

REPORT TO EXECUTIVE MAYOR: 13 JULY 2017

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**STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF
THE 2016/17 BUDGET FOR THE PERIOD ENDED 30 JUNE 2017**

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 2016/17 budget of the Buffalo City Metropolitan Municipality for the period 30 June 2017.

2. AUTHORITY

Executive Mayor

3. LEGAL / STATUTORY REQUIREMENTS

The Constitution of the Republic of South Africa, 1996

Municipal Finance Management Act No 56, 2003

Municipal Budget and Reporting Regulations, 2009

4. BACKGROUND

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

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

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

This report contains preliminary information of transactions processed by end of business on 07 July 2017 as the financial year end closure is still in progress.

The institution will continue processing journals and closing entries up to the close of business 14 July 2017 to adequately account for all the financial transactions which affect the year end 30 June 2017. This will allow for the institution to produce a set of Annual Financial Statements for presentation to the Auditor General by 31 August 2017. As such, the results in this report are as at a point in time (07 July 2017) and will be subject to potential certain adjustments as issues arise to fairly present the financial affairs of the institution as at 30 June 2017. This report has been compiled in order to comply with Section 71 of the MFMA which requires submission within 10 working days of the new month.

TABLE OF CONTENTS

REPORT TO EXECUTIVE MAYOR: 14 JULY 2017	1
1. PURPOSE.....	1
2. AUTHORITY	1
3. LEGAL / STATUTORY REQUIREMENTS	1
4. BACKGROUND	1
LIST OF TABLES	4
PART 1: IN-YEAR REPORT	5
5. RESOLUTIONS	6
6. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY FOR THE PERIOD ENDED 30 JUNE 2017	7
7. IN-YEAR BUDGET STATEMENT MAIN TABLES	12
PART 2: SUPPORTING DOCUMENTATION.....	24
8. IN-YEAR BUDGET STATEMENT SUPPORTING TABLES AND DOCUMENTATION.....	25
9. CREDITORS' ANALYSIS.....	30
10. INVESTMENT PORTFOLIO ANALYSIS.....	32
11. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE.....	35
12. COUNCILLOR AND EMPLOYEE BENEFITS	40
13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE	48
14. CAPITAL PROGRAMME PERFORMANCE.....	49
15. OTHER SUPPORTING DOCUMENTS.....	54
16. INCOME AND EXPENDITURE REPORTS FOR DIRECTORATE OF HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES AND MUNICIPAL SERVICES	56
17. MUNICIPAL MANAGER'S QUALITY CERTIFICATION.....	58
ANNEXURES:	59

LIST OF TABLES

Table 1: Performance Summary	7
Table 2:C1: Monthly Budget Statement Summary	12
Table 3: C2: Monthly Budget Statement – Financial Performance (standard classification)	13
Table 4: C3: Monthly Budget Statement – Financial Performance (Revenue and expenditure by municipal vote)	14
Table 5: C4: Monthly Budget Statement – Financial Performance (Revenue by Source and Expenditure by Type)	15
Table 6: Repairs and Maintenance per Directorate	20
Table 7: C5: Monthly Budget Statement – Capital Expenditure (municipal vote, standard classification and funding)	21
Table 8: C6: Monthly Budget Statement – Financial Position	22
Table 9: C7: Monthly Budget Statement – Cash Flow	23
Table 10: SC3 Monthly Budget Statement Aged Debtors	25
Table 11: Debtor’s Age Analysis by Income Source Comparison	27
Table 12: Age Analysis per Category Type	28
Table 13: Analysis of Government Debtors	29
Table 14: SC4 Monthly Budget Statement Aged Creditors	30
Table 15: Payments made to the 20 highest paid creditors – June 2017	31
Table 16: SC5 Monthly Budget Statement – investment portfolio	32
Table 17: SC7 Monthly Budget Statement – transfers and grants expenditure	35
Table 18: Spending per Conditional Grant Funding Allocation	36
Table 19: SC8 Monthly Budget Statement – Councilor and Staff Benefits	40
Table 20: Overtime per Directorate	41
Table 21: Overtime Per Cost Centre: April 2017 – June 2017	42
Table 22: Standby & Shift Allowance per Directorate	47
Table 23: Temporary Staff per Directorate	47
Table 24: Councillors Costs	48
Table 25: Monthly Budget Statement – summary of municipal entity	49
Table 26: Capital Expenditure per Funding Source against Budget	50
Table 27: Actual Expenditure per Service against Budget	50
Table 28: Actual Expenditure per Directorate against Budget	51
Table 29: SC12 Monthly budget Statement – capital expenditure trend	51
Table 30: SC13a Monthly budget Statement – capital expenditure on new assets by asset class	52
Table 31: SC13b Monthly budget Statement – capital expenditure on renewal of existing assets by asset class	53
Table 32: Operating Projects per Directorate	54
Table 33: Operating Projects per Funding Source	55
Table 34: Health / Public Safety & Emergency Services – Cost Analysis	56
Table 35: Municipal Services – Cost Analysis	57

PART 1: IN-YEAR REPORT

5. RESOLUTIONS

It is recommended that:

- (i) The Executive Mayor considers and notes the report on the preliminary statement of financial performance and the implementation of the 2016/17 budget for the period ended 30 June 2017 including supporting documentation attached as Annexure A to F for all year end financial transactions recorded up to close of business on 07 July 2017.
- (ii) The Executive Mayor notes the spending trend on capital and operating projects as well as the reasons for such an expenditure as indicated in section 14 and 15 respectively of this report for all year end financial transactions recorded up to close of business on 07 July 2017.
- (iii) The Executive Mayor notes the year to date collection rate for the period ended 30 June 2017 of 88.60%.

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 30 JUNE 2017

6.1. Dashboard / Performance Summary

Table 1: Performance Summary

OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	R 5,695,174,349	Bank Balance	R 10,813,131
Expenditure	(R 6,022,673,077)	Call investments (excl. int.)	R 1,655,141,677
Operating Deficit	(R 327,498,728)	Cash and cash equivalents	R 1,665,954,808
Transfers Recognised - Capital	R 603,468,121	<i>Account Payables</i>	<i>(R 450,535,254)</i>
Surplus After Capital Transfers	R 275,969,393	<i>Unspent conditional grants</i>	<i>(R 204,976,101)</i>
DEBTORS		<i>Committed to Capital budget-own funds</i>	<i>(R 174,216,618)</i>
Total debtors book	R 1,845,719,794	Therefore Cash and Cash equivalents ring fenced for assets renewal in outer years	R 836,226,835
Total debtors - Government	R 31,197,779	Total Long term loans	R 445,767,676
Total debtors - Business	R 492,700,198	SURPLUS / (DEFICIT) PER SERVICE	
Total debtors - Households	R 1,092,030,650	Water	R 38,820,109
Total debtors - Other	R 229,791,167	Electricity	R 127,846,759
Total debt written off	R 230,976,060	Refuse	(R 1,046,669)
REPAIRS AND MAINTENANCE		Sewerage	R 4,497,519
2015/2016: Exp. = R314.69 m, which is 85% of adjusted budget of R371.61 m	2016/2017: Exp.= R357.52 m, which is 85% of adjusted budget of R418.61 m	OPERATING PROJECTS EXPENDITURE	
CAPITAL EXPENDITURE		2015/2016: Exp. as a % of Adjusted Budget of R501.84m:	2016/2017: Exp. as a % of Adjusted Budget of R336.91m:
Exp. (excl. vat) = R1.01 bil % exp (Excl. vat) : 73%	Exp. (excl. vat) = R1.19 bil % exp (Excl. vat) :80%	Exp.(excl. vat)= R331.15 mil % exp.(excl. vat): 66%	Exp. (excl. vat) = R258.27 mil % exp.(excl. vat): 77%
Exp. (incl. vat) = R1.08 bil % exp (incl. vat): 78%	Exp. (incl. vat) = R1.27 bil % exp (incl. vat): 85%	Exp.(incl. vat) = R335.64 mil % exp.(incl. vat): 67%	Exp. (incl. vat) = R267.75 mil % exp.(incl. vat): 79%
FINANCIAL		HUMAN RESOURCES	
Operating Deficit for the period	(R 327,498,728)	Total staff complement	5 159
Debtors collection ratio	88.60%	Staff Appointments	612
YTD Grants and subsidies	R 1,269,023,050	Staff Terminations	187
% of Creditors paid within terms	100%	Number of funded vacant posts	675
Current ratio	3.14:1	Total overtime paid (YTD)	R 129,021,179
Total Debt to Revenue	9.72%	Allowances and benefits - Councillors	R 55,023,304
Capital Charges to Operating Expenditure	1.66%	Salary bill - Officials	R1,658,141,691
Cost coverage ratio	3.24 months	Workforce costs as a % of expenditure	28.45%

6.2 Liquidity position

Buffalo City Metropolitan Municipality's liquidity is considered relatively sound as the Current Ratio is 3.14:1 which indicates the ability of Municipality's current assets to cover its current liabilities. Debtors constitute 39% of the current assets, inventory constitutes 1% and cash & cash equivalents comprise 57% of the current assets. The City has a stronger cash and cash equivalent and can easily meet its immediate obligations.

6.3 Collection Rate and Outstanding Debtors

The year to date collection rate for the month ended 30 June 2017 is 88.60% (2015/16: 85.10%). The collection rate reflects an improvement when compared to the previous financial year. This ratio denotes the City's ability to collect the billed revenue from its consumers. The corrective measures that are implemented to improve the collection are detailed under section 8 of the report under debtors management.

Of concern is that during the past three (3) months (April 2017 to June 2017), disconnection action could not be implemented in the Inland region, due to the unstable ICT network. This has a negative effect on the implementation of the Credit Control Policy within the Inland region. This also results in outstanding rates and services bills increasing, which makes it more difficult to collect the debt going forward.

Total debtors book (including current accounts) as at 30 June 2017 amounts to R1.85 billion (2015/16: R1.68 billion). Households: R1.1 billion, Business: R492.7 million, Government: R31.2 million, Other: R229.8 million. BCMM analyses recoverability of debt on a monthly basis. During the latest review, an amount of R272.77 million was identified as irrecoverable in respect of rates and service charges. A report was prepared for Council's consideration and it was approved by Council and the debt has been written off during the 2016/2017 financial period.

Refer to section 8.1 of the report for details on debtors' management. The

debtors' age analysis report is reflected on Annexure B – SC3.

6.4 Capital Expenditure

BCMM has spent 85% (R1.27 billion, inclusive of reclaimed vat) of its 2016/17 adjusted capital budget of R1.49 billion as at 30 June 2017. This reflects an improvement in both percentage and rand value terms when compared to the same period in the previous financial year where 78% (R1.08 billion, inclusive of reclaimed vat) of the adjusted budget of R1.39 billion was spent. (Refer to Section 14 for further details).

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

6.5 Operating projects

The Metro has spent 79% (R267.75 million, inclusive of reclaimed vat) of its 2016/17 adjusted budget of R336.91 million as at 30 June 2017. This reflects an improvement in percentage terms when compared to the same period in the previous financial year where 67% (R335.64 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R501.84 million was spent. (Refer to Section 15 for further details).

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

6.6 Expenditure on Conditional Grants (DoRA Allocation)

The Metro has spent 96% (R787.34 million, inclusive of reclaimed vat) of its 2016/2017 conditional grants adjusted budget of R820.97 million as at 30 June 2017. This reflects an improvement when compared to the same period in the previous financial year where 90% (R740.17 million, inclusive of reclaimed of vat) of conditional grants budget of R824.32 million was spent. (Refer to Section 11 for further details).

6.6.1. Urban Settlement Development Grant (USDG) funded projects

BCMM has spent 104% (R759.3 million, inclusive of reclaimed vat) of its 2016/2017 USDG budget of R731.50 million as at 30 June 2017. This

reflects an improvement in both percentage and rand value terms when compared to the same period in the previous financial year where 93% (R702.61 million, inclusive of reclaimed of vat) of USDG budget of R755.5 million was spent. (Refer to Section 11 for further details).

6.7 Cash and Cash Equivalents

The cash and cash equivalents of the City as at 30 June 2017 are R1.67 billion made up of cash and bank amounting to R10.81 million and call investment deposits of R1.65 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 3.24 months. This ratio indicates the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue during that period. This ratio denotes that the City can meet its monthly operating commitments 3 times, which is above the norm of 1-3 months as per the MFMA circular 71.

6.8 Outstanding Creditors

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

6.9 Long-Term Debt Profile

The total long term borrowings of the municipality as at 30 June 2017 amounts to R445.77 million (Refer to Annexure C for the schedule of borrowings).

The ratio of capital charges to operating expenditure as at 30 June 2017 is 1.66%. This ratio assesses the level of capital charges / interest charges to operating expenditure. The norm as per the MFMA circular 71 is between 6 and 8%; BCMM is below the norm and has the capacity to take on additional borrowing to invest in infrastructure projects that generate revenue. The City is

currently in the process of securing additional loan funding which will result in the actual ratio moving closer to the norm.

The total debt to revenue ratio is 9.72% as at 30 June 2017, this indicates the extent of total borrowings (short and long term debt financing) in relation to total operating revenue of the municipality. The purpose of the ratio is to provide assurance that sufficient revenue will be generated to repay liabilities. The municipality is therefore highly solvent to meet its debt obligation as it is below the set ceiling of 45% in accordance with the MFMA circular 71.

