

REPORT TO EXECUTIVE MAYOR: 10 MARCH 2016

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STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2015/16 BUDGET FOR THE PERIOD ENDED 29 FEBRUARY 2016

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 2015/16 budget of the Buffalo City Metropolitan Municipality for the period ended 29 February 2016.

2. AUTHORITY

Executive Mayor

3. LEGAL / STATUTORY REQUIREMENTS

The Constitution of the Republic of South Africa, 1996

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

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 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 note the report on the statement of financial performance and the implementation of the 2015/16 budget for the period ended 29 February 2016 including supporting documentation attached as Annexure A to E.
- (ii) The Executive Mayor note the spending trends 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 note the year to date collection rate for the period ended 29 February 2016 of 87.84% and the twelve (12) months average of 90.19%.

ACTING CITY MANAGER

DATE

6. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY FOR THE PERIOD ENDED 29 FEBRUARY 2016

6.1. Dashboard / Performance Summary

Table 1: Performance Summary

OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	R 3,709,347,959	Bank Balance	R 325,135,945
Expenditure	R 3,403,772,474	Call investment deposits (excl. int.)	R 2,444,770,226
Operating Surplus	R 305,575,485	Cash and cash equivalents	R 2,769,906,171
		<i>Account Payables</i>	<i>(R 342,279,608)</i>
		<i>Unspent conditional grants</i>	<i>(R 539,613,647)</i>
		<i>Committed to Capital budget-own funds</i>	<i>(R 409,457,408)</i>
		Therefore uncommitted cash and cash equivalents	R 1,478,555,508
		Total Long term loans	R 520,127,951
DEBTORS		SURPLUS / DEFICIT PER SERVICE	
Total debtors book	R 1,531,230,257	Water	R 50,374,037
Total debtors - Government	R 22,351,862	Electricity	R 149,741,659
Total debtors - Business	R 337,782,365	Refuse	R 62,984,462
Total debtors - Households	R 962,871,611	Sewerage	R 38,835,803
Total debtors - Other	R 208,224,419		
Total debt written off	R 34,819,886		
CAPITAL EXPENDITURE		OPERATING PROJECTS EXPENDITURE	
<u>2014/2015: Capital Expenditure as a % of Adjusted Budget of R1.06 billion:</u>	<u>2015/2016: Capital Expenditure as a % of Adjusted Budget of R1.38 billion:</u>	<u>2014/2015: Operating Expenditure as a % of Adjusted Budget of R288.44 million:</u>	<u>2015/2016: Operating Expenditure as a % of Adjusted Budget of R697.73 million:</u>
Exp.(excl. vat) = R441.31 mil % expenditure (excl. vat): 42%	Exp. (excl. vat) = R510.47 mil % exp (Excl. vat) :37%	Exp.(excl. vat) = R140.71 mil % expenditure (excl. vat): 49%	Exp.(excl. vat)=R175.20 mil % exp.(excl. vat): 25%
Exp.(incl. vat) = R481.91 mil % expenditure (incl. vat): 46%	Exp. (incl. vat) = R553.24 mil % exp (incl. vat): 40%	Exp.(incl. vat) = R141.33 mil % exp. (incl. vat): 49%	Exp.(incl. vat) = R175.48 mil % exp.(incl. vat): 25%
FINANCIAL		HUMAN RESOURCES	
Operating Surplus for the period	R 305,575,486	Total staff complement	4 939
Debtors collection ratio	87.84%	Staff Appointments	701
YTD Grants and subsidies	R 629,465,975	Staff Terminations	178
Debtors to Revenue	17.47%	Number of funded vacant posts	832
Percentage of Creditors paid within terms	100%	Total overtime paid (YTD)	R 79,180,502
Current ratio	3.35:1	Allowances and benefits - Councillors	R 36,134,189
Total Debt to Revenue	11.64%	Salary bill - Officials	R 897,988,727
Capital Charges to Operating Expenditure	1.73%	Workforce costs as a % of income	24.2%
Cost coverage ratio	6.42 months		

6.2. Liquidity position

Buffalo City Metropolitan Municipality's liquidity is considered relatively sound as the Current Ratio is 3.35:1 which indicates the ability of Municipality's current assets to cover its current liabilities. Debtors constitute 26% of the current assets, inventory constitutes 1% and cash & cash equivalents comprise 72% of the current assets.

6.3. Collection Rate and Outstanding Debtors

The debtor's collection rate for the average twelve months ending 29 February 2016 is 90.19% (2014/15: 92%) and the year to date collection rate for the eight (8) months is 87.84% (2014/15: 91%).

Total debtors book as at 29 February 2016 amounts to R1.53 billion (2015: R1.13 billion). Households: R962.87 million, Business: R337.78 million, Government: R22.35 million, Other: R208.22 million. The ratio of debtors to revenue is 17.47%. The debtors' age analysis report is reflected on Annexure B – SC3.

6.4. Capital Expenditure

BCMM has spent R553.24 million inclusive of reclaimed vat (2014/15: R481.91 million) which is 40% (2014/15: 46%) of its 2015/16 adjusted capital budget of R1.38 billion (2014/15: R1.06 billion) as at 29 February 2016. This depicts a regression when compared to the same period in the previous financial year. (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 25% (R175.48 million, inclusive of reclaimed vat) of its 2015/16 adjusted budget of R697.73 million as at 29 February 2016. This reflects a regression when compared to the same period in the previous financial year where 49% (R141.33 million) of the adjusted operating projects budget of R288.44 million was spent. It is anticipated that the expenditure will improve once the procurement

processes have been undertaken. The HSDG budget was overstated due to late confirmation of available funding by the Eastern Cape Provincial Department of Human Settlement, the budget has been reduced to R501.84 million in the mid year adjustment budget. Should the HSDG allocation that is on the 2015/16 approved DoRA be taken into consideration the total budget allocated for operating projects will reduce to R501.84 million, therefore resulting in the total operating projects expenditure percentage to increase to 35%. (Refer to Section 15 for further details) A detailed schedule of the operating projects expenditure is outlined in Annexure D.

6.6. Expenditure on DoRA Current Allocation

The Metro has spent R418.95 million inclusive of reclaimed vat (2014/15: R368.89 million) which is 52% (2014/15: 52%) of its 2015/2016 DoRA allocation of R801.94 million (2014/15: R714.18 million) as at 29 February 2016. (Refer to Section 11 for further details)

6.6.1. Urban Settlement Development Grant (USDG) funded projects

BCMM has spent R385.73 million inclusive of reclaimed vat (2014/15: R334.96 million) which is 54% (2014/15: 50%) of its 2015/16 USDG budget of R713.13 million (2014/15: R673.29 million) as at 29 February 2016. This reflects an improvement when compared to the same period in the previous financial year. (Refer to Section 11 for further details)

6.7. Cash and Cash Equivalents

The cash and cash equivalents of the City as at 29 February 2016 are R2.77 billion made up of cash and bank amounting to R325.14 million and call investment deposits of R2.44 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 6.42 months.

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. Refer to Section 9 for details.

6.9. Long-Term Debt Profile

The total long term borrowings of the municipality as at 29 February 2016 amounts to R520.13 million (Refer to Annexure C for the schedule of borrowings).

The ratio of capital charges to operating expenditure is 1.73% and the total debt to revenue ratio is 11.64% as at 29 February 2016.

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

Description	2014/15	Budget Year 2015/16							
	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	794 519	903 413	903 413	69 187	630 935	623 150	7 784	1%	903 413
Service charges	2 424 753	2 686 741	2 686 741	229 526	1 887 980	1 776 554	111 426	6%	2 686 741
Investment revenue	124 166	133 620	133 620	13 132	95 466	70 406	25 060	36%	133 620
Transfers recognised - operational	948 239	1 249 333	1 254 460	6 300	629 466	732 423	(102 957)	-14%	1 254 460
Other own revenue	658 478	746 500	746 500	56 414	465 501	456 450	9 051	2%	746 500
Total Revenue (excluding capital transfers and contributions)	4 950 155	5 719 607	5 724 735	374 558	3 709 348	3 658 984	50 364	1%	5 724 735
Employee costs	1 192 331	1 387 619	1 387 619	115 342	897 989	925 079	(27 091)	-3%	1 387 619
Remuneration of Councillors	47 682	52 910	52 910	6 289	36 134	35 273	861	2%	52 910
Depreciation & asset impairment	729 880	712 213	690 930	57 599	460 679	460 620	59	0%	690 930
Finance charges	60 671	54 313	54 313	-	36 292	33 917	2 375	7%	54 313
Materials and bulk purchases	1 213 642	1 377 012	1 377 012	114 141	950 503	922 739	27 764	3%	1 377 012
Transfers and grants	235 798	258 568	258 568	17 852	154 100	172 379	(18 279)	-11%	258 568
Other expenditure	1 736 520	1 876 050	1 902 460	126 544	868 076	971 441	(103 366)	-11%	1 902 460
Total Expenditure	5 216 523	5 718 685	5 723 812	437 767	3 403 772	3 521 449	(117 677)	-3%	5 723 812
Surplus/(Deficit)	(266 368)	922	922	(63 209)	305 575	137 534	168 041	122%	922
Transfers recognised - capital	615 492	850 353	850 353	34 093	390 131	238 099	152 032	64%	850 353
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	349 124	851 275	851 275	(29 116)	695 707	375 633	320 073	85%	851 275
Share of surplus/ (deficit) of associate	22 359	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	371 483	851 275	851 275	(29 116)	695 707	375 633	320 073	85%	851 275
Capital expenditure & funds sources									
Capital expenditure	930 050	1 275 354	1 380 149	49 495	510 470	282 255	228 216	81%	1 380 149
Capital transfers recognised	615 492	850 353	850 353	34 093	390 131	173 906	216 225	124%	850 353
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	314 558	425 002	529 797	15 402	120 339	108 349	11 991	11%	529 797
Total sources of capital funds	930 050	1 275 354	1 380 149	49 495	510 470	282 255	228 216	81%	1 380 149
Financial position									
Total current assets	3 090 516	3 250 381	3 250 382		3 842 867				3 250 382
Total non current assets	12 545 184	11 706 711	11 706 712		12 595 052				11 706 712
Total current liabilities	1 004 468	1 026 227	1 026 227		1 147 005				1 026 227
Total non current liabilities	1 011 100	1 099 508	1 099 508		991 392				1 099 508
Community wealth/Equity	13 620 132	12 831 357	12 831 358		14 299 521				12 831 358
Cash flows									
Net cash from (used) operating	1 013 447	1 350 929	1 329 235	169 573	1 102 281	900 619	(201 662)	-22%	1 329 235
Net cash from (used) investing	(923 670)	(1 275 354)	(1 380 149)	(49 495)	(510 470)	(850 236)	(339 766)	40%	(1 380 149)
Net cash from (used) financing	(53 669)	(46 097)	(46 097)	-	(22 446)	(30 731)	(8 286)	27%	(46 097)
Cash/cash equivalents at the month/year end	2 200 541	2 383 434	2 256 945	-	2 769 906	2 373 608	(396 298)	-17%	2 103 530
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	235 591	81 688	49 629	41 327	43 665	39 765	235 186	804 378	1 531 230
Creditors Age Analysis									
Total Creditors	341 328	952	-	-	-	-	-	-	342 280

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)

Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		1 886 925	1 974 740	1 974 740	128 394	1 357 863	1 378 470	(20 607)	-1%	1 974 740
Executive and council		28 536	37 902	37 902	1 726	17 057	16 568	489	3%	37 902
Budget and treasury office		1 846 004	1 922 818	1 922 818	126 432	1 335 718	1 355 750	(20 032)	-1%	1 922 818
Corporate services		12 385	14 019	14 019	236	5 088	6 152	(1 064)	-17%	14 019
<i>Community and public safety</i>		286 920	651 123	653 618	10 269	213 835	243 252	(29 416)	-12%	653 618
Community and social services		9 404	17 738	17 738	930	17 066	8 664	8 402	97%	17 738
Sport and recreation		3 346	5 601	5 601	723	2 851	2 363	488	21%	5 601
Public safety		79 741	90 035	90 035	3 703	86 294	52 449	33 846	65%	90 035
Housing		193 400	535 206	537 702	4 538	107 206	178 769	(71 563)	-40%	537 702
Health		1 029	2 542	2 542	376	418	1 007	(590)	-59%	2 542
<i>Economic and environmental services</i>		79 188	97 752	97 883	1 726	11 214	54 377	(43 163)	-79%	97 883
Planning and development		25 472	21 272	21 403	1 647	10 656	15 706	(5 050)	-32%	21 403
Road transport		49 859	76 096	76 096	48	441	38 500	(38 059)	-99%	76 096
Environmental protection		3 857	385	385	31	117	171	(55)	-32%	385
<i>Trading services</i>		2 701 728	2 972 019	2 974 519	232 514	2 115 327	1 972 813	142 514	7%	2 974 519
Electricity		1 534 229	1 726 439	1 726 439	148 547	1 238 715	1 127 442	111 273	10%	1 726 439
Water		461 672	492 088	492 088	35 873	365 120	335 432	29 688	9%	492 088
Waste water management		369 759	392 460	392 460	24 057	265 047	259 452	5 595	2%	392 460
Waste management		336 068	361 032	363 532	24 038	246 446	250 488	(4 042)	-2%	363 532
<i>Other</i>	4	633 245	874 327	874 327	35 747	401 240	248 170	153 070	62%	874 327
Total Revenue - Standard	2	5 588 007	6 569 960	6 575 087	408 651	4 099 479	3 897 082	202 397	5%	6 575 087
Expenditure - Standard										
<i>Governance and administration</i>		1 074 718	1 087 762	1 103 479	68 111	607 898	639 428	(31 531)	-5%	1 103 479
Executive and council		154 500	194 037	194 037	8 729	112 555	124 495	(11 941)	-10%	194 037
Budget and treasury office		622 050	466 958	470 923	33 679	269 933	284 733	(14 800)	-5%	470 923
Corporate services		298 168	426 767	438 519	25 703	225 410	230 200	(4 790)	-2%	438 519
<i>Community and public safety</i>		612 695	989 070	991 566	57 304	451 931	499 421	(47 490)	-10%	991 566
Community and social services		88 098	93 320	93 320	7 964	61 994	70 780	(8 785)	-12%	93 320
Sport and recreation		78 789	74 147	74 147	7 015	49 916	41 933	7 984	19%	74 147
Public safety		209 992	219 275	219 275	23 823	179 982	157 173	22 809	15%	219 275
Housing		207 474	571 731	574 226	15 930	139 997	212 089	(72 093)	-34%	574 226
Health		28 342	30 598	30 598	2 571	20 041	17 446	2 595	15%	30 598
<i>Economic and environmental services</i>		775 123	843 333	822 181	75 219	499 422	473 197	26 225	6%	822 181
Planning and development		221 953	213 708	213 840	17 062	129 264	143 166	(13 902)	-10%	213 840
Road transport		453 960	527 886	506 602	48 598	299 308	273 278	26 030	10%	506 602
Environmental protection		99 210	101 739	101 739	9 559	70 850	56 753	14 097	25%	101 739
<i>Trading services</i>		2 740 479	2 781 669	2 789 735	235 744	1 834 483	1 901 051	(66 569)	-4%	2 789 735
Electricity		1 481 918	1 625 904	1 625 904	129 374	1 088 973	1 150 398	(61 425)	-5%	1 625 904
Water		586 655	503 337	503 337	46 536	335 837	321 439	14 398	4%	503 337
Waste water management		371 722	362 232	362 232	29 942	226 211	215 502	10 709	5%	362 232
Waste management		300 184	290 196	298 262	29 892	183 461	213 713	(30 251)	-14%	298 262
<i>Other</i>		13 509	17 005	16 851	1 389	10 039	8 351	1 688	20%	16 851
Total Expenditure - Standard	3	5 216 523	5 718 839	5 723 812	437 767	3 403 772	3 521 449	(117 677)	-3%	5 723 812
Surplus/ (Deficit) for the year		371 483	851 121	851 275	(29 116)	695 707	375 633	320 073	85%	851 275

