJECTS EXPENDITURE**	
2016/2017: Exp. as a % of Adjusted Budget of R1.49b: Exp. (excl. vat) = R750.78 mil % exp. (Excl. vat) : 50% Exp. (incl. vat) = R799.67 mil % exp. (incl. vat): 54%	**2017/2018: Exp. as a % of Adjusted Budget of R1.63b:** Exp. (excl. vat) = R606.91 mil % exp. (Excl. vat) :37% Exp. (incl. vat) = R656.88 mil % exp. (incl. vat): 40%	**2016/2017: Exp. as a % of Adjusted Budget of R336.91m:** Exp. (excl. vat) = R179.20 mil % exp. (excl. vat): 55% Exp. (incl. vat) = R186.56 mil % exp. (incl. vat): 57%	**2017/2018: Exp. as a % of Adjusted Budget of R309.4m:** Exp. (excl. vat) = R170.79 mil % exp. (excl. vat): 55% Exp. (incl. vat) = R176.85 mil % exp. (incl. vat): 57%
FINANCIAL		**HUMAN RESOURCES**	
Operating Deficit for the period	R 267,243,856	Total staff complement	5 179
Debtors collection ratio	85.09%	Staff Appointments	93
YTD Grants and subsidies	R 1,293,785,166	Staff Terminations	43
% of Creditors paid within terms	100%	Number of funded vacant posts	743
Current ratio	3.10:1	Total overtime paid (YTD)	R 102,516,781
Total Debt to Revenue	9.06%	Allowances and benefits - Councillors	R 44,652,107
Capital Charges to Operating Expenditure	1.10%	Salary bill - Officials	R 1,337,469,053
Cost coverage ratio	5.4 months	Workforce costs as a % of expenditure	28.06%

6.2 Liquidity position

Buffalo City Metropolitan Municipality's liquidity is considered relatively sound as the Current Ratio is 3.10:1 which indicates the ability of Municipality's current assets to cover its current liabilities. Net debtors constitute 38% of the current assets, inventory constitutes 2% and cash & cash equivalents comprise 60% of the current assets. The City has a strong cash and cash equivalent and can easily meet its immediate obligations, however, the decline in collection rate is a threat to the City's cash position.

6.3 Collection Rate and Outstanding Debtors

The year to date collection rate for the month ended 31 March 2018 is 85.09% (2016/17: 87.4%). The collection rate has decreased by 0.84% from last month where 85.93% was achieved for the period ended 28 February 2018. This ratio denotes the City's ability to collect the billed revenue from its consumers. The corrective measures that are implemented to improve the collection are detailed under section 8 of the report under debtors' management.

Total gross debtors book (including current accounts) as at 31 March 2018 amounts to R1.95 billion (2016/17: R2 billion). Households: R1.09 billion, Business: R542.9 million, Government: R46.05 million, Other: R277.42 million.

Refer to section 8.1 of the report for details on debtors' management. The debtors' age analysis report is reflected on Annexure B – SC3.

6.4 Capital Expenditure

BCMM has spent 40% (R656.88 million, inclusive of reclaimed vat) of its 2017/18 adjusted capital budget of R1.63 billion as at 31 March 2018. This depicts regression when compared to the same period in the previous financial year where 54% (R799.67 million, inclusive of reclaimed vat) of the adjusted capital budget of R1.49 billion was spent. Based on past perfomance trends, expenditure is expected to progressively improve during the last quarter of the financial year as procurement processes have been concluded. (Refer to

Section 14 for further details).

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

6.5 Operating projects

The Metro has spent 57% (R176.85 million, inclusive of reclaimed vat) of its 2017/18 adjusted operating projects budget of R309.4 million as at 31 March 2018. This reflects a slight regression in rand value terms when compared to the same period in the previous financial year where 57% (R186.56 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R336.91 million was spent. Based on past perfomance trends, expenditure is expected to progressively improve during the last quarter of the financial year as procurement processes have been concluded. (Refer to Section 15 for further details).

A detailed schedule of the operating projects expenditure is outlined in Annexure D.

6.6 Expenditure on Conditional Grants (DoRA Allocation)

The Metro has spent 57% (R512 million, inclusive of reclaimed vat) of its 2017/2018 conditional grants budget of R899.69 million as at 31 March 2018. This depicts regression when compared to the same period in the previous financial year where 64% (R525.40 million, inclusive of reclaimed of vat) of conditional grants budget of R820.97 million was spent. Based on past perfomance trends, expenditure is expected to progressively improve during the last quarter of the financial year as procurement processes have been concluded. (Refer to Section 11 for further details).

6.6.1. Urban Settlement Development Grant (USDG) funded projects

BCMM has spent 60% (R459.66 million, inclusive of reclaimed vat) of its 2017/2018 USDG budget of R768.13 million as at 31 March 2018. This reflects a regression when compared to the same period in the previous financial year where 70% (R510.13 million, inclusive of reclaimed of vat) of

USDG budget of R731.5 million was spent. Based on past perfomance trends, expenditure is expected to progressively improve during the last quarter of the financial year as procurement processes have been concluded. (Refer to Section 11 for further details).

6.7 Cash and Cash Equivalents

The cash and cash equivalents of the City as at 31 March 2018 are R2.4 billion made up of cash and bank amounting to R365.49 million and call investment deposits of R2.04 billion. This funding is invested with various financial institutions in compliance with the MFMA. Refer to Section 7.7 and Annexure A – C7 for the cash flow statement as well as Section 10 and Annexure B – SC5 for the investment portfolio breakdown.

The cost coverage ratio of the City is 5.4 months. This ratio indicates the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue during that period. This ratio denotes that the City can meet its monthly operating commitments 5.4 times, which is above the norm of 1-3 months as per the MFMA circular 71. It is however a concern to note that the City's cash and cash equivalent reserve is decreasing due to the unfavourable collection rate that is below the target as depicted in section 6.3 of the report. There have also been high capital investment that is funded by internally generated funds.

6.8 Outstanding Creditors

The Metro is paying its creditors within 30 days as stipulated by the MFMA except when there are disputes on received invoices. However, Small Micro Medium Enterprises (SMME) are paid on a fortnightly basis to assist emerging service providers. Refer to Section 9 for details.

6.9 Long-Term Debt Profile

The total long term borrowings of the municipality as at 31 March 2018 amounts to R414.02 million (Refer to Annexure C for the schedule of borrowings).

The ratio of capital charges to operating expenditure as at 31 March 2018 is 1.10%. 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%; BCMM is below the norm and has the capacity to take on additional borrowing to invest in infrastructure projects that generate revenue. The City is currently in the process of securing additional loan funding which will result in the actual ratio moving closer to the norm.

The total debt to revenue ratio is 9.06% as at 31 March 2018, 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 municipality is therefore highly solvent to meet its debt obligation as it is below the set ceiling of 45% in accordance with the MFMA circular 71.

7. IN-YEAR BUDGET STATEMENT MAIN TABLES

7.1 Monthly Budget Statement Summary

The table below provides a high-level summation of the Metro's financial performance, capital expenditure, financial position, cash flow, debtors and creditors analysis.

Table 2:C1: Monthly Budget Statement Summary

BUF Buffalo City - Table C1 Monthly Budget Statement Summary - M09 March									
Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Financial Performance									
Property rates	978 231	1 225 285	1 121 175	77 856	831 936	854 989	(23 054)	-3%	1 121 175
Service charges	2 867 970	3 011 895	2 936 647	248 449	2 235 170	2 228 345	6 825	0%	2 936 647
Investment revenue	148 011	157 002	131 002	8 974	89 869	106 570	(16 701)	-16%	131 002
Transfers and subsidies	1 304 827	1 368 106	1 370 858	336 071	1 293 785	1 278 207	15 578	1%	1 370 858
Other own revenue	313 867	426 719	377 341	20 533	206 939	286 434	(79 495)	-28%	377 341
Total Revenue (excluding capital transfers and contributions)	**5 612 906**	**6 189 006**	**5 937 024**	**691 883**	**4 657 699**	**4 754 545**	**(96 846)**	**-2%**	**5 937 024**
Employee costs	1 560 996	1 733 321	1 733 321	146 413	1 337 469	1 328 872	8 597	1%	1 733 321
Remuneration of Councillors	55 482	62 398	60 381	4 977	44 652	43 435	1 217	3%	60 381
Depreciation & asset impairment	807 050	778 273	778 273	(349 271)	1 049 309	778 273	271 037	35%	778 273
Finance charges	49 359	54 318	45 240	3 647	33 416	33 488	(72)	-0%	45 240
Materials and bulk purchases	1 558 514	1 578 167	1 659 573	116 494	1 216 893	1 217 258	(366)	-0%	1 659 573
Transfers and subsidies	394 807	328 637	77 470	6 041	254 632	58 103	196 529	338%	77 470
Other expenditure	1 618 312	1 652 966	1 581 839	113 625	988 571	1 179 571	(190 999)	-16%	1 581 839
Total Expenditure	**6 044 521**	**6 188 080**	**5 936 097**	**41 926**	**4 924 943**	**4 638 999**	**285 944**	**6%**	**5 936 097**
Surplus/(Deficit)	**(431 615)**	**926**	**926**	**649 957**	**(267 244)**	**115 546**	**(382 790)**	**-331%**	**926**
Transfers and subsidies - capital (monetary allocations) (I	669 780	795 307	819 099	38 178	343 404	453 673	(110 270)	-24%	819 099
Contributions & Contributed assets	–	–	229	–	–	–	–		229
Surplus/(Deficit) after capital transfers & contributions	**238 165**	**796 234**	**820 255**	**688 136**	**76 160**	**569 219**	**(493 060)**	**-87%**	**820 255**
Share of surplus/ (deficit) of associate	15 248	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	**253 413**	**796 234**	**820 255**	**688 136**	**76 160**	**569 219**	**(493 060)**	**-87%**	**820 255**
Capital expenditure & funds sources									
Capital expenditure	**1 276 301**	**1 645 204**	**1 634 320**	**88 839**	**606 911**	**760 328**	**(153 417)**	**-20%**	**1 634 320**
Capital transfers recognised	669 780	795 307	819 328	59 010	386 830	381 173	5 657	1%	819 328
Public contributions & donations	–	–	–	–	–	–	–		–
Borrowing	–	69 000	–	(547)	–	–	–		–
Internally generated funds	**606 521**	**780 897**	**814 991**	**30 376**	**220 081**	**379 155**	**(159 074)**	**-42%**	**814 991**
Total sources of capital funds	**1 276 301**	**1 645 204**	**1 634 320**	**88 839**	**606 911**	**760 328**	**(153 417)**	**-20%**	**1 634 320**
Financial position									
Total current assets	3 174 072	3 690 664	3 516 573		3 980 909				3 516 573
Total non current assets	16 490 855	15 248 547	15 237 662		16 028 623				15 237 662
Total current liabilities	1 371 169	1 336 012	1 339 835		1 285 875				1 339 835
Total non current liabilities	915 192	1 146 211	1 074 494		901 862				1 074 494
Community wealth/Equity	**17 378 567**	**16 456 988**	**16 339 906**		**17 821 795**				**16 339 906**
Cash flows									
Net cash from (used) operating	645 551	1 809 846	1 679 398	412 083	1 352 989	1 259 549	(93 440)	-7%	1 679 398
Net cash from (used) investing	(1 278 640)	(1 582 484)	(1 634 320)	(88 839)	(606 911)	(1 225 740)	(618 828)	50%	(1 634 320)
Net cash from (used) financing	(50 709)	20 252	(47 642)	(8 625)	(31 749)	(35 731)	(3 982)	11%	(47 642)
Cash/cash equivalents at the month/year end	**1 690 102**	**2 539 412**	**1 684 191**	**–**	**2 404 431**	**1 684 832**	**(719 599)**	**-43%**	**1 687 539**
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	285 515	104 136	67 131	55 395	49 593	53 717	287 877	1 048 571	1 951 935
Creditors Age Analysis									
Total Creditors	398 435	17 619	5 443	–	–	–	–	–	421 498

7.2 Monthly Budget Statement – Financial Performance (standard classification)

The table below is an overview of the budgeted financial performance in relation to revenue and expenditure per standard classification.