7. IN-YEAR BUDGET STATEMENT MAIN TABLES

7.1 Monthly Budget Statement Summary

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

Table 2:C1: Monthly Budget Statement Summary

BUF Buffalo City - Table C1 Consolidated Monthly Budget Statement Summary - M12 June

Description	2015/16	Budget Year 2016/17							Full Year Forecast
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands									
Financial Performance									
Property rates	865 235	1 122 920	1 122 920	75 864	993 024	1 122 920	(129 896)	-12%	1 122 920
Service charges	2 749 648	2 928 610	2 928 610	206 543	2 929 174	2 928 610	564	0%	2 928 610
Investment revenue	154 775	143 844	143 775	11 654	148 618	143 775	4 843	3%	143 775
Transfers recognised - operational	963 670	1 319 728	1 356 414	24 703	1 269 023	1 356 414	(87 391)	-6%	1 356 414
Other own revenue	714 463	391 937	391 737	32 335	355 336	391 737	(36 401)	-9%	391 737
Total Revenue (excluding capital transfers and contributions)	5 447 791	5 907 039	5 943 457	351 099	5 695 174	5 943 457	(248 282)	-4%	5 943 457
Employee costs	1 352 201	1 531 068	1 506 068	133 443	1 658 142	1 506 068	152 073	10%	1 506 068
Remuneration of Councillors	54 375	58 099	58 099	4 643	55 023	58 099	(3 075)	-5%	58 099
Depreciation & asset impairment	789 811	748 339	748 339	62 362	748 339	748 339	-	-	748 339
Finance charges	54 878	57 105	52 105	9 746	49 172	52 105	(2 933)	-6%	52 105
Materials and bulk purchases	1 427 318	1 521 587	1 526 587	176 202	1 559 997	1 526 587	33 409	2%	1 526 587
Transfers and grants	237 321	288 468	306 068	37 156	399 936	306 068	93 868	31%	306 068
Other expenditure	1 548 531	1 701 295	1 745 112	209 198	1 552 064	1 745 112	(193 048)	-11%	1 745 112
Total Expenditure	5 464 435	5 905 961	5 942 379	632 750	6 022 673	5 942 379	80 295	1%	5 942 379
Surplus/(Deficit)	(16 644)	1 078	1 078	(281 650)	(327 499)	1 078	(328 577)	-30478%	1 078
Transfers recognised - capital	670 394	848 269	730 249	152 844	603 468	730 249	(126 781)	-17%	730 249
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	653 750	849 347	731 327	(128 807)	275 969	731 327	(455 357)	-62%	731 327
Share of surplus/ (deficit) of associate	30 383	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	684 133	849 347	731 327	(128 807)	275 969	731 327	(455 357)	-62%	731 327
Capital expenditure & funds sources									
Capital expenditure	1 186 373	1 558 134	1 491 448	312 807	1 190 451	1 491 448	(300 997)	-20%	1 491 448
Capital transfers recognised	670 394	848 269	730 249	152 844	603 468	730 249	(126 781)	-17%	730 249
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	69 582	-	-	-	-	-	-	(0)
Internally generated funds	515 979	640 283	761 199	159 964	586 983	761 199	(174 217)	-23%	761 199
Total sources of capital funds	1 186 373	1 558 134	1 491 448	312 807	1 190 451	1 491 448	(300 997)	-20%	1 491 448
Financial position									
Total current assets	3 571 174	3 526 080	3 526 080		2 920 443				3 250 381
Total non current assets	13 495 258	14 131 021	14 064 335		13 938 248				11 706 711
Total current liabilities	1 440 811	1 131 155	1 131 155		929 235				1 026 227
Total non current liabilities	944 139	1 177 274	1 107 692		919 566				1 099 508
Community wealth/Equity	14 681 482	15 348 672	15 351 568		15 009 889				13 080 576
Cash flows									
Net cash from (used) operating	1 395 072	1 648 938	1 452 884	(121 479)	531 533	1 452 884	921 351	63%	1 452 884
Net cash from (used) investing	(1 175 532)	(1 558 134)	(1 491 448)	(312 807)	(1 190 451)	(1 491 448)	(300 997)	20%	(1 491 448)
Net cash from (used) financing	(44 499)	17 757	(51 825)	(14 370)	(50 709)	(51 825)	(1 116)	2%	(51 825)
Cash/cash equivalents at the month/year end	2 375 582	2 490 747	2 291 798	-	1 665 955	2 291 798	625 843	27%	2 285 193
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	252 327	102 702	58 137	61 878	52 543	53 914	288 165	976 054	1 845 720
Creditors Age Analysis									
Total Creditors	417 501	33 034	-	-	-	-	-	-	450 535

7.2 Monthly Budget Statement – Financial Performance (standard classification)

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

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

BUF Buffalo City - Table C2 Consolidated Monthly Budget Statement - Financial Performance (standard classification) - M12 June

Description	Ref	Budget Year 2016/17								
		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>		2 029 240	2 268 639	2 238 758	101 731	2 116 921	2 238 758	(121 837)	-5%	2 238 758
Executive and council		23 255	30 796	22 902	3 142	18 902	22 902	(4 000)	-17%	22 902
Budget and treasury office		1 939 625	2 222 421	2 206 638	96 798	2 088 306	2 206 638	(118 332)	-5%	2 206 638
Corporate services		66 360	15 421	9 218	1 790	9 713	9 218	495	5%	9 218
<i>Community and public safety</i>		331 234	127 228	481 481	65 881	396 207	481 481	(85 274)	-18%	481 481
Community and social services		20 861	19 511	30 208	1 174	27 024	30 208	(3 184)	-11%	30 208
Sport and recreation		3 780	6 161	9 822	393	7 130	9 822	(2 692)	-27%	9 822
Public safety		113 972	98 758	156 226	16 029	144 703	156 226	(11 523)	-7%	156 226
Housing		192 193	-	285 203	48 283	217 052	285 203	(68 151)	-24%	285 203
Health		428	2 797	22	1	299	22	277	1251%	22
<i>Economic and environmental services</i>		35 488	100 222	317 362	55 442	212 297	317 362	(105 064)	-33%	317 362
Planning and development		22 073	26 543	35 004	6 695	31 654	35 004	(3 350)	-10%	35 004
Road transport		13 251	73 255	281 944	48 738	180 391	281 944	(101 554)	-36%	281 944
Environmental protection		165	423	414	9	253	414	(161)	-39%	414
<i>Trading services</i>		3 018 173	3 384 579	3 610 308	275 092	3 523 394	3 866 196	(342 802)	-9%	3 610 308
Electricity		1 751 891	1 931 170	1 947 625	143 277	1 831 650	1 947 625	(115 975)	-6%	1 947 625
Water		505 016	541 296	579 336	34 472	660 538	579 336	81 202	14%	579 336
Waste water management		384 179	446 227	669 618	64 494	633 713	669 618	(35 904)	-5%	669 618
Waste management		377 087	465 885	413 729	32 848	397 492	669 618	(272 125)	-41%	413 729
<i>Other</i>	4	734 434	874 641	25 797	5 798	49 823	25 797	24 026	93%	25 797
Total Revenue - Standard	2	6 148 568	6 755 308	6 673 705	503 943	6 298 642	6 929 594	(630 951)	-9%	6 673 705
Expenditure - Standard										
<i>Governance and administration</i>		967 780	1 189 292	1 042 362	86 047	960 357	1 042 362	(82 005)	-8%	1 042 362
Executive and council		250 586	209 046	301 700	27 452	296 158	301 700	(5 541)	-2%	301 700
Budget and treasury office		452 161	553 044	471 839	34 496	403 970	471 839	(67 869)	-14%	471 839
Corporate services		265 033	427 203	268 823	24 100	260 228	268 823	(8 595)	-3%	268 823
<i>Community and public safety</i>		719 662	738 246	718 908	86 717	746 626	718 908	27 718	4%	718 908
Community and social services		131 649	94 309	118 611	12 625	120 009	118 611	1 398	1%	118 611
Sport and recreation		74 197	77 113	68 111	6 570	117 430	68 111	49 319	72%	68 111
Public safety		266 258	224 016	308 513	28 453	338 763	308 513	30 250	10%	308 513
Housing		216 633	280 019	188 415	35 875	136 215	188 415	(52 200)	-28%	188 415
Health		30 925	62 789	35 258	3 194	34 209	35 258	(1 049)	-3%	35 258
<i>Economic and environmental services</i>		832 752	919 523	937 614	89 402	859 105	937 614	(78 509)	-8%	937 614
Planning and development		192 695	270 451	287 111	24 282	259 773	287 111	(27 339)	-10%	287 111
Road transport		532 428	543 263	540 848	55 525	494 425	540 848	(46 423)	-9%	540 848
Environmental protection		107 629	105 809	109 655	9 594	104 907	109 655	(4 747)	-4%	109 655
<i>Trading services</i>		2 928 376	3 041 214	3 223 058	368 779	3 428 548	3 223 058	205 491	6%	3 223 058
Electricity		1 575 891	1 725 555	1 787 089	206 240	1 816 326	1 787 089	29 237	2%	1 787 089
Water		647 217	531 791	595 721	66 414	703 654	595 721	107 933	18%	595 721
Waste water management		368 775	467 437	460 117	49 855	485 514	460 117	25 398	6%	460 117
Waste management		336 495	316 432	380 131	46 270	423 054	380 131	42 923	11%	380 131
<i>Other</i>		15 865	17 685	20 438	1 804	28 038	20 438	7 600	37%	20 438
Total Expenditure - Standard	3	5 464 435	5 905 961	5 942 379	632 750	6 022 673	5 942 379	80 295	1%	5 942 379

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

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

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

BUF Buffalo City - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M12 June

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - Directorate - Executive Support Services	1	383	145	548	28	32	548	(516)	-94.2%	548
Vote 2 - Directorate - City Manager		22 871	52 588	22 354	3 115	18 871	22 354	(3 484)	-15.6%	22 354
Vote 3 - Directorate - Human Settlements		192 193	362 572	285 203	48 283	223 828	285 203	(61 376)	-21.5%	285 203
Vote 4 - Directorate - Finance		2 610 019	2 947 365	2 206 638	96 798	2 088 459	2 206 638	(118 178)	-5.4%	2 206 638
Vote 5 - Directorate - Corporate Services		6 667	13 036	9 001	1 789	9 443	9 001	443	4.9%	9 001
Vote 6 - Directorate - Infrastructure Services		2 744 983	2 744 633	3 376 530	285 415	3 305 483	3 376 530	(71 046)	-2.1%	3 376 530
Vote 7 - Directorate - Development Planning		42 563	64 067	127 214	12 005	42 388	127 214	(84 826)	-66.7%	127 214
Vote 8 - Directorate - Health / Public Safety & Emergency Services		126 995	162 440	156 248	16 031	144 922	156 248	(11 326)	-7.2%	156 248
Vote 9 - Directorate - Municipal Services		401 893	408 195	454 173	34 424	432 429	454 173	(21 744)	-4.8%	454 173
Vote 10 - Directorate - Economic Development		-	-	35 797	6 055	32 787	35 797	(3 010)	-8.4%	35 797
Total Revenue by Vote	2	6 148 568	6 755 039	6 673 705	503 943	6 298 642	6 673 705	(375 063)	-5.6%	6 673 705
Expenditure by Vote										
Vote 1 - Directorate - Executive Support Services	1	177 703	206 009	203 711	20 466	200 308	203 711	(3 403)	-1.7%	203 711
Vote 2 - Directorate - City Manager		72 883	115 928	97 988	6 864	87 711	97 988	(10 277)	-10.5%	97 988
Vote 3 - Directorate - Human Settlements		216 633	346 542	188 415	36 261	143 819	188 415	(44 596)	-23.7%	188 415
Vote 4 - Directorate - Finance		452 161	551 753	471 839	34 496	424 859	471 839	(46 981)	-10.0%	471 839
Vote 5 - Directorate - Corporate Services		137 998	192 959	203 902	16 357	186 253	203 902	(17 649)	-8.7%	203 902
Vote 6 - Directorate - Infrastructure Services		3 230 074	3 234 571	3 405 480	382 384	3 531 044	3 405 480	125 564	3.7%	3 405 480
Vote 7 - Directorate - Development Planning		229 830	333 338	264 136	21 436	232 568	264 136	(31 567)	-12.0%	264 136
Vote 8 - Directorate - Health / Public Safety & Emergency Services		297 183	321 998	343 771	31 647	371 185	343 771	27 414	8.0%	343 771
Vote 9 - Directorate - Municipal Services		649 970	602 596	676 507	75 060	766 611	676 507	90 104	13.3%	676 507
Vote 10 - Directorate - Economic Development		-	-	86 628	7 780	78 314	86 628	(8 314)	-9.6%	86 628
Total Expenditure by Vote	2	5 464 435	5 905 692	5 942 379	632 750	6 022 673	5 942 379	80 295	1.4%	5 942 379
Surplus/ (Deficit) for the year	2	684 133	849 347	731 327	(128 807)	275 969	731 327	(455 357)	-62.3%	731 327

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

The statement of financial performance presented in table below, compares the expenditure and revenue on accrual basis against budget for the period ended 30 June 2017.

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

BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		865 235	1 122 920	1 122 920	75 864	993 024	1 122 920	(129 896)	-12%	1 122 920
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–
Service charges - electricity revenue		1 694 297	1 815 256	1 815 256	135 777	1 739 484	1 815 256	(75 772)	-4%	1 815 256
Service charges - water revenue		425 276	444 291	444 291	29 128	538 480	444 291	94 189	21%	444 291
Service charges - sanitation revenue		298 552	339 107	339 107	13 391	317 255	339 107	(21 852)	-6%	339 107
Service charges - refuse revenue		287 400	308 375	308 375	25 916	308 596	308 375	220	0%	308 375
Service charges - other		44 122	21 580	21 580	2 331	25 359	21 580	3 779	18%	21 580
Rental of facilities and equipment		16 583	20 045	20 045	2 470	16 293	20 045	(3 753)	-19%	20 045
Interest earned - external investments		154 775	143 844	143 775	11 654	148 618	143 775	4 843	3%	143 775
Interest earned - outstanding debtors		32 661	34 651	34 651	4 472	50 425	34 651	15 775	46%	34 651
Dividends received		–	–	–	–	–	–	–	–	–
Fines		5 594	8 385	8 385	1 595	10 670	8 385	2 285	27%	8 385
Licences and permits		12 612	13 958	13 958	1 717	14 216	13 958	257	2%	13 958
Agency services		–	–	–	–	–	–	–	–	–
Transfers recognised - operational		963 670	1 319 728	1 356 414	24 703	1 269 023	1 356 414	(87 391)	-6%	1 356 414
Other revenue		646 513	314 898	314 698	22 081	263 733	314 698	(50 965)	-16%	314 698
Gains on disposal of PPE		500	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		5 447 791	5 907 039	5 943 457	351 099	5 695 174	5 943 457	(248 282)	-4%	5 943 457

BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M12 June

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		1 352 201	1 531 068	1 506 068	133 443	1 658 142	1 506 068	152 073	10%	1 506 068
Remuneration of councillors		54 375	58 099	58 099	4 643	55 023	58 099	(3 075)	-5%	58 099
Debt impairment		210 111	303 865	303 865	25 322	303 865	303 865	-		303 865
Depreciation & asset impairment		789 811	748 339	748 339	62 362	748 339	748 339	-		748 339
Finance charges		54 878	57 105	52 105	9 746	49 172	52 105	(2 933)	-6%	52 105
Bulk purchases		1 427 318	1 521 587	1 526 587	176 202	1 559 997	1 526 587	33 409	2%	1 526 587
Other materials		-	-	-	-	-	-	-		-
Contracted services		-	22 486	38 960	4 580	37 493	38 960	(1 467)	-4%	38 960
Transfers and grants		237 321	288 468	306 068	37 156	399 936	306 068	93 868	31%	306 068
Other expenditure		1 338 420	1 374 944	1 402 287	179 296	1 210 706	1 402 287	(191 581)	-14%	1 402 287
Loss on disposal of PPE		-	-	-	-	-	-	-		-
Total Expenditure		5 464 435	5 905 961	5 942 379	632 750	6 022 673	5 942 379	80 295	1%	5 942 379
Surplus/(Deficit)		(16 644)	1 078	1 078	(281 650)	(327 499)	1 078	(328 577)	(0)	1 078
Transfers recognised - capital		670 394	848 269	730 249	152 844	603 468	730 249	(126 781)	(0)	730 249
Contributions recognised - capital		-	-	-	-	-	-	-		-
Contributed assets		-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		653 750	849 347	731 327	(128 807)	275 969	731 327			731 327
Taxation		-	-	-	-	-	-	-		-
Surplus/(Deficit) after taxation		653 750	849 347	731 327	(128 807)	275 969	731 327			731 327
Attributable to minorities		-	-	-	-	-	-	-		-
Surplus/(Deficit) attributable to municipality		653 750	849 347	731 327	(128 807)	275 969	731 327			731 327
Share of surplus/ (deficit) of associate		30 383	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year		684 133	849 347	731 327	(128 807)	275 969	731 327			731 327

7.4.1 ANALYSIS OF STATEMENT OF FINANCIAL PERFORMANCE

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

7.4.1.1 Property rates

The current rating tariff for vacant land is 3 times higher than the residential tariff, leading to reduction of revenue in most cases when a property is improved, as the value of the property will increase, whereas a lower rating factor is applied.

