

REPORT TO EXECUTIVE MAYOR: 11 OCTOBER 2016

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Author: ACTING CITY MANAGER (NCEBA NCUNYANA)/VP

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2016/17 BUDGET FOR THE PERIOD ENDED 30 SEPTEMBER 2016

1. PURPOSE

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

2. AUTHORITY

Executive Mayor

3. LEGAL / STATUTORY REQUIREMENTS

The Constitution of the Republic of South Africa, 1996

Municipal Finance Management Act No 56, 2003

Municipal Budget and Reporting Regulations, 2009

4. BACKGROUND

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

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

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

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PART 1: IN-YEAR REPORT

5. RESOLUTIONS

It is recommended that:

- (i) The Executive Mayor considers and notes the report on the statement of financial performance and the implementation of the 2016/17 budget for the period ended 30 September 2016 including supporting documentation attached as Annexure A to F.
- (ii) The Executive Mayor notes the spending trend on capital and operating projects as well as the reasons for such an expenditure as indicated in section 14 and 15 respectively of this report.
- (iii) The Executive Mayor notes the year to date collection rate for the period ended 30 September 2016 of 82.15%.

ACTING CITY MANAGER

DATE

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

6.1. Dashboard / Performance Summary

Table 1: Performance Summary

| OVERALL OPERATING RESULTS | | CASH MANAGEMENT | |
|---|---|--|---|
| Income | R 1,472,101,511 | Bank Balance | R 23,515,313 |
| Expenditure | R 1,431,374,915 | Call investments (excl. int.) | R 2,303,223,415 |
| Operating Surplus | R 40,726,596 | Cash and cash equivalents | R 2,326,738,728 |
| Transfers Recognised - Capital | R 68,141,198 | <i>Account Payables</i> | <i>(R 513,709,051)</i> |
| Surplus After Capital Transfers | R 108,867,794 | <i>Unspent conditional grants</i> | <i>(R397,712,999)</i> |
| DEBTORS | | <i>Committed to Capital budget-own funds</i> | <i>(R 771,772,610)</i> |
| Total debtors book | R 1,838,638,084 | Therefore Cash and Cash equivalents ring fenced for assets renewal in outer years | R 643,544,068 |
| Total debtors - Government | R 65,228,162 | Total Long term loans | R 485,238,053 |
| Total debtors - Business | R 419,197,911 | SURPLUS / (DEFICIT) PER SERVICE | |
| Total debtors - Households | R 1,109,756,443 | Water | <i>(R 15,755,421)</i> |
| Total debtors - Other | R 244,455,568 | Electricity | <i>(R 138,744,957)</i> |
| Total debt written off | R 3,932,302 | Refuse | R 24,947,074 |
| REPAIRS AND MAINTENANCE | | Sewerage | R 26,462,531 |
| 2015/2016: Exp. = R54.32m, which is 15% of approved budget of R372.01m | 2016/2017: Exp.= R63.3m, which is 15% of approved budget of R414.79m | | |
| CAPITAL EXPENDITURE | | OPERATING PROJECTS EXPENDITURE | |
| 2015/2016: Exp. as a % of Adjusted Budget of R1.38b: Exp. (excl. vat) = R99.58 mil % exp (Excl. vat) : 7% Exp. (incl. vat) = R106.82 mil % exp (incl. vat): 8% | 2016/2017: Exp. as a % of Adjusted Budget of R1.69b: Exp. (excl. vat) = R127.15 mil % exp (Excl. vat) :8% Exp. (incl. vat) = R135.78 mil % exp (incl. vat): 8% | 2015/2016: Exp. as a % of Adjusted Budget of R697.73m: Exp.(excl. vat)=R43.78 mil % exp.(excl. vat): 6% Exp.(incl. vat) = R43.9 mil % exp.(incl. vat): 6% | 2016/2017: Exp. as a % of Adjusted Budget of R327.39m: Exp.(excl. vat)=R33.56 mil % exp.(excl. vat): 10% Exp.(incl. vat) = R39.19 mil % exp.(incl. vat): 12% |
| FINANCIAL | | HUMAN RESOURCES | |
| Operating Surplus for the period | R 40,726,596 | Total staff complement | 5 204 |
| Debtors collection ratio | 82.15% | Staff Appointments | 332 |
| YTD Grants and subsidies | R 435,951,775 | Staff Terminations | 50 |
| % of Creditors paid within terms | 100% | Number of funded vacant posts | 573 |
| Current ratio | 2.99:1 | Total overtime paid (YTD) | R 36,030,974 |
| Total Debt to Revenue | 10.82% | Allowances and benefits - Councillors | R 13,150,026 |
| Capital Charges to Operating Expenditure | 1.64% | Salary bill - Officials | R 369,638,858 |
| Cost coverage ratio | 6.7 months | Workforce costs as a % of expenditure | 26.74% |

6.2 Liquidity position

Buffalo City Metropolitan Municipality's liquidity is considered relatively sound as the Current Ratio is 2.99:1 which indicates the ability of Municipality's current assets to cover its current liabilities. Debtors constitute 29% of the current assets, inventory constitutes 1% and cash & cash equivalents comprise 64% of the current assets.

6.3 Collection Rate and Outstanding Debtors

The year to date collection rate for the month ended 30 September 2016 is 82.15% (2015/16: 85%).

Total debtors book as at 30 September 2016 amounts to R1.84 billion (2015: R1.44 billion). Households: R1.11 billion, Business: R419.2 million, Government: R65.23 million, Other: R244.46 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 R135.78 million (2015/16: R106.82 million) which is 8% (2015/16: 8%) of its 2016/17 adjusted capital budget of R1.69 billion (2015/16: R1.38 billion) as at 30 September 2016. This depicts a slight improvement in rand value terms when compared to the same period in the previous financial year. (Refer to Section 14 for further details).

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

6.5 Operating projects

The Metro has spent 12% (R39.19 million, inclusive of reclaimed vat) of its 2016/17 adjusted budget of R327.39 million as at 30 September 2016. This reflects an improvement when compared to the same period in the previous financial year where 6% (R43.9 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R697.73 million was spent. It is anticipated that the expenditure will improve as the year progresses and once the procurement processes have been undertaken. (Refer to Section 15 for further details).

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

6.6 Expenditure on Conditional Grants (DoRA Allocation)

The Metro has spent R89.42 million (2015/16: R74.21 million) which is 11% (2015/16: 9%) of its 2016/2017 conditional grants budget of R828.70 million (2015/16: R801.94 million) as at 30 September 2016. This reflects an improvement when compared to the same period in the previous financial year. It is anticipated that the expenditure will improve as the year progresses and once the procurement processes have been undertaken. (Refer to Section 11 for further details)

6.6.1. Urban Settlement Development Grant (USDG) funded projects

BCMM has spent R87.53 million (2015/16: R69.14 million) which is 12% (2015/16: 10%) of its 2016/17 USDG budget of R731.50 million (2015/16: R713.13 million) as at 30 September 2016. This reflects an improvement when compared to the same period in the previous financial year. It is anticipated that the expenditure will improve as the year progresses and once the procurement processes have been undertaken. (Refer to Section 11 for further details).

6.7 Cash and Cash Equivalents

The cash and cash equivalents of the City as at 30 September 2016 are R2.33 billion made up of cash and bank amounting to R23.52 million and call investment deposits of R2.30 billion. This funding is invested with various financial institutions in compliance with the MFMA. Refer to Section 7.7 and Annexure A – C7 for the cash flow statement as well as Section 10 and Annexure B – SC5 for the investment portfolio breakdown. The cost coverage ratio of the city is 6.7 months. This indicates a strong financial health as it is above the norm of 1-3 months as per the MFMA circular 71.

6.8 Outstanding Creditors

The Metro is paying its creditors within 30 days as stipulated by the MFMA except when there are disputes on received invoices. Refer to Section 9 for details.

6.9 Long-Term Debt Profile

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

The ratio of capital charges to operating expenditure as at 30 September 2016 is 1.64%, the acceptable norm in accordance with the MFMA circular 71 is 6-8%.

The total debt to revenue ratio is 10.82% as at 30 September 2016, this indicates that the municipality is highly solvent to meet its debt obligation. The acceptable norm in accordance with the MFMA circular 71 is a ceiling of 45%.

7. IN-YEAR BUDGET STATEMENT MAIN TABLES

7.1 Monthly Budget Statement Summary

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

Table 2:C1: Monthly Budget Statement Summary

| Description | 2015/16 | Budget Year 2016/17 | | | | | | | |
|--|------------------|---------------------|-------------------|--------------------|--------------------|--------------------|---------------------|-----------------|--------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | |
| Financial Performance | | | | | | | | | |
| Property rates | - | 1 122 920 | 1 122 920 | 71 445 | 302 560 | 283 392 | 19 168 | 7% | 1 122 920 |
| Service charges | - | 2 928 610 | 2 928 610 | 247 918 | 617 030 | 549 763 | 67 266 | 12% | 2 928 610 |
| Investment revenue | - | 143 844 | 143 775 | 13 923 | 41 301 | 38 875 | 2 426 | 6% | 143 775 |
| Transfers recognised - operational | - | 1 319 728 | 1 318 097 | 15 838 | 435 952 | 260 327 | 175 624 | 67% | 1 318 097 |
| Other own revenue | - | 391 937 | 391 737 | 26 946 | 75 259 | 66 665 | 8 593 | 13% | 391 737 |
| Total Revenue (excluding capital transfers and contributions) | - | 5 907 039 | 5 905 139 | 376 069 | 1 472 102 | 1 199 023 | 273 078 | 23% | 5 905 139 |
| Employee costs | - | 1 531 068 | 1 531 068 | 132 374 | 369 639 | 388 469 | (18 831) | -5% | 1 531 068 |
| Remuneration of Councillors | - | 58 099 | 58 099 | 4 487 | 13 150 | 14 525 | (1 375) | -9% | 58 099 |
| Depreciation & asset impairment | - | 748 339 | 748 339 | 62 362 | 187 085 | 187 085 | 0 | 0% | 748 339 |
| Finance charges | - | 57 105 | 57 105 | 4 072 | 12 215 | 16 976 | (4 761) | -28% | 57 105 |
| Materials and bulk purchases | - | 1 521 587 | 1 521 587 | 122 795 | 471 646 | 452 763 | 18 883 | 4% | 1 521 587 |
| Transfers and grants | - | 288 468 | 288 468 | 41 524 | 49 853 | 72 116 | (22 264) | -31% | 288 468 |
| Other expenditure | - | 1 701 295 | 1 699 395 | 140 137 | 327 788 | 288 906 | 38 882 | 13% | 1 699 395 |
| Total Expenditure | - | 5 905 961 | 5 904 061 | 507 750 | 1 431 375 | 1 420 841 | 10 534 | 1% | 5 904 061 |
| Surplus/(Deficit) | - | 1 078 | 1 078 | (131 680) | 40 727 | (221 818) | 262 544 | -118% | 1 078 |
| Transfers recognised - capital | - | 848 269 | 848 269 | 37 526 | 68 141 | 110 367 | (42 226) | -38% | 848 269 |
| Contributions & Contributed assets | - | - | - | - | - | - | - | - | - |
| Surplus/(Deficit) after capital transfers & contributions | - | 849 347 | 849 347 | (94 154) | 108 868 | (111 451) | 220 318 | -198% | 849 347 |
| Share of surplus/ (deficit) of associate | - | - | - | - | - | - | - | - | - |
| Surplus/ (Deficit) for the year | - | 849 347 | 849 347 | (94 154) | 108 868 | (111 451) | 220 318 | -198% | 849 347 |
| Capital expenditure & funds sources | | | | | | | | | |
| Capital expenditure | - | 1 558 134 | 1 693 155 | 86 333 | 127 150 | 83 907 | 43 243 | 52% | 1 693 155 |
| Capital transfers recognised | - | 848 269 | 862 374 | 37 526 | 68 141 | 42 736 | 25 405 | 59% | 862 374 |
| Public contributions & donations | - | - | - | - | - | - | - | - | - |
| Borrowing | - | 69 582 | 69 582 | - | - | 3 448 | (3 448) | -100% | 69 582 |
| Internally generated funds | - | 640 283 | 761 199 | 48 807 | 59 009 | 37 722 | 21 286 | 56% | 761 199 |
| Total sources of capital funds | - | 1 558 134 | 1 693 155 | 86 333 | 127 150 | 83 907 | 43 243 | 52% | 1 693 155 |
| Financial position | | | | | | | | | |
| Total current assets | - | 3 526 080 | 3 526 080 | | 3 616 256 | | | | 3 526 080 |
| Total non current assets | - | 14 131 021 | 14 239 037 | | 13 436 209 | | | | 14 239 037 |
| Total current liabilities | - | 1 131 155 | 1 131 155 | | 1 207 669 | | | | 1 131 155 |
| Total non current liabilities | - | 1 177 274 | 1 177 274 | | 944 139 | | | | 1 177 274 |
| Community wealth/Equity | - | 15 348 672 | 15 456 688 | | 14 900 657 | | | | 15 456 688 |
| Cash flows | | | | | | | | | |
| Net cash from (used) operating | - | 1 648 938 | 1 648 938 | (62 567) | 91 227 | 412 234 | 321 008 | 78% | 1 648 938 |
| Net cash from (used) investing | - | (1 558 134) | (1 693 155) | (86 333) | (127 150) | (389 533) | (262 384) | 67% | (1 693 155) |
| Net cash from (used) financing | - | 17 757 | 17 757 | (11 239) | (11 239) | 4 439 | 15 678 | 353% | 17 757 |
| Cash/cash equivalents at the month/year end | - | 2 490 747 | 2 355 726 | - | 2 326 739 | 2 409 327 | 82 588 | 3% | 2 347 440 |
| 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 | 264 527 | 88 488 | 111 881 | 70 433 | 46 993 | 39 029 | 255 204 | 962 085 | 1 838 638 |
| Creditors Age Analysis | | | | | | | | | |
| Total Creditors | 513 709 | - | - | - | - | - | - | - | 513 709 |

7.2 Monthly Budget Statement – Financial Performance (standard classification)

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

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

| Description | Ref | 2015/16 | Budget Year 2016/17 | | | | | | | Full Year Forecast |
|---|-----|-----------------|---------------------|------------------|-----------------|------------------|------------------|----------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | |
| R thousands | 1 | | | | | | | | | |
| Revenue - Standard | | | | | | | | | | |
| <i>Governance and administration</i> | | – | 2 268 639 | 2 266 738 | 95 712 | 667 158 | 563 772 | 103 386 | 18% | 2 266 738 |
| Executive and council | | – | 30 796 | 30 796 | 4 168 | 4 434 | 3 417 | 1 017 | 30% | 30 796 |
| Budget and treasury office | | – | 2 222 421 | 2 220 521 | 91 020 | 661 411 | 558 968 | 102 443 | 18% | 2 220 521 |
| Corporate services | | – | 15 421 | 15 421 | 523 | 1 313 | 1 387 | (74) | -5% | 15 421 |
| <i>Community and public safety</i> | | – | 127 228 | 127 228 | 3 209 | 51 840 | 23 699 | 28 141 | 119% | 127 228 |
| Community and social services | | – | 19 511 | 19 511 | 779 | 2 861 | 5 643 | (2 782) | -49% | 19 511 |
| Sport and recreation | | – | 6 161 | 6 161 | 312 | 525 | 302 | 223 | 74% | 6 161 |
| Public safety | | – | 98 758 | 98 758 | 10 759 | 38 310 | 17 568 | 20 742 | 118% | 98 758 |
| Housing | | – | – | – | (8 641) | 10 144 | – | 10 144 | #DIV/0! | – |
| Health | | – | 2 797 | 2 797 | – | – | 186 | (186) | -100% | 2 797 |
| <i>Economic and environmental services</i> | | – | 100 222 | 100 222 | (1 163) | 4 807 | 23 324 | (18 516) | -79% | 100 222 |
| Planning and development | | – | 26 543 | 26 543 | 1 500 | 4 668 | 4 199 | 469 | 11% | 26 543 |
| Road transport | | – | 73 255 | 73 255 | (2 668) | 120 | 19 102 | (18 982) | -99% | 73 255 |
| Environmental protection | | – | 423 | 423 | 4 | 19 | 23 | (3) | -14% | 423 |
| <i>Trading services</i> | | – | 3 384 579 | 3 384 579 | 242 368 | 741 149 | 614 835 | 126 314 | 21% | 3 384 579 |
| Electricity | | – | 1 931 170 | 1 931 170 | 151 294 | 381 654 | 362 993 | 18 662 | 5% | 1 931 170 |
| Water | | – | 541 296 | 541 296 | 41 090 | 128 641 | 89 577 | 39 064 | 44% | 541 296 |
| Waste water management | | – | 446 227 | 446 227 | 23 173 | 120 712 | 76 428 | 44 284 | 58% | 446 227 |
| Waste management | | – | 465 885 | 465 885 | 26 811 | 110 142 | 85 838 | 24 304 | 28% | 465 885 |
| <i>Other</i> | 4 | – | 874 641 | 874 641 | 73 470 | 75 288 | 83 760 | (8 473) | -10% | 874 641 |
| Total Revenue - Standard | 2 | – | 6 755 308 | 6 753 408 | 413 595 | 1 540 243 | 1 309 390 | 230 853 | 18% | 6 753 408 |
| Expenditure - Standard | | | | | | | | | | |
| <i>Governance and administration</i> | | – | 1 189 292 | 1 189 644 | 72 409 | 233 190 | 233 032 | 158 | 0% | 1 189 644 |
| Executive and council | | – | 209 046 | 209 397 | 15 875 | 50 169 | 55 052 | (4 883) | -9% | 209 397 |
| Budget and treasury office | | – | 553 044 | 553 044 | 38 784 | 91 909 | 98 380 | (6 471) | -7% | 553 044 |
| Corporate services | | – | 427 203 | 427 203 | 17 751 | 91 112 | 79 600 | 11 512 | 14% | 427 203 |
| <i>Community and public safety</i> | | – | 738 246 | 738 995 | 60 249 | 148 206 | 143 745 | 4 461 | 3% | 738 995 |
| Community and social services | | – | 94 309 | 94 309 | 6 113 | 18 238 | 25 567 | (7 329) | -29% | 94 309 |
| Sport and recreation | | – | 77 113 | 77 113 | 7 711 | 21 960 | 19 474 | 2 486 | 13% | 77 113 |
| Public safety | | – | 224 016 | 224 016 | 35 921 | 79 047 | 55 503 | 23 544 | 42% | 224 016 |
| Housing | | – | 280 019 | 280 768 | 8 205 | 22 136 | 35 475 | (13 340) | -38% | 280 768 |
| Health | | – | 62 789 | 62 789 | 2 298 | 6 824 | 7 725 | (901) | -12% | 62 789 |
| <i>Economic and environmental services</i> | | – | 919 523 | 916 523 | 11 499 | 114 534 | 210 024 | (95 489) | -45% | 916 523 |
| Planning and development | | – | 270 451 | 267 451 | 35 355 | 54 684 | 50 119 | 4 566 | 9% | 267 451 |
| Road transport | | – | 543 263 | 543 263 | (34 960) | 31 725 | 135 637 | (103 912) | -77% | 543 263 |
| Environmental protection | | – | 105 809 | 105 809 | 11 105 | 28 125 | 24 268 | 3 857 | 16% | 105 809 |
| <i>Trading services</i> | | – | 3 041 214 | 3 041 214 | 361 765 | 930 877 | 830 487 | 100 389 | 12% | 3 041 214 |
| Electricity | | – | 1 725 555 | 1 725 555 | 211 890 | 593 026 | 531 994 | 61 032 | 11% | 1 725 555 |
| Water | | – | 531 791 | 531 791 | 70 309 | 164 915 | 135 355 | 29 560 | 22% | 531 791 |
| Waste water management | | – | 467 437 | 467 437 | 35 589 | 85 594 | 86 124 | (531) | -1% | 467 437 |
| Waste management | | – | 316 432 | 316 432 | 43 978 | 87 342 | 77 014 | 10 328 | 13% | 316 432 |
| <i>Other</i> | | – | 17 685 | 17 685 | 1 827 | 4 569 | 3 553 | 1 016 | 29% | 17 685 |
| Total Expenditure - Standard | 3 | – | 5 905 961 | 5 904 061 | 507 750 | 1 431 375 | 1 420 841 | 10 534 | 1% | 5 904 061 |
| Surplus/ (Deficit) for the year | | – | 849 347 | 849 347 | (94 154) | 108 868 | (111 451) | 220 318 | -198% | 849 347 |