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)

Vote Description	Ref	2014/15	Budget Year 2015/16							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									%	
Revenue by Vote	1									
Vote 1 - Directorate - Executive Support Services		733	-	131	-	43	141	(98)	-69.3%	131
Vote 2 - Directorate - City Manager		28 536	37 902	37 902	1 726	17 057	15 423	1 633	10.6%	37 902
Vote 3 - Directorate - Human Settlements		196 494	535 206	537 702	4 538	107 242	178 798	(71 555)	-40.0%	537 702
Vote 4 - Directorate - Finance		1 846 004	1 922 818	1 922 818	126 432	1 335 718	1 583 417	(247 699)	-15.6%	1 922 818
Vote 5 - Directorate - Corporate Services		7 832	11 851	11 851	140	4 152	4 211	(59)	-1.4%	11 851
Vote 6 - Directorate - Infrastructure Services		2 369 496	2 614 132	2 614 132	208 479	1 868 960	1 436 286	432 674	30.1%	2 614 132
Vote 7 - Directorate - Development Planning		44 568	55 515	55 515	3 434	22 974	30 123	(7 149)	-23.7%	55 515
Vote 8 - Directorate - Health / Public Safety & Emergency Services		126 175	157 427	157 427	4 079	86 712	96 597	(9 885)	-10.2%	157 427
Vote 9 - Directorate - Municipal Services		352 676	384 756	387 256	25 730	266 489	268 748	(2 259)	-0.8%	387 256
Vote 10 - Directorate - Miscellaneous		615 492	850 353	850 353	34 093	390 131	283 337	106 794	37.7%	850 353
Total Revenue by Vote	2	5 588 007	6 569 960	6 575 087	408 651	4 099 479	3 897 082	202 397	5.2%	6 575 087
Expenditure by Vote	1									
Vote 1 - Directorate - Executive Support Services		158 483	164 414	181 433	15 592	120 645	119 586	1 059	0.9%	181 433
Vote 2 - Directorate - City Manager		79 494	102 124	102 124	675	49 681	62 513	(12 832)	-20.5%	102 124
Vote 3 - Directorate - Human Settlements		218 348	582 205	584 701	16 321	143 068	209 824	(66 756)	-31.8%	584 701
Vote 4 - Directorate - Finance		622 050	466 958	470 923	33 679	269 933	275 594	(5 661)	-2.1%	470 923
Vote 5 - Directorate - Corporate Services		123 906	214 533	222 205	10 154	102 238	117 071	(14 833)	-12.7%	222 205
Vote 6 - Directorate - Infrastructure Services		2 921 502	3 046 354	3 025 070	256 663	1 975 076	2 009 518	(34 442)	-1.7%	3 025 070
Vote 7 - Directorate - Development Planning		255 196	274 508	274 508	23 027	170 166	160 953	9 213	5.7%	274 508
Vote 8 - Directorate - Health / Public Safety & Emergency Services		264 371	283 787	283 787	26 649	201 604	190 898	10 706	5.6%	283 787
Vote 9 - Directorate - Municipal Services		573 172	582 239	577 497	55 006	371 361	375 493	(4 132)	-1.1%	577 497
Vote 10 - Directorate - Miscellaneous		-	1 565	1 565	-	-	-	-		1 565
Total Expenditure by Vote	2	5 216 523	5 718 685	5 723 812	437 767	3 403 772	3 521 449	(117 677)	-3.3%	5 723 812
Surplus/ (Deficit) for the year	2	371 483	851 275	851 275	(29 116)	695 707	375 633	320 073	85.2%	851 275

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 29 February 2016.

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

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
<u>Revenue By Source</u>									
Property rates	794 519	902 842	902 842	69 187	630 935	623 150	7 784	1%	902 842
Property rates - penalties & collection charges	–	571	571	–	–	–	–		571
Service charges - electricity revenue	1 465 814	1 658 671	1 658 671	146 772	1 180 374	1 087 286	93 088	9%	1 658 671
Service charges - water revenue	394 282	411 381	411 381	34 619	302 899	277 682	25 217	9%	411 381
Service charges - sanitation revenue	278 832	314 571	314 571	23 448	201 812	210 174	(8 362)	-4%	314 571
Service charges - refuse revenue	261 807	286 063	286 063	23 801	191 971	190 708	1 262	1%	286 063
Service charges - other	24 018	16 056	16 056	886	10 925	10 704	221	2%	16 056
Rental of facilities and equipment	17 430	18 629	18 629	2 834	17 666	12 420	5 246	42%	18 629
Interest earned - external investments	124 166	133 620	133 620	13 132	95 466	70 406	25 060	36%	133 620
Interest earned - outstanding debtors	34 999	32 175	32 175	2 847	20 489	18 936	1 554	8%	32 175
Dividends received	–	–	–	–	–	–	–		–
Fines	5 500	10 293	10 293	398	3 978	4 047	(69)	-2%	10 293
Licences and permits	14 034	22 472	22 472	1 188	8 957	10 480	(1 523)	-15%	22 472
Agency services		–	–	–	–	–	–		–

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Transfers recognised - operational	948 239	1 249 333	1 254 460	6 300	629 466	732 423	(102 957)	-14%	1 254 460
Other revenue	586 515	662 931	662 931	49 145	414 411	410 568	3 843	1%	662 931
Gains on disposal of PPE	–	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)	4 950 155	5 719 607	5 724 735	374 558	3 709 348	3 658 984	50 364	1%	5 724 735
Expenditure By Type									
Employee related costs	1 192 331	1 387 619	1 387 619	115 342	897 989	925 079	(27 091)	-3%	1 387 619
Remuneration of councillors	47 682	52 910	52 910	6 289	36 134	35 273	861	2%	52 910
Debt impairment	365 110	245 009	245 009	20 417	163 340	163 340	(0)	0%	245 009
Depreciation & asset impairment	729 880	712 213	690 930	57 599	460 679	460 620	59	0%	690 930
Finance charges	60 671	54 313	54 313	–	36 292	33 917	2 375	7%	54 313
Bulk purchases	1 213 642	1 377 012	1 377 012	114 141	950 503	922 739	27 764	3%	1 377 012
Other materials	–	–	–	–	–	–	–		–
Contracted services	14 607	21 622	21 622	726	6 316	11 959	(5 643)	-47%	21 622
Transfers and grants	235 798	258 568	258 568	17 852	154 100	172 379	(18 279)	-11%	258 568
Other expenditure	1 326 394	1 609 419	1 635 830	105 400	698 420	796 143	(97 723)	-12%	1 635 830
Loss on disposal of PPE	30 408	–	–	–	–	–	–		–
Total Expenditure	5 216 523	5 718 685	5 723 812	437 767	3 403 772	3 521 449	(117 677)	-3%	5 723 812
Surplus/(Deficit)	(266 368)	922	922	(63 209)	305 575	137 534	168 041	0	922

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								%	
Transfers recognised - capital	615 492	850 353	850 353	34 093	390 131	238 099	152 032	0	850 353
Contributions recognised - capital	-	-	-	-	-	-	-		-
Contributed assets	-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions	349 124	851 275	851 275	(29 116)	695 707	375 633			851 275
Taxation	-	-	-	-	-	-	-		-
Surplus/(Deficit) after taxation	349 124	851 275	851 275	(29 116)	695 707	375 633			851 275
Attributable to minorities	-	-	-	-	-	-			-
Surplus/(Deficit) attributable to municipality	349 124	851 275	851 275	(29 116)	695 707	375 633			851 275
Share of surplus/ (deficit) of associate	22 359	-	-	-	-	-			-
Surplus/ (Deficit) for the year	371 483	851 275	851 275	(29 116)	695 707	375 633			851 275

7.4.1. ANALYSIS OF STATEMENT OF FINANCIAL PERFORMANCE

7.4.1.1. Rental of Facilities & Equipment

Rental of facilities is demand driven and therefore difficult to predict accurately. The situation is monitored on a monthly basis.

7.4.1.2. Interest earned – External Investments

The variance of 44% is due to high interest earned on investments than what was projected. The trend is expected to become linear as the year progresses.

7.4.1.3. Licenses and Permits

The actual income earned from licences and permits is less than the year to date budget by 15%. Applicants are not restricted to apply for drivers and learners licenses in their area of residence and will apply at more convenient testing stations. This results in reduction in income generated by BCMM on this service.

Based on the revenue received to date, the municipality has realised that the projected revenue will not be collected, hence it has been adjusted downwards in the mid-year adjustment budget.

7.4.1.4. Transfers Recognised – Operational

The transfers recognised relate to grants and subsidies received as well as revenue recognised on grant funded operating projects. Revenue from grant funded projects is recognised as the expenditure is incurred and to date R127.19 million has been recognised. Total Grants and Subsidies received amounts to R502.28 million.

7.4.1.5. Contracted Services

The variance is due to the directorates adopting an in-house approach to perform these services. Regarding refuse removal, a contractor has been appointed to assist towards the cleanliness of the City.

7.4.1.6. Transfers and Grants

These transfers and grants are paid at predetermined intervals according to the existing contractual agreements. These payments are therefore not made at a constant rate throughout the year.

7.4.1.7. Other expenditure

Other expenditure includes operating projects, operational costs as well as repairs and maintenance. The other expenditure incurred is less than the year to date budget by 12%. This is mainly due to the low expenditure on operating projects. It is anticipated that the expenditure will improve once the procurement processes have been undertaken. Expenditure on repairs and maintenance is provided in table 6 below.

7.4.1.8. Repairs and Maintenance

Table 6 below reflects that as at 29 February 2016, the repairs and maintenance expenditure is 54% of the approved budget of R372.01 million (2014/15: 61%). This reflects a regression when compared with the prior year. Refer to Annexure B: SC13c (repairs and maintenance by asset class).

Table 6: Repairs and Maintenance per Directorate

Directorate	<u>2015/2016</u> <u>Annual</u> <u>Budget</u> <u>R</u>	<u>2015/2016</u> <u>Annual</u> <u>Expenditure</u> <u>R</u>	<u>2015/2016</u> <u>Variance</u> <u>R</u>	<u>2015/2016</u> <u>% of</u> <u>Budget</u> <u>%</u>
Directorate Of Executive Support Services	2 901 917	848 489	2 053 428	29%
Directorate Of The City Manager	120 609	14 571	106 038	12%
Directorate Of Corporate Services	5 865 813	1 520 151	4 345 662	26%
Directorate Of Development & Spatial Planning	25 432 367	13 923 584	11 508 783	55%
Directorate Of Economic Development & Agencies	1 058 859	177 830	881 029	17%
Directorate Of Finance	2 935 990	864 018	2 071 972	29%
Directorate Of Health / Public Safety & Emergency Services	5 956 496	1 762 364	4 194 132	30%
Directorate Of Human Settlement	97 239	60 194	37 045	62%
Directorate Of Infrastructure Services	293 911 912	166 451 093	127 460 819	57%
<i>Electricity</i>	112 549 555	60 423 010	52 126 545	54%
<i>Water</i>	42 435 218	29 165 880	13 269 338	69%
<i>Sanitation</i>	29 620 452	20 175 854	9 444 598	68%
<i>Other</i>	109 306 687	56 686 348	52 620 339	52%
Directorate Of Municipal Services	33 728 503	16 830 392	16 898 111	50%
TOTAL	372 009 705	202 452 685	169 557 020	54%

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)

