

**REPORT TO EXECUTIVE MAYOR: 14 SEPTEMBER 2015**

**File No.:5/1/1/1[15/16]**

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**STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF  
THE 2015/16 BUDGET FOR THE PERIOD ENDING 31 AUGUST 2015**

**1. PURPOSE**

The purpose of the report is for the Executive Mayor to consider and note the statement of financial performance and the implementation of the 2015/16 budget of the Buffalo City Metropolitan Municipality for the period ending 31 August 2015.

**2. AUTHORITY**

Executive Mayor

**3. LEGAL / STATUTORY REQUIREMENTS**

The Constitution of the Republic of South Africa, 1996

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

Municipal Budget and Reporting Regulations

**4. BACKGROUND**

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

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

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

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

## **5. RESOLUTIONS**

It is recommended that:

- (i) The Executive Mayor considers and notes the report on the statement of financial performance and the implementation of the 2015/16 budget for the period ending 31 August 2015 including supporting documentation attached as Annexure A to E.
- (ii) The Executive Mayor notes the spending rate on capital and operating projects as well as reasons for such 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 ending 31 August 2015 of 73% and the twelve (12) months average of 91%.

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**ACTING CITY MANAGER**

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**DATE**

**6. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND  
THE FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY FOR THE  
PERIOD ENDING 31 AUGUST 2015**

**6.1. Dashboard / Performance Summary**

**Table 1: Performance Summary**

OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	R 1,114,507,135	Bank Balance	R 209,410,771
Expenditure	R 828,390,283	Call investment deposits (excl. int.)	R 2,514,310,228
Operating Surplus	R 286,116,852	<b>Cash and cash equivalents</b>	<b>R 2,723,720,999</b>
		<i>Account Payables</i>	<i>(R 680,573,052)</i>
		<i>Unspent conditional grants</i>	<i>(R 502,308,372)</i>
		<i>Committed to Capital budget-own funds</i>	<i>(R 416,210,497)</i>
		<b>Therefore uncommitted cash and cash equivalents</b>	<b>R 1,124,629,078</b>
		Total Long term loans	R 548,858,328
DEBTORS		SURPLUS / DEFICIT PER SERVICE	
Total debtors book	R 1,407,832,511	Water	R 35,788,475
Total debtors - Government	R 38,264,619	Electricity	(R 18,240,570)
Total debtors - Business	R 306,817,902	Refuse	R 47,352,249
Total debtors - Households	R 871,262,814	Sewerage	R 49,519,455
Total debtors - Other	R 191,487,177		
Total debt written off	R 10,135,568		
CAPITAL EXPENDITURE		OPERATING PROJECTS EXPENDITURE	
<b>2014/2015: Capital Expenditure as a % of Adjusted Budget of R1.06 billion:</b>	<b>2015/2016: Capital Expenditure as a % of Approved Budget of R1,27 billion:</b>	<b>2014/2015: Operating Expenditure as a % of Adjusted Budget of R210.97 million:</b>	<b>2015/2016: Operating Expenditure as a % of Approved Budget of R671.32 million:</b>
Exp.(excl. vat) = R41.28 mil % expenditure (excl. vat): 4%	Exp. (excl. vat) = R42.22 mil % exp (Excl. vat) :3%	Exp.(excl. vat) = R26.01 mil % expenditure (excl. vat): 9%	Exp.(excl. vat)=R15.44 mil % exp.(excl. vat): 2%
Exp.(incl. vat) = R45.32 mil % expenditure (incl. vat): 4%	Exp. (incl. vat) = R44.9 mil % exp (incl. vat): 4%	Exp.(incl. vat) = R26.03 mil % exp. (incl. vat): 9%	Exp.(incl. vat) = R15.5 mil % exp.(incl. vat): 2%
FINANCIAL		HUMAN RESOURCES	
Operating Surplus for the period	R 286,116,852	Total staff complement	4 533
12 months average collection ratio	91%	Staff Appointments	719
YTD Grants and subsidies	R 276,026,938	Staff Terminations	335
Debtors to Revenue	15.70%	Number of funded vacant posts	805
Percentage of Creditors paid within terms	100%	Total overtime paid (YTD)	R 17,406,650
Current ratio	2.64:1	Allowances and benefits - Councillors	R 8,472,018
Total debt to Total assets	3.32%	Salary bill - Officials	R 205,224,784
Capital Charges to Operating Expenditure	1.09%	Workforce costs as a % of income	18.4%
Cost coverage ratio	5.87 months		

## **Liquidity position**

Buffalo City Metropolitan Municipality's liquidity is considered relatively sound as the Current Ratio is 2.64:1 which indicates the ability of Municipality's current assets to cover its current liabilities. Debtors constitute 23% of the current assets, inventory constitutes 1% and cash & cash equivalents comprise 71% of the current assets.

### **6.2. Collection Rate and Outstanding Debtors**

The debtor's collection rate for the average twelve months ending 31 August 2015 is 91% (2014/15: 93%) and the year to date collection rate for the two (2) month is 73% (2014/15: 86%).

Total debtors book as at 31 August 2015 amounts to R1,41 billion (2015: R1.25 billion). Households: R871.26 million, Business: R306.82 million, Government: R38.27 million, Other: R191.49 million. The ratio of debtors to revenue is 18.33%. The debtors' age analysis report is reflected on Annexure B – SC3.

### **6.3. Capital Expenditure**

BCMM has spent R44.9 million inclusive of reclaimed vat (2014/15: R45.32 million) which is 4% (2014/15: 4%) of its 2015/16 approved capital budget of R1.27 billion (2014/15: R1.06 billion) as at 31 August 2015. It is anticipated that the expenditure will improve as the year progresses and once the procurement processes have been undertaken. (Refer to Section 14 for further details)

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

### **6.4. Operating projects**

The Metro has spent 2% (R15.5 million, inclusive of reclaimed vat) of its 2015/16 approved budget of R671.32 million as at 31 August 2015. This reflects a regression when compared to the same period in the previous financial year where 9% (R26.03 million) of the approved operating projects budget of R288.44 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.

## **6.5. Expenditure on DoRA Current Allocation**

The Metro has spent R35.06 million inclusive of reclaimed vat (2014/15: R39.22 million) which is 4% (2014/15: 5%) of its 2015/2016 DoRA allocation of R801.94 million (2014/15: R714.18 million) as at 31 August 2015. This reflects a slight regression 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 R34.47 million inclusive of reclaimed vat (2014/15: R38 million) which is 5% (2014/15: 6%) of its 2015/16 USDG budget of R713.13 million (2014/15: R673.29 million) as at 31 August 2015. This reflects a slight regression 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. Cash and Cash Equivalents**

The cash and cash equivalents of the City as at 31 August 2015 are R2.72 billion made up of cash and bank amounting to R209.41 million and call investment deposits of R2.51 billion. This funding is invested with various financial institutions in compliance with the MFMA. Refer to Section 7.7 and Annexure A – C7 for the cash flow statement as well as Section 10 and Annexure B – SC5 for the investment portfolio breakdown. The cost coverage ratio of the city is 5.87 months.

## **6.7. 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.

## **6.8. Long-Term Debt Profile**

The total long term borrowings of the municipality as at 31 August 2015 amounts to R548.86 million (Refer to Annexure C for the schedule of borrowings).

The ratio of total debt to total assets is 3.32% and the total debt to revenue ratio is 12.22% as at 31 August 2015.

## 7. IN-YEAR BUDGET STATEMENT MAIN TABLES

### 7.1. Monthly Budget Statement Summary

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

**Table 2:C1: Monthly Budget Statement Summary**

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	903 413	-	69 761	156 056	124 523	31 533	25%	903 413
Service charges	-	2 686 741	-	240 426	490 028	430 929	59 099	14%	2 686 741
Investment revenue	-	133 620	-	12 248	21 508	22 270	(762)	-3%	133 620
Transfers recognised - operational	-	1 249 333	-	1 310	276 027	260 327	15 700	6%	1 249 333
Other own revenue	-	746 500	-	149 173	170 888	162 021	8 867	5%	746 500
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>5 719 607</b>	-	<b>472 919</b>	<b>1 114 507</b>	<b>1 000 070</b>	<b>114 437</b>	<b>11%</b>	<b>5 719 607</b>
Employee costs	-	1 387 619	-	100 627	205 225	231 270	(26 045)	-11%	1 387 619
Remuneration of Councillors	-	52 910	-	4 262	8 472	8 818	(346)	-4%	52 910
Depreciation & asset impairment	-	712 213	-	59 351	118 702	118 702	0	0%	712 213
Finance charges	-	54 313	-	4 526	9 052	9 875	(823)	-8%	54 313
Materials and bulk purchases	-	1 377 012	-	161 342	325 279	322 462	2 817	1%	1 377 012
Transfers and grants	-	258 568	-	4 591	20 402	13 875	6 527	47%	258 568
Other expenditure	-	1 876 050	-	102 951	141 258	164 963	(23 705)	-14%	1 876 050
<b>Total Expenditure</b>	-	<b>5 718 685</b>	-	<b>437 650</b>	<b>828 390</b>	<b>869 965</b>	<b>(41 575)</b>	<b>-5%</b>	<b>5 718 685</b>
<b>Surplus/(Deficit)</b>	-	<b>922</b>	-	<b>35 269</b>	<b>286 117</b>	<b>130 105</b>	<b>156 012</b>	<b>120%</b>	<b>922</b>
Transfers recognised - capital	-	850 353	-	33 276	33 425	32 659	765	2%	850 353
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	<b>851 275</b>	-	<b>68 545</b>	<b>319 542</b>	<b>162 765</b>	<b>156 777</b>	<b>96%</b>	<b>851 275</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	-	<b>851 275</b>	-	<b>68 545</b>	<b>319 542</b>	<b>162 765</b>	<b>156 777</b>	<b>96%</b>	<b>851 275</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	-	<b>1 275 354</b>	-	<b>42 068</b>	<b>42 216</b>	<b>32 659</b>	<b>9 556</b>	<b>29%</b>	<b>1 275 354</b>
Capital transfers recognised	-	850 353	-	33 276	33 425	21 776	11 649	53%	850 353
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	425 002	-	8 791	8 791	10 884	(2 092)	-19%	425 002
<b>Total sources of capital funds</b>	-	<b>1 275 354</b>	-	<b>42 068</b>	<b>42 216</b>	<b>32 659</b>	<b>9 556</b>	<b>29%</b>	<b>1 275 354</b>
<b>Financial position</b>									
Total current assets	-	3 250 381	-	-	3 823 069	-	-	-	3 250 381
Total non current assets	-	11 706 711	-	-	12 618 635	-	-	-	11 706 711
Total current liabilities	-	1 026 227	-	-	1 450 309	-	-	-	1 026 227
Total non current liabilities	-	1 099 508	-	-	962 585	-	-	-	1 099 508
<b>Community wealth/Equity</b>	-	<b>12 831 357</b>	-	-	<b>14 028 810</b>	-	-	-	<b>12 831 357</b>
<b>Cash flows</b>									
Net cash from (used) operating	-	1 350 929	-	39 140	567 140	225 155	(341 985)	-152%	1 350 929
Net cash from (used) investing	-	(1 275 354)	-	(42 068)	(42 216)	(212 559)	(170 343)	80%	(1 275 354)
Net cash from (used) financing	-	(46 097)	-	-	-	(7 683)	(7 683)	100%	(46 097)
<b>Cash/cash equivalents at the month/year end</b>	-	<b>2 383 434</b>	-	-	<b>2 723 721</b>	<b>2 358 869</b>	<b>(364 852)</b>	<b>-15%</b>	<b>2 228 275</b>
<b>Debtors &amp; creditors analysis</b>									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
<b>Debtors Age Analysis</b>									
Total By Income Source	250 371	103 341	50 672	48 171	39 508	33 998	194 525	687 246	1 407 833
<b>Creditors Age Analysis</b>									
Total Creditors	649 238	31 335	-	-	-	-	-	-	680 573