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

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

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

| Vote Description | Ref | 2015/16 | Budget Year 2016/17 | | | | | | | |
|--|-----|-----------------|---------------------|------------------|-----------------|------------------|------------------|----------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| Revenue by Vote | 1 | | | | | | | | | |
| Vote 1 - Directorate - Executive Support Services | | - | 145 | 145 | - | - | 26 | (26) | -100.0% | 145 |
| Vote 2 - Directorate - City Manager | | - | 52 588 | 52 588 | 4 189 | 4 455 | 3 298 | 1 158 | 35.1% | 52 588 |
| Vote 3 - Directorate - Human Settlements | | - | 362 572 | 362 572 | 17 417 | 36 202 | 23 210 | 12 991 | 56.0% | 362 572 |
| Vote 4 - Directorate - Finance | | - | 2 947 365 | 2 945 733 | 91 020 | 661 411 | 696 704 | (35 293) | -5.1% | 2 945 733 |
| Vote 5 - Directorate - Corporate Services | | - | 13 036 | 13 036 | 430 | 1 023 | 672 | 351 | 52.2% | 13 036 |
| Vote 6 - Directorate - Infrastructure Services | | - | 2 744 633 | 2 744 633 | 253 488 | 671 683 | 450 909 | 220 774 | 49.0% | 2 744 633 |
| Vote 7 - Directorate - Development Planning | | - | 64 067 | 34 695 | 2 649 | 6 055 | 4 580 | 1 475 | 32.2% | 34 695 |
| Vote 8 - Directorate - Health / Public Safety & Emergency Services | | - | 162 440 | 162 440 | 10 759 | 38 310 | 35 747 | 2 563 | 7.2% | 162 440 |
| Vote 9 - Directorate - Municipal Services | | - | 408 195 | 408 195 | 28 224 | 113 865 | 90 366 | 23 500 | 26.0% | 408 195 |
| Vote 10 - Directorate - Economic Development | | - | - | 29 372 | 5 419 | 7 237 | 3 878 | 3 359 | 86.6% | 29 372 |
| Total Revenue by Vote | 2 | - | 6 755 039 | 6 753 408 | 413 595 | 1 540 243 | 1 309 390 | 230 853 | 17.6% | 6 753 408 |
| Expenditure by Vote | 1 | | | | | | | | | |
| Vote 1 - Directorate - Executive Support Services | | - | 206 009 | 206 098 | 13 442 | 46 590 | 42 047 | 4 543 | 10.8% | 206 098 |
| Vote 2 - Directorate - City Manager | | - | 115 928 | 116 189 | 7 536 | 29 418 | 31 791 | (2 372) | -7.5% | 116 189 |
| Vote 3 - Directorate - Human Settlements | | - | 346 542 | 347 560 | 8 839 | 24 186 | 38 479 | (14 293) | -37.1% | 347 560 |
| Vote 4 - Directorate - Finance | | - | 551 753 | 551 753 | 38 666 | 91 909 | 98 380 | (6 471) | -6.6% | 551 753 |
| Vote 5 - Directorate - Corporate Services | | - | 192 959 | 192 959 | 20 305 | 44 711 | 37 201 | 7 509 | 20.2% | 192 959 |
| Vote 6 - Directorate - Infrastructure Services | | - | 3 234 571 | 3 234 571 | 285 712 | 884 924 | 914 345 | (29 421) | -3.2% | 3 234 571 |
| Vote 7 - Directorate - Development Planning | | - | 333 338 | 246 099 | 19 057 | 52 174 | 43 617 | 8 557 | 19.6% | 246 099 |
| Vote 8 - Directorate - Health / Public Safety & Emergency Services | | - | 321 998 | 321 998 | 38 437 | 86 481 | 70 291 | 16 190 | 23.0% | 321 998 |
| Vote 9 - Directorate - Municipal Services | | - | 602 596 | 602 596 | 69 712 | 158 119 | 129 760 | 28 358 | 21.9% | 602 596 |
| Vote 10 - Directorate - Economic Development | | - | - | 84 239 | 6 043 | 12 862 | 14 930 | (2 067) | -13.8% | 84 239 |
| Total Expenditure by Vote | 2 | - | 5 905 692 | 5 904 061 | 507 750 | 1 431 375 | 1 420 841 | 10 534 | 0.7% | 5 904 061 |
| Surplus/ (Deficit) for the year | 2 | - | 849 347 | 849 347 | (94 154) | 108 868 | (111 451) | 220 318 | -197.7% | 849 347 |

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 September 2016.

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

BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

| Description | Ref | 2015/16 | Budget Year 2016/17 | | | | | | | |
|--|-----|-----------------|---------------------|------------------|----------------|------------------|------------------|----------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| Revenue By Source | | | | | | | | | | |
| Property rates | | | 1 122 920 | 1 122 920 | 71 445 | 302 560 | 283 392 | 19 168 | 7% | 1 122 920 |
| Property rates - penalties & collection charges | | | | - | - | - | - | - | | - |
| Service charges - electricity revenue | | | 1 815 256 | 1 815 256 | 149 048 | 355 603 | 283 908 | 71 695 | 25% | 1 815 256 |
| Service charges - water revenue | | | 444 291 | 444 291 | 46 219 | 94 177 | 95 499 | (1 321) | -1% | 444 291 |
| Service charges - sanitation revenue | | | 339 107 | 339 107 | 26 177 | 87 127 | 87 683 | (556) | -1% | 339 107 |
| Service charges - refuse revenue | | | 308 375 | 308 375 | 25 700 | 77 299 | 77 094 | 205 | 0% | 308 375 |
| Service charges - other | | | 21 580 | 21 580 | 773 | 2 824 | 5 580 | (2 756) | -49% | 21 580 |
| Rental of facilities and equipment | | | 20 045 | 20 045 | 1 064 | 3 371 | 2 450 | 920 | 38% | 20 045 |
| Interest earned - external investments | | | 143 844 | 143 775 | 13 923 | 41 301 | 38 875 | 2 426 | 6% | 143 775 |
| Interest earned - outstanding debtors | | | 34 651 | 34 651 | 4 095 | 11 390 | 7 054 | 4 336 | 61% | 34 651 |
| Dividends received | | | - | - | - | - | - | - | | - |
| Fines | | | 8 385 | 8 385 | 1 196 | 1 909 | 820 | 1 089 | 133% | 8 385 |
| Licences and permits | | | 13 958 | 13 958 | 1 162 | 3 020 | 2 660 | 361 | 14% | 13 958 |
| Agency services | | | - | - | - | - | - | - | | - |
| Transfers recognised - operational | | | 1 319 728 | 1 318 097 | 15 838 | 435 952 | 260 327 | 175 624 | 67% | 1 318 097 |
| Other revenue | | | 314 898 | 314 698 | 19 429 | 55 568 | 53 681 | 1 887 | 4% | 314 698 |
| Gains on disposal of PPE | | | - | - | - | - | - | - | | - |
| Total Revenue (excluding capital transfers and contributions) | | | - | | | | | | | |
| | | | 5 907 039 | 5 905 139 | 376 069 | 1 472 102 | 1 199 023 | 273 078 | 23% | 5 905 139 |

BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M02 August

| Description | Ref | 2015/16 | Budget Year 2016/17 | | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|-----------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast | |
| R thousands | | | | | | | | | | | |
| Expenditure By Type | - | | | | | | | | | | |
| Employee related costs | | | 1 531 068 | 1 531 068 | 132 374 | 369 639 | 388 469 | (18 831) | -5% | 1 531 068 | |
| Remuneration of councillors | | | 58 099 | 58 099 | 4 487 | 13 150 | 14 525 | (1 375) | -9% | 58 099 | |
| Debt impairment | | | 303 865 | 303 865 | 25 322 | 75 966 | 76 261 | (295) | 0% | 303 865 | |
| Depreciation & asset impairment | | | 748 339 | 748 339 | 62 362 | 187 085 | 187 085 | 0 | 0% | 748 339 | |
| Finance charges | | | 57 105 | 57 105 | 4 072 | 12 215 | 16 976 | (4 761) | -28% | 57 105 | |
| Bulk purchases | | | 1 521 587 | 1 521 587 | 122 795 | 471 646 | 452 763 | 18 883 | 4% | 1 521 587 | |
| Other materials | | | - | - | - | - | - | - | | - | |
| Contracted services | | | 22 486 | 22 486 | 2 433 | 4 399 | 3 134 | 1 265 | 40% | 22 486 | |
| Transfers and grants | | | 288 468 | 288 468 | 41 524 | 49 853 | 72 116 | (22 264) | -31% | 288 468 | |
| Other expenditure | | | 1 374 944 | 1 373 043 | 112 382 | 247 423 | 209 511 | 37 912 | 18% | 1 373 043 | |
| Loss on disposal of PPE | | | - | - | - | - | - | - | | - | |
| Total Expenditure | | | - | 5 905 961 | 5 904 061 | 507 750 | 1 431 375 | 1 420 841 | 10 534 | 1% | 5 904 061 |
| Surplus/(Deficit) | | | - | 1 078 | 1 078 | (131 680) | 40 727 | (221 818) | 262 544 | (0) | 1 078 |
| Transfers recognised - capital | | | 848 269 | 848 269 | 37 526 | 68 141 | 110 367 | (42 226) | (0) | 848 269 | |
| Contributions recognised - capital | | | - | - | - | - | - | - | | - | |
| Contributed assets | | | - | - | - | - | - | - | | - | |
| Surplus/(Deficit) after capital transfers & contributions | | | - | 849 347 | 849 347 | (94 154) | 108 868 | (111 451) | | 849 347 | |
| Taxation | | | | | | | | - | | | |
| Surplus/(Deficit) after taxation | | | - | 849 347 | 849 347 | (94 154) | 108 868 | (111 451) | | 849 347 | |
| Attributable to minorities | | | | | | | | | | | |
| Surplus/(Deficit) attributable to municipality | | | - | 849 347 | 849 347 | (94 154) | 108 868 | (111 451) | | 849 347 | |
| Share of surplus/ (deficit) of associate | | | | | | | | | | | |
| Surplus/ (Deficit) for the year | | | - | 849 347 | 849 347 | (94 154) | 108 868 | (111 451) | | 849 347 | |

7.4.1 ANALYSIS OF STATEMENT OF FINANCIAL PERFORMANCE

7.4.1.1 Service Charges – electricity revenue

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

7.4.1.2 Service Charges – other

The demand for items mentioned below is not constant throughout the year. Income is earned when there is a demand by the clients. Therefore the trend in which income is earned is not constant.

The main contributors are:

- Availability charges
- Connection / Reconnection charges

The situation is monitored on a monthly basis.

7.4.1.3 Rental of facilities and equipment

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

7.4.1.4 Interest earned – outstanding debtors

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

7.4.1.5 Fines

The inception of the Traffic Client Services (TCS), the use of the Automatic Number Plate Recognition (ANPR) system, new system of ensuring that drivers are alerted to the fact that there are outstanding warrants of arrest when drivers collect their drivers licences and are made to pay before the drivers licence can be issued, and the use of the sms system has assisted in tracing offenders and has assisted in the recovery of outstanding traffic fines. An increase in the operational activities ie increased road

blocks and speed enforcement has contributed to an increase in payment of fines as well.

7.4.1.6 Licences and permits

The increase in revenue can be attributed to the fact that more residents find it easier using the municipality instead of the Post Office or the Provincial Traffic offices, cash receipting at the various offices has become more efficient & faster, generally during school holidays there is an increase in learners and drivers testing for their licences.

7.4.1.7 Transfers recognised - operational

The variance is as a result of General Fuel Levy that was received in the month of August 2016.

7.4.1.8 Finance charges

The year to date budget was calculated on the assumption that the institution would have obtained additional long term loan funding. This has currently not materialised and therefore there is a favourable variance.

7.4.1.9 Contracted services

Contracted services are utilised as and when required. As the year progresses the use of contracted services will stabilise.

7.4.1.10 Transfers and grants

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

7.4.1.11 Other expenditure

Other expenditure includes operating projects, operational costs as well as repairs and maintenance and these expenditure categories are overspent by 18% when compared to the year to date budget. Expenditure on repairs and maintenance is provided in table 6 below. Details on operating projects are provided on section 15 of

the report.

7.4.1.13 Repairs and Maintenance

Table 6 below reflects that as at 30 September 2016, the repairs and maintenance expenditure is 15% of the approved budget of R414.79 million (2015/16: 15%). This is the same when compared with the prior year in percentage terms. Refer to Annexure B: SC13c (repairs and maintenance by asset class).