Vote Description	Ref	2014/15		Budget Year 2015/16						
		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 1 - Directorate - Executive Support Services		1 321	6 200	7 439	135	649	1 521	(872)	-57%	7 439
Vote 2 - Directorate - City Manager		5 452	21 500	21 500	–	–	4 397	(4 397)	-100%	21 500
Vote 3 - Directorate - Human Settlements		144 783	211 424	211 785	13 126	109 195	43 312	65 883	152%	211 785
Vote 4 - Directorate - Finance		3 282	10 000	10 632	308	743	2 174	(1 431)	-66%	10 632
Vote 5 - Directorate - Corporate Services		4 863	21 600	39 538	518	3 886	8 086	(4 200)	-52%	39 538
Vote 6 - Directorate - Infrastructure Services		671 827	820 556	859 352	30 069	326 368	175 746	150 622	86%	859 352
Vote 7 - Directorate - Development Planning		37 437	68 221	69 653	4 612	29 303	14 245	15 058	106%	69 653
Vote 8 - Directorate - Health / Public Safety & Emergency Services		3 751	21 650	32 265	27	4 183	6 599	(2 415)	-37%	32 265
Vote 9 - Directorate - Municipal Services		57 333	94 204	127 986	699	36 142	26 174	9 968	38%	127 986
Total Capital Multi-year expenditure	4,7	930 050	1 275 354	1 380 149	49 495	510 470	282 255	228 216	81%	1 380 149
Single Year expenditure appropriation	2									
Vote 1 - Directorate - Executive Support Services		–	–	–	–	–	–	–	–	–
Vote 2 - Directorate - City Manager		–	–	–	–	–	–	–	–	–
Vote 3 - Directorate - Human Settlements		–	–	–	–	–	–	–	–	–
Vote 4 - Directorate - Finance		–	–	–	–	–	–	–	–	–
Vote 5 - Directorate - Corporate Services		–	–	–	–	–	–	–	–	–
Vote 6 - Directorate - Infrastructure Services		–	–	–	–	–	–	–	–	–
Vote 7 - Directorate - Development Planning		–	–	–	–	–	–	–	–	–
Vote 8 - Directorate - Health / Public Safety & Emergency Services		–	–	–	–	–	–	–	–	–
Vote 9 - Directorate - Municipal Services		–	–	–	–	–	–	–	–	–
Total Capital single-year expenditure	4	–	–	–	–	–	–	–	–	–
Total Capital Expenditure		930 050	1 275 354	1 380 149	49 495	510 470	282 255	228 216	81%	1 380 149
Capital Expenditure - Standard Classification										
Expenditure - Standard		14 918	59 300	79 110	961	5 279	16 179	(10 900)	-67%	79 110
Governance and administration		6 773	27 700	28 939	135	649	5 918	(5 269)	-89%	28 939
Executive and council		3 282	10 000	10 632	308	743	2 174	(1 431)	-66%	10 632
Budget and treasury office		4 863	21 600	39 538	518	3 886	8 086	(4 200)	-52%	39 538
Corporate services		165 241	305 568	317 533	13 844	130 620	64 939	65 681	101%	317 533
Community and public safety		11 918	40 269	40 269	153	10 551	8 235	2 316	28%	40 269
Community and social services		4 788	32 225	33 215	537	6 690	6 793	(103)	-2%	33 215
Sport and recreation		3 751	21 650	32 265	27	4 183	6 599	(2 415)	-37%	32 265
Public safety		144 783	211 424	211 785	13 126	109 195	43 312	65 883	152%	211 785
Housing		–	–	–	–	–	–	–	–	–
Health		369 799	333 221	334 653	17 881	127 560	68 440	59 120	86%	334 653
Economic and environmental services		37 437	68 221	69 653	4 612	29 303	14 245	15 058	106%	69 653
Planning and development		322 624	265 000	265 000	13 269	98 257	54 195	44 062	81%	265 000
Road transport		9 738	–	–	–	–	–	–	–	–
Environmental protection		379 734	529 266	600 854	16 809	246 985	122 881	124 105	101%	600 854
Trading services		150 386	158 500	158 500	6 534	88 125	32 415	55 710	172%	158 500
Electricity		91 521	91 000	91 000	4 599	52 772	18 610	34 162	184%	91 000
Water		106 938	258 056	296 852	5 668	87 187	60 709	26 478	44%	296 852
Waste water management		30 889	21 710	54 502	9	18 901	11 146	7 755	70%	54 502
Waste management		358	48 000	48 000	–	26	9 816	(9 790)	-100%	48 000
Total Capital Expenditure - Standard Classification	3	930 050	1 275 354	1 380 149	49 495	510 470	282 255	228 216	81%	1 380 149
Funded by:										
National Government		565 914	742 884	742 884	34 093	354 856	151 927	202 928	134%	742 884
Provincial Government		49 578	107 469	107 469	–	35 275	21 978	13 297	60%	107 469
District Municipality		–	–	–	–	–	–	–	–	–
Other transfers and grants		–	–	–	–	–	–	–	–	–
Transfers recognised - capital		615 492	850 353	850 353	34 093	390 131	173 906	216 225	124%	850 353
Public contributions & donations	5	–	–	–	–	–	–	–	–	–
Borrowing	6	–	–	–	–	–	–	–	–	–
Internally generated funds		314 558	425 002	529 797	15 402	120 339	108 349	11 991	11%	529 797
Total Capital Funding		930 050	1 275 354	1 380 149	49 495	510 470	282 255	228 216	81%	1 380 149

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 high assets over liabilities resulting into the net worth of R14.30 billion.

Table 8: C6: Monthly Budget Statement – Financial Position

Description	Ref	2014/15	Budget Year 2015/16			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		62 873	80 000	80 000	325 136	80 000
Call investment deposits		2 135 924	2 303 434	2 303 434	2 444 770	2 303 434
Consumer debtors		484 302	671 945	671 946	491 521	671 946
Other debtors		362 538	98 188	98 188	535 176	98 188
Current portion of long-term receivables		–	14	14	–	14
Inventory		44 878	96 800	96 800	46 264	96 800
Total current assets		3 090 516	3 250 381	3 250 382	3 842 867	3 250 382
Non current assets						
Long-term receivables		–	60	60	17	60
Investments		–	–	–	–	–
Investment property		328 302	411 400	411 400	328 302	411 400
Investments in Associate		81 908	–	–	81 908	–
Property, plant and equipment		12 036 600	11 197 291	11 197 292	12 090 581	11 197 292
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		98 374	22 800	22 800	94 243	22 800
Other non-current assets		–	75 160	75 160	–	75 160
Total non current assets		12 545 184	11 706 711	11 706 712	12 595 052	11 706 712
TOTAL ASSETS		15 635 700	14 957 092	14 957 094	16 437 918	14 957 094
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		48 835	46 097	46 097	46 097	46 097
Consumer deposits		48 505	54 050	54 050	52 780	54 050
Trade and other payables		740 894	774 300	774 300	881 893	774 300
Provisions		166 234	151 780	151 780	166 234	151 780
Total current liabilities		1 004 468	1 026 227	1 026 227	1 147 005	1 026 227
Non current liabilities						
Borrowing		497 244	500 418	500 418	477 536	500 418
Provisions		513 856	599 090	599 090	513 856	599 090
Total non current liabilities		1 011 100	1 099 508	1 099 508	991 392	1 099 508
TOTAL LIABILITIES		2 015 568	2 125 735	2 125 735	2 138 398	2 125 735
NET ASSETS	2	13 620 132	12 831 357	12 831 359	14 299 521	12 831 359
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		9 383 469	10 020 574	10 020 575	10 062 858	10 020 575
Reserves		4 236 663	2 810 783	2 810 783	4 236 663	2 810 783
TOTAL COMMUNITY WEALTH/EQUITY	2	13 620 132	12 831 357	12 831 358	14 299 521	12 831 358

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 R569.36 million resulting in cash and cash equivalents closing balance of R2.77 billion as at 29 February 2016.

Table 9: C7: Monthly Budget Statement – Cash Flow

Description	Ref	2014/15	Budget Year 2015/16							
		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, penalties & collection charges		794 519	831 140	831 140	69 187	630 935	554 093	76 841	14%	831 140
Service charges		2 424 753	2 471 802	2 471 802	228 640	1 877 055	1 647 868	229 187	14%	2 471 802
Other revenue		84 777	657 180	657 180	54 453	455 937	438 120	17 817	4%	657 180
Government - operating		948 263	1 149 387	1 154 104	6 300	629 466	766 258	(136 792)	-18%	1 154 104
Government - capital		615 492	850 353	850 353	206 940	747 132	566 902	180 230	32%	850 353
Interest		159 221	152 531	152 531	15 979	115 955	101 687	14 268	14%	152 531
Dividends		-	-	0	-	-	-	-		0
Payments										
Suppliers and employees		(3 718 728)	(4 448 581)	(4 474 992)	(389 853)	(3 163 806)	(2 965 721)	198 085	-7%	(4 474 992)
Finance charges		(60 674)	(54 313)	(54 313)	(4 220)	(36 292)	(36 209)	84	0%	(54 313)
Transfers and Grants		(234 175)	(258 568)	(258 568)	(17 852)	(154 100)	(172 379)	(18 279)	11%	(258 568)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 013 447	1 350 929	1 329 235	169 573	1 102 281	900 619	(201 662)	-22%	1 329 235
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		6 254	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables		16	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(929 939)	(1 275 354)	(1 380 149)	(49 495)	(510 470)	(850 236)	(339 766)	40%	(1 380 149)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(923 670)	(1 275 354)	(1 380 149)	(49 495)	(510 470)	(850 236)	(339 766)	40%	(1 380 149)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits		3 667	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		(57 336)	(46 097)	(46 097)	-	(22 446)	(30 731)	(8 286)	27%	(46 097)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(53 669)	(46 097)	(46 097)	-	(22 446)	(30 731)	(8 286)	27%	(46 097)
NET INCREASE/ (DECREASE) IN CASH HELD		36 108	29 477	(97 012)	120 078	569 365	19 651			(97 012)
Cash/cash equivalents at beginning:		2 164 433	2 353 956	2 353 956		2 200 541	2 353 956			2 200 541
Cash/cash equivalents at month/year end:		2 200 541	2 383 434	2 256 945		2 769 906	2 373 608			2 103 530

PART 2: SUPPORTING **DOCUMENTATION**

8. IN-YEAR BUDGET STATEMENT SUPPORTING TABLES AND DOCUMENTATION

8.1. Debtors

The debtor analysis table 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

Description	NT Code	Budget Year 2015/16										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.e.o Council Policy
		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		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	40 438	25 449	15 872	9 686	14 219	13 090	89 545	211 486	419 785	338 026		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	86 910	12 855	3 188	1 888	2 374	1 675	8 850	28 794	146 533	43 581		
Receivables from Non-exchange Transactions - Property Rates	1400	63 309	23 063	16 767	17 496	13 070	14 040	74 574	198 997	421 315	318 176		
Receivables from Exchange Transactions - Waste Water Management	1500	19 871	8 238	4 879	4 167	6 448	3 715	20 256	105 459	173 033	140 046		
Receivables from Exchange Transactions - Waste Management	1600	16 152	8 060	5 874	5 311	5 094	4 871	26 227	149 486	221 075	190 989		
Receivables from Exchange Transactions - Property Rental Debtors	1700	69	65	61	64	67	60	417	2 765	3 569	3 373		
Interest on Arrear Debtor Accounts	1810									-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-		
Other	1900	8 843	3 958	2 988	2 714	2 393	2 314	15 317	107 392	145 920	130 130		
Total By Income Source	2000	235 591	81 688	49 629	41 327	43 665	39 765	235 186	804 378	1 531 230	1 164 322	-	-
2014/15 - totals only		188 707	51 323	36 295	32 134	37 322	42 005	146 747	566 722	1 101 256	824 930		
Debtors Age Analysis By Customer Group													
Organs of State	2200	10 938	4 436	928	337	442	596	1 691	2 982	22 352	6 049		
Commercial	2300	119 478	20 308	11 986	10 478	9 593	8 596	54 261	103 081	337 782	186 010		
Households	2400	95 947	51 794	31 753	25 346	29 042	26 093	151 117	551 780	962 872	783 378		
Other	2500	9 229	5 150	4 962	5 166	4 588	4 479	28 116	146 535	208 224	188 884		
Total By Customer Group	2600	235 591	81 688	49 629	41 327	43 665	39 765	235 186	804 378	1 531 230	1 164 322	-	-

8.1.1. Additional debtors information

The debtors that are older than 30 days, which includes all charges, amounted to R1,295,639,007 at 29 February 2016 which is an increase of R23,673,743 when comparing to an amount of R29,203,225 over the amount of R1,266,435,782 at 31 January 2016.

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 29 February 2016. It also provides comparison with the previous month (31 January 2016) which indicates an increase from R1.27 billion to R1.30 billion.

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

AGEING	RATES	SEWERAGE	ELECTRICITY	WATER	REFUSE	SUNDRY DEBTORS	TOTAL FOR FEBRUARY 2016	TOTAL FOR JANUARY 2016
DAYS	23,062,859	8,238,207	12,854,517	25,448,633	8,060,288	4,023,715	81,688,219	73,773,141
60 DAYS	16,767,024	4,878,769	3,187,719	15,872,478	5,873,751	3,049,309	49,629,051	50,415,198
90 DAYS	17,496,377	4,167,180	1,888,479	9,686,056	5,310,879	2,778,308	41,327,277	47,293,209
120 DAYS TO 360 DAYS	101,683,176	30,419,272	12,899,339	116,853,724	36,192,169	20,568,772	318,616,452	308,912,950
YEAR 2	81,560,448	27,554,967	8,153,683	69,004,094	35,819,170	26,090,622	248,182,984	244,524,529
YEAR 3	30,002,651	20,891,812	6,197,945	40,924,993	27,401,745	21,693,100	147,112,246	140,382,254
YEAR 4	22,413,994	14,485,376	5,832,600	25,560,325	19,987,340	16,167,891	104,447,525	102,344,008
YEAR 5	18,101,315	9,781,368	3,314,311	17,023,485	13,196,899	10,900,446	72,317,824	70,869,413
YEAR 5+	46,918,148	32,745,551	5,295,072	58,973,190	53,080,813	35,304,655	232,317,429	227,921,080
TOTAL	358,005,991	153,162,501	59,623,664	379,346,978	204,923,054	140,576,819	1,295,639,007	1,266,435,782

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 29 February 2016. It also reflects the percentage split per category with domestic consumers having the highest share followed by indigent 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	36,222,452	19,445,276	16,227,733	485,414,432	557,309,893	43.01
Indigent	15,149,033	12,155,990	9,003,583	271,821,301	308,129,907	23.78
Business	20,308,253	11,985,894	10,478,008	175,532,042	218,304,197	16.85
Government	4,436,186	928,425	337,312	5,712,094	11,414,017	0.88
Municipal Staff	413,749	150,183	113,800	770,464	1,448,196	0.11
Councillors	8,716	1,171	1,217	25,804	36,908	0.00
Other	5,149,831	4,962,111	5,165,625	183,718,322	198,995,889	15.36
Total	81,688,219	49,629,051	41,327,277	1,122,994,459	1,295,639,007	100.00

Note*: A stop order deduction is implemented for all municipal staff and councillors in arrears. When new staff join the employ of the municipality in many instances there is services debt, and therefore the arrears will be liquidated over an acceptable period of time, in terms of the Credit Control Policy. The reason why the debt reflects in the 30/60/90 day columns relating to staff and councillors is due to the fact that when the stop orders are receipted the payment is allocated to the oldest ageing category, giving the impression that current is not being paid, which is not the case as an amount is being deducted for current accounts.

8.2.3. Billing, Receipts and Debtors Collection Rate

Table 13 below reflects the twelve monthly amounts billed, collected / received and collection rate for the current financial year and previous financial year.