## 7.2. Monthly Budget Statement – Financial Performance (standard classification)

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

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

Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue - Standard</b>										
<i><b>Governance and administration</b></i>		–	1 974 740	–	211 542	471 280	445 936	25 344	6%	1 974 740
Executive and council		–	37 902	–	1 687	1 687	–	1 687	#DIV/0!	37 902
Budget and treasury office		–	1 922 818	–	209 387	469 080	445 694	23 386	5%	1 922 818
Corporate services		–	14 019	–	468	514	241	272	113%	14 019
<i><b>Community and public safety</b></i>		–	651 123	–	15 467	28 193	19 210	8 984	47%	651 123
Community and social services		–	17 738	–	998	1 804	1 662	142	9%	17 738
Sport and recreation		–	5 601	–	61	143	204	(61)	-30%	5 601
Public safety		–	90 035	–	13 292	25 128	16 938	8 190	48%	90 035
Housing		–	535 206	–	1 117	1 117	11	1 106	10056%	535 206
Health		–	2 542	–	–	1	395	(394)	-100%	2 542
<i><b>Economic and environmental services</b></i>		–	97 752	–	(3 637)	2 498	15 114	(12 616)	-83%	97 752
Planning and development		–	21 272	–	1 133	2 325	3 025	(700)	-23%	21 272
Road transport		–	76 096	–	(4 777)	150	12 070	(11 920)	-99%	76 096
Environmental protection		–	385	–	8	23	20	4	19%	385
<i><b>Trading services</b></i>		–	2 972 019	–	248 034	611 023	518 255	92 768	18%	2 972 019
Electricity		–	1 726 439	–	167 250	338 313	276 983	61 330	22%	1 726 439
Water		–	492 088	–	30 410	103 408	97 814	5 594	6%	492 088
Waste water management		–	392 460	–	26 228	91 812	71 029	20 783	29%	392 460
Waste management		–	361 032	–	24 145	77 491	72 429	5 061	7%	361 032
<i><b>Other</b></i>	4	–	874 327	–	34 789	34 937	34 215	722	2%	874 327
<b>Total Revenue - Standard</b>	2	–	6 569 960	–	506 195	1 147 932	1 032 730	115 202	11%	6 569 960
<b>Expenditure - Standard</b>										
<i><b>Governance and administration</b></i>		–	1 087 762	–	83 890	139 990	148 268	(8 278)	-6%	1 087 762
Executive and council		–	194 037	–	23 725	32 897	34 730	(1 834)	-5%	194 037
Budget and treasury office		–	466 958	–	33 696	60 563	64 348	(3 785)	-6%	466 958
Corporate services		–	426 767	–	26 468	46 530	49 189	(2 659)	-5%	426 767
<i><b>Community and public safety</b></i>		–	989 070	–	42 092	76 016	87 257	(11 242)	-13%	989 070
Community and social services		–	93 320	–	6 376	12 364	14 242	(1 878)	-13%	93 320
Sport and recreation		–	74 147	–	4 921	9 121	10 306	(1 185)	-11%	74 147
Public safety		–	219 275	–	18 148	37 121	37 480	(360)	-1%	219 275
Housing		–	571 731	–	10 547	13 297	21 034	(7 737)	-37%	571 731
Health		–	30 598	–	2 100	4 114	4 196	(82)	-2%	30 598
<i><b>Economic and environmental services</b></i>		–	843 333	–	29 479	55 606	62 403	(6 798)	-11%	843 333
Planning and development		–	213 708	–	16 074	30 281	32 360	(2 079)	-6%	213 708
Road transport		–	527 886	–	5 869	11 140	16 754	(5 614)	-34%	527 886
Environmental protection		–	101 739	–	7 535	14 185	13 290	895	7%	101 739
<i><b>Trading services</b></i>		–	2 781 669	–	281 393	555 301	570 422	(15 122)	-3%	2 781 669
Electricity		–	1 625 904	–	206 828	407 228	395 424	11 803	3%	1 625 904
Water		–	503 337	–	44 239	79 722	85 510	(5 788)	-7%	503 337
Waste water management		–	362 232	–	16 412	36 160	41 689	(5 529)	-13%	362 232
Waste management		–	290 196	–	13 914	32 190	47 799	(15 608)	-33%	290 196
<i><b>Other</b></i>		–	17 005	–	797	1 478	1 615	(136)	-8%	17 005
<b>Total Expenditure - Standard</b>	3	–	5 718 839	–	437 650	828 390	869 965	(41 575)	-5%	5 718 839
<b>Surplus/ (Deficit) for the year</b>		–	851 121	–	68 545	319 542	162 765	156 777	96%	851 121

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

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

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

Vote Description	Ref	2014/15	Budget Year 2015/16							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
<b>Revenue by Vote</b>	1									
Vote 1 - Directorate - Executive Support Services		-	-	-	-	-	-	-	-	
Vote 2 - Directorate - Municipal Manager		-	37 902	-	1 687	1 687	-	1 687	#DIV/0!	37 902
Vote 3 - Directorate - Chief Operations Officer		-	535 206	-	1 311	1 341	994	347	34.9%	535 206
Vote 4 - Directorate - Chief Financial Officer		-	1 922 818	-	209 387	469 080	536 064	(66 984)	-12.5%	1 922 818
Vote 5 - Directorate - Corporate Services		-	11 851	-	54	54	0	54	20682.6%	11 851
Vote 6 - Directorate - Engineering Services		-	2 614 132	-	223 892	533 580	246 951	286 628	116.1%	2 614 132
Vote 7 - Directorate - Development Planning		-	55 515	-	2 966	4 176	127 247	(123 071)	-96.7%	55 515
Vote 8 - Directorate - Health & Public Safety		-	157 427	-	8 410	25 129	28 183	(3 054)	-10.8%	157 427
Vote 9 - Directorate - Community Services		-	384 756	-	25 211	79 461	60 631	18 830	31.1%	384 756
Vote 10 - Directorate - Miscellaneous		-	850 353	-	33 276	33 425	32 659	765	2.3%	850 353
<b>Total Revenue by Vote</b>	2	-	<b>6 569 960</b>	-	<b>506 195</b>	<b>1 147 932</b>	<b>1 032 730</b>	<b>115 202</b>	<b>11.2%</b>	<b>6 569 960</b>
<b>Expenditure by Vote</b>	1									
Vote 1 - Directorate - Executive Support Services		-	164 414	-	11 496	24 152	19 719	4 434	22.5%	164 414
Vote 2 - Directorate - Municipal Manager		-	102 124	-	16 830	20 420	19 378	1 042	5.4%	102 124
Vote 3 - Directorate - Chief Operations Officer		-	582 205	-	10 558	13 959	46 624	(32 665)	-70.1%	582 205
Vote 4 - Directorate - Chief Financial Officer		-	466 958	-	33 696	60 563	66 599	(6 036)	-9.1%	466 958
Vote 5 - Directorate - Corporate Services		-	214 533	-	12 938	20 598	31 569	(10 971)	-34.8%	214 533
Vote 6 - Directorate - Engineering Services		-	3 046 354	-	276 760	540 455	528 886	11 569	2.2%	3 046 354
Vote 7 - Directorate - Development Planning		-	274 508	-	20 974	37 065	33 277	3 788	11.4%	274 508
Vote 8 - Directorate - Health & Public Safety		-	283 787	-	20 386	41 511	43 430	(1 919)	-4.4%	283 787
Vote 9 - Directorate - Community Services		-	582 239	-	34 011	69 667	80 484	(10 817)	-13.4%	582 239
Vote 10 - Directorate - Miscellaneous		-	1 565	-	-	-	-	-		1 565
<b>Total Expenditure by Vote</b>	2	-	<b>5 717 121</b>	-	<b>437 650</b>	<b>828 390</b>	<b>869 965</b>	<b>(41 575)</b>	<b>-4.8%</b>	<b>5 717 121</b>
<b>Surplus/ (Deficit) for the year</b>	2	-	<b>852 840</b>	-	<b>68 545</b>	<b>319 542</b>	<b>162 765</b>	<b>156 777</b>	<b>96.3%</b>	<b>852 840</b>

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

The statement of financial performance presented in table below, compares the expenditure and revenue on accrual basis against budget for the period ending 31 August 2015.

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

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>								%	
<b><u>Revenue By Source</u></b>									
Property rates		902 842		69 761	156 056	124 523	31 533	25%	902 842
Property rates - penalties & collection charges		571		–	–	–	–		571
Service charges - electricity revenue		1 658 671		160 131	306 550	254 046	52 504	21%	1 658 671
Service charges - water revenue		411 381		29 964	71 487	70 208	1 279	2%	411 381
Service charges - sanitation revenue		314 571		25 133	59 302	51 406	7 896	15%	314 571
Service charges - refuse revenue		286 063		23 899	47 907	43 771	4 135	9%	286 063
Service charges - other		16 056		1 298	4 782	11 497	(6 715)	-58%	16 056
Rental of facilities and equipment		18 629		(180)	445	2 301	(1 855)	-81%	18 629
Interest earned - external investments		133 620		12 248	21 508	22 270	(762)	-3%	133 620
Interest earned - outstanding debtors		32 175		2 407	4 747	5 047	(299)	-6%	32 175
Dividends received		–		–	–	–	–		–
Fines		10 293		1 195	1 275	774	501	65%	10 293
Licences and permits		22 472		324	692	2 308	(1 616)	-70%	22 472
Agency services		–		–	–	–	–		–

Transfers recognised - operational		1 249 333		1 310	276 027	260 327	15 700	6%	1 249 333
Other revenue		662 931		145 428	163 728	151 591	12 137	8%	662 931
Gains on disposal of PPE		–		–	–	–	–		–
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>5 719 607</b>		<b>472 919</b>	<b>1 114 507</b>	<b>1 000 070</b>	<b>114 437</b>	<b>11%</b>	<b>5 719 607</b>
<b>Expenditure By Type</b>									
Employee related costs		1 387 619		100 627	205 225	231 270	(26 045)	-11%	1 387 619
Remuneration of councillors		52 910		4 262	8 472	8 818	(346)	-4%	52 910
Debt impairment		245 009		25 131	40 835	40 835	(0)	0%	245 009
Depreciation & asset impairment		712 213		59 351	118 702	118 702	0	0%	712 213
Finance charges		54 313		4 526	9 052	9 875	(823)	-8%	54 313
Bulk purchases		1 377 012		161 342	325 279	322 462	2 817	1%	1 377 012
Other materials		–		–	–	–	–		–
Contracted services		21 622		357	646	1 831	(1 184)	-65%	21 622
Transfers and grants		258 568		4 591	20 402	13 875	6 527	47%	258 568
Other expenditure		1 609 419		77 463	99 777	122 297	(22 520)	-18%	1 609 419
Loss on disposal of PPE		–		–	–	–	–		–
<b>Total Expenditure</b>		<b>5 718 685</b>		<b>437 650</b>	<b>828 390</b>	<b>869 965</b>	<b>(41 575)</b>	<b>-5%</b>	<b>5 718 685</b>
<b>Surplus/(Deficit)</b>		<b>922</b>		<b>35 269</b>	<b>286 117</b>	<b>130 105</b>	<b>156 012</b>	<b>0</b>	<b>922</b>
Transfers recognised - capital		850 353		33 276	33 425	32 659	765	0	850 353
Contributions recognised - capital		–		–	–	–	–		–
Contributed assets		–		–	–	–	–		–

<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>851 275</b>		<b>68 545</b>	<b>319 542</b>	<b>162 765</b>			<b>851 275</b>
Taxation		-		-	-	-	-		-
<b>Surplus/(Deficit) after taxation</b>		<b>851 275</b>		<b>68 545</b>	<b>319 542</b>	<b>162 765</b>			<b>851 275</b>
Attributable to minorities		-		-	-	-			-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>851 275</b>		<b>68 545</b>	<b>319 542</b>	<b>162 765</b>			<b>851 275</b>
Share of surplus/ (deficit) of associate		-		-	-	-			-
<b>Surplus/ (Deficit) for the year</b>		<b>851 275</b>		<b>68 545</b>	<b>319 542</b>	<b>162 765</b>			<b>851 275</b>

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

### **7.4.1.1. Property rates**

The over-recovery of 25% is a combination of the non-alignment of the period budget which is based on past trends with the actual trend.

### **7.4.1.2. Service charges – Electricity revenue**

The over-recovery of 21% is a combination of the non-alignment of the period budget with the actual trend of consumption and the influences of seasonal consumption trends.

### **7.4.1.3. Service charges – Sanitation revenue**

The over-recovery of 15% is a combination of the non-alignment of the period budget which is based on past trends with the actual trend.

### **7.4.1.4. 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.

### **7.4.1.5. Rental of Facilities & Equipment**

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

### **7.4.1.6. Fines**

The Magistrates Court has backdated their payments to BCMM for about three months as they have not been paying BCMM's portion of the fines/warrants paid in at the Magistrates Court.

#### **7.4.1.7. Licenses and Permits**

Applicants are not restricted to apply for drivers and learners licenses in their area of residence and will apply at more convenient testing stations. This results in reduction in income generated by BCMM on this service.

#### **7.4.1.8. Employee Related Costs**

The employee related costs are under spent by R26.05 million, this is due to vacant funded posts that are not yet filled and the fact that the 7% increment has not yet been implemented. Refer to Annexure B –SC8 for the employee related costs expenditure breakdown per type.

#### **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**

The Indigent Support Policy was reviewed to include property value as one of the qualifying criterias; this led to increase in number of qualifying indigents. The budget will be adjusted in the mid year to take this into consideration.

#### **7.4.1.11. Other expenditure**

Other expenditure includes operating projects, operational costs as well as repairs and maintenance and these expenditure categories are under spent by 18% when compared to the year to date budget. This under- expenditure is mainly due to under expenditure on operating projects which is expected to improve as the year progresses once procurement processes have been undertaken. Expenditure on repairs and maintenance is provided in table 6 below.

#### **7.4.1.12. Repairs and Maintenance**

Table 6 below reflects that as at 31 August 2015, the repairs and maintenance expenditure is 7% of the approved budget of R372.01 million (2014/15: 6%). This reflects a slight improvement when compared with the prior year.

Refer to Annexure B: SC13c (repairs and maintenance by asset class).

