

## **REPORT TO EXECUTIVE MAYOR: 14 DECEMBER 2016**

File No.:5/1/1/1[16/17]

Author: ACTING CITY MANAGER (NCEBA NCUNYANA)/VP

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

#### **1. PURPOSE**

The purpose of the report is for the Executive Mayor to consider and note the statement of financial performance and the implementation of the 2016/17 budget of the Buffalo City Metropolitan Municipality for the period ended 30 November 2016.

#### **2. AUTHORITY**

Executive Mayor

#### **3. LEGAL / STATUTORY REQUIREMENTS**

The Constitution of the Republic of South Africa, 1996

Municipal Finance Management Act No 56, 2003

Municipal Budget and Reporting Regulations, 2009

#### **4. BACKGROUND**

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

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

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

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# **PART 1: IN-YEAR REPORT**

## **5. RESOLUTIONS**

It is recommended that:

- (i) The Executive Mayor considers and notes the report on the statement of financial performance and the implementation of the 2016/17 budget for the period ended 30 November 2016 including supporting documentation attached as Annexure A to F.
- (ii) The Executive Mayor notes the spending trend on capital and operating projects as well as the reasons for such an expenditure as indicated in section 14 and 15 respectively of this report.
- (iii) The Executive Mayor notes the year to date collection rate for the period ended 30 November 2016 of 85.64%.

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**ACTING CITY MANAGER**

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**DATE**

**6. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND  
THE FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY FOR THE  
PERIOD ENDED 30 NOVEMBER 2016**

**6.1. Dashboard / Performance Summary**

**Table 1: Performance Summary**

| OVERALL OPERATING RESULTS  |   | CASH MANAGEMENT  |   |
|--|---|--|---|
| Income   | R 2 203,197,895   | Bank Balance   | R 287,198,565   |
| Expenditure  | (R 2,354,607,227)   | Call investments (excl. int.)  | R 1,959,081,327   |
| Operating Deficit  | (R 151,409,332)   | <b>Cash and cash equivalents</b>   | <b>R 2,246,279,893</b>  |
| Transfers Recognised - Capital   | R 188,783,542   | <i>Account Payables</i>  | <i>(R 464,568,211)</i>  |
| Surplus After Capital Transfers  | R 37,374,210  | <i>Unspent conditional grants</i>  | <i>(R557,665,146)</i>   |
| <b>DEBTORS</b>   |   | <i>Committed to Capital budget-<br/>own funds</i>  | <i>(R 620,004,714)</i>  |
| Total debtors book   | R 1,886,748,684   | <b>Therefore Cash and Cash<br/>equivalents ring fenced for<br/>assets renewal in outer years</b>   | <b>R 604,041,822</b>  |
| Total debtors - Government   | R 70,771,895  | Total Long term loans  | R 485,238,053   |
| Total debtors - Business   | R 421,551,484   | <b>SURPLUS / (DEFICIT) PER SERVICE</b>   |   |
| Total debtors - Households   | R 1,141,544,367   | Water  | (R 25,340,827)  |
| Total debtors - Other  | R 252,880,938   | Electricity  | (R 128,037,274)   |
| Total debt written off   | R 4,302,303   | Refuse   | R 9,528,781   |
| <b>REPAIRS AND MAINTENANCE</b>   |   | Sewerage   | (R 3,286,454)   |
| <b>2015/2016:</b><br>Exp. = R105.46 m, which is<br>28% of approved budget of<br>R372.01m   | <b>2016/2017:</b><br>Exp.= R124.36 m, which is<br>30% of approved budget of<br>R414.79m   |  |   |
| <b>CAPITAL EXPENDITURE</b>   |   | <b>OPERATING PROJECTS EXPENDITURE</b>  |   |
| <b>2015/2016: Exp. as a % of<br/>Adjusted Budget of R1.38b:</b><br>Exp. (excl. vat) = R286.56 mil<br>% exp (Excl. vat) : 21%<br><br>Exp. (incl. vat) = R310.96 mil<br>% exp (incl. vat): 23% | <b>2016/2017: Exp. as a % of<br/>Adjusted Budget of R1.69b:</b><br>Exp. (excl. vat) = R329.98 mil<br>% exp (Excl. vat) :19%<br><br>Exp. (incl. vat) = R354.28 mil<br>% exp (incl. vat): 21% | <b>2015/2016: Exp. as a % of<br/>Adjusted Budget of R697.73m:</b><br>Exp.(excl. vat)= R114.56 mil<br>% exp.(excl. vat): 16%<br><br>Exp.(incl. vat) = R114.76 mil<br>% exp.(incl. vat): 16% | <b>2016/2017: Exp. as a % of<br/>Adjusted Budget of<br/>R327.39m:</b><br>Exp.(excl. vat)=R87.24 mil<br>% exp.(excl. vat): 27%<br><br>Exp.(incl. vat) = R90.05 mil<br>% exp.(incl. vat): 28% |
| <b>FINANCIAL</b>   |   | <b>HUMAN RESOURCES</b>   |   |
| Operating Deficit for the period   | (R 151,409,332)   | Total staff complement   | 5 208   |
| Debtors collection ratio   | 85.64%  | Staff Appointments   | 401   |
| YTD Grants and subsidies   | R 461,462,145   | Staff Terminations   | 71  |
| % of Creditors paid within<br>terms  | 100%  | Number of funded vacant posts  | 617   |
| Current ratio  | 2.77:1  | Total overtime paid (YTD)  | R 54,516,855  |
| Total Debt to Revenue  | 10.58%  | Allowances and benefits -<br>Councillors   | R 22,215,354  |
| Capital Charges to Operating<br>Expenditure  | 1.38%   | Salary bill - Officials  | R 609,698,905   |
| Cost coverage ratio  | 4.46 months   | Workforce costs as a % of<br>expenditure   | 26.84%  |

## **6.2 Liquidity position**

Buffalo City Metropolitan Municipality's liquidity is considered relatively sound as the Current Ratio is 2.77:1 which indicates the ability of Municipality's current assets to cover its current liabilities. Debtors constitute 29% of the current assets, inventory constitutes 1% and cash & cash equivalents comprise 62% of the current assets. The City has a stronger cash and cash equivalent in order to meet its immediate obligations.

## **6.3 Collection Rate and Outstanding Debtors**

The year to date collection rate for the month ended 30 November 2016 is 85.64% (2015/16: 87%). The ratio indicates the level of payments relative to revenue billed. This ratio denotes the City's ability to collect the billed revenue from its consumers.

Total debtors book as at 30 November 2016 amounts to R1.89 billion (2015: R1.45 billion). Households: R1.14 billion, Business: R421.55 million, Government: R70.77 million, Other: R252.88 million. Refer to section 8.1 of the report for details on debtors' management. The debtors' age analysis report is reflected on Annexure B – SC3.

## **6.4 Capital Expenditure**

BCMM has spent R354.28 million (2015/16: R310.96 million) which is 21% (2015/16: 23%) of its 2016/17 adjusted capital budget of R1.69 billion (2015/16: R1.38 billion) as at 30 November 2016. This depicts a slight improvement in rand value terms when compared to the same period in the previous financial year, however it reflects a regression in percentage terms. The capital expenditure will progressively improve during the year as the procurement processes are undertaken. (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 28% (R90.05 million, inclusive of reclaimed vat) of its 2016/17 adjusted budget of R327.39 million as at 30 November 2016. This reflects an improvement in percentage terms when compared to the same period in the previous



financial year where 16% (R114.76 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R697.73 million was spent. The operating expenditure will progressively improve during the year as the procurement processes are undertaken. (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 R244.34 million (2015/16: R230.96 million) which is 29% (2015/16: 29%) of its 2016/2017 conditional grants budget of R828.70 million (2015/16: R801.94 million) as at 30 November 2016. This reflects a slight improvement in rand value terms when compared to the same period in the previous financial year. It is anticipated that the expenditure will improve progressively during the year as the procurement processes are undertaken. (Refer to Section 11 for further details)

#### **6.6.1. Urban Settlement Development Grant (USDG) funded projects**

BCMM has spent R240.21 million (2015/16: R213.44 million) which is 33% (2015/16: 30%) of its 2016/17 USDG budget of R731.50 million (2015/16: R713.13 million) as at 30 November 2016. This reflects improvement when compared to the same period in the previous financial year. It is anticipated that the expenditure will improve progressively during the year as the procurement processes are undertaken. (Refer to Section 11 for further details).

### **6.7 Cash and Cash Equivalents**

The cash and cash equivalents of the City as at 30 November 2016 are R2.25 billion made up of cash and bank amounting to R287.20 million and call investment deposits of R1.96 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 4.46 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 month. This ratio denotes that the City can meet its monthly operating commitments 4 times due to its stronger financial health 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. Refer to Section 9 for details.

### **6.9 Long-Term Debt Profile**

The total long term borrowings of the municipality as at 30 November 2016 amounts to R485.24 million (Refer to Annexure C for the schedule of borrowings).

The ratio of capital charges to operating expenditure as at 30 November 2016 is 1.38%. This ratio assesses the level of capital expenditure to operating expenditure, which indicates the prioritisation of expenditure towards current operations versus future capacity in terms of municipal services. The acceptable ceiling in accordance with the MFMA circular 71 is 6-8%.

The total debt to revenue ratio is 10.58% as at 30 November 2016, 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 the acceptable norm in accordance with the MFMA circular 71 is a ceiling of 45%.

## 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 - M05 November**

| Description  | 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 |
| <b>R thousands</b>   |                  |                     |                   |                    |                    |                    |                     |                 |                    |
| <b>Financial Performance</b>   |                  |                     |                   |                    |                    |                    |                     |                 |                    |
| Property rates   | -                | 1 122 920           | 1 122 920         | 88 537             | 471 658            | 506 625            | (34 967)            | -7%             | 1 122 920          |
| Service charges  | -                | 2 928 610           | 2 928 610         | 232 447            | 1 082 788          | 1 214 062          | (131 274)           | -11%            | 2 928 610          |
| Investment revenue   | -                | 143 844             | 143 775           | 11 789             | 65 744             | 57 485             | 8 259               | 14%             | 143 775            |
| Transfers recognised - operational                                   | -                | 1 319 728           | 1 318 097         | 12 733             | 461 462            | 293 883            | 167 579             | 57%             | 1 318 097          |
| Other own revenue  | -                | 391 937             | 391 737           | 25 784             | 121 545            | 99 910             | 21 635              | 22%             | 391 737            |
| <b>Total Revenue (excluding capital transfers and contributions)</b> | -                | <b>5 907 039</b>    | <b>5 905 139</b>  | <b>371 290</b>     | <b>2 203 198</b>   | <b>2 171 965</b>   | <b>31 233</b>       | <b>1%</b>       | <b>5 905 139</b>   |
| Employee costs   | -                | 1 531 068           | 1 531 068         | 121 642            | 609 699            | 647 449            | (37 750)            | -6%             | 1 531 068          |
| Remuneration of Councillors  | -                | 58 099              | 58 099            | 4 554              | 22 215             | 24 208             | (1 992)             | -8%             | 58 099             |
| Depreciation & asset impairment                                      | -                | 748 339             | 748 339           | 55 340             | 305 734            | 311 808            | (6 074)             | -2%             | 748 339            |
| Finance charges  | -                | 57 105              | 57 105            | 4 476              | 21 160             | 25 080             | (3 920)             | -16%            | 57 105             |
| Materials and bulk purchases   | -                | 1 521 587           | 1 521 587         | 110 920            | 703 006            | 643 995            | 59 012              | 9%              | 1 521 587          |
| Transfers and grants   | -                | 288 468             | 288 468           | 1 948              | 98 897             | 120 194            | (21 297)            | -18%            | 288 468            |
| Other expenditure  | -                | 1 701 295           | 1 699 395         | 153 769            | 593 895            | 499 817            | 94 078              | 19%             | 1 699 395          |
| <b>Total Expenditure</b>   | -                | <b>5 905 961</b>    | <b>5 904 061</b>  | <b>452 649</b>     | <b>2 354 607</b>   | <b>2 272 551</b>   | <b>82 056</b>       | <b>4%</b>       | <b>5 904 061</b>   |
| <b>Surplus/(Deficit)</b>   | -                | <b>1 078</b>        | <b>1 078</b>      | <b>(81 359)</b>    | <b>(151 409)</b>   | <b>(100 586)</b>   | <b>(50 824)</b>     | <b>51%</b>      | <b>1 078</b>       |
| Transfers recognised - capital                                       | -                | 848 269             | 848 269           | 70 905             | 188 784            | 261 193            | (72 409)            | -28%            | 848 269            |
| Contributions & Contributed assets                                   | -                | -                   | -                 | -                  | -                  | -                  | -                   | -               | -                  |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> | -                | <b>849 347</b>      | <b>849 347</b>    | <b>(10 454)</b>    | <b>37 374</b>      | <b>160 607</b>     | <b>(123 233)</b>    | <b>-77%</b>     | <b>849 347</b>     |
| Share of surplus/ (deficit) of associate                             | -                | -                   | -                 | -                  | -                  | -                  | -                   | -               | -                  |
| <b>Surplus/ (Deficit) for the year</b>                               | -                | <b>849 347</b>      | <b>849 347</b>    | <b>(10 454)</b>    | <b>37 374</b>      | <b>160 607</b>     | <b>(123 233)</b>    | <b>-77%</b>     | <b>849 347</b>     |
| <b>Capital expenditure &amp; funds sources</b>                       |                  |                     |                   |                    |                    |                    |                     |                 |                    |
| <b>Capital expenditure</b>   | -                | <b>1 558 134</b>    | <b>1 693 155</b>  | <b>124 330</b>     | <b>329 978</b>     | <b>198 865</b>     | <b>131 113</b>      | <b>66%</b>      | <b>1 693 155</b>   |
| Capital transfers recognised   | -                | 848 269             | 862 374           | 70 905             | 188 784            | 101 288            | 87 496              | 86%             | 862 374            |
| Public contributions & donations                                     | -                | -                   | -                 | -                  | -                  | -                  | -                   | -               | -                  |
| Borrowing  | -                | 69 582              | 69 582            | -                  | -                  | 8 173              | (8 173)             | -100%           | 69 582             |
| Internally generated funds   | -                | 640 283             | 761 199           | 53 425             | 141 195            | 89 405             | 51 790              | 58%             | 761 199            |
| <b>Total sources of capital funds</b>                                | -                | <b>1 558 134</b>    | <b>1 693 155</b>  | <b>124 330</b>     | <b>329 978</b>     | <b>198 865</b>     | <b>131 113</b>      | <b>66%</b>      | <b>1 693 155</b>   |
| <b>Financial position</b>  |                  |                     |                   |                    |                    |                    |                     |                 |                    |
| Total current assets   | -                | 3 526 080           | 3 526 080         | -                  | 3 624 066          | -                  | -                   | -               | 3 526 080          |
| Total non current assets   | -                | 14 131 021          | 14 239 037        | -                  | 13 520 486         | -                  | -                   | -               | 14 239 037         |
| Total current liabilities  | -                | 1 131 155           | 1 131 155         | -                  | 1 307 241          | -                  | -                   | -               | 1 131 155          |
| Total non current liabilities  | -                | 1 177 274           | 1 177 274         | -                  | 944 139            | -                  | -                   | -               | 1 177 274          |
| <b>Community wealth/Equity</b>                                       | -                | <b>15 348 672</b>   | <b>15 456 688</b> | -                  | <b>14 893 172</b>  | -                  | -                   | -               | <b>15 456 688</b>  |
| <b>Cash flows</b>  |                  |                     |                   |                    |                    |                    |                     |                 |                    |
| Net cash from (used) operating                                       | -                | 1 648 938           | 1 648 938         | 109 781            | 213 596            | 549 646            | 336 049             | 61%             | 1 648 938          |
| Net cash from (used) investing                                       | -                | (1 558 134)         | (1 693 155)       | (124 330)          | (329 978)          | (519 378)          | (189 400)           | 36%             | (1 693 155)        |
| Net cash from (used) financing                                       | -                | 17 757              | 17 757            | -                  | (11 239)           | 5 919              | 17 158              | 290%            | 17 757             |
| <b>Cash/cash equivalents at the month/year end</b>                   | -                | <b>2 490 747</b>    | <b>2 355 726</b>  | -                  | <b>2 246 280</b>   | <b>2 418 373</b>   | <b>172 093</b>      | <b>7%</b>       | <b>2 347 440</b>   |
| <b>Debtors &amp; creditors analysis</b>                              |                  |                     |                   |                    |                    |                    |                     |                 |                    |
|  | <b>0-30 Days</b> | <b>31-60 Days</b>   | <b>61-90 Days</b> | <b>91-120 Days</b> | <b>121-150 Dys</b> | <b>151-180 Dys</b> | <b>181 Dys-1 Yr</b> | <b>Over 1Yr</b> | <b>Total</b>       |
| <b>Debtors Age Analysis</b>  |                  |                     |                   |                    |                    |                    |                     |                 |                    |
| Total By Income Source   | 260 086          | 86 351              | 65 987            | 55 573             | 81 952             | 62 423             | 259 621             | 1 014 755       | 1 886 749          |
| <b>Creditors Age Analysis</b>  |                  |                     |                   |                    |                    |                    |                     |                 |                    |
| Total Creditors  | 404 457          | 20 111              | 40 000            | -                  | -                  | -                  | -                   | -               | 464 568            |

## 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) - M05 November**

| 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 |
| <b>R thousands</b>                                | 1   |                 |                     |                 |                |               |               |              |                |                    |
| <b>Revenue - Standard</b>                         |     |                 |                     |                 |                |               |               |              |                |                    |
| <i><b>Governance and administration</b></i>       |     | -               | 2 268 639           | 2 266 738       | 109 422        | 880 454       | 835 313       | 45 142       | 5%             | 2 266 738          |
| Executive and council                             |     | -               | 30 796              | 30 796          | 1 594          | 7 871         | 9 750         | (1 879)      | -19%           | 30 796             |
| Budget and treasury office                        |     | -               | 2 222 421           | 2 220 521       | 107 556        | 869 988       | 821 670       | 48 318       | 6%             | 2 220 521          |
| Corporate services                                |     | -               | 15 421              | 15 421          | 272            | 2 596         | 3 894         | (1 298)      | -33%           | 15 421             |
| <i><b>Community and public safety</b></i>         |     | -               | 127 228             | 127 228         | 20 546         | 88 851        | 40 428        | 48 423       | 120%           | 127 228            |
| Community and social services                     |     | -               | 19 511              | 19 511          | 917            | 5 434         | 8 054         | (2 620)      | -33%           | 19 511             |
| Sport and recreation                              |     | -               | 6 161               | 6 161           | 144            | 641           | 999           | (358)        | -36%           | 6 161              |
| Public safety                                     |     | -               | 98 758              | 98 758          | 12 209         | 59 004        | 31 185        | 27 819       | 89%            | 98 758             |
| Housing   |     | -               | -                   | -               | 7 276          | 23 750        | -             | 23 750       | #DIV/0!        | -                  |
| Health  |     | -               | 2 797               | 2 797           | 1              | 22            | 190           | (168)        | -88%           | 2 797              |
| <i><b>Economic and environmental services</b></i> |     | -               | 100 222             | 100 222         | 1 994          | 8 282         | 34 931        | (26 648)     | -76%           | 100 222            |
| Planning and development                          |     | -               | 26 543              | 26 543          | 1 964          | 8 038         | 8 729         | (691)        | -8%            | 26 543             |
| Road transport                                    |     | -               | 73 255              | 73 255          | 17             | 204           | 26 132        | (25 928)     | -99%           | 73 255             |
| Environmental protection                          |     | -               | 423                 | 423             | 13             | 41            | 70            | (29)         | -42%           | 423                |
| <i><b>Trading services</b></i>                    |     | -               | 3 384 579           | 3 384 579       | 237 523        | 1 216 660     | 1 316 112     | (99 452)     | -8%            | 3 384 579          |
| Electricity                                       |     | -               | 1 931 170           | 1 931 170       | 146 492        | 669 233       | 848 143       | (178 911)    | -21%           | 1 931 170          |
| Water   |     | -               | 541 296             | 541 296         | 34 888         | 204 465       | 189 827       | 14 638       | 8%             | 541 296            |
| Waste water management                            |     | -               | 446 227             | 446 227         | 29 291         | 178 736       | 134 472       | 44 264       | 33%            | 446 227            |
| Waste management                                  |     | -               | 465 885             | 465 885         | 26 852         | 164 227       | 143 671       | 20 556       | 14%            | 465 885            |
| <i><b>Other</b></i>                               | 4   | -               | 874 641             | 874 641         | 72 708         | 197 734       | 206 374       | (8 641)      | -4%            | 874 641            |
| <b>Total Revenue - Standard</b>                   | 2   | -               | 6 755 308           | 6 753 408       | 442 194        | 2 391 981     | 2 433 158     | (41 177)     | -2%            | 6 753 408          |
| <b>Expenditure - Standard</b>                     |     |                 |                     |                 |                |               |               |              |                |                    |
| <i><b>Governance and administration</b></i>       |     | -               | 1 189 292           | 1 189 644       | 79 162         | 395 188       | 384 643       | 10 544       | 3%             | 1 189 644          |
| Executive and council                             |     | -               | 209 046             | 209 397         | 12 609         | 76 290        | 79 846        | (3 556)      | -4%            | 209 397            |
| Budget and treasury office                        |     | -               | 553 044             | 553 044         | 34 291         | 160 599       | 171 397       | (10 798)     | -6%            | 553 044            |
| Corporate services                                |     | -               | 427 203             | 427 203         | 32 261         | 158 299       | 133 400       | 24 898       | 19%            | 427 203            |
| <i><b>Community and public safety</b></i>         |     | -               | 738 246             | 738 995         | 51 448         | 251 279       | 258 033       | (6 755)      | -3%            | 738 995            |
| Community and social services                     |     | -               | 94 309              | 94 309          | 8 949          | 41 241        | 40 552        | 689          | 2%             | 94 309             |
| Sport and recreation                              |     | -               | 77 113              | 77 113          | 6 346          | 30 402        | 33 682        | (3 280)      | -10%           | 77 113             |
| Public safety                                     |     | -               | 224 016             | 224 016         | 22 820         | 125 465       | 102 409       | 23 056       | 23%            | 224 016            |
| Housing   |     | -               | 280 019             | 280 768         | 10 420         | 41 713        | 67 115        | (25 402)     | -38%           | 280 768            |
| Health  |     | -               | 62 789              | 62 789          | 2 913          | 12 458        | 14 276        | (1 818)      | -13%           | 62 789             |
| <i><b>Economic and environmental services</b></i> |     | -               | 919 523             | 916 523         | 71 329         | 322 033       | 389 232       | (67 198)     | -17%           | 916 523            |
| Planning and development                          |     | -               | 270 451             | 267 451         | 25 403         | 97 646        | 89 339        | 8 307        | 9%             | 267 451            |
| Road transport                                    |     | -               | 543 263             | 543 263         | 36 426         | 176 942       | 258 136       | (81 194)     | -31%           | 543 263            |
| Environmental protection                          |     | -               | 105 809             | 105 809         | 9 500          | 47 445        | 41 756        | 5 689        | 14%            | 105 809            |
| <i><b>Trading services</b></i>                    |     | -               | 3 041 214           | 3 041 214       | 249 208        | 1 378 495     | 1 234 625     | 143 869      | 12%            | 3 041 214          |
| Electricity                                       |     | -               | 1 725 555           | 1 725 555       | 133 622        | 797 270       | 730 858       | 66 412       | 9%             | 1 725 555          |
| Water   |     | -               | 531 791             | 531 791         | 42 966         | 244 504       | 211 501       | 33 003       | 16%            | 531 791            |
| Waste water management                            |     | -               | 467 437             | 467 437         | 43 703         | 182 022       | 153 893       | 28 129       | 18%            | 467 437            |
| Waste management                                  |     | -               | 316 432             | 316 432         | 28 916         | 154 698       | 138 373       | 16 325       | 12%            | 316 432            |
| <i><b>Other</b></i>                               |     | -               | 17 685              | 17 685          | 1 502          | 7 613         | 6 017         | 1 596        | 27%            | 17 685             |
| <b>Total Expenditure - Standard</b>               | 3   | -               | 5 905 961           | 5 904 061       | 452 649        | 2 354 607     | 2 272 551     | 82 056       | 4%             | 5 904 061          |
| <b>Surplus/ (Deficit) for the year</b>            |     | -               | 849 347             | 849 347         | (10 454)       | 37 374        | 160 607       | (123 233)    | -77%           | 849 347            |