Table 13: Cumulative Nett Billing, Receipts and Debtors Collection Ratio per month from 2014/15 to 2015/16 financial year

Month	2013/2014			2014/2015			2015/2016		
	Billing	Receipts	Collection Rate	Billing	Receipts	Collection Rate	Billing	Receipts	Collection Rate
July	2,325,509,002	-2,153,249,916	92.59	2,602,264,135	-2,371,903,619	91.00	2,786,019,633	-2,557,423,910	91.79
August	2,360,722,274	-2,184,105,932	92.52	2,568,699,884	-2,383,877,074	93.00	2 836 283 594	-2 574 980 622	90.79
September	2,362,100,818	-2,201,573,537	93.20	2,589,585,746	-2,403,569,317	93.00	2,868,564,850	-2,601,967,874	90.71
October	2,390,760,330	-2,214,093,193	92.61	2,625,227,643	-2,450,270,791	93.00	2,923,155,470	-2,577,805,127	88.19
November	2,413,236,105	-2,237,227,839	92.71	2,652,206,738	-2,440,158,405	92.00	3,044,458,510	-2,648,249,116	86.99
December	2,451,423,493	-2,277,540,737	92.91	2,662,628,366	-2,446,012,486	92.00	2,971,154,524	-2,673,255,470	89.97
January	2,473,521,774	-2,288,389,311	92.52	2,712,272,987	-2,461,342,745	91.00	2,983,398,774	-2,690,610,721	90.19
February	2,489,423,294	-2,286,023,845	91.83	2,712,530,485	-2,497,487,079	92.00	2,983,398,774	-2,690,610,721	90.19
March	2,508,588,241	-2,317,244,720	92.37	2,733,798,105	-2,521,003,323	92.00			
April	2,533,810,040	-2,313,671,267	91.31	2,760,426,654	-2,550,439,243	92.39			
May	2,563,282,383	-2,324,079,609	90.67	2,821,295,806	-2,563,487,111	90.86			
June	2,565,798,810	-2,350,536,518	91.61	2,738,540,795	-2,562,718,785	93.58			

8.2.4. Debt Incentive Scheme

The City is currently undertaking a debt incentive scheme to encourage consumers to pay its long outstanding debts. Any debt that was 120 days or older as at November 2014 qualifies for a write off of 50% provided that the remaining 50% plus the debt in the current to 90 days ageing categories is paid. This debt can be paid once-off, or in monthly instalment arrangements; or as a rand-for-rand option, whereby the consumer has an opportunity to pay 50% of the debt older than 120 days off as and when they can, until the end of June 2016 and for every payment made towards this debt, an amount of equal value is written off.

As at 29 February 2016 a total of three thousand three hundred and sixty-one (3361) consumers have registered for the scheme. The total registered debt value is R67,496,336.53 to date, debt payments received amount to R77,455,347.07 and debt write-offs total to R19,174,430.26.

8.2.5. Government Accounts

The total arrears owed by Government Departments to Buffalo City Metropolitan Municipality that are older than 30 days as at 29 February 2016 amounted to R11,414,017. This indicates a decrease of R53,423 when compared to prior month amount of R11,467,440.

A total payment of R12,373,156.22 was received from Government Departments in February 2016. The breakdown of the arrears per department (excluding accounts in credit) is indicated in the table hereunder, as at 29 February 2016.

Table 14 below provides an analysis of government debtors as at 29 February 2016 and comparison with the previous month.

Table 14: Analysis of Government Debtors

DEPARTMENT	PROPERTY RATES	SERVICES	ARREARS AS AT 29 FEBRUARY 2016	ARREARS AS AT 31 JANUARY 2016	DIFFERENCE
National Department Of Public Works	526,849	94,094	620,944	686,224	(65,281)
Provincial Department Of Public Works	869,678	887,219	1,756,897	1,366,660	390,236
Department Of Education		1,633,568	1,633,568	2,459,400	(825,832)
Department Of Health		3,207,774	3,207,774	3,145,114	62,660
Department Of Social Development		301,428	301,428	-	301,428
Department Of Transport		-	-	1,963	(1,963)
Department Of Agriculture		70,317	70,317	67,756	2,562
Department Of Nature Conservation		-	-	4,889	(4,889)
Department of Human Settlements		10,526	10,526	5,124	5,402
Sport, Recreation, Arts and Culture		40,099	40,099	-	40,099
Department of Labour - UIF Services		8,127	8,127	8,118	9
Members Of Provincial Legislature		43,670	43,670	41,744	1,926
Department of Cooperate Governance & Traditional Affairs		10,446	10,446	-	10,446
Provincial RDP Houses		3,710,221	3,710,221	3,680,447	29,774
TOTAL	1,396,527	10,017,490	11,414,017	11,467,440	(53,423)

9. CREDITORS' ANALYSIS

The creditors' analysis as depicted in table 15 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 15: SC4 Monthly Budget Statement Aged Creditors

Description	NT Code	Budget Year 2015/16								Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	58 395	-	-	-	-	-	-	-	58 395	80 399
Bulk Water	0200	15 270	-	-	-	-	-	-	-	15 270	17 558
PAYE deductions	0300	14 273	-	-	-	-	-	-	-	14 273	11 492
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	17 430	-	-	-	-	-	-	-	17 430	15 480
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	215 347	952	-	-	-	-	-	-	216 298	72 589
Auditor General	0800	181	-	-	-	-	-	-	-	181	704
Other	0900	20 432	-	-	-	-	-	-	-	20 432	173 107
Total By Customer Type	1000	341 328	952	-	-	-	-	-	-	342 280	371 329

The table below (table 16) depicts actual payments made by BCMM to its top twenty (20) creditors in February 2016.

Table 16: Payments made to the 20 highest paid creditors – February 2016

CREDITOR	90 DAYS	60 DAYS	30 DAYS	CURRENT	TOTAL	PAYMENT
ESKOM				58 395 124	58 395 124	58 395 124
AMATOLA WATER				15 270 381	15 270 381	15 270 381
LUQAQAMBO CIVILS CONSTRUCTION CC				12 351 589	12 351 589	12 351 589
MOTHEO / MPUMALANGA JOINT VENTURE				11 811 900	11 811 900	11 811 900
RUWACON (PTY) LTD				6 663 857	6 663 857	6 663 857
MANTELLA TRADING 522 CC				5 528 697	5 528 697	5 528 697
LIFETIME CONNECTION MANUFACTURING SUPPLY CC				5 256 041	5 256 041	5 256 041
URSA / GIVE JV				5 222 154	5 222 154	5 222 154
EYA BANTU PROFESSIONAL SERVICES CC			951 583	3 966 034	4 917 617	4 917 617
MVEZO PLANT & CIVILS CC				3 967 731	3 967 731	3 967 731
BALINTULO TRADING				3 247 056	3 247 056	3 247 056
SHONE'S ELECTRICAL				3 225 372	3 225 372	3 225 372
IMVUSA TRADING 415 CC				2 899 080	2 899 080	2 899 080
MTIMA PLUMBING SERVICE			1 543 069	1 284 935	2 828 004	2 828 004
CZAR CONSTRUCTION				2 530 099	2 530 099	2 530 099
MPUMALANGA CONSTRUCTION (PTY) LTD				2 467 981	2 467 981	2 467 981
MAZIYA GENERAL SERVICES				2 456 245	2 456 245	2 456 245
SIYAVUNA TRADING CC				2 319 511	2 319 511	2 319 511
KPMG SERVICES PTY LTD				2 168 127	2 168 127	2 168 127
LOPPSY TRADING				1 974 940	1 974 940	1 974 940
TOTAL	-	-	2 494 653	153 006 852	155 501 505	155 501 505

10. INVESTMENT PORTFOLIO ANALYSIS

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

Table 17: SC5 Monthly Budget Statement – investment portfolio

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									
Rand Merchant Bank X021901943		Call Account	Call Account	Call Account	230	1.9%	46 348	230	46 578
Absa 91 2884 4539		Call Account	Call Account	Call Account	6	0.0%	1 199	6	1 205
Standard 422 742		Call Account	Call Account	Call Account	6	0.1%	1 235	372	1 607
Absa 91 4102 2241		Call Account	Call Account	Call Account	46	0.4%	9 371	46	9 417
Absa 91 4163 6965		Call Account	Call Account	Call Account	1	0.0%	212	1	213
Absa 91 5484 1280		Call Account	Call Account	Call Account	0	0.0%	8	0	8
Rand Merchant Bank X021904910		Call Account	Call Account	Call Account	44	0.4%	8 921	190	9 110
Standard 76586/442740		Call Account	Call Account	Call Account	11	0.1%	2 199	11	2 210
Absa 92 0562 2137		Call Account	Call Account	Call Account	4	0.0%	791	4	795
Rand Merchant Bank X021904913		Call Account	Call Account	Call Account	72	0.6%	14 579	72	14 651
Rand Merchant Bank X021903300		Call Account	Call Account	Call Account	–		–	–	–
Stanlib 551 557 338		Call Account	Call Account	Call Account	–		–	–	–
Absa 92 4434 8061		Call Account	Call Account	Call Account	–		–	–	–
Nedbank 03/7881532939/000126		Call Account	Call Account	Call Account	–		–	–	–
Standard 76586/442739		Call Account	Call Account	Call Account	28	0.2%	5 671	28	5 699
Stanlib 551 660 303		Call Account	Call Account	Call Account	132	1.1%	24 896	(2 792)	22 104
Nedbank 03/7881532939/000041		Call Account	Call Account	Call Account	33	0.3%	6 660	33	6 693
Nedbank 03/7881532939/000056		Call Account	Call Account	Call Account	5	0.0%	1 103	(47)	1 056
Nedbank 03/7881532939/000058		Call Account	Call Account	Call Account	29	0.2%	5 932	29	5 961
Nedbank 03/7881532939/000103		Call Account	Call Account	Call Account	6	0.0%	1 181	6	1 187

Investments by maturity Name of institution & investment ID R thousands	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
		Yrs/Months							
Municipality									
Nedbank 03/7881532939/000064		Call Account	Call Account	Call Account	41	0.3%	8 187	41	8 227
Absa 92 0559 0710		Call Account	Call Account	Call Account	0	0.0%	41	0	41
Nedbank 03/7881532939/000117		Call Account	Call Account	Call Account	40	0.3%	8 090	40	8 131
Nedbank 03/7881532939/000108		Call Account	Call Account	Call Account	1	0.0%	168	1	168
Absa 92 2975 5568		Call Account	Call Account	Call Account	0	0.0%	15	0	15
Absa 91 9360 7257		Call Account	Call Account	Call Account	5	0.0%	968	5	973
Nedbank 03/7881532939/000112		Call Account	Call Account	Call Account	–		(0)	–	(0)
Standard 76586/442737		Call Account	Call Account	Call Account	–		0	–	0
Nedbank 03/7881532939/000110		Call Account	Call Account	Call Account	2	0.0%	316	2	317
Nedbank 03/7881532939/000123		Call Account	Call Account	Call Account	–		–	–	–
Rand Merchant Bank RRB1629010		Call Account	Call Account	Call Account	359	2.9%	72 226	359	72 585
Stanlib 551 989 180		Call Account	Call Account	Call Account	207	1.7%	36 294	207	36 501
Absa 92 2590 9850		Call Account	Call Account	Call Account	5	0.0%	954	5	959
Stanlib 551 539 764		Call Account	Call Account	Call Account	9	0.1%	1 518	231	1 748
Rand Merchant Bank RRB0324003		Call Account	Call Account	Call Account	0	0.0%	40	0	40
Stanlib 551 567 496		Call Account	Call Account	Call Account	9	0.1%	4 070	(4 013)	57
Stanlib 551 576 733		Call Account	Call Account	Call Account	0	0.0%	84	0	85
Rand Merchant Bank RRB0B25020		Call Account	Call Account	Call Account	9	0.1%	1 731	9	1 740
Standard 76586/442743		Call Account	Call Account	Call Account	0	0.0%	87	0	87
Rand Merchant Bank RRB1609012		Call Account	Call Account	Call Account	1	0.0%	287	1	288
Stanlib 551 742 405		Call Account	Call Account	Call Account	2	0.0%	373	2	375
Rand Merchant Bank KLN2308011		Call Account	Call Account	Call Account	2	0.0%	364	2	366
Nedbank 03/7881532939/000128		Call Account	Call Account	Call Account	224	1.8%	56 985	(18 776)	38 210
Rand Merchant Bank RRB1722008		Call Account	Call Account	Call Account	249	2.0%	63 108	(20 751)	42 356
Standard 76586/442745		Call Account	Call Account	Call Account	404	3.3%	93 815	(19 596)	74 219
Absa 92 6406 3148		Call Account	Call Account	Call Account	578	4.7%	125 697	(11 301)	114 396
Rand Merchant Bank KLN2720020		Call Account	Call Account	Call Account	11	0.1%	1 800	4 475	6 275
Stanlib 551 868 235		Call Account	Call Account	Call Account	1	0.0%	132	1	132
Absa 92 0559 0891		Call Account	Call Account	Call Account	2	0.0%	504	2	507
Rand Merchant Bank VVW2B13011		Call Account	Call Account	Call Account	1	0.0%	217	478	696
Standard 76586/494573		Call Account	Call Account	Call Account	28	0.2%	5 670	28	5 698
Nedbank 03/7881532939/000133		Call Account	Call Account	Call Account	0	0.0%	0	496	496
Nedbank Refer to Confirmation		Refer to Confirmation	Refer to Confirmation	Refer to Confirmation	–		–	–	–
Stanlib 753 72 270		Call Account	Call Account	Call Account	282	2.3%	49 423	282	49 706
Stanlib 551 353 708		Call Account	Call Account	Call Account	6	0.0%	1 003	6	1 009
Standard 76586/442736		Call Account	Call Account	Call Account	255	2.1%	51 256	255	51 510
Stanlib 753 72 271		Call Account	Call Account	Call Account	204	1.7%	35 803	204	36 007

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									
Rand Merchant Bank X021904579		Call Account	Call Account	Call Account	187	1.5%	37 669	187	37 856
Nedbank 03/7881532939/000101		Call Account	Call Account	Call Account	160	1.3%	32 207	160	32 367
Absa 92 1120 9757		Call Account	Call Account	Call Account	1 381	11.2%	282 721	1 381	284 102
Absa 92 2110 3430		Call Account	Call Account	Call Account	821	6.6%	167 983	821	168 804
Standard 76586/442741		Call Account	Call Account	Call Account	153	1.2%	30 834	153	30 987
Standard 76586/442744		Call Account	Call Account	Call Account	137	1.1%	27 572	137	27 709
Rand Merchant Bank RRB0C07002		Call Account	Call Account	Call Account	248	2.0%	49 842	248	50 089
Nedbank 03/7881532939/000129		Call Account	Call Account	Call Account	221	1.8%	44 452	221	44 672
Nedbank 03/7881532939/000125		Call Account	Call Account	Call Account	2	0.0%	486	2	489
Stanlib 551 748 914		Call Account	Call Account	Call Account	157	1.3%	27 467	157	27 624
Absa 92 6406 3407		Call Account	Call Account	Call Account	9	0.1%	1 788	9	1 796
Nedbank 03/7881532939/000132		Call Account	Call Account	Call Account	2 396	19.4%	482 505	2 396	484 901
Rand Merchant Bank KLN3815041		Call Account	Call Account	Call Account	1 764	14.3%	355 194	1 764	356 958
Standard 76586/470801		Call Account	Call Account	Call Account	1 107	9.0%	222 885	1 107	223 992
Standard 76586/442738		Call Account	Call Account	Call Account	12	0.1%	2 342	12	2 354
Municipality sub-total					12 346		2 517 476	(60 360)	2 457 116
Entities									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				12 346		2 517 476	(60 360)	2 457 116

11. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

Transfers and grants expenditure (excluding vat) per allocation or grant is provided in the table below. Further details on grants expenditure performance is detailed in section 11.1 below.