7.4.1.2 Service Charges – water revenue

The primary increase relates to R90.5 million that has been raised in respect of free water provision to rural indigent customers for the period of 01 July 2016 to 30 June 2017. This was previously not accounted for as there were no bulk meters installed. The increase in the urban billing component resulted as additional actual readings were processed which resulted in the reversal of interim accounts whereby the actual consumption exceeded the interim consumptions.

7.4.1.3 Service Charges – other

The primary increase relates to Electricity Availability charges that were raised through the billing system during the financial period 2016/17 (ending 30 June 2017). Where no consumable services are raised due to vacant properties, an availability charge is raised in terms of the approved tariff policy of BCMM.

7.4.1.4 Rental of facilities equipment

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

7.4.1.5 Interest earned – outstanding debtors

Despite credit control and debt collection actions that are implemented, the primary contributing factor to the increase in interest earned from outstanding debtors is attributed to the non-payment by customers as a result of poor

economic outlook and high unemployment rates.

7.4.1.6 Fines

The increase in revenue in terms of Traffic Fines can be attributed to the appointment of Total Client Services (service provider appointed by BCMM to assist with collection of fines), the use of the Automatic Number Plate Recognition system whereby offenders/vehicles are stopped if their vehicle is spotted with outstanding fines, the use of the sms system alerting offenders of their obligation to pay for outstanding fines, as well as an increase in operational activities such as road blocks and speed enforcements.

7.4.1.7 Other revenue

Other revenue is made up of numerous miscellaneous items (e.g. town planning fees, fire levy charges, market income, road & transport registration fees, cemetery & burial fees, etc.). The revenue items contributing to the material variance are the following:

- Transport fees: loss of revenue is due to reduced bus services, buses have been reduced from twenty-one (21) to five (5) as they were older than 20 years. A Section 78 Study on BCMM buses will be completed by July 2017, the purpose of the study is to assess whether the municipality should run or outsource the bus service.
- Vehicle Registration Fees: loss of revenue can be attributed to the fact that licences and permits can be renewed at the Post Office and Provincial Traffic Department in Wilsonia.
- Collection Charges: this relates to the recoverable legal costs to be recovered from debtors. Legal action could not be taken due to the fact that the contract with the Collection Agents had expired, and the subsequent contract has been challenged by the unsuccessful bidder. Therefore legal collection action is on hold until that process has been concluded.

7.4.1.8 Employee related costs

This is as a result of the salary standardisation back pay paid to employees in the month of April 2017.

7.4.1.9 Transfers and grants

The primary increase relates to R90.5 million that has been raised in respect of free water provision to rural indigent customers for the period of 01 July 2016 to 30 June 2017. This was previously not accounted for as there were no bulk meters installed.

7.4.1.10 Other expenditure

Other expenditure includes operating projects, operational costs as well as repairs and maintenance and these expenditure categories are underspent by 14% when compared to the annual budget. Details of expenditure on repairs and maintenance are provided in table 6 below. Details on operating projects are provided on section 15 of the report.

7.4.1.11 Repairs and Maintenance

Table 6 below reflects that as at 30 June 2017, the repairs and maintenance expenditure is 85% of the adjusted budget of R418.61 million (2015/16: 85%). Refer to Annexure B: SC13c (repairs and maintenance by asset class).

Table 6: Repairs and Maintenance per Directorate

Directorate	<u>2016/2017 Adjusted Budget</u> R	<u>2016/2017 Annual Expenditure</u> R	<u>2016/2017 - Variance</u> R	<u>2016/2017 % of Budget</u> %
Directorate Of Executive Support Services	3 235 637	1 644 303	1 591 334	51%
Directorate Of The City Manager	134 478	20 740	113 738	15%
Directorate Of Corporate Services	6 540 381	4 074 966	2 465 415	62%
Directorate Of Spatial Planning and Development	28 357 088	21 386 482	6 970 606	75%
Directorate Of Economic Development & Agencies	1 180 627	956 006	224 621	81%
Directorate Of Finance	3 273 630	793 560	2 480 070	24%
Directorate Of Health / Public Safety & Emergency Services	6 195 492	4 255 836	1 939 656	69%
Directorate Of Human Settlement	108 421	98 431	9 990	91%
Directorate Of Infrastructure Services	331 976 103	288 791 951	43 184 152	87%
<i>Electricity</i>	126 668 926	118 164 265	8 504 661	93%
<i>Water</i>	47 248 367	46 710 464	537 903	99%
<i>Sanitation</i>	37 045 111	35 072 292	1 972 819	95%
<i>Other</i>	121 013 699	88 844 929	32 168 770	73%
Directorate Of Municipal Services	37 607 278	35 499 047	2 108 231	94%
TOTAL	418 609 135	357 521 321	61 087 814	85%

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

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

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

BUF Buffalo City - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding - M12 June

Vote Description	Ref	2015/16		Budget Year 2016/17						
		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		2 222	5 500	6 578	273	2 815	6 578	(3 763)	-57%	6 578
Vote 2 - Directorate - City Manager		5 142	17 522	78 822	4 543	54 413	78 822	(24 409)	-31%	78 822
Vote 3 - Directorate - Human Settlements		203 043	202 441	140 779	45 327	151 906	140 779	11 127	8%	140 779
Vote 4 - Directorate - Finance		2 034	10 600	18 798	1 271	2 008	18 798	(16 790)	-89%	18 798
Vote 5 - Directorate - Corporate Services		9 001	7 100	4 534	80	926	4 534	(3 608)	-80%	4 534
Vote 6 - Directorate - Infrastructure Services		818 247	887 671	870 932	208 756	818 029	870 932	(52 903)	-6%	870 932
Vote 7 - Directorate - Development Planning		66 629	230 290	191 432	29 091	71 468	191 432	(119 964)	-63%	191 432
Vote 8 - Directorate - Health / Public Safety & Emergency Services		4 810	30 032	29 765	7 556	11 146	29 765	(18 619)	-63%	29 765
Vote 9 - Directorate - Municipal Services		75 245	122 478	96 045	6 150	48 055	96 045	(47 990)	-50%	96 045
Vote 10 - Directorate - Economic Development		-	44 500	53 764	9 759	29 685	53 764	(24 079)	-45%	53 764
Total Capital Multi-year expenditure	4,7	1 186 373	1 558 134	1 491 448	312 807	1 190 451	1 491 448	(300 997)	-20%	1 491 448
Total Capital Expenditure		1 186 373	1 558 134	1 491 448	312 807	1 190 451	1 491 448	(300 997)	-20%	1 491 448
Capital Expenditure - Standard Classification										
Governance and administration		18 399	40 722	108 731	6 168	60 161	108 731	(48 570)	-45%	108 731
Executive and council		7 364	23 022	85 400	4 817	57 227	85 400	(28 172)	-33%	85 400
Budget and treasury office		2 034	10 600	18 798	1 271	2 008	18 798	(16 790)	-89%	18 798
Corporate services		9 001	7 100	4 534	80	926	4 534	(3 608)	-80%	4 534
Community and public safety		245 226	276 498	222 422	58 935	210 526	222 422	(11 895)	-5%	222 422
Community and social services		14 751	23 300	30 226	2 165	22 591	30 226	(7 635)	-25%	30 226
Sport and recreation		22 622	20 725	21 651	3 887	24 883	21 651	3 232	15%	21 651
Public safety		4 810	30 032	29 765	7 556	11 146	29 765	(18 619)	-63%	29 765
Housing		203 043	202 441	140 779	45 327	151 906	140 779	11 127	8%	140 779
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		398 399	541 969	524 795	104 990	362 974	524 795	(161 821)	-31%	524 795
Planning and development		66 629	274 790	245 196	38 850	101 153	245 196	(144 043)	-59%	245 196
Road transport		331 770	267 179	279 599	66 141	261 821	279 599	(17 778)	-6%	279 599
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		476 965	680 946	602 738	110 131	497 134	602 738	(105 604)	-18%	602 738
Electricity		146 652	143 000	154 613	25 371	119 557	154 613	(35 056)	-23%	154 613
Water		116 452	87 500	155 541	26 033	160 594	155 541	5 053	3%	155 541
Waste water management		175 989	371 992	248 417	58 628	216 403	248 417	(32 014)	-13%	248 417
Waste management		37 872	78 454	44 168	98	581	44 168	(43 587)	-99%	44 168
Other		47 384	18 000	32 762	32 583	59 655	32 762	26 893	82%	32 762
Total Capital Expenditure - Standard Classification	3	1 186 373	1 558 134	1 491 448	312 807	1 190 451	1 491 448	(300 997)	-20%	1 491 448
Funded by:										
National Government		596 567	741 969	715 886	152 632	599 238	715 886	(116 648)	-16%	715 886
Provincial Government		73 827	106 300	14 134	184	4 202	14 134	(9 932)	-70%	14 134
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	229	28	28	229	(201)	-88%	229
Transfers recognised - capital		670 394	848 269	730 249	152 844	603 468	730 249	(126 781)	-17%	730 249
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	69 582	-	-	-	-	-	-	(0)
Internally generated funds		515 979	640 283	761 199	159 964	586 983	761 199	(174 217)	-23%	761 199
Total Capital Funding		1 186 373	1 558 134	1 491 448	312 807	1 190 451	1 491 448	(300 997)	-20%	1 491 448

7.6 Monthly Budget Statement – Financial Position

The table below reflects the financial position of the Metro. It is good to note that the Metro is having excess assets over liabilities resulting into the net worth of R15 billion.

Table 8: C6: Monthly Budget Statement – Financial Position

BUF Buffalo City - Table C6 Consolidated Monthly Budget Statement - Financial Position - M12 June

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		223 091	80 644	80 644	10 813	80 000
Call investment deposits		2 152 490	2 410 242	2 410 242	1 655 142	2 303 434
Consumer debtors		695 008	820 635	820 635	438 311	671 945
Other debtors		464 554	108 064	108 064	780 887	98 188
Current portion of long-term receivables		–	15	15	–	14
Inventory		36 030	106 480	106 480	35 290	96 800
Total current assets		3 571 174	3 526 080	3 526 080	2 920 443	3 250 381
Non current assets						
Long-term receivables		–	66	66	–	60
Investments		–	–	–	–	–
Investment property		342 030	485 540	485 540	342 030	411 400
Investments in Associate		112 292	90 099	90 099	112 292	–
Property, plant and equipment		12 885 962	13 447 560	13 380 874	13 328 961	11 197 291
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		85 956	25 080	25 080	85 948	22 800
Other non-current assets		69 018	82 676	82 676	69 018	75 160
Total non current assets		13 495 258	14 131 021	14 064 335	13 938 248	11 706 711
TOTAL ASSETS		17 066 433	17 657 101	17 590 415	16 858 691	14 957 092
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		50 709	51 825	51 825	24 573	46 097
Consumer deposits		53 708	59 455	59 455	57 321	54 050
Trade and other payables		1 161 531	852 917	852 917	655 511	774 300
Provisions		174 863	166 958	166 958	191 830	151 780
Total current liabilities		1 440 811	1 131 155	1 131 155	929 235	1 026 227
Non current liabilities						
Borrowing		445 768	518 175	448 593	421 195	500 418
Provisions		498 372	659 099	659 099	498 372	599 090
Total non current liabilities		944 139	1 177 274	1 107 692	919 566	1 099 508
TOTAL LIABILITIES		2 384 950	2 308 429	2 238 847	1 848 802	2 125 735
NET ASSETS	2	14 681 482	15 348 672	15 351 568	15 009 889	12 831 357
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		10 067 541	12 256 811	12 259 707	10 395 949	10 269 793
Reserves		4 613 941	3 091 861	3 091 861	4 613 941	2 810 783
TOTAL COMMUNITY WEALTH/EQUITY	2	14 681 482	15 348 672	15 351 568	15 009 889	13 080 576

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 decrease of R709.63 million resulting in cash and cash equivalents closing balance of R2.38 billion as at June 2017. The net decrease in cash and cash equivalents can be attributed to the back pay on salaries' standardisation.

