

**STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION
OF THE 2017/18 BUDGET FOR THE PERIOD ENDED 30 APRIL 2018**

1. PURPOSE

The purpose of the report is for the Executive Mayor to consider and note the statement of financial performance and the implementation of the 2017/18 budget of the Buffalo City Metropolitan Municipality for the period ended 30 April 2018.

2. AUTHORITY

Executive Mayor

3. LEGAL / STATUTORY REQUIREMENTS

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

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

3.3. Municipal Budget and Reporting Regulations, 2009

4. BACKGROUND

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

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

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

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PART 1: IN-YEAR REPORT

5. RESOLUTIONS

It is recommended that:

- (i) The Executive Mayor considers and notes the report on the statement of financial performance and the implementation of the 2017/18 budget for the period ended 30 April 2018 including supporting documentation attached as Annexure A to F.
- (ii) The Executive Mayor notes the spending trend on capital and operating projects as well as the reasons for such an expenditure as indicated in section 14 and 15 respectively of this report.
- (iii) The Executive Mayor notes the year to date collection rate for the period ended 30 April 2018 of 85.46%.

A. SIHLAHLA

CITY MANAGER

BUFFALO CITY METROPOLITAN MUNICIPALITY

NTSIKELELO SIGCAU/ YM

DATE

6. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY FOR THE PERIOD ENDED 30 APRIL 2018

6.1. Dashboard / Performance Summary

Table 1: Performance Summary

OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	R 4,811,418,833	Bank Balance	R 149,916,433
Expenditure	(R 4,857,942,667)	Call investments (excl. int.)	R 2,135,707,790
Operating Deficit	(R 46,523,835)	Cash and cash equivalents	R 2,285,624,223
Transfers Recognised - Capital	R 404,941,951	<i>Account Payables</i>	<i>(R 506,243,916)</i>
Surplus After Capital Transfers	R 358,418,116	<i>Unspent conditional grants</i>	<i>(R 342,468,033)</i>
DEBTORS		<i>Committed to Capital budget-own funds</i>	<i>(R 556,104,350)</i>
Total debtors book (incl. impairment)	R 1,999,753,325	Therefore, Cash and Cash equivalents ring fenced for assets renewal in outer years	R 880,807,924
Total debtors - Government	R 44,908,817	Total Long term loans	R 414,018,342
Total debtors - Business	R 781,430,725	SURPLUS / (DEFICIT) PER SERVICE	
Total debtors - Households	R 1,173,413,783	Water	R 36,878,097
Total debt written off	R 330,980,861	Electricity	(R 98,594,954)
REPAIRS AND MAINTENANCE		Refuse	R 28,114,128
2016/2017: Exp. = R268.06m, which is 64% of the adjusted budget of R418.61 m	2017/2018: Exp.= R254.78 m, which is 57% of the adjusted budget of R450.64 m	Sewerage	R98,518,764
CAPITAL EXPENDITURE		OPERATING PROJECTS EXPENDITURE	
2016/2017: Exp. as a % of Adjusted Budget of R1.49b: Exp. (excl. vat) = R794.75 mil % exp. (Excl. vat) : 53% Exp. (incl. vat) = R849.53 mil % exp. (incl. vat): 57%	2017/2018: Exp. as a % of Adjusted Budget of R1.63b: Exp. (excl. vat) = R705.55 mil % exp. (Excl. vat) :43% Exp. (incl. vat) = R761.44 mil % exp. (incl. vat): 47%	2016/2017: Exp. as a % of Adjusted Budget of R336.91m: Exp. (excl. vat) = R188.35 mil % exp. (excl. vat): 56% Exp. (incl. vat) = R195.92 mil % exp. (incl. vat): 58%	2017/2018: Exp. as a % of Adjusted Budget of R309.4m: Exp. (excl. vat) = R179.76 mil % exp. (excl. vat): 58% Exp. (incl. vat) = R186. mil % exp. (incl. vat): 60%
FINANCIAL		HUMAN RESOURCES	
Operating Deficit for the period	R 46,523,835	Total staff complement	5 076
Debtors collection ratio	85.46%	Staff Appointments	111
YTD Grants and subsidies	R 1,300,722,778	Staff Terminations	57
% of Creditors paid within terms	100%	Number of funded vacant posts	754
Current ratio	3.27:1	Total overtime paid (YTD)	R 115,881,118
Total Debt to Revenue	9.06%	Allowances and benefits - Councillors	R 49,574,844
Capital Charges to Operating Expenditure	1.16%	Salary bill - Officials	R 1,486,470,521
Cost coverage ratio	5.74 months	Workforce costs as a % of expenditure	31.62%

6.2 Liquidity position

Buffalo City Metropolitan Municipality's liquidity is considered relatively sound as the Current Ratio is 3.27:1 which indicates the ability of municipality's current assets to cover its current liabilities. Net debtors constitute 39% of the current assets, inventory constitutes 1% and cash & cash equivalents comprise 59% of the current assets. The City has a strong cash and cash equivalent and can easily meet its immediate obligations, however, the decline in collection rate is a threat to the City's cash position.

6.3 Collection Rate and Outstanding Debtors

The year to date collection rate for the month ended 30 April 2018 is 85.46% (2016/17: 86.36%). The collection rate has increased by 0.37% from last month where 85.09% was achieved for the period ended 31 March 2018. This ratio denotes the City's ability to collect the billed revenue from its consumers. The corrective measures that are implemented to improve the collection are detailed under section 8 of the report under debtors' management.

Total gross debtors book (including current accounts) as at 30 April 2018 amounts to R2 billion (2016/17: R2.05 billion). Households: R1.17 billion, Business: R781.43 million and Government: R44.91 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 47% (R761.44 million, inclusive of reclaimed vat) of its 2017/18 adjusted capital budget of R1.63 billion as at 30 April 2018. This depicts regression when compared to the same period in the previous financial year where 57% (R849.53 million, inclusive of reclaimed vat) of the adjusted capital budget of R1.49 billion was spent. Based on past performance trends, expenditure is expected to progressively improve during the last quarter of the financial year as procurement processes have been concluded. (Refer to

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 60% (R186 million, inclusive of reclaimed vat) of its 2017/18 adjusted operating projects budget of R309.4 million as at 30 April 2018. This reflects a slight regression in rand value terms and a slight increase in percentage terms when compared to the same period in the previous financial year where 58% (R195.92 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R336.91 million was spent. Based on past performance trends, expenditure is expected to progressively improve during the last quarter of the financial year as procurement processes have been concluded. (Refer to Section 15 for further details).

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

6.6 Expenditure on Conditional Grants (DoRA Allocation)

The Metro has spent 65% (R581.86 million, inclusive of reclaimed vat) of its 2017/2018 conditional grants budget of R899.69 million as at 30 April 2018. This depicts regression in percentage terms and slight improvement in rand value terms when compared to the same period in the previous financial year where 67% (R549.01 million, inclusive of reclaimed of vat) of conditional grants budget of R820.97 million was spent. Based on past performance trends, expenditure is expected to progressively improve during the last quarter of the financial year as procurement processes have been concluded. (Refer to Section 11 for further details).

6.6.1. Urban Settlement Development Grant (USDG) funded projects

BCMM has spent 67% (R517.38 million, inclusive of reclaimed vat) of its 2017/2018 USDG budget of R768.13 million as at 30 April 2018. This reflects a regression when compared to the same period in the previous

financial year where 73% (R531.54 million, inclusive of reclaimed of vat) of USDG budget of R731.5 million was spent. Based on past performance trends, expenditure is expected to progressively improve during the last quarter of the financial year as procurement processes have been concluded. (Refer to Section 11 for further details).

6.7 Cash and Cash Equivalents

The cash and cash equivalents of the City as at 30 April 2018 are R2.29 billion made up of cash and bank amounting to R149.92 million and call investment deposits of R2.14 billion. This funding is invested with various financial institutions in compliance with the MFMA. Refer to Section 7.7 and Annexure A – C7 for the cash flow statement as well as Section 10 and Annexure B – SC5 for the investment portfolio breakdown.

The cost coverage ratio of the City is 5.74 months. This ratio indicates the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue during that period. This ratio denotes that the City can meet its monthly operating commitments 5.74 times, which is above the norm of 1-3 months as per the MFMA circular 71. It is however a concern to note that the City's cash and cash equivalent reserve is decreasing due to the unfavourable collection rate that is below the target as depicted in section 6.3 of the report. There have also been high capital investment that is funded by internally generated funds.

6.8 Outstanding Creditors

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

6.9 Long-Term Debt Profile

The total long term borrowings of the municipality as at 30 April 2018 amounts

to R414.02 million (Refer to Annexure C for the schedule of borrowings).

The ratio of capital charges to operating expenditure as at 30 April 2018 is 1.16%. This ratio assesses the level of capital charges / interest charges to operating expenditure. The norm as per the MFMA circular 71 is between 6 and 8%; BCMM is below the norm and has the capacity to take on additional borrowing to invest in infrastructure projects that generate revenue. The City is currently in the process of securing additional loan funding which will result in the actual ratio moving closer to the norm.

The total debt to revenue ratio is 9.06% as at 30 April 2018, this indicates the extent of total borrowings (short and long term debt financing) in relation to total operating revenue of the municipality. The purpose of the ratio is to provide assurance that sufficient revenue will be generated to repay liabilities. The municipality is therefore highly solvent to meet its debt obligation as it is below the set ceiling of 45% in accordance with the MFMA circular 71.

7. IN-YEAR BUDGET STATEMENT MAIN TABLES

7.1 Monthly Budget Statement Summary

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

Table 2:C1: Monthly Budget Statement Summary

BUF Buffalo City - Table C1 Monthly Budget Statement Summary - M10 April									
Description	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	978 231	1 225 285	1 121 175	55 650	887 586	947 619	(60 033)	-6%	1 121 175
Service charges	2 867 970	3 011 895	2 936 647	68 909	2 304 079	2 278 285	25 794	1%	2 936 647
Investment revenue	148 011	157 002	131 002	2 245	92 115	120 933	(28 819)	-24%	131 002
Transfers and subsidies	1 304 827	1 368 106	1 370 858	6 938	1 300 723	1 291 937	8 786	1%	1 370 858
Other own revenue	313 867	426 719	377 341	19 977	226 917	301 885	(74 968)	-25%	377 341
Total Revenue (excluding capital transfers and contributions)	5 612 906	6 189 006	5 937 024	153 720	4 811 419	4 940 659	(129 241)	-3%	5 937 024
Employee costs	1 560 996	1 733 321	1 733 321	149 001	1 486 471	1 499 462	(12 992)	-1%	1 733 321
Remuneration of Councillors	55 482	62 398	60 381	4 923	49 575	48 613	962	2%	60 381
Depreciation & asset impairment	807 050	778 273	778 273	(226 517)	822 792	778 273	44 519	6%	778 273
Finance charges	49 359	54 318	45 240	3 485	36 902	37 186	(284)	-1%	45 240
Materials and bulk purchases	1 558 514	1 578 167	1 659 573	101 391	1 318 284	1 348 199	(29 915)	-2%	1 659 573
Transfers and subsidies	394 807	328 637	77 470	(192 568)	62 064	64 559	(2 494)	-4%	77 470
Other expenditure	1 618 312	1 652 966	1 581 839	93 284	1 081 856	1 310 634	(228 779)	-17%	1 581 839
Total Expenditure	6 044 521	6 188 080	5 936 097	(67 000)	4 857 943	5 086 925	(228 982)	-5%	5 936 097
Surplus/(Deficit)	(431 615)	926	926	220 720	(46 524)	(146 266)	99 742	-68%	926
Transfers and subsidies - capital (monetary allocations) (National Contributions & Contributed assets)	669 780	795 307	819 099	61 538	404 942	486 029	(81 087)	-17%	819 099
	-	-	229	-	-	-	-	-	229
Surplus/(Deficit) after capital transfers & contributions	238 165	796 234	820 255	282 258	358 418	339 763	18 655	5%	820 255
Share of surplus/ (deficit) of associate	15 248	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	253 413	796 234	820 255	282 258	358 418	339 763	18 655	5%	820 255
Capital expenditure & funds sources									
Capital expenditure	1 276 301	1 645 204	1 634 320	98 635	705 546	974 644	(269 098)	-28%	1 634 320
Capital transfers recognised	669 780	795 307	819 328	59 829	446 659	488 615	(41 956)	-9%	819 328
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	69 000	-	-	-	-	-	-	-
Internally generated funds	606 521	780 897	814 991	38 806	258 887	486 029	(227 142)	-47%	814 991
Total sources of capital funds	1 276 301	1 645 204	1 634 320	98 635	705 546	974 644	(269 098)	-28%	1 634 320
Financial position									
Total current assets	3 174 072	3 690 664	3 516 573		3 882 437				3 516 573
Total non current assets	16 490 855	15 248 547	15 237 662		16 353 812				15 237 662
Total current liabilities	1 371 169	1 336 012	1 339 835		1 185 516				1 339 835
Total non current liabilities	915 192	1 146 211	1 074 494		901 862				1 074 494
Community wealth/Equity	17 378 567	16 456 988	16 339 906		18 148 870				16 339 906
Cash flows									
Net cash from (used) operating	645 551	1 809 846	1 679 398	(20 171)	1 332 818	1 521 501	188 684	12%	1 679 398
Net cash from (used) investing	(1 278 640)	(1 582 484)	(1 634 320)	(98 635)	(705 546)	(1 470 910)	(765 364)	52%	(1 634 320)
Net cash from (used) financing	(50 709)	20 252	(47 642)	-	(31 749)	(39 701)	(7 952)	20%	(47 642)
Cash/cash equivalents at the month/year end	1 690 102	2 539 412	1 684 191	-	2 285 624	1 697 644	(587 980)	-35%	1 687 539
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	281 817	117 131	75 675	57 512	52 522	47 678	262 484	1 104 933	1 999 753
Creditors Age Analysis									
Total Creditors	479 833	26 411	-	-	-	-	-	-	506 244