Table 18: SC7 Monthly Budget Statement – transfers and grants expenditure

Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		36 709	714 196	714 196	984	21 043	476 131	(455 087)	-95.6%	714 196
Local Government Equitable Share			655 141	655 141	–	–	436 761	(436 761)	-100.0%	655 141
Urban Settlement Development Grant		28 272	33 348	33 348	(1 435)	14 591	22 232	(7 641)	-34.4%	33 348
Finance Management		1 465	1 300	1 300	43	198	867	(669)		1 300
EPWP Incentive		1 596	1 149	1 149	0	1 031	766	265		1 149
Infrastructure Skills Development Grant		5 376	8 400	8 400	443	3 176	5 600	(2 424)		8 400
Integrated City Development Grant			5 605	5 605	–	–	3 737	(3 737)		5 605
Municipal Human Settlement Capacity Grant			9 253	9 253	1 933	2 047	6 169	(4 122)	-66.8%	9 253
Provincial Government:		178 126	531 687	536 682	10 660	117 790	365 001	(247 210)	-67.7%	536 682
Roads Subsidy - Provincial Roads		–	1 871	1 871	–	–	1 247	(1 247)	-100.0%	1 871
Dept of Economic Dev., Environmental Affairs & Tourism		3 419	–	2 500	–	–	1 667	(1 667)	-100.0%	2 500
Local Government & Traditional Affairs		5 549	2 000	3 494	217	2 137	2 329	(192)	-8.2%	3 494
Health Subsidy - ATIC		–	2 522	2 522	–	–	1 681	(1 681)	-100.0%	2 522
Library Subsidy		–	3 638	3 638	–	–	9 638	(9 638)	-100.0%	3 638
Reclaim Land Claims Commission(RLCC)		63	–	–	–	–	–	–		–
Dept of Land Affairs		19	–	–	–	–	–	–		–
Human Settlement Development Grant		169 076	521 656	522 658	10 443	115 653	348 438	(232 785)	-66.8%	522 658
District Municipality:		–	–	–	–	–	–	–	–	–
Health Subsidy - Environmental Health		–	–	–	–	–	–	–		–
Other grant providers:		2 264	3 329	3 460	–	74	2 307	(2 233)	-96.8%	3 460
SETA - Skills Development		1 243	2 989	2 989	–	–	1 992	(1 992)	-100.0%	2 989
Donor Funding - Leiden & Galve		41	–	–	–	–	–	–		–
Trust Funds		522	–	–	–	–	–	–		–
Umsobomvu Youth Fund		458	–	131	–	74	88	(14)	-15.6%	131
Donor Funding - European Commission		–	340	340	–	–	227	(227)	-100.0%	340
Vuna Award		1	–	–	–	–	–	–		–
Total operating expenditure of Transfers and Grants:		217 099	1 249 211	1 254 338	11 644	138 908	843 438	(704 531)	-83.5%	1 254 338
Capital expenditure of Transfers and Grants										
National Government:		554 565	742 884	742 884	34 093	354 856	495 256	(140 400)	-28.3%	742 884
Urban Settlement Development Grant		529 103	679 784	679 784	33 719	331 473	453 189	(121 717)	-26.9%	679 784
Infrastructure Skills Development Grant		–	100	100	35	57	67	(10)	-14.3%	100
Energy Efficiency and Demand Management		–	13 000	13 000	339	12 809	8 667	4 142	47.8%	13 000
Neighbourhood Development Partnership		4 885	20 000	20 000	–	–	13 333	(13 333)	-100.0%	20 000
Integrated National Electrification Programme		20 577	30 000	30 000	–	10 517	20 000	(9 483)	-47.4%	30 000
Provincial Government:		49 395	107 469	107 469	–	35 275	71 646	(36 370)	-50.8%	107 469
Human Settlement Development Grant		46 985	94 400	94 400	–	35 275	62 933	(27 658)	-43.9%	94 400
Human Settlement Development Grant - MPCC		665	13 069	13 069	–	–	8 712	(8 712)	-100.0%	13 069
Dept Sport, Recreation, Arts and Culture (DSRAC)		1 377	–	–	–	–	–	–		–
Dept of Local Government and Traditional Affairs		179	–	–	–	–	–	–		–
Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT)		189	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–	–	–
Health Subsidy - Environmental Health		–	–	–	–	–	–	–		–
Other grant providers:		256	–	–	–	–	–	–	–	–
BCMET Funding		256	–	–	–	–	–	–		–
Public Funding		–	–	–	–	–	–	–		–
Total capital expenditure of Transfers and Grants		604 216	850 353	850 353	34 093	390 131	566 902	(176 771)	-31.2%	850 353
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		821 314	2 099 564	2 104 691	45 737	529 039	1 410 340	(881 301)	-62.5%	2 104 691

11.1. Expenditure On Conditional Grant Allocations

Based on the conditional grants as per the DoRA, the Metro was allocated an amount of R801.94 million. The Metro has spent R418.95 million inclusive of reclaimed vat (2014/15: R368.89 million) which is 52% (2014/15: 52%) of its 2015/2016 DoRA allocation of R801.94 million (2014/15: R714.18 million) as at 29 February 2016.

Table 19 below reflects the year to date expenditure on 2015/16 total conditional grants.

Table 19: Spending per Conditional Grant Funding Allocation

Funding/Grant	2015/2016 Approved Budget	YTD Expenditure	Variance	% Expenditur e vs. Budget
Integrated National Electrification Programme Grant	30 000 000	11 989 641	18 010 359	40%
Energy Efficiency & Demand Side Management Grant	13 000 000	14 602 148	-1 602 148	112%
Finance Management Grant	1 300 000	197 735	1 102 265	15%
Infrastructure Skills Development Grant	8 500 000	3 329 508	5 170 492	39%
Neighbourhood Development Partnership Grant	20 000 000	0	20 000 000	0%
Urban Settlement Development Grant	713 132 000	385 734 345	327 397 655	54%
Integrated City Development Grant	5 605 000	0	5 605 000	0%
Municipal Human Settlement Capacity Grant	9 253 000	2 062 737	7 190 263	22%
Expanded Public Works Programme Grant	1 149 000	1 031 024	117 976	90%
TOTAL	801 939 000	418 947 137	382 991 863	52%

Comments on performance of programmes that are implemented by the above funding are detailed below.

11.1.1. INTERGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)

There has been a slow progress through the Bid Evaluation of Tenders. As such, the following contracts are awaiting the Evaluation process to be concluded and expenditure to commence at appointment stage. The grant funding is going to be used to service connections to RDP houses detailed below:

AREA	CONNECTIONS	STATUS
Mdantsane – Mount Ruth	168	Awaiting assessment date
Mdantsane Buffer Strip	563	Awaiting assessment date
Potsdam Unit P(Extension 2)	400	Awaiting assessment date
Quenera (Mzamomhle PH 1)	311	Awaiting assessment date
Reeston Phase 3 (Stage1)	400	Awaiting assessment date

11.1.2. ENERGY EFFICIENCY & DEMAND SIDE MANAGEMENT GRANT

There are initiatives brought forward in order to reduce electricity consumption and improve energy efficiency within the City. The Department has retrofitted HPS fittings with new LED lighting in various historical Township areas. The Project is complete.

11.1.3. FINANCE MANAGEMENT GRANT (FMG)

Six (6) new interns started the internship programme on 04 January 2016. The expenditure on the FMG is therefore progressing as the interns only started in the middle of January 2016, and expenditure will be reflecting monthly. As at 07 March 2016, three interns out of the six have started doing the Municipal Finance Management Programme as part of the skills development. Funding will be fully utilised at year end.

11.1.4. INFRASTRUCURE SKILLS DEVELOPMENT GRANT (ISDG)

There is no further training scheduled for the current ISDG interns as the program is nearing completion; funding is only being used to pay the interns stipends. An application has been submitted to National Treasury, requesting an appointment of new interns.

11.1.5. NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG)

Reasons for the Low Expenditure

The precinct plan was approved by National Treasury NDP Unit on 08 December 2015, which will initiate the project concept formulation. Due to the planning processes that have not yet been concluded, it is supported that the capital implementation phase needs to be delayed until project identification has been approved by NDP Unit. The funding will be taken out in the mid year adjustment budget.

11.1.6. URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)

INFRASTRUCTURE SERVICES

Sanitation Capital Projects

Litigation process has been finalized for one Waste Water Treatment Works projects. Funds have been spent on materials to be installed and purchasing of electronic components for the Wastewater Treatment Works projects. For one Wastewater Treatment Works project, the municipality is currently taking necessary steps and measures to ensure the project is awarded as per the court order.

Some of the rural sanitation projects have reached final completion and some have reached practical completion. The Annual contractor and EPWP contractors have been appointed to fast track the implementation of the outstanding projects within the Rural Sanitation Backlog Eradication Programme and the projects implemented the EPWP contractors have reached final completion

The contractor for Zwelitsha Wastewater Treatment Works has commenced in January 2016 with site establishment.

Water Capital Projects

Contracts are delayed due to a lengthy adjudication process and litigation processes. Committees are to sit frequently to expedite the finalization of appointments and the litigation process will also be fast tracked.

DEVELOPMENT & SPATIAL PLANNING

Reasons for the Low Expenditure

KwaTshatshu Pedestrian Bridge

Consultants were appointed in July 2014. The detail designs and tender document phase has been completed. An Environmental Authorisation was issued in July 2015. The Water Use Licence Application (WULA) has been approved by the Department of Water & Sanitation and confirmation has been received. The land requirements are currently being dealt with by the Land Administration Division. Valuations have been obtained and the Land Administration Department is in the process of dealing with the land owner. The construction tender was advertised and closed on 09 February 2016. Awaiting Bid Evaluation Committee sitting.

Needs Camp / Potsdam Bridge

Consultants were appointed in December 2013. The detail designs and tender document phase has been completed. Environmental Authorisation has been delayed until written confirmation regarding knowledge of the proposed project has been received from the community leader or households affected by the proposed roadway. The Land Administration Department is currently dealing with the land issues regarding ownership and transfer to Council for the roadway. The Water Use Licence Application (WULA) has been approved and received from the Department of Water & Sanitation. The construction tender was advertised and closed on 26 February 2016. Awaiting Bid Evaluation Committee sitting.

Sidewalks

Sidewalks nearing completion stage at Scenery Park, and they have been completed at Amalinda Main Road.

Traffic calming measures

The following areas have been earmarked for the construction of speed humps: Nahoon Valley and Braelyn. Speed humps have been completed in the following areas: Duncan Village, Sweetwaters, Zwelitsha, Mdantsane, Amalinda, Beacon Bay and Qumza Highway.

Guardrails

Guardrails have been installed in Buffalo Flats, Amalinda and Zwelitsha.
Zwelitsha.

Traffic Signals

Sites for traffic signals have been identified on North East Expressway (NEX), Potters Pass, Caxton, Terminus and Gullsway. The installation of traffic signals have been completed at NEX/Thornburn Terrace, Buffalo/Caxton Streets and Buffalo/Terminus Streets. The Settlersway/Potters Pass installation is on the completion stage.

Guidance Signage

Guidance signs have been designed for the rural areas and have been manufactured by the BCMM signage contractor. The guidance signs have been delivered and the implementation plan has been finalised. The signage contractor is currently erecting the signs and still at the implementation stage.

Taxi/ Bus stops, Scenery Park Taxi Loading Area and Bonza Bay Taxi Loading Area Ablution Facility

Taxi/Bus stops in Reeston and Amalinda 100% complete, Construction in Mdantsane will start in March 2016. Feasibility study and Design Bid Document for Scenery Park Taxi Loading area service provider has been appointed and designs will commence soon. Construction of Ablution Facility at the Bonza Bay Taxi Loading area is complete. Work on the kerbing of the existing taxi rank is complete.

KWT Taxi and Bus Facilities

KWT Taxi/Bus Facility Bid document is with the Bid Specification Committee for approval.

HUMAN SETTLEMENTS

The department has experienced claim disputes and supply chain compliance issues that it had to attend to which caused delays to payment of certain claims. Implementation of corrective measures has begun and would be taken through the Bid Adjudication Committee for final approval by the Acting City Manager during the month of March 2016 with payments to be effected during the month of April 2016.

ECONOMIC DEVELOPMENT AND AGENCIES

The Directorate of Economic Development and Agencies has an approved allocation of R10 million from the USDG in the 2015/16 financial year. The Market Upgrade programme has various projects i.e. roads maintenance, building capital works and refurbishment and roofing. Already the service provider for the roads projects is onsite and working, an amount of R4 million has been committed to the roads projects. Fifty-nine percent (75%) of the allocated USDG funds on this programme has been spent.

HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES

The project for King Williams Town Traffic Building is a multi year project. Project is on track in terms of project milestones with the Professional Team. However, challenges were experienced in obtaining a date for the Bid Specification Committee to sit and approve specifications for the tender for the construction of the building. The Bid Specification Committee sat on the 22 January 2016 wherein the specifications were approved. Tender to be advertised on the 18 March 2016 and to close on the 22 April 2016.