Table 9: C7: Monthly Budget Statement – Cash Flow

BUF Buffalo City - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M12 June

Description	Ref	2015/16	Budget Year 2016/17							
		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		865 235	1 038 701	1 038 701	81 798	879 819	1 038 701	(158 882)	-15%	1 038 701
Service charges		2 749 648	2 708 964	2 708 964	223 856	2 572 780	2 708 964	(136 185)	-5%	2 708 964
Other revenue		73 095	330 374	330 305	57 308	318 404	330 305	(11 901)	-4%	330 305
Government - operating		963 670	1 319 728	1 356 414	4 528	1 248 847	1 356 414	(107 567)	-8%	1 356 414
Government - capital		670 394	848 269	730 249	-	704 273	730 249	(25 976)	-4%	730 249
Interest		187 436	178 495	178 426	16 126	199 043	178 426	20 617	12%	178 426
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(3 822 207)	(4 430 013)	(4 534 446)	(458 192)	(4 942 525)	(4 534 446)	408 079	-9%	(4 534 446)
Finance charges		(54 878)	(57 113)	(52 105)	(9 746)	(49 172)	(52 105)	(2 933)	6%	(52 105)
Transfers and Grants		(237 321)	(288 468)	(303 624)	(37 156)	(399 936)	(303 624)	96 312	-32%	(303 624)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 395 072	1 648 938	1 452 884	(121 479)	531 533	1 452 884	921 351	63%	1 452 884
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		10 841	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(1 186 373)	(1 558 134)	(1 491 448)	(312 807)	(1 190 451)	(1 491 448)	(300 997)	20%	(1 491 448)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1 175 532)	(1 558 134)	(1 491 448)	(312 807)	(1 190 451)	(1 491 448)	(300 997)	20%	(1 491 448)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	69 582	0	-	-	-	-		-
Increase (decrease) in consumer deposits		5 203	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		(49 702)	(51 825)	(51 825)	(14 370)	(50 709)	(51 825)	(1 116)	2%	(51 825)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(44 499)	17 757	(51 825)	(14 370)	(50 709)	(51 825)	(1 116)	2%	(51 825)
NET INCREASE/ (DECREASE) IN CASH HELD										
		175 041	108 561	(90 389)	(448 656)	(709 627)	(90 389)			(90 389)
Cash/cash equivalents at beginning:		2 200 541	2 382 186	2 382 186		2 375 582	2 382 186			2 375 582
Cash/cash equivalents at month/year end:		2 375 582	2 490 747	2 291 798		1 665 955	2 291 798			2 285 193

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

BUF Buffalo City - Supporting Table SC3 Monthly Budget Statement - aged debtors - M12 June

Description	NT Code	Budget Year 2016/17									Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.to 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	42 724	29 899	20 427	23 698	20 703	23 940	92 327	239 652	493 370	400 320		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	87 902	27 998	5 885	8 459	3 840	3 058	15 796	26 575	179 512	57 727		
Receivables from Non-exchange Transactions - Property Rates	1400	73 553	24 583	17 130	16 266	15 100	14 233	94 387	322 397	577 648	462 383		
Receivables from Exchange Transactions - Waste Water Management	1500	21 131	8 261	5 296	4 741	4 400	4 147	28 430	112 820	189 226	154 537		
Receivables from Exchange Transactions - Waste Management	1600	16 587	8 025	6 229	5 751	5 560	5 400	38 141	162 764	248 458	217 617		
Receivables from Exchange Transactions - Property Rental Debtors	1700	75	70	67	73	67	67	500	3 556	4 474	4 262		
Interest on Arrear Debtor Accounts	1810									-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-		
Other	1900	10 355	3 866	3 103	2 890	2 874	3 069	18 585	108 290	153 032	135 708		
Total By Income Source	2000	252 327	102 702	58 137	61 878	52 543	53 914	288 165	976 054	1 845 720	1 432 554	-	-
2015/16 - totals only		291 855	76 034	61 181	45 985	38 837	3 439	210 133	719 269	1 446 733	1 017 663		
Debtors Age Analysis By Customer Group													
Organs of State	2200	15 630	4 006	933	953	236	185	2 269	6 986	31 198	10 629		
Commercial	2300	124 046	39 499	14 461	18 443	13 553	12 492	68 048	202 159	492 700	314 695		
Households	2400	102 639	53 243	37 568	37 574	33 656	35 883	184 401	607 065	1 092 031	898 580		
Other	2500	10 012	5 953	5 175	4 909	5 098	5 354	33 447	159 843	229 791	208 651		
Total By Customer Group	2600	252 327	102 702	58 137	61 878	52 543	53 914	288 165	976 054	1 845 720	1 432 554	-	-

8.1.1. Additional debtors information

The debtors that are older than 30 days, which includes all charges, amounted to R1.59 billion as at 30 June 2017 which is an increase of R21.23 million over the amount of R1.57 billion as at 31 May 2017.

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

Furthermore, the municipality is experiencing the following challenges, which have a negative impact in the collection ratio:

- Consumers, who are unable to pay, deliberately raise queries, so that their accounts can be held in abeyance. When a query is logged, the account is flagged and protected against credit control action while the query is being investigated.
- Instability of the network, especially in the Mdantsane and King Williams Town areas, this continuously hampers the staff from attending to consumer accounts on time.
- Illegal connections and meter tampering is contributing to non-payment of services.

Revenue management has however embarked on implementing the following strategies in order to improve the collection rate:

- Effective implementation of disconnection of the electricity is being monitored and reviewed continuously;
- A Task Team within Revenue Management has been constituted to identify and to ensure that the consumer accounts in arrears are scrutinized with the intention of fast tracking collection of the debt, which will result in the reduction of the book debt;
- The Credit Control and Indigent Support Policy has been reviewed with the intention to implement strict controls over collection;
- Standard operating procedures have been reviewed and adopted which are currently being implemented;
- The Rates and Valuation are constantly checking whether properties are zoned correctly and subsequently raising the correct rates tariff.

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 30 June 2017. It also provides comparison with the previous month (31 May 2017) which indicates an increase from R1.57 billion to R1.59 billion.

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

AGEING	RATES	SEWERAGE	ELECTRICITY	WATER	REFUSE	SUNDRY DEBTORS	TOTAL FOR JUNE 2017	TOTAL FOR MAY 2017
30 DAYS	24 583 006	8 260 954	27 997 691	29 898 947	8 025 465	3 935 762	102 701 825	88 702 678
60 DAYS	17 129 903	5 295 866	5 885 480	20 426 594	6 229 020	3 170 281	58 137 144	69 759 670
90 DAYS	16 266 037	4 740 653	8 459 007	23 698 046	5 751 420	2 963 046	61 878 209	56 805 584
120 DAYS TO 360 DAYS	123 719 800	36 976 826	22 692 947	136 969 961	49 101 044	25 161 346	394 621 925	386 030 710
YEAR 2	121 947 697	28 867 875	10 270 980	79 274 511	39 336 066	21 759 803	301 456 932	300 078 034
YEAR 3	94 815 215	18 661 119	5 559 906	48 874 733	25 285 124	18 530 090	211 726 186	209 586 474
YEAR 4	26 215 827	17 598 227	2 987 425	32 275 312	24 352 301	19 486 895	122 915 987	121 701 020
YEAR 5	20 000 966	12 579 532	2 048 025	19 899 798	17 839 170	14 384 475	86 751 966	87 042 257
YEAR 5+	59 417 151	35 113 113	5 708 560	59 328 114	55 951 406	37 684 213	253 202 556	252 454 777
TOTAL	504 095 602	168 094 164	91 610 021	450 646 016	231 871 015	147 075 911	1 593 392 729	1 572 161 204

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 30 June 2017. 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	39 019 268	25 327 605	24 258 461	644 064 870	732 670 206	45.97
Indigent	13 893 521	12 105 776	13 190 661	216 245 868	255 435 826	16.03
Business	39 498 606	14 460 922	18 443 207	296 251 481	368 654 216	23.14
Government	4 006 442	932 609	952 853	9 675 788	15 567 692	0.98
Municipal Staff	330 635	135 053	124 453	695 336	1 285 476	0.08
Other	5 953 353	5 175 178	4 908 574	203 742 209	219 779 313	13.79
Total	102 701 825	58 137 143	61 878 209	1 370 675 552	1 593 392 729	100

Note*: A stop order deduction is implemented for all municipal staff and councillors in arrears. When new staff join the employ of the municipality in many instances there is services debt, and therefore the arrears will be liquidated over an acceptable period of time, in terms of the Credit Control Policy. The reason why the debt reflects in the 30/60/90 day columns relating to staff and councillors is due to the fact that when the stop orders are receipted the payment is allocated to the oldest ageing category, giving the impression that current is not being paid, which is not the case as an amount is being deducted for current accounts. Stop orders are only receipted on the billing system after the salary run and this now creates an impression that the accounts are in arrears as payment was receipted after the due date. Business Connexion (BCX) as the system vendor has been tasked to look into ways that can resolve the timing issue.

8.2.3. Government Accounts

The total arrears (30 days and above) owed by Government Departments to Buffalo City Metropolitan Municipality as at 30 June 2017 amounted to R15.57 million. This indicates an increase of R2.23 million when compared to the prior month amount of R13.33 million. The breakdown of the arrears per department (excluding accounts in credit) is indicated in the table hereunder, as at 30 June 2017. The primary reason of the increase relates to payments received after 30 June 2017, which will reflect in the July 2017 reporting.

Table 13 below provides an analysis of government debtors that are older than 30 days as at 30 June 2017 and comparison with the previous month.

Table 13: Analysis of Government Debtors

DEPARTMENT	PROPERTY RATES	SERVICES	ARREARS AS AT 30 JUNE 2017	ARREARS AS AT 31 MAY 2017	DIFFERENCE
National Department Of Public Works	121 105	3 249 115	3 370 220	575 628	2 794 592
Provincial Department Of Public Works	476 685	1 349 132	1 825 817	632 266	193 551
Department Of Education	0	1 078 710	1 078 710	1 467 412	(388 702)
Department Of Health	0	2 799 462	2 799 462	4 103 584	(1 304 122)
Department Of Social Development	0	212 349	212 349	606 472	(394 124)
Department Of Transport	0	0	0	4 268	(4 268)
Department Of Nature Conservation	0	0	0	10 895	(10 895)
Department of Human Settlements	0	12 881	12 881	10 184	2 696
Department Sport, Recreation, Arts and Culture	0	6 777	6 777	0	6 777
Department of Labour - UIF Services	0	190 590	190 590	12 729	177 861
Members Of Provincial Legislature	0	214 493	214 493	98 149	116 344
Department of Rural Development and Land Reform	0	625 480	625 480	619 683	5 797
Department of Public Works and Department of Human Settlements in respect of RDP Houses	0	5 230 914	5 230 914	5 192 342	38 572
TOTAL	597 790	14 969 902	15 567 692	13 333 611	2 234 081

9. CREDITORS' ANALYSIS

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

Table 14: SC4 Monthly Budget Statement Aged Creditors

BUF Buffalo City - Supporting Table SC4 Monthly Budget Statement - aged creditors - M12 June

Description	NT Code	Budget Year 2016/17									Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	181 072	-	-	-	-	-	-	-	181 072	84 169	
Bulk Water	0200	13 258	-	-	-	-	-	-	-	13 258	16 072	
PAYE deductions	0300	13 183	-	-	-	-	-	-	-	13 183	12 135	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	19 513	-	-	-	-	-	-	-	19 513	15 490	
Loan repayments	0600	26 627	-	-	-	-	-	-	-	26 627	-	
Trade Creditors	0700	146 928	33 034	-	-	-	-	-	-	179 962	100 376	
Auditor General	0800	306	-	-	-	-	-	-	-	306	435	
Other	0900	16 615	-	-	-	-	-	-	-	16 615	114 702	
Total By Customer Type	1000	417 501	33 034	-	-	-	-	-	-	450 535	343 380	

The table below (table 15) depicts actual payments made by BCMM to its top twenty (20) creditors in June 2017.

Table 15: Payments made to the 20 highest paid creditors – June 2017

CREDITOR	90 DAYS	60 DAYS	30 DAYS	CURRENT	TOTAL	PAYMENT
ESKOM				181 071 529	181 071 529	181 071 529
ASLA CONSTRUCTION (PTY) LTD			33 034 266	-	33 034 266	33 034 266
MOTHEO/ MPUMALANGA JOINT VENTURE				24 239 385	24 239 385	24 239 385
MANTELLA TRADING 522CC				17 987 120	17 987 120	17 987 120
S A M E WATER (PTY) LTD				15 458 051	15 458 051	15 458 051
CZAR CONSTRUCTION				15 168 625	15 168 625	15 168 625
AMATOLA WATER				13 258 147	13 258 147	13 258 147
XMOOR TRANSPORT (PTY) LTD				10 848 327	10 848 327	10 848 327
EYA BANTU PROFFESIONAL SERVICES CC				10 739 230	10 739 230	10 739 230
HAW & INGLIS (PTY) LTD				9 972 544	9 972 544	9 972 544
MAZIYA GENERAL SERVICES				9 798 701	9 798 701	9 798 701
MORETENG INVESTMENTS				9 170 464	9 170 464	9 170 464
T V R CONSTRUCTION				7 816 456	7 816 456	7 816 456
MAZCON CIVIL & BUIKDING CONTRACTORS				7 785 619	7 785 619	7 785 619
DOWN TOUCH INVESTMENTS (PTY) LTD				7 630 457	7 630 457	7 630 457
GEAT SERVICES (PTY) LTD				7 592 673	7 592 673	7 592 673
ABERDARE CABLES (PTY) LTD				6 942 998	6 942 998	6 942 998
TSHUVANE SERVICES				6 194 787	6 194 787	6 194 787
M W P CONSTRUCTION CC				5 915 957	5 915 957	5 915 957
LIFETIME CONNECTION MANUFACTURING SUPPLY CC				5 204 088	5 204 088	5 204 088
TOTAL	-	-	33 034 266	372 795 157	405 829 424	405 829 424