Table 6: Repairs and Maintenance per Directorate

| Directorate | <u>2016/2017</u> <u>Annual</u> <u>Budget</u> <u>R</u> | <u>2016/2017</u> <u>Annual</u> <u>Expenditure</u> <u>R</u> | <u>2016/2017</u> <u>-</u> <u>Variance</u> <u>R</u> | <u>2016/2017</u> <u>% of</u> <u>Budget</u> <u>%</u> |
|--|--|---|---|--|
| Directorate Of Executive Support Services | 3 235 637 | 178 297 | 3 057 340 | 6% |
| Directorate Of The City Manager | 134 478 | 3 902 | 130 576 | 3% |
| Directorate Of Corporate Services | 6 540 381 | 608 684 | 5 931 697 | 9% |
| Directorate Of Development & Spatial Planning | 28 357 088 | 2 516 147 | 25 840 941 | 9% |
| Directorate Of Economic Development & Agencies | 1 180 627 | 398 759 | 781 868 | 34% |
| Directorate Of Finance | 3 273 630 | 257 871 | 3 015 759 | 8% |
| Directorate Of Health / Public Safety & Emergency Services | 6 195 492 | 544 380 | 5 651 112 | 9% |
| Directorate Of Human Settlement | 108 421 | 26 388 | 82 033 | 24% |
| Directorate Of Infrastructure Services | 328 157 794 | 51 161 072 | 276 996 722 | 16% |
| <i>Electricity</i> | 123 968 926 | 20 297 028 | 103 671 898 | 16% |
| <i>Water</i> | 47 248 367 | 14 420 860 | 32 827 507 | 31% |
| <i>Sanitation</i> | 33 026 802 | 5 619 272 | 27 407 530 | 17% |
| <i>Other</i> | 123 913 699 | 10 823 911 | 113 089 788 | 9% |
| Directorate Of Municipal Services | 37 607 278 | 7 633 690 | 29 973 588 | 20% |
| TOTAL | 414 790 826 | 63 329 189 | 351 461 637 | 15% |

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

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

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

| Vote Description | Ref | 2015/16 | Budget Year 2016/17 | | | | | | | Full Year Forecast |
|--|-----|-----------------|---------------------|------------------|----------------|----------------|---------------|---------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | |
| R thousands | 1 | | | | | | | | | |
| Multi-Year expenditure appropriation | 2 | | | | | | | | | |
| Vote 1 - Directorate - Executive Support Services | | - | 5 500 | 8 007 | 44 | 129 | 96 | 34 | 35% | 8 007 |
| Vote 2 - Directorate - City Manager | | - | 17 522 | 17 522 | 2 861 | 2 882 | 41 | 2 842 | 6972% | 17 522 |
| Vote 3 - Directorate - Human Settlements | | - | 202 441 | 211 477 | 7 648 | 26 433 | 9 216 | 17 217 | 187% | 211 477 |
| Vote 4 - Directorate - Finance | | - | 10 600 | 10 748 | - | 96 | 711 | (615) | -87% | 10 748 |
| Vote 5 - Directorate - Corporate Services | | - | 7 100 | 9 034 | 2 | 177 | 806 | (629) | -78% | 9 034 |
| Vote 6 - Directorate - Infrastructure Services | | - | 887 671 | 937 030 | 68 348 | 85 796 | 50 131 | 35 666 | 71% | 937 030 |
| Vote 7 - Directorate - Development Planning | | - | 230 290 | 230 417 | 2 411 | 3 937 | 4 545 | (608) | -13% | 230 417 |
| Vote 8 - Directorate - Health / Public Safety & Emergency Services | | - | 30 032 | 46 484 | 538 | 736 | 1 263 | (527) | -42% | 46 484 |
| Vote 9 - Directorate - Municipal Services | | - | 122 478 | 167 702 | 2 154 | 4 500 | 5 974 | (1 474) | -25% | 167 702 |
| Vote 10 - Directorate - Economic Development | | - | 44 500 | 54 734 | 2 327 | 2 463 | 11 125 | (8 662) | -78% | 54 734 |
| Total Capital Multi-year expenditure | 4,7 | - | 1 558 134 | 1 693 155 | 86 333 | 127 150 | 83 907 | 43 243 | 52% | 1 693 155 |
| Capital Expenditure - Standard Classification | | | | | | | | | | |
| Governance and administration | | - | 40 722 | 80 310 | 2 907 | 3 285 | 3 980 | (695) | -17% | 80 310 |
| Executive and council | | | 23 022 | 60 529 | 2 905 | 3 012 | 3 000 | 12 | 0% | 60 529 |
| Budget and treasury office | | | 10 600 | 10 748 | - | 96 | 533 | (437) | -82% | 10 748 |
| Corporate services | | | 7 100 | 9 034 | 2 | 177 | 448 | (270) | -60% | 9 034 |
| Community and public safety | | - | 276 498 | 309 838 | 10 283 | 31 348 | 15 355 | 15 994 | 104% | 309 838 |
| Community and social services | | | 23 300 | 30 226 | 170 | 2 252 | 1 498 | 754 | 50% | 30 226 |
| Sport and recreation | | | 20 725 | 21 651 | 1 927 | 1 927 | 1 073 | 854 | 80% | 21 651 |
| Public safety | | | 30 032 | 46 484 | 538 | 736 | 2 304 | (1 567) | -68% | 46 484 |
| Housing | | | 202 441 | 211 477 | 7 648 | 26 433 | 10 480 | 15 953 | 152% | 211 477 |
| Health | | | - | - | - | - | - | - | - | - |
| Economic and environmental services | | - | 541 969 | 552 330 | 14 903 | 19 295 | 27 372 | (8 077) | -30% | 552 330 |
| Planning and development | | | 274 790 | 285 151 | 4 738 | 6 400 | 14 131 | (7 731) | -55% | 285 151 |
| Road transport | | | 267 179 | 267 179 | 10 165 | 12 895 | 13 240 | (345) | -3% | 267 179 |
| Environmental protection | | | - | - | - | - | - | - | - | - |
| Trading services | | - | 680 946 | 732 365 | 49 671 | 64 321 | 36 293 | 28 028 | 77% | 732 365 |
| Electricity | | | 143 000 | 143 000 | 7 420 | 10 969 | 7 087 | 3 882 | 55% | 143 000 |
| Water | | | 87 500 | 87 500 | 15 075 | 22 880 | 4 336 | 18 544 | 428% | 87 500 |
| Waste water management | | | 371 992 | 386 040 | 27 121 | 30 152 | 19 131 | 11 022 | 58% | 386 040 |
| Waste management | | | 78 454 | 115 825 | 56 | 320 | 5 740 | (5 420) | -94% | 115 825 |
| Other | | | 18 000 | 18 312 | 8 568 | 8 900 | 907 | 7 993 | 881% | 18 312 |
| Total Capital Expenditure - Standard Classification | 3 | - | 1 558 134 | 1 693 155 | 86 333 | 127 150 | 83 907 | 43 243 | 52% | 1 693 155 |
| Funded by: | | | | | | | | | | |
| National Government | | | 741 969 | 741 969 | 37 526 | 68 141 | 36 769 | 31 372 | 85% | 741 969 |
| Provincial Government | | | 106 300 | 120 405 | - | - | 5 967 | (5 967) | -100% | 120 405 |
| District Municipality | | | - | - | - | - | - | - | - | - |
| Other transfers and grants | | | - | - | - | - | - | - | - | - |
| Transfers recognised - capital | | - | 848 269 | 862 374 | 37 526 | 68 141 | 42 736 | 25 405 | 59% | 862 374 |
| Public contributions & donations | 5 | | - | - | - | - | - | - | - | - |
| Borrowing | 6 | | 69 582 | 69 582 | - | - | 3 448 | (3 448) | -100% | 69 582 |
| Internally generated funds | | | 640 283 | 761 199 | 48 807 | 59 009 | 37 722 | 21 286 | 56% | 761 199 |
| Total Capital Funding | | - | 1 558 134 | 1 693 155 | 86 333 | 127 150 | 83 907 | 43 243 | 52% | 1 693 155 |

7.6 Monthly Budget Statement – Financial Position

The table below reflects the financial position of the Metro. It is good to note that the Metro is having excess assets over liabilities resulting into the net worth of R14.9 billion.

Table 8: C6: Monthly Budget Statement – Financial Position

| Description | Ref | 2015/16 | Budget Year 2016/17 | | | |
|--|-----|-----------------|---------------------|-------------------|-------------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | YearTD actual | Full Year Forecast |
| R thousands | 1 | | | | | |
| ASSETS | | | | | | |
| Current assets | | | | | | |
| Cash | | | 80 644 | 80 644 | 23 515 | 80 644 |
| Call investment deposits | | | 2 410 242 | 2 410 242 | 2 303 223 | 2 410 242 |
| Consumer debtors | | | 820 635 | 820 635 | 606 247 | 820 635 |
| Other debtors | | | 108 064 | 108 064 | 643 454 | 108 064 |
| Current portion of long-term receivables | | | 15 | 15 | – | 15 |
| Inventory | | | 106 480 | 106 480 | 39 817 | 106 480 |
| Total current assets | | – | 3 526 080 | 3 526 080 | 3 616 256 | 3 526 080 |
| Non current assets | | | | | | |
| Long-term receivables | | | 66 | 66 | – | 66 |
| Investments | | | – | – | – | – |
| Investment property | | | 485 540 | 485 540 | 342 030 | 485 540 |
| Investments in Associate | | | 90 099 | 90 099 | 112 292 | 90 099 |
| Property, plant and equipment | | | 13 447 560 | 13 555 576 | 12 826 922 | 13 555 576 |
| Agricultural | | | – | – | – | – |
| Biological assets | | | – | – | – | – |
| Intangible assets | | | 25 080 | 25 080 | 85 948 | 25 080 |
| Other non-current assets | | | 82 676 | 82 676 | 69 018 | 82 676 |
| Total non current assets | | – | 14 131 021 | 14 239 037 | 13 436 209 | 14 239 037 |
| TOTAL ASSETS | | – | 17 657 101 | 17 765 117 | 17 052 466 | 17 765 117 |
| LIABILITIES | | | | | | |
| Current liabilities | | | | | | |
| Bank overdraft | | | – | – | – | – |
| Borrowing | | | 51 825 | 51 825 | 50 709 | 51 825 |
| Consumer deposits | | | 59 455 | 59 455 | 53 708 | 59 455 |
| Trade and other payables | | | 852 917 | 852 917 | 911 422 | 852 917 |
| Provisions | | | 166 958 | 166 958 | 191 830 | 166 958 |
| Total current liabilities | | – | 1 131 155 | 1 131 155 | 1 207 669 | 1 131 155 |
| Non current liabilities | | | | | | |
| Borrowing | | | 518 175 | 518 175 | 445 768 | 518 175 |
| Provisions | | | 659 099 | 659 099 | 498 372 | 659 099 |
| Total non current liabilities | | – | 1 177 274 | 1 177 274 | 944 139 | 1 177 274 |
| TOTAL LIABILITIES | | – | 2 308 429 | 2 308 429 | 2 151 808 | 2 308 429 |
| NET ASSETS | 2 | – | 15 348 672 | 15 456 688 | 14 900 657 | 15 456 688 |
| COMMUNITY WEALTH/EQUITY | | | | | | |
| Accumulated Surplus/(Deficit) | | | 12 256 811 | 12 364 827 | 10 286 716 | 12 364 827 |
| Reserves | | | 3 091 861 | 3 091 861 | 4 613 941 | 3 091 861 |
| TOTAL COMMUNITY WEALTH/EQUITY | 2 | – | 15 348 672 | 15 456 688 | 14 900 657 | 15 456 688 |

7.7 Monthly Budget Statement – Cash Flow

The Metros' cash flow position and cash/cash equivalent outcome is shown in the table below. The Metro's cash position reflects a net decrease of R47.16 million resulting in cash and cash equivalents closing balance of R2.33 billion as at 30 September 2016.

Table 9: C7: Monthly Budget Statement – Cash Flow

| Description | Ref | 2015/16 | Budget Year 2016/17 | | | | | | | | |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|-------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast | |
| R thousands | 1 | | | | | | | | | | |
| CASH FLOW FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Property rates, penalties & collection charges | | | 1 038 701 | 1 038 701 | 71 445 | 302 560 | 259 675 | 42 885 | 17% | 1 038 701 | |
| Service charges | | | 2 708 964 | 2 708 964 | 247 145 | 614 206 | 677 241 | (63 035) | -9% | 2 708 964 | |
| Other revenue | | | 330 374 | 330 374 | 23 623 | 66 692 | 82 593 | (15 901) | -19% | 330 374 | |
| Government - operating | | | 1 319 728 | 1 319 728 | 15 838 | 435 952 | 329 932 | 106 020 | 32% | 1 319 728 | |
| Government - capital | | | 848 269 | 848 269 | 100 | 257 550 | 212 067 | 45 483 | 21% | 848 269 | |
| Interest | | | 178 495 | 178 495 | 18 018 | 52 692 | 44 624 | 8 068 | 18% | 178 495 | |
| Dividends | | | - | - | - | - | - | - | | - | |
| Payments | | | | | | | | | | | |
| Suppliers and employees | | | (4 430 013) | (4 430 013) | (393 141) | (1 576 357) | (1 107 503) | 468 854 | -42% | (4 430 013) | |
| Finance charges | | | (57 113) | (57 113) | (4 072) | (12 215) | (14 278) | (2 063) | 14% | (57 113) | |
| Transfers and Grants | | | (288 468) | (288 468) | (41 524) | (49 853) | (72 117) | (22 264) | 31% | (288 468) | |
| NET CASH FROM/(USED) OPERATING ACTIVITIES | | | - | 1 648 938 | 1 648 938 | (62 567) | 91 227 | 412 234 | 321 008 | 78% | 1 648 938 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Proceeds on disposal of PPE | | | - | - | - | - | - | - | - | - | |
| Decrease (Increase) in non-current debtors | | | - | - | - | - | - | - | - | - | |
| Decrease (increase) other non-current receivables | | | - | - | - | - | - | - | - | - | |
| Decrease (increase) in non-current investments | | | - | - | - | - | - | - | - | - | |
| Payments | | | | | | | | | | | |
| Capital assets | | | (1 558 134) | (1 693 155) | (86 333) | (127 150) | (389 533) | (262 384) | 67% | (1 693 155) | |
| NET CASH FROM/(USED) INVESTING ACTIVITIES | | | - | (1 558 134) | (1 693 155) | (86 333) | (127 150) | (389 533) | (262 384) | 67% | (1 693 155) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | | | | |
| Receipts | | | | | | | | | | | |
| Short term loans | | | - | - | - | - | - | - | - | - | |
| Borrowing long term/refinancing | | | 69 582 | 69 582 | - | - | 17 395 | (17 395) | -100% | 69 582 | |
| Increase (decrease) in consumer deposits | | | - | - | - | - | - | - | - | - | |
| Payments | | | | | | | | | | | |
| Repayment of borrowing | | | (51 825) | (51 825) | (11 239) | (11 239) | (12 956) | (1 718) | 13% | (51 825) | |
| NET CASH FROM/(USED) FINANCING ACTIVITIES | | | - | 17 757 | 17 757 | (11 239) | (11 239) | 4 439 | 15 678 | 353% | 17 757 |
| NET INCREASE/ (DECREASE) IN CASH HELD | | | - | 108 561 | (26 460) | (160 139) | (47 162) | 27 140 | | | (26 460) |
| Cash/cash equivalents at beginning: | | | 2 382 186 | 2 382 186 | | 2 373 900 | 2 382 186 | | | | 2 373 900 |
| Cash/cash equivalents at month/year end: | | | - | 2 490 747 | 2 355 726 | | 2 326 739 | 2 409 327 | | | 2 347 440 |

PART 2: SUPPORTING **DOCUMENTATION**

8. IN-YEAR BUDGET STATEMENT SUPPORTING TABLES AND DOCUMENTATION

8.1 Debtors

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

Table 10: SC3 Monthly Budget Statement Aged Debtors

| Description | NT Code | Budget Year 2016/17 | | | | | | | | | Total over 90 days | Actual Bad Debts Written Off against Debtors | Impairment - Bad Debts i.t.o Council Policy |
|---|-------------|---------------------|---------------|----------------|---------------|---------------|---------------|----------------|----------------|------------------|--------------------|--|---|
| | | 0-30 Days | 31-60 Days | 61-90 Days | 91-120 Days | 121-150 Dys | 151-180 Dys | 181 Dys-1 Yr | Over 1Yr | Total | | | |
| R thousands | | | | | | | | | | | | | |
| Debtors Age Analysis By Income Source | | | | | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 1200 | 50 055 | 26 782 | 29 444 | 35 674 | 17 172 | 12 534 | 85 915 | 263 325 | 520 901 | 414 620 | | |
| Trade and Other Receivables from Exchange Transactions - Electricity | 1300 | 99 466 | 14 535 | 6 823 | 5 846 | 3 652 | 2 152 | 10 100 | 32 690 | 175 265 | 54 441 | | |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | 68 744 | 24 898 | 46 789 | 14 589 | 13 976 | 13 137 | 86 415 | 257 872 | 526 420 | 385 989 | | |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | 22 034 | 9 110 | 11 710 | 4 759 | 4 300 | 3 802 | 24 980 | 119 201 | 199 896 | 157 042 | | |
| Receivables from Exchange Transactions - Waste Management | 1600 | 17 650 | 9 051 | 12 064 | 5 748 | 5 144 | 4 953 | 31 454 | 168 503 | 254 568 | 215 803 | | |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | 80 | 72 | 110 | 63 | 61 | 61 | 427 | 3 150 | 4 023 | 3 761 | | |
| Interest on Arrear Debtor Accounts | 1810 | | | | | | | | | - | - | | |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | | | | | | | | | - | - | | |
| Other | 1900 | 6 498 | 4 040 | 4 940 | 3 754 | 2 689 | 2 390 | 15 913 | 117 342 | 157 565 | 142 087 | | |
| Total By Income Source | 2000 | 264 527 | 88 488 | 111 881 | 70 433 | 46 993 | 39 029 | 255 204 | 962 085 | 1 838 638 | 1 373 743 | - | - |
| 2015/16 - totals only | | 278 029 | 78 531 | 48 485 | 49 354 | 43 083 | 43 381 | 246 634 | 889 392 | 1 676 889 | 1 271 844 | | |
| Debtors Age Analysis By Customer Group | | | | | | | | | | | | | |
| Organs of State | 2200 | 13 979 | 5 862 | 22 526 | 16 588 | 163 | 212 | 1 472 | 4 427 | 65 228 | 22 862 | | |
| Commercial | 2300 | 135 354 | 22 570 | 22 810 | 14 289 | 11 617 | 8 911 | 56 828 | 146 820 | 419 198 | 238 464 | | |
| Households | 2400 | 105 218 | 53 874 | 59 536 | 34 491 | 30 292 | 25 469 | 166 570 | 634 308 | 1 109 756 | 891 129 | | |
| Other | 2500 | 9 977 | 6 182 | 7 009 | 5 065 | 4 922 | 4 437 | 30 335 | 176 530 | 244 456 | 221 288 | | |
| Total By Customer Group | 2600 | 264 527 | 88 488 | 111 881 | 70 433 | 46 993 | 39 029 | 255 204 | 962 085 | 1 838 638 | 1 373 743 | - | - |

8.1.1. Additional debtors information

The debtors that are older than 30 days, which includes all charges, amounted to R1.57 billion as at 30 September 2016 which is a decrease of R14.13 million over the amount of R1.59 billion as at 31 August 2016.

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

8.2. Additional debtor's information.

8.2.1. Age Analysis per Category

Table 11 below details debtors age analysis that are older than 30 days by income source as at 30 September 2016. It also provides comparison with the previous month (31 August 2016) which indicates a decrease from R1.59 billion to R1.57 billion.