MUNICIPAL SERVICES

LIBRARIES & HALLS SECTION

Development and Upgrading of Community Halls

Work is in Progress and contractors are on site to carry out refurbishment and upgrade of nine (9) community halls (Carnegie Hall, 5 Mdantsane community halls, Billy Francis, Needs Camp Community Hall, King Williams Town Hall).

The expenditure to date is at 98%. 3 of the Projects are 100% complete. 5 Mdantsane Community Halls are still work in progress. The King William's Town, Town Hall is awaiting the appointment of a Professional Service Provider (PSP) to do an assessment report & costing.

Construction of Nompumelelo Hall

The Tender was advertised on the 13th of November 2015 and the Tender closing date was the 15th of December 2015. As at the end of February 2016 the tender has not yet been awarded and is still at the procurement stage.

THE AMENITIES DIVISION

Reasons for the Low Expenditure

The department is experiencing challenges with the majority of the annual contractors in terms of their capacity to execute the works or to provide quotations that correlate with their tender documents/appointments. Some projects are at the evaluation stage such as the Refurbishment of Swimming Pools and Upgrading of the Zoo, and appointment of assessors has been approved for the department so that Bid Evaluation Committee (BEC) may consider the items. The Redevelopment of

Mdantsane NU2 swimming pool project scope has been changed to that of the NU2 Sports precinct. The methodology for executing the project has also been changed on numerous occasions which has led to delays. Project leaders and the Enterprise Project Management Office (EPMO) are engaging the respective annual contractors to speed up the execution of projects.

11.1.7. INTEGRATED CITY DEVELOPMENT GRANT (ICDG)

Spending is dependent on the Sleepersite Best Concept Use Framework to be adopted by Council. Monthly reports have been submitted to council pertaining the progress to date.

11.1.8. MUNICIPAL HUMAN SETTLEMENT CAPACITY GRANT (MHSCG)

None of the targets have been realized because the disbursement of the grant was uncertain. The transfer of funds to BCMM was only done at end of October 2015 and this resulted in delayed planning and implementation of plans. The funding is meant to assist the department with enhancing the current personnel capacity. The department has revised the Business Plan (BP) and submitted a request for approval of the revised BP from Department of Human Settlements to utilize service providers to augment the existing capacity of the municipality's Human Settlement Directorate for the posts that have not been filled yet due to the fact that the grant is going to be discontinued as from the 1st July 2016.

Furthermore, the service providers will be conducting a project compliance audit and a health and safety audit also to augment on the project management as well as beneficiary administration and social facilitation. Request for employment of additional personnel would be submitted to Corporate Services for approval by the Acting City Manager during the month of March 2016. Procurement of ICT equipment and office furniture would be done during the month of April 2016. The municipality would request a rollover once all commitments to the budget have been done.

12. COUNCILLOR AND EMPLOYEE BENEFITS

12.1. Councillor and Employees Benefits Summary

Table 20 below provides summary of employees and Councillors remuneration.

Table 20: SC8 Monthly Budget Statement – Councilor and Staff Benefits

Summary of Employee and Councillor remuneration	Ref	Budget Year 2015/16								
		2014/15 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		29 335	31 903	31 903	4 097	21 101	21 094	7	0%	31 903
Pension and UIF Contributions		3 047	3 328	3 328	381	2 190	2 226	(36)	-2%	3 328
Medical Aid Contributions		1 539	1 856	1 856	156	1 165	718	447	62%	1 856
Motor Vehicle Allowance		11 247	12 944	12 944	1 230	7 203	8 789	(1 586)	-18%	12 944
Cellphone Allowance		–	–	–	177	1 432	–	1 432	0%	–
Housing Allowances		2 515	2 879	2 879	230	1 713	2 446	(733)	-30%	2 879
Other benefits and allowances		–	–	–	18	1 329	–	1 329	0%	–
Sub Total - Councillors		47 682	52 910	52 910	6 289	36 134	35 273	861	2%	52 910
% increase	4		11.0%	11.0%						11.0%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		5 482	15 026	15 026	491	4 034	9 867	(5 833)	-59%	15 026
Pension and UIF Contributions		985	2 734	2 734	95	784	1 874	(1 090)	-58%	2 734
Medical Aid Contributions		122	266	266	12	88	317	(228)	-72%	266
Motor Vehicle Allowance		1 071	2 738	2 738	329	933	2 108	(1 175)	-56%	2 738
Cellphone Allowance		–	–	–	16	126	–	126	0%	–
Housing Allowances		6	83	83	–	1	226	(225)	-100%	83
Other benefits and allowances		2 038	2 273	2 273	(91)	984	1 755	(771)	-44%	2 273
Payments in lieu of leave		–	–	–	–	106	–	106	0%	–
Long service awards		24	36	36	–	(1)	–	(1)	0%	36
Sub Total - Senior Managers of Municipality		9 728	23 157	23 157	852	7 056	16 147	(9 091)	-56%	23 157
% increase	4		138.1%	138.1%						138.1%
Other Municipal Staff										
Basic Salaries and Wages		704 205	851 398	851 398	64 538	502 646	583 747	(81 102)	-14%	851 398
Pension and UIF Contributions		134 398	155 271	155 271	12 386	99 940	108 510	(8 569)	-8%	155 271
Medical Aid Contributions		52 791	96 719	96 719	5 385	38 877	40 533	(1 657)	-4%	96 719
Overtime		107 200	60 348	60 348	11 212	77 859	45 094	32 764	73%	60 348
Motor Vehicle Allowance		19 402	26 800	26 800	1 901	13 913	18 628	(4 715)	-25%	26 800
Cellphone Allowance		–	–	–	321	2 632	–	2 632	0%	–
Housing Allowances		3 502	10 185	10 185	1 023	8 132	5 492	2 641	48%	10 185
Other benefits and allowances		115 629	139 402	139 402	12 824	107 363	83 221	24 141	29%	139 402
Payments in lieu of leave		29 230	7 307	7 307	1 937	22 035	12 173	9 862	81%	7 307
Long service awards		16 246	17 033	17 033	1 487	11 859	11 534	325	3%	17 033
Post-retirement benefit obligations	2	–	–	–	1 476	5 679	–	5 679	0%	–
Sub Total - Other Municipal Staff		1 182 603	1 364 462	1 364 462	114 490	890 933	908 933	(17 999)	-2%	1 364 462
% increase	4		15.4%	15.4%						15.4%
Total Parent Municipality		1 240 013	1 440 529	1 440 529	121 631	934 123	960 353	(26 230)	-3%	1 440 529
% increase			16.2%	16.2%						16.2%
Unpaid salary, allowances & benefits in arrears:										
Board Members of Entities										
Basic Salaries and Wages		–	96	96	–	–	–	–	–	96
Sub Total - Board Members of Entities	2	–	96	96	–	–	–	–	–	96
% increase	4									
Senior Managers of Entities										
Basic Salaries and Wages		–	1 004	1 004	–	–	–	–	–	1 004
Pension and UIF Contributions		–	184	184	–	–	–	–	–	184
Medical Aid Contributions		–	91	91	–	–	–	–	–	91
Motor Vehicle Allowance		–	310	310	–	–	–	–	–	310
Housing Allowances		–	25	25	–	–	–	–	–	25
Other benefits and allowances		–	104	104	–	–	–	–	–	104
Sub Total - Senior Managers of Entities		–	1 718	1 718	–	–	–	–	–	1 718
% increase	4									
Other Staff of Entities										
Basic Salaries and Wages		–	180	180	–	–	–	–	–	180
Pension and UIF Contributions		–	34	34	–	–	–	–	–	34
Medical Aid Contributions		–	91	91	–	–	–	–	–	91
Housing Allowances		–	16	16	–	–	–	–	–	16
Other benefits and allowances		–	19	19	–	–	–	–	–	19
Sub Total - Other Staff of Entities		–	341	341	–	–	–	–	–	341
% increase	4									
Total Municipal Entities		–	2 155	2 155	–	–	–	–	–	2 155
TOTAL SALARY, ALLOWANCES & BENEFITS		1 240 013	1 442 684	1 442 684	121 631	934 123	960 353	(26 230)	-3%	1 442 684
% increase	4		16.3%	16.3%						16.3%
TOTAL MANAGERS AND STAFF		1 192 331	1 389 678	1 389 678	115 342	897 989	925 079	(27 090)	-3%	1 389 678

12.2. Overtime Analysis

Table 21 below provides comparison of overtime expenditure against budget per directorate for the period ended 29 February 2016. Table 22 below details overtime expenditure incurred per cost centre for the past three months ended 29 February 2016.

Table 21: Overtime per Directorate

Directorate	2015/2016 Annual Budget R	2015/2016 YTD Budget R	2015/2016 YTD Expenditure R	2015/2016 Variance R	2015/2016 % of YTD Budget %
Directorate Of Executive Support Services	1 476 325	984 217	2 745 031	-1 760 815	279%
Directorate Of The City Manager	280 035	186 690	378 947	-192 257	203%
Directorate Of Corporate Services	552 836	368 557	478 878	-110 321	130%
Directorate Of Development & Spatial Planning	565 537	377 025	381 819	-4 794	101%
Directorate Of Economic Development & Agencies	386 138	257 425	616 599	-359 174	240%
Directorate Of Finance	1 235 667	823 778	808 765	15 013	98%
Directorate Of Health / Public Safety & Emergency Services	23 003 966	15 335 977	19 941 664	-4 605 687	130%
Directorate Of Human Settlement	96 161	64 107	15 531	48 577	24%
Directorate Of Infrastructure Services	15 159 129	10 106 086	21 520 229	-11 414 143	213%
<i>Electricity</i>	7 120 580	4 747 053	6 222 499	-1 475 445	131%
<i>Water</i>	2 764 285	1 842 857	8 369 707	-6 526 850	454%
<i>Sanitation</i>	4 257 654	2 838 436	6 419 367	-3 580 931	226%
<i>Other</i>	1 016 610	677 740	508 657	169 083	75%
Directorate Of Municipal Services	17 592 591	11 728 394	32 293 038	-20 564 644	275%
Total	60 348 385	40 232 257	79 180 502	-38 948 245	197%

The total overtime payment for the months of December 2015, January 2016 and February 2016 is reflected below. There was an increase in the total payment of overtime between December 2015 and January 2016 of R1 118 611 and a decrease in the total payment of overtime between January 2016 and February 2016 of R64 567.

Table 22: Overtime Per Cost Centre: December 2015 – February 2016

		December 2015 Amount	January 2016 Amount	February 2016 Amount
	Directorate -Executive Support Services			
105 005	Office of The Director of Executive Support	357 203.38	268 254.68	231 960.99
105 020	Public Participation & Ward Committees	5 741.52	4 228.45	5 551.77
110 005	IDP	-	1 951.50	1 463.16
120 010	Public Relations & International Events	72 985.98	87 613.54	60 221.92
		435 930.88	362 048.17	299 197.84
	Directorate - Municipal Manager			
205 005	Office of The Municipal Manager & Support Services	23 111.52	51 222.13	22 206.04
225 005	Municipal Public Accounts Committee	2 102.10	-	485.10
		25 213.62	51 222.13	22 691.14
	Directorate - Chief Financial Officer			
305 005	Office of The Director of Finance	1 335.77	781.91	-
305 010	Support Services Office	-	-	4 076.59
315 005	Budget Office	450.74	1 237.86	-
320 010	Supply Chain Management	9 261.93	350.63	7 601.58
320 015	Expenditure Office	3 183.36	2 345.63	5 779.39
330 005	Rates & Valuations Office	2 323.09	-	-
330 015	Debtors Management Office	32 519.59	22 103.26	62 549.61
330 020	Customer Care Office	7 942.10	2 489.24	18 531.48
330 025	Pre-Payment Vending Office	-	-	7 461.20
		57 016.58	29 308.53	105 999.85
	Directorate - Corporate Services			
415 005	Administrative & Council Support	18 138.72	6 826.51	6 948.44
415 010	Auxilliary & Telecommunication Services	34 630.42	-	44 515.54
415 025	Management Information Services	9 417.53	3 285.15	19 213.59
420 005	H.R. Administration	8 311.23	10 711.78	-
420 010	Occupational Risk Management	7 610.84	11 959.89	3 737.47
425 005	Research Policy & Knowledge Management Unit	-	-	2 035.15
		78 108.74	32 783.33	76 450.19
	Directorate - Engineering Services			
505 010	City Engineering Building	2 041.89	-	2 794.16
510 005	Scientific Services	-	-	1 372.48
515 006	Night Soil Removal - Coastal	69 781.31	102 602.59	83 211.83
515 007	Night Soil Removal - Central	4 265.95	-	-

		December 2015 Amount	January 2016 Amount	February 2016 Amount
515 026	Sewerage Treatment - Coastal	27 614.45	26 024.80	90 800.70
515 027	Sewerage Treatment - Central	34 036.90	65 089.49	49 141.29
515 028	Sewerage Treatment - Inland	96 207.08	116 292.64	110 538.98
515 031	Sewerage Reticulation - Coastal	243 863.45	243 112.24	279 749.43
515 032	Sewerage Reticulation - Central	122 645.92	107 395.17	112 243.99
515 033	Sewerage Reticulation - Inland	92 935.27	166 315.29	158 771.77
520 005	Water Administration	13 438.14	26 389.34	32 436.69
520 011	Maden Dam	14 590.91	16 697.16	14 072.56
520 012	Bridle Drift Dam	8 433.11	-	-
520 015	Bulk Pumping Stations	22 260.30	27 941.39	25 360.44
520 021	Umzonyana Water Treatment Works	61 851.43	86 446.09	82 957.38
520 023	KWT Water Treatment Works	106 243.97	132 640.03	139 178.18
520 024	Mdantsane Bulk Pumping	34 603.99	18 609.80	97 755.96
520 025	Water Ops & Maint. - Inland	213 536.01	279 321.87	207 718.38
520 026	Water Ops & Maint. - Midland	216 940.00	220 006.95	249 857.18
520 030	Water Ops & Maint. - Coastal	314 593.49	356 668.76	237 177.72
525 005	Construction Distribution	-	-	845.13
525 025	Roads & Stormwater Drainage	-	35 648.96	4 856.54
530 015	Mechanical Workshop - Braelyn	28 615.09	35 508.97	27 661.02
530 020	Fleet Management - Braelyn	-	-	1 264.03
535 005	Electricity Administration	1 367.45	981.75	1 279.79
535 010	Electricity Distribution Supervisory Staff	828 623.33	712 398.71	570 692.30
535 025	Electricity Planning & Design	455.82	736.32	561.00
535 040	Revenue Protection	89 359.73	80 254.25	67 245.98
		2 648 304.99	2 857 082.57	2 649 544.91
	Directorate - Development Planning			
615 095	Building Maintenance - Coastal / Central	48 063.45	54 253.39	2 561.12
620 015	Traffic Signal Maintenance	17 637.31	8 577.60	8 631.23
625 005	Buffalo City Bus Services	11 754.02	12 750.89	11 483.27
630 005	BCMET	7 986.51	193 727.20	13 310.26
635 005	Local Economic Development	3 667.01	-	-
635 010	Market	69 673.77	57 842.58	31 786.58
		155 115.06	327 151.66	67 772.46
	Directorate - Health & Public Safety			
705 010	Support Services	-	5 330.47	-
725 010	Fire & Rescue Services	287 529.68	485 269.32	534 685.84
725 015	Law Enforcement Services	1 288 138.57	1 589 548.31	1 681 812.84
725 020	Traffic Administration	115 194.94	136 609.44	128 792.83
725 025	Traffic Control	279 201.21	343 542.57	349 963.36