10. INVESTMENT PORTFOLIO ANALYSIS

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

Table 16: SC5 Monthly Budget Statement – investment portfolio

BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June

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
		Yrs/Months							
R thousands									
Municipality									
Rand Merchant Bank X021901943		Call Account	Call Account	Call Account	270	2.6%	50 510	270	50 780
Absa 91 2884 4539		Call Account	Call Account	Call Account	3	0.0%	722	(521)	201
Standard 422 742		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Absa 91 4102 2241		Call Account	Call Account	Call Account	49	0.5%	9 135	(50)	9 085
Absa 91 4163 6965		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Absa 91 5484 1280		Call Account	Call Account	Call Account	–	0.0%	(0)	–	(0)
Rand Merchant Bank X021904910		Call Account	Call Account	Call Account	50	0.5%	9 323	(2)	9 322
Standard 76586/442740		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Absa 92 0562 2137		Call Account	Call Account	Call Account	5	0.0%	862	5	867
Rand Merchant Bank X021904913		Call Account	Call Account	Call Account	85	0.8%	15 888	85	15 973
Stanlib 551 660 303		Call Account	Call Account	Call Account	172	1.7%	27 206	(80)	27 126
Nedbank 03/7881532939/000041		Call Account	Call Account	Call Account	7	0.1%	1 383	(48)	1 335
Nedbank 03/7881532939/000056		Call Account	Call Account	Call Account	6	0.1%	1 092	(46)	1 046
Nedbank 03/7881532939/000058		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Nedbank 03/7881532939/000103		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Nedbank 03/7881532939/000064		Call Account	Call Account	Call Account	48	0.5%	8 922	48	8 969
Absa 92 0559 0710		Call Account	Call Account	Call Account	0	0.0%	44	0	45
Nedbank 03/7881532939/000117		Call Account	Call Account	Call Account	3	0.0%	499	(148)	351
Nedbank 03/7881532939/000108		Call Account	Call Account	Call Account	1	0.0%	183	1	184
Absa 92 2975 5568		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Absa 91 9360 7257		Call Account	Call Account	Call Account	6	0.1%	1 055	6	1 060
Nedbank 03/7881532939/000110		Call Account	Call Account	Call Account	1	0.0%	264	1	266

BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June

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
		Yrs/Months							
R thousands									
Municipality									
Rand Merchant Bank RRB1629010		Call Account	Call Account	Call Account	421	4.1%	78 713	421	79 133
Stanlib 551 989 180		Call Account	Call Account	Call Account	254	2.5%	40 171	254	40 425
Absa 92 2590 9850		Call Account	Call Account	Call Account	6	0.1%	1 039	6	1 045
Stanlib 551 539 764		Call Account	Call Account	Call Account	12	0.1%	1 967	12	1 980
Rand Merchant Bank RRB0324003		Call Account	Call Account	Call Account	–	0.0%	(0)	–	(0)
Stanlib 551 567 496		Call Account	Call Account	Call Account	0	0.0%	2	0	2
Stanlib 551 576 733		Call Account	Call Account	Call Account	–	0.0%	0	–	0
Rand Merchant Bank RRB0B25020		Call Account	Call Account	Call Account	9	0.1%	1 701	9	1 710
Standard 76586/442743		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Rand Merchant Bank RRB1609012		Call Account	Call Account	Call Account	–	0.0%	(0)	–	(0)
Stanlib 551 742 405		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Rand Merchant Bank KLN2308011		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Nedbank 03/7881532939/000128		Call Account	Call Account	Call Account	122	1.2%	25 406	(18 573)	6 833
Rand Merchant Bank RRB1722008		Call Account	Call Account	Call Account	278	2.7%	56 087	(29 722)	26 365
Standard 76586/442745		Call Account	Call Account	Call Account	212	2.0%	39 696	212	39 908
Absa 92 6406 3148		Call Account	Call Account	Call Account	461	4.4%	86 333	461	86 794
Rand Merchant Bank KLN2720020		Call Account	Call Account	Call Account	22	0.2%	4 201	(1 040)	3 161
Stanlib 551 868 235		Call Account	Call Account	Call Account	1	0.0%	146	1	147
Absa 92 0559 0891		Call Account	Call Account	Call Account	3	0.0%	496	3	499
Rand Merchant Bank VVW2B13011		Call Account	Call Account	Call Account	2	0.0%	365	2	367
Standard 76586/494573		Call Account	Call Account	Call Account	33	0.3%	6 113	33	6 146
Nedbank 03/7881532939/000133		Call Account	Call Account	Call Account	3	0.0%	538	3	541

BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M12 June

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
		Yrs/Months							
R thousands									
<u>Municipality</u>									
Nedbank 03/7881532939/000134		Call Account	Call Account	Call Account	181	1.8%	34 039	(335)	33 703
Stanlib 753 72 270		Call Account	Call Account	Call Account	347	3.3%	54 702	347	55 049
Stanlib 551 353 708		Call Account	Call Account	Call Account	7	0.1%	1 111	7	1 118
Standard 76586/442736		Call Account	Call Account	Call Account	295	2.8%	70 291	(44 705)	25 587
Stanlib 753 72 271		Call Account	Call Account	Call Account	341	3.3%	63 837	(29 659)	34 177
Rand Merchant Bank X021904579		Call Account	Call Account	Call Account	273	2.6%	80 066	(51 727)	28 338
Nedbank 03/7881532939/000101		Call Account	Call Account	Call Account	265	2.6%	73 831	(42 735)	31 096
Absa 92 1120 9757		Call Account	Call Account	Call Account	982	9.5%	210 449	(79 018)	131 431
Absa 92 2110 3430		Call Account	Call Account	Call Account	977	9.4%	182 962	977	183 940
Standard 76586/442741		Call Account	Call Account	Call Account	180	1.7%	33 603	180	33 783
Standard 76586/442744		Call Account	Call Account	Call Account	161	1.5%	30 048	161	30 208
Rand Merchant Bank RRB0C07002		Call Account	Call Account	Call Account	290	2.8%	54 318	290	54 608
Nedbank 03/7881532939/000129		Call Account	Call Account	Call Account	259	2.5%	48 444	259	48 702
Nedbank 03/7881532939/000132		Call Account	Call Account	Call Account	1 672	16.1%	315 973	(29 328)	286 645
Rand Merchant Bank KLN3815041		Call Account	Call Account	Call Account	866	8.3%	163 853	(17 134)	146 719
Standard 76586/470801		Call Account	Call Account	Call Account	718	6.9%	136 461	(20 282)	116 179
Standard 76586/442738		Call Account	Call Account	Call Account	14	0.1%	2 552	14	2 566
Municipality sub-total					10 369		2 026 601	(361 090)	1 665 511
<u>Reconciling item</u>									
TOTAL INVESTMENTS AND INTEREST	2				10 369		2 026 601	(361 090)	1 665 511

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 17: SC7(1) Monthly Budget Statement – transfers and grants expenditure

BUF Buffalo City - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M12 June

Description	Ref	Budget Year 2016/17								
		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:		763 536	1 174 961	1 193 311	10 072	1 185 696	1 193 311	(7 615)	-0.6%	1 179 961
Local Government Equitable Share		655 141	678 197	678 197	–	678 197	678 197	–	–	678 197
Urban Settlement Development Grant		98 783	75 445	88 745	8 385	86 535	88 745	(2 210)	-2.5%	75 445
Finance Management		1 194	1 200	1 250	170	1 254	1 250	4	0.3%	1 200
EPWP Incentive		1 034	1 188	1 188	337	1 191	1 188	3	0.3%	1 188
Infrastructure Skills Development Grant		4 186	8 900	8 900	870	6 600	8 900	(2 300)	-25.8%	8 900
Public Transport Infrastructure and Systems Grant		–	–	5 000	310	1 888	5 000	(3 112)	-62.2%	5 000
Department of Public Works		–	–	–	–	–	–	–	–	–
Integrated City Development Grant		–	–	–	–	–	–	–	–	–
Municipal Human Settlement Capacity Grant		3 198	–	–	–	–	–	–	–	–
General Fuel Levy		–	410 031	410 031	–	410 031	410 031	–	–	410 031
Provincial Government:		197 710	141 272	162 289	32 630	121 431	121 785	(354)	-0.3%	138 802
Roads Subsidy - Provincial Roads		–	–	–	–	–	–	–	–	–
Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT) - Greening Award		–	–	–	–	–	–	–	–	–
Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT)		–	–	–	–	–	–	–	–	–
Department of Water Affairs		–	–	–	–	–	–	–	–	–
Local Government & Traditional Affairs		3 130	–	–	–	–	–	–	–	–
Health Subsidy - ATIC		–	–	–	–	–	–	–	–	–
DSRAC - Library Subsidy		9 638	15 000	15 000	–	15 000	15 000	–	–	15 000
Reclaim Land Claims Commission(RLCC		–	–	–	–	–	–	–	–	–
Dept Sport, Recreation, Arts and Culture (DSRAC)		30	–	–	–	–	–	–	–	–
Department of Public Works		–	2 470	2 470	287	2 116	2 470	(354)	-14.3%	–
Human Settlement Development Grant		184 186	123 802	144 819	32 343	104 315	104 315	–	–	123 802
Dept of Land Affairs		727	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	262	–	262	#DIV/0!	–
Health Subsidy - Environmental Health		–	–	–	–	262	–	262	#DIV/0!	–
Other grant providers:		2 424	3 496	815	206	3 140	815	2 326	285.5%	3 496
SETA - Skills Development		2 309	–	–	–	2 935	–	2 935	#DIV/0!	–
Donor Funding - Leiden & Galve		–	–	229	206	206	229	(23)	-10.1%	–
Salauda		–	–	–	–	–	–	–	–	–
Transnet		–	3 000	–	–	–	–	–	–	3 000
Trust Funds		–	–	–	–	–	–	–	–	–
Umsobomvu Youth Fund		116	–	–	–	–	–	–	–	–
BCMETS Funding		–	–	–	–	–	–	–	–	–
Donor Funding - European Commission		–	–	–	–	–	–	–	–	–
City of Oldenburg		–	496	496	–	–	496	(496)	-100.0%	496
Vuna Awards		–	–	90	–	0	90	(90)	-100.0%	–
Total operating expenditure of Transfers and Grants:		963 670	1 319 728	1 356 414	42 908	1 310 530	1 315 911	(5 381)	-0.4%	1 322 259
Capital expenditure of Transfers and Grants										
National Government:		596 567	741 969	715 886	152 632	599 238	715 886	(116 648)	-16.3%	741 969
Urban Settlement Development Grant		576 870	656 054	642 754	146 545	583 546	642 754	(59 208)	-9.2%	656 054
Infrastructure Skills Development Grant		88	100	100	–	27	100	(73)	-73.0%	100
Energy Efficiency and Demand Management		3 998	–	–	–	–	–	–	–	–
Public Transport Network Grant		–	35 289	30 289	–	–	30 289	(30 289)	-100.0%	35 289
Neighbourhood Development Partnership		–	19 346	–	–	–	–	–	–	19 346
Integrated National Electrification Programme		10 517	25 000	36 613	1 303	10 862	36 613	(25 750)	-70.3%	25 000
Finance Management		102	100	50	19	38	50	(12)	-23.9%	100
Integrated City Development Grant		4 908	6 080	6 080	4 765	4 765	6 080	(1 315)	-21.6%	6 080
Municipal Human Settlement Capacity Grant		83	–	–	–	–	–	–	–	–
Provincial Government:		73 827	106 300	13 647	184	4 202	13 647	(9 444)	-69.2%	106 300
Human Settlement Development Grant		70 224	106 300	–	–	–	–	–	–	106 300
Human Settlement Development Grant - MPCC		–	–	–	–	–	–	–	–	–
Dept Sport, Recreation, Arts and Culture (DSRAC)		3 603	–	4 411	184	4 202	4 411	(209)	-4.7%	–
Dept of Local Government and Traditional Affairs		–	–	9 036	–	–	9 036	(9 036)	-100.0%	–
Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT)		–	–	199	–	–	199	(199)	-100.0%	–
District Municipality:		–	–	–	–	–	–	–	–	–
Health Subsidy - Environmental Health		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	716	28	28	716	(689)	-96.1%	–
Public Funding		–	–	–	–	–	–	–	–	–
European Commission		–	–	–	–	–	–	–	–	–
BCMETS Funding		–	–	487	–	–	487	–	–	–
Lieden		–	–	229	28	28	229	(201)	-87.9%	–
Total capital expenditure of Transfers and Grants		670 394	848 269	730 249	152 844	603 468	730 249	(126 781)	-17.4%	848 269
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 634 064	2 167 997	2 086 663	195 751	1 913 998	2 046 159	(132 162)	-6.5%	2 170 528

11.1 Expenditure On Conditional Grants (DoRA Allocation)

The Metro has spent 96% (R787.34 million, inclusive of reclaimed vat) of its 2016/2017 conditional grants adjusted budget of R820.97 million as at 30 June 2017. This reflects an improvement in both percentage and rand value terms when compared to the same period in the previous financial year where 90% (R740.17 million, inclusive of reclaimed of vat) of conditional grants mid-year adjusted budget of R824.34 million was spent.

Table 18 below reflects the year to date expenditure on 2016/17 total conditional grants.

Table 18: Spending per Conditional Grant Funding Allocation

Funding	2016/2017 Rollover Adjustment Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Integrated National Electrification Programme Grant	36 612 579	11 141 767	25 470 812	30%
Finance Management Grant	1 300 000	1 297 620	2 380	100%
Infrastructure Skills Development Grant	9 000 000	6 826 716	2 173 284	76%
Urban Settlement Development Grant	731 499 000	759 300 865	-27 801 865	104%
Integrated City Development Grant	6 080 000	5 431 578	648 422	89%
Expanded Public Works Programme Grant	1 188 000	1 192 661	-4 661	100%
Public Transport Network Grant	35 289 000	2 152 314	33 136 686	6%
TOTAL CONDITIONAL GRANTS	820 968 579	787 343 521	33 625 058	96%

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

11.1.1. INTERGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)

The following contracts were planned for the 2016/17 financial year:

AREA	CONNECTIONS
Buffer Strip Mdantsane Households	550
Chicken Farm Households	475
Fynbos/Scenery Park Households	550
Infills Households	50

The INEP funding is utilised to fund the above mentioned electrification programme. Service providers have recently been appointed (award) for

Chicken Farm Households and Fynbos/Scenery Park Households, work will commence in July 2017. Fifty (50) connections have been completed for infills households.

11.1.2. FINANCE MANAGEMENT GRANT

The funding has been fully utilised. Initially there were six interns on the internship programme and an additional three interns were appointed effective from 01 November 2016. The interns were remunerated accordingly. Furthermore, the grant funded training in Municipal Finance Management Programme (MFMP) which is being attended by three interns and three finance officials.

11.1.3. INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)

The funding was only being used to pay the interns stipends as well as mentor salaries. Previously there were eleven (11) interns in the program together with 2 external mentors. Nine (9) additional interns started on 01 December 2016 and their stipends increased expenditure. Four (4) additional mentors were appointed effective from 01 April 2017 and expenditure increased thereof. Furthermore, there were delays in the appointment of the GIS Mentor. A roll-over application of R1.83 million accompanied by a recovery plan will be requested to National Treasury.