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

<b>Directorate</b>	<b><u>2015/2016</u> <u>Annual</u> <u>Budget</u> <u>R</u></b>	<b><u>2015/2016</u> <u>Annual</u> <u>Expenditure</u> <u>R</u></b>	<b><u>2015/2016</u> <u>Variance</u> <u>R</u></b>	<b><u>2015/2016</u> <u>% of</u> <u>Budget</u> <u>%</u></b>
Directorate of Executive Support	2 901 917	0	2 898 557	0%
Directorate of The Municipal Manager	120 609	0	120 609	0%
Directorate of Chief Operations Officer	97 239	0	91 497	6%
Directorate of Finance	2 935 990	15 145	2 820 089	4%
Directorate of Corporate Services	5 865 813	0	5 846 028	0%
Directorate of Engineering Services	293 911 912	6 756 180	272 076 431	7%
<i>Electricity</i>	112 549 555	6 618 099	100 676 097	11%
<i>Water</i>	42 435 218	24 587	37 129 929	13%
<i>Sanitation</i>	29 620 452	113 493	26 021 819	12%
<i>Other</i>	109 306 687	0	108 248 586	1%
Directorate of Development Planning	26 491 226	372 773	24 193 433	9%
Directorate of Health and Public Safety	5 956 496	30 698	5 765 122	3%
Directorate of Community Services	33 728 503	23 098	32 318 751	4%
<b>TOTAL</b>	<b>372 009 705</b>	<b>7 197 894</b>	<b>346 130 516</b>	<b>7%</b>

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

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

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

Vote Description	Ref	Current Year 2015/16								
		2014/15 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 1 - Directorate - Executive Support Services		–	6 200	–	7	7	533	(526)	-99%	6 200
Vote 2 - Directorate - Municipal Manager		–	21 500	–	–	–	21	(21)	-100%	21 500
Vote 3 - Directorate - Chief Operations Officer		–	211 424	–	31 493	31 642	5 375	26 267	489%	211 424
Vote 4 - Directorate - Chief Financial Officer		–	10 000	–	–	–	298	(298)	-100%	10 000
Vote 5 - Directorate - Corporate Services		–	21 600	–	39	39	10	29	286%	21 600
Vote 6 - Directorate - Engineering Services		–	820 556	–	8 360	8 360	23 050	(14 690)	-64%	820 556
Vote 7 - Directorate - Development Planning		–	68 221	–	638	638	1 353	(715)	-53%	68 221
Vote 8 - Directorate - Health & Public Safety		–	21 650	–	1 489	1 489	105	1 384	1316%	21 650
Vote 9 - Directorate - Community Services		–	94 204	–	40	40	1 913	(1 873)	-98%	94 204
<b>Total Capital Multi-year expenditure</b>	4,7	–	<b>1 275 354</b>	–	<b>42 068</b>	<b>42 216</b>	<b>32 659</b>	<b>9 556</b>	<b>29%</b>	<b>1 275 354</b>
<b>Single Year expenditure appropriation</b>	2									
Vote 1 - Directorate - Executive Support Services		–	–	–	–	–	–	–	–	–
Vote 2 - Directorate - Municipal Manager		–	–	–	–	–	–	–	–	–
Vote 3 - Directorate - Chief Operations Officer		–	–	–	–	–	–	–	–	–
Vote 4 - Directorate - Chief Financial Officer		–	–	–	–	–	–	–	–	–
Vote 5 - Directorate - Corporate Services		–	–	–	–	–	–	–	–	–
Vote 6 - Directorate - Engineering Services		–	–	–	–	–	–	–	–	–
Vote 7 - Directorate - Development Planning		–	–	–	–	–	–	–	–	–
Vote 8 - Directorate - Health & Public Safety		–	–	–	–	–	–	–	–	–
Vote 9 - Directorate - Community Services		–	–	–	–	–	–	–	–	–
<b>Total Capital single-year expenditure</b>	4	–	–	–	–	–	–	–	–	–
<b>Total Capital Expenditure</b>		–	<b>1 275 354</b>	–	<b>42 068</b>	<b>42 216</b>	<b>32 659</b>	<b>9 556</b>	<b>29%</b>	<b>1 275 354</b>
<b>Capital Expenditure - Standard Classification</b>										
<b>Expenditure - Standard</b>		–	<b>59 300</b>	–	<b>47</b>	<b>47</b>	<b>1 519</b>	<b>(1 472)</b>	<b>-97%</b>	<b>59 300</b>
Governance and administration			27 700	–	7	7	709	(702)	-99%	27 700
Executive and council			10 000	–	–	–	256	(256)	-100%	10 000
Budget and treasury office			21 600	–	39	39	553	(514)	-93%	21 600
<b>Corporate services</b>		–	<b>305 568</b>	–	<b>33 023</b>	<b>33 171</b>	<b>7 825</b>	<b>25 346</b>	<b>324%</b>	<b>305 568</b>
Community and public safety			40 269	–	40	40	1 031	(991)	-96%	40 269
Community and social services			32 225	–	–	–	825	(825)	-100%	32 225
Sport and recreation			21 650	–	1 489	1 489	554	935	169%	21 650
Public safety			211 424	–	31 493	31 642	5 414	26 227	484%	211 424
Housing			–	–	–	–	–	–	–	–
<b>Health</b>		–	<b>333 221</b>	–	<b>1 842</b>	<b>1 842</b>	<b>8 533</b>	<b>(6 691)</b>	<b>-78%</b>	<b>333 221</b>
Economic and environmental services			68 221	–	638	638	1 747	(1 109)	-63%	68 221
Planning and development			265 000	–	1 204	1 204	6 786	(5 582)	-82%	265 000
Road transport			–	–	–	–	–	–	–	–
<b>Environmental protection</b>		–	<b>529 266</b>	–	<b>7 156</b>	<b>7 156</b>	<b>13 554</b>	<b>(6 397)</b>	<b>-47%</b>	<b>529 266</b>
Trading services			158 500	–	2 018	2 018	4 059	(2 041)	-50%	158 500
Electricity			91 000	–	5 046	5 046	2 330	2 715	117%	91 000
Water			258 056	–	92	92	6 608	(6 516)	-99%	258 056
Waste water management			21 710	–	–	–	556	(556)	-100%	21 710
<b>Waste management</b>			<b>48 000</b>	–	–	–	<b>1 229</b>	<b>(1 229)</b>	<b>-100%</b>	<b>48 000</b>
<b>Total Capital Expenditure - Standard Classification</b>	3	–	<b>1 275 354</b>	–	<b>42 068</b>	<b>42 216</b>	<b>32 659</b>	<b>9 556</b>	<b>29%</b>	<b>1 275 354</b>
<b>Funded by:</b>										
National Government			742 884	–	27 757	27 905	19 024	8 881	47%	742 884
Provincial Government			107 469	–	5 520	5 520	2 752	2 768	101%	107 469
District Municipality			–	–	–	–	–	–	–	–
Other transfers and grants			–	–	–	–	–	–	–	–
<b>Transfers recognised - capital</b>		–	<b>850 353</b>	–	<b>33 276</b>	<b>33 425</b>	<b>21 776</b>	<b>11 649</b>	<b>53%</b>	<b>850 353</b>
<b>Public contributions &amp; donations</b>	5	–	–	–	–	–	–	–	–	–
<b>Borrowing</b>	6	–	–	–	–	–	–	–	–	–
<b>Internally generated funds</b>			<b>425 002</b>	–	<b>8 791</b>	<b>8 791</b>	<b>10 884</b>	<b>(2 092)</b>	<b>-19%</b>	<b>425 002</b>
<b>Total Capital Funding</b>		–	<b>1 275 354</b>	–	<b>42 068</b>	<b>42 216</b>	<b>32 659</b>	<b>9 556</b>	<b>29%</b>	<b>1 275 354</b>

## 7.6. Monthly Budget Statement – Financial Position

The table below reflects the financial position of the Metro. It is good to note that the Metro is having high assets over liabilities resulting into the net worth of R14.03 billion.

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

Description	Ref	2014/15	Budget Year 2015/16				
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast	
<b>R thousands</b>	1						
<b>ASSETS</b>							
<b>Current assets</b>							
Cash			80 000	–	209 411	80 000	
Call investment deposits			2 303 434	–	2 514 310	2 303 434	
Consumer debtors			671 945	–	405 841	671 945	
Other debtors			98 188	–	649 273	98 188	
Current portion of long-term receivables			14	–	–	14	
Inventory			96 800	–	44 234	96 800	
<b>Total current assets</b>			<b>–</b>	<b>3 250 381</b>	<b>–</b>	<b>3 823 069</b>	<b>3 250 381</b>
<b>Non current assets</b>							
Long-term receivables			60	–	–	60	
Investments			–	–	–	–	
Investment property			411 400	–	328 302	411 400	
Investments in Associate			–	–	81 908	–	
Property, plant and equipment			11 197 291	–	12 110 050	11 197 291	
Agricultural			–	–	–	–	
Biological assets			–	–	–	–	
Intangible assets			22 800	–	98 374	22 800	
Other non-current assets			75 160	–	–	75 160	
<b>Total non current assets</b>			<b>–</b>	<b>11 706 711</b>	<b>–</b>	<b>12 618 635</b>	<b>11 706 711</b>
<b>TOTAL ASSETS</b>			<b>–</b>	<b>14 957 092</b>	<b>–</b>	<b>16 441 703</b>	<b>14 957 092</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Bank overdraft			–	–	–	–	
Borrowing			46 097	–	48 835	46 097	
Consumer deposits			54 050	–	52 357	54 050	
Trade and other payables			774 300	–	1 182 881	774 300	
Provisions			151 780	–	166 234	151 780	
<b>Total current liabilities</b>			<b>–</b>	<b>1 026 227</b>	<b>–</b>	<b>1 450 309</b>	<b>1 026 227</b>
<b>Non current liabilities</b>							
Borrowing			500 418	–	497 244	500 418	
Provisions			599 090	–	465 341	599 090	
<b>Total non current liabilities</b>			<b>–</b>	<b>1 099 508</b>	<b>–</b>	<b>962 585</b>	<b>1 099 508</b>
<b>TOTAL LIABILITIES</b>			<b>–</b>	<b>2 125 735</b>	<b>–</b>	<b>2 412 894</b>	<b>2 125 735</b>
<b>NET ASSETS</b>	2		<b>–</b>	<b>12 831 357</b>	<b>–</b>	<b>14 028 810</b>	<b>12 831 357</b>
<b>COMMUNITY WEALTH/EQUITY</b>							
Accumulated Surplus/(Deficit)			10 020 574	–	9 783 545	10 020 574	
Reserves			2 810 783	–	4 245 264	2 810 783	
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2		<b>–</b>	<b>12 831 357</b>	<b>–</b>	<b>14 028 810</b>	<b>12 831 357</b>

## 7.7. Monthly Budget Statement – Cash Flow

The Metros' cash flow position and cash/cash equivalent outcome is shown in the table below. The Metro's cash position reflects a net increase of R524.92 million resulting in cash and cash equivalents closing balance of R2.72 billion as at 31 August 2015.

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

Description	Ref	2014/15	Budget Year 2015/16								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
<b>R thousands</b>	1										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates, penalties & collection charges			831 140	-	69 761	156 056	138 523	17 532	13%	831 140	
Service charges			2 471 802	-	239 128	485 246	411 967	73 279	18%	2 471 802	
Other revenue			657 180	-	146 323	170 923	109 530	61 393	56%	657 180	
Government - operating			1 149 387	-	3 051	276 027	191 564	84 462	44%	1 149 387	
Government - capital			850 353	-	159 628	464 880	141 725	323 155	228%	850 353	
Interest			152 531	-	14 655	26 256	25 422	834	3%	152 531	
Dividends			-	-	-	-	-	-		-	
<b>Payments</b>											
Suppliers and employees			(4 448 581)	-	(584 290)	(982 794)	(741 430)	241 363	-33%	(4 448 581)	
Finance charges			(54 313)	-	(4 526)	(9 052)	(9 052)	(0)	0%	(54 313)	
Transfers and Grants			(258 568)	-	(4 591)	(20 402)	(43 095)	(22 693)	53%	(258 568)	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>			-	1 350 929	-	39 140	567 140	225 155	(341 985)	-152%	1 350 929
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE			-	-	-	-	-	-		-	
Decrease (Increase) in non-current debtors			-	-	-	-	-	-		-	
Decrease (increase) other non-current receivables			-	-	-	-	-	-		-	
Decrease (increase) in non-current investments			-	-	-	-	-	-		-	
<b>Payments</b>											
Capital assets			(1 275 354)	-	(42 068)	(42 216)	(212 559)	(170 343)	80%	(1 275 354)	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>			-	(1 275 354)	-	(42 068)	(42 216)	(212 559)	(170 343)	80%	(1 275 354)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans			-	-	-	-	-	-		-	
Borrowing long term/refinancing			-	-	-	-	-	-		-	
Increase (decrease) in consumer deposits			-	-	-	-	-	-		-	
<b>Payments</b>											
Repayment of borrowing			(46 097)	-	-	-	(7 683)	(7 683)	100%	(46 097)	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>			-	(46 097)	-	-	(7 683)	(7 683)	100%	(46 097)	
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>			-	29 477	-	(2 928)	524 924	4 913		29 477	
Cash/cash equivalents at beginning:			2 353 956	-		2 198 797	2 353 956			2 198 797	
Cash/cash equivalents at month/year end:			-	2 383 434	-		2 723 721	2 358 869		2 228 275	

## **PART 2: SUPPORTING** **DOCUMENTATION**

## 8. IN-YEAR BUDGET STATEMENT SUPPORTING TABLES AND DOCUMENTATION

### 8.1. Debtors

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

**Table 10: SC3 Monthly budget statement Aged Debtors**

Description	NT Code	Budget Year 2015/16									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.to Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			
<b>R thousands</b>													
<b>Debtors Age Analysis By Income Source</b>													
Trade and Other Receivables from Exchange Transactions - Water	1200	36 961	24 268	19 801	23 309	17 071	12 804	58 803	180 669	373 687	292 657		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	92 311	13 498	5 387	2 356	2 173	1 569	8 476	26 414	152 184	40 988		
Receivables from Non-exchange Transactions - Property Rates	1400	67 134	40 582	13 737	12 083	10 984	11 114	72 222	148 182	376 039	254 585		
Receivables from Exchange Transactions - Waste Water Management	1500	26 704	8 573	4 369	3 772	3 227	2 884	17 990	95 007	162 526	122 880		
Receivables from Exchange Transactions - Waste Management	1600	16 465	8 616	4 846	4 356	4 026	3 692	22 813	135 029	199 843	169 916		
Receivables from Exchange Transactions - Property Rental Debtors	1700	70	71	63	61	61	61	382	2 472	3 241	3 037		
Interest on Arrear Debtor Accounts	1810									-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-		
Other	1900	10 726	7 732	2 469	2 234	1 966	1 872	13 840	99 473	140 312	119 385		
<b>Total By Income Source</b>	<b>2000</b>	<b>250 371</b>	<b>103 341</b>	<b>50 672</b>	<b>48 171</b>	<b>39 508</b>	<b>33 998</b>	<b>194 525</b>	<b>687 246</b>	<b>1 407 833</b>	<b>1 003 448</b>	<b>-</b>	<b>-</b>
<b>2014/15 - totals only</b>		<b>188 707</b>	<b>51 323</b>	<b>36 295</b>	<b>32 134</b>	<b>37 322</b>	<b>42 005</b>	<b>146 747</b>	<b>566 722</b>	<b>1 101 256</b>	<b>824 930</b>		
<b>Debtors Age Analysis By Customer Group</b>													
Organs of State	2200	17 444	14 961	982	291	208	1 522	967	1 890	38 265	4 878		
Commercial	2300	122 911	22 703	12 082	10 959	10 224	8 415	49 653	69 871	306 818	149 122		
Households	2400	95 207	50 736	33 406	32 631	25 369	20 447	118 226	495 242	871 263	691 914		
Other	2500	14 810	14 941	4 202	4 289	3 707	3 615	25 680	120 243	191 487	157 535		
<b>Total By Customer Group</b>	<b>2600</b>	<b>250 371</b>	<b>103 341</b>	<b>50 672</b>	<b>48 171</b>	<b>39 508</b>	<b>33 998</b>	<b>194 525</b>	<b>687 246</b>	<b>1 407 833</b>	<b>1 003 448</b>	<b>-</b>	<b>-</b>

#### 8.1.1. Additional debtors information

The debtors that are older than 30 days, which includes all charges, amounted to R1,157,461,116 at 31 August 2015 (Refer to 8.2.1 and 8.2.2 below) which is a decrease of R28,365,514 over the amount of R1,185,826,630 at 31 July 2015.