		December 2015 Amount	January 2016 Amount	February 2016 Amount
725 035	Vehicle Test Station / Examination	17 731.62	21 014.33	25 222.15
725 036	Vehicle Registration	4 186.74	-	-
725 040	Drivers License Testing	18 043.05	-	728.91
725 045	Traffic Technical Services	36 560.75	22 874.82	36 921.64
725 050	Parking Areas / Meters	86 883.05	93 712.76	96 796.36
725 055	Disaster Management	17 374.72	23 933.35	16 629.14
		2 150 844.33	2 721 835.37	2 871 553.07
	Directorate - Community Services			
750 005	Office of The Director of Community Services	1 069.46	3 096.03	6 446.05
750 010	Cleansing Administration Support	6 688.41	1 643.58	2 556.68
755 005	Environmental Administration Support	1 850.55	411.23	-
755 010	Environmental Services	437 956.89	468 707.44	550 436.50
755 015	Environmental Conservation	137 279.65	129 248.26	158 843.76
755 020	Environmental Workshop	-	-	681.17
755 025	Interments	254 161.50	280 693.62	278 642.14
755 035	Integrated Environmental Management	-	-	509.06
760 005	Arts & Cultural Services Admin	50 242.01	38 110.25	25 329.65
760 010	Libraries	6 234.37	5 491.95	5 091.74
760 025	Halls	187 246.35	172 757.56	123 787.85
765 005	Amenities Administration Support	40 284.04	50 880.72	53 974.51
765 010	Sportsfields	176 580.34	140 263.02	182 494.83
765 015	Swimming Pools	184 613.94	202 830.15	158 391.02
765 020	Aquarium	47 403.80	69 307.76	65 641.80
765 025	Zoo	66 464.22	53 749.07	68 880.48
765 030	Beaches	203 560.03	459 853.95	401 025.38
765 035	Resorts	81 104.94	106 591.00	96 748.34
770 005	Cleansing Administration Support	21 659.23	53 094.41	68 174.32
770 010	Refuse Removal	979 183.65	1 047,512.62	1 138,271.32
770 015	Waste Disposal Sites	34 093.53	37 569.23	41 710.91
770 020	Street Sweeping	728 111.47	611 993.46	693 280.81
770 025	Public Conveniences	131 905.86	126 087.80	147 418.75
770 030	E.L Regional Waste Disposal Site & Transfer Station	60 831.06	66 345.99	81 557.12
		3 838 525.30	4 126 239.10	4 349 894.19
	TOTAL OVERTIME	9 389 059.50	10 507 670.86	10 443 103.65

12.2.1. Comments On Overtime

a) Directorate of Executive Support Services

The planned and emergency nature of tasks within the Executive Mayor and the Speakers Office contribute to excessive hours of work as bodyguards have to work beyond normal working hours. Overtime incurred is also due to ward committee meetings held after business hours, loudhailing done after business hours and on weekends; attending public participation programmes on weekends.

b) City Managers Office

The overtime expenditure is due to joint operations committee meetings that are taking place on a daily basis, staff in the City Manager's office are expected to remain behind to provide the managers with any adhoc assistance that might be needed.

c) Directorate of Corporate Services

The over expenditure on overtime is mainly due to overtime incurred and paid to Sandra Stevens from Occupational Risk when she perform medical functions (Blood sampling) during traffic roadblocks. The overtime must be paid from a traffic vote and not from Occupational Risk vote. Traffic department has prepared a journal to transfer the funds to correct the situations.

d) Directorate of Economic Development & Agencies

The excessive overtime on Economic Development and Agencies is due to staff increase as well as staff working on trade shows and events coordinated by the City which the department plays part in those events.

e) 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 illegals and load shedding,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.

f) Directorate of Health / Public Safety & Emergency Services

Over expenditure is due to security guards being paid overtime. Number of events on public roads has also impacted on overtime due to events taking place on weekends and public holidays.

g) Directorate of Municipal Services

Overtime is mostly due to halls usage, high volume of burials especially over weekends and the emergency overtime for grass cutting and vegetation control. The availability of Refuse Removal Trucks (for refuse collection to households) has been a challenge, especially during the month of January and February 2016, the department had no alternative but to work overtime in order to remove refuse both day and night using the available trucks and available staff thus using the overtime vote that is already overspent. The Department of Solid Waste Management is trying its level best to manage overtime.

12.3. Standby and Shift Allowance Analysis

Table 23 below reflects standby and shift allowance expenditure incurred per directorate for the past eight (8) months ended 29 February 2016. There was a decrease in the total payment between December 2015 and January 2016 of R27 550 and an increase in the total payment between January 2016 and February 2016 of R120 526.

Table 23: Standby & Shift Allowance per Directorate

	DECEMBER 2015	JANUARY 2016	FEBRUARY 2016
Directorate – Executive Support Services	14 574	12 346	9 335
Directorate – Municipal Manager	557	-	-
Directorate – Chief Financial Officer	6 366	6 622	9 940
Directorate – Corporate Services	21 024	11 078	33 858
Directorate – Engineering Services	489 146	518 206	540 105
Directorate – Development Planning	14 794	18 282	12 905
Directorate – Health & Public Safety	519 331	542 054	573 831
Directorate – Community Services	268 073	197 728	246 870
TOTAL	1 333 867	1 306 317	1 426 843

12.4. Cost of Temporary Staff

The total payment of Temporary Staff for the past eight (8) months ended 29 February 2016 is reflected below. There was a decrease in the total payment between December 2015 and January 2016 of R1 084 899 and an increase in the total payment between January 2016 and February 2016 of R95 667.

Table 24: Temporary Staff Per Directorate

	DECEMBER 2015	JANUARY 2016	FEBRUARY 2016
Directorate – Executive Support Services	1 438 935	824 152	1 195 001
Directorate – Municipal Manager	228 278	206 416	148 925
Directorate – Chief Operations Officer	346 517	240 302	281 047
Directorate – Chief Financial Officer	596 209	544 151	616 949
Directorate – Corporate Services	858 909	834 080	828 277
Directorate – Engineering Services	166 261	229 470	140 007
Directorate – Development Planning	118 665	136 319	76 882
Directorate – Health & Public Safety	35 305	32 943	39 629
Directorate – Community Services	3 008 827	2 665 174	2 481 956
TOTAL	6 797 906	5 713 007	5 808 674

12.5. Councillors Costs

Table 25: Councillors Costs

Councillors Allowances And Benefits	2015/2016 Annual Budget R	2015/2016 YTD Budget R	2015/2016 YTD Expenditure R	2015/2016 Variance R	2015/2016 Variance %
Mayoral Allowance	770 445	513 630	453 195	60 435	88%
Deputy Mayoral Allowance	616 356	410 904	366 009	44 895	89%
Mayoral Committee Allowance	5 778 333	3 852 222	3 185 417	666 805	83%
Speakers Allowance	616 356	410 904	363 262	47 642	88%
Out of Pocket Expenses	-	-	424 485	-424 485	-
Councillors Allowance	24 121 244	16 080 829	16 585 039	-504 209	103%
Cllr Cell Phone Allowance	-	-	1 431 989	-1 431 989	-
Cllr Housing Subsidy	2 879 407	1 919 605	1 713 453	206 152	89%
Cllr Medical Aid	1 855 623	1 237 082	1 165 234	71 848	94%
Cllr Pension Scheme	3 328 325	2 218 883	2 190 163	28 721	99%
Cllr Travel Allowance	12 944 103	8 629 402	8 255 943	373 459	96%
TOTAL	52 910 192	35 273 461	36 134 189	-860 727	102%

The above table shows the budget and expenditure to date for councillors costs. The Annual Budget of R52 910 192 prorated per month gives a Year to Date Budget for the month of February 2016 of R35 273 461. The year to date budget less the year to date expenditure of R36 134 189 leaves a Variance of R860 727. The budget for out of pocket expenses and Councillor cell phone allowance will be realigned in the mid-year adjustment budget.

13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE

The parent municipality Buffalo City Metropolitan Municipality has constituted the board members for Buffalo City Development Agency (BCDA). The board is currently recruiting staff for the running of the agency. The Project Manager has been appointed and commenced work on 01 August 2015. The CEO and the office administrator have been appointed and commenced work on 02 November 2015 and 01 January 2016 respectively. The Chief Financial Officer position was advertised on 11 January 2016.

The Buffalo City Development Agency has a budget of R7.58 million within the Executive Support Services Directorate of BCMM and has spent R1.4 million (18.4%) as at 29 February 2016.

14. CAPITAL PROGRAMME PERFORMANCE

BCMM has spent R553.24 million inclusive of reclaimed vat (2014/15: R481.91 million) which is 40% (2014/15: 46%) of its 2015/16 adjusted capital budget of R1.38 billion (2014/15: R1.06 billion) as at 29 February 2016. This reflects a regression when compared to the same period in the previous financial year. 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	<u>2015/2016 Adjusted Budget</u>	<u>YTD Expenditure (VAT incl)</u>	<u>Variance (VAT incl)</u>	<u>% Expe</u>
Total Own Funding	529 796 867	120 339 459	409 457 408	23%
DoE(Integrated National Electrification Programme)	30 000 000	11 989 641	18 010 359	40%
Electricity Demand Side Management Grant	13 000 000	14 602 148	-1 602 148	112%
Infrastructure Skills Development Grant	100 000	65 097	34 903	65%
Neighbourhood Development Partnership Grant	20 000 000	0	20 000 000	0%
Urban Settlement Development Grant	679 784 100	370 968 383.48	308 815 717	55%
Human Settlement Development Grant	94 400 000	35 275 260	59 124 740	37%
Human Settlement Development Grant-MPCC	13 068 500	0	13 068 500	0%
Total Grants	850 352 600	432 900 529	417 452 071	51%
TOTAL PER FUNDING	1 380 149 467	553 239 989	826 909 478	40%

Table 27 below reflects capital expenditure performance per service.

Table 27: Actual Expenditure per Service against Budget

Services	<u>2015/2016 Adjusted Budget</u>	<u>YTD Expenditure (VAT incl)</u>	<u>Variance (VAT incl)</u>	<u>% Expenditure (VAT incl)</u>
Water	91 000 000	56 809 497	34 190 503	62%
Waste Water	296 301 527	94 879 741	201 421 786	32%
Electricity	158 500 000	92 830 126	65 669 874	59%
Roads and Stormwater	265 000 000	107 995 315	157 004 685	41%
Human Settlement	211 784 513	119 543 640	92 240 873	56%
Transport Planning	69 652 869	31 358 293	38 294 576	45%
Waste Management / Refuse	54 502 324	21 721 314	32 781 010	40%
Amenities	73 483 569	18 593 751	54 889 818	25%
Public Safety	32 265 057	4 183 299	28 081 758	13%
Support Services	79 659 608	5 298 718	74 360 890	7%
Other - BCM Fleet	48 000 000	26 294	47 973 706	0%
TOTAL PER SERVICE	1 380 149 467	553 239 989	826 909 478	40%

Table 28 below reflects capital expenditure performance per directorate.

Table 28: Actual Expenditure per Directorate against Budget

Directorate	<u>2015/2016 Adjusted Budget</u>	<u>YTD Expenditure (VAT incl)</u>	<u>Variance (VAT incl)</u>	<u>% Exp.</u>
Executive Support Services	7 439 297	649 290	6 790 007	9%
City Manager	21 500 000	0	21 500 000	0%
Human Settlements	211 784 513	119 543 640	92 240 873	56%
Directorate of Financial Services	631 902	484 272	147 630	77%
Directorate of Corporate Services	39 538 409	3 894 285	35 644 124	10%
Directorate of Infrastructure Services	859 351 527	352 553 155	506 798 372	41%
Directorate of Development & Spatial Planning	49 652 869	20 434 088	29 218 781	41%
Directorate of Economic Development & Agencies	20 000 000	10 924 204	9 075 796	55%
Directorate of Health / Public Safety & Emergency Services	32 265 057	4 183 299	28 081 758	13%
Directorate of Municipal Services	127 985 893	40 315 065	87 670 828	31%
TOTAL DIRECTORATES	1 370 149 467	552 981 300	817 168 167	40%
Asset Replacement	10 000 000	258 688	9 741 312	3%
GRAND TOTAL	1 380 149 467	553 239 989	826 909 478	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

Month	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	4 279	2 538	2 683	148	148	2 683	2 535	94.5%	0%
August	36 998	30 122	34 048	42 068	42 216	36 731	(5 485)	-14.9%	3%
September	63 771	24 852	27 675	57 530	99 746	64 407	(35 339)	-54.9%	8%
October	82 385	45 563	46 647	101 591	201 336	111 054	(90 282)	-81.3%	16%
November	52 978	43 333	46 409	85 219	286 556	157 463	(129 093)	-82.0%	22%
December	123 417	50 976	56 657	111 569	398 125	214 120	(184 004)	-85.9%	31%
January	30 397	29 612	34 351	62 851	460 975	248 471	(212 505)	-85.5%	36%
February	47 087	32 833	33 784	49 495	510 470	282 255	(228 216)	-80.9%	40%
March	104 078	51 060	54 631	–		336 885	–		
April	59 993	69 017	75 394	–		412 280	–		
May	96 922	65 150	71 105	–		483 385	–		
June	227 742	830 300	896 765	–		1 380 149	–		
Total Capital expenditure	930 050	1 275 354	1 380 149	510 470					

The capital programme performance table 30 below provide summary of capital expenditure by asset class/sub-class for new assets (Exclusive of VAT).