11.1.4. INTERGRATED CITY DEVELOPMENT GRANT (ICDG)

Rehabilitation works at Oxford Street, North and Stephenson Streets completed.

11.1.5. URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)

INFRASTRUCTURE SERVICES

Sanitation

Numerous projects are multi-year and on-going and expenditure is as per contractors performance.

Electricity

Six (6) electrification of informal dwelling area projects have been completed. Four (4) street lighting projects and three (3) highmast installations have been completed, this project is 86% complete. The INEP Electrification Programme - Counter funding Reeston Phase 3 (Chicken Farm) Electrification is still work in progress and it is 63% complete.

SPATIAL PLANNING & DEVELOPMENT

KwaTshathsu Pedestrian Bridge

Tender was awarded on 22 November 2016 and construction commenced on 06 March 2017; the project is approximately 90% completed at the end June 2017.

Needs Camp / Potsdam Bridge

The construction tender was awarded on the 09 December 2016. One of the losing bidders contested the award and recently withdrew. Construction was meant to commence late in April 2017 but due to the Department of Labour delaying to issue a construction permit, which was only issued on 9 June 2017, the Contractor only commenced on the 21st June 2017.

Traffic signals

Service Providers have been appointed to assess intersection controls that need improvement. Once the studies are completed, implementation will then be undertaken by means of acquiring materials and installing traffic signals at Amalinda (SPCA & Amalinda Stadium intersection) and Dice and Mdantsane Access Road intersections. Count Down signals will also be installed in the East London and King Williams Town Central Business District (CBD).

Sidewalks

Construction of Sidewalks in Mdantsane NU5 and Airport Township have been completed.

HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES

The Construction of King William's Town Traffic Centre tender was awarded on the 27th February 2017. Sod Turning ceremony took place on the 5 April 2017 and site Construction is in progress & contractor is progressing well. Contractor is 8 weeks ahead of program and estimated completion date is February 2018.

MUNICIPAL SERVICES

The contractor is on site for the construction of Cell 3 and 4 for Roundhill landfill site and the project is progressing well.

11.1.5.1. PUBLIC TRANSPORT NETWORK GRANT

Transport Register

Meetings were held with Taxi Associations so that preparation for Data Collections can proceed. Data Collection resumed in February 2017 and is progressing well.

Operational plan review of integrated rapid public transport network

The tender for the review of the Operational Plan was advertised on the 1st July 2016 and closed on the 2nd August 2016. The project was awarded on 9 June 2017.

Qumza Highway

The Tender for the Construction of Qumza Highway closed on 21 October 2016 and has recently been awarded in June 2017 and the Contractor has started Site Establishment.

Development and Upgrading of Public Transport Facilities in KWT

The contractor started construction in January 2017 and building works is progressing well.

12. COUNCILLOR AND EMPLOYEE BENEFITS

12.1. Councillor and Employees Benefits Summary

Table 19 below provides summary of employees and Councillors remuneration. The workforce costs as a percentage of expenditure amounted to 28.45%.

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

BUF Buffalo City - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M12 June

Summary of Employee and Councillor remuneration	Ref	2015/16		Budget Year 2016/17						
		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		30 991	33 999	33 999	2 717	32 239	33 999	(1 760)	-5%	33 999
Pension and UIF Contributions		3 306	3 495	3 495	315	3 400	3 495	(95)	-3%	3 495
Medical Aid Contributions		1 783	1 987	1 987	166	1 717	1 987	(269)	-14%	1 987
Motor Vehicle Allowance		11 682	13 412	13 412	1 062	12 556	13 412	(856)	-6%	13 412
Cellphone Allowance		2 147	2 279	2 279	191	2 309	2 279	31	1%	2 279
Housing Allowances		2 847	2 927	2 927	193	2 801	2 927	(126)	-4%	2 927
Other benefits and allowances		1 620	-	-	-	-	-	-	-	-
Sub Total - Councillors		54 375	58 099	58 099	4 643	55 023	58 099	(3 075)	-5%	58 099
% increase	4		6.8%	6.8%						6.8%
Senior Managers of the Municipality										
Basic Salaries and Wages		5 998	12 192	12 192	1 193	5 972	11 993	(6 021)	-50%	12 192
Pension and UIF Contributions		1 166	2 216	2 216	97	1 003	2 180	(1 177)	-54%	2 216
Medical Aid Contributions		136	262	262	18	151	258	(107)	-41%	262
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1 370	2 630	2 630	114	1 164	2 587	(1 423)	-55%	2 630
Cellphone Allowance		195	414	414	12	136	408	(272)	-67%	414
Housing Allowances		1	-	-	-	-	-	-	-	-
Other benefits and allowances		1 551	2 202	2 202	198	1 493	2 166	(672)	-31%	2 202
Payments in lieu of leave		885	-	-	-	-	-	-	-	-
Long service awards		(1)	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		11 300	19 916	19 916	1 632	9 919	19 590	(9 671)	-49%	19 916
% increase	4		76.2%	76.2%						76.2%
Other Municipal Staff										
Basic Salaries and Wages		788 780	913 258	888 258	80 890	1 033 273	898 346	134 927	15%	913 258
Pension and UIF Contributions		146 210	174 823	174 823	15 364	180 399	171 969	8 430	5%	174 823
Medical Aid Contributions		60 245	81 759	81 759	6 912	74 876	80 424	(5 549)	-7%	81 759
Overtime		121 192	72 218	72 218	8 919	129 021	71 039	57 982	82%	72 218
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		20 565	30 051	30 051	2 286	24 358	29 561	(5 203)	-18%	30 051
Cellphone Allowance		3 967	3 884	3 884	354	3 758	3 821	(62)	-2%	3 884
Housing Allowances		11 858	14 767	14 767	838	9 803	14 526	(4 723)	-33%	14 767
Other benefits and allowances		136 219	179 077	179 077	14 499	170 420	176 153	(5 733)	-3%	179 077
Payments in lieu of leave		33 749	16 209	16 209	-	1 387	15 944	(14 557)	-91%	16 209
Long service awards		18 114	18 925	18 925	1 743	20 853	18 616	2 237	12%	18 925
Post-retirement benefit obligations		-	6 181	6 181	6	75	6 080	(6 005)	-99%	6 181
Sub Total - Other Municipal Staff		1 340 901	1 511 153	1 486 153	131 811	1 648 223	1 486 478	161 745	11%	1 511 153
% increase	4		12.7%	10.8%						12.7%
Total Parent Municipality		1 406 576	1 589 167	1 564 167	138 086	1 713 165	1 564 167	148 998	10%	1 589 167
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS		1 406 576	1 602 436	1 577 436	138 086	1 713 165	1 564 167	148 998	10%	1 602 436
% increase	4		13.9%	12.1%						13.9%
TOTAL MANAGERS AND STAFF		1 352 201	1 544 233	1 519 233	133 443	1 658 142	1 506 068	152 073	10%	1 544 233

12.2. Overtime Analysis

Table 20 below provides comparison of overtime expenditure against budget per directorate for the period ended 30 June 2017. Table 21 below details overtime expenditure incurred per cost centre for the past three months ended 30 June 2017.

Table 20: Overtime per Directorate

Directorate Overtime	2016/2017 Adjusted Budget R	2016/2017 YTD Budget R	2016/2017 YTD Expenditure R	2016/2017 Variance R	2016/2017 % of YTD Budget %
Directorate Of Executive Support Services	1 638 161	1 638 161	3 863 666	(2 225 505)	236%
Directorate Of The City Manager	310 477	310 477	316 200	(5 723)	102%
Directorate Of Corporate Services	597 129	597 129	1 020 630	(423 501)	171%
Directorate Of Spatial Planning & Development	623 454	623 454	342 770	280 684	55%
Directorate Of Economic Development & Agencies	468 800	468 800	350 981	117 819	75%
Directorate Of Finance	1 358 753	1 358 753	2 023 384	(664 631)	149%
Directorate Of Health / Public Safety & Emergency Services	24 680 251	24 680 251	38 462 272	(13 782 021)	156%
Directorate Of Human Settlement	101 931	101 931	1 180	100 751	1%
Directorate Of Infrastructure Services	17 131 302	17 131 302	37 553 523	(20 422 221)	219%
<i>Electricity</i>	7 741 181	7 741 181	12 542 599	(4 801 418)	162%
<i>Water</i>	3 352 141	3 352 141	13 871 882	(10 519 741)	414%
<i>Sanitation</i>	4 954 818	4 954 818	10 096 716	(5 141 898)	204%
<i>Other</i>	1 083 162	1 083 162	1 042 326	40 836	96%
Directorate Of Municipal Services	20 279 324	20 279 324	45 086 574	(24 807 250)	222%
Total	67 189 582	67 189 582	129 021 179	(61 831 597)	192%

Table 21: Overtime Per Cost Centre: April 2017 – June 2017

OVERTIME PER COST CENTRE

		April 2017 Amount	May 2017 Amount	June 2017 Amount
	DIRECTORATE -EXECUTIVE SUPPORT SERVICES			
0505	OFFICE OF THE DIRECTOR EXECUTIVE SUPPORT SERVICES	286 454.22	275 710.40	225 438.63
0512	INTERNATIONAL & INTERGOVERNMENTAL RELATIONS	14 180.17	25 272.24	29 370.21
0523	IDP & BUDGET INTEGRATION	6 016.56	1 143.29	7 036.37
0526	IEMP & SUSTAINABLE DEVELOPMENT	0	756.30	1 346.85
0531	POLITICAL OFFICE ADMINISTRATION	503.76	39 852.65	22 828.81
0536	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	16 931.67	8 720.31	23 737.76
0542	SPECIAL PROGRAMMES	0	7 497.44	0
		324 086.38	358 952.63	309 758.63
	DIRECTORATE OF THE CITY MANAGER			
1005	OFFICE OF THE CITY MANAGER	29 203.74	34 993.44	17 929.85
1015	INFORMATION / TECHNOLOGY & SUPPORT	17 897.29	21 731.07	42 320.43
		47 101.03	56 724.51	60 250.28
	DIRECTORATE OF CORPORATE SERVICES			
1512	ADMINISTRATIVE & CORPORATE SUPPORT AUXILLIARY / RECORDS & DECISION TRACKING AND TELECOMMUNICATIONS	22 471.49	25 290.94	21 461.93
1513	HUMAN RESOURCES MANAGEMENT	0	0	1 757.21
1531	ADMINISTRATIVE SUPPORT	8 851.26	8 851.26	2 950.42
1532	EMPLOYEE RELATIONS	6 511.66	0	0
1533	ORGANISATIONAL DEVELOPMENT	1 163.68	0	0
1536		79 569.75	71 952.28	66 413.10
	DIRECTORATE OF SPATIAL PLANNING & DEVELOPMENT			
2023	BUILDING MAINTENANCE	14 960.86	0	0
2034	INTEGRATED PUBLIC TRANSPORT NETWORK OPERATIONS	9 192.76	5 782.56	13 423.29
2037	TRAFFIC MANAGEMENT & SAFETY	12 738.26	6 271.42	5 957.40
		36 891.88	12 053.98	19 380.69

		April 2017 Amount	May 2017 Amount	June 2017 Amount
	DIRECTORATE OF ECONOMIC DEVELOPMENT & AGENCIES			
2511	FRESH PRODUCE MARKET	19 113.05	248.12	15 996.07
2521	TOURISM / ARTS / CULTURE & HERITAGE	47 772.66	0	0
2531	TRADE / INDUSTRY & RURAL AGRARIAN	7 713.24	0	0
		74 598.95	248.12	15 996.07
	DIRECTORATE OF FINANCE			
3011	BUDGET & TREASURY MANAGEMENT	652.30	0	0
3031	EXPENDITURE & PAYMENTS MANAGEMENT	9 750.93	0	3 552.11
3034	VAT / LEASES & PAYMENTS	0	0	9 110.47
3051	REVENUE MANAGEMENT	3 860.91	6 524.08	1 934.17
3052	ACCOUNTS MANAGEMENT & REVENUE CONTROL	108 576.04	141 315.66	103 589.97
3053	COASTAL REVENUE MANAGEMENT	33 974.71	34 562.43	12 468.72
3057	RATES & VALUATIONS	0	0	3 207.17
3061	STRATEGY & OPERATIONS	2 520.70	2 520.70	0
3071	SUPPLY CHAIN MANAGEMENT	3 910.62	16 759.28	45 688.49
		163 246.21	201 682.15	179 551.10
	DIRECTORATE OF HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES			
3512	DISASTER MANAGEMENT	7 598.90	1 500.82	7 293.73
3513	FIRE & RESCUE	378 674.26	1 165 185.40	334 894.87
3521	MUNICIPAL HEALTH SERVICES	9 198.27	16 371.61	520.34
3531	PUBLIC SAFETY & PROTECTION SERVICES	63 269.14	43 775.94	65 300.60
3532	LAW ENFORCEMENT SERVICES	1 488 327.91	2 368 026.53	1 256 842.22
3533	TRAFFIC SERVICES	439 741.31	422 271.94	425 460.38
		2 386 809.79	4 017 132.24	2 090 312.14
	DIRECTORATE OF INFRASTRUCTURE SERVICES			
4505	OFFICE OF THE DIRECTOR OF INFRASTRUCTURE SERVICES	2 757.19	1 166.49	2 332.98
4511	ELECTRICAL & ENERGY SERVICES	12 575.25	1 536.78	2 268.01
4512	CUSTOMER SERVICES & REVENUE PROTECTION	88 026.62	95 728.13	87 362.09
4513	ELECTRICAL DEVELOPMENT / CONTRACTS & ASSETS	3 859.15	3 043.02	3 010.91
4514	ELECTRICAL DISTRIBUTION	1 264 111.11	958 635.42	897 291.58
4524	ROADS	12 510.42	19 119.31	41 114.87
4532	SANITATION	798 198.59	933 839.18	770 086.60
4533	SCIENTIFIC SERVICES	0	12 751.61	0
4535	WATER SERVICES	1 128 020.81	1 127 331.96	1 141 932.15