7.2 Monthly Budget Statement – Financial Performance (standard classification)

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

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

BUF Buffalo City - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M10 April

Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue - Functional										
<i>Governance and administration</i>		2 072 852	2 447 732	2 335 625	70 940	1 981 617	2 117 394	(135 777)	-6%	2 335 625
Executive and council		22 632	29 589	28 225	2 761	20 525	17 790	2 735	15%	28 225
Finance and administration	2 039 712	2 418 143	2 307 400	68 179	1 961 092	2 099 605	(138 513)	-7%	2 307 400	
Internal audit		10 508	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		476 980	402 630	339 821	(2 185)	175 293	200 660	(25 366)	-13%	339 821
Community and social services		32 873	31 607	28 602	1 094	24 934	27 425	(2 491)	-9%	28 602
Sport and recreation		7 608	5 909	6 369	234	3 098	2 442	657	27%	6 369
Public safety		145 346	88 321	72 517	(8 467)	62 494	79 728	(17 234)	-22%	72 517
Housing		290 848	276 769	232 309	4 954	84 732	91 010	(6 278)	-7%	232 309
Health		306	24	24	-	35	55	(20)	-36%	24
<i>Economic and environmental services</i>		245 652	432 207	468 917	36 513	239 657	268 901	(29 244)	-11%	468 917
Planning and development		36 291	45 006	189 446	6 425	60 074	48 890	11 183	23%	189 446
Road transport		209 257	386 748	276 476	30 050	178 338	218 905	(40 567)	-19%	276 476
Environmental protection		104	452	2 995	38	1 246	1 105	140	13%	2 995
<i>Trading services</i>		3 454 626	3 673 575	3 576 320	108 018	2 796 098	2 815 960	(19 861)	-1%	3 576 320
Energy sources		1 756 848	1 926 400	1 941 941	158 985	1 465 342	1 434 756	30 585	2%	1 941 941
Water management		682 022	655 778	680 778	(22 580)	564 796	561 121	3 675	1%	680 778
Waste water management		627 373	639 215	581 266	11 469	478 882	511 078	(32 197)	-6%	581 266
Waste management		388 382	452 182	372 335	(39 855)	287 079	309 004	(21 925)	-7%	372 335
<i>Other</i>	4	47 824	28 170	35 670	1 972	23 695	23 773	(79)	0%	35 670
Total Revenue - Functional	2	6 297 934	6 984 313	6 756 352	215 258	5 216 361	5 426 688	(210 327)	-4%	6 756 352
Expenditure - Functional										
<i>Governance and administration</i>		1 175 763	1 194 255	1 252 113	54 766	925 222	977 848	(52 626)	-5%	1 252 113
Executive and council		293 355	296 070	366 036	27 632	277 463	282 838	(5 376)	-2%	366 036
Finance and administration		658 234	884 293	872 185	26 543	642 364	688 298	(45 933)	-7%	872 185
Internal audit		224 174	13 892	13 892	591	5 395	6 712	(1 317)	-20%	13 892
<i>Community and public safety</i>		713 030	493 005	567 760	21 443	488 079	512 847	(24 768)	-5%	567 760
Community and social services		116 398	124 688	88 020	7 472	79 593	100 131	(20 538)	-21%	88 020
Sport and recreation		70 287	68 342	206 899	11 083	234 848	188 603	46 245	25%	206 899
Public safety		321 547	125 282	97 133	(5 187)	75 182	97 893	(22 711)	-23%	97 133
Housing		171 503	136 025	136 661	5 061	70 320	95 352	(25 032)	-26%	136 661
Health		33 295	38 668	39 048	3 015	28 135	30 869	(2 733)	-9%	39 048
<i>Economic and environmental services</i>		968 765	1 222 744	906 440	(195 958)	722 522	816 616	(94 095)	-12%	906 440
Planning and development		303 791	294 914	120 912	(21 357)	123 884	196 509	(72 625)	-37%	120 912
Road transport		543 622	805 423	766 093	(176 172)	581 801	553 166	28 635	5%	766 093
Environmental protection		121 352	122 407	19 435	1 571	16 836	66 941	(50 105)	-75%	19 435
<i>Trading services</i>		3 171 786	3 247 030	3 117 911	46 425	2 653 735	2 722 179	(68 444)	-3%	3 117 911
Energy sources		1 666 737	1 829 086	1 849 198	133 685	1 561 880	1 607 830	(45 949)	-3%	1 849 198
Water management		700 469	575 132	574 526	(35 809)	539 676	470 885	68 791	15%	574 526
Waste water management		406 882	483 287	397 529	(16 394)	282 785	314 107	(31 322)	-10%	397 529
Waste management		397 697	359 525	296 659	(35 057)	269 393	329 357	(59 963)	-18%	296 659
<i>Other</i>		15 816	31 046	91 873	6 324	68 386	57 434	10 951	19%	91 873
Total Expenditure - Functional	3	6 045 159	6 188 080	5 936 097	(67 000)	4 857 943	5 086 925	(228 982)	-5%	5 936 097
Surplus/ (Deficit) for the year		252 774	796 234	820 255	282 258	358 418	339 763	18 655	5%	820 255

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

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

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

BUF Buffalo City - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M10										
Vote Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Directorate - Executive Support Services		2 300	1 593	1 912	5	365	1 787	(1 422)	-79.6%	1 912
Vote 02 - Directorate - Municipal Manager		20 332	27 996	27 996	2 756	20 430	17 599	2 831	16.1%	27 996
Vote 03 - Directorate - Human Settlement		290 857	276 769	232 309	4 954	84 732	176 445	(91 713)	-52.0%	232 309
Vote 04 - Directorate - Chief Financial Officer		2 039 712	2 407 345	2 283 973	65 183	1 942 895	2 063 541	(120 646)	-5.8%	2 283 973
Vote 05 - Directorate - Corporate Services		10 478	10 561	10 561	2 092	9 119	7 797	1 321	16.9%	10 561
Vote 06 - Directorate - Infrastructure Services		3 278 416	3 407 846	3 390 201	170 824	2 631 231	2 540 351	90 880	3.6%	3 390 201
Vote 07 - Directorate - Spatial Planning And Development		47 760	148 279	200 630	7 329	68 882	106 169	(37 287)	-35.1%	200 630
Vote 08 - Directorate - Health / Public Safety & Emergency Services		145 652	175 605	162 801	(1 367)	118 655	135 846	(17 190)	-12.7%	162 801
Vote 09 - Directorate - Municipal Services		428 967	490 150	410 300	(38 490)	316 356	348 162	(31 806)	-9.1%	410 300
Vote 10 - Directorate - Economic Development & Agencies		33 460	38 170	35 670	1 972	23 695	28 991	(5 296)	-18.3%	35 670
Total Revenue by Vote	2	6 297 934	6 984 313	6 756 352	215 258	5 216 361	5 426 688	(210 327)	-3.9%	6 756 352
Expenditure by Vote	1									
Vote 01 - Directorate - Executive Support Services		203 993	232 296	242 291	22 901	185 120	178 368	6 752	3.8%	242 291
Vote 02 - Directorate - Municipal Manager		89 362	154 644	188 073	8 519	130 398	125 905	4 493	3.6%	188 073
Vote 03 - Directorate - Human Settlement		171 503	136 025	136 661	5 061	70 320	93 980	(23 660)	-25.2%	136 661
Vote 04 - Directorate - Chief Financial Officer		651 010	558 213	479 803	7 257	364 463	421 671	(57 208)	-13.6%	479 803
Vote 05 - Directorate - Corporate Services		158 063	171 518	141 212	12 607	122 557	130 428	(7 871)	-6.0%	141 212
Vote 06 - Directorate - Infrastructure Services		3 359 054	3 497 257	3 406 532	(109 168)	2 815 172	2 783 777	31 395	1.1%	3 406 532
Vote 07 - Directorate - Spatial Planning And Development		281 373	274 152	264 732	(23 322)	199 003	270 243	(71 240)	-26.4%	264 732
Vote 08 - Directorate - Health / Public Safety & Emergency Services		354 842	396 961	379 036	18 249	305 069	331 267	(26 197)	-7.9%	379 036
Vote 09 - Directorate - Municipal Services		705 733	674 962	605 882	(15 429)	597 454	680 204	(82 750)	-12.2%	605 882
Vote 10 - Directorate - Economic Development & Agencies		70 226	92 052	91 873	6 324	68 386	71 082	(2 696)	-3.8%	91 873
Total Expenditure by Vote	2	6 045 159	6 188 080	5 936 097	(67 000)	4 857 943	5 086 925	(228 982)	-4.5%	5 936 097
Surplus/ (Deficit) for the year	2	252 774	796 234	820 255	282 258	358 418	339 763	18 655	5.5%	820 255

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

The statement of financial performance presented in table below, compares the expenditure and revenue on accrual basis against budget for the period ended 30 April 2018.