Table 3: C2: Monthly Budget Statement – Financial Performance (standard classification

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

Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		**2 072 852**	**2 447 732**	**2 335 625**	**355 701**	**1 910 677**	**2 003 996**	(93 318)	-5%	**2 335 625**
Executive and council		22 632	29 589	28 225	2 144	17 764	15 947	1 817	11%	28 225
Finance and administration		2 039 712	2 418 143	2 307 400	353 557	1 892 914	1 988 049	(95 135)	-5%	2 307 400
Internal audit		10 508	–	–	–	–	–	–		–
Community and public safety		**476 980**	**402 630**	**339 821**	**18 556**	**177 478**	**174 921**	2 557	1%	**339 821**
Community and social services		32 873	31 607	28 602	934	23 840	26 636	(2 795)	-10%	28 602
Sport and recreation		7 608	5 909	6 369	621	2 864	2 384	481	20%	6 369
Public safety		145 346	88 321	72 517	8 233	70 961	76 458	(5 497)	-7%	72 517
Housing		290 848	276 769	232 309	8 767	79 778	69 389	10 389	15%	232 309
Health		306	24	24	1	35	55	(20)	-36%	24
Economic and environmental services		**245 652**	**432 207**	**468 917**	**15 481**	**203 144**	**251 846**	(48 702)	-19%	**468 917**
Planning and development		36 291	45 006	189 446	6 309	53 649	45 537	8 112	18%	189 446
Road transport		209 257	386 748	276 476	9 122	148 288	205 220	(56 932)	-28%	276 476
Environmental protection		104	452	2 995	50	1 208	1 089	118	11%	2 995
Trading services		**3 454 626**	**3 673 575**	**3 576 320**	**337 918**	**2 688 080**	**2 754 621**	(66 541)	-2%	**3 576 320**
Energy sources		1 756 848	1 926 400	1 941 941	155 766	1 306 357	1 359 317	(52 960)	-4%	1 941 941
Water management		682 022	655 778	680 778	88 913	587 376	531 695	55 681	10%	680 778
Waste water management		627 373	639 215	581 266	53 925	467 413	524 944	(57 531)	-11%	581 266
Waste management		388 382	452 182	372 335	39 313	326 934	338 665	(11 731)	-3%	372 335
Other	4	**47 824**	**28 170**	**35 670**	**2 406**	**21 723**	**22 834**	**(1 112)**	**-5%**	**35 670**
Total Revenue - Functional	2	**6 297 934**	**6 984 313**	**6 756 352**	**730 062**	**5 001 103**	**5 208 218**	**(207 116)**	**-4%**	**6 756 352**
Expenditure - Functional										
Governance and administration		**1 175 763**	**1 194 255**	**1 252 113**	**65 394**	**870 456**	**840 080**	30 375	4%	**1 252 113**
Executive and council		293 355	296 070	366 036	22 239	249 831	249 350	481	0%	366 036
Finance and administration		658 234	884 293	872 185	42 628	615 821	585 242	30 579	5%	872 185
Internal audit		224 174	13 892	13 892	527	4 804	5 488	(684)	-12%	13 892
Community and public safety		**713 030**	**493 005**	**567 760**	**21 432**	**466 636**	**448 016**	18 619	4%	**567 760**
Community and social services		116 398	124 688	88 020	5 942	72 121	86 878	(14 757)	-17%	88 020
Sport and recreation		70 287	68 342	206 899	1 088	223 766	181 849	41 917	23%	206 899
Public safety		321 547	125 282	97 133	7 339	80 369	72 723	7 645	11%	97 133
Housing		171 503	136 025	136 661	4 193	65 259	81 086	(15 827)	-20%	136 661
Health		33 295	38 668	39 048	2 869	25 121	25 479	(359)	-1%	39 048
Economic and environmental services		**968 765**	**1 222 744**	**906 440**	**(217 541)**	**918 480**	**1 091 713**	(173 234)	-16%	**906 440**
Planning and development		303 791	294 914	120 912	(86 379)	145 241	442 160	(296 919)	-67%	120 912
Road transport		543 622	805 423	766 093	(132 857)	757 973	587 554	170 419	29%	766 093
Environmental protection		121 352	122 407	19 435	1 695	15 265	61 999	(46 733)	-75%	19 435
Trading services		**3 171 786**	**3 247 030**	**3 117 911**	**167 180**	**2 607 310**	**2 205 301**	402 010	18%	**3 117 911**
Energy sources		1 666 737	1 829 086	1 849 198	79 806	1 428 195	1 364 179	64 016	5%	1 849 198
Water management		700 469	575 132	574 526	45 266	575 485	359 337	216 149	60%	574 526
Waste water management		406 882	483 287	397 529	19 733	299 179	237 750	61 430	26%	397 529
Waste management		397 697	359 525	296 659	22 374	304 451	244 035	60 415	25%	296 659
Other		**15 816**	**31 046**	**91 873**	**5 462**	**62 062**	**53 889**	**8 173**	**15%**	**91 873**
Total Expenditure - Functional	3	**6 045 159**	**6 188 080**	**5 936 097**	**41 926**	**4 924 943**	**4 638 999**	**285 944**	**6%**	**5 936 097**
Surplus/ (Deficit) for the year		**252 774**	**796 234**	**820 255**	**688 136**	**76 160**	**569 219**	**(493 060)**	**-87%**	**820 255**

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

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

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

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

Vote Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue by Vote	1									
Vote 01 - Directorate - Executive Support Services		2 300	1 593	1 912	161	360	562	(202)	-35.9%	1 912
Vote 02 - Directorate - Municipal Manager		20 332	27 996	27 996	2 094	17 674	15 505	2 169	14.0%	27 996
Vote 03 - Directorate - Human Settlement		290 857	276 769	232 309	8 767	79 778	65 305	14 473	22.2%	232 309
Vote 04 - Directorate - Chief Financial Officer		2 039 712	2 407 345	2 283 973	352 529	1 877 712	1 979 393	(101 681)	-5.1%	2 283 973
Vote 05 - Directorate - Corporate Services		10 478	10 561	10 561	27	7 027	7 014	13	0.2%	10 561
Vote 06 - Directorate - Infrastructure Services		3 278 416	3 407 846	3 390 201	302 488	2 460 407	2 554 403	(93 996)	-3.7%	3 390 201
Vote 07 - Directorate - Spatial Planning And Development		47 760	148 279	200 630	7 199	61 553	62 791	(1 238)	-2.0%	200 630
Vote 08 - Directorate - Health / Public Safety & Emergency Services		145 652	175 605	162 801	13 472	120 023	132 946	(12 924)	-9.7%	162 801
Vote 09 - Directorate - Municipal Services		428 967	490 150	410 300	40 918	354 846	368 269	(13 423)	-3.6%	410 300
Vote 10 - Directorate - Economic Development & Agencies		33 460	38 170	35 670	2 406	21 723	22 029	(307)	-1.4%	35 670
Total Revenue by Vote	2	**6 297 934**	**6 984 313**	**6 756 352**	**730 062**	**5 001 103**	**5 208 218**	**(207 116)**	**-4.0%**	**6 756 352**
Expenditure by Vote	1									
Vote 01 - Directorate - Executive Support Services		203 993	232 296	242 291	13 713	162 219	164 521	(2 302)	-1.4%	242 291
Vote 02 - Directorate - Municipal Manager		89 362	154 644	188 073	11 692	121 879	115 582	6 297	5.4%	188 073
Vote 03 - Directorate - Human Settlement		171 503	136 025	136 661	4 193	65 259	80 525	(15 266)	-19.0%	136 661
Vote 04 - Directorate - Chief Financial Officer		651 010	558 213	479 803	35 737	357 206	349 648	7 557	2.2%	479 803
Vote 05 - Directorate - Corporate Services		158 063	171 518	141 212	10 929	109 951	113 985	(4 035)	-3.5%	141 212
Vote 06 - Directorate - Infrastructure Services		3 359 054	3 497 257	3 406 532	(4 313)	2 924 341	2 395 981	528 360	22.1%	3 406 532
Vote 07 - Directorate - Spatial Planning And Development		281 373	274 152	264 732	(95 813)	222 324	514 219	(291 895)	-56.8%	264 732
Vote 08 - Directorate - Health / Public Safety & Emergency Services		354 842	396 961	379 036	29 494	286 820	278 323	8 498	3.1%	379 036
Vote 09 - Directorate - Municipal Services		705 733	674 962	605 882	30 832	612 882	563 140	49 742	8.8%	605 882
Vote 10 - Directorate - Economic Development & Agencies		70 226	92 052	91 873	5 462	62 062	63 075	(1 013)	-1.6%	91 873
Total Expenditure by Vote	2	**6 045 159**	**6 188 080**	**5 936 097**	**41 926**	**4 924 943**	**4 638 999**	**285 944**	**6.2%**	**5 936 097**
Surplus/ (Deficit) for the year	2	**252 774**	**796 234**	**820 255**	**688 136**	**76 160**	**569 219**	**(493 060)**	**-86.6%**	**820 255**

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

The statement of financial performance presented in table below, compares the expenditure and revenue on accrual basis against budget for the period ended 31 March 2018.

Table 5: C4: Monthly Budget Statement – Financial Performance (Revenue by Source and Expenditure by Type)

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

Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
Revenue By Source										
Property rates		978 231	1 225 285	1 121 175	77 856	831 936	854 989	(23 054)	-3%	1 121 175
Service charges - electricity revenue		1 670 646	1 806 439	1 865 136	146 122	1 282 747	1 307 862	(25 115)	-2%	1 865 136
Service charges - water revenue		551 615	479 127	511 438	58 667	439 649	393 175	46 474	12%	511 438
Service charges - sanitation revenue		314 102	365 998	293 156	24 052	266 000	272 973	(6 974)	-3%	293 156
Service charges - refuse revenue		306 754	336 766	266 917	19 608	246 774	254 335	(7 561)	-3%	266 917
Service charges - other		24 852	23 566	–			–	–		–
Rental of facilities and equipment		19 062	23 174	25 119	1 543	12 285	13 374	(1 089)	-8%	25 119
Interest earned - external investments		148 011	157 002	131 002	8 974	89 869	106 570	(16 701)	-16%	131 002
Interest earned - outstanding debtors		50 425	36 844	42 844	5 142	39 435	37 337	2 098	6%	42 844
Dividends received		–	–	–			–	–		–
Fines, penalties and forfeits		16 896	9 157	9 894	966	11 114	10 651	462	4%	9 894
Licences and permits		14 107	17 556	16 254	1 139	10 067	11 566	(1 499)	-13%	16 254
Agency services		–	49 763	44 763	2 664	21 184	25 169	(3 985)	-16%	44 763
Transfers and subsidies		1 304 827	1 368 106	1 370 858	336 071	1 293 785	1 278 207	15 578	1%	1 370 858
Other revenue		213 376	290 226	238 467	9 033	103 581	188 336	(84 755)	-45%	238 467
Gains on disposal of PPE		–	–	–	46	9 273	–	9 273	0%	–
Total Revenue (excluding capital transfers and contributions)		**5 612 906**	**6 189 006**	**5 937 024**	**691 883**	**4 657 699**	**4 754 545**	**(96 846)**	**-2%**	**5 937 024**

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

Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		1 560 996	1 733 321	1 733 321	146 413	1 337 469	1 328 872	8 597	1%	1 733 321
Remuneration of councillors		55 482	62 398	60 381	4 977	44 652	43 435	1 217	3%	60 381
Debt impairment		310 916	317 788	317 788	26 482	238 341	238 341	(0)	0%	317 788
Depreciation & asset impairment		807 050	778 273	778 273	(349 271)	1 049 309	778 273	271 037	35%	778 273
Finance charges		49 359	54 318	45 240	3 647	33 416	33 488	(72)	0%	45 240
Bulk purchases		1 558 514	1 578 167	1 578 167	115 817	1 159 973	1 156 204	3 770	0%	1 578 167
Other materials		–	–	81 406	677	56 919	61 055	(4 135)	-7%	81 406
Contracted services		–	38 960	824 731	59 666	448 845	618 548	(169 704)	-27%	824 731
Transfers and subsidies		394 807	328 637	77 470	6 041	254 632	58 103	196 529	338%	77 470
Other expenditure		1 276 299	1 296 218	430 241	27 477	301 385	322 681	(21 296)	-7%	430 241
Loss on disposal of PPE		31 097	–	9 078	–	–	–	–		9 078
Total Expenditure		**6 044 521**	**6 188 080**	**5 936 097**	**41 926**	**4 924 943**	**4 638 999**	**285 944**	**6%**	**5 936 097**
Surplus/(Deficit)		**(431 615)**	**926**	**926**	**649 957**	**(267 244)**	**115 546**	**(382 790)**	**(0)**	**926**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		669 780	795 307	819 099	38 178	343 404	453 673	(110 270)	**(0)**	819 099
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions)		–		229	–	–	–	–		229
Transfers and subsidies - capital (in-kind - all)		–		–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions		**238 165**	**796 234**	**820 255**	**688 136**	**76 160**	**569 219**			**820 255**
Taxation		638						–		
Surplus/(Deficit) after taxation		**237 527**	**796 234**	**820 255**	**688 136**	**76 160**	**569 219**			**820 255**
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		**237 527**	**796 234**	**820 255**	**688 136**	**76 160**	**569 219**			**820 255**
Share of surplus/ (deficit) of associate		15 248								
Surplus/ (Deficit) for the year		**252 774**	**796 234**	**820 255**	**688 136**	**76 160**	**569 219**			**820 255**

7.4.1 ANALYSIS OF STATEMENT OF FINANCIAL PERFOMANCE

The explanation below pertains to all variances in excess of 10%.

7.4.1.1 Operating Deficit

The City incurred an operating deficit (excluding capital transfers) of R267.24 million, this is mainly caused by an unfavourable variance of R271.04 million that has been realised on depreciation. Further details on what has contributed to the huge variance on depreciation are provided below in 7.4.1.8. This has also resulted in both electricity and water services having a deficit:

- Electricity service is having a deficit of R111.08 million as the depreciation realised for this service is R164.1 million when compared to the same period in the previous financial year where R57.11 million was incurred.
- Water service is having a deficit of R45.9 million as the depreciation realised for this service is R135.81 million when compared to the same period in the previous financial year where R47.93 million was incurred.