Table 30: SC13a Monthly budget Statement – capital expenditure on new assets by asset class

Description	Ref	Budget Year 2015/16								
		2014/15 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		213 161	158 210	159 185	7 033	83 499	32 555	(50 944)	-156.5%	159 185
Infrastructure - Road transport		116 893	20 000	20 000	3 256	11 465	4 090	(7 375)	-180.3%	20 000
Roads, Pavements & Bridges		116 893	20 000	20 000	3 256	11 465	4 090	(7 375)	-180.3%	20 000
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		38 944	66 500	66 500	506	33 888	13 600	(20 288)	-149.2%	66 500
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		38 944	66 500	66 500	506	33 888	13 600	(20 288)	-149.2%	66 500
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		57 324	71 710	72 685	3 271	38 146	14 865	(23 281)	-156.6%	72 685
Waste Management		30 727	21 710	22 685	-	18 299	4 639	(13 660)	-294.4%	22 685
Transportation		25 256	30 000	30 000	1 087	9 835	6 135	(3 699)	-60.3%	30 000
Gas		-	-	-	-	-	-	-	-	-
Other		1 341	20 000	20 000	2 184	10 012	4 090	(5 921)	-144.8%	20 000
Community		20 706	35 069	35 069	142	10 537	7 172	(3 365)	-46.9%	35 069
Parks & gardens		3 576	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		7 392	27 069	27 069	108	5 432	5 536	104	1.9%	27 069
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		9 738	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	8 000	8 000	34	5 105	1 636	(3 469)	-212.0%	8 000
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		145 316	211 274	211 274	13 082	109 113	43 208	(65 905)	-152.5%	211 274
Housing development		145 316	211 274	211 274	13 082	109 113	43 208	(65 905)	-152.5%	211 274
Other		-	-	-	-	-	-	-	-	-
Other assets		48 568	125 375	171 642	717	8 158	35 103	26 945	76.8%	171 642
General vehicles		25 117	48 450	48 450	-	26	9 909	9 882	99.7%	48 450
Specialised vehicles		-	7 600	12 588	-	3 111	2 574	(536)	-20.8%	12 588
Plant & equipment		688	8 675	46 811	58	2 025	9 573	7 549	78.9%	46 811
Computers - hardware/equipment		1 718	40 650	43 793	660	2 996	8 956	5 960	66.5%	43 793
Furniture and other office equipment		10 178	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		4 821	-	-	-	-	-	-	-	-
Other Buildings		1 161	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		4 885	20 000	20 000	-	-	4 090	4 090	100.0%	20 000
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	427 751	529 928	577 170	20 974	211 307	118 037	(93 270)	-79.0%	577 170
Specialised vehicles		-	7 600	12 588	-	3 111	2 574	(536)	(0)	12 588
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	7 600	12 588	-	3 111	2 574	(536)	(0)	12 588
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

The capital programme performance table 31 below provide summary of capital expenditure by asset class/sub-class for renewal of existing assets (Exclusive of VAT).

Table 31: SC13b Monthly budget Statement – capital expenditure on renewal of existing assets by asset class

Description	Ref	Budget Year 2015/16								
		2014/15 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		490 455	686 056	724 852	26 307	280 988	148 239	(132 748)	-89.5%	724 852
Infrastructure - Road transport		212 002	245 000	245 000	10 012	86 792	50 105	(36 687)	-73.2%	245 000
<i>Roads, Pavements & Bridges</i>		212 002	245 000	245 000	10 012	86 792	50 105	(36 687)	-73.2%	245 000
<i>Storm water</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		79 994	92 000	92 000	6 028	54 237	18 815	(35 422)	-188.3%	92 000
<i>Generation</i>		-	-	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>		79 994	92 000	92 000	6 028	54 237	18 815	(35 422)	-188.3%	92 000
<i>Street Lighting</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Water		90 752	91 000	91 000	4 599	52 772	18 610	(34 162)	-183.6%	91 000
<i>Dams & Reservoirs</i>		-	-	-	-	-	-	-	-	-
<i>Water purification</i>		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		90 752	91 000	91 000	4 599	52 772	18 610	(34 162)	-183.6%	91 000
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		-	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Other		107 707	258 056	296 852	5 668	87 187	60 709	(26 478)	-43.6%	296 852
<i>Waste Management</i>		107 707	258 056	296 852	5 668	87 187	60 709	(26 478)	-43.6%	296 852
<i>Transportation</i>		-	-	-	-	-	-	-	-	-
<i>Gas</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Community		4 788	30 700	30 700	453	5 933	6 278	346	5.5%	30 700
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		4 495	22 700	22 700	244	2 921	4 642	1 721	37.1%	22 700
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		293	8 000	8 000	209	3 012	1 636	(1 376)	-84.1%	8 000
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		7 056	28 671	47 428	1 762	12 243	9 700	(2 543)	-26.2%	47 428
General v vehicles		-	-	-	-	-	-	-	-	-
Specialised v vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		7 056	24 221	42 978	1 750	12 231	8 790	(3 442)	-39.2%	42 978
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	4 450	4 450	12	12	910	898	98.7%	4 450
Agricultural assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing ass	1	502 299	745 427	802 980	28 522	299 164	164 218	(134 946)	-82.2%	802 980
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

15. OTHER SUPPORTING DOCUMENTS

15.1. Operating Projects Expenditure

The Metro has spent 25% (R175.48 million) inclusive of reclaimed vat of its 2015/16 adjusted budget of R697.73 million as at 29 February 2016. This reflects a regression when compared to the same period in the previous financial year where 49% (R141.3 million) of the adjusted operating projects budget of R288.44 million was spent. It is anticipated that the expenditure will improve once all the procurement processes have been undertaken. The HSDG budget was overstated due to late confirmation of available funding by the Eastern Cape Provincial Department of Human Settlement, the budget will be reduced in the mid year adjustment budget. Should the HSDG allocation that is on the 2015/16 approved DoRA be taken into consideration the total budget allocated for operating projects will reduce to R501.84 million, therefore resulting in the total operating projects expenditure percentage to increase to 35%.

A detailed schedule of the operating projects expenditure is outlined in Annexure D. Tables 32 and 33 below summarise Annexure D.

Table 32: Operating Projects per Directorate

OPERATING PROJECTS PER DIRECTORATE	<u>2015/2016 Adjusted Budget</u>	<u>YTD Expenditure (VAT incl)</u>	<u>Variance (VAT incl)</u>	<u>% Exp</u>
Executive Support Services	4 239 106	1 674 415	2 564 691	39%
City Manager	46 401 900	15 801 147	30 600 753	34%
Human Settlements	545 954 656	125 930 573	420 024 083	23%
Directorate of Financial Services	43 515 303	16 528 699	26 986 604	38%
Directorate of Corporate Services	29 572 014	8 090 701	21 481 313	27%
Directorate of Infrastructure Services	3 500 000	3 223 794	276 206	92%
Directorate of Economic Development & Agencies	3 000 000	3 201 757	-201 757	107%
Directorate of Health / Public Safety & Emergency Services	200 000	2 927	197 073	1%
Directorate of Municipal Services	21 348 496	1 026 486	20 322 010	5%
TOTAL PER DIRECTORATE	697 731 475	175 480 499	522 250 976	25%

Table 33: Operating Projects per Funding Source

OPERATING PROJECTS PER FUNDING SOURCE	<u>2015/2016</u> <u>Adjusted</u> <u>Budget</u>	<u>YTD</u> <u>Expenditure</u> <u>(VAT incl)</u>	<u>Variance</u> <u>(VAT incl)</u>	<u>%</u> <u>Expenditure</u>
Total Own Funding	109 893 453	36 294 150	73 599 303	33%
Department of Environmental Affairs	2 500 000	0	2 500 000	0%
Umsobomvu Youth Fund	131 466	73 990	57 476	56%
Department of Local Government & Traditional Affairs	3 494 026	2 137 286	1 356 740	61%
Expanded Public Works Programme Incentives Grant	1 149 000	1 031 024	117 976	90%
Finance Management Grant	1 300 000	197 735	1 102 265	15%
Human Settlement Development Grant	522 657 630	115 653 202	407 004 428	22%
Infrastructure Skills Development Grant	8 400 000	3 264 411	5 135 589	39%
Integrated City Development Grant	5 605 000	0	5 605 000	0%
Municipal Human Settlement Capacity Grant	9 253 000	2 062 737	7 190 263	22%
Urban Settlement Development Grant	33 347 900	14 765 961	18 581 939	44%
Total Grants	587 706 556	139 186 349	448 651 673	24%
TOTAL PER FUNDING	697 731 475	175 480 499	522 250 976	25%

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 34: Health / Public Safety & Emergency Services – Cost Analysis

Health / Public Safety & Emergency Services	Total Revenue	Employee Costs	Other Operating Expenditure	Repairs & Maintenance	Total Expenditure Excluding Capital
OFFICE OF THE DIRECTOR OF HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES	0	1 402 389	177 619	0	1 580 008
GM - EMERGENCY SERVICES	-57 267 020	37 517 026	17 158 012	444 308	55 119 346
EMERGENCY SERVICES	0	1 578 608	253 051	0	1 831 659
DISASTER MANAGEMENT	0	1 518 447	564 122	6 418	2 088 987
FIRE & RESCUE	-57 267 020	34 419 972	16 340 839	437 890	51 198 701
GM - MUNICIPAL HEALTH SERVICES	-417 543	17 290 449	2 656 499	94 538	20 041 486
MUNICIPAL HEALTH SERVICES	-417 543	17 290 449	2 656 499	94 538	20 041 486
MUNICIPAL HEALTH SERVICES: COASTAL REGION	0	0	0	0	0
MUNICIPAL HEALTH SERVICES: INLAND REGION	0	0	0	0	0
MUNICIPAL HEALTH SERVICES: MIDLAND REGION	0	0	0	0	0
GM - PUBLIC SAFETY & PROTECTION SERVICES	-29 027 439	109 336 724	14 302 518	1 223 518	124 862 760
PUBLIC SAFETY & PROTECTION SERVICES	-30 470	12 845 180	9 209 514	754 181	22 808 875
LAW ENFORCEMENT SERVICES	-28 964	62 055 603	2 098 629	363 704	64 517 936
TRAFFIC SERVICES	-28 968 005	34 435 940	2 994 376	105 633	37 535 949
TOTAL	-86 712 002	165 546 588	34 294 648	1 762 364	201 603 600

16.2. Municipal Services

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

Table 35: 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	-9 111	4 491 963	641 830	5 031	5 138 824
GM - COMMUNITY AMENITIES	-13 465 107	62 371 249	15 673 917	3 067 311	81 112 478
COMMUNITY AMENITIES	0	6 710 565	306 030	25 596	7 042 191
LIBRARIES	-9 831 035	11 221 472	1 228 990	108 506	12 558 969
HALLS	-783 030	8 380 417	2 805 284	409 158	11 594 858
RECREATION	-2 757 814	21 905 286	5 822 071	2 016 023	29 743 381
SPORTS FACILITIES	-93 228	14 153 508	5 511 542	508 029	20 173 079
GM - PARKS / CEMETRIES & CONSERVATION	-6 568 792	79 887 942	17 706 541	4 053 569	101 648 052
PARKS / CEMETRIES & CONSERVATION	0	1 398 771	121 455	0	1 520 226
CEMETRIES & CREMATORIA	-5 421 796	13 046 462	5 969 671	229 999	19 246 132
CONSERVATION	-1 030 124	9 313 453	2 054 303	184 529	11 552 284
PARKS: COASTAL	-116 872	56 129 256	9 561 112	3 639 041	69 329 410
PARKS: INLAND	0	0	0	0	0
PARKS: MIDLAND	0	0	0	0	0
VEGETATION CONTROL	0	0	0	0	0
GM - SOLID WASTE MANAGEMENT	-246 445 891	83 296 706	90 460 242	9 704 481	183 461 428
SOLID WASTE MANAGEMENT	0	6 354 985	6 398 027	3 047 125	15 800 137
CLEANSING & REFUSE REMOVAL: COASTAL	-244 275 295	70 467 081	72 042 026	6 642 456	149 151 563
CLEANSING & REFUSE REMOVAL: INLAND	0	0	0	0	
CLEANSING & REFUSE REMOVAL: MIDLAND	0	0	0	0	0
LANDFILLS & TRANSFER STATIONS	-2 170 596	6 474 640	12 020 189	14 900	18 509 728
TOTAL	-266 488 900	230 047 860	124 482 530	16 830 392	371 360 782

17. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

I, NCEBA NCUNYANA, the Acting City Manager of Buffalo City Metropolitan Municipality do hereby certify that –

The monthly budget statement (Section 71 Report)

for the period ending **February 2016** has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print name:

Acting City Manager of Buffalo City Metropolitan Municipality, BUF

Signature:

Date:

ANNEXURES:

Annexure A

- C1 Monthly Budget Statement - Summary
- C2 Monthly Budget Statement - Financial Performance (Std Classification)
- C3 Monthly Budget Statement - Financial Performance (By Municipal Vote)
- C4 Monthly Budget Statement - Financial Performance (Revenue and Expenditure)
- C5 Monthly Budget Statement - Capital Expenditure (Municipal Vote, Std Classification and Funding)
- C6 Monthly Budget Statement - Financial Position
- C7 Monthly Budget Statement - Cash Flow

Annexure B

- SC1 Material Variance Explanation
- SC2 Performance Indicators
- SC3 Aged Debtors
- SC4 Aged Creditors
- SC5 Investment Portfolio
- SC6 Transfers and Grants Receipts
- SC7 (1) Transfers and Grants Expenditure
- SC7 (2) Expenditure against approved rollovers
- SC8 Councillor and Staff Benefits
- SC9 Actuals and Revised Targets for Cash Receipts
- SC12 Capital Expenditure trend
- SC13a Capital Expenditure on New Assets by Class
- SC13b Capital Expenditure on Renewal of Existing Assets by Class
- SC13c Expenditure on Repairs and Maintenance by Asset Class
- SC13d Depreciation by Asset Class

Annexure C

Schedule of Borrowings

Annexure D

Operating expenditure report

Annexure E

Capital expenditure report