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

BUF Buffalo City - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 April										
Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		978 231	1 225 285	1 121 175	55 650	887 586	947 619	(60 033)	-6%	1 121 175
Service charges - electricity revenue		1 670 646	1 806 439	1 865 136	145 297	1 428 044	1 384 186	43 858	3%	1 865 136
Service charges - water revenue		551 615	479 127	511 438	(27 915)	411 734	427 372	(15 639)	-4%	511 438
Service charges - sanitation revenue		314 102	365 998	293 156	(8 379)	257 621	244 296	13 325	5%	293 156
Service charges - refuse revenue		306 754	336 766	266 917	(40 094)	206 680	222 431	(15 751)	-7%	266 917
Service charges - other		24 852	23 566	–	–	–	–	–	–	–
Rental of facilities and equipment		19 062	23 174	25 119	1 408	13 693	15 069	(1 376)	-9%	25 119
Interest earned - external investments		148 011	157 002	131 002	2 245	92 115	120 933	(28 819)	-24%	131 002
Interest earned - outstanding debtors		50 425	36 844	42 844	5 103	44 538	40 206	4 332	11%	42 844
Dividends received		–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		16 896	9 157	9 894	1 157	12 270	8 245	4 025	49%	9 894
Licences and permits		14 107	17 556	16 254	1 244	11 311	12 590	(1 279)	-10%	16 254
Agency services		–	49 763	44 763	2 878	24 062	28 072	(4 010)	-14%	44 763
Transfers and subsidies		1 304 827	1 368 106	1 370 858	6 938	1 300 723	1 291 937	8 786	1%	1 370 858
Other revenue		213 376	290 226	238 467	8 188	111 770	197 703	(85 933)	-43%	238 467
Gains on disposal of PPE		–	–	–	–	9 273	–	9 273	0%	–
Total Revenue (excluding capital transfers and contributions)		5 612 906	6 189 006	5 937 024	153 720	4 811 419	4 940 659	(129 241)	-3%	5 937 024

Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		1 560 996	1 733 321	1 733 321	149 001	1 486 471	1 499 462	(12 992)	-1%	1 733 321
Remuneration of councillors		55 482	62 398	60 381	4 923	49 575	48 613	962	2%	60 381
Debt impairment		310 916	317 788	317 788	26 482	264 824	264 824	(0)	0%	317 788
Depreciation & asset impairment		807 050	778 273	778 273	(226 517)	822 792	778 273	44 519	6%	778 273
Finance charges		49 359	54 318	45 240	3 485	36 902	37 186	(284)	-1%	45 240
Bulk purchases		1 558 514	1 578 167	1 578 167	102 601	1 262 574	1 280 360	(17 786)	-1%	1 578 167
Other materials		-	-	81 406	(1 210)	55 710	67 838	(12 129)	-18%	81 406
Contracted services		-	38 960	824 731	30 618	479 463	687 276	(207 813)	-30%	824 731
Transfers and subsidies		394 807	328 637	77 470	(192 568)	62 064	64 559	(2 494)	-4%	77 470
Other expenditure		1 276 299	1 296 218	430 241	36 184	337 569	358 534	(20 965)	-6%	430 241
Loss on disposal of PPE		31 097	-	9 078	-	-	-	-		9 078
Total Expenditure		6 044 521	6 188 080	5 936 097	(67 000)	4 857 943	5 086 925	(228 982)	-5%	5 936 097
Surplus/(Deficit)		(431 615)	926	926	220 720	(46 524)	(146 266)	99 742	(0)	926
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		669 780	795 307	819 099	61 538	404 942	486 029	(81 087)	(0)	819 099
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	229	-	-	-	-		229
Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		238 165	796 234	820 255	282 258	358 418	339 763			820 255
Taxation		638	-	-	-	-	-	-		-
Surplus/(Deficit) after taxation		237 527	796 234	820 255	282 258	358 418	339 763			820 255
Attributable to minorities		-	-	-	-	-	-	-		-
Surplus/(Deficit) attributable to municipality		237 527	796 234	820 255	282 258	358 418	339 763			820 255
Share of surplus/ (deficit) of associate		15 248	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year		252 774	796 234	820 255	282 258	358 418	339 763			820 255

7.4.1 ANALYSIS OF STATEMENT OF FINANCIAL PERFORMANCE

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

7.4.1.1 Interest earned – external investments

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

7.4.1.2 Interest earned – outstanding debtors

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

7.4.1.3 Fines, Penalties and Forfeits

The increase in revenue in terms of Traffic Fines can be attributed to the appointment of Total Client Services (service provider appointed by BCMM to assist with collection of fines). The services provided by Total Client Services which have contributed to the increase in revenue are the following:

- Automatic Number Plate Recognition System whereby offenders/ vehicles are stopped if spotted with outstanding fines.
- The sms system alerting offenders of their obligation to pay for outstanding fines.
- An increase in operational activities such as road blocks and speed enforcements.

7.4.1.4 Agency services

Agency fees depend on the number of licences & permits transacted through

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

7.4.1.5 Other revenue

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

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

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

7.4.1.7 Other materials

The variance is mainly due to the under expenditure on fuel votes.

7.4.1.8 Contracted services

The variance is mainly due to the under expenditure on repairs & maintenance which is part of contracted services. The details of expenditure on repairs and maintenance is provided on section 7.4.1.9.

7.4.1.9 Repairs and Maintenance

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

Table 6 below reflects that as at 30 April 2018, the repairs and maintenance expenditure is 57% of the adjusted budget of R450.64 million (2016/17: 64%). Refer to Annexure B: SC13c (repairs and maintenance by asset class).

Table 6: Repairs and Maintenance per Directorate

Directorate	<u>2017/2018</u> <u>Annual</u> <u>Budget</u> <u>R</u>	<u>2017/2018</u> <u>Annual</u> <u>Expenditure</u> <u>R</u>	<u>2017/2018</u> <u>-</u> <u>Variance</u> <u>R</u>	<u>2017/2018</u> <u>% of</u> <u>Budget</u> <u>%</u>
Directorate Of Executive Support Services	3 696 662	947 874	2 748 788	26%
Directorate Of The City Manager	6 683 649	3 378 136	3 305 513	51%
Directorate Of Corporate Services	1 945 278	1 349 511	595 767	69%
Directorate Of Development & Spatial Planning	28 073 173	20 824 387	7 248 786	74%
Directorate Of Economic Development & Agencies	1 307 446	746 538	560 908	57%
Directorate Of Finance	2 912 680	911 312	2 001 368	31%
Directorate Of Health / Public Safety & Emergency Services	5 905 827	3 091 759	2 814 068	52%
Directorate Of Human Settlement	122 512	102 143	20 369	83%
Directorate Of Infrastructure Services	360 111 175	192 007 939	168 103 236	53%
<i>Electricity</i>	139 152 845	85 971 817	53 181 028	62%
<i>Water</i>	50 254 304	41 870 207	8 384 097	83%
<i>Sanitation</i>	40 603 958	27 444 408	13 159 551	68%
<i>Other</i>	130 100 068	36 721 508	93 378 560	28%
Directorate Of Municipal Services	39 883 809	31 421 787	8 462 022	79%
TOTAL	450 642 211	254 781 385	195 860 826	57%

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

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

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

BUF Buffalo City - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M10 April										
Vote Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Directorate - Executive Support Services		2 454	3 000	7 229	31	1 213	2 073	(860)	-41%	7 229
Vote 02 - Directorate - Municipal Manager		54 388	22 500	42 409	4 843	14 060	16 085	(2 025)	-13%	42 409
Vote 03 - Directorate - Human Settlement		176 555	186 355	142 315	13 413	55 324	123 165	(67 841)	-55%	142 315
Vote 04 - Directorate - Chief Financial Officer		16 415	97 820	81 020	4 963	8 444	7 679	764	10%	81 020
Vote 05 - Directorate - Corporate Services		926	6 000	3 613	(27)	906	1 235	(329)	-27%	3 613
Vote 06 - Directorate - Infrastructure Services		860 001	856 154	879 796	44 795	447 547	584 622	(137 075)	-23%	879 796
Vote 07 - Directorate - Spatial Planning And Development		73 678	234 721	247 621	8 954	88 688	83 040	5 649	7%	247 621
Vote 08 - Directorate - Health / Public Safety & Emergency Services		10 753	30 205	49 245	537	10 289	11 030	(741)	-7%	49 245
Vote 09 - Directorate - Municipal Services		48 423	165 349	129 973	18 895	59 324	127 923	(68 599)	-54%	129 973
Vote 10 - Directorate - Economic Development & Agencies		32 708	43 100	51 098	2 231	19 751	17 792	1 959	11%	51 098
Total Capital Multi-year expenditure	4,7	1 276 301	1 645 204	1 634 320	98 635	705 546	974 644	(269 098)	-28%	1 634 320
Total Capital Expenditure		1 276 301	1 645 204	1 634 320	98 635	705 546	974 644	(269 098)	-28%	1 634 320
Capital Expenditure - Functional Classification										
Governance and administration		139 320	129 320	258 242	18 203	50 490	154 005	(103 515)	-67%	258 242
Executive and council		56 842	25 500	46 439	4 874	15 274	27 694	(12 421)	-45%	46 439
Finance and administration		82 478	97 820	211 804	13 329	35 217	126 311	(91 095)	-72%	211 804
Internal audit		-	6 000	-	-	-	-	-	-	-
Community and public safety		232 830	316 087	236 038	17 491	92 488	140 763	(48 276)	-34%	236 038
Community and social services		21 498	42 250	21 672	220	10 763	12 924	(2 161)	-17%	21 672
Sport and recreation		24 023	57 277	59 271	3 444	25 511	35 347	(9 836)	-28%	59 271
Public safety		10 753	30 205	11 980	414	889	7 144	(6 255)	-88%	11 980
Housing		176 555	186 355	142 315	13 413	55 324	84 871	(29 547)	-35%	142 315
Health		-	-	800	-	-	477	(477)	-100%	800
Economic and environmental services		410 843	548 777	535 886	22 409	214 325	319 581	(105 256)	-33%	535 886
Planning and development		106 386	277 821	220 605	8 413	79 222	131 560	(52 338)	-40%	220 605
Road transport		304 457	270 956	305 900	13 780	134 493	182 427	(47 933)	-26%	305 900
Environmental protection		-	-	9 382	216	610	5 595	(4 985)	-89%	9 382
Trading services		493 309	628 020	553 056	38 300	328 492	329 821	(1 329)	0%	553 056
Energy sources		121 231	148 000	143 309	8 526	67 638	85 464	(17 825)	-21%	143 309
Water management		173 706	130 000	133 119	8 838	95 917	79 387	16 530	21%	133 119
Waste water management		195 471	284 198	235 458	5 921	142 430	140 418	2 012	1%	235 458
Waste management		2 901	65 822	41 171	15 015	22 507	24 553	(2 045)	-8%	41 171
Other		-	23 000	51 098	2 231	19 751	30 473	(10 721)	-35%	51 098
Total Capital Expenditure - Functional Classification	3	1 276 301	1 645 204	1 634 320	98 635	705 546	974 644	(269 098)	-28%	1 634 320
Funded by:										
National Government		669 780	795 307	810 063	59 829	446 659	483 090	(36 431)	-8%	810 063
Provincial Government		-	-	9 036	-	-	5 389	(5 389)	-100%	9 036
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	229	-	-	137	(137)	-100%	229
Transfers recognised - capital		669 780	795 307	819 328	59 829	446 659	488 615	(41 956)	-9%	819 328
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	69 000	-	-	-	-	-	-	-
Internally generated funds		606 521	780 897	814 991	38 806	258 887	486 029	(227 142)	-47%	814 991
Total Capital Funding		1 276 301	1 645 204	1 634 320	98 635	705 546	974 644	(269 098)	-28%	1 634 320

7.6 Monthly Budget Statement – Financial Position

The table below reflects the financial position of the Metro. It is good to note that the Metro is having excess assets over liabilities resulting into the net worth of R18.15 billion. Consumer debtors and other debtors are reflected net of impairments as per the statement of financial position.

Table 8: C6: Monthly Budget Statement – Financial Position

BUF Buffalo City - Table C6 Monthly Budget Statement - Financial Position - M10 April

Description	Ref	2016/17	Budget Year 2017/18			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		24 591	80 000	80 000	149 916	80 000
Call investment deposits		1 665 511	2 459 412	1 604 191	2 135 708	1 604 191
Consumer debtors		558 848	915 237	915 237	714 598	915 237
Other debtors		886 552	118 870	800 000	835 222	800 000
Current portion of long-term receivables		–	17	17	–	17
Inventory		38 570	117 128	117 128	46 992	117 128
Total current assets		3 174 072	3 690 664	3 516 573	3 882 437	3 516 573
Non current assets						
Long-term receivables		–	73	73	–	73
Investments		–	–	–	–	–
Investment property		408 315	442 030	442 030	408 315	442 030
Investments in Associate		127 539	99 109	99 109	127 539	99 109
Property, plant and equipment		15 875 782	14 556 391	14 545 507	15 733 953	14 545 507
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		7 073	60 000	60 000	11 922	60 000
Other non-current assets		72 145	90 944	90 944	72 082	90 944
Total non current assets		16 490 855	15 248 547	15 237 662	16 353 812	15 237 662
TOTAL ASSETS		19 664 927	18 939 211	18 754 235	20 236 249	18 754 235
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		47 642	48 748	52 572	29 222	52 572
Consumer deposits		57 321	65 401	65 401	59 541	65 401
Trade and other payables		1 079 482	1 038 209	1 038 209	910 029	1 038 209
Provisions		186 724	183 654	183 654	186 724	183 654
Total current liabilities		1 371 169	1 336 012	1 339 835	1 185 516	1 339 835
Non current liabilities						
Borrowing		398 126	421 212	349 495	384 796	349 495
Provisions		517 066	724 999	724 999	517 066	724 999
Total non current liabilities		915 192	1 146 211	1 074 494	901 862	1 074 494
TOTAL LIABILITIES		2 286 361	2 482 223	2 414 329	2 087 378	2 414 329
NET ASSETS	2	17 378 567	16 456 988	16 339 906	18 148 870	16 339 906
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		10 405 662	13 055 940	12 938 858	11 166 208	12 938 858
Reserves		6 972 905	3 401 047	3 401 047	6 982 662	3 401 047
TOTAL COMMUNITY WEALTH/EQUITY	2	17 378 567	16 456 988	16 339 906	18 148 870	16 339 906

7.7 Monthly Budget Statement – Cash Flow

The Metros' cash flow position and cash/cash equivalent outcome is shown in the table below. The Metro's cash position reflects a net increase of R595.52 million resulting in cash and cash equivalents closing balance of R2.29 billion as at 30 April 2018.