		April 2017 Amount	May 2017 Amount	June 2017 Amount
4542	FLEET SERVICES & PLANT	23 499.98	5 250.82	0
4543	WORKSHOPS	48 209.15	56 186.50	53 884.75
		3 381 768.27	3 214 589.22	2 999 283.94
	DIRECTORATE OF MUNICIPAL SERVICES			
5005	OFFICE OF THE DIRECTOR OF MUNICIPAL SERVICES	20 238.77	24 815.19	24 061.81
5011	COMMUNITY AMENITIES	21 849.55	24 388.15	20 755.79
5013	LIBRARIES	90 396.16	37 334.16	50 862.87
5014	HALLS	262 132.19	195 459.70	165 016.18
5015	RECREATION	467 283.76	577 080.89	407 678.62
5016	SPORTS FACILITIES	247 519.69	207 959.25	190 372.61
5022	CEMETRIES & CREMATORIA	260 746.35	293 882.71	293 234.84
5023	CONSERVATION	123 180.44	155 668.17	112 335.39
5024	PARKS: COASTAL	1 102 069.74	420 000.87	79 700.28
5031	SOLID WASTE MANAGEMENT	11 036.42	15 082.49	15 131.11
5032	CLEANSING & REFUSE REMOVAL: COASTAL	1 688 595.11	1 660 917.53	1 206 049.40
5035	LANDFILLS & TRANSFER STATIONS	121 380.43	134 000.60	109 973.71
		4 416 428.61	3 746 589.71	2 675 172.61
	TOTAL OVERTIME	10 910 500.87	11 679 924.84	8 416 118.56

12.2.1. Comments On Overtime

a) Directorate of Executive Support Services

The over expenditure is due to the respective political office's Bodyguards having to work extended overtime and night shifts. Furthermore, Public Participation (Political Office) unit staff had to work overtime due to loudhailing done after business hours and on weekends and also attending IDP/Budget Hearings.

b) City Managers Office

The over expenditure on overtime was due to the year end procedures that were undertaken by the Internal Audit unit.

c) Directorate of Corporate Services

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

d) Directorate of Finance

A large portion of the over expenditure was due to Financial Reporting and Supply Chain Management officials having to work overtime in order to meet the deadlines for the submission of Requests for Information (RFI's) to the Auditor General (AGSA). Furthermore, in the month of April 2017 staff worked emergency overtime due to the implementation of credit control policy to BCMM consumers for all three regions. Coastal region consumer support staff had to attend to all consumers that were being disconnected and blocked due to network challenges that were experienced in Midland and Inland regions. This resulted in extended hours being worked by coastal staff. In the month of May 2017 some staff attended the IDP/budget roadshows.

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 illegal connections etc.

Water – Overtime is incurred while carrying out emergency work due to the high

number of pipe bursts.

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

f) Directorate of Health / Public Safety & Emergency Services

The traffic services as an emergency service will always have to work overtime due to the nature of services rendered in that it has to respond to all emergencies either road accidents, unrest situations, protest marches, shortage of staff and disasters. Health Officials attended events to ensure health compliance regarding catering, vendors and toilet facilities and measuring of noise levels at place of entertainment following complaints. Big events were held where presence of Health officials was most vital, eg Africa Bike Week and BCMM Easter Festival Buffalo Park Stadium in April.

g) Directorate of Municipal Services

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

The Department of Solid Waste Management is experiencing a shortage of trucks due to mechanical problems and a shortage of staff. The department is forced to allow workers to work after hours in order to curb the backlogs in certain areas to meet service delivery expectations and some areas within the region require a seven days coverage of refuse removal due to large volumes of waste generated.

12.3. Standby and Shift Allowance Analysis

Table 22 below reflects the total standby and shift allowance incurred per directorate for the past three months ended 30 June 2017. There was a decrease in the total payment between April 2017 and May 2017 of R97 265 and a decrease in the total payment between May 2017 and June 2017 of R27 333.

Table 22: Standby & Shift Allowance per Directorate

	APRIL 2017	MAY 2017	JUNE 2017
Directorate of Executive Support Services	8 579	7 778	6 390
Directorate of the City Manager	33 499	45 274	40 488
Directorate of Corporate Services	1 120	1 267	827
Directorate of Spatial Planning and Development	14 028	10 721	14 224
Directorate Economic Development & Agencies	3 110	-	1 468
Directorate of Finance	18 476	17 815	18 480
Directorate of Health / Public Safety & Emergency Services	669 131	636 116	615 589
Directorate of Infrastructure Services	712 396	662 998	675 901
Directorate of Municipal Services	316 639	297 744	279 011
TOTAL	1 776 977	1 679 712	1 652 378

12.4. Cost of Temporary Staff

The total payment of Temporary Staff for the past three months ended 30 June 2017 is reflected below. There was a decrease in the total payment between April 2017 and May 2017 of R3 874 563. There was a decrease in the total payment between May 2017 and June 2017 of R252 696.

Table 23: Temporary Staff per Directorate

	APRIL 2017	MAY 2017	JUNE 2017
Directorate of Executive Support Services	688 371	437 804	339 643
Directorate of the City Manager	574 588	233 149	193 473
Directorate of Corporate Services	1 419 200	1 246 128	1 238 532
Directorate of Spatial Planning and Development	283 488	153 693	108 625
Directorate Economic Development & Agencies	77 484	58 221	35 274
Directorate of Finance	710 983	423 909	397 551
Directorate of Health / Public Safety & Emergency Services	237 147	182 884	173 716
Directorate of Human Settlements	263 347	112 290	150 664
Directorate of Infrastructure Services	363 618	190 683	177 887
Directorate of Municipal Services	4 242 324	1 947 225	1 917 925
TOTAL	8 860 550	4 985 986	4 733 290

12.5. Councillors Costs

The table below shows the budget and expenditure to date for councillors' costs. The year to date budget of R58 098 801 less the year to date expenditure of R55 023 304 leaves a variance of R3 075 497.

Table 24: Councillors Costs

Councillors Allowances and Benefits	2016/2017	2016/2017	2016/2017	2016/2017	2016/2017
	Annual Budget	YTD Budget	YTD Expenditure	Variance	YTD Expenditure %
	R	R	R	R	%
Mayoral Allowance	790 172	790 172	731 636	58 536	93%
Deputy Mayoral Allowance	638 158	638 158	594 780	43 378	93%
Mayoral Committee Allowance	6 599 489	6 599 489	5 399 060	1 200 429	82%
Speakers Allowance	638 158	638 158	598 250	39 908	94%
Out of Pocket Expenses	1 208 400	1 208 400	491 462	716 938	41%
Councillors Allowance	24 124 437	24 124 437	24 423 814	-299 377	101%
Cllr Cell Phone Allowance	2 278 635	2 278 635	2 309 234	-30 599	101%
Cllr Housing Subsidy	2 927 329	2 927 329	2 801 464	125 865	96%
Cllr Medical Aid	1 986 812	1 986 812	1 7 17 336	269 476	86%
Cllr Pension Scheme	3 495 042	3 495 042	3 400 255	94 787	97%
Cllr Travel Allowance	13 412 169	13 412 169	12 556 014	856 155	94%
TOTAL	58 098 801	58 098 801	55 023 304	3 075 497	95%

13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE

The entity has started operating on its own with minimal need for daily support from the parent municipality. The Buffalo City Metropolitan Development Agency had a budget of R18.38 million which has been adjusted to R 20.8 million to include the Greenest Municipal Competition grant received from Department of Environmental Affairs. The business plan for the said grant was only approved in December 2016 hence it became imperative to include the grant amount in the adjustments budget. The entities expenditure to date is R 17.51 million (84%) of the R 20.8 million as at 30 June 2017.

The statement of financial performance of the entity presented in the table below, compares the expenditure and revenue against budget for the period ended 30 June 2017.

Table 25: Monthly Budget Statement – summary of municipal entity

BUF Buffalo City - Supporting Table SC11 Monthly Budget Statement - summary of municipal entities - M12 June

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Municipal Entity										
<i>Buffalo City Metropolitan Development Agency SOC Ltd</i>										
Interest earned - external investments		-	69	199	14	200	199	1	1%	199
Transfers recognised - operational		764	18 116	18 116	-	15 891	18 116	(2 225)	-12%	18 116
Agency services			200	375	-	99	375			375
Other revenue		-		2 134	299	955	2 134	(1 179)	-55%	2 134
								-		
Total Operating Revenue	1	764	18 385	20 824	313	17 145	20 824	(3 679)	-18%	20 824
Expenditure By Municipal Entity										
<i>Buffalo City Metropolitan Development Agency SOC Ltd</i>										
Employee related costs		760	12 225	9 773	901	9 670	9 773	(103)	-1%	9 773
Remuneration of Directors		156	566	561	36	459	561	(102)	-18%	561
Depreciation & asset impairment		3	393	393	55	334	393	(60)	-15%	393
Finance charges		-	8	3	-	-	3	(3)	-100%	3
Other expenditure		276	5 192	7 336	670	4 679	7 336	(2 657)	-36%	7 336
								-		
Total Operating Expenditure	2	1 194	18 385	18 065	1 661	15 141	18 065	(2 924)	-16%	18 065
Surplus/ (Deficit) for the yr/period		(430)	-	2 758	(1 348)	2 003	2 758	(755)	-27%	2 758
Capital Expenditure By Municipal Entity										
<i>Buffalo City Metropolitan Development Agency SOC Ltd</i>										
Transfers recognised - capital		-	-	2 758	390	2 366	2 758	(393)	-14%	2 758
Contributions recognised - capital		-	-	-	-	-	-	-		-
Contributed assets		-	-	-	-	-	-	-		-
Total Capital Expenditure	3	-	-	2 758	390	2 366	2 758	(393)	-14%	2 758

A detailed analysis of the entity's financial performance for month ended 30 June 2017 is outlined in the attached Annexure F.

14. CAPITAL PROGRAMME PERFORMANCE

BCMM has spent 85% (R1.27 billion, inclusive of reclaimed vat) of its 2016/17 adjusted capital budget of R1.49 billion as at 30 June 2017. This reflects an improvement in both the percentage and rand value terms when compared to the same period in the previous financial year where 78% (R1.08 billion, inclusive of reclaimed vat) of the adjusted budget of R1.39 billion was spent. Refer to Annexure A – C5 for the breakdown per municipal vote, standard classification & funding; Annexure B – SC12 for monthly expenditure trends; SC13a for breakdown of asset classification for new assets and SC13b for breakdown on asset classification on renewal of existing asset).

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

Table 26: Capital Expenditure per Funding Source against Budget

Funding	2016/2017 Mid-Year Adjustment Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Total Own Funding	761 199 310	586 982 692	174 216 618	77%
BCMET	487 499	0	487 499	0%
DoE(Integrated National Electrification Programme)	25 000 000	552 369	24 447 631	2%
DoE(Integrated National Electrification Programme) c/o	11 612 579	10 589 398	1 023 181	91%
DEDEAT	199 168	0	199 168	0%
DSRAC	4 411 277	4 202 456	208 821	95%
Finance Management Grant	50 000	43 554	6 446	87%
Galve	229 000	27 793	201 207	12%
Infrastructure Skills Development Grant	100 000	30 832	69 168	31%
Integrated City Development Grant	6 080 000	5 431 578	648 422	89%
Local Government & Traditional Affairs	9 036 112	0	9 036 112	0%
Urban Settlement Development Grant	642 754 030	663 750 743	(20 996 712)	103%
Public Transport Infrastructure and Systems Grant	30 289 000	0	30 289 000	0%
Total Grants	730 248 665	684 628 723	45 619 942	94%
TOTAL PER FUNDING	1 491 447 975	1 271 611 415	219 836 560	85%

Table 27 below reflects capital expenditure performance per service.

Table 27: Actual Expenditure per Service against Budget

Services	2016/2017 Mid-Year Adjustment Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Water	173 541 122	166 059 222	10 481 900	94%
Waste Water	229 916 852	244 178 146	-14 261 294	106%
Electricity	154 612 579	121 875 125	32 737 454	79%
Roads and Stormwater	325 019 469	277 914 298	44 105 171	86%
Housing	137 743 340	171 399 034	-33 655 694	124%
Transport Planning	91 325 112	38 109 551	53 215 561	42%
Local Economic Development	52 364 025	30 806 050	21 557 975	59%
Spatial Planning	67 627 225	40 884 108	26 743 117	60%
Waste Management / Refuse	9 384 723	1 251 299	8 133 425	13%
Amenities	51 376 990	46 983 001	4 393 989	91%
Public Safety	25 565 169	11 410 363	14 154 806	45%
Support Services	101 759 808	61 086 496	40 673 312	60%
Other BCM Fleet	71 211 561	59 654 722	11 556 839	84%
TOTAL PER SERVICE	1 491 447 975	1 271 611 415	219 836 560	85%

Table 28 below reflects capital expenditure performance per directorate.