## **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 31 August 2015. It also provides comparison with the previous month (31 July 2015) which indicates a decrease from R1.19 billion to R1.16 billion.

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

<b>AGEING</b>	<b>RATES</b>	<b>SEWERAGE</b>	<b>ELECTRICITY</b>	<b>WATER</b>	<b>REFUSE</b>	<b>SUNDRY DEBTORS</b>	<b>TOTAL FOR AUGUST 2015</b>	<b>TOTAL FOR JULY 2015</b>
<b>30 DAYS</b>	40 581 986	8 573 451	13 498 045	24 267 932	8 616 031	7 803 530	103 340 975	76 033 960
<b>60 DAYS</b>	13 737 291	4 368 891	5 387 009	19 801 247	4 845 958	2 531 881	50 672 276	61 180 932
<b>90 DAYS</b>	12 083 203	3 771 986	2 355 634	23 308 929	4 356 292	2 294 914	48 170 957	45 985 154
<b>120 DAYS TO 360 DAYS</b>	94 320 577	24 100 479	12 218 186	88 678 568	30 530 683	18 182 479	268 030 972	283 357 334
<b>YEAR 2</b>	42 836 915	26 440 833	8 601 072	55 844 541	34 169 070	26 981 404	194 873 835	202 560 936
<b>YEAR 3</b>	26 937 257	17 995 659	5 482 060	33 085 372	24 070 169	20 086 231	127 656 748	135 092 126
<b>YEAR 4</b>	21 886 683	12 840 043	5 903 203	23 292 838	17 263 463	13 930 233	95 116 463	99 721 823
<b>YEAR 5</b>	15 193 794	8 365 957	1 930 776	15 529 283	11 465 847	9 077 726	61 563 384	64 243 413
<b>YEAR 5+</b>	41 326 894	29 364 935	4 496 666	52 917 252	48 060 536	31 869 224	208 035 507	217 650 951
<b>TOTAL</b>	<b>308 904 599</b>	<b>135 822 233</b>	<b>59 872 652</b>	<b>336 725 963</b>	<b>183 378 049</b>	<b>132 757 621</b>	<b>1 157 461 116</b>	<b>1 185 826 630</b>

### 8.2.2. Age Analysis per Category

Table 12 below details debtors age analysis per category type that are older than 30 days as at 31 August 2015. It also reflects the percentage split per category with domestic consumers having the highest share followed by indigent consumers.

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

<b>CATEGORY TYPE</b>	<b>30 DAYS</b>	<b>60 DAYS</b>	<b>90 DAYS</b>	<b>120 DAYS+</b>	<b>Total</b>	<b>% Share</b>
<b>Domestic</b>	32 733 844	17 652 317	18 070 423	456 005 481	524 462 065	45,31
<b>Indigent</b>	17 394 431	15 502 875	14 389 547	202 590 456	249 877 310	21,59
<b>Business</b>	22 703 124	12 082 195	10 959 177	138 162 398	183 906 895	15,89
<b>Government</b>	14 960 665	982 359	291 306	4 586 643	20 820 974	1,80
<b>Municipal Staff</b>	596 897	244 222	164 708	658 413	1 664 239	0,14
<b>Councillors</b>	10 794	6 805	6 466	28 274	52 340	0,00
<b>Other</b>	14 941 220	4 201 502	4 289 330	153 245 243	176 677 294	15,26
<b>Total</b>	<b>103 340 975</b>	<b>50 672 276</b>	<b>48 170 957</b>	<b>955 276 908</b>	<b>1 157 461 116</b>	<b>100.00</b>

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

### 8.2.3. Billing, Receipts and Debtors Collection Rate

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

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

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

#### **8.2.4. Debt Incentive Scheme**

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

As at 31 August 2015 a total of 2,576 consumers have registered for the scheme. The total registered debt value is R 51,247,699 date, debt payments received amount to R 37,186,696 and debt write-offs total is R 10,989,263.

#### **8.2.5. Government Accounts**

The total arrears owed by Government Departments to Buffalo City Metropolitan Municipality that are older than 30 days as at 31 August 2015 amounted to R 20,820,974. This indicates an increase of R 12,046,446 when compared to prior month amount of R8,774,528.

A total payment of R 9,226,908.32 was received from Government Departments in August 2015. The breakdown of the arrears per department (excluding accounts in credit) is indicated in the table hereunder, as at 31 August 2015.

Table 14 below provides an analysis of government debtors as at 31 August 2015 and comparison with the previous month.

**Table 14: Analysis of Government Debtors**

DEPARTMENT	PROPERTY RATES	SERVICES	ARREARS AS AT 31 AUGUST 2015	ARREARS AS AT 31 JULY 2015	DIFFERENCE
National Department Of Public Works	3 107 957	40 713	3 148 670	325 004	2 823 666
Provincial Department Of Public Works	7 026 385	1 068 582	8 094 967	812 514	7 282 453
Department Of Education		2 028 229	2 028 229	1 181 133	847 096
Department Of Health		3 305 019	305 019	2 389 155	915 864
Department Of Social Development		4 705	4 705	295 145	-290 440
Department Of Transport		3 707	3 707	27 707	-24 000
Department Of Agriculture		1 334 620	1 334 620	1 363 519	-28 899
Department Of Nature Conservation		-	-	-	-
Department of Community Development		52 028	52 028	1 969	50 059
Unemployment Insurance		26 476	26 476	-	26 476
Members Of Provincial Legislature		55 453	55 453	39 125	16 328
Department of Water Affairs		14 645	14 645	8 344	6 301
COGTA		-	-	1	1
Provincial RDP Houses		2 752 454	2 752 454	2 330 914	421 540
<b>TOTAL</b>	<b>10 134 342</b>	<b>10 686 632</b>	<b>20 820 974</b>	<b>8 774 528</b>	<b>12 046 446</b>

**9. CREDITORS' ANALYSIS**

The creditors' analysis as depicted in table 15 below contains an aged analysis by customer type. It reflects that creditors are paid within 30 days, except when there are disputes on invoices received.

**Table 15: SC4 Monthly Budget Statement Aged Creditors**

Description	NT Code	Budget Year 2015/16								Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year		
<b>R thousands</b>											
<b>Creditors Age Analysis By Customer Type</b>											
Bulk Electricity	0100	160 979								160 979	142 700
Bulk Water	0200	16 157								16 157	14 989
PAYE deductions	0300	11 931								11 931	11 817
VAT (output less input)	0400	-								-	-
Pensions / Retirement deductions	0500	15 609								15 609	15 146
Loan repayments	0600	-								-	-
Trade Creditors	0700	199 635	31 335							230 971	51 518
Auditor General	0800	636								636	1 282
Other	0900	244 291								244 291	47 691
<b>Total By Customer Type</b>	<b>1000</b>	<b>649 238</b>	<b>31 335</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>680 573</b>	<b>285 144</b>

The table below (table 16) depicts actual payments made by BCMM to its top twenty (20) creditors in August 2015.

**Table 16: Payments made to the 20 highest paid creditors – August 2015**

<b>CREDITOR</b>	<b>90 DAYS</b>	<b>60 DAYS</b>	<b>30 DAYS</b>	<b>CURRENT</b>	<b>TOTAL</b>	<b>PAYMENT</b>
ESKOM			0	160 978 748	160 978 748	160 978 748
AMATOLA WATER			0	16 156 994	16 156 994	16 156 994
MOTHEO/ MPUMALANGA JOINT VENTURE			20 748 731	12 679 887	33 428 618	33 428 618
MAKINWA MEDIA MANAGEMENT			424 406	3 203 837	3 628 243	3 628 243
MANTELLA TRADING 522 CC			245 371	2 866 403	3 111 774	3 111 774
MAZIYA GENERAL SERVICES			2 163 038	910 582	3 073 621	3 073 621
RENNIES TRAVELL			2 735 834	0	2 735 834	2 735 834
ELECTRICAL MOULDED COMPONENTS			1 266 274	1 266 274	2 532 549	2 532 549
SHONE'S ELECTRICAL			0	2 288 928	2 288 928	2 288 928
MASIQHAME TRADING 520 CC			0	2 028 878	2 028 878	2 028 878
CZAR CONSTRUCTION			0	1 934 523	1 934 523	1 934 523
MTIMA PLUMBING SERVICES			879 442	834 480	1 713 922	1 713 922
FIRE RAIDERS (PTY) LTD				1 438 429	1 438 429	1 438 429
LIFETIME CONNECTION MANUFACTURING SUPPLY CC			860 357	500 596	1 360 953	1 360 953
CDR ELECTRICAL T/A SISONKE POWER PROJECTS			0	1 357 764	1 357 764	1 357 764
EYA BANTU PROFFESIONAL SRVICES CC			0	1 331 152	1 331 152	1 331 152
T V R CONSTRUCTION			0	1 148 948	1 148 948	1 148 948
MVEZO PLANT & CIVILS CC			611 652	429 716	1 041 368	1 041 368
MORENTENG INVESTMENTS			723 644	0	723 644	723 644
ZALTUS (PTY) LTD				684 000	684 000	684 000
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>30 658 749</b>	<b>212 040 139</b>	<b>242 698 887</b>	<b>242 698 887</b>

## 10. INVESTMENT PORTFOLIO ANALYSIS

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

**Table 17: SC5 Monthly budget Statement – investment portfolio**

Investments by maturity Name of institution & investment ID 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
<b>Municipality</b>									
Rand Merchant Bank X021901943		Call Account	Call Account	Call Account	210	1.8%	45 059	210	45 269
Absa 91 2884 4539		Call Account	Call Account	Call Account	3	0.0%	351	1 181	1 532
Standard 422 742		Call Account	Call Account	Call Account	7	0.1%	1 388	372	1 759
Absa 91 4102 2241		Call Account	Call Account	Call Account	42	0.4%	9 112	42	9 154
Absa 91 4163 6965		Call Account	Call Account	Call Account	1	0.0%	207	1	207
Absa 91 5484 1280		Call Account	Call Account	Call Account	0	0.0%	8	0	8
Rand Merchant Bank X021904910		Call Account	Call Account	Call Account	41	0.3%	8 790	41	8 831
Standard 76586/442740		Call Account	Call Account	Call Account	10	0.1%	2 194	(46)	2 148
Absa 92 0562 2137		Call Account	Call Account	Call Account	4	0.0%	770	4	773
Rand Merchant Bank X021904913		Call Account	Call Account	Call Account	66	0.6%	14 173	66	14 240
Rand Merchant Bank X021903300		Call Account	Call Account	Call Account	4	0.0%	2 428	(2 428)	–
Stanlib 551 557 338		Call Account	Call Account	Call Account	8	0.1%	3 867	(3 859)	8
Absa 92 4434 8061		Call Account	Call Account	Call Account	0	0.0%	31	(31)	0
Nedbank 03/7881532939/000126		Call Account	Call Account	Call Account	3	0.0%	2 039	(2 039)	–
Standard 76586/442739		Call Account	Call Account	Call Account	26	0.2%	5 688	(48)	5 641
Stanlib 551 660 303		Call Account	Call Account	Call Account	39	0.3%	6	20 039	20 045
Nedbank 03/7881532939/000041		Call Account	Call Account	Call Account	31	0.3%	6 696	(191)	6 505
Nedbank 03/7881532939/000056		Call Account	Call Account	Call Account	5	0.0%	1 072	5	1 077
Nedbank 03/7881532939/000058		Call Account	Call Account	Call Account	28	0.2%	5 925	(24)	5 901
Nedbank 03/7881532939/000103		Call Account	Call Account	Call Account	6	0.0%	1 200	6	1 206
Nedbank 03/7881532939/000064		Call Account	Call Account	Call Account	37	0.3%	7 959	37	7 996
Absa 92 0559 0710		Call Account	Call Account	Call Account	0	0.0%	40	0	40
Nedbank 03/7881532939/000117		Call Account	Call Account	Call Account	38	0.3%	8 082	(34)	8 049
Nedbank 03/7881532939/000108		Call Account	Call Account	Call Account	1	0.0%	163	1	164