Table 9: C7: Monthly Budget Statement – Cash Flow

BUF Buffalo City - Table C7 Monthly Budget Statement - Cash Flow - M10 April										
Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		978 231	1 133 389	1 037 087	50 637	758 531	864 239	(105 708)	-12%	1 037 087
Service charges		2 867 970	2 786 003	2 716 398	66 251	1 940 834	2 263 665	(322 831)	-14%	2 716 398
Other revenue		199 489	360 634	309 410	13 637	151 435	257 842	(106 407)	-41%	309 410
Government - operating		894 796	1 368 106	1 370 858	1 684	1 381 107	1 146 382	234 725	20%	1 370 858
Government - capital		669 780	795 307	819 099	5 000	932 606	817 106	115 500	14%	819 099
Interest		198 437	193 846	173 846	7 348	136 653	144 872	(8 219)	-6%	173 846
Dividends		-	0	-	0	0	0	0	0%	-
Payments										
Suppliers and employees		(4 718 985)	(4 709 064)	(4 624 590)	(354 018)	(3 871 161)	(3 869 929)	1 232	0%	(4 624 590)
Finance charges		(49 359)	(54 318)	(45 240)	(3 485)	(36 902)	(37 700)	(798)	2%	(45 240)
Transfers and Grants		(394 807)	(64 056)	(77 470)	192 774	(60 285)	(64 975)	(4 690)	7%	(77 470)
NET CASH FROM/(USED) OPERATING ACTIVITIES		645 551	1 809 846	1 679 398	(20 171)	1 332 818	1 521 501	188 684	12%	1 679 398
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		(542)	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(1 278 098)	(1 582 484)	(1 634 320)	(98 635)	(705 546)	(1 470 910)	(765 364)	52%	(1 634 320)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1 278 640)	(1 582 484)	(1 634 320)	(98 635)	(705 546)	(1 470 910)	(765 364)	52%	(1 634 320)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	69 000	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		(50 709)	(48 748)	(47 642)	-	(31 749)	(39 701)	(7 952)	20%	(47 642)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(50 709)	20 252	(47 642)	-	(31 749)	(39 701)	(7 952)	20%	(47 642)
NET INCREASE/ (DECREASE) IN CASH HELD		(683 798)	247 614	(2 563)	(118 806)	595 522	10 890			(2 563)
Cash/cash equivalents at beginning:		2 373 900	2 291 798	1 686 754		1 690 102	1 686 754			1 690 102
Cash/cash equivalents at month/year end:		1 690 102	2 539 412	1 684 191		2 285 624	1 697 644			1 687 539

PART 2: SUPPORTING **DOCUMENTATION**

8. IN-YEAR BUDGET STATEMENT SUPPORTING TABLES AND DOCUMENTATION

8.1 Debtors

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

Table 10: SC3 Monthly Budget Statement Aged Debtors

BUF Buffalo City - Supporting Table SC3 Monthly Budget Statement - aged debtors - M10 April

Description	NT Code	Budget Year 2017/18										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.To Council Policy	
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	55 682	36 865	25 954	14 187	10 528	10 161	60 494	203 350	417 220	298 720		4 370	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	94 074	18 189	8 384	4 138	5 060	4 498	15 977	35 404	185 725	65 078		7 689	
Receivables from Non-exchange Transactions - Property Rates	1400	77 590	27 763	18 118	16 435	15 496	14 528	82 528	370 407	622 865	499 394		7 576	
Receivables from Exchange Transactions - Waste Water Management	1500	21 924	8 345	5 220	4 555	4 129	3 777	19 321	90 904	158 175	122 685		3 345	
Receivables from Exchange Transactions - Waste Management	1600	18 227	8 393	5 967	5 568	5 219	4 863	23 061	134 090	205 388	172 801		3 041	
Receivables from Exchange Transactions - Property Rental Debtors	1700							1	42	42	42		-	
Interest on Arrear Debtor Accounts	1810	5 706	5 223	5 069	6 080	4 837	4 683	26 494	133 610	191 703	175 705		-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-		-	
Other	1900	8 614	12 353	6 964	6 549	7 251	5 170	34 609	137 126	218 636	190 705		462	
Total By Income Source	2000	281 817	117 131	75 675	57 512	52 522	47 678	262 484	1 104 933	1 999 753	1 525 130	-	26 482	
2016/17 - totals only		261 922	100 126	75 671	56 135	46 060	51 442	305 819	1 083 058	1 980 232	1 542 513			
Debtors Age Analysis By Customer Group														
Organs of State	2200	11 342	11 954	3 854	1 178	824	625	3 436	11 696	44 909	17 759		-	
Commercial	2300	142 580	32 643	20 086	17 309	18 386	16 360	92 545	441 522	781 431	586 122		6 091	
Households	2400	127 895	72 535	51 736	39 024	33 312	30 694	166 503	651 716	1 173 414	921 249		20 391	
Other	2500	-	-	-	-	-	-	-	-	-	-		-	
Total By Customer Group	2600	281 817	117 131	75 675	57 512	52 522	47 678	262 484	1 104 933	1 999 753	1 525 130	-	26 482	

8.1.1. Additional debtors' information

The gross debtors that are older than 30 days, which includes all charges excluding VAT, amounted to R1.72 billion as at 30 April 2018 which is an increase of R51.52 million over the amount of R1.67 billion as at 30 March 2018.

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

8.2. Additional debtor's information.

8.2.1. Age Analysis per Category

Table 11 below details debtors age analysis that are older than 30 days by income source as at 30 April 2018. It also provides comparison with the previous month (30 March 2018) which indicates an increase from R1.67 billion to R1.72 billion.

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

AGEING	RATES	SEWERAGE	ELECTRICITY	WATER	REFUSE	SUNDRY DEBTORS	TOTAL FOR APRIL 2018	TOTAL FOR MARCH 2018
30 DAYS	29,529,962	9,140,963	18,598,901	42,074,256	9,032,898	8,754,091	117,131,071	104,136,238
60 DAYS	19,834,034	5,893,242	8,745,830	31,230,570	6,594,460	3,377,202	75,675,338	67,130,860
90 DAYS	18,587,995	5,271,399	4,489,877	19,546,985	6,353,636	3,262,026	57,511,919	55,395,381
120 DAYS TO 360 DAYS	136,771,779	34,746,312	30,076,462	118,521,023	41,323,925	33,787,056	395,226,557	391,186,894
YEAR 2	136,011,037	30,490,363	17,283,554	98,908,228	39,110,077	24,103,247	345,906,507	338,664,300
YEAR 3	107,177,287	19,108,481	7,136,130	49,121,455	24,952,556	16,632,474	224,128,382	219,566,262
YEAR 4	75,561,168	13,317,429	4,460,277	29,915,154	18,781,580	16,391,750	158,427,358	152,914,090
YEAR 5	20,210,431	12,091,946	2,348,661	22,562,411	16,205,614	14,791,273	88,210,336	86,568,593
YEAR 5+	61,222,408	34,664,454	6,610,548	55,927,674	54,845,060	42,448,713	255,718,856	250,857,270
TOTAL	604,906,101	164,724,588	99,750,240	467,807,757	217,199,805	163,547,831	1,717,936,323	1,666,419,889

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 April 2018. It also reflects the percentage split per category with domestic consumers having the highest share followed by business consumers. Please note that the financial system is not able to produce a collection ratio per service, however the collection ratio is reported on globally.

Table 12: Age Analysis per Category Type

CATEGORY TYPE	30 DAYS	60 DAYS	90 DAYS	120 DAYS+	Total	% Share
Domestic	56 031 457	39 134 557	30 143 799	800 892 336	926 202 148	53.91
Indigent	14 514 374	10 965 418	7 197 024	27 762 600	60 439 416	3.52
Business	27 956 250	16 361 091	13 692 357	372 306 292	430 315 990	25.05
Government	11 953 858	3 853 936	1 178 489	16 580 123	33 566 405	1.95
Municipal Staff	375 634	126 181	120 504	908 844	1 531 163	0.09
Other	6 299 498	5 234 155	5 179 747	249 167 800	265 881 200	15.48
Total	117 131 070	75 675 338	57 511 919	1 467 617 995	1 717 936 322	100.00

Note*: A stop order deduction is implemented for all municipal employees and councillors that are in arrears with their municipal accounts. When a new employee joins the employ of the municipality, in many instances there is services debt and therefore the arrears will be liquidated over an acceptable period of time in terms of the Credit Control Policy.

8.2.3. Government Accounts

The total arrears owed by Government Departments to Buffalo City Metropolitan Municipality as at 30 April 2018 amounted to R33.57 million. This indicates an increase of R8.24 million when compared to the previous month, in the amount of R25.24 million. The breakdown of the arrears per department (excluding accounts in credit) indicated in the table hereunder, as at 30 April 2018.

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

Table 13: Analysis of Government Debtors

DEPARTMENT	PROPERTY RATES	SERVICES	ARREARS AS AT 30 APRIL 2018	ARREARS AS AT 31 MARCH 2018	DIFFERENCE
National Department Of Public Works	529 941	3 027 209	3 557 149	6 685 812	(3 128 662)
Provincial Department Of Public Works	2 070	3 170 321	3 172 391	913 887	2 258 505
Department Of Education	0	1 982 113	1 982 113	2 034 705	(52 592)
Department Of Health	0	15 458 323	15 458 323	8 921 563	6 536 759
Department Of Social Development	0	187 966	187 966	0	187 966
Department Of Transport	0	0	0	6 354	(6 354)
Department Of Agriculture	0	17 100	17 100	0	17 100
Department Of Nature Conservation	0	5 350	5 350	0	5 350
Department of Human Settlements	0	2 800	2 800	0	2 800
Sport, Recreation, Arts and Culture	0	56 903	56 903	18 831	38 072
Department of Labour - UIF Services	0	26 577	26 577	26 577	0
Members Of Provincial Legislature	0	74 277	74 277	53 261	21 016
Department of Water Affairs	0	0	0	0	0
Department of Cooperate Governance & Traditional Affairs	0	0	0	0	0
Department of Rural Development and Land Reform	0	69 530	69 530	69 530	0
Provincial RDP Houses	0	8 955 926	8 955 926	6 593 412	2 362 513
South African Social Security Agency	0	0	0	0	0
TOTAL	532 011	33 034 395	33 566 405	25 323 933	8 242 473

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 - M10 April

Description R thousands	NT Code	Budget Year 2017/18								Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	105 858	-							105 858	105 384
Bulk Water	0200	19 773	-							19 773	17 324
PAYE deductions	0300	20 623	-							20 623	60 785
VAT (output less input)	0400	-	-							-	-
Pensions / Retirement deductions	0500	24 364	-							24 364	19 545
Loan repayments	0600	-	-							-	-
Trade Creditors	0700	219 079	26 411	-						245 490	147 896
Auditor General	0800	822	-							822	756
Other	0900	89 314	-							89 314	100 567
Total By Customer Type	1000	479 833	26 411	-	-	-	-	-	-	506 244	452 258