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

| AGEING | RATES | SEWERAGE | ELECTRICITY | WATER | REFUSE | SUNDRY DEBTORS | TOTAL FOR SEPTEMBER 2016 | TOTAL FOR AUGUST 2016 |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------------|---------------------------------|------------------------------|
| 30 DAYS | 24 898 003 | 9 109 938 | 14 535 495 | 26 782 345 | 9 050 524 | 4 111 205 | 88 487 510 | 181 589 052 |
| 60 DAYS | 46 788 916 | 11 710 224 | 6 823 170 | 29 444 280 | 12 063 857 | 5 050 247 | 111 880 694 | 79 643 837 |
| 90 DAYS | 14 588 766 | 4 759 078 | 5 846 115 | 35 674 246 | 5 747 764 | 3 816 558 | 70 432 526 | 50 683 055 |
| 120 DAYS TO 360 DAYS | 113 528 327 | 33 081 721 | 15 904 145 | 115 620 064 | 41 551 985 | 21 539 778 | 341 226 020 | 335 562 082 |
| YEAR 2 | 113 829 983 | 27 684 305 | 9 440 223 | 96 679 042 | 36 505 648 | 22 284 494 | 306 423 695 | 302 242 738 |
| YEAR 3 | 44 878 837 | 24 856 412 | 6 791 163 | 48 636 874 | 32 533 132 | 25 355 941 | 183 052 359 | 172 986 876 |
| YEAR 4 | 24 010 554 | 16 797 445 | 4 628 235 | 30 268 512 | 22 897 232 | 18 530 659 | 117 132 637 | 117 005 210 |
| YEAR 5 | 19 762 259 | 12 508 703 | 5 588 596 | 21 545 864 | 17 007 470 | 14 134 240 | 90 547 132 | 88 748 328 |
| YEAR 5+ | 55 390 486 | 37 354 459 | 6 242 152 | 66 195 004 | 59 559 874 | 40 186 827 | 264 928 801 | 259 806 422 |
| TOTAL | 457 676 132 | 177 862 285 | 75 799 293 | 470 846 233 | 236 917 486 | 155 009 947 | 1 574 111 376 | 1 588 267 600 |

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

Table 12: Age Analysis per Category Type

| CATEGORY TYPE | 30 DAYS | 60 DAYS | 90 DAYS | 120 DAYS+ | Total | % Share |
|------------------------|-------------------|--------------------|-------------------|----------------------|----------------------|----------------|
| Domestic | 42 613 577 | 46 796 560 | 22 043 957 | 594 045 770 | 705 499 864 | 44.82 |
| Indigent | 10 911 846 | 12 548 509 | 12 333 239 | 261 843 498 | 297 637 092 | 18.91 |
| Business | 22 570 077 | 22 810 054 | 14 288 576 | 224 175 667 | 283 844 374 | 18.03 |
| Government | 5 861 717 | 22 526 094 | 16 588 070 | 6 273 721 | 51 249 602 | 3.26 |
| Municipal Staff | 348 163 | 190 950 | 113 318 | 749 540 | 1 401 971 | 0.09 |
| Other | 6 182 131 | 7 008 527 | 5 065 367 | 216 222 449 | 234 478 474 | 14.90 |
| Total | 88 487 511 | 111 880 694 | 70 432 527 | 1 303 310 645 | 1 574 111 377 | 100.00 |

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

8.2.3. Debt Incentive Scheme

The City approved a Debt Incentive Scheme for a period of two years with effect from 01 October 2016 to 30 September 2016. As at 30 September 2016 a total of 4,249 consumers had registered for the scheme.

As at 30 September 2016 a total registered debt value (120 days+) of consumers who applied for the Debt Incentive Scheme amounted to R64.86 million. An amount of R28.56 million was written off in this period as an equal value was paid. The Debt Incentive Scheme ended on 30 September 2016.

8.2.4. Government Accounts

The total arrears owed by Government Departments to Buffalo City Metropolitan Municipality as at 30 September 2016 amounted to R51.25 million. This indicates an decrease of R36.85 million when compared to prior month amount of R88.1 million. The breakdown of the arrears per department (excluding accounts in credit) is indicated in the table hereunder, as at 30 September 2016.

Table 13 below provides an analysis of government debtors as at 30 September 2016 and comparison with the previous month.

Table 13: Analysis of Government Debtors

| DEPARTMENT | PROPERTY RATES | SERVICES | ARREARS AS AT 30 SEPTEMBER 2016 | ARREARS AS AT 31 AUGUST 2016 | DIFFERENCE |
|---|-----------------------|-------------------|--|-------------------------------------|---------------------|
| National Department Of Public Works | 2 327 590 | 63 772 | 2 391 362 | 22 588 452 | (20 197 090) |
| Provincial Department Of Public Works | 17 748 411 | 2 914 291 | 20 662 701 | 37 823 401 | (17 160 700) |
| Department Of Education | - | 1 376 079 | 1 376 079 | 2 419 005 | (1 042 926) |
| Department Of Health | - | 20 780 819 | 20 780 819 | 19 562 504 | 1 218 315 |
| Department Of Social Development | - | 268 951 | 268 951 | 18 | 268 933 |
| Department Of Transport | - | 48 329 | 48 329 | 956 | 47 373 |
| Department Of Agriculture | - | 21 648 | 21 648 | - | 21 648 |
| Department Of Nature Conservation | - | 5 397 | 5 397 | - | 5 397 |
| Department of Human Settlements | - | 45 827 | 45 827 | 41 669 | 4 158 |
| Sport, Recreation, Arts and Culture | - | - | - | 3 531 | (3 531) |
| Department of Labour - UIF Services | - | 338 481 | 338 481 | 360 293 | (21 812) |
| Members Of Provincial Legislature | - | 38 852 | 38 852 | 50 754 | (11 902) |
| Department of Rural Development and Land Reform | - | 478 029 | 478 029 | 470 759 | 7 270 |
| Provincial RDP Houses | - | 4 793 127 | 4 793 127 | 4 775 715 | 17 412 |
| TOTAL | 20 076 001 | 31 173 602 | 51 249 602 | 88 097 057 | (36 847 455) |

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

| Description R thousands | NT Code | Budget Year 2016/17 | | | | | | | | | Prior year |
|--|-------------|---------------------|-----------------|-----------------|------------------|-------------------|-------------------|----------------------|----------------|----------------|-----------------------------------|
| | | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | 121 - 150 Days | 151 - 180 Days | 181 Days - 1 Year | Over 1 Year | Total | totals for chart (same period) |
| Creditors Age Analysis By Customer Type | | | | | | | | | | | |
| Bulk Electricity | 0100 | 114 513 | | | | | | | | 114 513 | 100 995 |
| Bulk Water | 0200 | 19 390 | | | | | | | | 19 390 | 17 070 |
| PAYE deductions | 0300 | 19 448 | | | | | | | | 19 448 | 16 472 |
| VAT (output less input) | 0400 | - | | | | | | | | - | - |
| Pensions / Retirement deductions | 0500 | 19 697 | | | | | | | | 19 697 | 19 735 |
| Loan repayments | 0600 | 23 454 | | | | | | | | 23 454 | 23 454 |
| Trade Creditors | 0700 | 296 844 | | | | | | | | 296 844 | 141 155 |
| Auditor General | 0800 | 1 504 | | | | | | | | 1 504 | 1 173 |
| Other | 0900 | 18 859 | | | | | | | | 18 859 | 210 015 |
| Total By Customer Type | 1000 | 513 709 | - | - | - | - | - | - | - | 513 709 | 530 068 |

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

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

| <u>CREDITOR</u> | <u>90 DAYS</u> | <u>60 DAYS</u> | <u>30 DAYS</u> | <u>CURRENT</u> | <u>TOTAL</u> | <u>PAYMENT</u> |
|------------------------------------|----------------|----------------|----------------|--------------------|--------------------|--------------------|
| ESKOM | | | - | 114 512 632 | 114 512 632 | 114 512 632 |
| DEVELOPMENT BANK SOUTHERN AFRICA | | | | 23 453 509 | 23 453 509 | 23 453 509 |
| AMATOLA WATER | | | - | 19 390 421 | 19 390 421 | 19 390 421 |
| MOTHEO / MPUMALANGA JOINT VENTURE | | | | 13 970 833 | 13 970 833 | 13 970 833 |
| MVEZO PLANT & CMILS CC | | | - | 12 271 085 | 12 271 085 | 12 271 085 |
| AGRISA COMMODITIES (PTY) LTD | | | | 9 605 526 | 9 605 526 | 9 605 526 |
| HAW & INGILS (PTY) LTD | | | | 7 810 622 | 7 810 622 | 7 810 622 |
| MASIQHAME TRADING 520 CC | | | | 7 772 158 | 7 772 158 | 7 772 158 |
| SITA (PTY) LTD | | | | 7 541 327 | 7 541 327 | 7 541 327 |
| MANTELLA TRADING 522 CC | | | | 6 855 675 | 6 855 675 | 6 855 675 |
| BARLOWORLD EQUIPMENT | | | | 6 405 620 | 6 405 620 | 6 405 620 |
| MAZIYA GENERAL SERVICES | | | | 6 058 861 | 6 058 861 | 6 058 861 |
| CZAR CONSTRUCTION | | | | 5 402 498 | 5 402 498 | 5 402 498 |
| ECPG DEPARTMENT OF TRANSPORT | | | | 4 521 507 | 4 521 507 | 4 521 507 |
| T V R CONSTRUCTION | | | | 4 123 239 | 4 123 239 | 4 123 239 |
| DEPT OF TRANSPORT EC PROVINCE | | | | 3 303 081 | 3 303 081 | 3 303 081 |
| AMANZ ABANTU PROFFESIONAL SERVICES | | | | 3 198 857 | 3 198 857 | 3 198 857 |
| EYA BANTU PROFFESIONAL SERVICES CC | | | | 3 169 719 | 3 169 719 | 3 169 719 |
| TSHUVANE SERVICES | | | | 3 144 967 | 3 144 967 | 3 144 967 |
| ABERDARE CABLES (PTY) LTD | | | | 3 122 831 | 3 122 831 | 3 122 831 |
| | | | | | - | - |
| TOTAL | - | - | - | 265 634 966 | 265 634 966 | 265 634 966 |

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

| Investments by maturity Name of institution & investment ID R thousands | Ref | Period of Investment Yrs/Months | Type of Investment | Expiry date of investment | Accrued interest for the month | Yield for the month 1 (%) | Market value at beginning of the month | Change in market value | Market value at end of the month |
|---|-----|---------------------------------------|-----------------------|---------------------------------|--------------------------------------|---------------------------------|--|------------------------------|--|
| Municipality | | | | | | | | | |
| Rand Merchant Bank X021901943 | | Call Account | Call Account | Call Account | 257 | 2.0% | 48 119 | 257 | 48 377 |
| Absa 91 2884 4539 | | Call Account | Call Account | Call Account | 4 | 0.0% | 673 | 4 | 676 |
| Standard 422 742 | | Call Account | Call Account | Call Account | 2 | 0.0% | 287 | 2 | 288 |
| Absa 91 4102 2241 | | Call Account | Call Account | Call Account | 52 | 0.4% | 9 723 | 52 | 9 775 |
| Absa 91 4163 6965 | | Call Account | Call Account | Call Account | 1 | 0.0% | 220 | 1 | 222 |
| Absa 91 5484 1280 | | Call Account | Call Account | Call Account | 4 | 0.0% | 798 | 4 | 802 |
| Rand Merchant Bank X021904910 | | Call Account | Call Account | Call Account | 49 | 0.4% | 9 216 | 49 | 9 265 |
| Standard 76586/442740 | | Call Account | Call Account | Call Account | 12 | 0.1% | 2 283 | 12 | 2 295 |
| Absa 92 0562 2137 | | Call Account | Call Account | Call Account | 4 | 0.0% | 821 | 4 | 826 |
| Rand Merchant Bank X021904913 | | Call Account | Call Account | Call Account | 81 | 0.6% | 15 136 | 81 | 15 217 |
| Stanlib 551 660 303 | | Call Account | Call Account | Call Account | 276 | 2.2% | 43 436 | 276 | 43 712 |
| Nedbank 03/7881532939/000041 | | Call Account | Call Account | Call Account | 37 | 0.3% | 6 915 | 37 | 6 952 |
| Nedbank 03/7881532939/000056 | | Call Account | Call Account | Call Account | 6 | 0.0% | 1 091 | 6 | 1 097 |
| Nedbank 03/7881532939/000058 | | Call Account | Call Account | Call Account | 32 | 0.2% | 5 922 | 32 | 5 953 |
| Nedbank 03/7881532939/000103 | | Call Account | Call Account | Call Account | 6 | 0.0% | 1 172 | 6 | 1 178 |
| Nedbank 03/7881532939/000064 | | Call Account | Call Account | Call Account | 45 | 0.4% | 8 499 | 45 | 8 545 |
| Absa 92 0559 0710 | | Call Account | Call Account | Call Account | 0 | 0.0% | 42 | 0 | 42 |
| Nedbank 03/7881532939/000117 | | Call Account | Call Account | Call Account | 22 | 0.2% | 4 033 | 22 | 4 055 |

| Investments by maturity Name of institution & investment ID R thousands | Ref | Period of Investment Yrs/Months | Type of Investment | Expiry date of investment | Accrued interest for the month | Yield for the month 1 (%) | Market value at beginning of the month | Change in market value | Market value at end of the month |
|---|-----|---------------------------------------|-----------------------|---------------------------------|--------------------------------------|---------------------------------|--|------------------------------|--|
| Municipality | | | | | | | | | |
| Nedbank 03/7881532939/000108 | | Call Account | Call Account | Call Account | 1 | 0.0% | 174 | 1 | 175 |
| Absa 92 2975 5568 | | Call Account | Call Account | Call Account | 0 | 0.0% | 16 | 0 | 16 |
| Absa 91 9360 7257 | | Call Account | Call Account | Call Account | 5 | 0.0% | 1 005 | 5 | 1 010 |
| Nedbank 03/7881532939/000110 | | Call Account | Call Account | Call Account | 1 | 0.0% | 252 | 1 | 253 |
| Rand Merchant Bank RRB1629010 | | Call Account | Call Account | Call Account | 401 | 3.1% | 74 987 | 401 | 75 388 |
| Stanlib 551 989 180 | | Call Account | Call Account | Call Account | 241 | 1.9% | 37 912 | 241 | 38 153 |
| Absa 92 2590 9850 | | Call Account | Call Account | Call Account | 5 | 0.0% | 990 | 5 | 996 |
| Stanlib 551 539 764 | | Call Account | Call Account | Call Account | 12 | 0.1% | 1 816 | 12 | 1 827 |
| Rand Merchant Bank RRB0324003 | | Call Account | Call Account | Call Account | 0 | 0.0% | 41 | 0 | 41 |
| Stanlib 551 567 496 | | Call Account | Call Account | Call Account | 0 | 0.0% | 1 | 0 | 1 |
| Stanlib 551 576 733 | | Call Account | Call Account | Call Account | 1 | 0.0% | 88 | 1 | 88 |
| Rand Merchant Bank RRB0B25020 | | Call Account | Call Account | Call Account | 9 | 0.1% | 1 729 | 9 | 1 738 |
| Standard 76586/442743 | | Call Account | Call Account | Call Account | 0 | 0.0% | 90 | 0 | 91 |
| Rand Merchant Bank RRB1609012 | | Call Account | Call Account | Call Account | 2 | 0.0% | 298 | 2 | 299 |
| Stanlib 551 742 405 | | Call Account | Call Account | Call Account | 2 | 0.0% | 337 | 2 | 339 |
| Rand Merchant Bank KLN2308011 | | Call Account | Call Account | Call Account | 2 | 0.0% | 321 | 2 | 323 |
| Nedbank 03/7881532939/000128 | | Call Account | Call Account | Call Account | 135 | 1.1% | 25 353 | 135 | 25 489 |
| Rand Merchant Bank RRB1722008 | | Call Account | Call Account | Call Account | 185 | 1.4% | 34 542 | 185 | 34 727 |
| Standard 76586/442745 | | Call Account | Call Account | Call Account | 267 | 2.1% | 50 014 | 267 | 50 282 |
| Absa 92 6406 3148 | | Call Account | Call Account | Call Account | 602 | 4.7% | 112 638 | 602 | 113 239 |
| Rand Merchant Bank KLN2720020 | | Call Account | Call Account | Call Account | 22 | 0.2% | 4 183 | 22 | 4 206 |
| Stanlib 551 868 235 | | Call Account | Call Account | Call Account | 1 | 0.0% | 138 | 1 | 138 |
| Absa 92 0559 0891 | | Call Account | Call Account | Call Account | 3 | 0.0% | 523 | 3 | 526 |
| Rand Merchant Bank VVW2B13011 | | Call Account | Call Account | Call Account | 1 | 0.0% | 127 | 1 | 128 |
| Standard 76586/494573 | | Call Account | Call Account | Call Account | 24 | 0.2% | 4 532 | 24 | 4 556 |