Table 28: Actual Expenditure per Directorate against Budget

Directorate	2016/2017 Mid-Year Adjustment Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Directorate of Executive Support Services	6 578 062	2 814 671	3 763 391	43%
Directorate of the City Manager	78 821 500	54 454 663	24 366 837	69%
Directorate of Human Settlement	137 743 340	171 399 034	-33 655 694	124%
Directorate of Finance	797 535	728 793	68 742	91%
Directorate of Corporate Services	4 533 820	929 894	3 603 926	21%
Directorate of Infrastructure Services	960 881 583	875 495 860	85 385 723	91%
Directorate of Spatial Planning and Development	152 872 337	73 562 081	79 310 256	48%
Directorate of Economic Development and Agencies	52 364 025	30 806 050	21 557 975	59%
Directorate of Health, Public Safety and Emergency Services	25 565 169	11 410 363	14 154 806	45%
Directorate of Municipal Services	61 290 604	48 725 290	12 565 315	79%
TOTAL DIRECTORATES	1 481 447 975	1 270 326 699	211 121 276	86%
Asset Replacement	10 000 000	1 284 715	8 715 285	13%
GRAND TOTAL	1 491 447 975	1 271 611 415	219 836 560	85%

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

Table 29: SC12 Monthly budget Statement – capital expenditure trend

BUF Buffalo City - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M12 June

Month	2015/16	Budget Year 2016/17							
	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	148	6 746	2 968	1 611	1 611	2 968	1 357	45.7%	0%
August	42 068	42 169	36 980	39 205	40 817	39 948	(869)	-2.2%	3%
September	57 530	34 991	30 233	86 333	127 150	70 181	(56 969)	-81.2%	8%
October	101 591	58 305	66 616	78 499	205 649	136 797	(68 852)	-50.3%	13%
November	85 219	56 652	54 769	124 330	329 978	191 565	(138 413)	-72.3%	21%
December	111 569	69 364	75 406	161 499	491 477	266 971	(224 506)	-84.1%	32%
January	62 851	41 215	26 444	26 493	517 970	293 415	(224 555)	-76.5%	33%
February	49 495	42 842	44 831	70 080	588 050	338 246	(249 804)	-73.9%	38%
March	117 166	65 464	214 714	162 725	750 775	552 961	(197 815)	-35.8%	48%
April	19 396	89 153	239 220	43 977	794 752	792 181	(2 571)	-0.3%	0
May	96 244	87 115	258 081	82 891	877 644	1 050 262	172 618	16.4%	0
June	443 096	964 116	441 186	312 807	1 190 451	1 491 448	300 997	20.2%	0
Total Capital expenditure	1 186 373	1 558 134	1 491 448	1 190 451					

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

BUF Buffalo City - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M12 June										
Description	Ref	Budget Year 2016/17								
		2015/16 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		146 506	417 323	361 870	64 469	193 604	361 870	168 266	46.5%	361 870
Infrastructure - Road transport		19 428	106 080	106 080	32 615	97 663	106 080	8 417	7.9%	106 080
<i>Roads, Pavements & Bridges</i>		19 428	106 080	106 080	32 615	97 663	106 080	8 417	7.9%	106 080
<i>Storm water</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		43 610	43 000	54 613	6 747	25 765	54 613	28 847	52.8%	54 613
<i>Generation</i>		-	-	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>		43 610	43 000	54 613	6 747	25 765	54 613	28 847	52.8%	54 613
<i>Street Lighting</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
<i>Dams & Reservoirs</i>		-	-	-	-	-	-	-	-	-
<i>Water purification</i>		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
<i>Reticulation</i>		-	-	-	-	-	-	-	-	-
<i>Sewerage purification</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Other		83 468	268 243	201 177	25 107	70 176	201 177	131 002	65.1%	201 177
<i>Waste Management</i>		26 799	78 454	13 637	98	581	13 637	13 056	95.7%	13 637
<i>Transportation</i>		44 810	145 789	134 276	15 422	40 303	134 276	93 974	70.0%	134 276
<i>Gas</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		11 859	44 000	53 264	9 587	29 292	53 264	23 972	45.0%	53 264
Community		13 726	21 000	21 926	1 334	21 613	21 926	313	1.4%	21 926
Parks & gardens		-	500	500	49	451	500	49	9.7%	500
Sportsfields & stadia		-	500	1 426	-	1 420	1 426	7	0.5%	1 426
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		5 791	10 000	10 000	212	9 994	10 000	6	0.1%	10 000
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Cemeteries		-	10 000	10 000	1 074	9 748	10 000	252	2.5%	10 000
Social rental housing		-	-	-	-	-	-	-	-	-
Other		7 935	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		202 832	201 941	140 279	45 266	151 845	140 279	(11 566)	-8.2%	140 279
Housing development		202 832	201 941	140 279	45 266	151 845	140 279	(11 566)	-8.2%	140 279
Other		-	-	-	-	-	-	-	-	-
Other assets		74 614	113 570	210 571	47 165	133 798	210 571	76 773	36.5%	210 571
General vehicles		47 384	18 200	65 552	33 064	60 560	65 552	4 992	7.6%	65 552
Specialised vehicles		3 533	11 000	6 532	4 525	4 525	6 532	2 008	30.7%	6 532
Plant & equipment		13 154	14 966	18 414	1 567	3 813	18 414	14 601	79.3%	18 414
Computers - hardware/equipment		10 542	20 700	79 600	4 464	53 713	79 600	25 887	32.5%	79 600
Furniture and other office equipment		-	23 972	35 143	2 535	9 245	35 143	25 898	73.7%	35 143
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	5 286	5 229	1 010	1 914	5 229	3 315	63.4%	5 229
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	19 446	100	-	27	100	73	73.0%	100
Agricultural assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
<i>List sub-class</i>		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	437 677	753 834	734 647	158 234	500 860	734 647	233 787	31.8%	734 647
Specialised vehicles		3 533	11 000	6 532	4 525	4 525	6 532	2 008	0	6 532
Refuse		-	-	-	-	-	-	-	-	-
Fire		3 533	11 000	6 532	4 525	4 525	6 532	2 008	0	6 532
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

BUF Buffalo City - Supporting Table SC13b Consolidated Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M12 June

Description	Ref	2015/16	Budget Year 2016/17							
		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 renewal of existing assets by Asset Class/Sub-class										
Infrastructure		712 733	720 091	676 977	136 704	634 564	676 977	42 414	6.3%	676 977
Infrastructure - Road transport		317 251	161 099	173 519	33 526	164 158	173 519	9 361	5.4%	173 519
<i>Roads, Pavements & Bridges</i>		317 251	161 099	173 519	33 526	164 158	173 519	9 361	5.4%	173 519
<i>Storm water</i>		-	-	-	-	-	-	-		-
Infrastructure - Electricity		103 042	100 000	100 000	18 624	93 791	100 000	6 209	6.2%	100 000
<i>Generation</i>		-	-	-	-	-	-	-		-
<i>Transmission & Reticulation</i>		103 042	100 000	100 000	18 624	93 791	100 000	6 209	6.2%	100 000
<i>Street Lighting</i>		-	-	-	-	-	-	-		-
Infrastructure - Water		116 452	87 500	155 541	25 998	159 094	155 541	(3 553)	-2.3%	155 541
<i>Dams & Reservoirs</i>		-	-	-	-	-	-	-		-
<i>Water purification</i>		-	-	-	-	-	-	-		-
<i>Reticulation</i>		116 452	87 500	155 541	25 998	159 094	155 541	(3 553)	-2.3%	155 541
Infrastructure - Sanitation		16 835	371 492	247 917	58 556	217 520	247 917	30 397	12.3%	247 917
<i>Reticulation</i>		16 835	371 492	247 917	58 556	217 520	247 917	30 397	12.3%	247 917
<i>Sewerage purification</i>		-	-	-	-	-	-	-		-
Infrastructure - Other		159 154	-	-	-	-	-	-		-
<i>Waste Management</i>		159 154	-	-	-	-	-	-		-
<i>Transportation</i>		-	-	-	-	-	-	-		-
<i>Gas</i>		-	-	-	-	-	-	-		-
<i>Other</i>		-	-	-	-	-	-	-		-
Community		18 895	19 855	25 805	3 859	23 178	25 805	2 627	10.2%	25 805
<i>Parks & gardens</i>		-	-	-	-	-	-	-		-
<i>Sportsfields & stadia</i>		11 815	10 000	15 931	1 487	15 040	15 931	891	5.6%	15 931
<i>Swimming pools</i>		-	2 500	2 500	801	2 357	2 500	143	5.7%	2 500
<i>Community halls</i>		-	-	-	-	-	-	-		-
<i>Libraries</i>		-	-	-	-	-	-	-		-
<i>Recreational facilities</i>		7 080	7 355	7 374	1 570	5 781	7 374	1 594	21.6%	7 374
Other assets		17 067	64 355	54 019	14 010	31 849	54 019	22 169	41.0%	54 019
<i>General v vehicles</i>		-	-	-	-	-	-	-		-
<i>Specialised vehicles</i>		-	-	-	-	-	-	-		-
<i>Plant & equipment</i>		-	700	1 057	649	1 005	1 057	51	4.9%	1 057
<i>Civic Land and Buildings</i>		16 336	62 655	51 962	13 358	30 526	51 962	21 436	41.3%	51 962
<i>Other</i>		731	1 000	1 000	4	318	1 000	682	68.2%	1 000
Total Capital Expenditure on renewal of existing assets	1	748 696	804 300	756 801	154 574	689 591	756 801	67 210	8.9%	756 801
Specialised vehicles		-	-	-	-	-	-	-		-
<i>Refuse</i>		-	-	-	-	-	-	-		-
<i>Fire</i>		-	-	-	-	-	-	-		-
<i>Conservancy</i>		-	-	-	-	-	-	-		-
<i>Ambulances</i>		-	-	-	-	-	-	-		-

15. OTHER SUPPORTING DOCUMENTS

15.1. Operating Projects Expenditure

The Metro has spent 79% (R267.75 million) inclusive of reclaimed vat of its 2016/17 adjusted budget of R336.91 million as at 30 June 2017. This reflects an improvement in percentage terms when compared to the same period in the previous financial year where 67% (R335.64 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R501.84 million was spent.

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

<u>Directorate</u>	<u>2016/2017 Mid-Year Adjustment Budget</u>	<u>YTD Expenditure (incl.vat)</u>	<u>Variance (incl.vat)</u>	<u>% Expenditure (incl.vat)</u>
Executive Support Services	568 858	340 048	228 810	60%
Directorate of the City Manager	32 935 935	23 417 382	9 518 553	71%
Directorate of Human Settlement	145 569 532	104 544 125	41 025 407	72%
Directorate of Finance	44 099 700	29 843 487	14 256 213	68%
Directorate of Corporate Services	8 900 000	6 795 883	2 104 117	76%
Directorate of Infrastructure Services	57 495 761	64 684 563	-7 188 801	113%
Directorate of Spatial Planning and Development	6 250 000	3 146 245	3 103 755	50%
Directorate of Economic Development and Agencies	22 770 000	17 285 610	5 484 390	76%
Directorate of Health, Public Safety and Emergency Services	500 000	181 591	318 409	36%
Directorate of Municipal Services	17 819 600	17 512 232	307 368	98%
TOTAL	336 909 386	267 751 166	69 158 221	79%

Table 33: Operating Projects per Funding Source

Funding	<u>2016/2017 Mid-Year Adjustment Budget</u>	<u>YTD Expenditure (incl. vat)</u>	<u>Variance (incl. vat)</u>	<u>% Expenditure (incl. vat)</u>
Total Own Funding	83 722 910	54 168 828	29 554 082	65%
City of Oldenburg	495 761	0	495 761	0%
Department of Public Works	2 469 600	2 115 947	353 653	86%
Expanded Public Works Programme Incentives Grant	1 188 000	1 192 661	-4 661	100%
Finance Management Grant	1 250 000	1 254 067	-4 067	100%
Human Settlement Development Grant	143 802 000	104 315 497	39 486 503	73%
Human Settlement Development Grant c/o Glasgow	1 017 287	0	1 017 287	0%
Infrastructure Skills Development Grant	89 858	0	89 858	0%
Urban Settlement Development Grant	8 900 000	6 795 883	2 104 117	76%
Public Transport Infrastructure Grant	88 744 970	95 550 122	-6 805 152	108%
Galve	5 000 000	2 152 314	2 847 686	43%
Total Grants	253 186 476	213 582 337	39 604 139	84%
TOTAL PER FUNDING	336 909 386	267 751 166	69 158 221	79%

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	Total Revenue	Employee Costs	Other Operating Expenditure	Repairs & Maintenance	Total Expenditure Excluding Capital
OFFICE OF THE DIRECTOR OF HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES	0	2 812 621	274 883	44 600	3 132 104
GM - EMERGENCY SERVICES	(81 732 551)	83 160 118	30 183 111	1 698 299	115 041 528
EMERGENCY SERVICES	0	2 510 861	403 708	154 985	3 069 554
DISASTER MANAGEMENT	0	2 626 105	1 217 028	24 526	3 867 659
FIRE & RESCUE	(81 732 551)	78 023 152	28 562 375	1 518 788	108 104 315
GM - MUNICIPAL HEALTH SERVICES	(299 295)	28 612 261	4 492 240	333 337	33 437 838
MUNICIPAL HEALTH SERVICES	(299 295)	28 612 261	4 492 240	333 337	33 437 838
GM - PUBLIC SAFETY & PROTECTION SERVICES	(61 003 889)	200 825 674	16 315 642	2 178 774	219 320 091
PUBLIC SAFETY & PROTECTION SERVICES	(41 035)	17 513 402	4 639 436	1 272 057	23 424 895
LAW ENFORCEMENT SERVICES	(1 020)	119 692 865	3 311 645	530 415	123 534 925
TRAFFIC SERVICES	(60 961 834)	63 619 407	8 364 561	376 302	72 360 271
Total	(143 035 735)	315 607 975	51 321 663	4 255 836	371 185 474

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	0	8 140 525	3 296 792	3 138	11 440 456
GM - COMMUNITY AMENITIES	(19 725 049)	112 150 327	27 233 318	4 544 766	143 928 411
COMMUNITY AMENITIES	0	12 090 755	737 478	169 244	12 997 477
LIBRARIES	(15 255 480)	21 763 094	3 012 601	209 801	24 985 496
HALLS	(1 542 239)	16 428 996	3 935 013	777 648	21 141 657
RECREATION	(2 782 702)	38 584 480	8 983 247	2 094 544	49 662 271
SPORTS FACILITIES	(144 628)	23 283 001	10 564 978	1 293 530	35 141 509
					0
GM - PARKS / CEMETRIES & CONSERVATION	(10 736 739)	149 953 342	30 279 868	6 834 755	187 067 965
PARKS / CEMETRIES & CONSERVATION	0	2 462 351	226 936	0	2 689 288
CEMETRIES & CREMATORIA	(9 280 671)	24 275 124	10 569 662	445 742	35 290 528
CONSERVATION	(1 351 902)	16 272 920	3 892 263	1 104 534	21 269 717
PARKS: COASTAL	(104 167)	106 942 946	15 591 007	5 284 479	127 818 432
GM - SOLID WASTE MANAGEMENT	(397 764 476)	149 538 332	250 519 622	24 116 388	424 174 343
SOLID WASTE MANAGEMENT	(60)	11 156 226	16 053 186	11 380 841	38 590 254
CLEANSING & REFUSE REMOVAL: COASTAL	(383 618 217)	125 696 056	193 970 986	12 735 547	332 402 589
LANDFILLS & TRANSFER STATIONS	(14 146 199)	12 686 050	40 495 450	0	53 181 500
Total	(428 226 265)	419 782 527	311 329 600	35 499 047	766 611 174

17. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

I, ANDILE SIHLAHLA, the City Manager of Buffalo City Metropolitan Municipality do hereby certify that –

The monthly budget statement (Section 71 Report)

for the period ending **June 2017** has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

Print name: Andile Sihlahla

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
- SC11 Monthly Budget Statement – Summary of Municipal Entity
- 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

Annexure F

Buffalo City Metropolitan Development Agency Financial Performance Report