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

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

<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			0.00	105 857 627.00	105 857 627.00	105 857 627.00
AMATOLA WATER			0.00	19 772 602.00	19 772 602.00	19 772 602.00
STEFANUTTI STOCKS ROADS & EARTHWORLS			16 929 936.23	0.00	16 929 936.23	16 929 936.23
MOTHEO/ MPUMALANGA JOINT VENTURE			0.00	11 477 776.10	11 477 776.10	11 477 776.10
MANTELLA TRADING 522 CC			0.00	11 035 445.94	11 035 445.94	11 035 445.94
EYA BANTU PROFESSIONAL SERVICES CC			0.00	8 346 260.45	8 346 260.45	8 346 260.45
MAZIYA GENERAL SERVICES			0.00	8 057 213.79	8 057 213.79	8 057 213.79
DOWN TOUCH INVESTMENTS (PTY) LTD			0.00	5 522 022.04	5 522 022.04	5 522 022.04
CZAR CONSTRUCTION			5 081 714.77	0.00	5 081 714.77	5 081 714.77
XMOOR TRANSPORT (PTY) LTD			4 399 216.12	0.00	4 399 216.12	4 399 216.12
RANDCIVILS			4 100 605.87	0.00	4 100 605.87	4 100 605.87
T V R CONSTRUCTION			0.00	3 777 147.33	3 777 147.33	3 777 147.33
C & M FASTNERS CC			3 270 884.05	0.00	3 270 884.05	3 270 884.05
MVEZO PLANT & CIVILS CC			0.00	3 238 134.17	3 238 134.17	3 238 134.17
BELL EQUIPMENT SALES SOUTH AFRICA			0.00	3 028 465.11	3 028 465.11	3 028 465.11
GOROGANG PLANT HIRE			2 445 455.14	0.00	2 445 455.14	2 445 455.14
KAREL CAMPHER BUILDERS			0.00	2 316 956.22	2 316 956.22	2 316 956.22
TSHUVANE SERVICES			0.00	2 163 027.00	2 163 027.00	2 163 027.00
KGOSHI ELECTRICAL			0.00	2 108 524.90	2 108 524.90	2 108 524.90
ABERDARE CABLES (PTY) LTD			0.00	2 042 128.89	2 042 128.89	2 042 128.89
TOTAL	0.00	0.00	36 227 812.18	188 743 330.94	224 971 143.12	224 971 143.12

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 - M10 April									
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands		Yrs/Months							
Municipality									
Land Affairs - West Bank		Call Account	Call Account	Call Account	276	2.3%	53 333	276	53 609
Finance Management Grant		Call Account	Call Account	Call Account	3	0.0%	567	(241)	326
MD Urban Renewal (MT Ruth Node)		Call Account	Call Account	Call Account	55	0.5%	10 687	55	10 742
Workmans Compensation (COID)		Call Account	Call Account	Call Account	49	0.4%	9 424	49	9 472
Reeston Development		Call Account	Call Account	Call Account	1	0.0%	163	1	164
Human Settlement Development Grant (HSDG)		Call Account	Call Account	Call Account	87	0.7%	16 776	87	16 863
Intergrated Electrification Programme (INEP)		Call Account	Call Account	Call Account	107	0.9%	20 200	(10 440)	9 760
Trust Funds		Call Account	Call Account	Call Account	6	0.1%	1 175	6	1 181
Vuna Awards		Call Account	Call Account	Call Account	6	0.0%	1 098	(47)	1 052
Aids & Training Information Centre (ATIC)		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Department of Sports, Recreation & Culture (DSARC)		Call Account	Call Account	Call Account	0	0.0%	47	0	47
Department of Sports, Recreation & Culture (DSARC)		Call Account	Call Account	Call Account	1	0.0%	174	1	175
City of Leiden		Call Account	Call Account	Call Account	0	0.0%	34	0	34
Needscamp Planning		Call Account	Call Account	Call Account	5	0.0%	975	5	980
Umsobomvu Youth Fund (UYF)		Call Account	Call Account	Call Account	1	0.0%	279	1	281

BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M10 April

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
Municipality									
Land Affairs - East Bank		Call Account	Call Account	Call Account	430	3.6%	83 112	430	83 542
Land Affairs West Bank		Call Account	Call Account	Call Account	266	2.3%	42 793	266	43 059
European Commission		Call Account	Call Account	Call Account	6	0.0%	1 097	6	1 103
Salaida		Call Account	Call Account	Call Account	12	0.1%	1 886	12	1 897
Electricity Demand Management Grant		Call Account	Call Account	Call Account	–	0.0%	0	–	0
ADM Funding		Call Account	Call Account	Call Account	9	0.1%	1 739	(47)	1 692
Urban Settelement Dev elopment Grant		Call Account	Call Account	Call Account	467	4.0%	60 869	20 467	81 337
Urban Settelement Dev elopment Grant		Call Account	Call Account	Call Account	610	5.2%	76 775	44 610	121 385
Urban Settelement Dev elopment Grant		Call Account	Call Account	Call Account	857	7.3%	124 462	29 857	154 318
Urban Settelement Dev elopment Grant		Call Account	Call Account	Call Account	839	7.1%	125 682	21 226	146 908
Infrastructure Skills Dev elopment Grant		Call Account	Call Account	Call Account	31	0.3%	6 555	(1 993)	4 561
Infrastructure Dev elopment Lev y		Call Account	Call Account	Call Account	1	0.0%	155	1	156
Bcmet		Call Account	Call Account	Call Account	3	0.0%	524	3	526
Ex panded Public Works Programme		Call Account	Call Account	Call Account	18	0.2%	4 105	(2 274)	1 831
Intergrated City Dev elopment Grant		Call Account	Call Account	Call Account	0	0.0%	64	(64)	–
City of Oldenburg		Call Account	Call Account	Call Account	3	0.0%	568	3	571
Public Transport Network Grant		Call Account	Call Account	Call Account	353	3.0%	68 726	(986)	67 741
DEAT		Call Account	Call Account	Call Account	1	0.0%	204	1	205
Capital Replacement Reserv e (CRR)		Call Account	Call Account	Call Account	362	3.1%	58 274	362	58 635
May oral Projects (CRR)		Call Account	Call Account	Call Account	7	0.1%	1 183	7	1 191
Ow n Funds		Call Account	Call Account	Call Account	61	0.5%	11 383	61	11 444
Ow n Funds		Call Account	Call Account	Call Account	408	3.5%	65 758	408	66 166
Ow n Funds		Call Account	Call Account	Call Account	241	2.0%	46 589	241	46 830

BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M10 April

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
<u>Municipality</u>									
Own Funds		Call Account	Call Account	Call Account	170	1.4%	32 919	170	33 089
Own Funds		Call Account	Call Account	Call Account	695	5.9%	134 304	695	135 000
Own Funds		3 Months	Fixed Depos	21/06/2018	297	2.5%	49 154	297	49 451
Own Funds		6 Months	Fixed Depos	21/09/2018	303	2.6%	47 121	303	47 425
Own Funds		6 Months	Fixed Depos	21/09/2018	301	2.5%	46 120	301	46 421
Own Funds		3 Months	Fixed Depos	21/06/2018	306	2.6%	48 122	306	48 428
Own Funds - CRR		Call Account	Call Account	Call Account	1 000	8.5%	193 137	1 000	194 137
Own Funds - CRR		Call Account	Call Account	Call Account	191	1.6%	35 483	191	35 673
Own Funds - CRR		Call Account	Call Account	Call Account	171	1.4%	31 728	171	31 899
Own Funds - CRR		Call Account	Call Account	Call Account	297	2.5%	57 354	297	57 651
Own Funds - CRR		Call Account	Call Account	Call Account	265	2.2%	51 151	265	51 416
Own Funds (Depreciation)		Call Account	Call Account	Call Account	1 309	11.1%	252 761	1 309	254 070
Own Funds (Depreciation)		Call Account	Call Account	Call Account	537	4.6%	103 745	537	104 282
Own Funds (Depreciation)		Call Account	Call Account	Call Account	358	3.0%	66 536	358	66 894
Housing Development		Call Account	Call Account	Call Account	15	0.1%	2 695	15	2 709
Municipality sub-total					11 799		2 049 765	108 567	2 158 332
<u>Entities</u>									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				11 799		2 049 765	108 567	2 158 332

11. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

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

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

BUF Buffalo City - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M10 April

Description	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		1 193 355	1 260 713	1 260 713	-	1 260 713	1 260 713	-	0.0%	1 260 713
Local Government Equitable Share		678 191	705 277	705 277	-	705 277	705 277	-		705 277
Urban Settlement Development Grant		88 745	63 044	62 944	-	63 044	63 044	-		62 944
Finance Management		1 200	1 200	1 300	-	1 200	1 200	-		1 300
EPWP Incentive		1 188	4 952	4 952	-	4 952	4 952	-		4 952
Infrastructure Skills Development Grant		9 000	10 560	10 560	-	10 560	10 560	-		10 560
Public Transport Network Grant		5 000	7 702	7 702	-	7 702	7 702	-		7 702
General Fuel Levy		410 031	467 978	467 978	-	467 978	467 978	-		467 978
Other transfers and grants [insert description]										
Provincial Government:		31 315	105 800	105 800	901	117 249	90 667	-	0.0%	105 800
DSRAC - Library Subsidy		15 000	15 000	15 000	-	15 000	15 000	-		15 000
Department of Public Works			-	-	-	-	-	-		-
Human Settlement Development Grant		16 315	90 800	90 800	901	102 249	75 667	26 582	35.1%	90 800
Other transfers and grants [insert description]										
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		2 935	1 593	2 178	784	3 145	1 815	1 330	#DIV/0!	2 178
SETA - Skills Development		2 935	-	-	784	3 115	-	3 115	#DIV/0!	-
Donor Funding - Leiden			138	138	-	-	115	(115)	-100.0%	138
Salauda / Gavle			1 455	1 544	-	30	1 287	(1 257)	-97.7%	1 544
City of Oldenburg			-	496	-	-	413	(413)	-100.0%	496
Unspecified			-	-	-	-	-	-		-
Total Operating Transfers and Grants	5	1 227 605	1 368 106	1 368 691	1 684	1 381 107	1 353 195	1 330	0.1%	1 368 691
Capital Transfers and Grants										
National Government:		704 223	795 307	767 607	5 000	932 606	932 606	-		767 606
Urban Settlement Development Grant		642 754	705 084	705 184	-	865 084	865 084	-	0.0%	705 184
Public Transport Network Grant		30 289	48 167	48 167	-	48 166	48 166	-	0.0%	48 166
Neighbourhood Development Partnership		-	10 000	-	-	-	-	-		-
Integrated National Electrification Programme		25 000	25 000	7 300	-	7 300	7 300	-	0.0%	7 300
Finance Management Grant		100	100	-	-	100	100	-	0.0%	-
Integrated City Development Grant		6 080	6 956	6 956	-	6 956	6 956	-	0.0%	6 956
Electricity Demand Site Management		-	-	-	5 000	5 000	5 000	-		-
Provincial Government:		-	-	9 036	-	-	7 530	(7 530)	-100.0%	9 036
Dept of Local Government and Traditional Affairs		-	-	9 036	-	-	7 530	(7 530)	-100.0%	9 036
District Municipality:		-	-	-	-	-	-	-		-
[insert description]										
Other grant providers:		-	-	229	-	-	191	(191)	-100.0%	229
Salauda / Gavle		-	-	229	-	-	191	(191)	-100.0%	229
Total Capital Transfers and Grants	5	704 223	795 307	776 872	5 000	932 606	940 327	(7 721)	-0.8%	776 871
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	1 931 828	2 163 413	2 145 564	6 684	2 313 713	2 293 522	(6 391)	-0.3%	2 145 563

11.1 Expenditure On Conditional Grants (DoRA Allocation)

The Metro has spent 65% (R581.86 million, inclusive of reclaimed vat) of its 2017/2018 conditional grants budget of R899.69 million as at 30 April 2018. This reflects a regression in percentage terms and a slight improvement in rand value terms when compared to the same period in the previous financial year where 67% (R549.01 million, inclusive of reclaimed of vat) of conditional grants budget of R820.97 million was spent. Based on past performance trends, expenditure is expected to progressively improve during the last quarter of the financial year as procurement processes would have been concluded.