| Investments by maturity Name of institution & investment ID R thousands | Ref | Period of Investment Yrs/Months | Type of Investment | Expiry date of investment | Accrued interest for the month | Yield for the month 1 (%) | Market value at beginning of the month | Change in market value | Market value at end of the month |
|---|----------|---------------------------------------|-----------------------|---------------------------------|--------------------------------------|---------------------------------|--|------------------------------|--|
| Municipality | | | | | | | | | |
| Nedbank 03/7881532939/000133 | | Call Account | Call Account | Call Account | 3 | 0.0% | 513 | 3 | 515 |
| Nedbank 03/7881532939/000134 | | Call Account | Call Account | Call Account | 70 | 0.5% | 13 081 | 70 | 13 151 |
| Stanlib 753 72 270 | | Call Account | Call Account | Call Account | 328 | 2.6% | 51 627 | 328 | 51 955 |
| Stanlib 551 353 708 | | Call Account | Call Account | Call Account | 7 | 0.1% | 1 048 | 7 | 1 055 |
| Standard 76586/442736 | | Call Account | Call Account | Call Account | 210 | 1.6% | 64 231 | (24 790) | 39 440 |
| Stanlib 753 72 271 | | Call Account | Call Account | Call Account | 547 | 4.3% | 92 518 | (23 453) | 69 065 |
| Rand Merchant Bank X021904579 | | Call Account | Call Account | Call Account | 293 | 2.3% | 81 101 | (52 707) | 28 393 |
| Nedbank 03/7881532939/000101 | | Call Account | Call Account | Call Account | 223 | 1.7% | 66 435 | (48 777) | 17 658 |
| Absa 92 1120 9757 | | Call Account | Call Account | Call Account | 1 519 | 11.9% | 305 746 | (42 481) | 263 266 |
| Absa 92 2110 3430 | | Call Account | Call Account | Call Account | 931 | 7.3% | 174 303 | 931 | 175 234 |
| Standard 76586/442741 | | Call Account | Call Account | Call Account | 171 | 1.3% | 32 013 | 171 | 32 184 |
| Standard 76586/442744 | | Call Account | Call Account | Call Account | 153 | 1.2% | 28 626 | 153 | 28 779 |
| Rand Merchant Bank RRB0C07002 | | Call Account | Call Account | Call Account | 276 | 2.2% | 51 747 | 276 | 52 023 |
| Nedbank 03/7881532939/000129 | | Call Account | Call Account | Call Account | 247 | 1.9% | 46 151 | 247 | 46 397 |
| Nedbank 03/7881532939/000132 | | Call Account | Call Account | Call Account | 2 296 | 18.0% | 429 830 | 2 296 | 432 126 |
| Rand Merchant Bank KLN3815041 | | Call Account | Call Account | Call Account | 1 561 | 12.2% | 292 117 | 1 561 | 293 678 |
| Standard 76586/470801 | | Call Account | Call Account | Call Account | 1 118 | 8.7% | 209 211 | 1 118 | 210 329 |
| Standard 76586/442738 | | Call Account | Call Account | Call Account | 13 | 0.1% | 2 431 | 13 | 2 444 |
| Municipality sub-total | | | | | 12 776 | | 2 453 223 | (182 224) | 2 270 999 |
| Entities | | | | | | | | | |
| | | | | | | | | | |
| Entities sub-total | | | | | - | | - | - | - |
| TOTAL INVESTMENTS AND INTEREST | 2 | | | | 12 776 | | 2 453 223 | (182 224) | 2 270 999 |

11. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

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

Table 17: SC7 Monthly Budget Statement – transfers and grants expenditure

| Description | Ref | 2015/16 | Budget Year 2016/17 | | | | | | | |
|--|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| EXPENDITURE | | | | | | | | | | |
| Operating expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | - | 1 177 431 | 1 177 431 | 5 956 | 431 170 | 441 560 | (10 390) | -2.4% | 1 177 431 |
| Local Government Equitable Share | | | 678 197 | 678 197 | - | 282 582 | 282 582 | - | | 678 197 |
| Urban Settlement Development Grant | | | 75 445 | 75 445 | 5 487 | 10 081 | 18 861 | (8 780) | -46.5% | 75 445 |
| Finance Management | | | 1 200 | 1 200 | 43 | 130 | 300 | (170) | -56.8% | 1 200 |
| EPWP Incentive | | | 1 188 | 1 188 | - | 845 | 297 | 548 | 184.5% | 1 188 |
| Infrastructure Skills Development Grant | | | 8 900 | 8 900 | 425 | 855 | 2 225 | (1 370) | -61.6% | 8 900 |
| Water Services Operating Subsidy | | | - | - | - | - | - | - | | - |
| Department of Public Works | | | 2 470 | 2 470 | - | - | 617 | (617) | -100.0% | 2 470 |
| General Fuel Levy | | | 410 031 | 410 031 | - | 136 677 | 136 677 | - | | 410 031 |
| Provincial Government: | | - | 138 802 | 140 081 | 6 330 | 16 474 | 35 020 | (18 546) | -53.0% | 140 081 |
| DSRAC - Library Subsidy | | | 15 000 | 15 000 | - | - | 3 750 | (3 750) | -100.0% | 15 000 |
| Independent Electoral Commission | | | - | 262 | - | - | 65 | (65) | -100.0% | 262 |
| Human Settlement Development Grant | | | 123 802 | 124 819 | 6 330 | 16 474 | 31 205 | (14 731) | -47.2% | 124 819 |
| District Municipality: | | - | - | - | - | - | - | - | | - |
| Health Subsidy - Environmental Health | | | - | - | - | - | - | - | | - |
| Other grant providers: | | - | 3 496 | 586 | - | 594 | 146 | 447 | 305.4% | 586 |
| SETA - Skills Development | | | - | - | - | 594 | - | 594 | | - |
| Transnet | | | 3 000 | - | - | - | - | - | | - |
| City of Oldenburg | | | 496 | 496 | - | - | 124 | (124) | -100.0% | 496 |
| Glasgow | | | - | 90 | - | - | 22 | (22) | -100.0% | 90 |
| Total operating expenditure of Transfers and Grants: | | - | 1 319 728 | 1 318 097 | 12 286 | 448 238 | 476 726 | (28 489) | -6.0% | 1 318 097 |
| Capital expenditure of Transfers and Grants | | | | | | | | | | |
| National Government: | | - | 741 969 | 741 969 | 37 526 | 68 141 | 185 492 | (117 351) | -63.3% | 741 969 |
| Urban Settlement Development Grant | | | 656 054 | 656 054 | 37 557 | 68 123 | 164 014 | (95 890) | -58.5% | 656 054 |
| Infrastructure Skills Development Grant | | | 100 | 100 | - | - | 25 | (25) | -100.0% | 100 |
| Public Transport Network Grant | | | 35 289 | 35 289 | - | - | 8 822 | (8 822) | -100.0% | 35 289 |
| Neighbourhood Development Partnership | | | 19 346 | 19 346 | - | - | 4 837 | (4 837) | -100.0% | 19 346 |
| Integrated National Electrification Programme | | | 25 000 | 25 000 | 18 | 18 | 6 250 | (6 232) | -99.7% | 25 000 |
| Finance Management | | | 100 | 100 | (49) | - | 25 | (25) | -100.0% | 100 |
| Integrated City Development Grant | | | 6 080 | 6 080 | - | - | 1 520 | (1 520) | -100.0% | 6 080 |
| Provincial Government: | | - | 106 300 | 119 947 | - | - | 29 987 | (29 987) | -100.0% | 119 947 |
| Human Settlement Development Grant | | | 106 300 | 106 300 | - | - | 26 575 | (26 575) | -100.0% | 106 300 |
| Dept Sport, Recreation, Arts and Culture (DSRAC) | | | - | 4 411 | - | - | 1 103 | (1 103) | -100.0% | 4 411 |
| Dept of Local Government and Traditional Affairs | | | - | 9 036 | - | - | 2 259 | (2 259) | -100.0% | 9 036 |
| Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT) | | | - | 199 | - | - | 50 | (50) | -100.0% | 199 |
| District Municipality: | | - | - | - | - | - | - | - | | - |
| Health Subsidy - Environmental Health | | | - | - | - | - | - | - | | - |
| Other grant providers: | | - | - | 458 | - | - | 115 | (115) | -100.0% | 458 |
| Gavle | | | - | 458 | - | - | 115 | (115) | -100.0% | 458 |
| Total capital expenditure of Transfers and Grants | | - | 848 269 | 862 374 | 37 526 | 68 141 | 215 593 | (147 452) | -68.4% | 862 374 |
| TOTAL EXPENDITURE OF TRANSFERS AND GRANTS | | - | 2 167 997 | 2 180 471 | 49 812 | 516 379 | 692 320 | (175 941) | -25.4% | 2 180 471 |

11.1 Expenditure On Conditional Grants (DoRA Allocation)

The total expenditure inclusive of reclaimed vat on conditional grants budget as at 30 September 2016 amounts to R89.42 million which is 11% of the approved budget of R828.70 million. It is anticipated that the expenditure will improve as the year progresses and once the procurement processes have been undertaken.

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

Table 18: Spending per Conditional Grant Funding Allocation

| Funding | 2016/2017 Rollover Adjustment Budget | YTD Expenditure (incl. VAT) | Variance (incl. VAT) | % Expenditure (incl. VAT) |
|---|---|--|---------------------------------|--|
| Integrated National Electrification Programme Grant | 25 000 000 | 20 558 | 24 979 442 | 0% |
| Finance Management Grant | 1 300 000 | 129 744 | 1 170 256 | 10% |
| Infrastructure Skills Development Grant | 9 000 000 | 893 572 | 8 106 428 | 10% |
| Neighbourhood Development Partnership Grant | 19 346 000 | 0 | 19 346 000 | 0% |
| Urban Settlement Development Grant | 731 499 000 | 87 527 058 | 643 971 942 | 12% |
| Integrated City Development Grant | 6 080 000 | 0 | 6 080 000 | 0% |
| Expanded Public Works Programme Grant | 1 188 000 | 844 966 | 343 034 | 71% |
| Public Transport Infrastructure and Systems Grant | 35 289 000 | 0 | 35 289 000 | 0% |
| TOTAL CONDITIONAL GRANTS | 828 702 000 | 89 415 898 | 739 286 102 | 11% |

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

11.1.1. INTERGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)

The following contracts are currently within the specification process:

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

11.1.2. FINANCE MANAGEMENT GRANT

Spending is progressive as current interns have been remunerated accordingly. Three more interns are to be appointed upon completion of the recruitment process which is presumably 01 November 2016.

The budget will also be utilised for the payment of the Municipal Finance Management Programme (MFMP) and also for the planned IMFO training for the newly appointed and the current interns. Furthermore, the procurement process has started in order to obtain laptops for the interns that will be starting as soon as the recruitment process is completed.

11.1.3. INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)

The funding is only being used to pay the interns stipends as well as mentor salaries. Only eleven (11) interns are currently in the program together with 2 external mentors. An in-take of 16 additional interns during October 2016 is underway. The position for 4 additional mentors will also be advertised during the month of October 2016. An Informal Tender for Behavioral Assessment will also be advertised in October 2016. The procurement process has started in order to obtain laptops for the interns that will be starting as soon as the recruitment process is completed.

11.1.4. INTERGRATED CITY DEVELOPMENT GRANT (ICDG)

The project is at planning stage. Project data and scope of works are being finalised.

11.1.5. URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)

HUMAN SETTLEMENTS

The programme is on track and 30% of the allocated funds to the directorate have been spent, however, the legal dispute at Reeston 3 stage 2 continues to reflect a negative image on the overall expenditure.

INFRASTRUCTURE SERVICES

Sanitation

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

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

Electricity

Street Lighting and Highmasts within BCMM Areas of Supply: Highmast Lighting Specification at tender stage - project for new street lighting in Bonza Bay in progress (materials have been purchased).

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

DEVELOPMENT & SPATIAL PLANNING

KwaTshathsu Pedestrian Bridge

Consultants were appointed in July 2014 and the feasibility study, preliminary/ concept designs and Detailed Design Report has been approved. An Environmental Authorisation was issued in July 2015 and the Water Use Licence Application (WULA) has been approved by the Department of Water & Sanitation and confirmation has been received. The construction tender document has been submitted to Bid Specifications Committee (BSC) via SCM on the 1st October 2015. Construction tender was advertised on the 26th January 2016 and closed on the 9th February 2016. Tender was approved by Bid Evaluation Committee (BEC) on 2nd June 2016 and is currently at Bid Adjudication Committee (BAC).

The land requirements are currently being dealt with by the Land Administration Division, who are in the process of addressing the land issues which are required for construction purposes. Valuations have been obtained and the Land Administration Department is in the process of dealing with the land owner.

Needs Camp / Potsdam Bridge

Consultants were appointed in December 2013. The preliminary design, Detailed Design and construction tender document has been completed. The Environmental application process has been completed and Environmental Impact Assessment (EIA) Record of Decision was awarded on the 3rd February 2016 and the Water Use Authorisation was completed on the 13th November 2015.

The Land Administration Department is currently dealing with the land issues regarding ownership and transfer to Council for the roadway. The mining permit has been applied for in 2015 and approval is still outstanding from the Department of Mineral Resources. The construction tender was advertised on 26 January 2016 and closed on the 26th February 2016. The tender is currently at the Bid Evaluation Committee.

Traffic calming measures

Construction of speed humps has been completed in Airport Township, Mdantsane NU 2, NU 3, NU 11, Dunoon Road and Zwelitsha Zone 2.

Sidewalks

The deviation has lapsed therefore there was no contract to implement works. The contract is now being evaluated at Bid Evaluation Committee (BEC) and award is expected in October 2016.

ECONOMIC DEVELOPMENT AND AGENCIES

The Directorate of Economic Development and Agencies has an approved allocation of R10 million from the USDG in the 2016/17 financial year which will be utilised on the following:

- Concrete reinforcement under electric fencing and supporting barbed wire fencing to be completed in October 2016.
- Solar power panels for energy efficiency, specifications are being consolidated.
- LED lights to fitted for energy saving.
- Floor epoxy resin system specifications are being prepared from the factory for hygiene sales floor standards.

- Work order given to cold room consultants on 22 September 2016 and technical drawings completed and signed off on 29 September 2016.
- Specifications for four new cold rooms to be submitted to the Specifications Committee.

HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES

A report for the Construction of King Williams Town (KWT) Traffic Centre has been approved by the Bid Evaluation Committee and is to be submitted to the next Bid Adjudication Committee meeting to be held in October 2016.

MUNICIPAL SERVICES

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

11.1.6. PUBLIC TRANSPORT INFRASTRUCTURE AND SYSTEMS GRANT

Transport register

Tender was advertised on 01 March 2016 and awarded on 16 September 2016. The Service Providers have commenced with the project and will submit invoices as progress is made.

Operational plan review of integrated rapid public transport network

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

Qumza Highway

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

Development and Upgrading of Public Transport Facilities in KWT

The tender was recommended by the Bid Adjudication Committee (BAC) on 30 September 2016. Construction will start in October 2016 and expenditure will improve.

11.1.7. EXPANDED PUBLIC WORKS PROGRAMME INCENTIVES GRANT

The municipality has an allocation of R 1.19 million for the 2016/17 financial year from the National Department of Public Works, as per the approved payment schedule by National treasury. A Business Plan has been approved for the following projects: Operations and Maintenance of Public Ablution Facilities (R 297 000); Maintenance of Eco Parks (R 594 000) & Maintenance of Roads within BCMM clusters (R 297 000). These projects are ongoing, therefore funds are committed and 71% has been spent.

12. COUNCILLOR AND EMPLOYEE BENEFITS

12.1. Councillor and Employees Benefits Summary

Table 19 below provides summary of employees and Councilors remuneration.