7.4.1.2 Service Charges – water revenue

The primary reason for variance relates to accounts that were over billed during the year and are in the process of being corrected.

7.4.1.3 Interest earned – external investments

The Investments total balance has significantly decreased since the beginning of the 2017/18 financial year. This is due to the high volume of cash withdrawals that have been done to cover operational costs and capital investments. The decrease in cash reserves that is mainly caused by the low collection rate is having a negative impact on interest earned on external investments.

7.4.1.4 Licenses and Permits

Under collection or decrease in revenue can be attributed to the fact that vehicle licences can be renewed at the Post Office and the Department of Transport directly. Members of the public generally go to the closet convienient point in order to pay which may not always be BCMM.

7.4.1.5 Agency services

Agency fees depend on the number of licences & permits transacted through BCMM. Under collection or decrease in revenue can be attributed to the fact that vehicle licences can be renewed at the Post Office and the Dept of Transport directly. Members of the public generally go to the closet convenient point in order to pay which may not always be BCMM.

7.4.1.6 Other revenue

Other revenue is made up of numerous miscellaneous items (e.g. town planning fees, fire levy charges, market income, road & transport registration fees, cemetery & burial fees, etc.). The actual income realised is below the projected income for the period under review due to varying seasonal trends.

7.4.1.7 Gains on disposal of (Property, Plant & Equipment) PPE

The variance is due to the sale of redundant scrap which has not been budgeted for as the year end projection is to have a net loss on disposal of PPE.

7.4.1.8 Depreciation and asset impairment

At the end of 2016/17 financial year, the municipality performed an asset revaluation exercise whereby all infrastructure assets were revalued. The exercise is performed once in every 3 years. In addition to the revaluation performed, BCMM capitalised some of the biggest projects (Gonubie Main Road, Mdantsane Cluster 1,2,& 3, Bulk Water Provision and many others). The capitalisation done in 2016/17 was by far the largest in value, in the previous 3 financial years.

7.4.1.9 Contracted services

The variance is mainly due to the under expenditure on repairs & maintenance which is part of contracted services. The expenditure on repairs and maintenance is provided in table 6 below.

7.4.1.10 Transfers and grants

Treatment (budget) of free basic services has been aligned with Mscoa to reflect cost of free basics services provided to registered indegent as income foregone instead of Transfers and Grants paid (expenditure), journals are being prepared transferring the expenditure to the correct votes inline with the above.

7.4.1.11 Repairs and Maintenance

The variance is mainly due to under performance by Roads Department. Learner contractors have recently been appointed to repair rural roads and the annual contract for plant hire was awarded in March 2018. This will improve the spending going forward.

Table 6 below reflects that as at 31 March 2018, the repairs and maintenance expenditure is 57% of the approved budget of R450.64 million (2016/17: 57%). Refer to Annexure B: SC13c (repairs and maintenance by asset class).

Table 6: Repairs and Maintenance per Directorate

Directorate	2017/2018 Annual Budget R	2017/2018 Annual Expenditure R	2017/2018 - Variance R	2017/2018 % of Budget %
Directorate Of Executive Support Services	3 696 662	809 683	2 886 979	22%
Directorate Of The City Manager	6 683 649	3 376 778	3 306 871	51%
Directorate Of Corporate Services	1 945 278	1 221 908	723 370	63%
Directorate Of Development & Spatial Planning	28 073 173	19 368 669	8 704 504	69%
Directorate Of Economic Development & Agencies	1 307 446	744 379	563 067	57%
Directorate Of Finance	2 912 680	859 373	2 053 307	30%
Directorate Of Health / Public Safety & Emergency Services	5 905 827	2 823 517	3 082 310	48%
Directorate Of Human Settlement	122 512	102 143	20 369	83%
Directorate Of Infrastructure Services	360 111 175	175 232 935	184 878 240	49%
Electricity	*139 152 845*	*77 620 599*	*61 532 246*	*56%*
Water	*50 254 304*	*40 504 398*	*9 749 906*	*81%*
Sanitation	*40 603 958*	*24 731 326*	*15 872 632*	*61%*
Other	*130 100 068*	*32 376 613*	*97 723 455*	*25%*
Directorate Of Municipal Services	39 883 809	29 996 431	9 887 378	75%
TOTAL	**450 642 211**	**234 535 817**	**216 106 394**	**52%**

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

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

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

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

Vote Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands	1								%	
Multi-Year expenditure appropriation	2									
Vote 01 - Directorate - Executive Support Services		2 454	3 000	7 229	221	1 182	1 645	(463)	-28%	7 229
Vote 02 - Directorate - Municipal Manager		54 388	22 500	42 409	1 433	9 217	13 447	(4 230)	-31%	42 409
Vote 03 - Directorate - Human Settlement		176 555	186 355	142 315	3 164	41 911	69 968	(28 057)	-40%	142 315
Vote 04 - Directorate - Chief Financial Officer		16 415	97 820	81 020	438	3 480	6 486	(3 006)	-46%	81 020
Vote 05 - Directorate - Corporate Services		926	6 000	3 613	221	933	845	88	10%	3 613
Vote 06 - Directorate - Infrastructure Services		860 001	856 154	879 796	54 868	402 752	503 396	(100 644)	-20%	879 796
Vote 07 - Directorate - Spatial Planning And Development		73 678	234 721	247 621	10 819	79 735	69 221	10 513	15%	247 621
Vote 08 - Directorate - Health / Public Safety & Emergency Services		10 753	30 205	49 245	2 534	9 752	9 897	(145)	-1%	49 245
Vote 09 - Directorate - Municipal Services		48 423	165 349	129 973	12 436	40 428	70 632	(30 204)	-43%	129 973
Vote 10 - Directorate - Economic Development & Agencies		32 708	43 100	51 098	2 703	17 521	14 791	2 729	18%	51 098
Total Capital Multi-year expenditure	4,7	**1 276 301**	**1 645 204**	**1 634 320**	**88 839**	**606 911**	**760 328**	**(153 417)**	**-20%**	**1 634 320**
Total Capital Expenditure		**1 276 301**	**1 645 204**	**1 634 320**	**88 839**	**606 911**	**760 328**	**(153 417)**	**-20%**	**1 634 320**
Capital Expenditure - Functional Classification										
Governance and administration		**139 320**	**129 320**	**258 242**	**4 072**	**32 287**	**120 141**	(87 854)	-73%	**258 242**
Executive and council		56 842	25 500	46 439	1 655	10 399	21 604	(11 205)	-52%	46 439
Finance and administration		82 478	97 820	211 804	2 417	21 888	98 537	(76 648)	-78%	211 804
Internal audit		–	6 000	–	–	–	–	–		–
Community and public safety		**232 830**	**316 087**	**236 038**	**9 130**	**74 996**	**109 811**	(34 814)	-32%	**236 038**
Community and social services		21 498	42 250	21 672	2 342	10 544	10 082	461	5%	21 672
Sport and recreation		24 023	57 277	59 271	3 210	22 067	27 574	(5 508)	-20%	59 271
Public safety		10 753	30 205	11 980	415	475	5 573	(5 098)	-91%	11 980
Housing		176 555	186 355	142 315	3 164	41 911	66 209	(24 298)	-37%	142 315
Health		–	–	800	–	–	372	(372)	-100%	800
Economic and environmental services		**410 843**	**548 777**	**535 886**	**23 716**	**191 915**	**249 308**	(57 393)	-23%	**535 886**
Planning and development		106 386	277 821	220 605	9 062	70 808	102 631	(31 823)	-31%	220 605
Road transport		304 457	270 956	305 900	14 613	120 713	142 313	(21 599)	-15%	305 900
Environmental protection		–	–	9 382	41	394	4 365	(3 971)	-91%	9 382
Trading services		**493 309**	**628 020**	**553 056**	**49 218**	**290 191**	**257 296**	32 895	13%	**553 056**
Energy sources		121 231	148 000	143 309	9 740	59 112	66 671	(7 559)	-11%	143 309
Water management		173 706	130 000	133 119	7 586	87 079	61 930	25 148	41%	133 119
Waste water management		195 471	284 198	235 458	25 056	136 508	109 541	26 967	25%	235 458
Waste management		2 901	65 822	41 171	6 836	7 492	19 154	(11 661)	-61%	41 171
Other		–	23 000	51 098	2 703	17 521	23 772	(6 251)	-26%	51 098
Total Capital Expenditure - Functional Classification	3	**1 276 301**	**1 645 204**	**1 634 320**	**88 839**	**606 911**	**760 328**	**(153 417)**	**-20%**	**1 634 320**
Funded by:										
National Government		669 780	795 307	810 063	59 010	386 830	376 863	9 967	3%	810 063
Provincial Government		–	–	9 036	–	–	4 204	(4 204)	-100%	9 036
District Municipality			–	–			–	–		–
Other transfers and grants		–	–	229	–	–	107	(107)	-100%	229
Transfers recognised - capital		**669 780**	**795 307**	**819 328**	**59 010**	**386 830**	**381 173**	**5 657**	**1%**	**819 328**
Public contributions & donations	5		–	–			–	–		–
Borrowing	6	–	69 000	–	(547)	–	–	–		–
Internally generated funds		606 521	780 897	814 991	30 376	220 081	379 155	(159 074)	-42%	814 991
Total Capital Funding		**1 276 301**	**1 645 204**	**1 634 320**	**88 839**	**606 911**	**760 328**	**(153 417)**	**-20%**	**1 634 320**

7.6 Monthly Budget Statement – Financial Position

The table below reflects the financial position of the Metro. It is good to note that the Metro is having excess assets over liabilities resulting into the net worth of R17.82 billion. Consumer debtors and other debtors are reflected net of impairments as per the statement of financial position.

Table 8: C6: Monthly Budget Statement – Financial Position

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

Description	Ref	2016/17	Budget Year 2017/18			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		24 591	80 000	80 000	365 491	80 000
Call investment deposits		1 665 511	2 459 412	1 604 191	2 038 939	1 604 191
Consumer debtors		558 848	915 237	915 237	711 804	915 237
Other debtors		886 552	118 870	800 000	817 745	800 000
Current portion of long-term receivables		–	17	17	–	17
Inventory		38 570	117 128	117 128	46 929	117 128
Total current assets		**3 174 072**	**3 690 664**	**3 516 573**	**3 980 909**	**3 516 573**
Non current assets						
Long-term receivables		–	73	73	–	73
Investments		–	–	–	–	–
Investment property		408 315	442 030	442 030	408 315	442 030
Investments in Associate		127 539	99 109	99 109	127 539	99 109
Property, plant and equipment		15 875 782	14 556 391	14 545 507	15 410 917	14 545 507
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		7 073	60 000	60 000	9 770	60 000
Other non-current assets		72 145	90 944	90 944	72 082	90 944
Total non current assets		**16 490 855**	**15 248 547**	**15 237 662**	**16 028 623**	**15 237 662**
TOTAL ASSETS		**19 664 927**	**18 939 211**	**18 754 235**	**20 009 532**	**18 754 235**
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		47 642	48 748	52 572	29 222	52 572
Consumer deposits		57 321	65 401	65 401	59 747	65 401
Trade and other payables		1 079 482	1 038 209	1 038 209	1 010 181	1 038 209
Provisions		186 724	183 654	183 654	186 724	183 654
Total current liabilities		**1 371 169**	**1 336 012**	**1 339 835**	**1 285 875**	**1 339 835**
Non current liabilities						
Borrowing		398 126	421 212	349 495	384 796	349 495
Provisions		517 066	724 999	724 999	517 066	724 999
Total non current liabilities		**915 192**	**1 146 211**	**1 074 494**	**901 862**	**1 074 494**
TOTAL LIABILITIES		**2 286 361**	**2 482 223**	**2 414 329**	**2 187 737**	**2 414 329**
NET ASSETS	2	**17 378 567**	**16 456 988**	**16 339 906**	**17 821 795**	**16 339 906**
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		10 405 662	13 055 940	12 938 858	10 839 133	12 938 858
Reserves		6 972 905	3 401 047	3 401 047	6 982 662	3 401 047
TOTAL COMMUNITY WEALTH/EQUITY	2	**17 378 567**	**16 456 988**	**16 339 906**	**17 821 795**	**16 339 906**

7.7 Monthly Budget Statement – Cash Flow

The Metros' cash flow position and cash/cash equivalent outcome is shown in the table below. The Metro's cash position reflects a net increase of R714.33 million resulting in cash and cash equivalents closing balance of R2.40 billion as at 31 March 2018.