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands		Yrs/Months							
<b>Municipality</b>									
Absa 92 2975 5568		Call Account	Call Account	Call Account	0	0.0%	15	0	15
Absa 91 9360 7257		Call Account	Call Account	Call Account	4	0.0%	993	(47)	946
Nedbank 03/7881532939/000112		Call Account	Call Account	Call Account	0	0.0%	1	0	1
Standard 76586/442737		Call Account	Call Account	Call Account	1	0.0%	180	1	181
Nedbank 03/7881532939/000110		Call Account	Call Account	Call Account	1	0.0%	197	1	198
Nedbank 03/7881532939/000123		Call Account	Call Account	Call Account	1	0.0%	142	1	142
Rand Merchant Bank RRB1629010		Call Account	Call Account	Call Account	328	2.8%	70 218	328	70 546
Stanlib 551 989 180		Call Account	Call Account	Call Account	193	1.6%	35 109	193	35 302
Absa 92 2590 9850		Call Account	Call Account	Call Account	4	0.0%	928	4	932
Stanlib 551 539 764		Call Account	Call Account	Call Account	8	0.1%	1 468	8	1 476
Rand Merchant Bank RRB0324003		Call Account	Call Account	Call Account	0	0.0%	39	0	39
Stanlib 551 567 496		Call Account	Call Account	Call Account	0	0.0%	2	0	2
Stanlib 551 576 733		Call Account	Call Account	Call Account	0	0.0%	81	0	82
Rand Merchant Bank RRB0B25020		Call Account	Call Account	Call Account	8	0.1%	2 015	(324)	1 691
Standard 76586/442743		Call Account	Call Account	Call Account	0	0.0%	84	0	85
Rand Merchant Bank RRB1609012		Call Account	Call Account	Call Account	1	0.0%	279	1	280
Stanlib 551 742 405		Call Account	Call Account	Call Account	2	0.0%	361	2	363
Rand Merchant Bank KLN2308011		Call Account	Call Account	Call Account	2	0.0%	354	2	355
Nedbank 03/7881532939/000128		Call Account	Call Account	Call Account	346	2.9%	88 133	(21 571)	66 562
Rand Merchant Bank RRB1722008		Call Account	Call Account	Call Account	362	3.1%	106 720	(45 045)	61 675
Standard 76586/442745		Call Account	Call Account	Call Account	306	2.6%	73 643	(12 917)	60 725
Absa 92 6406 3148		Call Account	Call Account	Call Account	581	4.9%	174 438	(75 317)	99 121
Rand Merchant Bank KLN2720020		Call Account	Call Account	Call Account	8	0.1%	545	3 208	3 752
Stanlib 551 868 235		Call Account	Call Account	Call Account	1	0.0%	127	1	128
Absa 92 0559 0891		Call Account	Call Account	Call Account	2	0.0%	588	(96)	492

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
<b>Municipality</b>									
Rand Merchant Bank VVW2B13011		Call Account	Call Account	Call Account	2	0.0%	290	462	752
Nedbank Refer to Confirmation		Refer to Confirmation	Refer to Confirmation	Refer to Confirmation	-	0.0%	-	-	-
Stanlib 753 72 270		Call Account	Call Account	Call Account	134	1.1%	24 368	134	24 502
Stanlib 551 353 708		Call Account	Call Account	Call Account	5	0.0%	971	5	976
Standard 76586/442736		Call Account	Call Account	Call Account	270	2.3%	57 890	270	58 161
Stanlib 753 72 271		Call Account	Call Account	Call Account	589	5.0%	107 057	589	107 646
Rand Merchant Bank X021904579		Call Account	Call Account	Call Account	117	1.0%	24 946	117	25 063
Nedbank 03/7881532939/000101		Call Account	Call Account	Call Account	170	1.4%	36 414	170	36 584
Absa 92 1120 9757		Call Account	Call Account	Call Account	1 325	11.3%	269 827	47 825	317 652
Absa 92 2110 3430		Call Account	Call Account	Call Account	638	5.4%	137 858	638	138 496
Standard 76586/442741		Call Account	Call Account	Call Account	44	0.4%	9 392	44	9 436
Standard 76586/442744		Call Account	Call Account	Call Account	125	1.1%	26 805	125	26 930
Rand Merchant Bank RRB0C07002		Call Account	Call Account	Call Account	43	0.4%	9 247	43	9 290
Nedbank 03/7881532939/000129		Call Account	Call Account	Call Account	97	0.8%	20 671	97	20 767
Nedbank 03/7881532939/000125		Call Account	Call Account	Call Account	2	0.0%	473	2	475
Stanlib 551 748 914		Call Account	Call Account	Call Account	146	1.2%	26 571	146	26 717
Absa 92 6406 3407		Call Account	Call Account	Call Account	8	0.1%	1 738	8	1 746
Nedbank 03/7881532939/000132		Call Account	Call Account	Call Account	2 236	19.0%	472 805	25 236	498 041
Rand Merchant Bank KLN3815041		Call Account	Call Account	Call Account	1 743	14.8%	366 075	21 743	387 818
Standard 76586/470801		Call Account	Call Account	Call Account	1 278	10.9%	269 452	17 629	287 082
Standard 76586/442738		Call Account	Call Account	Call Account	11	0.1%	2 277	11	2 287
<b>Municipality sub-total</b>					<b>11 754</b>		<b>2 549 031</b>	<b>(22 966)</b>	<b>2 526 065</b>
<b>Entities</b>									
<b>Entities sub-total</b>					<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>				<b>11 754</b>		<b>2 549 031</b>	<b>(22 966)</b>	<b>2 526 065</b>

## 11. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

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

**Table 18: SC7 Monthly budget Statement – transfers and grants expenditure**

Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	714 196	-	2 665	4 406	119 033	(114 626)	-96.3%	714 196
Local Government Equitable Share			655 141		-	-	109 190	(109 190)	-100.0%	655 141
Urban Settlement Development Grant			33 348		2 169	3 856	5 558	(1 702)	-30.6%	33 348
Finance Management			1 300		74	74	217	(143)		1 300
EPWP Incentive			1 149		100	100	192	(92)		1 149
Infrastructure Skills Development Grant			8 400		322	377	1 400	(1 023)		8 400
Integrated City Development Grant			5 605		-	-	934	(934)		5 605
Municipal Human Settlement Capacity Grant			9 253		-	-	1 542	(1 542)	-100.0%	9 253
<b>Provincial Government:</b>		-	531 687	-	8 929	10 239	88 614	(78 375)	-88.4%	531 687
Roads Subsidy - Provincial Roads			1 871		-	-	312	(312)	-100.0%	1 871
Local Government & Traditional Affairs			2 000		112	304	333	(29)	-8.7%	2 000
Health Subsidy - ATIC			2 522		-	-	420	(420)	-100.0%	2 522
Library Subsidy			3 638		-	-	606	(606)	-100.0%	3 638
Human Settlement Development Grant			521 656		8 818	9 935	86 943	(77 008)	-88.6%	521 656
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
Health Subsidy - Environmental Health			-		-	-	-	-		-
<b>Other grant providers:</b>		-	3 329	-	-	-	555	(555)	-100.0%	3 329
SETA - Skills Development			2 989		-	-	498	(498)	-100.0%	2 989
Donor Funding - European Commission			340		-	-	57	(57)	-100.0%	340
<b>Total operating expenditure of Transfers and Grants:</b>		-	1 249 211	-	11 594	14 645	208 202	(193 557)	-93.0%	1 249 211
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		-	742 884	-	27 757	27 905	123 814	(95 909)	-77.5%	742 884
Urban Settlement Development Grant			679 784		27 757	27 905	113 297	(85 392)	-75.4%	679 784
Infrastructure Skills Development Grant			100		-	-	17	(17)	-100.0%	100
Energy Efficiency and Demand Management			13 000		-	-	2 167	(2 167)	-100.0%	13 000
Neighbourhood Development Partnership			20 000		-	-	3 333	(3 333)	-100.0%	20 000
Integrated National Electrification Programme			30 000		-	-	5 000	(5 000)	-100.0%	30 000
<b>Provincial Government:</b>		-	107 469	-	5 520	5 520	17 911	(12 392)	-69.2%	107 469
Human Settlement Development Grant			94 400		5 520	5 520	15 733	(10 214)	-64.9%	94 400
Human Settlement Development Grant - MPCC			13 069		-	-	2 178	(2 178)	-100.0%	13 069
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
Health Subsidy - Environmental Health			-		-	-	-	-		-
<b>Other grant providers:</b>		-	-	-	-	-	-	-		-
BCMET Funding			-		-	-	-	-		-
Public Funding			-		-	-	-	-		-
<b>Total capital expenditure of Transfers and Grants</b>		-	850 353	-	33 276	33 425	141 725	(108 301)	-76.4%	850 353
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		-	2 099 564	-	44 871	48 070	349 927	(301 857)	-86.3%	2 099 564

### 11.1. Expenditure On Conditional Grant Allocations

The Metro has spent R35.06 million inclusive of reclaimed vat (2014/15: R39.22 million) which is 4% (2014/15: 5%) of its 2015/2016 DoRA allocation of R801.94 million (2014/15: 714.18 million) as at 31 August 2015. This reflects a slight regression 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.

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

**Table 19: Spending per Conditional Grant Funding Allocation**

<b>Funding/Grant</b>	<b>2015/2016 Approved Budget</b>	<b>YTD Expenditure (incl. vat)</b>	<b>Variance</b>	<b>% Exp vs. Budget</b>
Integrated National Electrification Programme Grant	30 000 000	0	30 000 000	0%
Energy Efficiency & Demand Side Management Grant	13 000 000	0	13 000 000	0%
Finance Management Grant	1 300 000	73 635	1 226 365	6%
Infrastructure Skills Development Grant	8 500 000	417 533	8 082 467	5%
Neighbourhood Development Partnership Grant	20 000 000	0	20 000 000	0%
Urban Settlement Development Grant	713 132 000	34 468 140	678 663 860	5%
Integrated City Development Grant	5 605 000	0	5 605 000	0%
Municipal Human Settlement Capacity Grant	9 253 000	0	9 253 000	0%
Expanded Public Works Programme Grant	1 149 000	99 909	1 049 091	9%
<b>TOTAL</b>	<b>801 939 000</b>	<b>35 059 218</b>	<b>766 879 782</b>	<b>4%</b>

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

#### 11.1.1. INTERGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)

Contracts are currently in advertising stage, expenditure to commence at appointment stage. The grant funding is going to be used to service connections to RDP houses detailed below:

<b>AREA</b>	<b>CONNECTIONS</b>	<b>STATUS</b>
Mdantsane – Mount Ruth	168	Bid Specification Committee
Mdantsane Buffer Strip	563	Bid Specification Committee
Potsdam Unit P(Extension 2)	400	On Tender (Closing date 21/08/15)
Quenera (Mzamomhle PH 1)	311	Bid Specification Committee
Reeston Phase 3 (Stage1 )	400	Bid Specification Committee

#### **11.1.2. ENERGY EFFICIENCY & DEMAND SIDE MANAGEMENT GRANT (EEDSM)**

The funding will be used for the installation and retrofit of 1000 watt high mast fittings to LED fittings; expected result of a minimum of 50% decrease in electricity consumption.

#### **11.1.3. FINANCE MANAGEMENT GRANT (FMG)**

The contracts of the prior intake of interns came to an end at 30 June 2015. The employment of new interns is in progress, Human Resources Department is undertaking its recruitment.

#### **11.1.4. INFRASTRUCURE SKILLS DEVELOPMENT GRANT (ISDG)**

Nine interns attended Electrical Trade Test Training at Nelson Mandela Bay Municipality, training costs amounting to R250 000 could not be processed in time. Training of Civil Engineering interns not done due to service provider scarcity.

#### **11.1.5. NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT (NDPG)**

The implementation is related to the approval of the Mdantsane Precinct Plan. The plan is in its final stages of completion and would require approval from National Treasury and Council. The projects prioritization will thus be within the concepts and urban designs developed and approved by National Treasury. A project plan will then be submitted to NDP – NT for approval thereafter specifications can be developed.

#### **11.1.6. URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)** **HUMAN SETTLEMENTS**

The department has experienced technical timeframe delays in submission and processing of invoices which resulted in low expenditure at the time of reporting.

The department is reworking the timeframes to ensure that the processes do not

impact much on expenditure. In addition, the department is devoted to advance project monitoring in order to ensure that the service providers deliver as per required milestones.

## **ENGINEERING SERVICES**

### **Reasons for the Low Expenditure**

#### **Water and Sanitation Capital Projects**

Some of the Treatment Works projects have been delayed due to litigations. The litigation process to be fast-tracked for the waste water treatment works projects. Funds have been spent on materials to be installed and purchasing of electronic components for the Wastewater Treatment Works projects. Some of the rural sanitation projects have reached final completion and some have reached practical completion. Annual contractors have been appointed to fast track the implementation of the outstanding projects within the Rural Sanitation Backlog Eradication Programme.

## **SPATIAL PLANNING & DEVELOPMENT**

### **Reasons for the Low Expenditure**

#### **KwaTshatshu Pedestrian Bridge**

Consultants were appointed in July 2014. The detail design and environmental process are nearing completion. The land requirements are currently being dealt with and thereafter the project will move to tender stage.

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

Consultants were appointed in December 2013. The detail designs and draft tender document phase has been completed. The land requirements are currently being dealt with and thereafter the project will move to tender stage.