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

| Summary of Employee and Councillor remuneration | Ref | Budget Year 2016/17 | | | | | | | | |
|---|-----|-------------------------|------------------|------------------|----------------|----------------|----------------|-----------------|----------------|--------------------|
| | | 2015/16 Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | A | B | C | | | | | | D |
| Councillors (Political Office Bearers plus Other) | 1 | | | | | | | | | |
| Basic Salaries and Wages | | | 33 999 | 33 999 | 2 622 | 7 628 | 8 500 | (872) | -10% | 33 999 |
| Pension and UIF Contributions | | | 3 495 | 3 495 | 249 | 677 | 874 | (197) | -22% | 3 495 |
| Medical Aid Contributions | | | 1 987 | 1 987 | 100 | 402 | 497 | (94) | -19% | 1 987 |
| Motor Vehicle Allowance | | | 13 412 | 13 412 | 1 046 | 3 053 | 3 353 | (300) | -9% | 13 412 |
| Cellphone Allowance | | | 2 279 | 2 279 | 177 | 518 | 570 | (52) | -9% | 2 279 |
| Housing Allowances | | | 2 927 | 2 927 | 293 | 872 | 732 | 140 | 19% | 2 927 |
| Other benefits and allowances | | | – | – | – | – | – | – | – | – |
| Sub Total - Councillors | | – | 58 099 | 58 099 | 4 487 | 13 150 | 14 525 | (1 375) | -9% | 58 099 |
| Senior Managers of the Municipality | 3 | | | | | | | | | |
| Basic Salaries and Wages | | | 12 192 | 12 192 | 423 | 1 342 | 3 093 | (1 752) | -57% | 12 192 |
| Pension and UIF Contributions | | | 2 216 | 2 216 | 82 | 261 | 562 | (301) | -54% | 2 216 |
| Medical Aid Contributions | | | 262 | 262 | 10 | 32 | 66 | (35) | -53% | 262 |
| Overtime | | | – | – | – | – | – | – | – | – |
| Performance Bonus | | | – | – | – | – | – | – | – | – |
| Motor Vehicle Allowance | | | 2 630 | 2 630 | 97 | 299 | 667 | (368) | -55% | 2 630 |
| Cellphone Allowance | | | 414 | 414 | 16 | 47 | 105 | (58) | -55% | 414 |
| Housing Allowances | | | – | – | – | – | – | – | – | – |
| Other benefits and allowances | | | 2 202 | 2 202 | 134 | 386 | 559 | (173) | -31% | 2 202 |
| Payments in lieu of leave | | | – | – | – | – | – | – | – | – |
| Long service awards | | | – | – | – | – | – | – | – | – |
| Post-retirement benefit obligations | | | – | – | – | – | – | – | – | – |
| Sub Total - Senior Managers of Municipality | 2 | – | 19 916 | 19 916 | 761 | 2 367 | 5 053 | (2 686) | -53% | 19 916 |
| Other Municipal Staff | | | | | | | | | | |
| Basic Salaries and Wages | | | 913 258 | 913 258 | 71 268 | 210 358 | 231 716 | (21 357) | -9% | 913 258 |
| Pension and UIF Contributions | | | 174 823 | 174 823 | 14 945 | 44 698 | 44 357 | 341 | 1% | 174 823 |
| Medical Aid Contributions | | | 81 759 | 81 759 | 5 752 | 17 119 | 20 744 | (3 625) | -17% | 81 759 |
| Overtime | | | 72 218 | 72 218 | 16 796 | 36 031 | 18 324 | 17 707 | 97% | 72 218 |
| Performance Bonus | | | – | – | – | – | – | – | – | – |
| Motor Vehicle Allowance | | | 30 051 | 30 051 | 1 978 | 5 820 | 7 625 | (1 805) | -24% | 30 051 |
| Cellphone Allowance | | | 3 884 | 3 884 | 327 | 988 | 985 | 3 | 0% | 3 884 |
| Housing Allowances | | | 14 767 | 14 767 | 802 | 2 493 | 3 747 | (1 254) | -33% | 14 767 |
| Other benefits and allowances | | | 179 077 | 179 077 | 17 892 | 43 115 | 45 436 | (2 321) | -5% | 179 077 |
| Payments in lieu of leave | | | 16 209 | 16 209 | (108) | 1 340 | 4 113 | (2 773) | -67% | 16 209 |
| Long service awards | | | 18 925 | 18 925 | 1 956 | 5 291 | 4 802 | 489 | 10% | 18 925 |
| Post-retirement benefit obligations | | | 6 181 | 6 181 | 6 | 18 | 1 568 | (1 550) | -99% | 6 181 |
| Sub Total - Other Municipal Staff | 2 | – | 1 511 153 | 1 511 153 | 131 613 | 367 272 | 383 416 | (16 145) | -4% | 1 511 153 |
| Total Parent Municipality | | – | 1 589 167 | 1 589 167 | 136 860 | 382 789 | 402 994 | (20 206) | -5% | 1 589 167 |
| Unpaid salary, allowances & benefits in arrears: | | | | | | | | | | |
| Board Members of Entities | | | | | | | | | | |
| Basic Salaries and Wages | | | 103 | 103 | – | – | – | – | – | 103 |
| Sub Total - Board Members of Entities | 2 | – | 103 | 103 | – | – | – | – | – | 103 |
| Senior Managers of Entities | | | | | | | | | | |
| Basic Salaries and Wages | | | 5 580 | 5 580 | – | – | – | – | – | 5 580 |
| Pension and UIF Contributions | | | 198 | 198 | – | – | – | – | – | 198 |
| Medical Aid Contributions | | | 98 | 98 | – | – | – | – | – | 98 |
| Performance Bonus | | | 135 | 135 | – | – | – | – | – | 135 |
| Motor Vehicle Allowance | | | 333 | 333 | – | – | – | – | – | 333 |
| Cellphone Allowance | | | 74 | 74 | – | – | – | – | – | 74 |
| Housing Allowances | | | 27 | 27 | – | – | – | – | – | 27 |
| Other benefits and allowances | | | 111 | 111 | – | – | – | – | – | 111 |
| Sub Total - Senior Managers of Entities | | – | 6 557 | 6 557 | – | – | – | – | – | 6 557 |
| Other Staff of Entities | | | | | | | | | | |
| Basic Salaries and Wages | | | 6 322 | 6 322 | – | – | – | – | – | 6 322 |
| Pension and UIF Contributions | | | 37 | 37 | – | – | – | – | – | 37 |
| Medical Aid Contributions | | | 98 | 98 | – | – | – | – | – | 98 |
| Overtime | | | – | – | – | – | – | – | – | – |
| Performance Bonus | | | 22 | 22 | – | – | – | – | – | 22 |
| Motor Vehicle Allowance | | | – | – | – | – | – | – | – | – |
| Cellphone Allowance | | | 91 | 91 | – | – | – | – | – | 91 |
| Housing Allowances | | | 18 | 18 | – | – | – | – | – | 18 |
| Other benefits and allowances | | | 20 | 20 | – | – | – | – | – | 20 |
| Sub Total - Other Staff of Entities | | – | 6 608 | 6 608 | – | – | – | – | – | 6 608 |
| Total Municipal Entities | | – | 13 269 | 13 269 | – | – | – | – | – | 13 269 |
| TOTAL SALARY, ALLOWANCES & BENEFITS | | – | 1 602 436 | 1 602 436 | 136 860 | 382 789 | 402 994 | (20 206) | -5% | 1 602 436 |
| TOTAL MANAGERS AND STAFF | | – | 1 544 233 | 1 544 233 | 132 374 | 369 639 | 388 469 | (18 831) | -5% | 1 544 233 |

12.2. Overtime Analysis

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

Table 20: Overtime per Directorate

| Directorate | 2016/2017 Annual Budget R | 2016/2017 YTD Budget R | 2016/2017 YTD Expenditure R | 2016/2017 Variance R | 2016/2017 % of YTD Budget % |
|--|------------------------------------|---------------------------------|--------------------------------------|----------------------------|--------------------------------------|
| Directorate Of Executive Support Services | 1 638 161 | 409 540 | 1 036 241 | (302 052) | 211% |
| Directorate Of The City Manager | 310 477 | 77 619 | 89 648 | (1 840) | 104% |
| Directorate Of Corporate Services | 597 129 | 149 282 | 199 841 | (17 945) | 118% |
| Directorate Of Development & Spatial Planning | 623 454 | 155 864 | 94 232 | 38 813 | 63% |
| Directorate Of Economic Development & Agencies | 468 800 | 117 200 | 48 181 | 50 304 | 36% |
| Directorate Of Finance | 1 358 753 | 339 688 | 848 294 | (219 262) | 197% |
| Directorate Of Health / Public Safety & Emergency Services | 29 709 079 | 7 427 270 | 13 594 529 | (527 748) | 111% |
| Directorate Of Human Settlement | 101 931 | 25 483 | 0 | 16 989 | 0% |
| Directorate Of Infrastructure Services | 17 131 302 | 4 282 826 | 8 782 091 | (2 573 680) | 190% |
| <i>Electricity</i> | 7 741 181 | 1 935 295 | 2 735 566 | (264 381) | 120% |
| <i>Water</i> | 3 352 141 | 838 035 | 3 424 367 | (1 607 860) | 388% |
| <i>Sanitation</i> | 4 954 818 | 1 238 705 | 2 446 663 | (754 903) | 191% |
| <i>Other</i> | 1 083 162 | 270 791 | 127 063 | 53 464 | 70% |
| Directorate Of Municipal Services | 20 279 324 | 5 069 831 | 11 337 917 | (3 661 681) | 208% |
| Total | 72 218 410 | 18 054 603 | 36 030 974 | (7 198 102) | 160% |

Table 21: Overtime Per Cost Centre: July 2016 – September 2016

OVERTIME PER COST CENTRE

| | | July 2016 Amount | August 2016 Amount | September 2016 Amount |
|---------|---|---------------------|-----------------------|--------------------------|
| | Directorate - Executive Support Services | | | |
| 105 005 | Office of The Director of Executive Support | 262 626.99 | 101 285.76 | 470 960.58 |
| 105 020 | Public Participation & Ward Committees | 5 727.62 | 9 623.62 | 6 344.26 |
| 105 025 | Strategic Support | 1 252.68 | - | 1 968.50 |
| 105 030 | Special Programmes | 12 436.59 | - | 2 305.43 |
| 110 005 | IDP | 2 279.15 | - | 1 700.03 |
| 120 010 | Public Relations & International Events | 10 810.30 | - | 4 620.40 |
| | | 295 133.33 | 110 909.38 | 487 899.20 |
| | | | | |
| | Directorate - Municipal Manager | | | |
| 205 005 | Office of The Municipal Manager & Support Services | 22 905.41 | 10 793.36 | 31 979.65 |
| 215 005 | Internal Audit | 16 548.29 | - | - |
| | | 39 453.70 | 10 793.36 | 31 979.65 |
| | | | | |
| | Directorate - Chief Financial Officer | | | |
| 305 010 | Support Services Office | - | 3 086.91 | 3 781.05 |
| 315 005 | Budget Office | 17 874.49 | - | 15 279.56 |
| 320 010 | Supply Chain Management | 104 340.78 | 824.59 | 18 214.10 |
| 320 015 | Expenditure Office | 25 185.58 | 47 839.53 | 2 343.18 |
| 320 020 | Salary Office | - | 19 629.07 | - |
| 330 005 | Rates & Valuations Office | - | 1 231.23 | 3 150.51 |
| 330 010 | Consolidated Billing & Miscellaneous Revenue Office | 75 701.69 | 54 106.88 | 451.40 |
| 330 015 | Debtors Management Office | 113 022.51 | 129 021.51 | 159 849.63 |
| 330 020 | Customer Care Office | 9 071.44 | 7 139.71 | 44 920.67 |
| 330 025 | Pre-Payment Vending Office | 4 744.35 | 2 052.57 | 4 525.75 |
| | | 349 940.84 | 264 932.00 | 252 515.85 |
| | | | | |
| | Directorate - Corporate Services | | | |
| 415 005 | Administrative & Council Support | 4 302.89 | 5 211.80 | 7 601.85 |
| 415 010 | Auxilliary & Telecommunication Services | 24 289.36 | 30 164.99 | 32 438.27 |
| 415 025 | Management Information Services | 7 161.86 | - | 5 305.93 |
| 420 005 | H.R. Administration | - | 20 076.31 | 31 057.62 |
| 420 010 | Occupational Risk Management | 10 031.42 | 8 851.26 | - |
| 420 015 | Labour Relations | 1 866.39 | - | - |
| 420 020 | Organisational Development | - | - | 1 311.07 |
| 425 005 | Research Policy & Knowledge Management Unit | 8 931.81 | 3 657.47 | - |
| | | 56 583.73 | 67 961.83 | 77 714.74 |
| | | | | |
| | Directorate - Engineering Services | | | |
| 505 010 | City Engineering Building | 2 099.69 | 2 449.64 | 2 332.98 |
| 515 006 | Night Soil Removal - Coastal | 73 934.03 | 58 993.83 | 43 735.89 |

| | | July 2016 Amount | August 2016 Amount | September 2016 Amount |
|---------|---|---------------------|-----------------------|--------------------------|
| 515 007 | Night Soil Removal - Central | 2 675.97 | 2 106.11 | 1 734.43 |
| 515 010 | Sewerage Admin | - | 7 165.59 | 3 582.81 |
| 515 026 | Sewerage Treatment - Coastal | 77 105.19 | 68 569.69 | 82 311.83 |
| 515 027 | Sewerage Treatment - Central | 44 126.58 | 37 541.50 | 90 916.95 |
| 515 028 | Sewerage Treatment - Inland | 104 838.36 | 94 301.56 | 95 008.18 |
| 515 031 | Sewerage Reticulation - Coastal | 214 076.26 | 221 765.65 | 219 223.84 |
| 515 032 | Sewerage Reticulation - Central | 113 379.00 | 109 299.69 | 131 732.42 |
| 515 033 | Sewerage Reticulation - Inland | 111 031.65 | 125 591.77 | 130 327.56 |
| 520 005 | Water Administration | 26 837.93 | 620.19 | - |
| 520 011 | Maden Dam | 15 534.71 | 12 557.11 | 14 046.79 |
| 520 012 | Bridle Drift Dam | - | 3 705.19 | 3 487.24 |
| 520 015 | Bulk Pumping Stations | 29 126.24 | 17 131.23 | 28 545.78 |
| 520 021 | Umzonyana Water Treatment Works | 76 609.86 | 49 498.46 | 87 345.57 |
| 520 023 | KWT Water Treatment Works | 114 924.21 | 62 333.33 | 133 527.75 |
| 520 024 | Mdantsane Bulk Pumping | 62 599.47 | 33 966.45 | 49 194.24 |
| 520 025 | Water Ops & Maint. - Inland | 196 816.98 | 126 076.11 | 223 294.88 |
| 520 026 | Water Ops & Maint. - Midland | 266 876.58 | 180 568.01 | 230 248.72 |
| 520 030 | Water Ops & Maint. - Coastal | 424 270.36 | 355 006.90 | 439 617.84 |
| 525 010 | Roads Administration | 535.47 | 2 498.67 | - |
| 525 025 | Roads & Stormwater Drainage | 22 816.20 | 4 771.32 | 18 389.29 |
| 525 035 | Project Management & Implementation Branch | - | 5 613.43 | - |
| 530 005 | Mechanical Workshop - Westbank | 10 224.66 | 12 788.72 | 5 598.70 |
| 530 015 | Mechanical Workshop - Braelyn | 29 264.10 | 20 791.43 | 20 198.26 |
| 535 005 | Electricity Administration | 1 975.61 | 2 372.35 | 2 035.16 |
| 535 010 | Electricity Distribution Supervisory Staff | 727 735.17 | 612 365.53 | 1 076 931.39 |
| 535 025 | Electricity Planning & Design | 594.66 | 669.00 | 594.66 |
| 535 040 | Revenue Protection | 88 693.79 | 76 660.56 | 78 518.94 |
| | | 2 838 702.73 | 2 307 779.02 | 3 212 482.10 |
| | | | | |
| | Directorate - Development Planning | | | |
| 615 095 | Building Maintenance - Coastal / Central | 9 892.22 | - | - |
| 620 015 | Traffic Signal Maintenance | 12 475.94 | 11 844.48 | 13 637.16 |
| 625 005 | Buffalo City Bus Services | 10 175.25 | 17 980.66 | 13 928.14 |
| 635 010 | Market | 9 116.22 | 13 967.97 | 18 311.26 |
| | | 41 659.63 | 43 793.11 | 45 876.56 |
| | | | | |
| | Directorate - Health & Public Safety | | | |
| 710 030 | Environmental Health | 10 393.92 | 1 897.78 | - |
| 710 040 | Pollution Control | 1 542.65 | - | 1 928.31 |
| 725 010 | Fire & Rescue Services | 392 149.08 | 410 554.37 | 488 016.76 |
| 725 015 | Law Enforcement Services | 1 797 214.07 | 987 886.34 | 1 849 953.81 |
| 725 020 | Traffic Administration | 102 872.93 | 93 787.44 | 117 100.31 |
| 725 025 | Traffic Control | 273 313.68 | 242 667.61 | 245 096.67 |

| | | July 2016 Amount | August 2016 Amount | September 2016 Amount |
|---------|---|---------------------|-----------------------|--------------------------|
| 725 035 | Vehicle Test Station / Examination | 14 625.39 | 3 349.62 | 8 274.82 |
| 725 036 | Vehicle Registration | 14 472.98 | 9 507.01 | 7 089.29 |
| 725 040 | Drivers License Testing | 2 763.60 | 4 477.57 | 2 096.85 |
| 725 045 | Traffic Technical Services | 33 563.52 | 4 758.38 | 26 177.65 |
| 725 050 | Parking Areas / Meters | 49 703.60 | 25 623.71 | 24 835.92 |
| 725 055 | Disaster Management | 6 057.73 | 8 123.27 | 5 675.86 |
| | | 2 698 673.15 | 1 792 633.10 | 2 776 246.25 |
| | | | | |
| | Directorate - Community Services | | | |
| 750 005 | Office of The Director of Community Services | - | 3 051.34 | 3 187.55 |
| 750 010 | Cleansing Administration Support | 2 576.86 | 2 775.08 | 3 171.52 |
| 755 005 | Environmental Administration Support | - | - | 1 953.39 |
| 755 010 | Environmental Services | 534 035.12 | 552 871.74 | 848 112.71 |
| 755 015 | Environmental Conservation | 148 885.64 | 188 827.67 | 178 915.99 |
| 755 025 | Interments | 263 420.37 | 267 112.90 | 286 669.78 |
| 760 005 | Arts & Cultural Services Admin | 35 659.87 | 20 921.85 | 21 782.93 |
| 760 010 | Libraries | 15 142.38 | 11 607.29 | 4 821.52 |
| 760 025 | Halls | 170 685.11 | 187 456.69 | 228 566.41 |
| 765 005 | Amenities Administration Support | 23 096.12 | 35 122.45 | 11 640.14 |
| 765 010 | Sportsfields | 151 964.10 | 165 326.45 | 191 487.20 |
| 765 015 | Swimming Pools | 66 747.06 | 73 307.86 | 11 780.20 |
| 765 020 | Aquarium | 53 109.46 | 26 138.57 | 81 917.87 |
| 765 025 | Zoo | 61 754.06 | 69 252.02 | 70 662.10 |
| 765 030 | Beaches | 194 589.93 | 204 943.78 | 247 669.81 |
| 765 035 | Resorts | 69 911.71 | 73 409.87 | 73 136.21 |
| 770 005 | Cleansing Administration Support | 40 104.61 | 25 449.21 | 12 024.41 |
| 770 010 | Refuse Removal | 729 205.98 | 668 524.75 | 898 949.16 |
| 770 015 | Waste Disposal Sites | 35 935.14 | 33 493.24 | 38 090.20 |
| 770 020 | Street Sweeping | 506 894.12 | 557 531.99 | 642 194.57 |
| 770 025 | Public Conveniences | 81 954.45 | 123 052.53 | 132 874.47 |
| 770 030 | E.L Regional Waste Disposal Site & Transfer Station | 78 223.81 | 77 699.49 | 75 575.40 |
| | | 3 263 895.90 | 3 367 876.77 | 4 065 183.54 |
| | | | | |
| | TOTAL OVERTIME | 9 584 043.01 | 7 966 678.57 | 10 949 897.89 |

12.2.1. Comments On Overtime

a) Directorate of Executive Support Services

The over expenditure is due to the Mayoral Bodyguards having to work extended overtime and night shifts. The funding is also used by Public Participation staff when they do loudhailing in particular the night time shift between 6pm - 8pm; attending ward committee meetings after hours and attending public participation

events or programmes around BCMM.

b) City Managers Office

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

c) Directorate of Corporate Services

The over expenditure on overtime is as a result of council meetings which necessitates the drivers to deliver council agendas. The payroll section also had to work overtime in the month of September 2016 in order to finalise the payroll for the month.

d) Directorate of Finance

The over expenditure is due to the preparations of year end activities by Finance officials in order to meet the deadlines for the Annual Financial Statements submission to the Auditor General (AGSA). Emergency overtime also had to be performed by the payroll and benefits section in order to complete back pay calculations.

e) Directorate of Infrastructure Services

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

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

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

f) Directorate of Health / Public Safety & Emergency Services

The traffic services as an emergency service will always have to work overtime due to the nature of services rendered in that it has to respond to all emergencies either

road accidents, unrest situations, protest marches, shortage of staff and disasters. Operational staff duties performed over the weekends include Drunk and driving campaigns, events, roadblocks etc. in order to comply with the National Rollout Enforcement Plan (NREP).

g) Directorate of Municipal Services

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

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

12.3. Standby and Shift Allowance Analysis

Table 22 below reflects the total standby and shift allowance incurred per directorate for the past three months ended 30 September 2016. There was a decrease in the total payment between July 2016 and August 2016 of R86 953 and an increase in the total payment between August 2016 and September 2016 of R123 574.