### **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) - M05 November**

| 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 |
| <b>R thousands</b>   |     |                 |                     |                  |                 |                  |                  |                  |                |                    |
| <b>Revenue by Vote</b>   | 1   |                 |                     |                  |                 |                  |                  |                  |                |                    |
| Vote 1 - Directorate - Executive Support Services                  |     | -               | 145                 | 145              | -               | -                | 61               | (61)             | -100.0%        | 145                |
| Vote 2 - Directorate - City Manager                                |     | -               | 52 588              | 52 588           | 1 554           | 7 871            | 9 440            | (1 569)          | -16.6%         | 52 588             |
| Vote 3 - Directorate - Human Settlements                           |     | -               | 362 572             | 362 572          | (37 788)        | 23 749           | 50 322           | (26 573)         | -52.8%         | 362 572            |
| Vote 4 - Directorate - Finance                                     |     | -               | 2 947 365           | 2 945 733        | 296 320         | 1 058 771        | 995 777          | 62 995           | 6.3%           | 2 945 733          |
| Vote 5 - Directorate - Corporate Services                          |     | -               | 13 036              | 13 036           | 181             | 2 121            | 2 314            | (193)            | -8.3%          | 13 036             |
| Vote 6 - Directorate - Infrastructure Services                     |     | -               | 2 744 633           | 2 744 633        | 141 203         | 1 052 477        | 1 158 357        | (105 880)        | -9.1%          | 2 744 633          |
| Vote 7 - Directorate - Development Planning                        |     | -               | 64 067              | 34 695           | 965             | 8 674            | 7 988            | 686              | 8.6%           | 34 695             |
| Vote 8 - Directorate - Health / Public Safety & Emergency Services |     | -               | 162 440             | 162 440          | 12 210          | 59 026           | 52 395           | 6 630            | 12.7%          | 162 440            |
| Vote 9 - Directorate - Municipal Services                          |     | -               | 408 195             | 408 195          | 27 597          | 170 343          | 149 742          | 20 601           | 13.8%          | 408 195            |
| Vote 10 - Directorate - Economic Development                       |     | -               | -                   | 29 372           | (47)            | 8 950            | 6 762            | 2 188            | 32.4%          | 29 372             |
| <b>Total Revenue by Vote</b>                                       | 2   | -               | <b>6 755 039</b>    | <b>6 753 408</b> | <b>442 194</b>  | <b>2 391 981</b> | <b>2 433 158</b> | <b>(41 177)</b>  | <b>-1.7%</b>   | <b>6 753 408</b>   |
| <b>Expenditure by Vote</b>   | 1   |                 |                     |                  |                 |                  |                  |                  |                |                    |
| Vote 1 - Directorate - Executive Support Services                  |     | -               | 206 009             | 206 098          | 13 349          | 78 440           | 68 931           | 9 509            | 13.8%          | 206 098            |
| Vote 2 - Directorate - City Manager                                |     | -               | 115 928             | 116 189          | 5 471           | 40 475           | 45 072           | (4 597)          | -10.2%         | 116 189            |
| Vote 3 - Directorate - Human Settlements                           |     | -               | 346 542             | 347 560          | 11 204          | 45 348           | 72 306           | (26 958)         | -37.3%         | 347 560            |
| Vote 4 - Directorate - Finance                                     |     | -               | 551 753             | 551 753          | 34 291          | 160 599          | 171 397          | (10 798)         | -6.3%          | 551 753            |
| Vote 5 - Directorate - Corporate Services                          |     | -               | 192 959             | 192 959          | 16 312          | 74 282           | 59 953           | 14 329           | 23.9%          | 192 959            |
| Vote 6 - Directorate - Infrastructure Services                     |     | -               | 3 234 571           | 3 234 571        | 260 349         | 1 420 068        | 1 382 275        | 37 793           | 2.7%           | 3 234 571          |
| Vote 7 - Directorate - Development Planning                        |     | -               | 333 338             | 246 099          | 19 899          | 89 038           | 76 619           | 12 418           | 16.2%          | 246 099            |
| Vote 8 - Directorate - Health / Public Safety & Emergency Services |     | -               | 321 998             | 321 998          | 26 067          | 139 219          | 129 999          | 9 220            | 7.1%           | 321 998            |
| Vote 9 - Directorate - Municipal Services                          |     | -               | 602 596             | 602 596          | 54 528          | 278 089          | 238 838          | 39 251           | 16.4%          | 602 596            |
| Vote 10 - Directorate - Economic Development                       |     | -               | -                   | 84 239           | 11 178          | 29 050           | 27 160           | 1 890            | 7.0%           | 84 239             |
| <b>Total Expenditure by Vote</b>                                   | 2   | -               | <b>5 905 692</b>    | <b>5 904 061</b> | <b>452 649</b>  | <b>2 354 607</b> | <b>2 272 551</b> | <b>82 056</b>    | <b>3.6%</b>    | <b>5 904 061</b>   |
| <b>Surplus/ (Deficit) for the year</b>                             | 2   | -               | <b>849 347</b>      | <b>849 347</b>   | <b>(10 454)</b> | <b>37 374</b>    | <b>160 607</b>   | <b>(123 233)</b> | <b>-76.7%</b>  | <b>849 347</b>     |

### 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 November 2016.

**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) - M05 November**

| 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 |                  |
| <b>R thousands</b>   |     |                 |                     |                  |                  |                |                  |                  |                |                    |                  |
| <b>Revenue By Source</b>   |     |                 |                     |                  |                  |                |                  |                  |                |                    |                  |
| Property rates   |     |                 | 1 122 920           | 1 122 920        | 88 537           | 471 658        | 506 625          | (34 967)         | -7%            | 1 122 920          |                  |
| Property rates - penalties & collection charges                      |     |                 |                     | -                | -                | -              | -                | -                |                | -                  |                  |
| Service charges - electricity revenue                                |     |                 | 1 815 256           | 1 815 256        | 143 519          | 634 590        | 751 071          | (116 481)        | -16%           | 1 815 256          |                  |
| Service charges - water revenue                                      |     |                 | 444 291             | 444 291          | 34 435           | 169 423        | 182 105          | (12 682)         | -7%            | 444 291            |                  |
| Service charges - sanitation revenue                                 |     |                 | 339 107             | 339 107          | 26 520           | 139 909        | 143 278          | (3 369)          | -2%            | 339 107            |                  |
| Service charges - refuse revenue                                     |     |                 | 308 375             | 308 375          | 25 663           | 128 717        | 128 490          | 228              | 0%             | 308 375            |                  |
| Service charges - other  |     |                 | 21 580              | 21 580           | 2 310            | 10 149         | 9 118            | 1 031            | 11%            | 21 580             |                  |
| Rental of facilities and equipment                                   |     |                 | 20 045              | 20 045           | 1 130            | 5 610          | 4 378            | 1 232            | 28%            | 20 045             |                  |
| Interest earned - external investments                               |     |                 | 143 844             | 143 775          | 11 789           | 65 744         | 57 485           | 8 259            | 14%            | 143 775            |                  |
| Interest earned - outstanding debtors                                |     |                 | 34 651              | 34 651           | 4 325            | 19 902         | 12 796           | 7 107            | 56%            | 34 651             |                  |
| Dividends received   |     |                 | -                   | -                | -                | -              | -                | -                |                | -                  |                  |
| Fines  |     |                 | 8 385               | 8 385            | 871              | 3 521          | 3 494            | 27               | 1%             | 8 385              |                  |
| Licences and permits   |     |                 | 13 958              | 13 958           | 1 243            | 5 191          | 4 881            | 310              | 6%             | 13 958             |                  |
| Agency services  |     |                 | -                   | -                | -                | -              | -                | -                |                | -                  |                  |
| Transfers recognised - operational                                   |     |                 | 1 319 728           | 1 318 097        | 12 733           | 461 462        | 293 883          | 167 579          | 57%            | 1 318 097          |                  |
| Other revenue  |     |                 | 314 898             | 314 698          | 18 215           | 87 321         | 74 362           | 12 959           | 17%            | 314 698            |                  |
| Gains on disposal of PPE   |     |                 | -                   | -                | -                | -              | -                | -                |                | -                  |                  |
| <b>Total Revenue (excluding capital transfers and contributions)</b> |     |                 | <b>-</b>            | <b>5 907 039</b> | <b>5 905 139</b> | <b>371 290</b> | <b>2 203 198</b> | <b>2 171 965</b> | <b>31 233</b>  | <b>1%</b>          | <b>5 905 139</b> |

**BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November**

| Description  | Ref | 2015/16         | Budget Year 2016/17 |                  |                  |                 |                  |                  |                 |                    |                  |
|--|-----|-----------------|---------------------|------------------|------------------|-----------------|------------------|------------------|-----------------|--------------------|------------------|
|  |     | Audited Outcome | Original Budget     | Adjusted Budget  | Monthly actual   | Year TD actual  | Year TD budget   | YTD variance     | YTD variance %  | Full Year Forecast |                  |
| <b>R thousands</b>   |     |                 |                     |                  |                  |                 |                  |                  |                 |                    |                  |
| <b>Expenditure By Type</b>   |     |                 |                     |                  |                  |                 |                  |                  |                 |                    |                  |
| Employee related costs   | -   |                 | 1 531 068           | 1 531 068        | 121 642          | 609 699         | 647 449          | (37 750)         | -6%             | 1 531 068          |                  |
| Remuneration of councillors  |     |                 | 58 099              | 58 099           | 4 554            | 22 215          | 24 208           | (1 992)          | -8%             | 58 099             |                  |
| Debt impairment  |     |                 | 303 865             | 303 865          | 25 322           | 126 610         | 127 102          | (492)            | 0%              | 303 865            |                  |
| Depreciation & asset impairment                                      |     |                 | 748 339             | 748 339          | 55 340           | 305 734         | 311 808          | (6 074)          | -2%             | 748 339            |                  |
| Finance charges  |     |                 | 57 105              | 57 105           | 4 476            | 21 160          | 25 080           | (3 920)          | -16%            | 57 105             |                  |
| Bulk purchases   |     |                 | 1 521 587           | 1 521 587        | 110 920          | 703 006         | 643 995          | 59 012           | 9%              | 1 521 587          |                  |
| Other materials  |     |                 | -                   | -                | -                | -               | -                | -                |                 | -                  |                  |
| Contracted services  |     |                 | 22 486              | 22 486           | 5 876            | 12 838          | 5 197            | 7 641            | 147%            | 22 486             |                  |
| Transfers and grants   |     |                 | 288 468             | 288 468          | 1 948            | 98 897          | 120 194          | (21 297)         | -18%            | 288 468            |                  |
| Other expenditure  |     |                 | 1 374 944           | 1 373 043        | 122 570          | 454 447         | 367 519          | 86 928           | 24%             | 1 373 043          |                  |
| Loss on disposal of PPE  |     |                 | -                   | -                | -                | -               | -                | -                |                 | -                  |                  |
| <b>Total Expenditure</b>   |     |                 | <b>-</b>            | <b>5 905 961</b> | <b>5 904 061</b> | <b>452 649</b>  | <b>2 354 607</b> | <b>2 272 551</b> | <b>82 056</b>   | <b>4%</b>          | <b>5 904 061</b> |
| <b>Surplus/(Deficit)</b>   |     |                 | <b>-</b>            | <b>1 078</b>     | <b>1 078</b>     | <b>(81 359)</b> | <b>(151 409)</b> | <b>(100 586)</b> | <b>(50 824)</b> | <b>0</b>           | <b>1 078</b>     |
| Transfers recognised - capital                                       |     |                 | 848 269             | 848 269          | 70 905           | 188 784         | 261 193          | (72 409)         | (0)             | 848 269            |                  |
| Contributions recognised - capital                                   |     |                 | -                   | -                | -                | -               | -                | -                |                 | -                  |                  |
| Contributed assets   |     |                 | -                   | -                | -                | -               | -                | -                |                 | -                  |                  |
| <b>Surplus/(Deficit) after capital transfers &amp; contributions</b> |     |                 | <b>-</b>            | <b>849 347</b>   | <b>849 347</b>   | <b>(10 454)</b> | <b>37 374</b>    | <b>160 607</b>   |                 |                    | <b>849 347</b>   |
| Taxation   |     |                 |                     |                  |                  |                 |                  | -                |                 |                    |                  |
| <b>Surplus/(Deficit) after taxation</b>                              |     |                 | <b>-</b>            | <b>849 347</b>   | <b>849 347</b>   | <b>(10 454)</b> | <b>37 374</b>    | <b>160 607</b>   |                 |                    | <b>849 347</b>   |
| Attributable to minorities   |     |                 |                     |                  |                  |                 |                  |                  |                 |                    |                  |
| <b>Surplus/(Deficit) attributable to municipality</b>                |     |                 | <b>-</b>            | <b>849 347</b>   | <b>849 347</b>   | <b>(10 454)</b> | <b>37 374</b>    | <b>160 607</b>   |                 |                    | <b>849 347</b>   |
| Share of surplus/ (deficit) of associate                             |     |                 |                     |                  |                  |                 |                  |                  |                 |                    |                  |
| <b>Surplus/ (Deficit) for the year</b>                               |     |                 | <b>-</b>            | <b>849 347</b>   | <b>849 347</b>   | <b>(10 454)</b> | <b>37 374</b>    | <b>160 607</b>   |                 |                    | <b>849 347</b>   |

## **7.4.1 ANALYSIS OF STATEMENT OF FINANCIAL PERFORMANCE**

### **7.4.1.1 Service Charges – electricity revenue**

The actual revenue depends on the usage of customers and also purchase patterns of customers related to prepayment metering. The year to date actual reflects the billing pattern and purchase patterns of the customers.

### **7.4.1.2 Rental of facilities and equipment**

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

### **7.4.1.3 Interest earned – external investments**

Greater level of investments have resulted in additional interest earned at 30 November 2016.

### **7.4.1.4 Interest earned – outstanding debtors**

Despite credit control action and debt collection action that was implemented, a primary contributing factor to the increase in interest earned from outstanding debtors is attributed to the non-payment by customers.

### **7.4.1.5 Transfers recognised - operational**

The variance is as a result of general fuel levy that was received in the month of August 2016. The general fuel levy was not projected for under operational transfers recognised, however this will be corrected in the mid-year adjustment budget.

### **7.4.1.6 Other revenue**

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



#### **7.4.1.7 Finance charges**

The year to date budget was calculated on the assumption that the institution would have obtained additional long term loan funding at the beginning of 2016/17 financial year. However, the process of sourcing the loan is still in progress.

#### **7.4.1.8 Contracted services**

Contracted services are utilised as and when required. As the year progresses the use of contracted services will stabilise. One-Man-Contract workers have been appointed to assist towards the cleanliness of the City.

#### **7.4.1.9 Transfers and grants**

The monthly journal to account for Social Welfare Grants for the November 2016 period was not processed timeously and this has resulted in the variance. This correction will be made in the subsequent month.

#### **7.4.1.9 Other expenditure**

Other expenditure includes operating projects, operational costs as well as repairs and maintenance and these expenditure categories are overspent spent by 24% when compared to the year to date budget. These were not correctly projected for, however this will be corrected in the mid-year adjustment budget. Expenditure on repairs and maintenance is provided in table 6 below. Details on operating projects are provided on section 15 of the report.

#### **7.4.1.10 Repairs and Maintenance**

Table 6 below reflects that as at 30 November 2016, the repairs and maintenance expenditure is 30% of the approved budget of R414.79 million (2015/16: 28%). This is a slight improvement when compared with the prior year. Refer to Annexure B: SC13c (repairs and maintenance by asset class).