Table 9: C7: Monthly Budget Statement – Cash Flow

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

Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		978 231	1 133 389	1 037 087	59 942	707 894	777 815	(69 921)	-9%	1 037 087
Service charges		2 867 970	2 786 003	2 716 398	212 637	1 874 583	2 037 299	(162 716)	-8%	2 716 398
Other revenue		199 489	360 634	309 410	(32 753)	137 797	232 058	(94 260)	-41%	309 410
Government - operating		894 796	1 368 106	1 370 858	349 702	1 379 423	1 028 144	351 279	34%	1 370 858
Government - capital		669 780	795 307	819 099	166 265	927 606	614 325	313 282	51%	819 099
Interest		198 437	193 846	173 846	14 116	129 304	130 384	(1 080)	-1%	173 846
Dividends		–	0	–	0	0	–	0	#DIV/0!	–
Payments										
Suppliers and employees		(4 718 985)	(4 709 064)	(4 624 590)	(346 980)	(3 517 143)	(3 468 443)	48 700	-1%	(4 624 590)
Finance charges		(49 359)	(54 318)	(45 240)	(3 647)	(33 416)	(33 930)	(514)	2%	(45 240)
Transfers and Grants		(394 807)	(64 056)	(77 470)	(7 198)	(253 059)	(58 103)	194 956	-336%	(77 470)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**645 551**	**1 809 846**	**1 679 398**	**412 083**	**1 352 989**	**1 259 549**	**(93 440)**	**-7%**	**1 679 398**
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		(542)	–	–				–		–
Decrease (Increase) in non-current debtors		–	–	–				–		–
Decrease (increase) other non-current receivables		–	–	–				–		–
Decrease (increase) in non-current investments		–	–	–				–		–
Payments										
Capital assets		(1 278 098)	(1 582 484)	(1 634 320)	(88 839)	(606 911)	(1 225 740)	(618 828)	50%	(1 634 320)
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(1 278 640)**	**(1 582 484)**	**(1 634 320)**	**(88 839)**	**(606 911)**	**(1 225 740)**	**(618 828)**	**50%**	**(1 634 320)**
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	69 000	–	–	–	–	–		–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–		–
Payments										
Repayment of borrowing		(50 709)	(48 748)	(47 642)	(8 625)	(31 749)	(35 731)	(3 982)	11%	(47 642)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**(50 709)**	**20 252**	**(47 642)**	**(8 625)**	**(31 749)**	**(35 731)**	**(3 982)**	**11%**	**(47 642)**
NET INCREASE/ (DECREASE) IN CASH HELD		**(683 798)**	**247 614**	**(2 563)**	**314 619**	**714 329**	**(1 922)**			**(2 563)**
Cash/cash equivalents at beginning:		2 373 900	2 291 798	1 686 754		1 690 102	1 686 754			1 690 102
Cash/cash equivalents at month/year end:		1 690 102	2 539 412	1 684 191		2 404 431	1 684 832			1 687 539

PART 2: SUPPORTING DOCUMENTATION

8. IN-YEAR BUDGET STATEMENT SUPPORTING TABLES AND DOCUMENTATION

8.1 Debtors

The debtor analysis below (table 10) provides an age analysis summary by revenue source and customer category for the total debtors.

Table 10: SC3 Monthly Budget Statement Aged Debtors

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

Description	NT Code	Budget Year 2017/18											
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	66 258	39 781	22 700	17 045	14 459	15 369	91 440	250 048	517 100	388 361		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	91 770	14 801	7 181	5 853	5 191	3 127	20 086	36 017	184 026	70 275		
Receivables from Non-exchange Transactions - Property Rates	1400	75 665	27 377	20 707	18 014	16 597	21 110	96 613	389 943	666 025	542 276		
Receivables from Exchange Transactions - Waste Water Management	1500	22 447	9 065	6 091	5 076	4 581	5 713	23 459	108 072	184 504	146 902		
Receivables from Exchange Transactions - Waste Management	1600	18 052	9 085	6 976	6 084	5 641	5 353	29 050	151 665	231 905	197 792		
Receivables from Exchange Transactions - Property Rental Debtors	1700	94	89	87	85	84	84	499	3 869	4 892	4 621		
Interest on Arrear Debtor Accounts	1810									–	–		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									–	–		
Other	1900	11 232	3 938	3 389	3 238	3 040	2 960	26 730	108 956	163 483	144 925		
Total By Income Source	**2000**	**285 515**	**104 136**	**67 131**	**55 395**	**49 593**	**53 717**	**287 877**	**1 048 571**	**1 951 935**	**1 495 153**	**–**	**–**
2016/17 - totals only		261 922	100 126	75 671	56 135	46 060	51 442	305 819	1 083 058	1 980 232	**1 542 513**		
Debtors Age Analysis By Customer Group													
Organs of State	2200	20 728	8 431	3 641	946	619	1 705	2 334	7 649	46 052	13 252		
Commercial	2300	127 456	23 037	15 377	15 382	13 392	13 663	80 605	253 989	542 900	377 031		
Households	2400	126 553	67 016	42 758	33 715	30 343	32 061	170 169	582 948	1 085 563	849 236		
Other	2500	10 779	5 653	5 355	5 352	5 240	6 287	34 769	203 985	277 420	255 634		
Total By Customer Group	**2600**	**285 515**	**104 136**	**67 131**	**55 395**	**49 593**	**53 717**	**287 877**	**1 048 571**	**1 951 935**	**1 495 153**	**–**	**–**

8.1.1. Additional debtors' information

The gross debtors that are older than 30 days, which includes all charges excluding VAT, amounted to R1.67 billion as at 31 March 2018 which is an increase of R48 million over the amount of R1.62 billion as at 28 February 2018.

Despite credit control and debt collection actions that are implemented, the primary contributing factor to the increase in debtors and reduction in collection rate can be attributed to the non-payment by customers as a result of the poor economic outlook and high unemployment rates.

8.2. Additional debtor's information.

8.2.1. Age Analysis per Category

Table 11 below details debtors age analysis that are older than 30 days by income source as at 31 March 2018. It also provides comparison with the previous month (28 February 2018) which indicates an increase from R1.62 billion to R1.67 billion.

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

AGEING	RATES	SEWERAGE	ELECTRICITY	WATER	REFUSE	SUNDRY DEBTORS	TOTAL FOR MARCH 2018	TOTAL FOR FEBRUARY 2018
30 DAYS	27,376,987	9,064,725	14,801,499	39,781,249	9,084,917	4,026,860	104,136,238	93,448,281
60 DAYS	20,707,266	6,090,599	7,180,509	22,700,155	6,975,723	3,476,609	67,130,860	62,068,315
90 DAYS	18,013,980	5,076,324	5,853,283	17,044,933	6,083,788	3,323,073	55,395,381	53,260,675
120 DAYS TO 360 DAYS	134,319,277	33,753,770	28,404,277	121,268,207	40,043,827	33,397,537	391,186,894	388,044,913
YEAR 2	134,099,098	29,909,501	16,321,751	96,151,342	38,491,292	23,691,317	338,664,300	329,221,712
YEAR 3	105,952,804	18,811,804	6,659,382	47,433,842	24,420,332	16,288,098	219,566,262	214,843,792
YEAR 4	69,758,095	13,293,397	4,336,407	29,569,465	18,770,350	17,186,377	152,914,090	147,971,623
YEAR 5	20,103,982	12,102,671	2,192,349	21,891,065	16,169,004	14,109,523	86,568,593	83,585,811
YEAR 5+	60,029,000	33,954,577	6,507,251	55,002,341	53,813,875	41,550,227	250,857,270	245,816,003
TOTAL	**590,360,489**	**162,057,367**	**92,256,708**	**450,842,599**	**213,853,107**	**157,049,619**	**1,666,419,889**	**1,618,261,125**

8.2.2. Age Analysis per Category

Table 12 below details debtors age analysis per category type that are older than 30 days as at 31 March 2018. It also reflects the percentage split per category with domestic consumers having the highest share followed by business consumers. Please note that the financial system is not able to produce a collection ratio per service, however the collection ratio is reported on globally.

Table 12: Age Analysis per Category Type

CATEGORY TYPE	30 DAYS	60 DAYS	90 DAYS	120 DAYS+	Total	% Share
Domestic	55 088 205	34 910 639	31 582 999	793 658 807	915 240 651	54.92
Indigent	11 700 002	7 716 453	2 022 014	21 093 297	42 531 766	2.55
Business	23 036 600	15 376 993	15 381 826	361 649 362	415 444 781	24.93
Government	8 430 725	3 641 189	945 636	12 306 383	25 323 933	1.52
Municipal Staff	228 169	130 755	110 419	768 347	1 237 689	0.07
Other	5 652 537	5 354 830	5 352 488	250 281 212	266 641 067	16.00
Total	**104 136 238**	**67 130 860**	**55 395 381**	**1 439 757 409**	**1 666 419 889**	**100.00**

Note*: A stop order deduction is implemented for all municipal employees and councillors that are in arrears with their municipal accounts. When a new employee joins 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.

8.2.3. Government Accounts

The total arrears owed by Government Departments to Buffalo City Metropolitan Municipality as at 31 March 2018 amounted to R25.32 million. This indicates an increase of R6.90 million when compared to the previous month, in the amount of R18.42 million. The breakdown of the arrears per department (excluding accounts in credit) indicated in the table hereunder, as at 31 March 2018.

Table 13 below provides an analysis of government debtors that are older than 30 days as at 31 March 2018 and comparison with the previous month.

Table 13: Analysis of Government Debtors

DEPARTMENT	PROPERTY RATES	SERVICES	ARREARS AS AT 31 MARCH 2018	ARREARS AS AT 28 FEBRUARY 2018	DIFFERENCE
National Department Of Public Works	634 904	6 050 908	6 685 812	3 698 504	2 987 308
Provincial Department Of Public Works	85 007	828 879	913 887	548 595	365 292
Department Of Education	0	2 034 705	2 034 705	1 843 826	190 879
Department Of Health	0	8 921 563	8 921 563	5 461 182	3 460 381
Department Of Social Development	0	0	0	0	0
Department Of Transport	0	6 354	6 354	3 177	3 177
Department Of Agriculture	0	0	0	5 361	(5 361)
Department Of Nature Conservation	0	0	0	0	0
Department of Human Settlements	0	0	0	0	0
Sport, Recreation, Arts and Culture	0	18 831	18 831	1 307	17 524
Department of Labour - UIF Services	0	26 577	26 577	2 717	23 860
Members Of Provincial Legislature	0	53 261	53 261	236 249	(182 988)
Department of Water Affairs	0	0	0	0	0
Department of Cooperate Governance & Traditional Affairs	0	0	0	0	0
Department of Rural Development and Land Reform	0	69 530	69 530	69 530	0
Provincial RDP Houses	0	6 593 412	6 593 412	6 548 329	45 083
South African Social Security Agency	0	0	0	3 217	(3 217)
TOTAL	**719 911**	**24 604 022**	**25 323 933**	**18 421 994**	**6 901 939**

9. CREDITORS' ANALYSIS

The creditors' analysis as depicted in table 14 below contains an aged analysis by customer type. It reflects that creditors are paid within 30 days, except when there are disputes on invoices received.

Table 14: SC4 Monthly Budget Statement Aged Creditors

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

Description	NT Code	Budget Year 2017/18									Prior year totals for chart (same period)
R thousands		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	113 126								**113 126**	117 284
Bulk Water	0200	15 726								**15 726**	18 442
PAYE deductions	0300	19 907								**19 907**	15 198
VAT (output less input)	0400	–								**–**	–
Pensions / Retirement deductions	0500	24 433								**24 433**	19 574
Loan repayments	0600	19 511								**19 511**	23 454
Trade Creditors	0700	211 704	17 619	5 443						**234 766**	46 111
Auditor General	0800	70								**70**	270
Other	0900	(6 042)								**(6 042)**	189 626
Total By Customer Type	**1000**	**398 435**	**17 619**	**5 443**	**–**	**–**	**–**	**–**	**–**	**421 498**	429 958

The table below (table 15) depicts actual payments made by BCMM to its top twenty (20) creditors in March 2018.

Table 15: Payments made to the 20 highest paid creditors – March 2018

CREDITOR	90 DAYS	60 DAYS	30 DAYS	CURRENT	TOTAL
ESKOM				106 687 923.22	106 687 923.22
AMATOLA WATER				20 698 763.00	20 698 763.00
MANTELLA TRADING 522 CC				7 966 320.86	7 966 320.86
CZAR CONSTRUCTION				7 364 674.35	7 364 674.35
EYA BANTU PROFESSIONAL SERVICES CC				5 423 891.78	5 423 891.78
TSHUVANE SERVICES				4 473 799.64	4 473 799.64
MAZIYA GENERAL SERVICES			3 941 584.58	0	3 941 584.58
SITA (PTY) LTD				3 686 103.68	3 686 103.68
MTIMA PLUMBING SERVICE				2 891 496.76	2 891 496.76
EVALUATIONS ENHANCED PROPERTY APPRAISALA (PTY) LTD				2 687 506.97	2 687 506.97
MVEZO PLANT & CIVILS CC				2 556 564.44	2 556 564.44
M W P CONSTRUCTION CC				2 448 198.00	2 448 198.00
SINCLAIR GERSAHN TROSKIE CONSTRUCTION CC				2 240 000.82	2 240 000.82
SAFIKA CONSTRUCTION CC				2 203 164.00	2 203 164.00
THOWAMVU TRADING				1 935 548.43	1 935 548.43
BUSINESS CONNEXION				1 846 800.00	1 846 800.00
JOHAN'S CARPENTRY				1 768 414.88	1 768 414.88
MAKINWA MEDIA SOLUTIONS				1 749 120.73	1 749 120.73
GINTI CC				1 618 785.18	1 618 785.18
CDR ELECTRICAL T/A SISONKE POWER PROJECTS				1 472 204.24	1 472 204.24
TOTAL	**-**	**-**	**3 941 584.58**	**181 719 280.98**	**185 660 865.56**

10. INVESTMENT PORTFOLIO ANALYSIS

The investment portfolio analysis detailed in table 16 below includes information of the institution where funds are invested, period of investment, type of investment and accrued interest for the month.