Table 22: Standby & Shift Allowance per Directorate

| | JULY 2016 | AUGUST 2016 | SEPTEMBER 2016 |
|--|----------------------|------------------------|---------------------------|
| Directorate of Executive Support Services | 8 381 | 7 371 | 7 693 |
| Directorate of the City Manager | 1 620 | 1 718 | 1 754 |
| Directorate of Finance | 16 564 | 18 908 | 18 585 |
| Directorate of Corporate Services | 20 593 | 1 180 | 24 575 |
| Directorate of Infrastructure Services | 565 075 | 545 687 | 593 348 |
| Directorate of Development and Spatial Planning | 13 991 | 13 391 | 14 707 |
| Directorate of Health / Public Safety & Emergency Services | 657 880 | 591 505 | 615 207 |
| Directorate of Municipal Services | 227 908 | 245 299 | 272 765 |
| TOTAL | 1 512 014 | 1 425 060 | 1 548 635 |

12.4. Cost of Temporary Staff

The total payment of Temporary Staff for the past three months ended 30 September 2016 is reflected below. There was a decrease in the total payment between July 2016 and August 2016 of R450 660 and an increase in the total payment between August 2016 and September 2016 of R109 415.

Table 23: Temporary Staff per Directorate

| | JULY 2016 | AUGUST 2016 | SEPTEMBER 2016 |
|--|----------------------|------------------------|---------------------------|
| Directorate of Executive Support Services | 1 049 667 | 314 227 | 630 745 |
| Directorate of the City Manager | 250 791 | 214 524 | 217 436 |
| Directorate of Human Settlements | 227 897 | 225 000 | 200 340 |
| Directorate of Finance | 341 083 | 332 635 | 373 276 |
| Directorate of Corporate Services | 658 588 | 930 219 | 677 089 |
| Directorate of Infrastructure Services | 114 545 | 108 443 | 169 878 |
| Directorate of Development and Spatial Planning | 47 479 | 47 132 | 48 267 |
| Directorate of Health / Public Safety & Emergency Services | 635 678 | 29 396 | 23 280 |
| Directorate of Municipal Services | 1 155 851 | 1 829 342 | 1 800 022 |
| TOTAL | 4 481 579 | 4 030 918 | 4 140 333 |

12.5. Councillors Costs

The table below shows the budget and expenditure to date for councillors costs. The year to date budget of R14 524 700 less the year to date expenditure of R13 150 026 leaves a variance of R1 374 674.

Table 24: Councillors Costs

| Councillors Allowances and Benefits | 2016/2017 | 2016/2017 | 2016/2017 | 2016/2017 | 2016/2017 |
|-------------------------------------|-------------------|-------------------|-------------------|------------------|-------------------|
| | Annual Budget | YTD Budget | YTD Expenditure | Variance | YTD Expenditure % |
| | R | R | R | R | % |
| Mayoral Allowance | 790 172 | 197 543 | 172 552 | 24 991 | 87% |
| Deputy Mayoral Allowance | 638 158 | 159 540 | 143 598 | 15 942 | 90% |
| Mayoral Committee Allowance | 6 599 489 | 1 649 872 | 1 311 475 | 338 397 | 79% |
| Speakers Allowance | 638 158 | 159 540 | 146 723 | 12 817 | 92% |
| Out of Pocket Expenses | 1 208 400 | 302 100 | 67 418 | 234 682 | 22% |
| Councillors Allowance | 24 124 437 | 6 031 109 | 5 769 251 | 261 858 | 96% |
| Cllr Cell Phone Allowance | 2 278 635 | 569 659 | 518 132 | 51 527 | 91% |
| Cllr Housing Subsidy | 2 927 329 | 731 832 | 871 664 | -139 832 | 119% |
| Cllr Medical Aid | 1 986 812 | 496 702 | 402 289 | 94 413 | 81% |
| Cllr Pension Scheme | 3 495 042 | 873 761 | 677 240 | 196 521 | 78% |
| Cllr Travel Allowance | 13 412 169 | 3 353 042 | 3 069 684 | 283 358 | 92% |
| TOTAL | 58 098 801 | 14 524 700 | 13 150 026 | 1 374 674 | 91% |

13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE

The entity has started operating on its own with minimal need for daily support from the parent municipality. The Buffalo City Metropolitan Development Agency has a budget of R18.38 million and has spent R2.85 million (15%) as at 30 September 2016.

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

14. CAPITAL PROGRAMME PERFORMANCE

BCMM has spent R135.78 million inclusive of reclaimed vat (2015/16: R106.82 million) which is 8% (2015/16: 8%) of its 2016/17 adjusted capital budget of R1.69 billion (2015/16: R1.38 billion) as at 30 September 2016. This depicts a slight improvement in rand value terms when compared to the same period in the previous financial year. Refer to Annexure A – C5 for the breakdown per municipal vote, standard classification & funding; Annexure B – SC12 for monthly expenditure trends; SC13a for breakdown of asset classification for new assets and SC13b for breakdown on asset classification on renewal of existing asset).

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

Table 25 below reflects capital expenditure performance per source of funding.

Table 25: Capital Expenditure per Funding Source against Budget

| Funding | 2016/2017 Rollover Adjustment Budget | YTD Expenditure (incl. VAT) | Variance (incl. VAT) | % Expenditure (incl. VAT) Rollover budget |
|--|---|--|---------------------------------|--|
| Own Funds | 761 199 310 | 59 008 525 | 702 190 785 | 8% |
| LOAN | 69 581 825 | 0 | 69 581 825 | 0% |
| Total Own Funding | 830 781 135 | 59 008 525 | 771 772 610 | 7% |
| DoE(Integrated National Electrification Programme) | 25 000 000 | 20 558 | 24 979 442 | 0% |
| DEDEAT | 199 168 | 0 | 199 168 | 0% |
| DSRAC | 4 411 277 | 0 | 4 411 277 | 0% |
| Finance Management Grant | 100 000 | 0 | 100 000 | 0% |
| Galve | 458 000 | 0 | 458 000 | 0% |
| Infrastructure Skills Development Grant | 100 000 | 0 | 100 000 | 0% |
| Integrated City Development Grant | 6 080 000 | 0 | 6 080 000 | 0% |
| Local Government & Traditional Affairs | 9 036 112 | 0 | 9 036 112 | 0% |
| Neighbourhood Development Partnership Grant | 19 346 000 | 0 | 19 346 000 | 0% |
| Urban Settlement Development Grant | 656 054 030 | 76 755 602 | 579 298 428 | 12% |
| Human Settlement Development Grant | 106 300 000 | 0 | 106 300 000 | 0% |
| Public Transport Infrastructure and Systems Grant | 35 289 000 | 0 | 35 289 000 | 0% |
| Total Grants | 862 373 588 | 76 776 160 | 785 597 427 | 9% |
| TOTAL PER FUNDING | 1 693 154 722 | 135 784 686 | 1 557 370 036 | 8% |

Table 26 below reflects capital expenditure performance per service.

Table 26: Actual Expenditure per Service against Budget

| Services | 2016/2017 Rollover Adjustment Budget | YTD Expenditure (incl. VAT) | Variance (incl. VAT) | % Expenditure (incl. VAT) Rollover budget |
|----------------------------|---|--|---------------------------------|--|
| Water | 87 500 000 | 24 356 351 | 63 143 649 | 28% |
| Waste Water | 420 539 799 | 32 413 950 | 388 125 849 | 8% |
| Electricity | 143 000 000 | 11 130 472 | 131 869 528 | 8% |
| Roads and Stormwater | 261 098 558 | 13 666 173 | 247 432 385 | 5% |
| Housing | 211 477 194 | 30 191 903 | 181 285 291 | 14% |
| Transport Planning | 139 789 000 | 2 016 327 | 137 772 673 | 1% |
| Local Economic Development | 54 734 025 | 2 475 495 | 52 258 530 | 5% |
| Spatial Planning | 96 708 219 | 2 060 922 | 94 647 297 | 2% |
| Waste Management / Refuse | 115 796 195 | 364 878 | 115 431 318 | 0% |
| Amenities | 51 376 990 | 4 154 571 | 47 222 419 | 8% |
| Public Safety | 46 483 912 | 736 476 | 45 747 436 | 2% |
| Support Services | 46 338 808 | 3 316 925 | 43 021 883 | 7% |
| Other - BCM Fleet | 18 312 022 | 8 900 244 | 9 411 778 | 49% |
| TOTAL | 1 693 154 722 | 135 784 686 | 1 557 370 036 | 8% |

Table 27 below reflects capital expenditure performance per directorate.

Table 27: Actual Expenditure per Directorate against Budget

| Directorate | 2016/2017 Rollover Adjustment Budget | YTD Expenditure (incl. VAT) | Variance (incl. VAT) | % Expenditure (incl. VAT) Rollover budget |
|---|---|--|---------------------------------|--|
| Executive Support Services | 8 007 062 | 129 304 | 7 877 758 | 2% |
| Directorate of the City Manager | 17 521 500 | 2 882 431 | 14 639 069 | 16% |
| Directorate of Human Settlement | 211 477 194 | 30 191 903 | 181 285 291 | 14% |
| Directorate of Finance | 747 535 | 95 938 | 651 597 | 13% |
| Directorate of Corporate Services | 9 033 820 | 177 308 | 8 856 512 | 2% |
| Directorate of Infrastructure Services | 937 030 379 | 90 474 425 | 846 555 954 | 10% |
| Directorate of Development and Spatial Planning | 230 417 219 | 4 077 249 | 226 339 970 | 2% |
| Directorate of Economic Development and Agencies | 54 734 025 | 2 475 495 | 52 258 530 | 5% |
| Directorate of Health, Public Safety and Emergency Services | 46 483 912 | 736 476 | 45 747 436 | 2% |
| Directorate of Municipal Services | 167 702 076 | 4 544 158 | 163 157 919 | 3% |
| TOTAL DIRECTORATES | 1 683 154 722 | 135 784 686 | 1 547 370 036 | 8% |
| Asset Replacement | 10 000 000 | 0 | 10 000 000 | 0% |
| GRAND - TOTAL | 1 693 154 722 | 135 784 686 | 1 557 370 036 | 8% |

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

Table 28: SC12 Monthly budget Statement – capital expenditure trend

| Month | 2015/16 | Budget Year 2016/17 | | | | | | | |
|--|-----------------|---------------------|------------------|----------------|---------------|---------------|--------------|----------------|----------------------------|
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | % spend of Original Budget |
| R thousands | | | | | | | | | |
| Monthly expenditure performance trend | | | | | | | | | |
| July | | 6 746 | 6 746 | 1 611 | 1 611 | 6 746 | 5 135 | 76.1% | 0% |
| August | | 42 169 | 42 169 | 39 205 | 40 817 | 48 916 | 8 099 | 16.6% | 3% |
| September | | 34 991 | 34 991 | 86 333 | 127 150 | 83 907 | (43 243) | -51.5% | 8% |
| October | | 58 305 | 58 305 | | | 142 212 | - | | |
| November | | 56 652 | 56 652 | | | 198 865 | - | | |
| December | | 69 364 | 69 364 | | | 268 229 | - | | |
| January | | 41 215 | 41 215 | | | 309 443 | - | | |
| February | | 42 842 | 42 842 | | | 352 285 | - | | |
| March | | 65 464 | 65 464 | | | 417 750 | - | | |
| April | | 89 153 | 89 153 | | | 506 903 | - | | |
| May | | 87 115 | 87 115 | | | 594 018 | - | | |
| June | | 964 116 | 1 099 137 | | | 1 693 155 | - | | |
| Total Capital expenditure | - | 1 558 134 | 1 693 155 | 127 150 | | | | | |

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

Table 29: SC13a Monthly budget Statement – capital expenditure on new assets by asset class

| Description | Ref | 2015/16 | Budget Year 2016/17 | | | | | | | |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| Capital expenditure on new assets by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | – | 417 323 | 434 397 | 7 117 | 8 963 | 21 527 | 12 565 | 58.4% | 434 397 |
| Infrastructure - Road transport | | – | 106 080 | 106 080 | 3 004 | 3 983 | 5 257 | 1 274 | 24.2% | 106 080 |
| <i>Roads, Pavements & Bridges</i> | | | 106 080 | 106 080 | 3 004 | 3 983 | 5 257 | 1 274 | 24.2% | 106 080 |
| <i>Storm water</i> | | | – | – | – | – | – | – | – | – |
| Infrastructure - Electricity | | – | 43 000 | 43 000 | 1 196 | 1 216 | 2 131 | 915 | 42.9% | 43 000 |
| <i>Generation</i> | | | – | – | – | – | – | – | – | – |
| <i>Transmission & Reticulation</i> | | | 43 000 | 43 000 | 1 196 | 1 216 | 2 131 | 915 | 42.9% | 43 000 |
| <i>Street Lighting</i> | | | – | – | – | – | – | – | – | – |
| Infrastructure - Water | | – | – | – | – | – | – | – | – | – |
| <i>Dams & Reservoirs</i> | | | – | – | – | – | – | – | – | – |
| <i>Water purification</i> | | | – | – | – | – | – | – | – | – |
| <i>Reticulation</i> | | | – | – | – | – | – | – | – | – |
| Infrastructure - Sanitation | | – | – | – | – | – | – | – | – | – |
| <i>Reticulation</i> | | | – | – | – | – | – | – | – | – |
| <i>Sewerage purification</i> | | | – | – | – | – | – | – | – | – |
| Infrastructure - Other | | – | 268 243 | 285 317 | 2 917 | 3 763 | 14 139 | 10 376 | 73.4% | 285 317 |
| <i>Waste Management</i> | | | 78 454 | 85 294 | 56 | 320 | 4 227 | 3 907 | 92.4% | 85 294 |
| <i>Transportation</i> | | | 145 789 | 145 789 | 1 384 | 1 876 | 7 225 | 5 349 | 74.0% | 145 789 |
| <i>Gas</i> | | | – | – | – | – | – | – | – | – |
| <i>Other</i> | | | 44 000 | 54 234 | 1 476 | 1 567 | 2 688 | 1 121 | 41.7% | 54 234 |
| Community | | – | 21 000 | 21 926 | 30 | 2 104 | 1 087 | (1 017) | -93.6% | 21 926 |
| Parks & gardens | | | 500 | 500 | – | – | 25 | 25 | 100.0% | 500 |
| Sportsfields & stadia | | | 500 | 1 426 | 30 | 30 | 71 | 41 | 57.7% | 1 426 |
| Swimming pools | | | – | – | – | – | – | – | – | – |
| Community halls | | | 10 000 | 10 000 | – | – | 496 | 496 | 100.0% | 10 000 |
| Libraries | | | – | – | – | – | – | – | – | – |
| Recreational facilities | | | – | – | – | – | – | – | – | – |
| Fire, safety & emergency | | | – | – | – | – | – | – | – | – |
| Security and policing | | | – | – | – | – | – | – | – | – |
| Buses | | | – | – | – | – | – | – | – | – |
| Clinics | | | – | – | – | – | – | – | – | – |
| Museums & Art Galleries | | | – | – | – | – | – | – | – | – |
| Cemeteries | | | 10 000 | 10 000 | – | 2 074 | 496 | (1 578) | -318.5% | 10 000 |
| Social rental housing | | | – | – | – | – | – | – | – | – |
| Other | | | – | – | – | – | – | – | – | – |
| Heritage assets | | – | – | – | – | – | – | – | – | – |
| Buildings | | | – | – | – | – | – | – | – | – |
| Other | | | – | – | – | – | – | – | – | – |
| Investment properties | | – | 201 941 | 210 977 | 7 273 | 26 057 | 10 455 | (15 602) | -149.2% | 210 977 |
| Housing development | | | 201 941 | 210 977 | 7 273 | 26 057 | 10 455 | (15 602) | -149.2% | 210 977 |
| Other | | | – | – | – | – | – | – | – | – |
| Other assets | | – | 113 570 | 200 053 | 12 362 | 13 365 | 9 914 | (3 451) | -34.8% | 200 053 |
| General vehicles | | | 18 200 | 52 009 | 8 568 | 8 900 | 2 577 | (6 323) | -245.3% | 52 009 |
| Specialised vehicles | | – | 11 000 | 11 532 | – | – | 571 | 571 | 100.0% | 11 532 |
| Plant & equipment | | | 14 966 | 21 214 | 402 | 609 | 1 051 | 442 | 42.1% | 21 214 |
| Computers - hardware/equipment | | | 20 700 | 55 700 | 2 863 | 2 863 | 2 760 | (103) | -3.7% | 55 700 |
| Furniture and other office equipment | | | 23 972 | 27 693 | 529 | 992 | 1 372 | 380 | 27.7% | 27 693 |
| Abattoirs | | | – | – | – | – | – | – | – | – |
| Markets | | | – | – | – | – | – | – | – | – |
| Civic Land and Buildings | | | 5 286 | 12 458 | – | – | 617 | 617 | 100.0% | 12 458 |
| Other Buildings | | | – | – | – | – | – | – | – | – |
| Other Land | | | – | – | – | – | – | – | – | – |
| Surplus Assets - (Investment or Inventory) | | | – | – | – | – | – | – | – | – |
| Other | | | 19 446 | 19 446 | – | – | 964 | 964 | 100.0% | 19 446 |
| Agricultural assets | | – | – | – | – | – | – | – | – | – |
| <i>List sub-class</i> | | | – | – | – | – | – | – | – | – |
| Biological assets | | – | – | – | – | – | – | – | – | – |
| <i>List sub-class</i> | | | – | – | – | – | – | – | – | – |
| Intangibles | | – | – | – | – | – | – | – | – | – |
| Computers - software & programming | | | – | – | – | – | – | – | – | – |
| Other | | | – | – | – | – | – | – | – | – |
| Total Capital Expenditure on new assets | 1 | – | 753 834 | 867 354 | 26 782 | 50 489 | 42 983 | (7 505) | -17.5% | 867 354 |
| Specialised vehicles | | – | 11 000 | 11 532 | – | – | 571 | 571 | 0 | 11 532 |
| Refuse | | | – | – | – | – | – | – | – | – |
| Fire | | | 11 000 | 11 532 | – | – | 571 | 571 | 0 | 11 532 |
| Conservancy | | | – | – | – | – | – | – | – | – |
| Ambulances | | | – | – | – | – | – | – | – | – |