#### **Sidewalks**

Sites for sidewalks have been identified in Scenery Park and Sweetwaters.

### **Traffic calming measures**

The following areas have been identified for the construction of speed humps: Braelyn, Duncan Village, Sweetwaters, Beacon Bay, Zwelitsha, Mdantsane and Sunnyridge and the works instructions have been done.

### **Guardrails**

Sites for Guardrails have been identified in Mdantsane, Alphendale and Ginsberg.

### **Traffic Signals**

Sites for traffic signals have been identified on NEX, Potters Pass, Caxton, Terminus and Gullsway. The installation of the NEX/Thornburn Terrace intersection traffic signals has been completed.

### **Guidance Signage**

Sites for guidance signs have been identified and designed for the rural areas, they have been manufactured by the BCMM signage contractor.

### **Taxi/ Bus stops, Scenery Park and Gonubie taxi loading area and Bonza Bay taxi loading area ablution facility**

Taxi/ Bus stops have been identified for Dimbaza and Mdantsane areas. Feasibility study and Design Bid Document for Scenery Park and Gonubie taxi loading area is being developed and awaiting wayleave approval from service departments. Construction of Ablution Facility at the Bonza Bay Taxi Loading area has started on 11 August 2015.

### **LOCAL ECONOMIC DEVELOPMENT**

The funding is allocated for both upgrades in the fresh-produce market and hydroponics programmes as part of sustainable development programme. The progress to date is that the market project is underway having commenced on stage one. Payments will be done upon completion of each milestone.

For the hydroponics project, a service provider is onsite through annual contract. This is a three month project and it will be complete by November 2015. Payments will be effected upon completion of each milestone.

## **HEALTH AND PUBLIC SAFETY**

Bill of quantities and specifications for building contractor has been finalized and to be submitted to Supply Chain Management & Bid Specifications Committee.

## **COMMUNITY SERVICES**

Specifications are being finalised for some of the projects and Enterprise Project Management Office (EPMO) is assisting the directorate with project implementation in order to speed up the processes.

### **11.1.7. MUNICIPAL HUMAN SETTLEMENT CAPACITY GRANT (MHSCG)**

The funding is mainly dedicated for remuneration costs related to additional personnel to be acquired. The recruitment process has commenced and is planned to be finalised by end of the second quarter which is December 2015, subsequently expenditure is expected.

### **11.1.8. EXPANDED PUBLIC WORKS PROGRAMME (EPWP)**

The municipality has an allocation of R1 149 000 for the 2015/16 financial year from the National Department of Public Works as per approved payment schedule by National treasury. A business plan has been approved for the following projects: Operations and Maintenance of public ablution facilities (R574 500); Maintenance of Eco Parks (R287 250) & Maintenance of roads within BCMM clusters (R287 250). These Projects are ongoing, therefore funds are committed.

## 12. COUNCILLOR AND EMPLOYEE BENEFITS

### 12.1. Councillor and Employees Benefits Summary

Table 20 below provides summary of employees and Councillors remuneration.

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

Summary of Employee and Councillor remuneration	Ref	2014/15	Budget Year 2015/16							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1	A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages			31 903	–	2 478	6 688	5 274	1 415	27%	31 903
Pension and UIF Contributions			3 328	–	259	259	557	(297)	-53%	3 328
Medical Aid Contributions			1 856	–	142	142	179	(37)	-21%	1 856
Motor Vehicle Allowance			12 944	–	992	992	2 197	(1 205)	-55%	12 944
Cellphone Allowance			–	–	177	177	–	177	#DIV/0!	–
Housing Allowances			2 879	–	212	212	612	(399)	-65%	2 879
Other benefits and allowances			–	–	–	–	–	–	–	–
<b>Sub Total - Councillors</b>			<b>52 910</b>	<b>–</b>	<b>4 262</b>	<b>8 472</b>	<b>8 818</b>	<b>(346)</b>	<b>-4%</b>	<b>52 910</b>
<b>% increase</b>	4		<b>#DIV/0!</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>#DIV/0!</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages			15 026	–	611	834	2 467	(1 633)	-66%	15 026
Pension and UIF Contributions			2 734	–	130	163	468	(306)	-65%	2 734
Medical Aid Contributions			266	–	18	21	79	(58)	-73%	266
Overtime			–	–	–	–	–	–	–	–
Performance Bonus			–	–	–	–	–	–	–	–
Motor Vehicle Allowance			2 738	–	134	173	527	(354)	-67%	2 738
Cellphone Allowance			–	–	23	31	–	31	#DIV/0!	–
Housing Allowances			83	–	1	1	56	(55)	-98%	83
Other benefits and allowances			2 273	–	174	209	439	(230)	-52%	2 273
Payments in lieu of leave			–	–	–	–	–	–	–	–
Long service awards			36	–	–	–	–	–	–	36
Post-retirement benefit obligations			–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Municipality</b>			<b>23 157</b>	<b>–</b>	<b>1 091</b>	<b>1 432</b>	<b>4 037</b>	<b>(2 604)</b>	<b>-65%</b>	<b>23 157</b>
<b>% increase</b>	4		<b>#DIV/0!</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>#DIV/0!</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages			851 398	–	11 898	116 833	145 937	(29 103)	-20%	851 398
Pension and UIF Contributions			155 271	–	25 529	25 324	27 127	(1 803)	-7%	155 271
Medical Aid Contributions			96 719	–	9 371	9 296	10 133	(837)	-8%	96 719
Overtime			60 348	–	16 547	16 542	11 274	5 269	47%	60 348
Performance Bonus			–	–	–	–	–	–	–	–
Motor Vehicle Allowance			26 800	–	3 564	3 259	4 657	(1 398)	-30%	26 800
Cellphone Allowance			–	–	657	657	–	657	#DIV/0!	–
Housing Allowances			10 185	–	617	614	1 373	(759)	-55%	10 185
Other benefits and allowances			139 402	–	25 302	25 227	20 805	4 422	21%	139 402
Payments in lieu of leave			7 307	–	3 262	3 262	3 043	219	7%	7 307
Long service awards			17 033	–	2 789	2 778	2 883	(105)	-4%	17 033
Post-retirement benefit obligations			–	–	0	0	0	0	#DIV/0!	–
<b>Sub Total - Other Municipal Staff</b>			<b>1 364 462</b>	<b>–</b>	<b>99 536</b>	<b>203 793</b>	<b>227 233</b>	<b>(23 440)</b>	<b>-10%</b>	<b>1 364 462</b>
<b>% increase</b>	4		<b>#DIV/0!</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>#DIV/0!</b>
<b>Total Parent Municipality</b>			<b>1 440 529</b>	<b>–</b>	<b>104 889</b>	<b>213 697</b>	<b>240 088</b>	<b>(26 391)</b>	<b>-11%</b>	<b>1 440 529</b>
<b>Unpaid salary, allowances &amp; benefits in arrears:</b>										
<b>Board Members of Entities</b>										
Basic Salaries and Wages			96	–	–	–	–	–	–	96
Pension and UIF Contributions			–	–	–	–	–	–	–	–
Medical Aid Contributions			–	–	–	–	–	–	–	–
Overtime			–	–	–	–	–	–	–	–
Performance Bonus			–	–	–	–	–	–	–	–
Motor Vehicle Allowance			–	–	–	–	–	–	–	–
Cellphone Allowance			–	–	–	–	–	–	–	–
Housing Allowances			–	–	–	–	–	–	–	–
Other benefits and allowances			–	–	–	–	–	–	–	–
Board Fees			–	–	–	–	–	–	–	–
Payments in lieu of leave			–	–	–	–	–	–	–	–
Long service awards			–	–	–	–	–	–	–	–
Post-retirement benefit obligations			–	–	–	–	–	–	–	–
<b>Sub Total - Board Members of Entities</b>			<b>96</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>96</b>
<b>% increase</b>	4		<b>#DIV/0!</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>#DIV/0!</b>
<b>Senior Managers of Entities</b>										
Basic Salaries and Wages			1 004	–	–	–	–	–	–	1 004
Pension and UIF Contributions			184	–	–	–	–	–	–	184
Medical Aid Contributions			91	–	–	–	–	–	–	91
Overtime			–	–	–	–	–	–	–	–
Performance Bonus			–	–	–	–	–	–	–	–
Motor Vehicle Allowance			310	–	–	–	–	–	–	310
Cellphone Allowance			–	–	–	–	–	–	–	–
Housing Allowances			25	–	–	–	–	–	–	25
Other benefits and allowances			104	–	–	–	–	–	–	104
Payments in lieu of leave			–	–	–	–	–	–	–	–
Long service awards			–	–	–	–	–	–	–	–
Post-retirement benefit obligations			–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Entities</b>			<b>1 718</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1 718</b>
<b>% increase</b>	4		<b>#DIV/0!</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>#DIV/0!</b>
<b>Other Staff of Entities</b>										
Basic Salaries and Wages			180	–	–	–	–	–	–	180
Pension and UIF Contributions			34	–	–	–	–	–	–	34
Medical Aid Contributions			91	–	–	–	–	–	–	91
Overtime			–	–	–	–	–	–	–	–
Performance Bonus			–	–	–	–	–	–	–	–
Motor Vehicle Allowance			–	–	–	–	–	–	–	–
Cellphone Allowance			–	–	–	–	–	–	–	–
Housing Allowances			16	–	–	–	–	–	–	16
Other benefits and allowances			19	–	–	–	–	–	–	19
Payments in lieu of leave			–	–	–	–	–	–	–	–
Long service awards			–	–	–	–	–	–	–	–
Post-retirement benefit obligations			–	–	–	–	–	–	–	–
<b>Sub Total - Other Staff of Entities</b>			<b>341</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>341</b>
<b>% increase</b>	4		<b>#DIV/0!</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>#DIV/0!</b>
<b>Total Municipal Entities</b>			<b>2 155</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2 155</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>			<b>1 442 684</b>	<b>–</b>	<b>104 889</b>	<b>213 697</b>	<b>240 088</b>	<b>(26 391)</b>	<b>-11%</b>	<b>1 442 684</b>
<b>% increase</b>	4		<b>#DIV/0!</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>#DIV/0!</b>
<b>TOTAL MANAGERS AND STAFF</b>			<b>1 389 678</b>	<b>–</b>	<b>100 628</b>	<b>205 225</b>	<b>231 270</b>	<b>(26 045)</b>	<b>-11%</b>	<b>1 389 678</b>

## 12.2. Overtime Analysis

Table 21 below provides comparison of overtime expenditure against budget per directorate for the period ended 31 August 2015. Table 22 below details overtime expenditure incurred per cost centre for the past three months ended 31 August 2015.

**Table 21: Overtime per Directorate**

Directorate	2015/2016 Annual Budget R	2015/2016 YTD Budget R	2015/2016 YTD Expenditure R	2015/2016 Variance R	2015/2016 % of YTD Budget %
Directorate of Executive Support Services	1 476 325	246 054	597 617	-351 562	243%
Directorate of The Municipal Manager	280 035	46 673	119 935	-73 263	257%
Directorate of Chief Operations Officer	96 161	16 027	2 538	13 489	16%
Directorate of Financial Service	1 235 667	205 945	329 427	-123 482	160%
Directorate of Corporate Services	552 836	92 139	92 002	137	100%
Directorate of Engineering Services	15 159 129	2 526 522	5 069 402	-2 542 880	201%
<i>Electricity</i>	7 120 580	1 186 763	1 599 243	-412 479	135%
<i>Water</i>	2 764 285	460 714	1 918 453	-1 457 739	416%
<i>Sanitation</i>	4 257 654	709 609	1 412 842	-703 233	199%
<i>Other</i>	1 016 610	169 435	138 865	30 570	82%
Directorate of Development Planning	951 675	158 613	145 662	12 950	92%
Directorate of Health and Public Safety	23 003 966	3 833 994	3 541 236	292 758	92%
Directorate of Community Services	17 592 591	2 932 099	7 508 831	-4 576 733	256%
<b>Total</b>	<b>60 348 385</b>	<b>10 058 064</b>	<b>17 406 650</b>	<b>-7 348 586</b>	<b>173%</b>

**Table 22: Overtime Per Cost Centre: June 2015 – August 2015**

		June 2015 Amount	July 2015 Amount	August 2015 Amount
<b>Directorate -Executive Support Services</b>				
105 005	Office of The Director of Executive Support	298 036.48	250 234.92	212 555.18
105 020	Public Participation & Ward Committees	5 582.97	3 754.82	5 528.59
105 025	Strategic Support	-	1 683.04	-
105 030	Special Programmes	5 270.05	5 663.90	-
110 005	IDP	5 924.59	-	799.25
120 010	Public Relations & International Events	72 284.96	50 824.95	32 947.60
		<b>387 099.05</b>	<b>312 161.63</b>	<b>251 830.62</b>
<b>Directorate - Municipal Manager</b>				
205 005	Office of The Municipal Manager & Support Services	47 279.02	33 073.62	53 362.81
215 005	Internal Audit	-	9 623.18	-
225 010	Municipal Public Accounts Committee	2 096.58	-	5 934.85
		<b>49 375.60</b>	<b>42 696.80</b>	<b>59 297.66</b>
<b>Directorate - Chief Operations Officer</b>				
255 005	Housing Department	4 956.54	5 175.38	-
		<b>4 956.54</b>	<b>5 175.38</b>	-
<b>Directorate - Chief Financial Officer</b>				
305 005	Office of The Director of Finance	-	-	1 770.84
305 010	Support Services Office	-	-	5 620.34
320 005	Asset Risk & Financial Services	-	-	2 005.49
320 010	Supply Chain Management	52 216.16	76 946.09	5 693.10
320 015	Expenditure Office	34 342.94	27 301.38	7 857.89
320 020	Salary Office	-	-	2 753.89
330 005	Rates & Valuations Office	-	2 386.92	-
330 010	Consolidated Billing & Miscellaneous Revenue Office	428 485.18	116 069.03	36 539.97
330 015	Debtors Management Office	14 236.04	18 069.51	14 843.61
330 020	Customer Care Office	2 000.70	562.92	-
		<b>531 281.02</b>	<b>241 335.85</b>	<b>77 085.13</b>
<b>Directorate - Corporate Services</b>				
415 005	Administrative & Council Support	41 886.70	3 914.39	3 239.19
415 010	Auxilliary & Telecommunication Services	66 110.28	24 646.16	30 253.65
415 025	Management Information Services	9 327.05	10 104.77	4 662.32
420 010	Occupational Risk Management	12 404.00	9 923.20	2 540.40
420 020	Organisational Development	-	41.22	-
425 005	Research Policy & Knowledge Management Unit	-	1 738.20	-
		<b>129 728.03</b>	<b>50 367.94</b>	<b>40 695.56</b>