Table 16: SC5 Monthly Budget Statement – investment portfolio

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

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands		Yrs/Months							
Municipality									
Land Affairs - West Bank		Call Account	Call Account	Call Account	294	2.7%	53 039	294	53 333
Finance Management Grant		Call Account	Call Account	Call Account	3	0.0%	724	(157)	567
MD Urban Renewal (MT Ruth Node)		Call Account	Call Account	Call Account	59	0.5%	9 487	1 200	10 687
Workmans Compensation (COID)		Call Account	Call Account	Call Account	52	0.5%	9 424	(0)	9 424
Reeston Development		Call Account	Call Account	Call Account	1	0.0%	153	11	163
Human Settlement Development Grant (HSDG)		Call Account	Call Account	Call Account	92	0.9%	16 684	92	16 776
Intergrated Electrification Programme (INEP)		Call Account	Call Account	Call Account	128	1.2%	18 006	2 194	20 200
Trust Funds		Call Account	Call Account	Call Account	6	0.1%	1 169	6	1 175
Vuna Awards		Call Account	Call Account	Call Account	6	0.1%	1 092	6	1 098
Aids & Training Information Centre (ATIC)		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Department of Sports, Recreation & Culture (DSARC)		Call Account	Call Account	Call Account	0	0.0%	46	0	47
Department of Sports, Recreation & Culture (DSARC)		Call Account	Call Account	Call Account	1	0.0%	173	1	174
City of Leiden		Call Account	Call Account	Call Account	0	0.0%	92	(58)	34
Needscamp Planning		Call Account	Call Account	Call Account	5	0.0%	969	5	975
Umsobomvu Youth Fund (UYF)		Call Account	Call Account	Call Account	2	0.0%	278	2	279

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

Investments by maturity Name of institution & investment ID R thousands	Ref	Period of Investment Yrs/Months	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
Municipality									
Land Affairs - East Bank		Call Account	Call Account	Call Account	458	4.2%	82 654	458	83 112
Land Affairs West Bank		Call Account	Call Account	Call Account	272	2.5%	42 521	272	42 793
European Commission		Call Account	Call Account	Call Account	6	0.1%	1 091	6	1 097
Salaida		Call Account	Call Account	Call Account	12	0.1%	1 874	12	1 886
Electricity Demand Management Grant		Call Account	Call Account	Call Account	–	0.0%	0	–	0
ADM Funding		Call Account	Call Account	Call Account	10	0.1%	1 729	10	1 739
Urban Settelement Development Grant		Call Account	Call Account	Call Account	331	3.1%	43 286	17 583	60 869
Urban Settelement Development Grant		Call Account	Call Account	Call Account	411	3.8%	48 364	28 411	76 775
Urban Settelement Development Grant		Call Account	Call Account	Call Account	667	6.2%	82 129	42 332	124 462
Urban Settelement Development Grant		Call Account	Call Account	Call Account	673	6.2%	86 008	39 673	125 682
Infrastructure Skills Development Grant		Call Account	Call Account	Call Account	37	0.3%	3 010	3 544	6 555
Infrastructure Development Levy		Call Account	Call Account	Call Account	1	0.0%	154	1	155
Bcmet		Call Account	Call Account	Call Account	3	0.0%	521	3	524
Expanded Public Works Programme		Call Account	Call Account	Call Account	18	0.2%	839	3 266	4 105
Intergrated City Development Grant		Call Account	Call Account	Call Account	0	0.0%	64	0	64
City of Oldenburg		Call Account	Call Account	Call Account	3	0.0%	565	3	568
Public Transport Network Grant		Call Account	Call Account	Call Account	333	3.1%	44 837	23 889	68 726
DEAT		Call Account	Call Account	Call Account	1	0.0%	203	1	204
Capital Replacement Reserve (CRR)		Call Account	Call Account	Call Account	371	3.4%	57 903	371	58 274
Mayoral Projects (CRR)		Call Account	Call Account	Call Account	8	0.1%	1 176	8	1 183
Own Funds		Call Account	Call Account	Call Account	63	0.6%	11 320	63	11 383
Own Funds		Call Account	Call Account	Call Account	418	3.9%	65 340	418	65 758
Own Funds		Call Account	Call Account	Call Account	257	2.4%	46 332	257	46 589

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

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands		Yrs/Months							
Municipality									
Own Funds		Call Account	Call Account	Call Account	181	1.7%	32 738	181	32 919
Own Funds		Call Account	Call Account	Call Account	740	6.8%	133 564	740	134 304
Own Funds		3 Months	Fixed Deposit	21/06/2018	154	1.4%	0	49 154	49 154
Own Funds		6 Months	Fixed Deposit	21/09/2018	121	1.1%	0	47 121	47 121
Own Funds		6 Months	Fixed Deposit	21/09/2018	120	1.1%	0	46 120	46 120
Own Funds		3 Months	Fixed Deposit	21/06/2018	122	1.1%	(0)	48 122	48 122
Own Funds - CRR		Call Account	Call Account	Call Account	1 065	9.8%	192 072	1 065	193 137
Own Funds - CRR		Call Account	Call Account	Call Account	196	1.8%	35 286	196	35 483
Own Funds - CRR		Call Account	Call Account	Call Account	176	1.6%	31 553	176	31 728
Own Funds - CRR		Call Account	Call Account	Call Account	316	2.9%	57 037	316	57 354
Own Funds - CRR		Call Account	Call Account	Call Account	282	2.6%	50 869	282	51 151
Own Funds (Depreciation)		Call Account	Call Account	Call Account	1 393	12.9%	251 368	1 393	252 761
Own Funds (Depreciation)		Call Account	Call Account	Call Account	572	5.3%	103 173	572	103 745
Own Funds (Depreciation)		Call Account	Call Account	Call Account	368	3.4%	66 168	368	66 536
Housing Development		Call Account	Call Account	Call Account	15	0.1%	2 680	15	2 695
Municipality sub-total					10 825	0	1 689 764	360 001	2 049 765
Entities									
N/A									
Entities sub-total					–		–	–	–
TOTAL INVESTMENTS AND INTEREST	2				**10 825**		**1 689 764**	**360 001**	**2 049 765**

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 is detailed in section 11.1 below.

Table 17: SC6 Monthly Budget Statement – transfers and grants receipts

BUF Buffalo City - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M09 March

Description	Ref	2016/17	Budget Year 2017/18							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		**1 193 355**	**1 260 713**	**1 260 713**	**341 499**	**1 260 713**	**1 260 713**	**–**	**0.0%**	**1 260 713**
Local Government Equitable Share		678 191	705 277	705 277	176 319	705 277	705 277	–		705 277
Urban Settlement Development Grant		88 745	63 044	62 944	–	63 044	63 044	–		62 944
Finance Management		1 200	1 200	1 300	–	1 200	1 200	–		1 300
EPWP Incentive		1 188	4 952	4 952	1 486	4 952	4 952	–		4 952
Infrastucture Skills Development Grant		9 000	10 560	10 560	–	10 560	10 560	–		10 560
Public Transport Network Grant		5 000	7 702	7 702	7 702	7 702	7 702	–		7 702
General Fuel Levy		410 031	467 978	467 978	155 992	467 978	467 978	–		467 978
Other transfers and grants [insert description]								–		
Provincial Government:		**31 315**	**105 800**	**105 800**	**8 203**	**116 348**	**83 100**	**–**	**0.0%**	**105 800**
DSRAC - Library Subsidy		15 000	15 000	15 000	–	15 000	15 000	–		15 000
Department of Public Works			–	–	–	–	–	–		–
Human Settlement Development Grant		16 315	90 800	90 800	8 203	101 348	68 100	33 248	48.8%	90 800
Other transfers and grants [insert description]								–		
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
[insert description]								–		
Other grant providers:		**2 935**	**1 593**	**2 178**	**–**	**2 362**	**1 634**	728	#DIV/0!	**2 178**
SETA - Skills Development		2 935	–	–	–	2 332	–	2 332	#DIV/0!	–
Donor Funding - Leiden			138	138	–	–	104	(104)	-100.0%	138
Salaida / Gavle			1 455	1 544	–	30	1 158	(1 128)	-97.4%	1 544
City of Oldenburg			–	496	–	–	372	(372)	-100.0%	496
Unspecified		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants	5	**1 227 605**	**1 368 106**	**1 368 691**	**349 702**	**1 379 423**	**1 345 447**	**728**	**0.1%**	**1 368 691**
Capital Transfers and Grants										
National Government:		704 223	795 307	767 607	166 265	927 606	927 606	–		767 606
Urban Settlement Development Grant		642 754	705 084	705 184	160 000	865 084	865 084	–	0.0%	705 184
Public Transport Network Grant		30 289	48 167	48 167	6 265	48 166	48 166	–	0.0%	48 166
Neighbourhood Development Partnership		–	10 000	–	–	–	–	–		–
Integrated National Electrification Programme		25 000	25 000	7 300	–	7 300	7 300	–	0.0%	7 300
Finance Management Grant		100	100	–	–	100	100	–	0.0%	–
Integrated City Development Grant		6 080	6 956	6 956	–	6 956	6 956	–	0.0%	6 956
								–		
Provincial Government:		**–**	**–**	**9 036**	**–**	**–**	**6 024**	(6 024)	-100.0%	**9 036**
Dept of Local Government and Traditional Affairs		–	–	9 036	–	–	6 024	(6 024)	-100.0%	9 036
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	–		**–**
[insert description]								–		
Other grant providers:		**–**	**–**	**229**	**–**	**–**	**172**	(172)	-100.0%	**229**
Salaida / Gavle		–	–	229	–	–	172	(172)	-100.0%	229
Total Capital Transfers and Grants	5	**704 223**	**795 307**	**776 872**	**166 265**	**927 606**	**933 802**	**(6 196)**	**-0.7%**	**776 871**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 931 828	2 163 413	2 145 564	515 967	2 307 029	2 279 249	(5 468)	-0.2%	2 145 563

11.1 Expenditure On Conditional Grants (DoRA Allocation)

The Metro has spent 57% (R512 million, inclusive of reclaimed vat) of its 2017/2018 conditional grants budget of R899.69 million as at 31 March 2018. This reflects a regression when compared to the same period in the previous financial year where 64% (R525.40 million, inclusive of reclaimed of vat) of conditional grants budget of R820.97 million was spent. Based on past performance trends, expenditure is expected to progressively improve during the last quarter of the financial year as procurement processes would have been concluded.

Table 18 below reflects the year to date expenditure on 2017/18 total conditional grants.

Table 18: Spending per Conditional Grant Funding Allocation

Funding/Grant	2017/18 Adjustment Budget	YTD Exp (vat) R	Variance (vat incl.) R	% Expenditure vs. Budget (vat incl.)
Integrated National Electrification Programme Grant (INEP)	19 808 534	13 309 413	6 499 121	67%
Finance Management Grant	1 300 000	977 068	322 932	75%
Infrastructure Skills Development Grant	10 560 000	6 104 245	4 455 755	58%
Urban Settlement Development Grant	768 128 000	459 655 854	308 472 146	60%
Integrated City Development Grant	6 956 000	6 956 000	0	100%
Expanded Public Works Programme Grant	4 952 000	3 023 021	1 928 979	61%
Public Transport Infrastructure and Systems Grant	87 983 561	21 972 976	66 010 585	25%
TOTAL	**899 688 095**	**511 998 577**	**387 689 518**	**57%**

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.

11.1.1. INTERGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)

The following projects are planned for the 2017/18 financial year:

Area	Available Dwellings	Funds	Status
Buffer Strip Mdantsane Households	± 117 infills	R 818 500	On Site Verification
Fynbos/Scenery Park Households	± 197	R 2 856 500	On Site Verification
Phakamisa	250	R 3 625 000	Nearing completion of Ph1

The INEP funding is utilised to fund the above mentioned electrification programme and an annual tender will be used for completion of the projects. Expenditure is according to project milestones.

11.1.2. FINANCE MANAGEMENT GRANT

There are nine (9) interns serving on the internship programme. The interns are being remunerated accordingly. Expenditure is in line with the cash flow projections and will be fully spent by June 2018.

11.1.3. INFRASTRUCURE SKILLS DEVELOPMENT GRANT (ISDG)

The funding is being used to pay the interns stipends as well as mentor salaries. Three civil engineering interns have recently been appointed and this will increase expenditure on the grant.

11.1.4. URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)

INFRASTRUCTURE SERVICES

Sanitation

Numerous projects are multi-year and on-going and expenditure is on track as 84% of the budget allocated for wastewater has been spent.