**Table 6: Repairs and Maintenance per Directorate**

| <b>Directorate</b>   | <b><u>2016/2017</u><br/><u>Annual</u><br/><u>Budget</u><br/><u>R</u></b> | <b><u>2016/2017</u><br/><u>Annual</u><br/><u>Expenditure</u><br/><u>R</u></b> | <b><u>2016/2017</u><br/><u>-</u><br/><u>Variance</u><br/><u>R</u></b> | <b><u>2016/2017</u><br/><u>% of</u><br/><u>Budget</u><br/><u>%</u></b> |
|--|--|---|---|--|
| Directorate Of Executive Support Services                  | 3 235 637  | 319 203   | 2 916 434   | 10%  |
| Directorate Of The City Manager                            | 134 478  | 3 902   | 130 576   | 3%   |
| Directorate Of Corporate Services                          | 6 540 381  | 1 172 395   | 5 367 986   | 18%  |
| Directorate Of Development & Spatial Planning              | 28 357 088   | 6 866 926   | 21 490 162  | 24%  |
| Directorate Of Economic Development & Agencies             | 1 180 627  | 301 648   | 878 979   | 26%  |
| Directorate Of Finance                                     | 3 273 630  | 211 105   | 3 062 525   | 6%   |
| Directorate Of Health / Public Safety & Emergency Services | 6 195 492  | 1 119 601   | 5 075 891   | 18%  |
| Directorate Of Human Settlement                            | 108 421  | 68 163  | 40 258  | 63%  |
| Directorate Of Infrastructure Services                     | 328 157 794  | 91 085 166  | 237 072 628   | 28%  |
| <i>Electricity</i>   | 126 468 926  | 40 109 890  | 86 359 036  | 32%  |
| <i>Water</i>   | 47 248 367   | 21 190 353  | 26 058 014  | 45%  |
| <i>Sanitation</i>  | 33 026 802   | 10 858 689  | 22 168 113  | 33%  |
| <i>Other</i>   | 121 413 699  | 18 926 234  | 102 487 465   | 16%  |
| Directorate Of Municipal Services                          | 37 607 278   | 23 213 193  | 14 394 085  | 62%  |
| <b>TOTAL</b>   | <b>414 790 826</b>   | <b>124 361 301</b>  | <b>290 429 525</b>  | <b>30%</b>   |

## 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 - M05 November**

| 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 |
| <b>R thousands</b>   | 1   |                 |                     |                  |                |                |                |                |                |                    |
| <b>Multi-Year expenditure appropriation</b>                        | 2   |                 |                     |                  |                |                |                |                |                |                    |
| Vote 1 - Directorate - Executive Support Services                  |     | -               | 5 500               | 8 007            | 58             | 338            | 390            | (52)           | -13%           | 8 007              |
| Vote 2 - Directorate - City Manager                                |     | -               | 17 522              | 17 522           | 4 279          | 9 712          | 41             | 9 671          | 23729%         | 17 522             |
| Vote 3 - Directorate - Human Settlements                           |     | -               | 202 441             | 211 477          | 15 503         | 60 941         | 14 870         | 46 071         | 310%           | 211 477            |
| Vote 4 - Directorate - Finance                                     |     | -               | 10 600              | 10 748           | 63             | 321            | 1 805          | (1 483)        | -82%           | 10 748             |
| Vote 5 - Directorate - Corporate Services                          |     | -               | 7 100               | 9 034            | 227            | 407            | 2 071          | (1 664)        | -80%           | 9 034              |
| Vote 6 - Directorate - Infrastructure Services                     |     | -               | 887 671             | 937 030          | 96 698         | 232 560        | 134 101        | 98 459         | 73%            | 937 030            |
| Vote 7 - Directorate - Development Planning                        |     | -               | 230 290             | 230 417          | 1 358          | 6 162          | 13 004         | (6 843)        | -53%           | 230 417            |
| Vote 8 - Directorate - Health / Public Safety & Emergency Services |     | -               | 30 032              | 46 484           | 135            | 914            | 6 733          | (5 819)        | -86%           | 46 484             |
| Vote 9 - Directorate - Municipal Services                          |     | -               | 122 478             | 167 702          | 4 693          | 12 174         | 7 308          | 4 866          | 67%            | 167 702            |
| Vote 10 - Directorate - Economic Development                       |     | -               | 44 500              | 54 734           | 1 314          | 6 448          | 18 542         | (12 093)       | -65%           | 54 734             |
| Vote 11 - [NAME OF VOTE 11]  |     | -               | -                   | -                | -              | -              | -              | -              | -              | -                  |
| Vote 12 - [NAME OF VOTE 12]  |     | -               | -                   | -                | -              | -              | -              | -              | -              | -                  |
| Vote 13 - [NAME OF VOTE 13]  |     | -               | -                   | -                | -              | -              | -              | -              | -              | -                  |
| Vote 14 - [NAME OF VOTE 14]  |     | -               | -                   | -                | -              | -              | -              | -              | -              | -                  |
| Vote 15 - [NAME OF VOTE 15]  |     | -               | -                   | -                | -              | -              | -              | -              | -              | -                  |
| <b>Total Capital Expenditure</b>                                   |     | -               | <b>1 558 134</b>    | <b>1 693 155</b> | <b>124 330</b> | <b>329 978</b> | <b>198 865</b> | <b>131 113</b> | <b>66%</b>     | <b>1 693 155</b>   |
| <b>Capital Expenditure - Standard Classification</b>               |     |                 |                     |                  |                |                |                |                |                |                    |
| <b>Governance and administration</b>                               |     | -               | <b>40 722</b>       | <b>80 310</b>    | <b>4 628</b>   | <b>10 778</b>  | <b>9 433</b>   | <b>1 346</b>   | <b>14%</b>     | <b>80 310</b>      |
| Executive and council  |     | -               | 23 022              | 60 529           | 4 337          | 10 050         | 7 109          | 2 941          | 41%            | 60 529             |
| Budget and treasury office   |     | -               | 10 600              | 10 748           | 63             | 321            | 1 262          | (941)          | -75%           | 10 748             |
| Corporate services   |     | -               | 7 100               | 9 034            | 227            | 407            | 1 061          | (654)          | -62%           | 9 034              |
| <b>Community and public safety</b>                                 |     | -               | <b>276 498</b>      | <b>309 838</b>   | <b>20 331</b>  | <b>73 698</b>  | <b>36 391</b>  | <b>37 307</b>  | <b>103%</b>    | <b>309 838</b>     |
| Community and social services                                      |     | -               | 23 300              | 30 226           | 2 209          | 4 451          | 3 550          | 901            | 25%            | 30 226             |
| Sport and recreation   |     | -               | 20 725              | 21 651           | 2 484          | 7 392          | 2 543          | 4 849          | 191%           | 21 651             |
| Public safety  |     | -               | 30 032              | 46 484           | 135            | 914            | 5 460          | (4 545)        | -83%           | 46 484             |
| Housing  |     | -               | 202 441             | 211 477          | 15 503         | 60 941         | 24 838         | 36 103         | 145%           | 211 477            |
| Health   |     | -               | -                   | -                | -              | -              | -              | -              | -              | -                  |
| <b>Economic and environmental services</b>                         |     | -               | <b>541 969</b>      | <b>552 330</b>   | <b>17 151</b>  | <b>65 309</b>  | <b>64 872</b>  | <b>437</b>     | <b>1%</b>      | <b>552 330</b>     |
| Planning and development   |     | -               | 274 790             | 285 151          | 2 673          | 12 610         | 33 492         | (20 882)       | -62%           | 285 151            |
| Road transport   |     | -               | 267 179             | 267 179          | 14 478         | 52 700         | 31 381         | 21 319         | 68%            | 267 179            |
| Environmental protection   |     | -               | -                   | -                | -              | -              | -              | -              | -              | -                  |
| <b>Trading services</b>  |     | -               | <b>680 946</b>      | <b>732 365</b>   | <b>82 220</b>  | <b>171 292</b> | <b>86 018</b>  | <b>85 274</b>  | <b>99%</b>     | <b>732 365</b>     |
| Electricity  |     | -               | 143 000             | 143 000          | 15 496         | 33 521         | 16 796         | 16 726         | 100%           | 143 000            |
| Water  |     | -               | 87 500              | 87 500           | 10 923         | 42 899         | 10 277         | 32 622         | 317%           | 87 500             |
| Waste water management   |     | -               | 371 992             | 386 040          | 55 801         | 94 540         | 45 341         | 49 199         | 109%           | 386 040            |
| Waste management   |     | -               | 78 454              | 115 825          | -              | 332            | 13 604         | (13 272)       | -98%           | 115 825            |
| <b>Other</b>   |     | -               | <b>18 000</b>       | <b>18 312</b>    | <b>-</b>       | <b>8 900</b>   | <b>2 151</b>   | <b>6 749</b>   | <b>314%</b>    | <b>18 312</b>      |
| <b>Total Capital Expenditure - Standard Classification</b>         | 3   | -               | <b>1 558 134</b>    | <b>1 693 155</b> | <b>124 330</b> | <b>329 978</b> | <b>198 865</b> | <b>131 113</b> | <b>66%</b>     | <b>1 693 155</b>   |
| <b>Funded by:</b>  |     |                 |                     |                  |                |                |                |                |                |                    |
| National Government  |     | -               | 741 969             | 741 969          | 70 905         | 180 893        | 87 146         | 93 748         | 108%           | 741 969            |
| Provincial Government  |     | -               | 106 300             | 120 405          | -              | 7 890          | 14 142         | (6 252)        | -44%           | 120 405            |
| District Municipality  |     | -               | -                   | -                | -              | -              | -              | -              | -              | -                  |
| Other transfers and grants   |     | -               | -                   | -                | -              | -              | -              | -              | -              | -                  |
| <b>Transfers recognised - capital</b>                              |     | -               | <b>848 269</b>      | <b>862 374</b>   | <b>70 905</b>  | <b>188 784</b> | <b>101 288</b> | <b>87 496</b>  | <b>86%</b>     | <b>862 374</b>     |
| <b>Public contributions &amp; donations</b>                        | 5   | -               | -                   | -                | -              | -              | -              | -              | -              | -                  |
| <b>Borrowing</b>   | 6   | -               | 69 582              | 69 582           | -              | -              | 8 173          | (8 173)        | -100%          | 69 582             |
| <b>Internally generated funds</b>                                  |     | -               | 640 283             | 761 199          | 53 425         | 141 195        | 89 405         | 51 790         | 58%            | 761 199            |
| <b>Total Capital Funding</b>                                       |     | -               | <b>1 558 134</b>    | <b>1 693 155</b> | <b>124 330</b> | <b>329 978</b> | <b>198 865</b> | <b>131 113</b> | <b>66%</b>     | <b>1 693 155</b>   |

## 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 R14.89 billion.

**Table 8: C6: Monthly Budget Statement – Financial Position**

**BUF Buffalo City - Table C6 Consolidated Monthly Budget Statement - Financial Position - M05 November**

| Description                              | Ref | 2015/16         | Budget Year 2016/17 |                 |               |                    |            |
|--|-----|-----------------|---------------------|-----------------|---------------|--------------------|------------|
|  |     | Audited Outcome | Original Budget     | Adjusted Budget | YearTD actual | Full Year Forecast |            |
| <b>R thousands</b>                       | 1   |                 |                     |                 |               |                    |            |
| <b><u>ASSETS</u></b>                     |     |                 |                     |                 |               |                    |            |
| <b>Current assets</b>                    |     |                 |                     |                 |               |                    |            |
| Cash                                     |     |                 | 80 644              | 80 644          | 287 199       | 80 644             |            |
| Call investment deposits                 |     |                 | 2 410 242           | 2 410 242       | 1 959 081     | 2 410 242          |            |
| Consumer debtors                         |     |                 | 820 635             | 820 635         | 248 456       | 820 635            |            |
| Other debtors                            |     |                 | 108 064             | 108 064         | 1 087 766     | 108 064            |            |
| Current portion of long-term receivables |     |                 | 15                  | 15              | –             | 15                 |            |
| Inventory                                |     |                 | 106 480             | 106 480         | 41 564        | 106 480            |            |
| <b>Total current assets</b>              |     |                 | –                   | 3 526 080       | 3 526 080     | 3 624 066          | 3 526 080  |
| <b>Non current assets</b>                |     |                 |                     |                 |               |                    |            |
| Long-term receivables                    |     |                 | 66                  | 66              | –             | 66                 |            |
| Investments                              |     |                 | –                   | –               | –             | –                  |            |
| Investment property                      |     |                 | 485 540             | 485 540         | 342 030       | 485 540            |            |
| Investments in Associate                 |     |                 | 90 099              | 90 099          | 112 292       | 90 099             |            |
| Property, plant and equipment            |     |                 | 13 447 560          | 13 555 576      | 12 911 199    | 13 555 576         |            |
| Agricultural                             |     |                 | –                   | –               | –             | –                  |            |
| Biological assets                        |     |                 | –                   | –               | –             | –                  |            |
| Intangible assets                        |     |                 | 25 080              | 25 080          | 85 948        | 25 080             |            |
| Other non-current assets                 |     |                 | 82 676              | 82 676          | 69 018        | 82 676             |            |
| <b>Total non current assets</b>          |     |                 | –                   | 14 131 021      | 14 239 037    | 13 520 486         | 14 239 037 |
| <b>TOTAL ASSETS</b>                      |     |                 | –                   | 17 657 101      | 17 765 117    | 17 144 552         | 17 765 117 |
| <b><u>LIABILITIES</u></b>                |     |                 |                     |                 |               |                    |            |
| <b>Current liabilities</b>               |     |                 |                     |                 |               |                    |            |
| Bank overdraft                           |     |                 | –                   | –               | –             | –                  |            |
| Borrowing                                |     |                 | 51 825              | 51 825          | 39 470        | 51 825             |            |
| Consumer deposits                        |     |                 | 59 455              | 59 455          | 53 708        | 59 455             |            |
| Trade and other payables                 |     |                 | 852 917             | 852 917         | 1 022 233     | 852 917            |            |
| Provisions                               |     |                 | 166 958             | 166 958         | 191 830       | 166 958            |            |
| <b>Total current liabilities</b>         |     |                 | –                   | 1 131 155       | 1 130 241     | 1 131 155          |            |
| <b>Non current liabilities</b>           |     |                 |                     |                 |               |                    |            |
| Borrowing                                |     |                 | 518 175             | 518 175         | 445 768       | 518 175            |            |
| Provisions                               |     |                 | 659 099             | 659 099         | 498 372       | 659 099            |            |
| <b>Total non current liabilities</b>     |     |                 | –                   | 1 177 274       | 944 139       | 1 177 274          |            |
| <b>TOTAL LIABILITIES</b>                 |     |                 | –                   | 2 308 429       | 2 251 381     | 2 308 429          |            |
| <b>NET ASSETS</b>                        | 2   |                 | –                   | 15 348 672      | 15 456 688    | 14 893 172         | 15 456 688 |
| <b><u>COMMUNITY WEALTH/EQUITY</u></b>    |     |                 |                     |                 |               |                    |            |
| Accumulated Surplus/(Deficit)            |     |                 | 12 256 811          | 12 364 827      | 10 279 231    | 12 364 827         |            |
| Reserves                                 |     |                 | 3 091 861           | 3 091 861       | 4 613 941     | 3 091 861          |            |
| <b>TOTAL COMMUNITY WEALTH/EQUITY</b>     | 2   |                 | –                   | 15 348 672      | 15 456 688    | 14 893 172         | 15 456 688 |

## 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 R127.62 million resulting in cash and cash equivalents closing balance of R2.25 billion as at 30 November 2016. The net decrease is as a result of a lower collection rate than projected, it is however expected to improve as the year progresses.

**Table 9: C7: Monthly Budget Statement – Cash Flow**

BUF Buffalo City - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M05 November

| Description                                       | Ref | Budget Year 2016/17           |                    |                    |                   |                  |                  |                  |                      |                       |
|---|-----|-------------------------------|--------------------|--------------------|-------------------|------------------|------------------|------------------|----------------------|-----------------------|
|   |     | 2015/16<br>Audited<br>Outcome | Original<br>Budget | Adjusted<br>Budget | Monthly<br>actual | YearTD<br>actual | YearTD<br>budget | YTD<br>variance  | YTD<br>variance<br>% | Full Year<br>Forecast |
| <b>R thousands</b>                                | 1   |                               |                    |                    |                   |                  |                  |                  |                      |                       |
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>        |     |                               |                    |                    |                   |                  |                  |                  |                      |                       |
| <b>Receipts</b>                                   |     |                               |                    |                    |                   |                  |                  |                  |                      |                       |
| Property rates, penalties & collection charges    |     | 1 038 701                     | 1 038 701          | 88 537             | 471 658           | 346 234          | 125 424          | 36%              | 1 038 701            |                       |
| Service charges                                   |     | 2 708 964                     | 2 708 964          | 230 137            | 1 072 640         | 902 988          | 169 652          | 19%              | 2 708 964            |                       |
| Other revenue                                     |     | 330 374                       | 330 374            | 23 769             | 111 792           | 110 125          | 1 667            | 2%               | 330 374              |                       |
| Government - operating                            |     | 1 319 728                     | 1 319 728          | 12 733             | 461 462           | 439 909          | 21 553           | 5%               | 1 319 728            |                       |
| Government - capital                              |     | 848 269                       | 848 269            | 298 680            | 563 660           | 282 756          | 280 904          | 99%              | 848 269              |                       |
| Interest  |     | 178 495                       | 178 495            | 16 114             | 85 646            | 59 498           | 26 148           | 44%              | 178 495              |                       |
| Dividends   |     | -                             | -                  | -                  | -                 | -                | -                |                  | -                    |                       |
| <b>Payments</b>                                   |     |                               |                    |                    |                   |                  |                  |                  |                      |                       |
| Suppliers and employees                           |     | (4 430 013)                   | (4 430 013)        | (553 764)          | (2 433 204)       | (1 476 671)      | 956 533          | -65%             | (4 430 013)          |                       |
| Finance charges                                   |     | (57 113)                      | (57 113)           | (4 476)            | (21 160)          | (19 038)         | 2 123            | -11%             | (57 113)             |                       |
| Transfers and Grants                              |     | (288 468)                     | (288 468)          | (1 948)            | (98 897)          | (96 156)         | 2 741            | -3%              | (288 468)            |                       |
| <b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>  |     | <b>-</b>                      | <b>1 648 938</b>   | <b>1 648 938</b>   | <b>109 781</b>    | <b>213 596</b>   | <b>549 646</b>   | <b>336 049</b>   | <b>61%</b>           | <b>1 648 938</b>      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>       |     |                               |                    |                    |                   |                  |                  |                  |                      |                       |
| <b>Receipts</b>                                   |     |                               |                    |                    |                   |                  |                  |                  |                      |                       |
| Proceeds on disposal of PPE                       |     | -                             | -                  | -                  | -                 | -                | -                | -                | -                    | -                     |
| Decrease (Increase) in non-current debtors        |     | -                             | -                  | -                  | -                 | -                | -                | -                | -                    | -                     |
| Decrease (increase) other non-current receivables |     | -                             | -                  | -                  | -                 | -                | -                | -                | -                    | -                     |
| Decrease (increase) in non-current investments    |     | -                             | -                  | -                  | -                 | -                | -                | -                | -                    | -                     |
| <b>Payments</b>                                   |     |                               |                    |                    |                   |                  |                  |                  |                      |                       |
| Capital assets                                    |     | (1 558 134)                   | (1 693 155)        | (124 330)          | (329 978)         | (519 378)        | (189 400)        | 36%              | (1 693 155)          |                       |
| <b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>  |     | <b>-</b>                      | <b>(1 558 134)</b> | <b>(1 693 155)</b> | <b>(124 330)</b>  | <b>(329 978)</b> | <b>(519 378)</b> | <b>(189 400)</b> | <b>36%</b>           | <b>(1 693 155)</b>    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>       |     |                               |                    |                    |                   |                  |                  |                  |                      |                       |
| <b>Receipts</b>                                   |     |                               |                    |                    |                   |                  |                  |                  |                      |                       |
| Short term loans                                  |     | -                             | -                  | -                  | -                 | -                | -                | -                | -                    | -                     |
| Borrowing long term/refinancing                   |     | 69 582                        | 69 582             | -                  | -                 | 23 194           | (23 194)         | -100%            | 69 582               |                       |
| Increase (decrease) in consumer deposits          |     | -                             | -                  | -                  | -                 | -                | -                | -                | -                    | -                     |
| <b>Payments</b>                                   |     |                               |                    |                    |                   |                  |                  |                  |                      |                       |
| Repayment of borrowing                            |     | (51 825)                      | (51 825)           | -                  | (11 239)          | (17 275)         | (6 036)          | 35%              | (51 825)             |                       |
| <b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>  |     | <b>-</b>                      | <b>17 757</b>      | <b>17 757</b>      | <b>-</b>          | <b>(11 239)</b>  | <b>5 919</b>     | <b>17 158</b>    | <b>290%</b>          | <b>17 757</b>         |
| <b>NET INCREASE/ (DECREASE) IN CASH HELD</b>      |     | <b>-</b>                      | <b>108 561</b>     | <b>(26 460)</b>    | <b>(14 548)</b>   | <b>(127 620)</b> | <b>36 187</b>    |                  |                      | <b>(26 460)</b>       |
| Cash/cash equivalents at beginning:               |     | 2 382 186                     | 2 382 186          |                    | 2 373 900         | 2 382 186        |                  |                  |                      | 2 373 900             |
| Cash/cash equivalents at monthly/year end:        |     | -                             | 2 490 747          | 2 355 726          |                   | 2 246 280        | 2 418 373        |                  |                      | 2 347 440             |