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

Table 18: Spending per Conditional Grant Funding Allocation

Funding/Grant	<u>2017/18 Adjustment Budget</u>	<u>YTD Exp (vat) R</u>	<u>Variance (vat incl.) R</u>	<u>% Spent (vat incl.)</u>
Integrated National Electrification Programme Grant	19 808 534	18 173 990	1 634 544	92%
Finance Management Grant	1 300 000	995 567	304 433	77%
Infrastructure Skills Development Grant	10 560 000	6 766 591	3 793 409	64%
Urban Settlement Development Grant	768 128 000	517 383 861	250 744 139	67%
Integrated City Development Grant	6 956 000	6 956 000	0	100%
Expanded Public Works Programme Grant	4 952 000	3 667 286	1 284 714	74%
Public Transport Infrastructure and Systems Grant	87 983 561	27 918 710	60 064 851	32%
TOTAL	899 688 095	581 862 005	317 826 089	65%

Comments on performance of programmes that are implemented by the above funding are detailed below. Details of the projects that are implemented by each grant are reflected in both Annexure D and E.

11.1.1. INTERGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)

The following projects are being implemented in the 2017/18 financial year:

Area	Available Dwellings	Funds	Status
Buffer Strip Mdantsane Households	± 117 infills	R 818 500	On going
Fynbos/Scenery Park Households	± 197	R 2 856 500	Complete
Phakamisa	250	R 3 625 000	Construction complete, testing currently

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

11.1.2. FINANCE MANAGEMENT GRANT

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

11.1.3. INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)

The funding is being used to pay the interns stipends as well as mentor salaries. In accordance with the instruction from National Treasury for the stipend increment an estimated amount of R170 000,00 is expected to be paid out to the interns at the end of May and an increased monthly stipend at the specified rate from May onwards. Funds roll-over will be applied for on remaining funds to cover costs of extending two old interns for a further 6 months as per results of professional registration assessment results which found them to be incompetent as well as the three other Informal Tenders mentioned above.

11.1.4. URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)

INFRASTRUCTURE SERVICES

Sanitation

Numerous projects are multi-year and on-going and expenditure is on track as 85% of the budget allocated for wastewater has been spent.

Electricity

- INEP Electrification (counter funding): Funding has been allocated for the Sunny South electrification which cannot commence as BCMM is waiting for the Memorandum of Understanding to be signed by Eskom.
- Street Lighting & Highmast within BCMM Areas of Supply: Seven of the eleven (11) highmast installations at Amalinda, Mzamomhle have been completed, awaiting order for the other four (4). Civil work has been completed for Bonza Bay Road Phase 2, installation of steelwork to be completed in May 2018. Petrel Road and 2nd Street in Gonubie have been completed.

SPATIAL PLANNING & DEVELOPMENT

Needs Camp / Potsdam Bridge

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

Traffic signals

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

Traffic calming measures

Construction of speed humps at St Georges Street, Kelly Road, NU 10 Mdantsane, Kent Road-Vincent, Jan Smuts Avenue-Greenfields, NU3, NU8 & NU1 Mdantsane, Floradale Primary in Nompumelelo, Kaysers Beach

Drive, Fox Street and West Drive have been completed. Thirty-two (32) speed humps have been constructed. The orders for Sweetwaters, Mdantsane NU 14, 15, 17 and Jarvis Road are being generated.

Sidewalks

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

HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES

The Construction of King William's Town Traffic Centre is progressing well; the superstructure has been completed. Current work that is being undertaken is fitting interior finishes, IT network points and electrical work and finalising other finishes. Construction is still ahead of schedule & completion date is expected to be the 30 June 2018.

HUMAN SETTLEMENTS

Major construction contracts are at procurement and have recently been awarded. Two infrastructure contracts wherein annual contractors were considered for the job are about to commence with construction on site in May 2018.

MUNICIPAL SERVICES

Construction and Rehabilitation of Waste Cells - Roundhill Berlin started four months later than anticipated, the rain also hindered the progress of the project. The funding will be fully spent by June 2018.

11.1.6 PUBLIC TRANSPORT NETWORK GRANT

Transport Register

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

Operational plan review of integrated rapid public transport network

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

Qumza Highway

The road contractor was terminated on the 14 February 2018. Annual Contractors for water & electricity are removing services within the road reserve. Tender for Phase 2 closed on 27 March 2018. Annual Water & Electrical contractor are on site and are expected to increase expenditure by June 2018

Development and Upgrading of Public Transport Facilities in KWT

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

11.1.6.1 EXPANDED PUBLIC WORKS PROGRAMME

The project is progressing well as there are also new supported projects that have been added which are the King Williams Town Solid Waste Support Project and the Duncan Village Ward 7, 8 & 9 Bush Clearing Project.

12. COUNCILLOR AND EMPLOYEE BENEFITS

12.1. Councillor and Employees Benefits Summary

Table 19 below provides summary of employees and Councillors remuneration. The workforce costs as a percentage of total expenditure amounted to 31.62%. This is within the norm of 25% - 40%.

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

BUF Buffalo City - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M10 April										
Summary of Employee and Councillor remuneration	Ref	2016/17	Budget Year 2017/18							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		32 239	36 515	40 007	2 754	28 300	32 209	(3 909)	-12%	36 515
Pension and UIF Contributions		3 400	3 754	3 762	344	3 449	3 029	420	14%	3 754
Medical Aid Contributions		1 717	2 134	1 773	179	1 711	1 428	284	20%	2 134
Motor Vehicle Allowance		12 556	14 405	12 371	1 124	10 864	9 960	904	9%	14 405
Cellphone Allowance		2 309	2 447	2 468	333	3 376	1 987	1 389	70%	2 447
Housing Allowances		2 801	3 144	–	189	1 875	–	1 875	0%	3 144
Other benefits and allowances		–	–	–	–	–	–	–	–	–
Sub Total - Councillors		55 023	62 398	60 381	4 923	49 575	48 613	962	2%	62 398
% increase	4		13.4%	9.7%						13.4%
Senior Managers of the Municipality										
Basic Salaries and Wages	3	11 375	13 873	13 873	555	5 483	12 001	(6 518)	-54%	13 873
Pension and UIF Contributions		988	2 701	2 701	108	1 045	2 337	(1 291)	-55%	2 701
Medical Aid Contributions		149	255	255	16	160	220	(61)	-28%	255
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		1 214	2 974	2 974	120	1 193	2 573	(1 380)	-54%	2 974
Cellphone Allowance		133	–	–	16	164	–	164	0%	–
Housing Allowances		–	469	469	–	–	405	(405)	-100%	469
Other benefits and allowances		1 193	3 002	3 002	5	56	2 597	(2 541)	-98%	3 002
Payments in lieu of leave		–	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		15 053	23 273	23 273	819	8 100	20 133	(12 033)	-60%	23 273
% increase	4		54.6%	54.6%						54.6%
Other Municipal Staff										
Basic Salaries and Wages		1 028 954	1 040 488	1 040 488	89 807	905 751	900 106	5 645	1%	1 040 488
Pension and UIF Contributions		159 657	198 248	198 248	18 556	186 768	171 500	15 268	9%	198 248
Medical Aid Contributions		74 714	93 096	93 096	7 230	70 337	80 535	(10 199)	-13%	93 096
Overtime		118 999	73 819	73 819	13 364	115 881	63 860	52 021	81%	73 819
Performance Bonus		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		27 888	33 980	33 980	2 290	22 363	29 395	(7 032)	-24%	33 980
Cellphone Allowance		4 003	4 392	4 392	354	3 486	3 799	(313)	-8%	4 392
Housing Allowances		10 186	17 020	17 020	632	6 338	14 723	(8 385)	-57%	17 020
Other benefits and allowances		62 214	202 137	202 137	13 346	148 450	174 865	(26 415)	-15%	202 137
Payments in lieu of leave		38 424	18 327	18 327	21	173	15 855	(15 682)	-99%	18 327
Long service awards		20 828	21 399	21 399	1 880	18 775	18 511	264	1%	21 399
Post-retirement benefit obligations	2	75	7 143	7 143	3	49	6 179	(6 130)	-99%	7 143
Sub Total - Other Municipal Staff		1 545 943	1 710 048	1 710 048	147 483	1 478 371	1 479 329	(958)	0%	1 710 048
% increase	4		10.6%	10.6%						10.6%
Total Parent Municipality		1 616 019	1 795 719	1 793 702	153 225	1 536 045	1 548 075	(12 029)	-1%	1 795 719
			11.1%	11.0%						11.1%
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS		1 616 019	1 795 719	1 793 702	153 225	1 536 045	1 548 075	(12 029)	-1%	1 795 719
% increase	4		11.1%	11.0%						11.1%
TOTAL MANAGERS AND STAFF		1 560 996	1 733 321	1 733 321	148 302	1 486 471	1 499 462	(12 992)	-1%	1 733 321

12.2. Overtime Analysis

Table 20 below provides comparison of overtime expenditure against budget per directorate for the period ended 30 April 2018. Table 21 below details overtime expenditure incurred per cost centre for the past three months ended 30 April 2018.

Table 20: Overtime per Directorate

Directorate Overtime	2017/2018 Annual Budget R	2017/2018 YTD Budget R	2017/2018 YTD Expenditure R	2017/2018 YTD Variance R	2017/2018 % of YTD Budget %
Directorate Of Executive Support Services	1 536 745	1 329 408	3 224 115	(1 894 707)	243%
Directorate Of The City Manager	545 438	471 848	347 885	123 963	74%
Directorate Of Corporate Services	480 814	415 943	823 496	(407 553)	198%
Directorate Of Development & Spatial Planning	704 956	609 844	248 030	361 814	41%
Directorate Of Economic Development & Agencies	530 085	458 566	214 379	244 187	47%
Directorate Of Finance	1 903 618	1 646 782	2 269 737	(622 955)	138%
Directorate Of Health / Public Safety & Emergency Services	27 906 579	24 141 431	32 556 086	(8 414 655)	135%
Directorate Of Human Settlement	115 256	99 706	27 277	72 429	27%
Directorate Of Infrastructure Services	19 370 795	16 757 293	35 763 656	(19 006 363)	213%
<i>Electricity</i>	8 753 148	7 572 176	11 619 834	(4 047 659)	153%
<i>Water</i>	3 790 350	3 278 957	12 043 739	(8 764 782)	367%
<i>Sanitation</i>	5 602 537	4 846 644	11 164 471	(6 317 826)	230%
<i>Other</i>	1 224 760	1 059 516	935 612	123 904	88%
Directorate Of Municipal Services	22 930 342	19 836 587	40 406 458	(20 569 871)	204%
Total	76 024 628	65 767 407	115 881 118	(50 113 711)	176%

Table 21: Overtime Per Cost Centre: February 2018 – April 2018

OVERTIME PER COST CENTRE

		February 2018 Amount	March 2018 Amount	April 2018 Amount
Directorate Executive Support Services				
0505	OFFICE OF THE DIRECTOR EXECUTIVE SUPPORT SERVICES	252 429.61	260 930.04	278 912.20
0523	IDP & BUDGET INTEGRATION	0	13 510.98	3 953.43
0531	POLITICAL OFFICE ADMINISTRATION	1 242.73	5 044.82	7 805.59
0536	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	0	28 260.41	26 014.18
0542	SPECIAL PROGRAMMES	0	5 538.00	5 122.65
		253 672.34	313 284.25	321 808.05
DIRECTORATE OF THE CITY MANAGER				
1005	OFFICE OF THE CITY MANAGER	22 153.08	21 687.92	50 840.98
1015	INFORMATION / TECHNOLOGY & SUPPORT	15 657.09	12 266.13	34 487.99
		37 810.17	33 954.05	85 328.97
DIRECTORATE OF CORPORATE SERVICES				
1505	OFFICE OF THE DIRECTOR CORPORATE SERVICES	14 944.71	0	0
1512	ADMINISTRATIVE & CORPORATE SUPPORT	10 628.92	8 678.45	10 069.28
1513	AUXILLIARY / RECORDS & DECISION TRACKING AND TELECOMMUNICATIONS	39 760.30	36 942.66	39 396.99
1531	HUMAN RESOURCES MANAGEMENT	1 834.14	21 050.00	0
1532	ADMINISTRATIVE SUPPORT	0	0	3 568.71
1536	ORGANISATIONAL DEVELOPMENT	1 374.64	1 374.64	2 619.04
		68 542.71	68 045.75	55 654.02
DIRECTORATE OF DEVELOPMENT & SPATIAL PLANNING				
2023	BUILDING MAINTANANCE	7 675.60	0	0
2034	INTEGRATED PUBLIC TRANSPORT NETWORK OPERATIONS	13 630.27	8 561.47	13 787.85
2037	TRAFFIC MANAGEMENT & SAFETY	12 897.31	3 114.01	16 401.67
		34 203.18	11 675.48	30 189.52
DIRECTORATE OF ECONOMIC DEVELOPMENT & AGENCIES				
2505	OFFICE OF THE DIRECTOR ECONOMIC DEVELOPMENT	0	1 380.15	0
2511	FRESH PRODUCE MARKET	4 402.82	8 106.83	7 505.56
2521	TOURISM / ARTS / CULTURE & HERITAGE	0	40 924.20	0
2531	TRADE / INDUSTRY & RURAL AGRARIAN	0	11 217.08	0
		4 402.82	61 628.26	7 505.56