Electricity

PROGRAMME	BUDGET	STATUS	COMMENT
Tool & Equipment: • Cable Locator and Hydraulic Spiking Gun • Generator 500kVA with Trailer	R 2 000 000	0%	Tender to be re-adversited
Street Lighting & Highmast within BCMM Areas of Supply	R 5 000 000	41%	• Seven of the the eleven highmast installations at Amalinda, Mzamomhle have been completed, awaiting order for the other four. • Civil work has been completed for Bonza Bay Rd Phase 2, installation of steelwork to be completed in May 2018. • Petrel Rd and 2nd Street in Gonubie have been completed.
Building Alterations	R 1 000 000	0%	Tender to be adversited
INEP Electrification (Counter funding)	R 5 000 000	0%	Funding has been allocated for the Sunny South electrification which cannot commence as BCMM is waiting for the Memorandum of Understand to be signed by Eskom.

SPATIAL PLANNING & DEVELOPMENT

Needs Camp / Potsdam Bridge

The construction work commenced on the 21st June 2017. Monthly payment certificates have been submitted and processed. Expenditure is on track in relation to the approved programme and submitted cash flow.

Traffic signals

Contract was awarded on 13 March 2018 and installation of overhead Traffic Signals in Oxford Street is underway.

Traffic calming measures

Construction of speed humps at St Georges Street, Kelly Road, NU 10 Mdantsane. Kent Road-Vincent, Jan Smuts Avenue-Greenfields, NU3, NU8 & NU1 Mdantsane, Floradale Primary in Nompumelelo, Kaysers Beach Drive, Fox Street and West Drive have been completed. Thirty-two (32) speed humps have been constructed.

Sidewalks

The sites for the construction of sidewalks have been identified. The tender has been advertised and closes on 10 April 2018, anticipating to be on Bid Evaluation Committee agenda in May 2018.

HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES

The Construction of King William's Town Traffic Centre is progressing well and as at end of March 2018, the roof is erected and all outer walls & paintwork has been done. The contractor is busy with the completion of the installation of the IT network points, electrical work, plumbing installations & various other finishing touches. Rain has hampered the progress January 2018 to March 2018 however the project is still ahead of schedule.

HUMAN SETTLEMENTS

Major contracts are at final procurement stages. It is expected that work for these projects will commence before end of April 2018.

MUNICIPAL SERVICES

The project started four months later than anticipated and the rain also hindered the progress of the project. The first invoice is expected from the service provider before the end of April 2018, funding will be fully spent by June 2018.

11.1.6 PUBLIC TRANSPORT NETWORK GRANT

Transport Register

Service providers have submitted the final document and the Transport Planning Organization department is currently preparing relevant reports for close out.

Operational plan review of integrated rapid public transport network

The service provider was dependent on information which could be obtained from the Transport Register Project. This has caused some delays but has been resolved as the Transport Register database has been handed over. The Service Provider is progressing with the project and as a result expenditure should improve in the fourth quarter.

Qumza Highway

The road contractor has been terminated and tender for the works closed on the 27 March 2018. Annual Contractors for water & electricity are on site removing existing services within the road reserve.

Development and Upgrading of Public Transport Facilities in KWT

Contractor only started work on 22 January 2018 and lighting is complete at Ebuhlanti Rank. Currently awaiting for material for the Ginsberg Taxi Rank. Expenditure will improve once material arrives and work is expected to be completed by end of June 2018.

11.1.6.1 EXPANDED PUBLIC WORKS PROGRAMME

The project is progressing well, awaiting delivery of protective clothing for three (3) projects in King Williams Town and Pirrie Mission.

12. COUNCILLOR AND EMPLOYEE BENEFITS

12.1. Councillor and Employees Benefits Summary

Table 19 below provides summary of employees and Councilors remuneration. The workforce costs as a percentage of total expenditure amounted to 28.06%. This is within the norm of 25% - 40%.

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

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

Summary of Employee and Councillor remuneration	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands									%	
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		32 239	36 515	40 007	2 784	25 546	25 418	129	1%	36 515
Pension and UIF Contributions		3 400	3 754	3 762	348	3 105	2 613	492	19%	3 754
Medical Aid Contributions		1 717	2 134	1 773	183	1 533	1 485	47	3%	2 134
Motor Vehicle Allowance		12 556	14 405	12 371	1 132	9 739	10 027	(288)	-3%	14 405
Cellphone Allowance		2 309	2 447	2 468	337	3 043	1 704	1 340	79%	2 447
Housing Allowances		2 801	3 144	–	192	1 686	2 188	(502)	-23%	3 144
Other benefits and allowances		–	–	–	–	–	–	–		–
Sub Total - Councillors		**55 023**	**62 398**	**60 381**	**4 977**	**44 652**	**43 435**	**1 217**	**3%**	**62 398**
% increase	4		**13.4%**	**9.7%**						**13.4%**
Senior Managers of the Municipality	3									
Basic Salaries and Wages		11 375	13 873	13 873	555	4 928	10 636	(5 707)	-54%	13 873
Pension and UIF Contributions		988	2 701	2 701	108	938	2 071	(1 133)	-55%	2 701
Medical Aid Contributions		149	255	255	16	144	195	(51)	-26%	255
Overtime			–	–	–	–	–	–		–
Performance Bonus			–	–	–	–	–	–		–
Motor Vehicle Allowance		1 214	2 974	2 974	120	1 072	2 280	(1 208)	-53%	2 974
Cellphone Allowance		133		–	16	148	–	148	0%	–
Housing Allowances		–	469	469	–	–	359	(359)	-100%	469
Other benefits and allowances		1 193	3 002	3 002	5	51	2 301	(2 251)	-98%	3 002
Payments in lieu of leave			–	–	–	–	–	–		–
Long service awards			–	–	–	–	–	–		–
Post-retirement benefit obligations	2		–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		**15 053**	**23 273**	**23 273**	**819**	**7 281**	**17 843**	**(10 562)**	**-59%**	**23 273**
% increase	4		**54.6%**	**54.6%**						**54.6%**
Other Municipal Staff										
Basic Salaries and Wages		1 028 954	1 040 488	1 040 488	89 824	815 943	797 703	18 240	2%	1 040 488
Pension and UIF Contributions		159 657	198 248	198 248	18 603	168 212	151 989	16 223	11%	198 248
Medical Aid Contributions		74 714	93 096	93 096	7 213	63 107	71 373	(8 266)	-12%	93 096
Overtime		118 999	73 819	73 819	10 691	102 517	56 595	45 922	81%	73 819
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		27 888	33 980	33 980	2 321	20 073	26 051	(5 978)	-23%	33 980
Cellphone Allowance		4 003	4 392	4 392	344	3 132	3 367	(235)	-7%	4 392
Housing Allowances		10 186	17 020	17 020	627	5 706	13 048	(7 342)	-56%	17 020
Other benefits and allowances		62 214	202 137	202 137	14 059	134 405	154 971	(20 566)	-13%	202 137
Payments in lieu of leave		38 424	18 327	18 327	20	152	14 051	(13 899)	-99%	18 327
Long service awards		20 828	21 399	21 399	1 890	16 895	16 405	490	3%	21 399
Post-retirement benefit obligations	2	75	7 143	7 143	3	46	5 476	(5 430)	-99%	7 143
Sub Total - Other Municipal Staff		**1 545 943**	**1 710 048**	**1 710 048**	**145 594**	**1 330 188**	**1 311 029**	**19 159**	**1%**	**1 710 048**
% increase	4		**10.6%**	**10.6%**						**10.6%**
Total Parent Municipality		**1 616 019**	**1 795 719**	**1 793 702**	**151 389**	**1 382 121**	**1 372 307**	**9 814**	**1%**	**1 795 719**
			11.1%	**11.0%**						**11.1%**
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS		**1 616 019**	**1 795 719**	**1 793 702**	**151 389**	**1 382 121**	**1 372 307**	**9 814**	**1%**	**1 795 719**
% increase	4		**11.1%**	**11.0%**						**11.1%**
TOTAL MANAGERS AND STAFF		**1 560 996**	**1 733 321**	**1 733 321**	**146 413**	**1 337 469**	**1 328 872**	**8 597**	**1%**	**1 733 321**

12.2. Overtime Analysis

Table 20 below provides comparison of overtime expenditure against budget per directorate for the period ended 31 March 2018. Table 21 below details overtime expenditure incurred per cost centre for the past three months ended 31 March 2018.

Table 20: Overtime per Directorate

Directorate Overtime	2017/2018 Annual Budget R	2017/2018 YTD Budget R	2017/2018 YTD Expenditure R	2017/2018 YTD Variance R	2017/2018 % of YTD Budget %
Directorate Of Executive Support Services	1 536 745	1 178 164	2 888 942	(1 710 778)	245%
Directorate Of The City Manager	545 438	418 167	287 828	130 339	69%
Directorate Of Corporate Services	480 814	368 622	741 604	(372 982)	201%
Directorate Of Development & Spatial Planning	704 956	540 463	216 913	323 550	40%
Directorate Of Economic Development & Agencies	530 085	406 396	205 759	200 637	51%
Directorate Of Finance	1 903 618	1 459 432	2 104 457	(645 025)	144%
Directorate Of Health / Public Safety & Emergency Services	27 906 579	21 394 917	28 444 430	(7 049 513)	133%
Directorate Of Human Settlement	115 256	88 362	27 277	61 086	31%
Directorate Of Infrastructure Services	19 370 795	14 850 855	32 289 334	(17 438 479)	217%
Electricity	*8 753 148*	*6 710 707*	*10 824 178*	*(4 113 471)*	*161%*
Water	*3 790 350*	*2 905 918*	*10 876 429*	*(7 970 511)*	*374%*
Sanitation	*5 602 537*	*4 295 253*	*9 868 851*	*(5 573 599)*	*230%*
Other	*1 224 760*	*938 977*	*719 876*	*219 101*	*77%*
Directorate Of Municipal Services	22 930 342	17 579 824	35 310 239	(17 730 414)	201%
Total	**76 024 628**	**58 285 202**	**102 516 781**	**(44 231 579)**	**176%**

Table 21: Overtime Per Cost Centre: January 2018 – March 2017

OVERTIME PER COST CENTRE

		January 2018 Amount	February 2018 Amount	March 2018 Amount
	Directorate -Executive Support Services			
0505	OFFICE OF THE DIRECTOR EXECUTIVE SUPPORT SERVICES	258 221.77	252 429.61	260 930.04
0512	INTERNATIONAL & INTERGOVERNMENTAL RELATIONS	74 789.74	0	0
0523	IDP & BUDGET INTEGRATION	0	0	13 510.98
0526	IEMP & SUSTAINABLE DEVELOPMENT	0	0	0
0531	POLITICAL OFFICE ADMINISTRATION	5 111.24	1 242.73	5 044.82
0536	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	17 199.66	0	28 260.41
0541	SPORTS SERVICES & SPECIAL PROGRAMMES	0	0	0
0542	SPECIAL PROGRAMMES	8 411.85	0	5 538.00
		363 734.26	**253 672.34**	**313 284.25**
-	**DIRECTORATE OF THE CITY MANAGER**			
1005	OFFICE OF THE CITY MANAGER	24 648.48	22 153.08	21 687.92
1015	INFORMATION / TECHNOLOGY & SUPPORT	17 929.59	15 657.09	12 266.13
		42 578.07	**37 810.17**	**33 954.05**
	DIRECTORATE OF CORPORATE SERVICES			
1505	OFFICE OF THE DIRECTOR CORPORATE SERVICES	0	14 944.71	0
1512	ADMINISTRATIVE & CORPORATE SUPPORT	0	10 628.92	8 678.45
1513	AUXILLIARY / RECORDS & DECISION TRACKING AND TELECOMMUNICATIONS	42 158.63	39 760.30	36 942.66
1531	HUMAN RESOURCES MANAGEMENT	10 199.09	1 834.14	21 050.00
1532	ADMINISTRATIVE SUPPORT	9 730.80	0	0
1536	ORGANISATIONAL DEVELOPMENT	2 028.15	1 374.64	1 374.64
		64 116.67	**68 542.71**	**68 045.75**
	DIRECTORATE OF DEVELOPMENT & SPATIAL PLANNING			
2013	CITY & REGIONAL PLANNING	0	0	0
2023	BUILDING MAINTANANCE	15 090.70	7 675.60	0

		January 2018 Amount	February 2018 Amount	March 2018 Amount
2034	INTEGRATED PUBLIC TRANSPORT NETWORK OPERATIONS	5 324.81	13 630.27	8 561.47
2037	TRAFFIC MANAGEMENT & SAFETY	13 482.99	12 897.31	3 114.01
2045	TOWNSHIP REGENERATION	0	0	0
		33 898.50	**34 203.18**	**11 675.48**
	DIRECTORATE OF ECONOMIC DEVELOPMENT & AGENCIES			
2505	OFFICE OF THE DIRECTOR ECONOMIC DEVELOPMENT	292.41	0	1 380.15
2511	FRESH PRODUCE MARKET	8 388.64	4 402.82	8 106.83
2521	TOURISM / ARTS / CULTURE & HERITAGE	0	0	40 924.20
2531	TRADE / INDUSTRY & RURAL AGRARIAN	0	0	11 217.08
		8 681.05	**4 402.82**	**61 628.26**
	DIRECTORATE OF FINANCE			
3011	BUDGET & TREASURY MANAGEMENT	0	18 883.10	0
3031	EXPENDITURE & PAYMENTS MANAGEMENT	9 311.51	4 028.82	529.26
3033	PAYROLL & BENEFITS	0	0	0
3034	VAT / LEASES & PAYMENTS	0	0	0
3051	REVENUE MANAGEMENT	0	1 166.40	12 843.96
3052	ACCOUNTS MANAGEMENT & REVENUE CONTROL	160 739.37	120 362.72	109 669.88
3053	COASTAL REVENUE MANAGEMENT	10 683.87	6 526.94	11 326.49
3054	CUSTOMER RELATIONS (CALL CENTRE)	0	0	0
3057	RATES & VALUATIONS	0	0	0
3061	STRATEGY & OPERATIONS	-	789.75	2 831.05
3071	SUPPLY CHAIN MANAGEMENT	1 698.81	3 835.57	1 199.49
		182 433.56	**155 593.30**	**138 400.13**
	DIRECTORATE OF HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES			
3505	OFFICE OF THE DIRECTOR HEALTH / PUBLIC SAFETY &EMERGENCY SERVICES	3 208.52	0	0
3512	DISASTER MANAGEMENT	21 364.86	11 272.74	3 980.48
3513	FIRE & RESCUE	1 060 013.71	414 692.58	318 581.42
3521	MUNICIPAL HEALTH SERVICES	13 241.25	3 310.49	0