		June 2015 Amount	July 2015 Amount	August 2015 Amount
<b>Directorate - Engineering Services</b>				
505 005	Office of The Director of Engineering Services - Admin	-	4 108.56	-
505 010	City Engineering Building	1 471.28	1 765.53	2 310.12
510 005	Scientific Services	22 356.08	9 081.47	26 790.37
515 006	Night Soil Removal - Coastal	81 509.53	40 675.54	67 420.49
515 007	Night Soil Removal - Central	2 883.54	-	2 676.02
515 026	Sewerage Treatment - Coastal	51 073.19	71 225.77	53 595.46
515 027	Sewerage Treatment - Central	34 921.70	36 984.89	26 697.89
515 028	Sewerage Treatment - Inland	79 730.23	90 849.07	74 572.75
515 031	Sewerage Reticulation - Coastal	224 170.73	208 226.64	191 482.87
515 032	Sewerage Reticulation - Central	109 689.45	100 414.92	105 197.33
515 033	Sewerage Reticulation - Inland	104 439.03	98 610.93	95 544.54
520 005	Water Administration	11 037.57	15 977.74	7 742.05
520 011	Maden Dam	15 219.56	15 021.70	13 373.46
520 012	Bridle Drift Dam	3 481.56	2 931.84	2 626.96
520 015	Bulk Pumping Stations	17 464.20	19 675.02	20 480.28
520 021	Umzonyana Water Treatment Works	92 886.00	62 137.00	100 314.44
520 023	KWT Water Treatment Works	104 030.30	96 952.82	97 719.92
520 024	Mdantsane Bulk Pumping	30 446.35	20 457.18	16 176.12
520 025	Water Ops & Maint. - Inland	171 721.79	182 738.98	237 163.42
520 026	Water Ops & Maint. - Midland	252 165.80	221 383.80	207 313.11
520 030	Water Ops & Maint. - Coastal	262 460.59	230 150.20	268 160.89
525 005	Construction Distribution	-	1 978.09	-
525 010	Roads Administration	1 998.65	-	-
525 025	Roads & Stormwater Drainage	9 629.50	5 717.53	11 765.66
525 035	Project Management & Implementation Branch	-	-	1 695.82
525 040	Project Management Unit	-	-	1 542.52
530 005	Mechanical Workshop - Westbank	-	-	1 163.24
530 010	Fleet Management - Westbank	-	1 763.03	-
530 015	Mechanical Workshop - Braelyn	28 615.18	33 778.94	28 563.11
530 020	Fleet Management - Braelyn	4 150.90	4 534.06	-
535 005	Electricity Administration	17 331.42	2 574.36	11 578.56
535 010	Electricity Distribution Supervisory Staff	770 125.39	699 252.80	704 948.95
535 025	Electricity Planning & Design	458.75	753.66	655.35
535 040	Revenue Protection	79 613.44	76 139.18	66 992.68
		<b>2 585 081.71</b>	<b>2 355 861.25</b>	<b>2 446 264.38</b>
<b>Directorate - Development Planning</b>				
615 095	Building Maintenance - Coastal / Central	-	2 206.88	1 462.13
620 015	Traffic Signal Maintenance	12 062.43	11 484.91	12 790.68
625 005	Buffalo City Bus Services	12 835.08	10 401.82	12 424.02
635 005	Local Economic Development	6 069.89	6 377.29	-
635 010	Market	28 360.16	42 787.61	36 662.07
		<b>59 327.56</b>	<b>73 258.51</b>	<b>63 338.90</b>

		June 2015 Amount	July 2015 Amount	August 2015 Amount
<b>Directorate - Health &amp; Public Safety</b>				
725 010	Fire & Rescue Services	467 554.92	297 802.60	140 807.81
725 015	Law Enforcement Services	1 225 636.45	1 032 047.32	833 741.94
725 020	Traffic Administration	90 355.00	71 350.75	61 324.63
725 025	Traffic Control	288 214.93	284 251.34	239 222.15
725 035	Vehicle Test Station / Examination	5 972.30	7 479.03	5 853.15
725 040	Drivers License Testing	-	2 124.05	1 091.30
725 045	Traffic Technical Services	1 485.02	5 744.21	1 511.31
725 050	Parking Areas / Meters	44 515.85	54 414.19	39 187.26
725 055	Disaster Management	1 320.14	2 113.37	3 759.10
		<b>2 125 054.61</b>	<b>1 757 326.86</b>	<b>1 326 498.65</b>
<b>Directorate - Community Services</b>				
750 005	Office of The Director of Community Services	3 651.08	5 949.90	5 260.38
750 010	Cleansing Administration Support	6 018.16	5 065.84	4 709.99
755 010	Environmental Services	576 333.69	492 247.38	543 073.51
755 015	Environmental Conservation	179 042.92	165 475.67	156 011.41
755 025	Interments	323 671.44	285 170.84	274 432.05
760 005	Arts & Cultural Services Admin	45 314.93	51 122.56	30 382.11
760 010	Libraries	7 276.30	7 036.48	10 961.69
760 025	Halls	186 716.54	148 534.68	140 103.09
765 005	Amenities Administration Support	43 005.04	49 475.14	38 467.86
765 010	Sportsfields	164 537.45	141 574.33	89 630.76
765 015	Swimming Pools	198 508.22	165 342.42	140 292.52
765 020	Aquarium	55 811.36	52 197.83	34 260.02
765 025	Zoo	70 886.05	58 048.44	56 648.55
765 030	Beaches	273 240.47	166 828.92	152 376.19
765 035	Resorts	99 810.24	72 050.77	66 746.99
770 005	Cleansing Administration Support	8 505.84	10 790.86	11 951.96
770 010	Refuse Removal	1 182 674.37	979 224.18	1 008 691.65
770 015	Waste Disposal Sites	35 295.01	20 407.34	18 983.55
770 020	Street Sweeping	788 794.83	635 909.73	541 999.98
770 025	Public Conveniences	157 279.54	122 834.89	116 187.52
770 030	E.L Regional Waste Disposal Site & Transfer Station	63 834.92	46 180.41	32 414.34
		<b>4 470 208.40</b>	<b>3 681 468.61</b>	<b>3 473 586.12</b>
	<b>TOTAL OVERTIME</b>	<b>10 342 112.52</b>	<b>8 519 652.83</b>	<b>7 738 597.02</b>

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

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

The planned and emergency nature of tasks within the Executive Mayor and the Speakers Office contribute to excessive hours of work. Overtime incurred is also due to ward committee meetings, Inter-departmental and Inter-Governmental Relation programmes.

#### **b) Municipal Managers Office**

The over expenditure on overtime is due to unplanned and emergency overtime. Monitoring of overtime is continuously undertaken.

#### **c) Directorate of Finance**

The over expenditure on overtime is due to staff who had to work overtime in order to finalise transactions and reports relating to 2014/15 financial year.

#### **d) Directorate of Engineering Services**

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

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

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

#### **e) Directorate of Community Services**

Overtime is mostly due to halls usage, high volume of burials especially over weekends and the emergency overtime for grass cutting and vegetation control.

The Amenities functions are of such a nature that certain staff must be available seven days a week including public holidays. Services provided include emergency work, swimming pools (inland/ coastal), sportsfields (inland/ coastal), resorts,

aquarium, beaches, coastal conservation, nature reserves and the zoo.

The Department of Solid Waste Management is trying its level best to manage overtime but challenges amongst others like refuse removal truck shortages and high rate of absenteeism force overtime to be worked.

### **12.3. Standby and Shift Allowance Analysis**

Table 23 below reflects standby and shift allowance expenditure incurred per directorate for the past three months ended 31 August 2015. There was a decrease in the total payment between June 2015 and July 2015 of R23 517 and a decrease in the total payment between July 2015 and August 2015 of R78 130.

**Table 23: Standby & Shift Allowance per Directorate**

	<b>JUNE 2015</b>	<b>JULY 2015</b>	<b>AUGUST 2015</b>
Directorate – Executive Support Services	13 164	11 178	12 457
Directorate – Municipal Manager	978	857	3 164
Directorate – Chief Financial Officer	6 363	8 030	6 021
Directorate – Corporate Services	13 604	20 668	17 554
Directorate – Engineering Services	487 946	468 663	414 756
Directorate – Development Planning	10 800	12 097	14 580
Directorate – Health & Public Safety	210 173	199 498	195 733
Directorate – Community Services	250 577	249 097	227 693
<b>TOTAL</b>	<b>993 605</b>	<b>970 088</b>	<b>891 958</b>

### **12.4. Cost of Temporary Staff**

The total payment of Temporary Staff for the past three (3) months ended 31 August 2015 is reflected below. There was a decrease in the total payment between June 2015 and July 2015 of R357 911 and a decrease in the total payment between July 2015 and August 2015 of R796 722.

**Table 24: Temporary Staff Per Directorate**

	<b>JUNE 2015</b>	<b>JULY 2015</b>	<b>AUGUST 2015</b>
Directorate – Executive Support Services	960 776	974 516	916 962
Directorate – Municipal Manager	373 402	296 731	319 116
Directorate – Chief Operations Officer	257 360	221 432	248 614
Directorate – Chief Financial Officer	671 170	565 116	500 383
Directorate – Corporate Services	851 662	849 555	877 794
Directorate – Engineering Services	134 929	137 677	61 456
Directorate – Development Planning	46 842	43 153	53 643
Directorate – Health & Public Safety	4 799 721	4 552 944	3 909 690
Directorate – Community Services	1 139 065	1 235 891	1 192 636
<b>TOTAL</b>	<b>9 234 927</b>	<b>8 877 016</b>	<b>8 080 294</b>

**12.5. Councillors Costs**

The table below shows the budget and expenditure to date for councillors costs.

**Table 25: Councillors Costs**

	<b>AUGUST 2015</b>	<b>YTD EXPEN</b>	<b>YTD BUDGET</b>	<b>VARIANCE</b>	<b>ANNUAL BUDGET</b>
Mayoral Allowance	58 882	117 764	<b>128 408</b>	10 644	770 445
Deputy Mayoral Allowance	47 554	95 108	<b>102 726</b>	7 618	616 356
Mayoral Committee Allowance	442 848	885 696	<b>963 056</b>	77 360	5 778 333
Speakers Allowance	47 554	95 108	<b>102 726</b>	7 618	616 356
Out of Pocket Expenses	64 146	88 900	-	-88 900	-
Councillors Allowance	1 816 834	3 661 925	<b>4 020 207</b>	358 282	24 121 244
Cllr Cell Phone Allowance	177 399	354 798	-	-354 798	-
Cllr Housing Subsidy	212 241	425 632	<b>479 901</b>	54 269	2 879 407
Cllr Medical Aid	142 461	275 891	<b>309 271</b>	33 379	1 855 623
Cllr Pension Scheme	259 467	511 916	<b>554 721</b>	42 804	3 328 325
Cllr Travel Allowance	-	1 959 279	<b>2 157 351</b>	198 071	12 944 103
Cllr Motor Vehicle Allowances	992 388	-	-	-	-
<b>TOTAL</b>	<b>4 261 774</b>	<b>8 472 018</b>	<b>8 818 365</b>	<b>346 347</b>	<b>52 910 192</b>

### **13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE**

The parent municipality Buffalo City Metropolitan Municipality has constituted the board members for Buffalo City Development Agency (BCDA). The board is currently recruiting staff for the running of the agency. Interviews for the CEO position have already been conducted, a Project Manager has been appointed and commenced work on 01 August 2015; and shortlisting for the position of an Administrator has been done.

The Buffalo City Development Agency has a budget of R5,86 million within the Executive Support Services Directorate of BCMM and has spent R5,270 as at 31 August 2015.

### **14. CAPITAL PROGRAMME PERFORMANCE**

BCMM has spent R44.9 million inclusive of reclaimed vat (2014/15: R45.32 million) which is 4% (2014/15: 4%) of its 2015/16 approved capital budget of R1.27 billion (2014/15: R1.06 billion) as at 31 August 2015. It is anticipated that the expenditure will improve as the year progresses and once the procurement processes have been undertaken.

Refer to Annexure A – C5 for the breakdown per municipal vote, standard classification & funding; Annexure B – SC12 for monthly expenditure trends; SC13a for breakdown of asset classification for new assets and SC13b for breakdown on asset classification on renewal of existing asset). A detailed schedule of the capital projects expenditure is outlined in Annexure E.