## **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 - M05 November

| Description   | NT Code     | Budget Year 2016/17 |               |               |               |               |               |                |                  |                  | Total over 90 days | Actual Bad Debts Written Off against Debtors | Impairment - Bad Debts i.t.o Council Policy |
|---|-------------|---------------------|---------------|---------------|---------------|---------------|---------------|----------------|------------------|------------------|--------------------|--|---|
|   |             | 0-30 Days           | 31-60 Days    | 61-90 Days    | 91-120 Days   | 121-150 Dys   | 151-180 Dys   | 181 Dys-1 Yr   | Over 1Yr         | Total            |                    |  |   |
| <b>R thousands</b>  |             |                     |               |               |               |               |               |                |                  |                  |                    |  |   |
| <b>Debtors Age Analysis By Income Source</b>                            |             |                     |               |               |               |               |               |                |                  |                  |                    |  |   |
| Trade and Other Receivables from Exchange Transactions - Water          | 1200        | 41 138              | 22 386        | 24 126        | 20 068        | 27 274        | 31 735        | 89 343         | 278 207          | 534 276          | 446 626            |  |   |
| Trade and Other Receivables from Exchange Transactions - Electricity    | 1300        | 89 923              | 11 418        | 7 578         | 5 243         | 4 882         | 4 513         | 10 792         | 33 740           | 168 089          | 59 170             |  |   |
| Receivables from Non-exchange Transactions - Property Rates             | 1400        | 84 163              | 31 389        | 17 618        | 15 498        | 24 109        | 13 395        | 87 068         | 278 214          | 551 453          | 418 284            |  |   |
| Receivables from Exchange Transactions - Waste Water Management         | 1500        | 21 237              | 8 507         | 6 397         | 5 212         | 9 957         | 4 245         | 24 033         | 125 502          | 205 091          | 168 949            |  |   |
| Receivables from Exchange Transactions - Waste Management               | 1600        | 17 344              | 8 762         | 6 723         | 6 244         | 11 058        | 5 302         | 31 758         | 175 421          | 262 611          | 229 783            |  |   |
| Receivables from Exchange Transactions - Property Rental Debtors        | 1700        | 75                  | 72            | 70            | 68            | 109           | 62            | 420            | 3 265            | 4 141            | 3 925              |  |   |
| Interest on Arrear Debtor Accounts                                      | 1810        |                     |               |               |               |               |               |                |                  | -                | -                  |  |   |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820        |                     |               |               |               |               |               |                |                  | -                | -                  |  |   |
| Other   | 1900        | 6 207               | 3 818         | 3 476         | 3 240         | 4 563         | 3 171         | 16 207         | 120 406          | 161 088          | 147 587            |  |   |
| <b>Total By Income Source</b>   | <b>2000</b> | <b>260 086</b>      | <b>86 351</b> | <b>65 987</b> | <b>55 573</b> | <b>81 952</b> | <b>62 423</b> | <b>259 621</b> | <b>1 014 755</b> | <b>1 886 749</b> | <b>1 474 324</b>   | <b>-</b>                                     | <b>-</b>                                    |
| <b>2015/16 - totals only</b>  |             | <b>291 855</b>      | <b>76 034</b> | <b>61 181</b> | <b>45 985</b> | <b>38 837</b> | <b>3 439</b>  | <b>210 133</b> | <b>719 269</b>   | <b>1 446 733</b> | <b>1 017 663</b>   |  |   |
| <b>Debtors Age Analysis By Customer Group</b>                           |             |                     |               |               |               |               |               |                |                  |                  |                    |  |   |
| Organs of State   | 2200        | 26 757              | 12 606        | 4 108         | 3 257         | 4 651         | 13 763        | 1 024          | 4 606            | 70 772           | 27 301             |  |   |
| Commercial  | 2300        | 123 513             | 20 700        | 15 454        | 12 141        | 18 632        | 12 259        | 57 609         | 161 244          | 421 551          | 261 884            |  |   |
| Households  | 2400        | 99 475              | 47 357        | 40 909        | 34 699        | 52 030        | 31 475        | 169 999        | 665 601          | 1 141 544        | 953 803            |  |   |
| Other   | 2500        | 10 342              | 5 688         | 5 516         | 5 477         | 6 638         | 4 927         | 30 989         | 183 304          | 252 881          | 231 335            |  |   |
| <b>Total By Customer Group</b>  | <b>2600</b> | <b>260 086</b>      | <b>86 351</b> | <b>65 987</b> | <b>55 573</b> | <b>81 952</b> | <b>62 423</b> | <b>259 621</b> | <b>1 014 755</b> | <b>1 886 749</b> | <b>1 474 324</b>   | <b>-</b>                                     | <b>-</b>                                    |

#### 8.1.1. Additional debtors information

The debtors that are older than 30 days, which includes all charges, amounted to R1.63 billion as at 30 November 2016 which is an increase of R25.93 million over the amount of R1.60 billion as at 31 October 2016.

Despite credit control action and debt collection action that was implemented, the primary contributing factor to the increase in debtors and reduction in collection rate can be attributed to the non-payment by customers.

**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 November 2016. It also provides comparison with the previous month (31 October 2016) which indicates an increase from R1.60 billion to R1.63 billion.

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

| <b>AGEING</b>               | <b>RATES</b>       | <b>SEWERAGE</b>    | <b>ELECTRICITY</b> | <b>WATER</b>       | <b>REFUSE</b>      | <b>SUNDRY DEBTORS</b> | <b>TOTAL FOR NOVEMBER 2016</b> | <b>TOTAL FOR OCTOBER 2016</b> |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------------|--------------------------------|-------------------------------|
| <b>30 DAYS</b>              | 31 388 788         | 8 507 270          | 11 417 984         | 22 385 858         | 8 761 548          | 3 889 800             | 86 351 247                     | 93 601 225                    |
| <b>60 DAYS</b>              | 17 617 937         | 6 397 157          | 7 578 494          | 24 125 537         | 6 722 535          | 3 545 381             | 65 987 041                     | 63 110 883                    |
| <b>90 DAYS</b>              | 15 498 361         | 5 211 766          | 5 243 003          | 20 067 819         | 6 244 336          | 3 307 873             | 55 573 157                     | 87 411 200                    |
| <b>120 DAYS TO 360 DAYS</b> | 124 570 990        | 38 235 291         | 20 186 543         | 148 351 667        | 48 118 061         | 24 533 381            | 403 995 934                    | 367 371 228                   |
| <b>YEAR 2</b>               | 115 736 625        | 30 236 184         | 9 782 282          | 103 032 399        | 38 502 443         | 22 512 744            | 319 802 678                    | 313 521 825                   |
| <b>YEAR 3</b>               | 58 958 403         | 26 095 772         | 5 919 265          | 51 622 264         | 33 555 274         | 25 097 734            | 201 248 712                    | 191 205 187                   |
| <b>YEAR 4</b>               | 24 853 364         | 17 118 191         | 5 451 141          | 32 275 000         | 23 819 842         | 19 534 655            | 123 052 193                    | 120 774 441                   |
| <b>YEAR 5</b>               | 20 553 739         | 13 105 061         | 5 922 538          | 22 574 095         | 17 788 897         | 14 704 519            | 94 648 849                     | 93 035 733                    |
| <b>YEAR 5+</b>              | 58 112 294         | 38 946 917         | 6 664 796          | 68 702 883         | 61 754 504         | 41 821 333            | 276 002 727                    | 270 705 615                   |
| <b>TOTAL</b>                | <b>467 290 502</b> | <b>183 853 609</b> | <b>78 166 045</b>  | <b>493 137 522</b> | <b>245 267 440</b> | <b>158 947 420</b>    | <b>1 626 662 538</b>           | <b>1 600 737 337</b>          |



### 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 November 2016. It also reflects the percentage split per category with domestic consumers having the highest share followed by indigent consumers. Please note that the financial system is not able to produce a collection ratio per service, however the collection ratio is reported on globally.

**Table 12: Age Analysis per Category Type**

| <b>CATEGORY TYPE</b>   | <b>30 DAYS</b>    | <b>60 DAYS</b>    | <b>90 DAYS</b>    | <b>120 DAYS+</b>     | <b>Total</b>         | <b>% Share</b> |
|------------------------|-------------------|-------------------|-------------------|----------------------|----------------------|----------------|
| <b>Domestic</b>        | 37 243 903        | 29 775 998        | 24 448 052        | 616 790 092          | 708 258 046          | 43.54          |
| <b>Indigent</b>        | 9 772 497         | 10 985 904        | 10 148 858        | 301 545 545          | 332 452 804          | 20.44          |
| <b>Business</b>        | 20 699 846        | 15 454 409        | 12 140 983        | 249 743 399          | 298 038 637          | 18.32          |
| <b>Government</b>      | 12 605 900        | 4 108 107         | 3 257 038         | 24 044 329           | 44 015 373           | 2.71           |
| <b>Municipal Staff</b> | 340 956           | 147 092           | 101 686           | 769 125              | 1 358 858            | 0.08           |
| <b>Other</b>           | 5 688 146         | 5 515 532         | 5 476 540         | 225 858 603          | 242 538 821          | 14.91          |
| <b>Total</b>           | <b>86 351 247</b> | <b>65 987 041</b> | <b>55 573 157</b> | <b>1 418 751 093</b> | <b>1 626 662 538</b> | <b>100.00</b>  |

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

### 8.2.3. Government Accounts

The total arrears owed by Government Departments to Buffalo City Metropolitan Municipality as at 30 November 2016 amounted to R44.02 million. This indicates an increase of R3.56 million when compared to prior month amount of R40.45 million. The debt has increased due to the fact that, most departments paid their accounts towards the end of the month and the monies were receipted early in the month of December 2016. The breakdown of the arrears per department (excluding accounts in credit) is indicated in the table hereunder, as at 30 November 2016.

Table 13 below provides an analysis of government debtors that are older than 30 days as at 30 November 2016 and comparison with the previous month.

**Table 13: Analysis of Government Debtors**

| DEPARTMENT                                      | PROPERTY RATES    | SERVICES          | ARREARS AS AT 30 NOVEMBER 2016 | ARREARS AS AT 31 OCTOBER 2016 | DIFFERENCE       |
|---|-------------------|-------------------|--------------------------------|-------------------------------|------------------|
| National Department Of Public Works             | 1 210 249         | 1 707 261         | 2 917 510                      | 3 247 991                     | (330 481)        |
| Provincial Department Of Public Works           | 9 268 131         | 2 644 947         | 11 913 077                     | 5 603 691                     | 6 309 387        |
| Department Of Education                         |                   | 1 431 279         | 1 431 279                      | 1 891 442                     | (460 163)        |
| Department Of Health                            |                   | 22 071 649        | 22 071 649                     | 24 026 979                    | (1 955 330)      |
| Department Of Social Development                |                   | -                 | -                              | 18                            | (18)             |
| Department Of Transport                         |                   | -                 | -                              | 44 211                        | (44 211)         |
| Department Of Agriculture                       |                   | 6 407             | 6 407                          | 997                           | 5 410            |
| Department Of Nature Conservation               |                   | -                 | -                              | 4 489                         | (4 489)          |
| Department of Human Settlements                 |                   | 45 188            | 45 188                         | 47 605                        | (2 416)          |
| Department of Labour - UIF Services             |                   | 2 333             | 2 333                          | 2 333                         | -                |
| Members Of Provincial Legislature               |                   | 80 634            | 80 634                         | 83 576                        | (2 942)          |
| Department of Water Affairs                     |                   | -                 | -                              | 8 775                         | (8 775)          |
| Department of Rural Development and Land Reform |                   | 584 916           | 584 916                        | 578 847                       | 6 069            |
| Provincial RDP Houses                           |                   | 4 962 380         | 4 962 380                      | 4 913 029                     | 49 351           |
| <b>TOTAL</b>                                    | <b>10 478 380</b> | <b>33 536 994</b> | <b>44 015 373</b>              | <b>40 453 982</b>             | <b>3 561 392</b> |

## 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 - M05 November

| 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          |   |  |
| <b>R thousands</b>                             |             |                     |               |               |               |                |                |                   |             |                |   |  |
| <b>Creditors Age Analysis By Customer Type</b> |             |                     |               |               |               |                |                |                   |             |                |   |  |
| Bulk Electricity                               | 0100        | 112 935             |               |               |               |                |                |                   |             | 112 935        | 99 542                                    |  |
| Bulk Water                                     | 0200        | 19 303              |               |               |               |                |                |                   |             | 19 303         | 15 270                                    |  |
| PAYE deductions                                | 0300        | 15 442              |               |               |               |                |                |                   |             | 15 442         | 15 068                                    |  |
| VAT (output less input)                        | 0400        | -                   |               |               |               |                |                |                   |             | -              | -   |  |
| Pensions / Retirement deductions               | 0500        | 19 473              |               |               |               |                |                |                   |             | 19 473         | 17 517                                    |  |
| Loan repayments                                | 0600        | -                   |               |               |               |                |                |                   |             | -              | -   |  |
| Trade Creditors                                | 0700        | 198 873             | 20 111        | 40 000        |               |                |                |                   |             | 258 984        | 116 300                                   |  |
| Auditor General                                | 0800        | 2 201               |               |               |               |                |                |                   |             | 2 201          | 2 775                                     |  |
| Other  | 0900        | 36 230              |               |               |               |                |                |                   |             | 36 230         | 325 795                                   |  |
| <b>Total By Customer Type</b>                  | <b>1000</b> | <b>404 457</b>      | <b>20 111</b> | <b>40 000</b> | <b>-</b>      | <b>-</b>       | <b>-</b>       | <b>-</b>          | <b>-</b>    | <b>464 568</b> | <b>592 269</b>                            |  |

The table below (table 15) depicts actual payments made by BCMM to its top twenty (20) creditors in November 2016.

**Table 15: Payments made to the 20 highest paid creditors – November 2016**

| <u>CREDITOR</u>                          | <u>90 DAYS</u>    | <u>60 DAYS</u> | <u>30 DAYS</u>    | <u>CURRENT</u>     | <u>TOTAL</u>       | <u>PAYMENT</u>     |
|--|-------------------|----------------|-------------------|--------------------|--------------------|--------------------|
| ESKOM                                    |                   |                |                   | 112 935 024        | 112 935 024        | <b>112 935 024</b> |
| ASLA CONSTRUCTION(PTY)LTD                | 40 000 000        |                |                   |                    | 40 000 000         | <b>40 000 000</b>  |
| SITA (PTY)LTD                            |                   |                |                   | 30 617 284         | 30 617 284         | <b>30 617 284</b>  |
| AMATOLA WATER                            |                   |                |                   | 19 302 582         | 19 302 582         | <b>19 302 582</b>  |
| MOTHEO / MPUMALANGA JOINT VENTURE        |                   |                |                   | 16 772 373         | 16 772 373         | <b>16 772 373</b>  |
| AMANZ ABANTU SERVICES (PTY) LTD          |                   |                | 12 266 899        |                    | 12 266 899         | <b>12 266 899</b>  |
| MANTELLA TRADING 522 CC                  |                   |                |                   | 11 202 176         | 11 202 176         | <b>11 202 176</b>  |
| HAW \$ INGLIS (PTY) LTD                  |                   |                | 7 844 009         |                    | 7 844 009          | <b>7 844 009</b>   |
| DOWN TOUCH INVESTMENT (PTY) LTD          |                   |                |                   | 7 227 558          | 7 227 558          | <b>7 227 558</b>   |
| RUWACON (PTY) LTD                        |                   |                |                   | 6 983 360          | 6 983 360          | <b>6 983 360</b>   |
| MAZIYA GENERAL SERVICES                  |                   |                |                   | 5 714 731          | 5 714 731          | <b>5 714 731</b>   |
| EYA BANTU PROFFESIONAL SERVICES CC       |                   |                |                   | 4 712 139          | 4 712 139          | <b>4 712 139</b>   |
| GIBB (PTY) LTD                           |                   |                |                   | 4 035 334          | 4 035 334          | <b>4 035 334</b>   |
| CDR ELETRICAL T/A SISONKE POWER PROJECTS |                   |                |                   | 3 988 446          | 3 988 446          | <b>3 988 446</b>   |
| TSHUVANE SERVICES                        |                   |                |                   | 3 876 194          | 3 876 194          | <b>3 876 194</b>   |
| TVR CONSTRUCTION                         |                   |                |                   | 3 652 108          | 3 652 108          | <b>3 652 108</b>   |
| MAKINWA MEDIA MANAGEMENT                 |                   |                |                   | 3 560 360          | 3 560 360          | <b>3 560 360</b>   |
| MASIQHAME TRADING 520 CC                 |                   |                |                   | 3 521 765          | 3 521 765          | <b>3 521 765</b>   |
| CZAR CONSTRUCTION                        |                   |                |                   | 3 036 583          | 3 036 583          | <b>3 036 583</b>   |
| GINTI CC                                 |                   |                |                   | 2 998 589          | 2 998 589          | <b>2 998 589</b>   |
| <b>TOTAL</b>                             | <b>40 000 000</b> | <b>-</b>       | <b>20 110 907</b> | <b>250 004 680</b> | <b>310 115 587</b> | <b>310 115 587</b> |

## 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 - M05 November**

| Investments by maturity<br>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           |                    |                           |                                |                           |  |                        |                                  |
| <b>R thousands</b>   |     |                      |                    |                           |                                |                           |  |                        |                                  |
| <b>Municipality</b>  |     |                      |                    |                           |                                |                           |  |                        |                                  |
| Rand Merchant Bank X021901943                                  |     | Call Account         | Call Account       | Call Account              | 260                            | 2.4%                      | 48 644                                 | 260                    | 48 903                           |
| Absa 91 2884 4539  |     | Call Account         | Call Account       | Call Account              | 3                              | 0.0%                      | 1 317                                  | (803)                  | 514                              |
| Standard 422 742   |     | Call Account         | Call Account       | Call Account              | 0                              | 0.0%                      | 290                                    | (290)                  | –                                |
| Absa 91 4102 2241  |     | Call Account         | Call Account       | Call Account              | 53                             | 0.5%                      | 9 829                                  | 53                     | 9 882                            |
| Absa 91 4163 6965  |     | Call Account         | Call Account       | Call Account              | 0                              | 0.0%                      | 223                                    | (223)                  | –                                |
| Absa 91 5484 1280  |     | Call Account         | Call Account       | Call Account              | 4                              | 0.0%                      | 807                                    | 4                      | 811                              |
| Rand Merchant Bank X021904910                                  |     | Call Account         | Call Account       | Call Account              | 49                             | 0.4%                      | 9 166                                  | 49                     | 9 215                            |
| Standard 76586/442740  |     | Call Account         | Call Account       | Call Account              | 1                              | 0.0%                      | 2 308                                  | (2 308)                | –                                |
| Absa 92 0562 2137  |     | Call Account         | Call Account       | Call Account              | 4                              | 0.0%                      | 830                                    | 4                      | 835                              |
| Rand Merchant Bank X021904913                                  |     | Call Account         | Call Account       | Call Account              | 82                             | 0.7%                      | 15 301                                 | 82                     | 15 383                           |
| Stanlib 551 660 303  |     | Call Account         | Call Account       | Call Account              | 274                            | 2.5%                      | 43 583                                 | (20)                   | 43 563                           |
| Nedbank 03/7881532939/000041                                   |     | Call Account         | Call Account       | Call Account              | 11                             | 0.1%                      | 6 990                                  | (5 466)                | 1 525                            |
| Nedbank 03/7881532939/000056                                   |     | Call Account         | Call Account       | Call Account              | 6                              | 0.1%                      | 1 052                                  | 6                      | 1 057                            |
| Nedbank 03/7881532939/000058                                   |     | Call Account         | Call Account       | Call Account              | 0                              | 0.0%                      | 14                                     | 0                      | 14                               |
| Nedbank 03/7881532939/000103                                   |     | Call Account         | Call Account       | Call Account              | 0                              | 0.0%                      | 3                                      | 0                      | 3                                |
| Nedbank 03/7881532939/000064                                   |     | Call Account         | Call Account       | Call Account              | 46                             | 0.4%                      | 8 592                                  | 46                     | 8 638                            |
| Absa 92 0559 0710  |     | Call Account         | Call Account       | Call Account              | 0                              | 0.0%                      | 43                                     | 0                      | 43                               |
| Nedbank 03/7881532939/000117                                   |     | Call Account         | Call Account       | Call Account              | 24                             | 0.2%                      | 4 414                                  | 24                     | 4 437                            |

**BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M05 November**

| Investments by maturity<br>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           |                    |                           |                                |                           |  |                        |                                  |
| <b>R thousands</b>   |     |                      |                    |                           |                                |                           |  |                        |                                  |
| <b>Municipality</b>  |     |                      |                    |                           |                                |                           |  |                        |                                  |
| Nedbank 03/7881532939/000108                                   |     | Call Account         | Call Account       | Call Account              | 1                              | 0.0%                      | 176                                    | 1                      | 177                              |
| Absa 92 2975 5568  |     | Call Account         | Call Account       | Call Account              | -                              |                           | -                                      | -                      | -                                |
| Absa 91 9360 7257  |     | Call Account         | Call Account       | Call Account              | 5                              | 0.0%                      | 1 016                                  | 5                      | 1 021                            |
| Nedbank 03/7881532939/000110                                   |     | Call Account         | Call Account       | Call Account              | 1                              | 0.0%                      | 255                                    | 1                      | 256                              |
| Rand Merchant Bank RRB1629010                                  |     | Call Account         | Call Account       | Call Account              | 405                            | 3.7%                      | 75 804                                 | 405                    | 76 209                           |
| Stanlib 551 989 180  |     | Call Account         | Call Account       | Call Account              | 243                            | 2.2%                      | 38 411                                 | 243                    | 38 654                           |
| Absa 92 2590 9850  |     | Call Account         | Call Account       | Call Account              | 5                              | 0.0%                      | 1 001                                  | 5                      | 1 006                            |
| Stanlib 551 539 764  |     | Call Account         | Call Account       | Call Account              | 12                             | 0.1%                      | 1 881                                  | 12                     | 1 893                            |
| Rand Merchant Bank RRB0324003                                  |     | Call Account         | Call Account       | Call Account              | 0                              | 0.0%                      | 42                                     | 0                      | 42                               |
| Stanlib 551 567 496  |     | Call Account         | Call Account       | Call Account              | 0                              | 0.0%                      | 1                                      | 2                      | 2                                |
| Stanlib 551 576 733  |     | Call Account         | Call Account       | Call Account              | -                              |                           | 0                                      | -                      | 0                                |
| Rand Merchant Bank RRB0B25020                                  |     | Call Account         | Call Account       | Call Account              | 9                              | 0.1%                      | 1 692                                  | 9                      | 1 701                            |
| Standard 76586/442743  |     | Call Account         | Call Account       | Call Account              | -                              |                           | -                                      | -                      | -                                |
| Rand Merchant Bank RRB1609012                                  |     | Call Account         | Call Account       | Call Account              | -                              |                           | (0)                                    | -                      | (0)                              |
| Stanlib 551 742 405  |     | Call Account         | Call Account       | Call Account              | 0                              | 0.0%                      | 341                                    | (341)                  | -                                |
| Rand Merchant Bank KLN2308011                                  |     | Call Account         | Call Account       | Call Account              | -                              |                           | -                                      | -                      | -                                |
| Nedbank 03/7881532939/000128                                   |     | Call Account         | Call Account       | Call Account              | 110                            | 1.0%                      | 25 630                                 | (21 890)               | 3 739                            |
| Rand Merchant Bank RRB1722008                                  |     | Call Account         | Call Account       | Call Account              | 156                            | 1.4%                      | 34 919                                 | (24 665)               | 10 253                           |
| Standard 76586/442745  |     | Call Account         | Call Account       | Call Account              | 105                            | 1.0%                      | 29 529                                 | (10 872)               | 18 657                           |
| Absa 92 6406 3148  |     | Call Account         | Call Account       | Call Account              | 365                            | 3.3%                      | 80 081                                 | (12 635)               | 67 446                           |
| Rand Merchant Bank KLN2720020                                  |     | Call Account         | Call Account       | Call Account              | 39                             | 0.4%                      | 7 743                                  | (408)                  | 7 335                            |
| Stanlib 551 868 235  |     | Call Account         | Call Account       | Call Account              | 1                              | 0.0%                      | 139                                    | 1                      | 140                              |

**BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M05 November**

| Investments by maturity<br>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           |                    |                           |                                |                           |  |                        |                                  |
| <b>R thousands</b>   |          |                      |                    |                           |                                |                           |  |                        |                                  |
| <b>Municipality</b>  |          |                      |                    |                           |                                |                           |  |                        |                                  |
| Absa 92 0559 0891  |          | Call Account         | Call Account       | Call Account              | 3                              | 0.0%                      | 529                                    | 3                      | 532                              |
| Rand Merchant Bank VVW2B13011                                  |          | Call Account         | Call Account       | Call Account              | 2                              | 0.0%                      | 426                                    | 2                      | 428                              |
| Standard 76586/494573  |          | Call Account         | Call Account       | Call Account              | 14                             | 0.1%                      | 2 704                                  | 14                     | 2 718                            |
| Nedbank 03/7881532939/000133                                   |          | Call Account         | Call Account       | Call Account              | 3                              | 0.0%                      | 518                                    | 3                      | 521                              |
| Nedbank 03/7881532939/000134                                   |          | Call Account         | Call Account       | Call Account              | 110                            | 1.0%                      | 20 587                                 | 40                     | 20 627                           |
| Stanlib 753 72 270   |          | Call Account         | Call Account       | Call Account              | 331                            | 3.0%                      | 52 306                                 | 331                    | 52 637                           |
| Stanlib 551 353 708  |          | Call Account         | Call Account       | Call Account              | 7                              | 0.1%                      | 1 062                                  | 7                      | 1 069                            |
| Standard 76586/442736  |          | Call Account         | Call Account       | Call Account              | 212                            | 1.9%                      | 39 658                                 | 212                    | 39 870                           |
| Stanlib 753 72 271   |          | Call Account         | Call Account       | Call Account              | 300                            | 2.7%                      | 47 433                                 | 300                    | 47 733                           |
| Rand Merchant Bank X021904579                                  |          | Call Account         | Call Account       | Call Account              | 153                            | 1.4%                      | 28 550                                 | 153                    | 28 703                           |
| Nedbank 03/7881532939/000101                                   |          | Call Account         | Call Account       | Call Account              | 14                             | 0.1%                      | 2 680                                  | 14                     | 2 695                            |
| Absa 92 1120 9757  |          | Call Account         | Call Account       | Call Account              | 1 162                          | 10.6%                     | 229 545                                | (13 838)               | 215 707                          |
| Absa 92 2110 3430  |          | Call Account         | Call Account       | Call Account              | 941                            | 8.6%                      | 176 202                                | 941                    | 177 143                          |
| Standard 76586/442741  |          | Call Account         | Call Account       | Call Account              | 173                            | 1.6%                      | 32 361                                 | 173                    | 32 534                           |
| Standard 76586/442744  |          | Call Account         | Call Account       | Call Account              | 155                            | 1.4%                      | 28 938                                 | 155                    | 29 092                           |
| Rand Merchant Bank RRB0C07002                                  |          | Call Account         | Call Account       | Call Account              | 279                            | 2.6%                      | 52 311                                 | 279                    | 52 590                           |
| Nedbank 03/7881532939/000129                                   |          | Call Account         | Call Account       | Call Account              | 249                            | 2.3%                      | 46 654                                 | 249                    | 46 903                           |
| Nedbank 03/7881532939/000132                                   |          | Call Account         | Call Account       | Call Account              | 2 146                          | 19.6%                     | 414 433                                | (13 854)               | 400 579                          |
| Rand Merchant Bank KLN3815041                                  |          | Call Account         | Call Account       | Call Account              | 1 344                          | 12.3%                     | 277 228                                | (30 656)               | 246 573                          |
| Standard 76586/470801  |          | Call Account         | Call Account       | Call Account              | 1 057                          | 9.7%                      | 211 490                                | (15 943)               | 195 547                          |
| Standard 76586/442738  |          | Call Account         | Call Account       | Call Account              | 13                             | 0.1%                      | 2 458                                  | 13                     | 2 471                            |
| <b>Municipality sub-total</b>                                  |          |                      |                    |                           | <b>10 944</b>                  |                           | <b>2 120 135</b>                       | <b>(150 109)</b>       | <b>1 970 026</b>                 |
| <b>Entities</b>  |          |                      |                    |                           |                                |                           |  |                        |                                  |
| <b>Entities sub-total</b>                                      |          |                      |                    |                           | <b>-</b>                       |                           | <b>-</b>                               | <b>-</b>               | <b>-</b>                         |
| <b>TOTAL INVESTMENTS AND INTEREST</b>                          | <b>2</b> |                      |                    |                           | <b>10 944</b>                  |                           | <b>2 120 135</b>                       | <b>(150 109)</b>       | <b>1 970 026</b>                 |

## 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 Monthly Budget Statement – transfers and grants expenditure**

**BUF Buffalo City - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M05 November**

| 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 |
| <b>R thousands</b>  |     |                 |                 |                     |                |               |               |              |                |                    |
| <b>EXPENDITURE</b>  |     |                 |                 |                     |                |               |               |              |                |                    |
| <b>Operating expenditure of Transfers and Grants</b>                                      |     |                 |                 |                     |                |               |               |              |                |                    |
| <b>National Government:</b>   |     | -               | 1 177 431       | 1 177 431           | 18 962         | 455 588       | 392 477       | 63 111       | 16.1%          | 1 177 431          |
| Local Government Equitable Share  |     |                 | 678 197         | 678 197             | -              | 282 582       | 226 066       | 56 516       | 25.0%          | 678 197            |
| Urban Settlement Development Grant  |     |                 | 75 445          | 75 445              | 17 124         | 32 482        | 25 148        | 7 333        | 29.2%          | 75 445             |
| Finance Management  |     |                 | 1 200           | 1 200               | 112            | 242           | 400           | (158)        | -39.6%         | 1 200              |
| EPWP Incentive  |     |                 | 1 188           | 1 188               | 9              | 854           | 396           | 458          | 115.8%         | 1 188              |
| Infrastructure Skills Development Grant   |     |                 | 8 900           | 8 900               | 1 716          | 2 751         | 2 967         | (215)        | -7.3%          | 8 900              |
| Water Services Operating Subsidy  |     |                 | -               | -                   | -              | -             | -             | -            | -              | -                  |
| Department of Public Works  |     |                 | 2 470           | 2 470               | -              | -             | 823           | (823)        | -100.0%        | 2 470              |
| Integrated City Development Grant   |     |                 | -               | -                   | -              | -             | -             | -            | -              | -                  |
| Municipal Human Settlement Capacity Grant   |     |                 | -               | -                   | -              | -             | -             | -            | -              | -                  |
| General Fuel Levy   |     |                 | 410 031         | 410 031             | -              | 136 677       | 136 677       | -            | -              | 410 031            |
| <b>Provincial Government:</b>   |     | -               | 138 802         | 140 081             | 7 097          | 31 146        | 46 694        | (15 548)     | -33.3%         | 140 081            |
| 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  |     |                 | -               | -                   | -              | -             | -             | -            | -              | -                  |
| Health Subsidy - ATIC   |     |                 | -               | -                   | -              | -             | -             | -            | -              | -                  |
| DSRAC - Library Subsidy   |     |                 | 15 000          | 15 000              | -              | -             | 5 000         | (5 000)      | -100.0%        | 15 000             |
| Reclaim Land Claims Commission(RLCC   |     |                 | -               | -                   | -              | -             | -             | -            | -              | -                  |
| Dept Sport, Recreation, Arts and Culture (DSRAC)  |     |                 | -               | -                   | -              | -             | -             | -            | -              | -                  |
| Independent Electoral Commission  |     |                 | -               | 262                 | -              | -             | 87            | (87)         | -100.0%        | 262                |
| Human Settlement Development Grant  |     |                 | 123 802         | 124 819             | 7 097          | 31 146        | 41 606        | (10 461)     | -25.1%         | 124 819            |
| Human Settlement Development Grant - MPCC   |     |                 | -               | -                   | -              | -             | -             | -            | -              | -                  |
| <b>District Municipality:</b>   |     | -               | -               | -                   | -              | -             | -             | -            | -              | -                  |
| Health Subsidy - Environmental Health   |     |                 | -               | -                   | -              | -             | -             | -            | -              | -                  |
| <b>Other grant providers:</b>   |     | -               | 3 496           | 586                 | -              | 1 086         | 195           | 890          | 456.1%         | 586                |
| SETA - Skills Development   |     |                 | -               | -                   | -              | 1 086         | -             | 1 086        | #DIV/0!        | -                  |
| Donor Funding - Leiden & Galve  |     |                 | -               | -                   | -              | -             | -             | -            | -              | -                  |
| Salauda   |     |                 | -               | -                   | -              | -             | -             | -            | -              | -                  |
| Transnet  |     |                 | 3 000           | -                   | -              | -             | -             | -            | -              | -                  |
| Trust Funds   |     |                 | -               | -                   | -              | -             | -             | -            | -              | -                  |
| Umsobomvu Youth Fund  |     |                 | -               | -                   | -              | -             | -             | -            | -              | -                  |
| BCMETS Funding  |     |                 | -               | -                   | -              | -             | -             | -            | -              | -                  |
| Donor Funding - European Commission   |     |                 | -               | -                   | -              | -             | -             | -            | -              | -                  |
| City of Oldenburg   |     |                 | 496             | 496                 | -              | -             | 165           | (165)        | -100.0%        | 496                |
| Vuna Awards   |     |                 | -               | 90                  | -              | -             | 30            | (30)         | -100.0%        | 90                 |
| <b>Total operating expenditure of Transfers and Grants:</b>                               |     | -               | 1 319 728       | 1 318 097           | 26 059         | 487 819       | 439 366       | 48 453       | 11.0%          | 1 318 097          |
| <b>Capital expenditure of Transfers and Grants</b>  |     |                 |                 |                     |                |               |               |              |                |                    |
| <b>National Government:</b>   |     | -               | 741 969         | 741 969             | 70 905         | 180 893       | 247 323       | (66 430)     | -26.9%         | 741 969            |
| Urban Settlement Development Grant  |     |                 | 656 054         | 656 054             | 70 750         | 180 701       | 218 685       | (37 983)     | -17.4%         | 656 054            |
| Infrastructure Skills Development Grant   |     |                 | 100             | 100                 | 14             | 14            | 33            | (20)         | -59.3%         | 100                |
| Energy Efficiency and Demand Management   |     |                 | -               | -                   | -              | -             | -             | -            | -              | -                  |
| Public Transport Network Grant  |     |                 | 35 289          | 35 289              | 107            | 107           | 11 763        | (11 656)     | -99.1%         | 35 289             |
| Neighbourhood Development Partnership   |     |                 | 19 346          | 19 346              | -              | -             | 6 449         | (6 449)      | -100.0%        | 19 346             |
| Integrated National Electrification Programme   |     |                 | 25 000          | 25 000              | 34             | 52            | 8 333         | (8 281)      | -99.4%         | 25 000             |
| Finance Management  |     |                 | 100             | 100                 | -              | 19            | 33            | (14)         | -43.1%         | 100                |
| Integrated City Development Grant   |     |                 | 6 080           | 6 080               | -              | -             | 2 027         | (2 027)      | -100.0%        | 6 080              |
| Other capital transfers/grants [insert desc]  |     |                 | -               | -                   | -              | -             | -             | -            | -              | -                  |
| <b>Provincial Government:</b>   |     | -               | 106 300         | 119 947             | -              | 7 890         | 39 982        | (32 092)     | -80.3%         | 119 947            |
| Human Settlement Development Grant  |     |                 | 106 300         | 106 300             | -              | 7 890         | 35 433        | (27 543)     | -77.7%         | 106 300            |
| Human Settlement Development Grant - MPCC   |     |                 | -               | -                   | -              | -             | -             | -            | -              | -                  |
| Dept Sport, Recreation, Arts and Culture (DSRAC)  |     |                 | -               | 4 411               | -              | -             | 1 470         | (1 470)      | -100.0%        | 4 411              |
| Dept of Local Government and Traditional Affairs  |     |                 | -               | 9 036               | -              | -             | 3 012         | (3 012)      | -100.0%        | 9 036              |
| Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT)                  |     |                 | -               | 199                 | -              | -             | 66            | (66)         | -100.0%        | 199                |
| <b>District Municipality:</b>   |     | -               | -               | -                   | -              | -             | -             | -            | -              | -                  |
| Health Subsidy - Environmental Health   |     |                 | -               | -                   | -              | -             | -             | -            | -              | -                  |
| <b>Other grant providers:</b>   |     | -               | -               | 458                 | -              | -             | 153           | (153)        | -100.0%        | 458                |
| Public Funding  |     |                 | -               | -                   | -              | -             | -             | -            | -              | -                  |
| European Commission   |     |                 | -               | -                   | -              | -             | -             | -            | -              | -                  |
| BCMETS Funding  |     |                 | -               | -                   | -              | -             | -             | -            | -              | -                  |
| Lieden  |     |                 | -               | 458                 | -              | -             | 153           | (153)        | -100.0%        | 458                |
| <b>Total capital expenditure of Transfers and Grants</b>                                  |     | -               | 848 269         | 862 374             | 70 905         | 188 784       | 287 458       | (98 674)     | -34.3%         | 862 374            |
| <b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>  |     | -               | 2 167 997       | 2 180 471           | 96 964         | 676 603       | 726 824       | (50 221)     | -6.9%          | 2 180 471          |



### 11.1 Expenditure On Conditional Grants (DoRA Allocation)

The total expenditure inclusive of reclaimed vat on conditional grants budget as at 30 November 2016 amounts to R244.34 million (2015/16: R230.96 million) which is 29% (2015/16: 29%) of the approved budget of R828.70 million (2015/16: R801.94 million). It is anticipated that the expenditure will improve progressively during the year as the procurement processes are undertaken.

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

**Table 18: Spending per Conditional Grant Funding Allocation**

| <b>Funding</b>                                      | <b>2016/2017<br/>Rollover<br/>Adjustment<br/>Budget</b> | <b>YTD<br/>Expenditure<br/>(incl. VAT)</b> | <b>Variance<br/>(incl. VAT)</b> | <b>%<br/>Expenditure<br/>(incl. VAT)</b> |
|---|---|--|---------------------------------|--|
| Integrated National Electrification Programme Grant | 25 000 000  | 60 809                                     | 24 939 191                      | 0%                                       |
| Finance Management Grant                            | 1 300 000   | 263 369                                    | 1 036 631                       | 20%                                      |
| Infrastructure Skills Development Grant             | 9 000 000   | 2 828 222                                  | 6 171 778                       | 31%                                      |
| Neighbourhood Development Partnership Grant         | 19 346 000  | 0  | 19 346 000                      | 0%                                       |
| Urban Settlement Development Grant                  | 731 499 000   | 240 205 743                                | 491 293 257                     | 33%                                      |
| Integrated City Development Grant                   | 6 080 000   | 0  | 6 080 000                       | 0%                                       |
| Expanded Public Works Programme Grant               | 1 188 000   | 855 768                                    | 332 232                         | 72%                                      |
| Public Transport Network Grant                      | 35 289 000  | 122 532                                    | 35 166 468                      | 0%                                       |
| <b>TOTAL CONDITIONAL GRANTS</b>                     | <b>828 702 000</b>                                      | <b>244 336 442</b>                         | <b>584 365 558</b>              | <b>29%</b>                               |

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 are planned for the 2016/17 financial year:

| <b>AREA</b>                       | <b>CONNECTIONS</b> | <b>STATUS</b>                                |
|-----------------------------------|--------------------|--|
| Buffer Strip Mdantsane Households | 550                | Currently on Advert, closes 13 December 2016 |
| Chicken Farm Households           | 475                | Currently on Advert, closes 13 December 2016 |
| Fynbos/Scenery Park Households    | 550                | Currently on Advert, closes 13 December 2016 |
| Infills Households                | 50                 | Ongoing Contract                             |

#### **11.1.2. FINANCE MANAGEMENT GRANT**

Spending is progressive as current six interns have been remunerated accordingly. Three interns have been appointed and started the programme on 01 November 2016. The budget will also be utilised for the payment of the Municipal Finance Management Programme (MFMP) and also for the planned IMFO training for the newly appointed and the current interns.

#### **11.1.3. INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)**

The funding is only being used to pay the interns stipends as well as mentor salaries. Only eleven (11) interns are currently in the program together with 2 external mentors. A process for the in-take of 9 additional interns started during October 2016 and successful candidates were expected to start on 01 December 2016. The procurement process has started in order to purchase laptops for the interns that were due to start on 01 December 2016. Procurement arrangements for the training of the 9 civil engineering interns is in progress. Expenditure is therefore expected to improve from December 2016 onwards.

#### **11.1.4. INTERGRATED CITY DEVELOPMENT GRANT (ICDG)**

Procurement of service provider(s) for the Oxford Street, Settlersway and Urban Roads Rehabilitation is currently at Bid Evaluation Committee (BEC).

#### **11.1.5. URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)**

##### **HUMAN SETTLEMENTS**

The expenditure is on track as 61% of the funding has been spent on human settlements.

##### **INFRASTRUCTURE SERVICES**

##### **Sanitation**

Some projects (Treatment Works projects) delayed due to litigation processes. Rural sanitation projects delayed due to lengthy procurement processes, assessment of bids took longer than it was anticipated due to their complexity.

Litigation process has been finalised for one waste water treatment works project and has been awarded as per the court order. Some of the rural sanitation projects have reached final completion and some have reached practical completion.

### **Electricity**

Street Lighting and Highmasts within BCMM Areas of Supply: Highmast Lighting Specification at tender stage. Project for new street lighting in Bonza Bay is progressing well.

Electrification of informal dwelling areas: Contractors have been appointed for Fynbos and Dacawa Electrification.

## **DEVELOPMENT & SPATIAL PLANNING**

### **KwaTshathsu Pedestrian Bridge**

Construction tender was advertised on the 26<sup>th</sup> January 2016 and closed on the 9<sup>th</sup> February 2016. Tender was awarded on the 30 November 2016 and construction will start in January 2017. Expenditure will improve once construction commences in January 2017.

### **Needs Camp / Potsdam Bridge**

The construction tender was advertised on 26 January 2016 and closed on the 26<sup>th</sup> February 2016. The tender is currently at the Bid Evaluation Committee (BEC). Once the tender is awarded, expenditure will improve.

### **Traffic calming measures**

Construction of speed humps has been completed in Airport Township, Mdantsane NU 2, NU 3, NU 11, Dunoon Road and Zwelitsha Zone 2. A new tender was advertised on 02 September 2016 and closed on 04 October 2016. The tender is currently being evaluated at the Bid Evaluation Committee (BEC).