		February 2018 Amount	March 2018 Amount	April 2018 Amount
	DIRECTORATE OF FINANCE			
3011	BUDGET & TREASURY MANAGEMENT	18 883.10	0	0
3031	EXPENDITURE & PAYMENTS MANAGEMENT	4 028.82	529.26	0
3051	REVENUE MANAGEMENT	1 166.40	12 843.96	2 766.12
3052	ACCOUNTS MANAGEMENT & REVENUE CONTROL	120 362.72	109 669.88	3 363.75
3053	COASTAL REVENUE MANAGEMENT	6 526.94	11 326.49	4 092.56
3054	CUSTOMER RELATIONS (CALL CENTRE)	0	0	147 127.86
3061	STRATEGY & OPERATIONS	789.75	2 831.05	797.88
3071	SUPPLY CHAIN MANAGEMENT	3 835.57	1 199.49	1 087.91
		155 593.30	138 400.13	159 236.08
	DIRECTORATE OF HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES			
3512	DISASTER MANAGEMENT	11 272.74	3 980.48	2 008.73
3513	FIRE & RESCUE	414 692.58	318 581.42	793 981.39
3521	MUNICIPAL HEALTH SERVICES	3 310.49	0	0
3532	LAW ENFORCEMENT SERVICES	1 679 404.84	1 250 960.06	1 922 713.56
3533	TRAFFIC SERVICES	958 837.98	182 858.95	841 611.52
		3 067 518.63	1 756 380.91	3 560 315.20
	DIRECTORATE OF HUMAN SETTLEMENT			
4005	OFFICE OF THE DIRECTOR OF HUMAN SETTLEMENT	736.08	0	0
4011	HOUSING DELIVERY & IMPLEMENTATION	5 079.84	5 076.06	0
		5 815.92	5 076.06	0
	DIRECTORATE OF INFRASTRUCTURE SERVICES			
4505	OFFICE OF THE DIRECTOR OF INFRASTRUCTURE SERVICES	3 094.54	2 564.70	2 436.47
4511	ELECTRICAL & ENERGY SERVICES	2 209.20	24 618.05	2 065.10
4512	CUSTOMER SERVICES & REVENUE PROTECTION	99 759.13	102 303.25	120 283.05
4513	ELECTRICAL DEVELOPMENT / CONTRACTS & ASSETS	3 840.19	3 194.38	3 422.95
4514	ELECTRICAL DISTRIBUTION	862 696.15	950 413.48	648 916.47
4521	ROADS / PIU & CONSTRUCTION	0	0	2 423.36
4524	ROADS	12 259.09	8 007.52	6 890.96
4532	SANITATION	1 158 628.10	977 110.45	1 196 112.35
4535	WATER SERVICES	1 342 767.81	1 117 813.59	1 238 040.74
4542	FLEET SERVICES & PLANT	1 898.25	0	3 585.57
4543	WORKSHOPS	52 052.78	71 963.69	72 288.61
		3 539 205.24	3 257 989.11	3 296 465.63

		February 2018 Amount	March 2018 Amount	April 2018 Amount
	DIRECTORATE OF MUNICIPAL SERVICES			
5005	OFFICE OF THE DIRECTOR OF MUNICIPAL SERVICES	18 787.10	19 897.30	6 034.38
5011	COMMUNITY AMENITIES	15 537.23	17 240.73	73 238.08
5013	LIBRARIES	44 730.39	48 886.21	49 983.43
5014	HALLS	153 893.98	180 829.32	237 561.69
5015	RECREATION	687 397.28	722 144.43	576 898.34
5016	SPORTS FACILITIES	170 864.71	202 643.57	218 400.56
5021	PARKS / CEMETRIES & CONSERVATION	0	0	1 638.00
5022	CEMETRIES & CREMATORIA	302 570.96	327 913.18	325 574.04
5023	CONSERVATION	102 174.44	147 084.10	150 174.55
5024	PARKS: COASTAL	1 048 509.78	760 423.27	1 251 941.98
5031	SOLID WASTE MANAGEMENT	21 744.55	17 596.54	17 146.49
5032	CLEANSING & REFUSE REMOVAL: COASTAL	2 274 453.83	1 577 075.69	1 841 108.52
5035	LANDFILLS & TRANSFER STATIONS	37 660.50	200 395.43	153 588.98
		4 878 324.75	4 222 129.77	4 903 289.04
	TOTAL OVERTIME	12 045 089.06	9 868 563.77	12 419 792.07

12.2.1. Comments On Overtime

a) Directorate of Executive Support Services

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

b) Directorate of Corporate Services

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

c) Directorate of Finance

Revenue Management: The bulk of the expenditure is related to the overtime that was worked on the Revenue Enhancement Initiative that was undertaken during

July 2017 whereby Revenue Management staff assisted the public over 3 weekends in resolving accounts related matters. The overtime worked emanated from the request by the Mayoral Committee to assist the public over the weekends during July 2017.

d) Directorate of Infrastructure Services

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

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

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

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

e) Directorate of Health / Public Safety & Emergency Services

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

f) Directorate of Municipal Services

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

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

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

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

12.3. Standby and Shift Allowance Analysis

Table 22 below reflects the total standby and shift allowance incurred per directorate for the past three months ended 30 April 2018. There was a decrease in the total payment between February 2018 and March 2018 of R198 574 and an increase in the total payment between March 2018 and April 2018 of R222 413.

Table 22: Standby & Shift Allowance per Directorate

	FEBRUARY 2018	MARCH 2018	APRIL 2018
Directorate of Executive Support Services	7 563	5 881	4 704
Directorate of the City Manager	41 508	41 098	53 111
Directorate of Corporate Services	1 251	1 482	1 309
Directorate of Development & Spatial Planning	12 990	11 473	15 315
Directorate Economic Development & Agencies	1 461	1 730	1 115
Directorate of Finance	10 466	10 069	9 451
Directorate of Health/Public Safety & Emergency Services	557 200	501 022	631 588
Directorate of Human Settlement	0	0	0
Directorate of Infrastructure Services	748 566	681 199	735 339
Directorate of Municipal Services	368 594	297 071	321 506
TOTAL	1 749 599	1 551 025	1 773 438

12.4. Cost of Temporary Staff

The total payment of Temporary Staff for the past three months ended 30 April 2018 is reflected below. There was a decrease in the total payment between February 2018 and March 2018 of R305 755 and a decrease in the total payment between March 2018 and April 2018 of R19 671.

Table 23: Temporary Staff per Directorate

	FEBRUARY 2018	MARCH 2018	APRIL 2018
Directorate of Executive Support Services	534 633	513 042	519 347
Directorate of the City Manager	357 090	367 245	378 111
Directorate of Corporate Services	1 314 598	1 463 638	1 475 203
Directorate of Development & Spatial Planning	134 644	148 558	134 619
Directorate Economic Development & Agencies	31 402	32 866	31 402
Directorate of Finance	750 935	706 344	689 368
Directorate of Health/Public Safety & Emergency Services	282 991	242 525	271 330
Directorate of Human Settlement	164 284	185 943	167 960
Directorate of Infrastructure Services	342 557	354 052	324 636
Directorate of Municipal Services	3 126 417	2 719 584	2 722 150
TOTAL	7 039 552	6 733 796	6 714 126

12.5. Councillors Costs

The table below shows the budget and expenditure to date for councillors' costs. The year to date budget of R48.61 million less the year to date expenditure of R49.57 million leaves a variance of (R962 thousand).

Table 24: Councillors Costs

Councillors Allowances And Benefits	2017/2018 Annual Budget R	2017/2018 YTD Budget R	2017/2018 YTD Expenditure R	2017/2018 Variance R	2017/2018 Variance %
Councillors Allowances	42 475 195	34 196 616	31 676 176	2 520 440	7.37
Housing Allowance	0	0	1 875 419	(1 875 419)	0.00
Medical Aid Allowance	1 773 192	1 427 590	1 711 178	(283 588)	(19.86)
Pension Allowance	3 761 772	3 028 588	3 448 529	(419 941)	(13.87)
Travel Allowance	12 370 884	9 959 751	10 863 541	(903 790)	(9.07)
Total	60 381 043	48 612 545	49 574 844	(962 299)	(1.98)

13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE

BCMDA has spent R20.81 million (66%) of its 2017/2018 adjusted operating budget of R31.58 million.

Table 25: Monthly Budget Statement – summary of municipal entity

Description	Ref	Budget Year 2017/18								
		2016/17 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Municipal Entity										
<i>Buffalo City Metropolitan Development Agency SOC Ltd</i>										
Interest earned - external investments		200	238	238	6	127	179	(52)	-29%	238
Transfers recognised - operational		16 882	22 138	22 363	5 022	20 219	22 363	(2 144)	-10%	22 363
Agency services			3 630	1 822	-	76	1 366	(1 290)	-94%	1 822
Other revenue		877	7 154	7 154	9	1 522	5 366	(3 844)	-72%	7 154
Total Operating Revenue	1	17 959	33 160	31 578	5 037	21 943	29 274	(7 331)	-25%	31 578
Expenditure By Municipal Entity										
<i>Buffalo City Metropolitan Development Agency SOC Ltd</i>										
Employee related costs		10 144	15 178	17 545	1 126	12 949	13 158	(210)	-2%	17 545
Remuneration of Directors		459	850	756	147	735	567	168	30%	756
Depreciation & asset impairment		332	471	858	67	664	643	20	3%	858
Finance charges		0	2	6	0	5	4	1	21%	6
Contracted services		-	-	6 287	76	2 794	4 715	(1 921)	-41%	6 287
Other expenditure		4 751	16 659	6 128	313	3 662	4 596	(934)	-20%	6 128
Total Operating Expenditure	2	15 686	33 160	31 578	1 728	20 808	23 683	(2 875)	-12%	31 578
Surplus/ (Deficit) for the yr/period		2 274	0	0	3 309	1 135	5 591	(10 206)	-183%	0
Capital Expenditure By Municipal Entity										
<i>Buffalo City Metropolitan Development Agency SOC Ltd</i>										
Transfers recognised - capital			737	737	-	191	491	(300)	-61%	737
Contributions recognised - capital										
Contributed assets										
Total Capital Expenditure	3	-	737	737	-	191	491	(300)	-61%	737

A detailed analysis of the entity's performance for month ended 30 April 2018 is outlined in the attached Annexure F.

14. CAPITAL PROGRAMME PERFORMANCE

BCMM has spent 47% (R761.44 million, inclusive of reclaimed vat) of its 2017/18 adjusted capital budget of R1.63 billion as at 30 April 2018. This depicts regression in percentage and in rand value terms when compared to the same period in the previous financial year where 57% (R849.53 million, inclusive of reclaimed vat) of the adjusted budget of R1.49 billion was spent. Based on past performance trends, expenditure is expected to progressively improve during the last quarter of the financial year as procurement processes have been concluded. Refer to Annexure A – C5 for the breakdown per municipal vote, standard classification & funding; Annexure B – SC12 for monthly expenditure trends; SC13a for breakdown of asset classification for new assets and SC13b for breakdown on asset classification on renewal of existing asset).

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

Table 26 below reflects capital expenditure performance per source of funding.