		January 2018 Amount	February 2018 Amount	March 2018 Amount
3530	GM - PUBLIC SAFETY & PROTECTION SERVICES	0	0	0
3531	PUBLIC SAFETY & PROTECTION SERVICES	0	0	0
3532	LAW ENFORCEMENT SERVICES	2 476 469.84	1 679 404.84	1 250 960.06
3533	TRAFFIC SERVICES	1 051 540.31	958 837.98	182 858.95
		4 625 838.49	**3 067 518.63**	**1 756 380.91**
	DIRECTORATE OF HUMAN SETTLEMENT			
4005	OFFICE OF THE DIRECTOR OF HUMAN SETTLEMENT	0	736.08	0
4011	HOUSING DELIVERY & IMPLEMENTATION	0	5 079.84	5 076.06
		0	**5 815.92**	**5 076.06**
	DIRECTORATE OF INFRASTRUCTURE SERVICES			
4505	OFFICE OF THE DIRECTOR OF INFRASTRUCTURE SERVICES	3 597.98	3 094.54	2 564.70
4511	ELECTRICAL & ENERGY SERVICES	3 480.52	2 209.20	24 618.05
4512	CUSTOMER SERVICES & REVENUE PROTECTION	126 310.15	99 759.13	102 303.25
4513	ELECTRICAL DEVELOPMENT / CONTRACTS & ASSETS	3 072.87	3 840.19	3 194.38
4514	ELECTRICAL DISTRIBUTION	1 087 026.06	862 696.15	950 413.48
4521	ROADS / PIU & CONSTRUCTION	0	0	0
4522	CONSTRUCTION	0	0	0
4524	ROADS	10 648.91	12 259.09	8 007.52
4532	SANITATION	1 277 869.16	1 158 628.10	977 110.45
4535	WATER SERVICES	1 018 721.31	1 342 767.81	1 117 813.59
4542	FLEET SERVICES & PLANT	0	1 898.25	0
4543	WORKSHOPS	92 056.77	52 052.78	71 963.69
		3 622 783.73	**3 539 205.24**	**3 257 989.11**
	DIRECTORATE OF MUNICIPAL SERVICES			
5005	OFFICE OF THE DIRECTOR OF MUNICIPAL SERVICES	16 859.31	18 787.10	19 897.30
5011	COMMUNITY AMENITIES	33 517.13	15 537.23	17 240.73
5013	LIBRARIES	28 025.20	44 730.39	48 886.21
5014	HALLS	222 341.68	153 893.98	180 829.32
5015	RECREATION	1 186 652.06	687 397.28	722 144.43
5016	SPORTS FACILITIES	162 995.20	170 864.71	202 643.57
5022	CEMETRIES & CREMOTORIA	334 486.28	302 570.96	327 913.18

		January 2018 Amount	February 2018 Amount	March 2018 Amount
5023	CONSERVATION	186 233.97	102 174.44	150 438.50
5024	PARKS: COASTAL	742 849.69	1 048 509.78	760 423.27
5031	SOLID WASTE MANAGEMENT	10 895.68	21 744.55	17 596.54
5032	CLEANSING & REFUSE REMOVAL: COASTAL	1 331 646.05	2 274 453.83	1 577 075.69
5035	LANDFILLS & TRANSFER STATIONS	179 200.67	37 660.50	200 395.43
		4 435 702.92	**4 878 324.75**	**4 222 129.77**
	TOTAL OVERTIME	**13 379 767.25**	**12 045 089.06**	**9 868 563.77**

12.2.1. Comments On Overtime

a) Directorate of Executive Support Services

The over expenditure is due to the respective political office's bodyguards having to work extended overtime and night shifts. Staff also had to work overtime for the preparation of the Mayoral events. Furthermore, Public Participation (Political Office) unit staff had to work overtime due to loud-hailing done after business hours and on weekends.

b) Directorate of Corporate Services

The over expenditure on overtime is as a result of council meetings which necessitates the drivers to deliver council agendas outside the normal operating hours.

c) Directorate of Finance

Revenue Management: The bulk of the expenditure is related to the overtime that was worked on the Revenue Enhancement Initiative that was undertaken during July 2017 whereby Revenue Management staff assisted the public over 3 weekends in resolving accounts related matters. The overtime worked emanated from the request by the Mayoral Committee to assist the public over the weekends during July 2017.

d) Directorate of Infrastructure Services

Electricity – Overtime is incurred while carrying out emergency work in all areas of East London and King Williams Town/Bisho due to standby emergencies, vandalism, theft, revenue protection raids for illegal connections etc.

Water – Overtime is incurred while carrying out emergency work due to the high number of pipe bursts.

Sanitation – Overtime is incurred while carrying out emergency work (burst rising mains etc.) and attending to alarms received via the telemetry system or faults at pump stations i.e. tripped pumps etc.

Other – Overtime is due to roads maintenance emergencies due to inclement weather and aged road infrastructure network. Overtime was worked in coastal area during this month as there was a backlog in patching due to the small plant machine being broken.

e) Directorate of Health / Public Safety & Emergency Services

Directorate of Health, Public Safety & Emergency Services officials (Health, Fire, Traffic, Law Enforcement, Disaster Management & Emergency Services) work over weekends, evenings and public holidays attending to various events held within the jurisdiction of BCMM (response to emergencies), safety operations, speed enforcement operations, protest actions, accidents and ensuring safekeeping of municipal assets to ensure compliance in terms of the legislation which control these activities. There is generally a marked increase in the overtime over the festive season which starts from about October to January due to the number of events held over the public holidays & weekends and in some instances the events continue through the evening to the next day.

f) Directorate of Municipal Services

Overtime is linked to hall usage, the staff working overtime are halls staff. Most bookings occur after hours or over weekends which results in overtime. This is a service to the public and it is therefore essential that the overtime is worked.

Cleansing & Refuse Removal: Inland – the department provides services 7 days' a week and five days are normal working days. Saturday and Sunday is regarded as structured overtime. The department is exploring other measures or to introduce a 6-day shift work. Measures are being put in place to adhere to the 40hrs per month.

Cleansing & Refuse Removal: Coastal - There is a moratorium that says all the vacant funded posts created before April 2017 must not be advertised, this results in the shortage of staff. The department is forced to allow workers to work after hours in order to curb the backlogs in certain areas to meet service delivery expectations and some areas within the region require a seven days' coverage of refuse removal due to large volumes of waste generated.

Landfills & Transfer Stations - Landfills as per the permit have operating hours. The operations of the facilities warrants that there must be staff on site during the operating hours as stipulated in the permit. Landfills operate from 08:00 till 22:00 during weekdays and they operate from 08:00 till 16:00 on weekends and public holidays.

12.3. Standby and Shift Allowance Analysis

Table 22 below reflects the total standby and shift allowance incurred per directorate for the past three months ended 31 March 2018. There was an increase in the total payment between January 2018 and February 2018 of R111 780 and a decrease in the total payment between February 2018 and March 2018 of R198 574.

Table 22: Standby & Shift Allowance per Directorate

	JANUARY 2018	FEBRUARY 2018	MARCH 2018
Directorate of Executive Support Services	7 453	7 563	5881
Directorate of the City Manager	54 709	41 508	41 098
Directorate of Corporate Services	1 483	1 251	1 482
Directorate of Development & Spatial Planning	13 938	12 990	11 473
Directorate Economic Development & Agencies	1 115	1 461	1 730
Directorate of Finance	8 918	10 466	10 069
Directorate of Health/Public Safety & Emergency Services	624 148	557 200	501 022
Directorate of Infrastructure Services	719 617	748 566	681 199
Directorate of Municipal Services	206 439	368 594	297 071
TOTAL	**1 637 819**	**1 749 599**	**1 551 025**

12.4. Cost of Temporary Staff

The total payment of Temporary Staff for the past three months ended 31 March 2018 is reflected below. There was a decrease in the total payment between January 2018 and February 2018 of R394 094 and a decrease in the total payment between February 2018 and March 2018 of R305 755.

Table 23: Temporary Staff per Directorate

	JANUARY 2018	FEBRUARY 2018	MARCH 2018
Directorate of Executive Support Services	521 259	534 633	513 042
Directorate of the City Manager	301 698	357 090	367 245
Directorate of Corporate Services	1 438 089	1 314 598	1 463 638
Directorate of Development & Spatial Planning	143 308	134 644	148 558
Directorate Economic Development & Agencies	31 402	31 402	32 866
Directorate of Finance	721 976	750 935	706 344
Directorate of Health/Public Safety & Emergency Services	348 596	282 991	242 525
Directorate of Human Settlement	182 687	164 284	185 943
Directorate of Infrastructure Services	260 917	342 557	354 052
Directorate of Municipal Services	3 483 714	3 126 417	2 719 584
TOTAL	**7 433 646**	**7 039 552**	**6 733 796**

12.5. Councillors Costs

The table below shows the budget and expenditure to date for councillors' costs. The year to date budget of R43.43 million less the year to date expenditure of R44.65 million leaves a variance of (R1.22 million).

Table 24: Councillors Costs

Councillors Allowances And Benefits	2017/2018 Annual Budget R	2017/2018 YTD Budget R	2017/2018 YTD Expenditure R	2017/2018 Variance R	2017/2018 Variance %
Councillors Allowances	42 475 195	30 554 374	28 589 254	1 965 119	6.43
Housing Allowance	0	0	1 686 057	(1 686 057)	0.00
Medical Aid Allowance	1 773 192	1 275 539	1 532 622	(257 083)	(20.15)
Pension Allowance	3 761 772	2 706 017	3 104 884	(398 867)	(14.74)
Travel Allowance	12 370 884	8 898 949	9 739 290	(840 341)	(9.44)
Total	**60 381 043**	**43 434 879**	**44 652 107**	**(1 217 228)**	**(2.80)**

13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE

BCMDA has spent R20.74 million (66%) of its 2017/2018 adjusted operating budget of R31.58 million.

Table 25: Monthly Budget Statement – summary of municipal entity

Description	Ref	2016/17	Budget Year 2017/18							
R thousands		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
Revenue By Municipal Entity										
Buffalo City Metropolitan Development Agency SOC Ltd								–		
Interest earned - external investments		200	238	238	7	120	159	(39)	-24%	238
Transfers recognised - operational		16 882	22 138	22 363	–	15 197	16 603	(1 406)	-8%	22 363
Agency services			3 630	1 822	–	76	2 420	(2 343)	-97%	1 822
Other revenue		877	7 154	7 154	27	1 513	4 769	(3 257)	-68%	7 154
Total Operating Revenue	1	**17 959**	**33 160**	**31 578**	**34**	**16 907**	**23 951**	**(7 045)**	**-29%**	**31 578**
Expenditure By Municipal Entity										
Buffalo City Metropolitan Development Agency SOC Ltd								–		
Employee related costs		10 144	15 178	17 545	1 109	11 823	10 119	1 704	17%	17 545
Remuneration of Directors		459	850	756	–	588	567	21	4%	756
Depreciation & asset impairment		332	471	858	71	616	314	302	96%	858
Finance charges		0	2	6	0	5	1	4	401%	6
Contracted services		–	–	6 287	–	–	–	–		6 287
Other expenditure		4 751	16 659	6 128	887	7 707	11 106	(3 398)	-31%	6 128
Total Operating Expenditure	2	**15 686**	**33 160**	**31 578**	**2 067**	**20 740**	**22 106**	**(1 367)**	**-6%**	**31 578**
Surplus/ (Deficit) for the yr/period		2 274	0	0	(2 033)	(3 833)	1 845	(8 411)	-456%	0
Capital Expenditure By Municipal Entity										
Buffalo City Metropolitan Development Agency SOC Ltd								–		
Transfers recognised - capital			737	737	–	191	642	(450)	-70%	737
Contributions recognised - capital								–		
Contributed assets								–		
Total Capital Expenditure	3	**–**	**737**	**737**	**–**	**191**	**642**	**(450)**	**-70%**	**737**

A detailed analysis of the entity's performance for month ended 31 March 2018 is outlined in the attached Annexure F.