### **Traffic signals**

Service Providers have been appointed to assess intersection controls that need improvement. Once the studies are complete, implementation can then be undertaken. Informal tenders for Uninterrupted Power Supply (UPS) Back up Batteries enclosures are being prepared.

### **Sidewalks**

The deviation has lapsed therefore there was no contract to implement works. The contract is now being evaluated at Bid Evaluation Committee (BEC).

### **ECONOMIC DEVELOPMENT AND AGENCIES**

The tender for the construction of cashier cubicles for Fresh Produce Market has successfully proceeded to the BAC and is now due to be awarded.

### **HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES**

The Bid Adjudication Committee (BAC) referred back the report on the Construction of King William's Town Traffic Centre for amendments to be made by the Bid Evaluation Committee (BEC). Amendments were made and the process is at finalization to be awarded.

### **MUNICIPAL SERVICES**

Specification for Construction of Cell 3, 4 and ancillary works was presented to the specifications committee on 29 July 2016. Tender was advertised on 13 September 2016 and closed on 14 October 2016 and is currently at the evaluation stage. The municipality is also finalizing the specification and designs of Transfer Stations and expenditure is subjected to the award of the contract that is currently at evaluation stage.

## **11.1.6. PUBLIC TRANSPORT INFRASTRUCTURE AND SYSTEMS GRANT**

### **Transport register**

Tender was advertised on 01 March 2016 and awarded on 23 September 2016 and the Service Level Agreement signed on 04 October 2016. The Service Providers have commenced with the project and will submit invoices as progress is made.

### **Operational plan review of integrated rapid public transport network**

The tender for the review of the Operational Plan was advertised on 01 July 2016 and closed on 02 August 2016. The tender is currently at Bid Evaluation Committee (BEC).

### **Qumza Highway**

The tender for the Construction of Qumza Highway was advertised on 19 September 2016 and closed on 21 October 2016.

### **Development and Upgrading of Public Transport Facilities in KWT**

The tender was awarded on 10 October 2016. Site handover was done on the 10<sup>th</sup> November 2016 and implementation will improve expenditure.

#### **11.1.7. NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT**

The funds are to be utilized for the Mdantsane Precinct Management Model, however National Treasury has sent a letter notifying of their intentions to withdraw the grant in the mid year adjustment gazette for the 2016/17 financial year. BCMM has however responded to National Treasury requesting the funds not to be reduced as the Mdantsane Precinct Plan has been finalized and will be tabled for Council approval on Wednesday 14<sup>th</sup> December 2016. Upon approval of the plan, the City will embark on implementation of readily programmed projects and this will expedite the spending.

## 12. COUNCILLOR AND EMPLOYEE BENEFITS

### 12.1. Councillor and Employees Benefits Summary

Table 19 below provides summary of employees and Councillors remuneration.

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

BUF Buffalo City - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M05 November

| 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                  |
| <b>Councillors (Political Office Bearers plus Other)</b>    |     |                 |                  |                     |                |                |                |                 |                |                    |
| Basic Salaries and Wages                                    |     |                 | 33 999           | 33 999              | 2 693          | 12 936         | 14 166         | (1 230)         | -9%            | 33 999             |
| Pension and UIF Contributions                               |     |                 | 3 495            | 3 495               | 297            | 1 257          | 1 456          | (200)           | -14%           | 3 495              |
| Medical Aid Contributions                                   |     |                 | 1 987            | 1 987               | 133            | 658            | 828            | (170)           | -21%           | 1 987              |
| Motor Vehicle Allowance                                     |     |                 | 13 412           | 13 412              | 1 015          | 5 126          | 5 588          | (462)           | -8%            | 13 412             |
| Cellphone Allowance   |     |                 | 2 279            | 2 279               | 178            | 876            | 949            | (73)            | -8%            | 2 279              |
| Housing Allowances  |     |                 | 2 927            | 2 927               | 225            | 1 349          | 1 220          | 129             | 11%            | 2 927              |
| Other benefits and allowances                               |     |                 | -                | -                   | -              | -              | -              | -               | -              | -                  |
| <b>Sub Total - Councillors</b>                              |     | -               | <b>58 099</b>    | <b>58 099</b>       | <b>4 541</b>   | <b>22 202</b>  | <b>24 208</b>  | <b>(2 006)</b>  | <b>-8%</b>     | <b>58 099</b>      |
| <b>% increase</b>   | 4   |                 | <b>#DIV/0!</b>   | <b>#DIV/0!</b>      |                |                |                |                 |                | <b>#DIV/0!</b>     |
| <b>Senior Managers of the Municipality</b>                  |     |                 |                  |                     |                |                |                |                 |                |                    |
| Basic Salaries and Wages                                    |     |                 | 12 192           | 12 192              | 400            | 2 169          | 5 156          | (2 986)         | -58%           | 12 192             |
| Pension and UIF Contributions                               |     |                 | 2 216            | 2 216               | 78             | 401            | 937            | (536)           | -57%           | 2 216              |
| Medical Aid Contributions                                   |     |                 | 262              | 262                 | 12             | 53             | 111            | (58)            | -52%           | 262                |
| Overtime  |     |                 | -                | -                   | -              | -              | -              | -               | -              | -                  |
| Performance Bonus   |     |                 | -                | -                   | -              | -              | -              | -               | -              | -                  |
| Motor Vehicle Allowance                                     |     |                 | 2 630            | 2 630               | 94             | 488            | 1 112          | (624)           | -56%           | 2 630              |
| Cellphone Allowance   |     |                 | 414              | 414                 | 10             | 66             | 175            | (109)           | -62%           | 414                |
| Housing Allowances  |     |                 | -                | -                   | -              | -              | -              | -               | -              | -                  |
| Other benefits and allowances                               |     |                 | 2 202            | 2 202               | 101            | 572            | 931            | (359)           | -39%           | 2 202              |
| Payments in lieu of leave                                   |     |                 | -                | -                   | -              | -              | -              | -               | -              | -                  |
| Long service awards   |     |                 | -                | -                   | -              | -              | -              | -               | -              | -                  |
| Post-retirement benefit obligations                         |     |                 | -                | -                   | -              | -              | -              | -               | -              | -                  |
| <b>Sub Total - Senior Managers of Municipality</b>          |     | -               | <b>19 916</b>    | <b>19 916</b>       | <b>695</b>     | <b>3 749</b>   | <b>8 422</b>   | <b>(4 673)</b>  | <b>-55%</b>    | <b>19 916</b>      |
| <b>% increase</b>   | 4   |                 | <b>#DIV/0!</b>   | <b>#DIV/0!</b>      |                |                |                |                 |                | <b>#DIV/0!</b>     |
| <b>Other Municipal Staff</b>                                |     |                 |                  |                     |                |                |                |                 |                |                    |
| Basic Salaries and Wages                                    |     |                 | 913 258          | 913 258             | 70 199         | 352 370        | 386 193        | (33 823)        | -9%            | 913 258            |
| Pension and UIF Contributions                               |     |                 | 174 823          | 174 823             | 16 184         | 74 088         | 73 928         | 160             | 0%             | 174 823            |
| Medical Aid Contributions                                   |     |                 | 81 759           | 81 759              | 5 822          | 28 611         | 34 574         | (5 963)         | -17%           | 81 759             |
| Overtime  |     |                 | 72 218           | 72 218              | 9 741          | 54 510         | 30 539         | 23 971          | 78%            | 72 218             |
| Performance Bonus   |     |                 | -                | -                   | -              | -              | -              | -               | -              | -                  |
| Motor Vehicle Allowance                                     |     |                 | 30 051           | 30 051              | 1 972          | 9 719          | 12 708         | (2 989)         | -24%           | 30 051             |
| Cellphone Allowance   |     |                 | 3 884            | 3 884               | 334            | 1 632          | 1 642          | (10)            | -1%            | 3 884              |
| Housing Allowances  |     |                 | 14 767           | 14 767              | 808            | 4 151          | 6 245          | (2 094)         | -34%           | 14 767             |
| Other benefits and allowances                               |     |                 | 179 077          | 179 077             | 12 675         | 68 876         | 75 727         | (6 851)         | -9%            | 179 077            |
| Payments in lieu of leave                                   |     |                 | 16 209           | 16 209              | 373            | 1 712          | 6 854          | (5 142)         | -75%           | 16 209             |
| Long service awards   |     |                 | 18 925           | 18 925              | 1 690          | 9 106          | 8 003          | 1 104           | 14%            | 18 925             |
| Post-retirement benefit obligations                         |     |                 | 6 181            | 6 181               | 6              | 31             | 2 614          | (2 583)         | -99%           | 6 181              |
| <b>Sub Total - Other Municipal Staff</b>                    |     | -               | <b>1 511 153</b> | <b>1 511 153</b>    | <b>119 804</b> | <b>604 807</b> | <b>639 027</b> | <b>(34 221)</b> | <b>-5%</b>     | <b>1 511 153</b>   |
| <b>% increase</b>   | 4   |                 | <b>#DIV/0!</b>   | <b>#DIV/0!</b>      |                |                |                |                 |                | <b>#DIV/0!</b>     |
| <b>Total Parent Municipality</b>                            |     | -               | <b>1 589 167</b> | <b>1 589 167</b>    | <b>125 040</b> | <b>630 757</b> | <b>671 657</b> | <b>(40 899)</b> | <b>-6%</b>     | <b>1 589 167</b>   |
| <b>Unpaid salary, allowances &amp; benefits in arrears:</b> |     |                 |                  |                     |                |                |                |                 |                |                    |
| <b>Sub Total - Other Staff of Entities</b>                  |     | -               | <b>6 608</b>     | <b>6 608</b>        | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>        | <b>-</b>       | <b>6 608</b>       |
| <b>% increase</b>   | 4   |                 | <b>#DIV/0!</b>   | <b>#DIV/0!</b>      |                |                |                |                 |                | <b>#DIV/0!</b>     |
| <b>Total Municipal Entities</b>                             |     | -               | <b>13 269</b>    | <b>13 269</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>-</b>        | <b>-</b>       | <b>13 269</b>      |
| <b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>              |     | -               | <b>1 602 436</b> | <b>1 602 436</b>    | <b>125 040</b> | <b>630 757</b> | <b>671 657</b> | <b>(40 899)</b> | <b>-6%</b>     | <b>1 602 436</b>   |
| <b>% increase</b>   | 4   |                 | <b>#DIV/0!</b>   | <b>#DIV/0!</b>      |                |                |                |                 |                | <b>#DIV/0!</b>     |
| <b>TOTAL MANAGERS AND STAFF</b>                             |     | -               | <b>1 544 233</b> | <b>1 544 233</b>    | <b>120 498</b> | <b>608 555</b> | <b>647 449</b> | <b>(38 894)</b> | <b>-6%</b>     | <b>1 544 233</b>   |

## 12.2. Overtime Analysis

Table 20 below provides comparison of overtime expenditure against budget per directorate for the period ended 30 November 2016. Table 21 below details overtime expenditure incurred per cost centre for the past three months ended 30 November 2016.

**Table 20: Overtime per Directorate**

| Directorate   | 2016/2017<br>Annual<br>Budget<br>R | 2016/2017<br>YTD<br>Budget<br>R | 2016/2017<br>YTD<br>Expenditure<br>R | 2016/2017<br>Variance<br>R | 2016/2017<br>% of YTD<br>Budget<br>% |
|---|------------------------------------|---------------------------------|--------------------------------------|----------------------------|--------------------------------------|
| Directorate Of Executive Support Services                     | 1 638 161                          | 682 567                         | 1 492 954                            | (810 387)                  | 219%                                 |
| Directorate Of The City Manager                               | 310 477                            | 129 365                         | 115 811                              | 13 555                     | 90%                                  |
| Directorate Of Corporate Services                             | 597 129                            | 248 804                         | 350 047                              | (101 244)                  | 141%                                 |
| Directorate Of Development & Spatial<br>Planning              | 623 454                            | 259 773                         | 166 807                              | 92 965                     | 64%                                  |
| Directorate Of Economic Development &<br>Agencies             | 468 800                            | 195 333                         | 84 391                               | 110 942                    | 43%                                  |
| Directorate Of Finance  | 1 358 753                          | 566 147                         | 1 347 776                            | (781 629)                  | 238%                                 |
| Directorate Of Health / Public Safety &<br>Emergency Services | 29 709 079                         | 12 378 783                      | 18 454 058                           | (6 075 275)                | 149%                                 |
| Directorate Of Human Settlement                               | 101 931                            | 42 471                          | 0                                    | 42 471                     | 0%                                   |
| Directorate Of Infrastructure Services                        | 17 131 302                         | 7 138 043                       | 14 820 507                           | (7 682 465)                | 208%                                 |
| Electricity   | 7 741 181                          | 3 225 492                       | 4 708 494                            | (1 483 002)                | 146%                                 |
| Water   | 3 352 141                          | 1 396 725                       | 5 705 880                            | (4 309 155)                | 409%                                 |
| Sanitation  | 4 954 818                          | 2 064 508                       | 4 036 429                            | (1 971 921)                | 196%                                 |
| Other   | 1 083 162                          | 451 318                         | 127 063                              | 324 255                    | 28%                                  |
| Directorate Of Municipal Services                             | 20 279 324                         | 8 449 718                       | 17 684 504                           | (9 234 786)<br>0           | 209%                                 |
| <b>Total</b>  | <b>72 218 410</b>                  | <b>30 091 004</b>               | <b>54 516 855</b>                    | <b>(24 425 851)</b>        | <b>181%</b>                          |

**Table 21: Overtime Per Cost Centre: September 2016 – November 2016**

**OVERTIME PER COST CENTRE**

|         |   | <b>September<br/>2016</b> | <b>October<br/>2016</b> | <b>November<br/>2016</b> |
|---------|---|---------------------------|-------------------------|--------------------------|
|         | <b>Directorate -Executive Support Services</b>      |                           |                         |                          |
| 105 005 | Office of The Director of Executive Support         | 470 960.58                | 94 635.87               | 293 718.14               |
| 105 020 | Public Participation & Ward Committees              | 6 344.26                  | 333.74                  | 34 906.93                |
| 105 025 | Strategic Support                                   | 1 968.50                  | -                       | -                        |
| 105 030 | Special Programmes                                  | 2 305.43                  | -                       | -                        |
| 110 005 | IDP   | 1 700.03                  | 984.78                  | -                        |
| 120 010 | Public Relations & International Events             | 4 620.40                  | 7 329.44                | 14 715.66                |
|         |   | <b>487 899.20</b>         | <b>103 283.83</b>       | <b>343 340.73</b>        |
|         |   |                           |                         |                          |
|         | <b>Directorate - City Manager</b>                   |                           |                         |                          |
| 205 005 | Office of The Municipal Manager & Support Services  | 31 979.65                 | 15 896.11               | 11 928.18                |
| 225 010 | Municipal Public Accounts Committee                 | -                         | -                       | 857.80                   |
|         |   | <b>31 979.65</b>          | <b>15 896.11</b>        | <b>12 785.98</b>         |
|         |   |                           |                         |                          |
|         | <b>Directorate - Chief Financial Officer</b>        |                           |                         |                          |
| 305 010 | Support Services Office                             | 3 781.05                  | 3 060.85                | 3 398.89                 |
| 315 005 | Budget Office                                       | 15 279.56                 |                         | 8 502.56                 |
| 320 010 | Supply Chain Management                             | 18 214.10                 | 20 606.16               | 4 449.35                 |
| 320 015 | Expenditure Office                                  | 2 343.18                  | 4 683.89                | 3 905.58                 |
| 330 005 | Rates & Valuations Office                           | 3 150.51                  |                         | 6 585.13                 |
| 330 010 | Consolidated Billing & Miscellaneous Revenue Office | 451.40                    | 6 001.08                | 36 198.26                |
| 330 015 | Debtors Management Office                           | 159 849.63                | 110 182.29              | 89 290.58                |
| 330 020 | Customer Care Office                                | 44 920.67                 | 33 184.85               | 67 430.58                |
| 330 025 | Pre-Payment Vending Office                          | 4 525.75                  | 5 938.87                | 78 509.51                |
|         |   | <b>252 515.85</b>         | <b>183 657.99</b>       | <b>298 270.44</b>        |
|         |   |                           |                         |                          |
|         | <b>Directorate - Corporate Services</b>             |                           |                         |                          |
| 415 005 | Administrative & Council Support                    | 7 601.85                  | 4 143.05                | 2 742.76                 |
| 415 010 | Auxilliary & Telecommunication Services             | 32 438.27                 | 34 882.62               | 34 149.50                |
| 415 025 | Management Information Services                     | 5 305.93                  | 21 524.82               | 15 649.95                |
| 420 005 | H.R. Administration                                 | 31 057.62                 | 15 683.42               | 10 445.71                |
| 420 010 | Occupational Risk Management                        | -                         | 8 261.18                | 6 705.51                 |
| 420 015 | Labour Relations                                    | -                         | 408.66                  | -                        |
| 420 020 | Organisational Development                          | 1 311.07                  |                         | -                        |
| 425 005 | Research Policy & Knowledge Management Unit         | -                         | 3 621.26                | -                        |
|         |   | <b>77 714.74</b>          | <b>88 525.01</b>        | <b>69 693.43</b>         |
|         |   |                           |                         |                          |
|         | <b>Directorate - Infrastructure Services</b>        |                           |                         |                          |
| 505 010 | City Engineering Building                           | 2 332.98                  | 3 071.76                | 2 810.99                 |



|         |  | September<br>2016 Amount | October 2016<br>Amount | November<br>2016 Amount |
|---------|--|--------------------------|------------------------|-------------------------|
| 515 006 | Night Soil Removal - Coastal                                       | 43 735.89                | 42 213.07              | 43 233.98               |
| 515 007 | Night Soil Removal - Central                                       | 1 734.43                 | 1 808.77               | -                       |
| 515 010 | Sewerage Admin   | 3 582.81                 | 9 660.76               | -                       |
| 515 026 | Sewerage Treatment - Coastal                                       | 82 311.83                | 55 369.02              | 52 736.74               |
| 515 027 | Sewerage Treatment - Central                                       | 90 916.95                | 79 993.71              | 69 451.27               |
| 515 028 | Sewerage Treatment - Inland  | 95 008.18                | 86 490.56              | 109 212.35              |
| 515 031 | Sewerage Reticulation - Coastal                                    | 219 223.84               | 197 553.26             | 246 944.57              |
| 515 032 | Sewerage Reticulation - Central                                    | 131 732.42               | 102 326.58             | 129 007.31              |
| 515 033 | Sewerage Reticulation - Inland                                     | 130 327.56               | 115 271.30             | 132 331.06              |
| 520 005 | Water Administration   | -                        | 11 222.96              | 6 709.96                |
| 520 011 | Maden Dam  | 14 046.79                | 25 530.57              | 19 725.72               |
| 520 012 | Bridle Drift Dam   | 3 487.24                 | 3 051.34               | 3 460.00                |
| 520 015 | Bulk Pumping Stations  | 28 545.78                | 17 057.46              | 27 332.15               |
| 520 021 | Umzonyana Water Treatment Works                                    | 87 345.57                | 82 675.05              | 74 034.14               |
| 520 023 | KWT Water Treatment Works  | 133 527.75               | 105 840.57             | 124 233.31              |
| 520 024 | Mdantsane Bulk Pumping   | 49 194.24                | 38 746.52              | 35 104.02               |
| 520 025 | Water Ops & Maint. - Inland  | 223 294.88               | 143 216.80             | 208 704.47              |
| 520 026 | Water Ops & Maint. - Midland                                       | 230 248.72               | 200 577.76             | 225 261.56              |
| 520 030 | Water Ops & Maint. - Coastal                                       | 439 617.84               | 405 106.46             | 409 756.65              |
| 525 010 | Roads Administration   | -                        | 2 707.11               | -                       |
| 525 025 | Roads & Stormwater Drainage  | 18 389.29                | 56 339.79              | 32 441.63               |
| 530 005 | Mechanical Workshop - Westbank                                     | 5 598.70                 | 6 869.56               | 4 259.13                |
| 530 015 | Mechanical Workshop - Braelyn                                      | 20 198.26                | 40 734.33              | 33 016.48               |
| 535 005 | Electricity Administration   | 2 035.16                 | 2 077.25               | 2 082.19                |
| 535 010 | Electricity Distribution Supervisory Staff                         | 1 076 931.39             | 861 671.40             | 883 545.79              |
| 535 025 | Electricity Planning & Design                                      | 594.66                   | 631.83                 | 6 880.30                |
| 535 040 | Revenue Protection   | 78 518.94                | 78 450.75              | 90 506.31               |
|         |  | <b>3 212 482.10</b>      | <b>2 776 266.30</b>    | <b>2 972 782.08</b>     |
|         |  |                          |                        |                         |
|         | <b>Directorate – Development &amp; Spatial Planning</b>            |                          |                        |                         |
| 615 095 | Building Maintenance - Coastal / Central                           | -                        | -                      | 20 036.53               |
| 620 015 | Traffic Signal Maintenance   | 13 637.16                | 5 731.62               | 11 748.87               |
| 625 005 | Buffalo City Bus Services  | 13 928.14                | 17 625.61              | 14 829.67               |
| 635 005 | Local Economic Development   | -                        | -                      | 1 995.98                |
| 635 010 | Market   | 18 311.26                | 18 440.53              | 12 963.51               |
|         |  | <b>45 876.56</b>         | <b>41 797.76</b>       | <b>61 574.56</b>        |
|         |  |                          |                        |                         |
|         | <b>Directorate – Health/Public Safety &amp; Emergency Services</b> |                          |                        |                         |
| 710 030 | Environmental Health   | -                        | 2 076.51               | 10 870.75               |
| 710 040 | Pollution Control  | 1 928.31                 |                        | -                       |
| 725 010 | Fire & Rescue Services   | 488 016.76               | 288 888.01             | 429 905.07              |