The capital programme performance table 30 below provide summary of capital

expenditure by asset class/sub-class for renewal of existing assets (Exclusive of VAT).

Table 30: SC13b Monthly budget Statement – capital expenditure on renewal of existing assets by asset class

| Description | Ref | 2015/16 | Budget Year 2016/17 | | | | | | | |
|---|-----|-----------------|---------------------|-----------------|----------------|---------------|---------------|--------------|----------------|--------------------|
| | | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | | | |
| Capital expenditure on renewal of existing assets by Asset Class/Sub-class | | | | | | | | | | |
| Infrastructure | | – | 720 091 | 734 138 | 55 573 | 71 689 | 36 381 | (35 308) | -97.0% | 734 138 |
| Infrastructure - Road transport | | – | 161 099 | 161 099 | 7 161 | 8 912 | 7 983 | (928) | -11.6% | 161 099 |
| Roads, Pavements & Bridges | | | 161 099 | 161 099 | 7 161 | 8 912 | 7 983 | (928) | -11.6% | 161 099 |
| Storm water | | | – | – | – | – | – | – | – | – |
| Infrastructure - Electricity | | – | 100 000 | 100 000 | 6 224 | 9 752 | 4 956 | (4 797) | -96.8% | 100 000 |
| Generation | | | – | – | – | – | – | – | – | – |
| Transmission & Reticulation | | | 100 000 | 100 000 | 6 224 | 9 752 | 4 956 | (4 797) | -96.8% | 100 000 |
| Street Lighting | | | – | – | – | – | – | – | – | – |
| Infrastructure - Water | | – | 87 500 | 87 500 | 15 075 | 22 880 | 4 336 | (18 544) | -427.6% | 87 500 |
| Dams & Reservoirs | | | – | – | – | – | – | – | – | – |
| Water purification | | | – | – | – | – | – | – | – | – |
| Reticulation | | | 87 500 | 87 500 | 15 075 | 22 880 | 4 336 | (18 544) | -427.6% | 87 500 |
| Infrastructure - Sanitation | | – | 371 492 | 385 540 | 27 113 | 30 145 | 19 106 | (11 039) | -57.8% | 385 540 |
| Reticulation | | | 371 492 | 385 540 | 27 113 | 30 145 | 19 106 | (11 039) | -57.8% | 385 540 |
| Sewerage purification | | | – | – | – | – | – | – | – | – |
| Infrastructure - Other | | – | – | – | – | – | – | – | – | – |
| Waste Management | | | – | – | – | – | – | – | – | – |
| Transportation | | | – | – | – | – | – | – | – | – |
| Gas | | | – | – | – | – | – | – | – | – |
| Other | | | – | – | – | – | – | – | – | – |
| Community | | – | 19 855 | 25 805 | 1 765 | 1 765 | 1 279 | (486) | -38.0% | 25 805 |
| Parks & gardens | | | – | – | – | – | – | – | – | – |
| Sportsfields & stadia | | | 10 000 | 14 411 | 1 018 | 1 018 | 714 | (304) | -42.5% | 14 411 |
| Swimming pools | | | 2 500 | 2 500 | 526 | 526 | 124 | (402) | -324.8% | 2 500 |
| Community halls | | | – | – | – | – | – | – | – | – |
| Libraries | | | – | – | – | – | – | – | – | – |
| Recreational facilities | | | 7 355 | 8 894 | 221 | 221 | 441 | 220 | 50.0% | 8 894 |
| Fire, safety & emergency | | | – | – | – | – | – | – | – | – |
| Security and policing | | | – | – | – | – | – | – | – | – |
| Buses | | | – | – | – | – | – | – | – | – |
| Clinics | | | – | – | – | – | – | – | – | – |
| Museums & Art Galleries | | | – | – | – | – | – | – | – | – |
| Cemeteries | | | – | – | – | – | – | – | – | – |
| Social rental housing | | | – | – | – | – | – | – | – | – |
| Other | | | – | – | – | – | – | – | – | – |
| Heritage assets | | – | – | – | – | – | – | – | – | – |
| Buildings | | | – | – | – | – | – | – | – | – |
| Other | | | – | – | – | – | – | – | – | – |
| Investment properties | | – | – | – | – | – | – | – | – | – |
| Housing development | | | – | – | – | – | – | – | – | – |
| Other | | | – | – | – | – | – | – | – | – |
| Other assets | | – | 64 355 | 65 857 | 2 214 | 3 207 | 3 264 | 57 | 1.7% | 65 857 |
| General vehicles | | | – | – | – | – | – | – | – | – |
| Specialised vehicles | | | – | – | – | – | – | – | – | – |
| Plant & equipment | | | 700 | 1 181 | 344 | 344 | 59 | (286) | -488.5% | 1 181 |
| Computers - hardware/equipment | | | – | – | – | – | – | – | – | – |
| Furniture and other office equipment | | | – | – | – | – | – | – | – | – |
| Abattoirs | | | – | – | – | – | – | – | – | – |
| Markets | | | – | – | – | – | – | – | – | – |
| Civic Land and Buildings | | | 62 655 | 63 676 | 1 852 | 2 845 | 3 156 | 311 | 9.8% | 63 676 |
| Other Buildings | | | – | – | – | – | – | – | – | – |
| Other Land | | | – | – | – | – | – | – | – | – |
| Surplus Assets - (Investment or Inventory) | | | – | – | – | – | – | – | – | – |
| Other | | | 1 000 | 1 000 | 18 | 18 | 50 | 32 | 64.1% | 1 000 |
| Agricultural assets | | – | – | – | – | – | – | – | – | – |
| List sub-class | | | – | – | – | – | – | – | – | – |
| Biological assets | | – | – | – | – | – | – | – | – | – |
| List sub-class | | | – | – | – | – | – | – | – | – |
| Intangibles | | – | – | – | – | – | – | – | – | – |
| Computers - software & programming | | | – | – | – | – | – | – | – | – |
| Other | | | – | – | – | – | – | – | – | – |
| Total Capital Expenditure on renewal of existing ass | 1 | – | 804 300 | 825 801 | 59 551 | 76 661 | 40 924 | (35 737) | -87.3% | 825 801 |
| Specialised vehicles | | – | – | – | – | – | – | – | – | – |
| Refuse | | | – | – | – | – | – | – | – | – |
| Fire | | | – | – | – | – | – | – | – | – |
| Conservancy | | | – | – | – | – | – | – | – | – |
| Ambulances | | | – | – | – | – | – | – | – | – |

15. OTHER SUPPORTING DOCUMENTS

15.1. Operating Projects Expenditure

The Metro has spent 12% (R39.19 million) inclusive of reclaimed vat of its 2016/17 adjusted budget of R327.39 million as at 30 September 2016. This reflects an improvement when compared to the same period in the previous financial year where 6% (R43.9 million) inclusive of reclaimed vat of the adjusted operating projects budget of R697.73 million was spent. It is anticipated that the expenditure will improve as the year progresses and once the procurement processes have been undertaken.

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

Tables 31 and 32 below summarise Annexure D.

Table 31: Operating Projects per Directorate

| Operating Projects Per Directorate | <u>2016/2017 Rollover Adjustment Budget</u> | <u>YTD Expenditure (incl.vat)</u> | <u>Variance (incl. VAT)</u> | <u>% Expenditure (incl. VAT) Rollover budget</u> |
|---|--|--|--|---|
| Directorate of Executive Support Services | 6 639 858 | 0 | 6 639 858 | 0% |
| Directorate of the City Manager | 27 684 535 | 6 565 344 | 21 119 191 | 24% |
| Directorate of Human Settlement | 127 319 287 | 21 751 788 | 105 567 499 | 17% |
| Directorate of Finance | 53 449 700 | 659 093 | 52 790 607 | 1% |
| Directorate of Corporate Services | 8 900 000 | 893 572 | 8 006 428 | 10% |
| Directorate of Infrastructure Services | 54 495 761 | 3 799 555 | 50 696 207 | 7% |
| Directorate of Development and Spatial Planning | 1 250 000 | 0 | 1 250 000 | 0% |
| Directorate of Economic Development and Agencies | 33 500 000 | 2 951 209 | 30 548 791 | 9% |
| Directorate of Health, Public Safety and Emergency Services | 3 599 600 | 0 | 3 599 600 | 0% |
| Directorate of Municipal Services | 10 550 000 | 2 568 000 | 7 982 000 | 24% |
| TOTAL PER DIRECTORATE | 327 388 741 | 39 188 561 | 288 200 181 | 12% |

Table 32: Operating Projects per Funding Source

| OPERATING PROJECTS PER FUNDING SOURCE | <u>2016/2017 Rollover Adjustment Budget</u> | <u>YTD Expenditure (incl. vat)</u> | <u>Variance (incl. VAT)</u> | <u>% Expenditure (incl. VAT) Rollover budget</u> |
|--|--|---|------------------------------------|---|
| Total Own Funding | 112 519 700 | 5 174 269 | 107 345 431 | 5% |
| City of Oldenburg | 495 761 | 0 | 495 761 | 0% |
| Department of Public Works | 2 469 600 | 0 | 2 469 600 | 0% |
| Expanded Public Works Programme Incentives Grant | 1 188 000 | 844 966 | 343 034 | 71% |
| Finance Management Grant | 1 200 000 | 129 745 | 1 070 255 | 11% |
| Human Settlement Development Grant | 124 819 287 | 21 374 554 | 103 444 733 | 17% |
| Independent Electoral Commission | 261 565 | | 261 565 | |
| Glasgow | 89 858 | | 89 858 | |
| Infrastructure Skills Development Grant | 8 900 000 | 893 572 | 8 006 428 | 10% |
| Urban Settlement Development Grant | 75 444 970 | 10 771 456 | 64 673 514 | 14% |
| Total Grants | 214 869 041 | 34 014 292 | 180 854 750 | 16% |
| | | | | |
| TOTAL PER FUNDING | 327 388 741 | 39 188 561 | 288 200 181 | 12% |

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

16.1. Health / Public Safety & Emergency Services

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

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

| 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 | 571 948 | 57 760 | 0 | 629 708 |
| GM - EMERGENCY SERVICES | (24 173 284) | 23 550 683 | 5 104 002 | 166 114 | 28 820 798 |
| EMERGENCY SERVICES | 0 | 555 729 | 106 612 | 13 633 | 675 973 |
| DISASTER MANAGEMENT | 0 | 566 381 | 200 187 | 17 805 | 784 373 |
| FIRE & RESCUE | (24 173 284) | 22 428 573 | 4 797 203 | 134 676 | 27 360 452 |
| GM - MUNICIPAL HEALTH SERVICES | 0 | 6 156 326 | 858 941 | 29 468 | 7 044 735 |
| MUNICIPAL HEALTH SERVICES | 0 | 6 156 326 | 858 941 | 29 468 | 7 044 735 |
| GM - PUBLIC SAFETY & PROTECTION SERVICES | (14 136 962) | 46 971 730 | 2 665 716 | 348 798 | 49 986 244 |
| PUBLIC SAFETY & PROTECTION SERVICES | (9 194) | 5 341 610 | 651 083 | 254 728 | 6 247 421 |
| LAW ENFORCEMENT SERVICES | (1 020) | 31 317 383 | 843 773 | 85 445 | 32 246 601 |
| TRAFFIC SERVICES | (14 126 748) | 10 312 737 | 1 170 860 | 8 625 | 11 492 222 |
| Total | (38 310 246) | 77 250 686 | 8 686 419 | 544 380 | 86 481 485 |

16.2. Municipal Services

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

Table 34: Municipal Services – Cost Analysis

| Municipal Services | Total Revenue | Employee Costs | Other Operating Expenditure | Repairs & Maintenance | Total Expenditure Excluding Capital |
|---|----------------------|-----------------------|------------------------------------|----------------------------------|--|
| OFFICE OF THE DIRECTOR OF MUNICIPAL SERVICES | 0 | 1 628 930 | 356 667 | 0 | 1 985 597 |
| GM - COMMUNITY AMENITIES | (770 476) | 23 103 958 | 5 526 282 | 1 518 352 | 30 148 592 |
| COMMUNITY AMENITIES | 0 | 2 613 395 | 147 116 | 19 414 | 2 779 926 |
| LIBRARIES | (66 037) | 4 359 866 | 389 305 | 76 753 | 4 825 925 |
| HALLS | (406 677) | 3 477 190 | 745 125 | 80 307 | 4 302 622 |
| RECREATION | (249 335) | 7 620 849 | 1 773 989 | 960 747 | 10 355 584 |
| SPORTS FACILITIES | (48 428) | 5 032 657 | 2 470 748 | 381 131 | 7 884 536 |
| GM - PARKS / CEMETRIES & CONSERVATION | (2 634 982) | 32 441 175 | 6 803 427 | 1 551 033 | 40 795 634 |
| PARKS / CEMETRIES & CONSERVATION | 0 | 588 573 | 49 866 | 0 | 638 438 |
| CEMETRIES & CREMATORIA | (2 387 919) | 4 991 268 | 2 175 650 | 21 440 | 7 188 357 |
| CONSERVATION | (227 640) | 3 671 331 | 774 121 | 87 127 | 4 532 579 |
| PARKS: COASTAL | (19 424) | 23 190 004 | 3 803 791 | 1 442 466 | 28 436 260 |
| GM - SOLID WASTE MANAGEMENT | (110 142 072) | 30 927 821 | 49 702 872 | 4 564 305 | 85 194 997 |
| SOLID WASTE MANAGEMENT | 0 | 2 023 742 | 2 683 957 | 1 227 752 | 5 935 451 |
| CLEANSING & REFUSE REMOVAL: COASTAL | (108 556 681) | 26 324 409 | 37 616 071 | 3 336 553 | 67 277 033 |
| LANDFILLS & TRANSFER STATIONS | (1 585 391) | 2 579 669 | 9 402 844 | 0 | 11 982 513 |
| Total | (113 547 530) | 88 101 884 | 62 389 248 | 7 633 690 | 158 124 821 |

17. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

| |
|----------------------------|
| QUALITY CERTIFICATE |
|----------------------------|

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

The monthly budget statement (Section 71 Report)

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

Print name: Nceba Ncunyana

Acting City Manager of Buffalo City Metropolitan Municipality, BUF

Signature:

Date:

ANNEXURES:

Annexure A

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

Annexure B

- SC1 Material Variance Explanation
- SC2 Performance Indicators
- SC3 Aged Debtors
- SC4 Aged Creditors
- SC5 Investment Portfolio
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- SC11 Monthly Budget Statement – Summary of Municipal Entity
- SC12 Capital Expenditure trend
- SC13a Capital Expenditure on New Assets by Class
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- SC13d Depreciation by Asset Class

Annexure C

Schedule of Borrowings

Annexure D

Operating expenditure report

Annexure E

Capital expenditure report

Annexure F

Buffalo City Development Agency Financial Performance Report