14. CAPITAL PROGRAMME PERFORMANCE

BCMM has spent 40% (R656.88 million, inclusive of reclaimed vat) of its 2017/18 adjusted capital budget of R1.63 billion as at 31 March 2018. This depicts regression in percentage and in rand value terms when compared to the same period in the previous financial year where 54% (R799.67 million, inclusive of reclaimed vat) of the adjusted budget of R1.49 billion was spent. Based on past performance trends, expenditure is expected to progressively improve during the last quarter of the financial year as procurement processes have been concluded.

Refer to Annexure A – C5 for the breakdown per municipal vote, standard classification & funding; Annexure B – SC12 for monthly expenditure trends; SC13a for breakdown of asset classification for new assets and SC13b for breakdown on asset classification on renewal of existing asset).

A detailed schedule of the capital projects expenditure is outlined in Annexure E. Table 26 below reflects capital expenditure performance per source of funding.

Table 26: Capital Expenditure per Funding Source against Budget

Funding	2017/2018 Mid-year Adjustment Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Total Own Funding	**814 991 210**	**220 081 290**	**594 909 920**	**27%**
DoE(Integrated National Electrification Programme)	19 808 534	13 309 413	6 499 121	67%
Galve c/o	229 000	0	229 000	0%
Integrated City Development Grant	6 956 000	6 956 000	0	100%
Local Government & Traditional Affairs c/o	9 036 112	0	9 036 112	0%
Urban Settlement Development Grant	705 184 160	396 562 728	308 621 432	56%
Public Transport Infrastructure Grant	78 114 561	19 975 365	58 139 196	26%
Total Grants	**819 328 367**	**436 803 507**	382 524 860	53%
TOTAL PER FUNDING	**1 634 319 577**	**656 884 796**	**977 434 780**	**40%**

Table 27 below reflects capital expenditure performance per service.

Table 27: Actual Expenditure per Service against Budget

Services	2017/2018 Mid-year Adjustment Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Water	133 118 569	94 891 128	38 227 441	71%
Waste Water	235 458 323	151 487 735	83 970 588	64%
Electricity	142 808 534	59 688 788	83 119 746	42%
Roads and Stormwater	270 956 000	124 649 500	146 306 500	46%
Housing	139 445 000	47 753 763	91 691 237	34%
Transport Planning	194 700 673	70 402 984	124 297 689	36%
Local Economic Development	50 597 779	17 954 698	32 643 081	35%
Spatial Planning	44 916 017	12 505 006	32 411 011	28%
Waste Management / Refuse	40 035 050	7 078 577	32 956 473	18%
Amenities	89 938 024	33 349 619	56 588 404	37%
Public Safety	47 739 410	10 360 566	37 378 844	22%
Support Services	147 651 671	18 214 072	129 437 599	12%
Other - BCM Fleet	96 954 527	8 548 361	88 406 166	9%
GRAND - TOTAL	**1 634 319 577**	**656 884 796**	**977 434 780**	**40%**

Table 28 below reflects capital expenditure performance per directorate.

Table 28: Actual Expenditure per Directorate against Budget

Directorate	2017/2018 Mid-year Adjustment Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
1. Executive Support Services	7 229 240	1 181 879	6 047 361	16%
2. Municipal Manager's Office	42 409 286	9 217 189	33 192 097	22%
3. Human Settlements	142 315 242	48 034 192	94 281 050	34%
4. Directorate of Financial Services	71 020 000	3 211 547	67 808 453	5%
5. Directorate of Corporate Services	3 612 990	932 932	2 680 058	26%
6. Directorate of Infrastructure Services	879 795 953	439 531 258	440 264 694	50%
7. Development and Spatial Planning	247 620 690	85 355 766	162 264 924	34%
8. Directorate of Economic Development	51 097 779	18 073 941	33 023 838	35%
9. Directorate of Health & Public Safety	49 245 323	10 649 272	38 596 051	22%
10 .Directorate of Municipal Services	129 973 074	40 428 196	89 544 877	31%
TOTAL DIRECTORATES	**1 624 319 577**	**656 616 173**	**967 703 404**	**40%**
Asset Replacement	10 000 000	268 624	9 731 376	3%
GRAND - TOTAL	**1 634 319 577**	**656 884 796**	**977 434 780**	**40%**

The capital programme performance by month is tabulated in table 29 below (Exclusive of Vat).

Table 29: SC12 Monthly Budget Statement – capital expenditure trend

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

Month	2016/17	Budget Year 2017/18							
R thousands	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
Monthly expenditure performance trend									
July	1 611	3 274	2 308	2 308	2 308	2 308	–		0%
August	39 205	17 112	40 222	40 222	42 530	42 530	0	0.0%	3%
September	86 333	48 450	85 095	85 095	127 625	127 625	0	0.0%	8%
October	78 499	94 083	85 567	85 567	213 192	213 192	0	0.0%	13%
November	124 330	99 215	90 386	90 386	303 579	303 579	0	0.0%	18%
December	161 499	147 979	123 230	123 230	426 808	426 808	0	0.0%	26%
January	26 493	125 470	40 944	40 944	467 752	467 752	0	0.0%	28%
February	70 080	147 452	145 629	50 319	518 072	613 381	95 309	15.5%	31%
March	162 725	180 770	146 947	88 839	606 911	760 328	153 417	20.2%	37%
April	43 977	241 602	214 316	–		974 644	–		
May	82 891	259 708	176 487	–		1 151 131	–		
June	398 658	280 088	483 189	–		1 634 320	–		
Total Capital expenditure	**1 276 301**	**1 645 204**	**1 634 320**	**606 911**					

15. OTHER SUPPORTING DOCUMENTS

15.1. Operating Projects Expenditure

The Metro has spent 57% (R176.85 million) inclusive of reclaimed vat of its 2017/18 adjusted operating projects budget of R309.4 million as at 31 March 2018. This reflects a regression in rand value terms when compared to the same period in the previous financial year where 57% (R186.56 million inclusive of reclaimed vat) of the adjusted operating projects budget of R336.91 million was spent. Based on past performance trends, expenditure is expected to progressively improve during the last quarter of the financial year as procurement processes would have been concluded.

A detailed schedule of the operating projects expenditure is outlined in Annexure D.

Tables 30 and 31 below summarise Annexure D.

Table 30: Operating Projects per Directorate

Directorate	2017/2018 Mid year adj Budget	YTD Expenditure (incl. vat)	Available Budget (incl. vat)	% Expenditure (incl. vat)
1. Executive Support Services	5 188 971	2 326 478	2 862 493	45%
2. Municipal Manager's Office	49 507 745	26 926 320	22 581 425	54%
3. Human Settlements	91 600 000	39 688 014	51 911 986	43%
4. Directorate of Financial Services	44 550 000	24 307 088	20 242 912	55%
5. Directorate of Corporate Services	20 525 850	12 839 787	7 686 063	63%
6. Directorate of Infrastructure Services	46 195 761	48 835 754	-2 639 993	106%
7. Development and Spatial Planning	11 319 000	3 111 934	8 207 066	27%
8. Directorate of Economic Development	26 447 504	9 060 893	17 386 611	34%
9. Directorate of Health & Public Safety	2 660 000	97 052	2 562 948	4%
10. Directorate of Municipal Services	11 409 037	9 659 405	1 749 632	85%
TOTAL PER DIRECTORATE	**309 403 868**	**176 852 725**	**132 551 143**	**57%**

Table 31: Operating Projects per Funding Source

Funding	2017/2018 Mid Year Adj-Budget	YTD Expenditure (incl. vat)	Available Budget (incl. vat)	% Expenditure (incl. vat)
Total Own Funding	**126 000 628**	**61 699 084**	**64 301 544**	**49%**
City of Oldenburg	495 761	0	495 761	0%
Expanded Public Works Programme Incentives Grant	4 952 000	3 023 021	1 928 979	61%
Finance Management Grant	1 300 000	977 068	322 932	75%
Human Settlement Development Grant	91 600 000	39 688 014	51 911 986	43%
Infrastructure Skills Development Grant	10 560 000	6 104 245	4 455 755	58%
Leiden	138 207	73 220	64 987	53%
Public Transport Infrastructure Grant	9 869 000	1 997 611	7 871 389	20%
Salaida (Galve)	1 454 574	197 337	1 257 237	14%
Galve	89 858	0	89 858	0%
Urban Settlement Development Grant	62 943 840	63 093 126	-149 286	100%
Total Grants	**183 403 240**	**115 153 641**	**68 249 599**	**63%**
TOTAL PER FUNDING	**309 403 868**	**176 852 725**	**132 551 143**	**57%**

16. INCOME AND EXPENDITURE REPORTS FOR DIRECTORATE OF HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES AND MUNICIPAL SERVICES

16.1. Health / Public Safety & Emergency Services

Below is the table indicating the breakdown of the Cost Analysis indicating income and expenditure.

Table 32: Health / Public Safety & Emergency Services – Cost Analysis

Health & Public Safety	Total Revenue	Employee Costs	Other Operating Expenditure	Repairs & Maintenance	Total Expenditure Excluding Capital
OFFICE OF THE DIRECTOR OF HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES	**0**	**2 256 258**	**138 039**	**26 047**	**2 420 344**
GM - EMERGENCY SERVICES	**(70 960 904)**	**60 470 554**	**21 709 557**	**909 210**	**83 089 321**
EMERGENCY SERVICES	0	1 994 441	70 013	298	2 064 751
DISASTER MANAGEMENT	0	2 183 363	519 712	17 554	2 720 629
FIRE & RESCUE	(70 960 904)	56 292 750	21 119 832	891 358	78 303 941
GM - MUNICIPAL HEALTH SERVICES	**(35 042)**	**23 050 354**	**1 978 043**	**92 223**	**25 120 620**
MUNICIPAL HEALTH SERVICES: COASTAL REGION	(35 042)	23 050 354	1 978 043	92 223	25 120 620
GM - PUBLIC SAFETY & PROTECTION SERVICES	**(43 399 351)**	**164 535 429**	**9 858 690**	**1 796 038**	**176 190 156**
PUBLIC SAFETY & PROTECTION SERVICES	(238 165)	7 010 127	3 788 361	1 146 124	11 944 612
LAW ENFORCEMENT SERVICES	0	94 199 202	2 317 372	547 632	97 064 206
TRAFFIC SERVICES	(43 161 186)	63 326 100	3 752 957	102 281	67 181 337
Total	**(114 395 296)**	**250 312 595**	**33 684 329**	**2 823 517**	**286 820 441**

16.2. Municipal Services

Below is the table indicating the breakdown of the Cost Analysis indicating income and expenditure.

Table 33: Municipal Services – Cost Analysis

Municipal Services	Total Revenue	Employee Costs	Other Operating Expenditure	Repairs & Maintenance	Total Expenditure Excluding Capital
OFFICE OF THE DIRECTOR OF MUNICIPAL SERVICES	**0**	**8 071 088**	**976 604**	**28 287**	**9 075 979**
GM - COMMUNITY AMENITIES	**(19 294 150)**	**93 829 691**	**67 418 540**	**7 843 548**	**169 091 779**
COMMUNITY AMENITIES	(94)	10 133 289	53 208 221	267 279	63 608 789
LIBRARIES	(15 353 620)	18 405 516	5 845 494	736 338	24 987 347
HALLS	(1 151 899)	15 548 711	1 263 431	2 478 416	19 290 558
RECREATION	(2 727 231)	31 480 868	2 748 982	2 126 320	36 356 171
SPORTS FACILITIES	(61 305)	18 261 306	4 352 412	2 235 196	24 848 914
					0
GM - PARKS / CEMETRIES & CONSERVATION	**(8 617 746)**	**113 937 329**	**18 742 943**	**6 659 754**	**139 340 026**
PARKS / CEMETRIES & CONSERVATION	0	4 513 671	131 513	0	4 645 184
CEMETRIES & CREMOTORIA	(7 334 549)	18 192 681	5 607 526	1 322 437	25 122 644
CONSERVATION	(1 207 510)	13 474 910	1 497 600	292 966	15 265 475
PARKS: COASTAL	(75 687)	77 756 068	11 506 303	5 044 352	94 306 722
GM - SOLID WASTE MANAGEMENT	**(326 934 080)**	**125 441 506**	**154 468 295**	**15 464 842**	**295 374 643**
SOLID WASTE MANAGEMENT	0	10 091 163	19 805 942	9 107 762	39 004 867
CLEANSING & REFUSE REMOVAL: COASTAL	(324 790 877)	104 964 179	118 070 468	6 299 803	229 334 450
LANDFILLS & TRANSFER STATIONS	(2 143 202)	10 386 164	16 591 885	57 277	27 035 327
Total	**(354 845 975)**	**341 279 614**	**241 606 382**	**29 996 431**	**612 882 427**

17. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

I, APANNA NAIDOO, the Acting City Manager of Buffalo City Metropolitan Municipality do hereby certify that –

☐ The monthly budget statement (Section 71 Report)

for the period ending **March 2018** has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print name: Apanna Naidoo

Acting City Manager of Buffalo City Metropolitan Municipality, BUF

Signature: .....

Date: .....

ANNEXURES:

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Annexure D

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Buffalo City Metropolitan Development Agency Performance Report