|         |   | September<br>2016 Amount | October 2016<br>Amount | November<br>2016 Amount |
|---------|---|--------------------------|------------------------|-------------------------|
| 725 015 | Law Enforcement Services                            | 1 849 953.81             | 1 120 544.91           | 1 223 788.28            |
| 725 020 | Traffic Administration                              | 117 100.31               | 85 972.20              | 47 118.87               |
| 725 025 | Traffic Control                                     | 245 096.67               | 263 744.74             | 444 411.04              |
| 725 030 | Criminal Process                                    | -                        | 1 665.79               | 4 881.60                |
| 725 035 | Vehicle Test Station / Examination                  | 8 274.82                 | 2 065.29               | 10 434.69               |
| 725 036 | Vehicle Registration                                | 7 089.29                 | 7 214.00               | 7 273.36                |
| 725 040 | Drivers License Testing                             | 2 096.85                 | 11 211.27              | 1 638.21                |
| 725 045 | Traffic Technical Services                          | 26 177.65                | 24 360.54              | 32 408.34               |
| 725 050 | Parking Areas / Meters                              | 24 835.92                | 38 120.30              | 3 476.40                |
| 725 055 | Disaster Management                                 | 5 675.86                 | 7 229.86               | 11 353.63               |
|         |   | <b>2 776 246.25</b>      | <b>1 853 093.42</b>    | <b>2 227 560.24</b>     |
|         |   |                          |                        |                         |
|         | <b>Directorate - Municipal Services</b>             |                          |                        |                         |
| 750 005 | Office of The Director of Community Services        | 3 187.55                 | 3 631.09               | 8 903.14                |
| 750 010 | Cleansing Administration Support                    | 3 171.52                 | 2 973.30               | 3 369.74                |
| 755 005 | Environmental Administration Support                | 1 953.39                 | -                      | -                       |
| 755 010 | Environmental Services                              | 848 112.71               | 235 398.30             | 166 477.43              |
| 755 015 | Environmental Conservation                          | 178 915.99               | 167 361.91             | 162 053.82              |
| 755 025 | Interments  | 286 669.78               | 266 593.04             | 307 346.86              |
| 760 005 | Arts & Cultural Services Admin                      | 21 782.93                | 27 822.76              | 24 043.82               |
| 760 010 | Libraries   | 4 821.52                 | 12 140.21              | 7 726.13                |
| 760 025 | Halls   | 228 566.41               | 179 848.60             | 212 151.52              |
| 765 005 | Amenities Administration Support                    | 11 640.14                | 11 444.32              | 13 844.09               |
| 765 010 | Sportsfields  | 191 487.20               | 183 996.87             | 259 087.33              |
| 765 015 | Swimming Pools                                      | 11 780.20                | 108 445.54             | 168 069.89              |
| 765 020 | Aquarium  | 81 917.87                | 52 244.97              | 54 752.35               |
| 765 025 | Zoo   | 70 662.10                | 58 365.39              | -                       |
| 765 030 | Beaches   | 247 669.81               | 202 081.84             | 252 215.95              |
| 765 035 | Resorts   | 73 136.21                | 64 356.37              | 72 214.08               |
| 770 005 | Cleansing Administration Support                    | 12 024.41                | 5 897.17               | 10 601.79               |
| 770 010 | Refuse Removal                                      | 898 949.16               | 569 969.27             | 668 425.74              |
| 770 015 | Waste Disposal Sites                                | 38 090.20                | 27 132.94              | 43 886.34               |
| 770 020 | Street Sweeping                                     | 642 194.57               | 561 096.58             | 593 327.24              |
| 770 025 | Public Conveniences                                 | 132 874.47               | 123 662.51             | 143 175.08              |
| 770 030 | E.L Regional Waste Disposal Site & Transfer Station | 75 575.40                | 64 377.25              | 86 594.07               |
|         |   | <b>4 065 183.54</b>      | <b>2 928 840.23</b>    | <b>3 258 266.41</b>     |
|         |   |                          |                        |                         |
|         | <b>TOTAL OVERTIME</b>                               | <b>10 949 897.89</b>     | <b>7 991 360.65</b>    | <b>9 244 273.87</b>     |

### **12.2.1. Comments On Overtime**

#### **a) Directorate of Executive Support Services**

The over expenditure is due to the Mayoral Bodyguards having to work extended overtime and night shifts. Furthermore, staff had to work overtime during Summer Season Events (Motsepe Foundation Function) which contributed to the exceeded overtime.

#### **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. The payroll section also had to work overtime in order to finalise payroll ammendments for the month.

#### **d) Directorate of Finance**

The over expenditure is 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, Revenue Management is undertaking roll out campaigns as to assist customers in addressing municipal billing and meter reading related matters. These roll out campaigns are time-tabled over October and November and based within the local regional area. This has resulted in three Main Regional Centers being opened to the public on Saturdays.

#### **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. Operational staff duties performed over the weekends include Drunk and driving campaigns, events, roadblocks etc. in order to comply with the National Rollout Enforcement Plan (NREP).

**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 November 2016. There was an increase in the total payment between September 2016 and October 2016 of R13 618 and an increase in the total payment between October 2016 and November 2016 of R27 129.

**Table 22: Standby & Shift Allowance per Directorate**

|  | SEPTEMBER<br>2016 | OCTOBER<br>2016  | NOVEMBER<br>2016 |
|--|-------------------|------------------|------------------|
| Directorate of Executive Support Services                  | 7 693             | 3 140            | 8 359            |
| Directorate of the City Manager                            | 1 754             | -                | -                |
| Directorate of Finance                                     | 18 585            | 16 981           | 17 177           |
| Directorate of Corporate Services                          | 24 575            | 59 474           | 33 128           |
| Directorate of Infrastructure Services                     | 593 348           | 581 007          | 632 563          |
| Directorate of Development and Spatial Planning            | 14 707            | 7 906            | 13 487           |
| Directorate of Health / Public Safety & Emergency Services | 615 207           | 593 390          | 561 137          |
| Directorate of Municipal Services                          | 272 765           | 300 355          | 323 530          |
| <b>TOTAL</b>   | <b>1 548 635</b>  | <b>1 562 253</b> | <b>1 589 382</b> |

### 12.4. Cost of Temporary Staff

The total payment of Temporary Staff for the past three months ended 30 November 2016 is reflected below. There was a decrease in the total payment between September 2016 and October 2016 of R306 968 and an increase in the total payment between October 2016 and November 2016 of R498 504.

**Table 23: Temporary Staff per Directorate**

|  | SEPTEMBER<br>2016 | OCTOBER<br>2016  | NOVEMBER<br>2016 |
|--|-------------------|------------------|------------------|
| Directorate of Executive Support Services                  | 630 745           | 613 970          | 235 993          |
| Directorate of the City Manager                            | 217 436           | 165 079          | 312 219          |
| Directorate of Human Settlements                           | 200 340           | 160 054          | 270 474          |
| Directorate of Finance                                     | 373 276           | 431 358          | 370 901          |
| Directorate of Corporate Services                          | 677 089           | 695 594          | 966 971          |
| Directorate of Infrastructure Services                     | 169 878           | 169 474          | 168 407          |
| Directorate of Development and Spatial Planning            | 48 267            | 60 800           | 54 949           |
| Directorate of Health / Public Safety & Emergency Services | 23 280            | 41 486           | 41 951           |
| Directorate of Municipal Services                          | 1 800 022         | 1 495 551        | 1 910 004        |
| <b>TOTAL</b>   | <b>4 140 333</b>  | <b>3 833 365</b> | <b>4 331 869</b> |

### 12.5. Councillors Costs

The table below shows the budget and expenditure to date for councillors costs. The year to date budget of R24 207 834 less the year to date expenditure of R22 202 092 leaves a variance of R2 005 742.

**Table 24: Councillors Costs**

| <b>Councillors Allowances and Benefits</b> | <b>2016/2017<br/>Annual<br/>Budget<br/>R</b> | <b>2016/2017<br/>YTD Budget<br/>R</b> | <b>2016/2017<br/>YTD<br/>Expenditure<br/>R</b> | <b>2016/2017<br/>Variance<br/>R</b> | <b>2016/2017<br/>YTD<br/>Expenditure<br/>%</b> |
|--|--|---------------------------------------|--|-------------------------------------|--|
| Mayoral Allowance                          | 790 172                                      | 329 238                               | 296 793  | 32 446                              | 90%  |
| Deputy Mayoral Allowance                   | 638 158                                      | 265 899                               | 243 592  | 22 307                              | 92%  |
| Mayoral Committee Allowance                | 6 599 489                                    | 2 749 787                             | 2 252 155                                      | 497 633                             | 82%  |
| Speakers Allowance                         | 638 158                                      | 265 899                               | 247 062  | 18 837                              | 93%  |
| Out of Pocket Expenses                     | 1 208 400                                    | 503 500                               | 256 854  | 246 646                             | 51%  |
| Councillors Allowance                      | 24 124 437                                   | 10 051 849                            | 9 675 070                                      | 376 778                             | 96%  |
| Cllr Cell Phone Allowance                  | 2 278 635                                    | 949 431                               | 876 119  | 73 313                              | 92%  |
| Cllr Housing Subsidy                       | 2 927 329                                    | 1 219 720                             | 1 349 141                                      | -129 420                            | 111%   |
| Cllr Medical Aid                           | 1 986 812                                    | 827 838                               | 657 884  | 169 954                             | 79%  |
| Cllr Pension Scheme                        | 3 495 042                                    | 1 456 268                             | 1 256 668                                      | 199 599                             | 86%  |
| Cllr Travel Allowance                      | 13 412 169                                   | 5 588 404                             | 5 143 168                                      | 445 236                             | 92%  |
| <b>TOTAL</b>                               | <b>58 098 801</b>                            | <b>24 207 834</b>                     | <b>22 215 354</b>                              | <b>1 992 480</b>                    | <b>92%</b>                                     |

### **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 has a budget of R18.38 million and has spent R5.94 million (32.3%) as at 30 November 2016.

The acceptable norm of expenditure is 41.67%, however the spending is generally low due to vacancies which will only be filled in January and February 2017 and consulting fees for precinct plans for which procurement processes are underway.

A detailed analysis of the entity's financial performance for month ended 30 November 2016 is outlined in Annexure F.

## **14.CAPITAL PROGRAMME PERFORMANCE**

BCMM has spent R354.28 million inclusive of reclaimed vat (2015/16: R310.96 million) which is 21% (2015/16: 23%) of its 2016/17 adjusted capital budget of R1.69 billion (2015/16: R1.38 billion) as at 30 November 2016. This depicts a slight improvement in rand value terms when compared to the same period in the previous financial year, however it reflects a regression in percentage terms. The capital expenditure will progressively improve during the year as the procurement processes are undertaken. 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 25 below reflects capital expenditure performance per source of funding.

**Table 25: Capital Expenditure per Funding Source against Budget**

| <b>Funding</b>                                     | <b>2016/2017 Rollover<br/>Adjustment Budget</b> | <b>YTD Expenditure<br/>(incl. VAT)</b> | <b>Variance (incl. VAT)</b> | <b>%<br/>Expenditure<br/>(incl. VAT)</b> |
|--|---|--|-----------------------------|--|
| <b>Total Own Funding</b>                           | <b>830 781 135</b>                              | <b>141 194 596</b>                     | <b>689 586 539</b>          | <b>17%</b>                               |
| DoE(Integrated National Electrification Programme) | 25 000 000                                      | 60 809                                 | 24 939 191                  | 0%                                       |
| DEDEAT   | 199 168   | -                                      | 199 168                     | 0%                                       |
| DSRAC  | 4 411 277                                       | -                                      | 4 411 277                   | 0%                                       |
| Finance Management Grant                           | 100 000   | 21 628                                 | 78 372                      | 22%                                      |
| Galve  | 458 000   | -                                      | 458 000                     | 0%                                       |
| Infrastructure Skills Development Grant            | 100 000   | 15 477                                 | 84 523                      | 15%                                      |
| Integrated City Development Grant                  | 6 080 000                                       | -                                      | 6 080 000                   | 0%                                       |
| Local Government & Traditional Affairs             | 9 036 112                                       | -                                      | 9 036 112                   | 0%                                       |
| Neighbourhood Development Partnership Grant        | 19 346 000                                      | -                                      | 19 346 000                  | 0%                                       |
| Urban Settlement Development Grant                 | 656 054 030                                     | 204 974 972                            | 451 079 058                 | 31%                                      |
| Human Settlement Development Grant                 | 106 300 000                                     | 7 890 060                              | 98 409 940                  | 7%                                       |
| Public Transport Infrastructure and Systems Grant  | 35 289 000                                      | 122 532                                | 35 166 468                  | 0%                                       |
| <b>Total Grants</b>                                | <b>862 373 587</b>                              | <b>213 085 478</b>                     | <b>649 288 109</b>          | <b>25%</b>                               |
| <b>TOTAL PER FUNDING</b>                           | <b>1 693 154 722</b>                            | <b>354 280 074</b>                     | <b>1 338 874 648</b>        | <b>21%</b>                               |

Table 26 below reflects capital expenditure performance per service.

**Table 26: Actual Expenditure per Service against Budget**

| <b>Services</b>            | <b>2016/2017 Rollover<br/>Adjustment Budget</b> | <b>YTD<br/>Expenditure<br/>(incl. VAT)</b> | <b>Variance (incl. VAT)</b> | <b>%<br/>Expenditure<br/>(incl. VAT)</b> |
|----------------------------|---|--|-----------------------------|--|
| Water                      | 87 500 000                                      | 45 629 633                                 | 41 870 367                  | 52%                                      |
| Waste Water                | 420 539 799                                     | 102 798 257                                | 317 741 542                 | 24%                                      |
| Electricity                | 143 000 000                                     | 33 965 413                                 | 109 034 587                 | 24%                                      |
| Roads and Stormwater       | 261 098 558                                     | 57 497 729                                 | 203 600 829                 | 22%                                      |
| Housing                    | 211 477 194                                     | 68 425 994                                 | 143 051 200                 | 32%                                      |
| Transport Planning         | 139 789 000                                     | 2 260 336                                  | 137 528 664                 | 2%                                       |
| Local Economic Development | 54 734 025                                      | 6 703 669                                  | 48 030 356                  | 12%                                      |
| Spatial Planning           | 96 708 219                                      | 4 078 099                                  | 92 630 120                  | 4%                                       |
| Waste Management / Refuse  | 115 796 195                                     | 377 685                                    | 115 418 511                 | 0%                                       |
| Amenities                  | 51 376 990                                      | 11 758 903                                 | 39 618 087                  | 23%                                      |
| Public Safety              | 46 483 912                                      | 914 239                                    | 45 569 673                  | 2%                                       |
| Support Services           | 46 338 808                                      | 10 969 874                                 | 35 368 934                  | 24%                                      |
| Other - BCM Fleet          | 18 312 022                                      | 8 900 244                                  | 9 411 778                   | 49%                                      |
| <b>TOTAL PER SERVICE</b>   | <b>1 693 154 722</b>                            | <b>354 280 074</b>                         | <b>1 338 874 648</b>        | <b>21%</b>                               |

Table 27 below reflects capital expenditure performance per directorate.

**Table 27: Actual Expenditure per Directorate against Budget**

| <b>Directorate</b>  | <b>2016/2017 Rollover<br/>Adjustment Budget</b> | <b>YTD<br/>Expenditure<br/>(incl. VAT)</b> | <b>Variance<br/>(incl. VAT)</b> | <b>%<br/>Expenditure<br/>(incl. VAT)</b> |
|---|---|--|---------------------------------|--|
| Directorate of Executive Support Services                   | 8 007 062                                       | 337 763                                    | 7 669 299                       | 3%                                       |
| Directorate of the City Manager                             | 17 521 500                                      | 9 714 680                                  | 7 806 820                       | 31%                                      |
| Directorate of Human Settlement                             | 211 477 194                                     | 68 425 994                                 | 143 051 200                     | 24%                                      |
| Directorate of Finance                                      | 747 535   | 237 173                                    | 510 362                         | 24%                                      |
| Directorate of Corporate Services                           | 9 033 820                                       | 409 132                                    | 8 624 688                       | 2%                                       |
| Directorate of Infrastructure Services                      | 937 030 379                                     | 248 892 196                                | 688 138 183                     | 15%                                      |
| Directorate of Development and Spatial Planning             | 230 417 219                                     | 6 338 436                                  | 224 078 783                     | 2%                                       |
| Directorate of Economic Development and Agencies            | 54 734 025                                      | 6 703 669                                  | 48 030 356                      | 10%                                      |
| Directorate of Health, Public Safety and Emergency Services | 46 483 912                                      | 914 239                                    | 45 569 673                      | 2%                                       |
| Directorate of Municipal Services                           | 167 702 076                                     | 12 220 078                                 | 155 481 998                     | 4%                                       |
| <b>TOTAL DIRECTORATES</b>                                   | <b>1 683 154 722</b>                            | <b>354 193 360</b>                         | <b>1 328 961 362</b>            | <b>13%</b>                               |
| Asset Replacement   | 10 000 000                                      | 86 715                                     | 9 913 285                       | 1%                                       |
| <b>GRAND - TOTAL</b>  | <b>1 693 154 722</b>                            | <b>354 280 074</b>                         | <b>1 338 874 648</b>            | <b>13%</b>                               |



The capital programme performance by month is tabulated in table 28 below (Exclusive of Vat).

**Table 28: SC12 Monthly budget Statement – capital expenditure trend**

BUF Buffalo City - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M05 November

| 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 |
| <b>R thousands</b>                           |                 |                     |                  |                |               |               |              |                |                            |
| <b>Monthly expenditure performance trend</b> |                 |                     |                  |                |               |               |              |                |                            |
| July   |                 | 6 746               | 6 746            | 1 611          | 1 611         | 6 746         | 5 135        | 76.1%          | 0%                         |
| August                                       |                 | 42 169              | 42 169           | 39 205         | 40 817        | 48 916        | 8 099        | 16.6%          | 3%                         |
| September                                    |                 | 34 991              | 34 991           | 86 333         | 127 150       | 83 907        | (43 243)     | -51.5%         | 8%                         |
| October                                      |                 | 58 305              | 58 305           | 78 499         | 205 649       | 142 212       | (63 436)     | -44.6%         | 13%                        |
| November                                     |                 | 56 652              | 56 652           | 124 330        | 329 978       | 198 865       | (131 113)    | -65.9%         | 21%                        |
| December                                     |                 | 69 364              | 69 364           |                |               | 268 229       | -            |                |                            |
| January                                      |                 | 41 215              | 41 215           |                |               | 309 443       | -            |                |                            |
| February                                     |                 | 42 842              | 42 842           |                |               | 352 285       | -            |                |                            |
| March  |                 | 65 464              | 65 464           |                |               | 417 750       | -            |                |                            |
| April  |                 | 89 153              | 89 153           |                |               | 506 903       | -            |                |                            |
| May  |                 | 87 115              | 87 115           |                |               | 594 018       | -            |                |                            |
| June   |                 | 964 116             | 1 099 137        |                |               | 1 693 155     | -            |                |                            |
| <b>Total Capital expenditure</b>             | <b>-</b>        | <b>1 558 134</b>    | <b>1 693 155</b> | <b>329 978</b> |               |               |              |                |                            |

The capital programme performance table 29 below provide summary of capital expenditure by asset class/sub-class for new assets (Exclusive of VAT).