Table 26: Capital Expenditure per Funding Source against Budget

Funding	<u>2017/2018</u> <u>Mid-year</u> <u>Adjustment</u> <u>Budget</u>	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Total Own Funding	814 991 210	258 886 859	556 104 350	32%
DoE (Integrated National Electrification Programme)	7 300 000	5 827 054	1 472 946	80%
DoE (Integrated National Electrification Programme) c/o	12 508 534	12 346 936	161 598	99%
Galve c/o	229 000	0	229 000	0%
Integrated City Development Grant	6 956 000	6 956 000	0	100%
Local Government & Traditional Affairs c/o	9 036 112	0	9 036 112	0%
Urban Settlement Development Grant	705 184 160	452 873 101	252 311 059	64%
Public Transport Infrastructure Grant c/o	33 114 561	0	33 114 561	0%
Public Transport Infrastructure Grant	45 000 000	24 550 910	20 449 090	55%
Total Grants	819 328 367	502 554 001	316 774 366	61%
TOTAL PER FUNDING	1 634 319 577	761 440 860	872 878 717	47%

Table 27 below reflects capital expenditure performance per service.

Table 27: Actual Expenditure per Service against Budget

Services	2017/2018 Mid-year Adjustment Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Water	133 118 569	104 661 146	28 457 423	79%
Waste Water	235 458 323	157 521 908	77 936 415	67%
Electricity	142 808 534	68 464 479	74 344 055	48%
Roads and Stormwater	270 956 000	139 799 078	131 156 922	52%
Housing	139 445 000	62 999 900	76 445 100	45%
Transport Planning	194 700 673	79 159 767	115 540 906	41%
Local Economic Development	50 597 779	20 310 128	30 287 651	40%
Spatial Planning	44 916 017	13 719 563	31 196 454	31%
Waste Management / Refuse	40 035 050	7 078 577	32 956 473	18%
Amenities	89 938 024	52 245 048	37 692 975	58%
Public Safety	47 739 410	10 873 003	36 866 407	23%
Support Services	147 651 671	28 207 696	119 443 975	19%
Other - BCM Fleet	96 954 527	16 400 567	80 553 960	17%
GRAND - TOTAL	1 634 319 577	761 440 860	872 878 717	47%

Table 28 below reflects capital expenditure performance per directorate.

Table 28: Actual Expenditure per Directorate against Budget

Directorate	2017/2018 Mid-year Adjustment Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
1. Executive Support Services	7 229 240	1 213 323	6 015 917	17%
2. Municipal Manager's Office	42 409 286	14 060 195	28 349 091	33%
3. Human Settlements	142 315 242	63 319 327	78 995 915	44%
4. Directorate of Financial Services	71 020 000	5 480 597	65 539 403	8%
5. Directorate of Corporate Services	3 612 990	905 550	2 707 440	25%
6. Directorate of Infrastructure Services	879 795 953	487 138 524	392 657 429	55%
7. Development and Spatial Planning	247 620 690	95 376 570	152 244 120	39%
8. Directorate of Economic Development	51 097 779	20 473 683	30 624 096	40%
9. Directorate of Health & Public Safety	49 245 323	11 186 404	38 058 919	23%
10 .Directorate of Municipal Services	129 973 074	59 323 625	70 649 448	46%
TOTAL DIRECTORATES	1 624 319 577	758 477 800	865 841 777	47%
Asset Replacement	10 000 000	2 963 061	7 036 939	30%
GRAND - TOTAL	1 634 319 577	761 440 860	872 878 717	47%

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

Table 29: SC12 Monthly Budget Statement – capital expenditure trend

BUF Buffalo City - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M10 April

Month	2016/17	Budget Year 2017/18							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	1 611	3 274	2 308	2 308	2 308	2 308	–		0%
August	39 205	17 112	40 222	40 222	42 530	42 530	0	0.0%	3%
September	86 333	48 450	85 095	85 095	127 625	127 625	0	0.0%	8%
October	78 499	94 083	85 567	85 567	213 192	213 192	0	0.0%	13%
November	124 330	99 215	90 386	90 386	303 579	303 579	0	0.0%	18%
December	161 499	147 979	123 230	123 230	426 808	426 808	0	0.0%	26%
January	26 493	125 470	40 944	40 944	467 752	467 752	0	0.0%	28%
February	70 080	147 452	145 629	50 319	518 072	613 381	95 309	15.5%	31%
March	162 725	180 770	146 947	88 839	606 911	760 328	153 417	20.2%	37%
April	43 977	241 602	214 316	98 635	705 546	974 644	269 098	27.6%	0
May	82 891	259 708	176 487	–		1 151 131	–		
June	398 658	280 088	483 189	–		1 634 320	–		
Total Capital expenditure	1 276 301	1 645 204	1 634 320	705 546					

15. OTHER SUPPORTING DOCUMENTS

15.1. Operating Projects Expenditure

The Metro has spent 60% (R186 million) inclusive of reclaimed vat of its 2017/18 adjusted operating projects budget of R309.4 million as at 30 April 2018. This reflects a regression in rand value terms when compared to the same period in the previous financial year where 58% (R195.92 million inclusive of reclaimed vat) of the adjusted operating projects budget of R336.91 million was spent. Based on past performance trends, expenditure is expected to progressively improve during the last quarter of the financial year as procurement processes would have been concluded.

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

Tables 30 and 31 below summarise Annexure D.

Table 30: Operating Projects per Directorate

Directorate	<u>2017/2018</u> <u>Mid year adj</u> <u>Budget</u>	<u>YTD</u> <u>Expenditure</u> <u>(incl. vat)</u>	<u>Available</u> <u>Budget</u> <u>(incl. vat)</u>	<u>%</u> <u>Expenditure</u> <u>(incl. vat)</u>
1. Executive Support Services	5 188 971	2 632 149	2 556 822	51%
2. Municipal Manager's Office	49 507 745	29 921 574	19 586 171	60%
3. Human Settlements	91 600 000	42 213 826	49 386 174	46%
4. Directorate of Financial Services	44 550 000	23 619 910	20 930 090	53%
5. Directorate of Corporate Services	20 525 850	12 705 003	7 820 847	62%
6. Directorate of Infrastructure Services	46 195 761	49 764 458	-3 568 697	108%
7. Development and Spatial Planning	11 319 000	4 482 123	6 836 877	40%
8. Directorate of Economic Development	26 447 504	10 767 635	15 679 869	41%
9. Directorate of Health & Public Safety	2 660 000	227 656	2 432 344	9%
10. Directorate of Municipal Services	11 409 037	9 666 665	1 742 372	85%
TOTAL PER DIRECTORATE	309 403 868	186 001 000	123 402 868	60%

Table 31: Operating Projects per Funding Source

Funding	<u>2017/2018</u> <u>Mid Year</u> <u>Adj-Budget</u>	<u>YTD</u> <u>Expenditure</u> <u>(incl. vat)</u>	<u>Available</u> <u>Budget (incl.</u> <u>vat)</u>	<u>%</u> <u>Expenditure</u> <u>(incl. vat)</u>
Total Own Funding	126 000 628	63 884 967	62 115 661	51%
City of Oldenburg	495 761	155 630	340 131	31%
Expanded Public Works Programme Incentives Grant	4 952 000	3 667 286	1 284 714	74%
Finance Management Grant	1 300 000	995 567	304 433	77%
Human Settlement Development Grant	91 600 000	42 213 826	49 386 174	46%
Infrastructure Skills Development Grant	10 560 000	6 766 591	3 793 409	64%
Leiden	138 207	73 220	64 987	53%
Public Transport Infrastructure Grant	9 869 000	3 367 801	6 501 199	34%
Salaida (Galve)	1 454 574	365 352	1 089 222	25%
Galve	89 858	0	89 858	0%
Urban Settlement Development Grant	62 943 840	64 510 760	-1 566 920	102%
Total Grants	183 403 240	122 116 032	61 287 207	67%
TOTAL PER FUNDING	309 403 868	186 001 000	123 402 868	60%

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

16.1. Health / Public Safety & Emergency Services

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

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

Health & Public Safety	Total Revenue	Employee Costs	Other Operating Expenditure	Repairs & Maintenance	Total Expenditure Excluding Capital
OFFICE OF THE DIRECTOR OF HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES	0	2 592 537	164 469	26 047	2 783 052
GM - EMERGENCY SERVICES	(62 494 258)	67 716 440	9 678 253	1 004 512	78 399 206
EMERGENCY SERVICES		2 225 811	83 619	298	2 309 728
DISASTER MANAGEMENT		2 418 404	781 079	17 554	3 217 038
FIRE & RESCUE	(62 494 258)	63 072 225	8 813 555	986 660	72 872 440
GM - MUNICIPAL HEALTH SERVICES	(35 042)	25 732 932	2 224 067	178 184	28 135 183
MUNICIPAL HEALTH SERVICES: COASTAL REGION	(35 042)	25 732 932	2 224 067	178 184	28 135 183
GM - PUBLIC SAFETY & PROTECTION SERVICES	(48 714 898)	182 878 731	10 990 016	1 883 016	195 751 763
PUBLIC SAFETY & PROTECTION SERVICES	(281 695)	7 037 738	4 212 819	1 185 816	12 436 373
LAW ENFORCEMENT SERVICES		104 701 178	2 581 148	566 538	107 848 864
TRAFFIC SERVICES	(48 433 202)	71 139 816	4 196 048	130 663	75 466 527
TOTAL	(111 244 198)	278 920 641	23 056 804	3 091 759	305 069 204

16.2. Municipal Services

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

Table 33: Municipal Services – Cost Analysis

Municipal Services	Total Revenue	Employee Costs	Other Operating Expenditure	Repairs & Maintenance	Total Expenditure Excluding Capital
OFFICE OF THE DIRECTOR OF MUNICIPAL SERVICES	0	9 252 864	1 147 439	28 287	10 428 589
GM - COMMUNITY AMENITIES	(19 701 066)	104 125 394	61 061 753	8 247 600	173 434 748
COMMUNITY AMENITIES	(228)	11 219 899	46 254 559	312 958	57 787 416
LIBRARIES	(15 372 199)	20 444 990	5 623 440	783 971	26 852 402
HALLS	(1 325 955)	17 265 876	1 446 494	2 540 525	21 252 895
RECREATION	(2 936 517)	34 932 376	3 004 408	2 374 282	40 311 065
SPORTS FACILITIES	(66 168)	20 262 253	4 732 852	2 235 865	27 230 970
					0
GM - PARKS / CEMETRIES & CONSERVATION	(9 576 436)	126 718 927	20 781 174	7 125 702	154 625 803
PARKS / CEMETRIES & CONSERVATION	0	4 892 665	162 984	0	5 055 649
CEMETRIES & CREMATORIA	(8 235 438)	20 225 536	6 712 275	1 332 705	28 270 516
CONSERVATION	(1 245 510)	15 059 072	1 391 925	385 384	16 836 382
PARKS: COASTAL	(95 488)	86 541 653	12 513 990	5 407 614	104 463 257
GM - SOLID WASTE MANAGEMENT	(287 078 912)	139 280 903	103 663 683	16 020 198	258 964 784
SOLID WASTE MANAGEMENT		11 227 401	21 341 941	9 632 356	42 201 697
CLEANSING & REFUSE REMOVAL: COASTAL	(284 696 384)	116 482 642	65 201 294	6 327 033	188 010 970
LANDFILLS & TRANSFER STATIONS	(2 382 528)	11 570 860	17 120 448	60 809	28 752 117
Total	(316 356 415)	379 378 087	186 654 050	31 421 787	597 453 924

17.MUNICIPAL MANAGER’S QUALITY CERTIFICATION

QUALITY CERTIFICATE

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

The monthly budget statement (Section 71 Report)

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

Print name: Andile Sihlahla

City Manager of Buffalo City Metropolitan Municipality, BUF

Signature:

Date:

ANNEXURES:

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- C2 Monthly Budget Statement - Financial Performance (Std Classification)
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Annexure B

- SC1 Material Variance Explanation
- SC2 Performance Indicators
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Annexure C

Schedule of Borrowings

Annexure D

Operating expenditure report

Annexure E

Capital expenditure report

Annexure F

Buffalo City Metropolitan Development Agency Performance Report