**Table 29: 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 - M05

| 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 |
| <b>R thousands</b>  | 1   |                 |                     |                 |                |               |               |              |                |                    |
| <b>Capital expenditure on new assets by Asset Class/Sub-class</b> |     |                 |                     |                 |                |               |               |              |                |                    |
| <b>Infrastructure</b>   |     | -               | 417 323             | 434 397         | 5 757          | 31 978        | 51 021        | 19 043       | 37.3%          | 434 397            |
| Infrastructure - Road transport                                   |     | -               | 106 080             | 106 080         | 3 275          | 21 220        | 12 459        | (8 761)      | -70.3%         | 106 080            |
| Roads, Pavements & Bridges  |     |                 | 106 080             | 106 080         | 3 275          | 21 220        | 12 459        | (8 761)      | -70.3%         | 106 080            |
| Storm water   |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Infrastructure - Electricity                                      |     | -               | 43 000              | 43 000          | 1 199          | 3 511         | 5 050         | 1 540        | 30.5%          | 43 000             |
| Generation  |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Transmission & Reticulation                                       |     |                 | 43 000              | 43 000          | 1 199          | 3 511         | 5 050         | 1 540        | 30.5%          | 43 000             |
| Street Lighting   |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Infrastructure - Water  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Dams & Reservoirs   |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Water purification  |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Reticulation  |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Infrastructure - Sanitation                                       |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Reticulation  |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Sewerage purification   |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Infrastructure - Other  |     | -               | 268 243             | 285 317         | 1 284          | 7 247         | 33 511        | 26 264       | 78.4%          | 285 317            |
| Waste Management  |     |                 | 78 454              | 85 294          | -              | 332           | 10 018        | 9 686        | 96.7%          | 85 294             |
| Transportation  |     |                 | 145 789             | 145 789         | 102            | 2 083         | 17 123        | 15 040       | 87.8%          | 145 789            |
| Gas   |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Other   |     |                 | 44 000              | 54 234          | 1 181          | 4 832         | 6 370         | 1 538        | 24.1%          | 54 234             |
| <b>Community</b>  |     | -               | 21 000              | 21 926          | 2 212          | 4 695         | 2 575         | (2 120)      | -82.3%         | 21 926             |
| Parks & gardens   |     |                 | 500                 | 500             | -              | -             | 59            | 59           | 100.0%         | 500                |
| Sportsfields & stadia   |     |                 | 500                 | 1 426           | 83             | 493           | 168           | (325)        | -194.0%        | 1 426              |
| Swimming pools  |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Community halls   |     |                 | 10 000              | 10 000          | -              | -             | 1 175         | 1 175        | 100.0%         | 10 000             |
| Libraries   |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Recreational facilities   |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Fire, safety & emergency  |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Security and policing   |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Buses   |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Clinics   |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Museums & Art Galleries   |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Cemeteries  |     |                 | 10 000              | 10 000          | 2 129          | 4 203         | 1 175         | (3 028)      | -257.8%        | 10 000             |
| Social rental housing   |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Other   |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| <b>Heritage assets</b>  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Buildings   |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Other   |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| <b>Investment properties</b>                                      |     | -               | 201 941             | 210 977         | 15 495         | 60 557        | 24 780        | (35 777)     | -144.4%        | 210 977            |
| Housing development   |     |                 | 201 941             | 210 977         | 15 495         | 60 557        | 24 780        | (35 777)     | -144.4%        | 210 977            |
| Other   |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| <b>Other assets</b>   |     | -               | 113 570             | 200 053         | 4 951          | 21 591        | 23 497        | 1 905        | 8.1%           | 200 053            |
| General vehicles  |     |                 | 18 200              | 52 009          | -              | 8 900         | 6 109         | (2 792)      | -45.7%         | 52 009             |
| Specialised vehicles  |     | -               | 11 000              | 11 532          | -              | -             | 1 354         | 1 354        | 100.0%         | 11 532             |
| Plant & equipment   |     |                 | 14 966              | 21 214          | 223            | 1 019         | 2 492         | 1 473        | 59.1%          | 21 214             |
| Computers - hardware/equipment                                    |     |                 | 20 700              | 55 700          | 4 279          | 9 641         | 6 542         | (3 099)      | -47.4%         | 55 700             |
| Furniture and other office equipment                              |     |                 | 23 972              | 27 693          | 435            | 2 017         | 3 253         | 1 235        | 38.0%          | 27 693             |
| Abattoirs   |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Markets   |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Civic Land and Buildings  |     |                 | 5 286               | 12 458          | -              | -             | 1 463         | 1 463        | 100.0%         | 12 458             |
| Other Buildings   |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Other Land  |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Surplus Assets - (Investment or Inventory)                        |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Other   |     |                 | 19 446              | 19 446          | 14             | 14            | 2 284         | 2 270        | 99.4%          | 19 446             |
| <b>Agricultural assets</b>  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| List sub-class  |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| <b>Biological assets</b>  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| List sub-class  |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| <b>Intangibles</b>  |     | -               | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Computers - software & programming                                |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Other   |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| <b>Total Capital Expenditure on new assets</b>                    | 1   | -               | 753 834             | 867 354         | 28 415         | 118 821       | 101 873       | (16 949)     | -16.6%         | 867 354            |
| <b>Specialised vehicles</b>                                       |     | -               | 11 000              | 11 532          | -              | -             | 1 354         | 1 354        | 0              | 11 532             |
| Refuse  |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Fire  |     |                 | 11 000              | 11 532          | -              | -             | 1 354         | 1 354        | 0              | 11 532             |
| Conservancy   |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |
| Ambulances  |     |                 | -                   | -               | -              | -             | -             | -            | -              | -                  |

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

**Table 30: 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 -

| 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 |
| <b>R thousands</b>  | 1   |                 |                     |                 |                |               |               |              |                |                    |
| <b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b> |     |                 |                     |                 |                |               |               |              |                |                    |
| <b>Infrastructure</b>   |     | -               | 720 091             | 734 138         | 92 180         | 198 828       | 86 226        | (112 602)    | -130.6%        | 734 138            |
| Infrastructure - Road transport   |     | -               | 161 099             | 161 099         | 11 203         | 31 479        | 18 921        | (12 558)     | -66.4%         | 161 099            |
| <i>Roads, Pavements &amp; Bridges</i>   |     |                 | 161 099             | 161 099         | 11 203         | 31 479        | 18 921        | (12 558)     | -66.4%         | 161 099            |
| <i>Storm water</i>  |     |                 | -                   | -               | -              | -             | -             | -            |                | -                  |
| Infrastructure - Electricity  |     | -               | 100 000             | 100 000         | 14 297         | 30 010        | 11 745        | (18 265)     | -155.5%        | 100 000            |
| <i>Generation</i>   |     |                 | -                   | -               | -              | -             | -             | -            |                | -                  |
| <i>Transmission &amp; Reticulation</i>  |     |                 | 100 000             | 100 000         | 14 297         | 30 010        | 11 745        | (18 265)     | -155.5%        | 100 000            |
| <i>Street Lighting</i>  |     |                 | -                   | -               | -              | -             | -             | -            |                | -                  |
| Infrastructure - Water  |     | -               | 87 500              | 87 500          | 10 923         | 42 899        | 10 277        | (32 622)     | -317.4%        | 87 500             |
| <i>Dams &amp; Reservoirs</i>  |     |                 | -                   | -               | -              | -             | -             | -            |                | -                  |
| <i>Water purification</i>   |     |                 | -                   | -               | -              | -             | -             | -            |                | -                  |
| <i>Reticulation</i>   |     |                 | 87 500              | 87 500          | 10 923         | 42 899        | 10 277        | (32 622)     | -317.4%        | 87 500             |
| Infrastructure - Sanitation   |     | -               | 371 492             | 385 540         | 55 757         | 94 439        | 45 283        | (49 157)     | -108.6%        | 385 540            |
| <i>Reticulation</i>   |     |                 | 371 492             | 385 540         | 55 757         | 94 439        | 45 283        | (49 157)     | -108.6%        | 385 540            |
| <i>Sewerage purification</i>  |     |                 | -                   | -               | -              | -             | -             | -            |                | -                  |
| Infrastructure - Other  |     | -               | -                   | -               | -              | -             | -             | -            |                | -                  |
| <b>Community</b>  |     | -               | 19 855              | 25 805          | 2 236          | 6 563         | 3 031         | (3 533)      | -116.6%        | 25 805             |
| Parks & gardens   |     |                 | -                   | -               | -              | -             | -             | -            |                | -                  |
| Sportsfields & stadia   |     |                 | 10 000              | 14 411          | 1 237          | 3 359         | 1 693         | (1 666)      | -98.4%         | 14 411             |
| Swimming pools  |     |                 | 2 500               | 2 500           | -              | 1 607         | 294           | (1 313)      | -447.3%        | 2 500              |
| Community halls   |     |                 | -                   | -               | -              | -             | -             | -            |                | -                  |
| Libraries   |     |                 | -                   | -               | -              | -             | -             | -            |                | -                  |
| Recreational facilities   |     |                 | 7 355               | 8 894           | 999            | 1 597         | 1 045         | (553)        | -52.9%         | 8 894              |
| <b>Other assets</b>   |     | -               | 64 355              | 65 857          | 1 499          | 5 765         | 7 735         | 1 970        | 25.5%          | 65 857             |
| General vehicles  |     |                 | -                   | -               | -              | -             | -             | -            |                | -                  |
| Specialised vehicles  |     |                 | -                   | -               | -              | -             | -             | -            |                | -                  |
| Plant & equipment   |     |                 | 700                 | 1 181           | 13             | 357           | 139           | (218)        | -157.3%        | 1 181              |
| Civic Land and Buildings  |     |                 | 62 655              | 63 676          | 1 486          | 5 391         | 7 479         | 2 088        | 27.9%          | 63 676             |
| Other   |     |                 | 1 000               | 1 000           | -              | 18            | 117           | 100          | 84.8%          | 1 000              |
| <b>Total Capital Expenditure on renewal of existing assets</b>                    | 1   | -               | 804 300             | 825 801         | 95 915         | 211 157       | 96 992        | (114 165)    | -117.7%        | 825 801            |

|                             |  |   |   |   |   |   |   |   |  |   |
|-----------------------------|--|---|---|---|---|---|---|---|--|---|
| <b>Specialised vehicles</b> |  | - | - | - | - | - | - | - |  | - |
| Refuse                      |  |   | - | - | - | - | - | - |  | - |
| Fire                        |  |   | - | - | - | - | - | - |  | - |
| Conservancy                 |  |   | - | - | - | - | - | - |  | - |
| Ambulances                  |  |   | - | - | - | - | - | - |  | - |

## **15. OTHER SUPPORTING DOCUMENTS**

### **15.1. Operating Projects Expenditure**

The Metro has spent 28% (R90.05 million) inclusive of reclaimed vat of its 2016/17 adjusted budget of R327.39 million as at 30 November 2016. This reflects an improvement in percentage terms when compared to the same period in the previous financial year where 16% (R114.76 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R697.73 million was spent. The operating expenditure will progressively improve during the year as the procurement processes are undertaken.

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

Tables 31 and 32 below summarise Annexure D.

**Table 31: Operating Projects per Directorate**

| <b>OPERATING PROJECTS PER DIRECTORATE</b>                   | <b><u>2016/2017</u><br/><u>Rollover</u><br/><u>Adjustment</u><br/><u>Budget</u></b> | <b><u>YTD</u><br/><u>Expenditure</u><br/><u>(incl.vat)</u></b> | <b><u>Variance</u><br/><u>(incl.vat)</u></b> | <b><u>%</u><br/><u>Expendit</u><br/><u>ure</u><br/><u>(incl.vat)</u></b> |
|---|---|--|--|--|
| Directorate of Executive Support Services                   | 6 639 858   | 160 285  | 6 479 573                                    | 2%   |
| Directorate of the City Manager                             | 27 684 535  | 10 152 225   | 17 532 310                                   | 37%  |
| Directorate of Human Settlement                             | 127 319 287   | 31 671 042   | 95 648 245                                   | 25%  |
| Directorate of Finance                                      | 53 449 700  | 4 364 369  | 49 085 331                                   | 8%   |
| Directorate of Corporate Services                           | 8 900 000   | 2 812 745  | 6 087 255                                    | 32%  |
| Directorate of Infrastructure Services                      | 54 495 761  | 23 720 527   | 30 775 235                                   | 44%  |
| Directorate of Development and Spatial Planning             | 1 250 000   | 43 582   | 1 206 418                                    | 3%   |
| Directorate of Economic Development and Agencies            | 33 500 000  | 12 398 906   | 21 101 094                                   | 37%  |
| Directorate of Health, Public Safety and Emergency Services | 3 599 600   | 0  | 3 599 600                                    | 0%   |
| Directorate of Municipal Services                           | 10 550 000  | 4 727 838  | 5 822 162                                    | 45%  |
| <b>TOTAL</b>  | <b>327 388 741</b>  | <b>90 051 519</b>  | <b>237 337 223</b>                           | <b>28%</b>   |

**Table 32: Operating Projects per Funding Source**

| <b>OPERATING PROJECTS PER FUNDING SOURCE</b>     | <b><u>2016/2017<br/>Rollover<br/>Adjustment<br/>Budget</u></b> | <b><u>YTD<br/>Expenditure<br/>(incl. vat)</u></b> | <b><u>Variance<br/>(incl. vat)</u></b> | <b><u>%<br/>Expendit<br/>ure (incl.<br/>vat)</u></b> |
|--|--|---|--|--|
| <b>Total Own Funding</b>                         | <b>112 519 700</b>   | <b>19 764 958</b>                                 | <b>92 754 742</b>                      | <b>18%</b>   |
| City of Oldenburg                                | 495 761  | 0   | 495 761                                | 0%   |
| Department of Public Works                       | 2 469 600  | 0   | 2 469 600                              | 0%   |
| Expanded Public Works Programme Incentives Grant | 1 188 000  | 855 768   | 332 232                                | 72%  |
| Finance Management Grant                         | 1 200 000  | 241 741   | 958 259                                | 20%  |
| Human Settlement Development Grant               | 123 802 000  | 31 145 537  | 92 656 463                             | 25%  |
| Independent Electoral Commission                 | 1 017 287  | 0   | 1 017 287                              | 0%   |
| Glasgow  | 261 565  | 0   | 261 565                                | 0%   |
| Infrastructure Skills Development Grant          | 89 858   | 0   | 89 858                                 | 0%   |
| Transnet   | 8 900 000  | 2 812 745   | 6 087 255                              | 32%  |
| Urban Settlement Development Grant               | 75 444 970   | 35 230 770  | 40 214 200                             | 47%  |
| <b>Total Grants</b>                              | <b>214 869 041</b>   | <b>70 286 561</b>                                 | <b>144 582 480</b>                     | <b>33%</b>   |
|  |  |   |  |  |
| <b>TOTAL PER FUNDING</b>                         | <b>327 388 741</b>   | <b>90 051 519</b>                                 | <b>237 337 223</b>                     | <b>28%</b>   |

**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 33: Health / Public Safety & Emergency Services – Cost Analysis**

| <b>Health &amp; Public Safety</b>  | <b>Total Revenue</b> | <b>Employee Costs</b> | <b>Other Operating Expenditure</b> | <b>Repairs &amp; Maintenance</b> | <b>Total Expenditure Excluding Capital</b> |
|--|----------------------|-----------------------|------------------------------------|----------------------------------|--|
| <b>OFFICE OF THE DIRECTOR OF HEALTH / PUBLIC SAFETY &amp; EMERGENCY SERVICES</b> | <b>0</b>             | <b>1 173 424</b>      | <b>122 956</b>                     | <b>0</b>                         | <b>1 296 379</b>                           |
| <b>GM - EMERGENCY SERVICES</b>   | <b>(35 762 522)</b>  | <b>34 332 465</b>     | <b>9 362 679</b>                   | <b>287 286</b>                   | <b>43 982 430</b>                          |
| EMERGENCY SERVICES   | 0                    | 964 767               | 192 489                            | 15 325                           | 1 172 581                                  |
| DISASTER MANAGEMENT  | 0                    | 942 136               | 307 349                            | 24 526                           | 1 274 010                                  |
| FIRE & RESCUE  | (35 762 522)         | 32 425 562            | 8 862 841                          | 247 435                          | 41 535 838                                 |
| <b>GM - MUNICIPAL HEALTH SERVICES</b>  | <b>(22 110)</b>      | <b>10 777 670</b>     | <b>1 626 553</b>                   | <b>53 973</b>                    | <b>12 458 196</b>                          |
| MUNICIPAL HEALTH SERVICES  | (22 110)             | 10 777 670            | 1 626 553                          | 53 973                           | 12 458 196                                 |
| <b>GM - PUBLIC SAFETY &amp; PROTECTION SERVICES</b>                              | <b>(23 241 085)</b>  | <b>74 555 542</b>     | <b>6 148 377</b>                   | <b>778 342</b>                   | <b>81 482 260</b>                          |
| PUBLIC SAFETY & PROTECTION SERVICES  | (11 833)             | 7 669 702             | 2 773 161                          | 488 529                          | 10 931 393                                 |
| LAW ENFORCEMENT SERVICES   | (1 020)              | 46 192 260            | 1 319 195                          | 165 573                          | 47 677 028                                 |
| TRAFFIC SERVICES   | (23 228 232)         | 20 693 580            | 2 056 021                          | 124 239                          | 22 873 840                                 |
| <b>Total</b>   | <b>(59 025 716)</b>  | <b>120 839 100</b>    | <b>17 260 564</b>                  | <b>1 119 601</b>                 | <b>139 219 266</b>                         |

## 16.2. Municipal Services

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

**Table 34: Municipal Services – Cost Analysis**

| <b>Municipal Services</b>                           | <b>Total Revenue</b> | <b>Employee Costs</b> | <b>Other Operating Expenditure</b> | <b>Repairs &amp; Maintenance</b> | <b>Total Expenditure Excluding Capital</b> |
|---|----------------------|-----------------------|------------------------------------|----------------------------------|--|
| <b>OFFICE OF THE DIRECTOR OF MUNICIPAL SERVICES</b> | <b>0</b>             | <b>2 753 052</b>      | <b>474 701</b>                     | <b>2 000</b>                     | <b>3 229 752</b>                           |
| <b>GM - COMMUNITY AMENITIES</b>                     | <b>(1 368 361)</b>   | <b>38 830 246</b>     | <b>9 623 919</b>                   | <b>2 452 844</b>                 | <b>50 907 010</b>                          |
| COMMUNITY AMENITIES                                 | 0                    | 4 375 420             | 249 144                            | 32 488                           | 4 657 052                                  |
| LIBRARIES   | (114 439)            | 7 403 574             | 874 087                            | 143 348                          | 8 421 008                                  |
| HALLS   | (613 393)            | 5 856 927             | 1 380 681                          | 189 364                          | 7 426 972                                  |
| RECREATION  | (579 399)            | 12 860 272            | 3 006 024                          | 1 388 345                        | 17 254 641                                 |
| SPORTS FACILITIES                                   | (61 130)             | 8 334 053             | 4 113 983                          | 699 300                          | 13 147 336                                 |
| <b>GM - PARKS / CEMETRIES &amp; CONSERVATION</b>    | <b>(4 747 202)</b>   | <b>53 384 574</b>     | <b>13 314 448</b>                  | <b>2 554 715</b>                 | <b>69 253 737</b>                          |
| PARKS / CEMETRIES & CONSERVATION                    | 0                    | 986 043               | 86 928                             | 0                                | 1 072 971                                  |
| CEMETRIES & CREMATORIA                              | (3 931 579)          | 8 279 323             | 4 836 607                          | 74 902                           | 13 190 831                                 |
| CONSERVATION  | (774 905)            | 5 935 417             | 1 321 050                          | 288 540                          | 7 545 006                                  |
| PARKS: COASTAL                                      | (40 718)             | 38 183 792            | 7 069 864                          | 2 191 273                        | 47 444 929                                 |
| <b>GM - SOLID WASTE MANAGEMENT</b>                  | <b>(164 227 152)</b> | <b>50 715 825</b>     | <b>85 778 913</b>                  | <b>18 203 633</b>                | <b>154 698 371</b>                         |
| SOLID WASTE MANAGEMENT                              | (60)                 | 3 174 857             | 5 151 653                          | 3 138 117                        | 11 464 627                                 |
| CLEANSING & REFUSE REMOVAL: COASTAL                 | (159 976 915)        | 43 225 792            | 64 614 326                         | 15 065 516                       | 122 905 634                                |
| LANDFILLS & TRANSFER STATIONS                       | (4 250 177)          | 4 315 177             | 16 012 934                         | 0                                | 20 328 110                                 |
| <b>Total</b>  | <b>(170 342 715)</b> | <b>145 683 697</b>    | <b>109 191 980</b>                 | <b>23 213 193</b>                | <b>278 088 870</b>                         |

**17. MUNICIPAL MANAGER'S QUALITY CERTIFICATION**

|                            |
|----------------------------|
| <b>QUALITY CERTIFICATE</b> |
|----------------------------|

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

The monthly budget statement (Section 71 Report)

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

**Print name: Nceba Ncunyana**

**Acting City Manager of Buffalo City Metropolitan Municipality, BUF**

**Signature: .....**

**Date: .....**



## **ANNEXURES:**

### **Annexure A**

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

### **Annexure B**

- SC1 Material Variance Explanation
- SC2 Performance Indicators
- SC3 Aged Debtors
- SC4 Aged Creditors
- SC5 Investment Portfolio
- SC6 Transfers and Grants Receipts
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- 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
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- SC13d Depreciation by Asset Class

### **Annexure C**

Schedule of Borrowings

### **Annexure D**

Operating expenditure report

### **Annexure E**

Capital expenditure report

### **Annexure F**

Buffalo City Development Agency Financial Performance Report