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

**Table 26: Capital Expenditure per Funding Source against Budget**

<u>Funding</u>	<u>2015/2016 Approved Budget</u>	<u>YTD Expenditure (VAT incl)</u>	<u>Variance (VAT incl)</u>	<u>% Expe</u>
<b>Total Own Funding</b>	<b>425 001 630</b>	<b>8 791 133</b>	<b>416 210 497</b>	<b>2%</b>
DoE(Integrated National Electrification Programme)	30 000 000	0	30 000 000	0%
Electricity Demand Side Management Grant	13 000 000	0	13 000 000	0%
Infrastructure Skills Development Grant	100 000	0	100 000	0%
Neighbourhood Development Partnership Grant	20 000 000	0	20 000 000	0%
Urban Settlement Development Grant	679 784 100	30 593 991	649 190 109	5%
Human Settlement Development Grant	94 400 000	5 519 698	88 880 302	6%
Human Settlement Development Grant-MPCC	13 068 500	0	13 068 500	0%
<b>Total Grants</b>	<b>850 352 600</b>	<b>36 113 689</b>	<b>814 238 911</b>	<b>4%</b>
<b>TOTAL PER FUNDING</b>	<b>1 275 354 230</b>	<b>44 904 823</b>	<b>1 230 449 407</b>	<b>4%</b>

Table 27 below reflects capital expenditure performance per service.

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

<u>Services</u>	<u>2015/2016 Approved Budget</u>	<u>YTD Expenditure (VAT incl)</u>	<u>Variance (VAT incl)</u>	<u>% Expenditure (VAT incl)</u>
Water	91 000 000	5 135 335	85 864 665	6%
Waste Water	257 505 969	92 461	257 413 508	0%
Electricity	158 500 000	2 018 136	156 481 864	1%
Roads and Stormwater	265 000 000	1 204 341	263 795 659	0%
Housing	211 424 000	34 238 796	177 185 204	16%
Transport Planning	68 220 661	639 821	67 580 840	1%
Waste Management / Refuse	21 710 100	0	21 710 100	0%
Amenities	72 493 500	40 000	72 453 500	0%
Public Safety	21 650 000	1 489 401	20 160 599	7%
Support Services	59 850 000	46 531	59 803 469	0%
Other - BCM Fleet	48 000 000	0	48 000 000	0%
	<b>1 275 354 230</b>	<b>44 904 823</b>	<b>1 230 449 407</b>	<b>4%</b>

Table 28 below reflects capital expenditure performance per directorate.

**Table 28: Actual Expenditure per Directorate against Budget**

<b>Directorate</b>	<b>2015/2016 Approved Budget</b>	<b>YTD Expenditure (VAT incl)</b>	<b>Variance (VAT incl)</b>	<b>% Exp.</b>
Executive Support Services	6 200 000	7 411	6 192 589	0%
Municipal Manager's Office	21 500 000	0	21 500 000	0%
Human Settlements	211 424 000	34 238 796	177 185 204	16%
Directorate of Financial Services	10 000 000	0	10 000 000	0%
Directorate of Corporate Services	21 600 000	39 121	21 560 879	0%
Directorate of Engineering Services	820 555 969	8 450 273	812 105 696	1%
Directorate of Development Planning	48 220 661	280 371	47 940 290	1%
Directorate of Economic Development	20 000 000	359 451	19 640 549	2%
Directorate of Health & Public Safety	21 650 000	1 489 401	20 160 599	7%
Directorate of Community Services	94 203 600	40 000	94 163 600	0%
<b>TOTAL DIRECTORATES</b>	<b>1 275 354 230</b>	<b>44 904 823</b>	<b>1 230 449 407</b>	<b>4%</b>

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

**Table 29: SC12 Monthly budget Statement – capital expenditure trend**

Month	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
<b>R thousands</b>									
<b>Monthly expenditure performance trend</b>									
July	-	2 538	-	148	148	2 538	2 389	94.2%	0%
August	-	30 122	-	42 068	42 216	32 659	(9 556)	-29.3%	3%
September	-	24 852	-	-	-	57 511	-		
October	-	45 563	-	-	-	103 074	-		
November	-	43 333	-	-	-	146 407	-		
December	-	50 976	-	-	-	197 383	-		
January	-	29 612	-	-	-	226 995	-		
February	-	32 833	-	-	-	259 828	-		
March	-	51 060	-	-	-	310 888	-		
April	-	69 017	-	-	-	379 905	-		
May	-	65 150	-	-	-	445 054	-		
June	-	830 300	-	-	-	1 275 354	-		
<b>Total Capital expenditure</b>	-	<b>1 275 354</b>	-	<b>42 216</b>					

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

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

Description	Ref	Budget Year 2015/16								
		2014/15 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	158 210	-	384	384	4 051	3 667	90.5%	158 210
Infrastructure - Road transport		-	20 000	-	-	-	512	512	100.0%	20 000
Roads, Pavements & Bridges		-	20 000	-	-	-	512	512	100.0%	20 000
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	66 500	-	10	10	1 703	1 693	99.4%	66 500
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	66 500	-	10	10	1 703	1 693	99.4%	66 500
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	71 710	-	374	374	1 836	1 463	79.6%	71 710
Waste Management		-	21 710	-	-	-	556	556	100.0%	21 710
Transportation		-	30 000	-	14	14	768	754	98.1%	30 000
Gas		-	-	-	-	-	-	-	-	-
Other		-	20 000	-	359	359	512	153	29.8%	20 000
<b>Community</b>		-	35 069	-	40	40	898	858	95.5%	35 069
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	27 069	-	40	40	693	653	94.2%	27 069
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	8 000	-	-	-	205	205	100.0%	8 000
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	211 274	-	31 493	31 642	5 410	(26 231)	-484.8%	211 274
Housing development		-	211 274	-	31 493	31 642	5 410	(26 231)	-484.8%	211 274
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		-	125 375	-	1 536	1 536	3 211	1 675	52.2%	125 375
General vehicles		-	48 450	-	-	-	1 241	1 241	100.0%	48 450
Specialised vehicles		-	7 600	-	1 262	1 262	195	(1 067)	-548.3%	7 600
Plant & equipment		-	8 675	-	228	228	222	(5)	-2.5%	8 675
Computers - hardware/equipment		-	40 650	-	47	47	1 041	994	95.5%	40 650
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	-	-	-	-	-	-	-	-
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	20 000	-	-	-	512	512	100.0%	20 000
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on new assets</b>	1	-	529 928	-	33 453	33 602	13 570	(20 031)	-147.6%	529 928
<b>Specialised vehicles</b>		-	7 600	-	1 262	1 262	195	(1 067)	(0)	7 600
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	7 600	-	1 262	1 262	195	(1 067)	(0)	7 600
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

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

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

Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	686 056	-	8 350	8 350	17 569	9 218	52.5%	686 056
Infrastructure - Road transport		-	245 000	-	1 204	1 204	6 274	5 070	80.8%	245 000
Roads, Pavements & Bridges		-	245 000	-	1 204	1 204	6 274	5 070	80.8%	245 000
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		-	92 000	-	2 008	2 008	2 356	348	14.8%	92 000
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		-	92 000	-	2 008	2 008	2 356	348	14.8%	92 000
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	91 000	-	5 046	5 046	2 330	(2 715)	-116.5%	91 000
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	91 000	-	5 046	5 046	2 330	(2 715)	-116.5%	91 000
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		-	258 056	-	92	92	6 608	6 516	98.6%	258 056
Waste Management		-	258 056	-	92	92	6 608	6 516	98.6%	258 056
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Community</b>		-	30 700	-	-	-	786	786	100.0%	30 700
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	22 700	-	-	-	581	581	100.0%	22 700
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	8 000	-	-	-	205	205	100.0%	8 000
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Investment properties</b>		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Other assets</b>		-	28 671	-	264	264	734	470	64.0%	28 671
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	24 221	-	264	264	620	356	57.4%	24 221
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	4 450	-	-	-	114	114	100.0%	4 450
<b>Agricultural assets</b>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<b>Biological assets</b>		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
<b>Intangibles</b>		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing ass</b>	1	-	745 427	-	8 614	8 614	19 089	10 475	54.9%	745 427
<b>Specialised vehicles</b>		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

## **15. OTHER SUPPORTING DOCUMENTS**

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

The Metro has spent 2% (R15.5 million) inclusive of reclaimed vat of its 2015/16 approved budget of R671.32 million as at 31 August 2015. This reflects a slight regression when compared to the same period in the previous financial year where 9% (R26.03 million) of the approved operating projects budget of R210.97 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 32 and 33 below summarise Annexure D.

**Table 32: Operating Projects per Directorate**

<b>OPERATING PROJECTS PER DIRECTORATE</b>	<b><u>2015/2016 Approved Budget</u></b>	<b><u>YTD Expenditure (VAT incl)</u></b>	<b><u>Variance (VAT incl)</u></b>	<b><u>% Exp</u></b>
Executive Support Services	810 000	0	810 000	0%
Municipal Manager's Office	46 401 900	3 976 770	42 425 130	9%
Chief Operations Officer	543 458 947	10 264 667	533 194 280	2%
Directorate of Financial Services	39 550 000	73 635	39 476 365	0%
Directorate of Corporate Services	21 900 000	417 533	21 482 467	2%
Directorate of Engineering Services	3 500 000	0	3 500 000	0%
Directorate of Economic Development	3 000 000	763 002	2 236 998	25%
Directorate of Health & Public Safety	200 000	0	200 000	0%
Directorate of Community Services	12 500 000	0	12 500 000	0%
<b>TOTAL PER DIRECTORATE</b>	<b>671 320 847</b>	<b>15 495 608</b>	<b>655 825 239</b>	<b>2%</b>

**Table 33: Operating Projects per Funding Source**

<b>OPERATING PROJECTS PER FUNDING SOURCE</b>	<b><u>2015/2016</u> <u>Approved</u> <u>Budget</u></b>	<b><u>YTD</u> <u>Expenditure</u> <u>(VAT incl)</u></b>	<b><u>Variance</u> <u>(VAT incl)</u></b>	<b><u>%</u> <u>Expendit</u> <u>ure</u></b>
<b>Total Own Funding</b>	<b>88 610 000</b>	<b>791 409</b>	<b>87 818 591</b>	<b>1%</b>
Department of Local Government & Traditional Affairs	2 000 000	304 324	1 695 676	15%
Expanded Public Works Programme Incentives Grant	1 149 000	99 909	1 049 091	9%
Finance Management Grant	1 300 000	73 635	1 226 365	6%
Human Settlement Development Grant	521 655 947	9 934 648	511 721 299	2%
Infrastructure Skills Development Grant	8 400 000	417 533	7 982 467	5%
Integrated City Development Grant	5 605 000	0	5 605 000	0%
Municipal Human Settlement Capacity Grant	9 253 000	0	9 253 000	0%
Urban Settlement Development Grant	33 347 900	3 874 149	29 473 751	12%
<b>Total Grants</b>	<b>582 710 847</b>	<b>14 704 198</b>	<b>568 006 649</b>	<b>3%</b>
<b>TOTAL PER FUNDING</b>	<b>671 320 847</b>	<b>15 495 608</b>	<b>655 825 239</b>	<b>2%</b>

**16. INCOME AND EXPENDITURE REPORTS FOR DIRECTORATE OF HEALTH  
AND PUBLIC SAFETY & MUNICIPAL (COMMUNITY) SERVICES**

**16.1. Health & Public Safety**

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

**Table 34: Health & Public Safety – Cost Analysis**

<b>Health &amp; Public Safety</b>	<b>Total Revenue</b>	<b>Employee Costs</b>	<b>Other Operating Expenditure</b>	<b>Repairs &amp; Maintenance</b>	<b>Total Expenditure Excluding Capital</b>
<b>OFFICE OF THE DIRECTOR OF HEALTH / PUBLIC SAFETY &amp; EMERGENCY SERVICES</b>	<b>0</b>	<b>270 118</b>	<b>6 566</b>	<b>0</b>	<b>276 684</b>
<b>GM - EMERGENCY SERVICES</b>	<b>-17 116 917</b>	<b>8 570 572</b>	<b>2 305 028</b>	<b>18 991</b>	<b>10 894 591</b>
EMERGENCY SERVICES	0	345 778	2 069	0	347 848
DISASTER MANAGEMENT	0	360 215	90 446	2 278	452 938
FIRE & RESCUE	-17 116 917	7 864 579	2 212 513	16 713	10 093 805
<b>GM - MUNICIPAL HEALTH SERVICES</b>	<b>-1 030</b>	<b>3 935 751</b>	<b>141 093</b>	<b>36 661</b>	<b>4 113 505</b>
MUNICIPAL HEALTH SERVICES	-1 030	3 935 751	141 093	36 661	4 113 505
MUNICIPAL HEALTH SERVICES: COASTAL REGION	0	0	0	0	0
MUNICIPAL HEALTH SERVICES: INLAND REGION	0	0	0	0	0
MUNICIPAL HEALTH SERVICES: MIDLAND REGION	0	0	0	0	0
<b>GM - PUBLIC SAFETY &amp; PROTECTION SERVICES</b>	<b>-8 011 041</b>	<b>22 194 617</b>	<b>2 559 271</b>	<b>135 722</b>	<b>24 889 610</b>
PUBLIC SAFETY & PROTECTION SERVICES	-4 468	2 831 973	2 055 403	66 092	4 953 467
LAW ENFORCEMENT SERVICES	-3 140	11 682 011	171 142	69 631	11 922 784
TRAFFIC SERVICES	-8 003 433	7 680 634	332 726	0	8 013 359
<b>Total</b>	<b>-25 128 988</b>	<b>34 971 059</b>	<b>5 011 958</b>	<b>191 374</b>	<b>40 174 390</b>

## 16.2. Municipal (Community) Services

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

**Table 35: Municipal (Community) Services – Cost Analysis**

<b>Municipal Services</b>	<b>Total Revenue</b>	<b>Employee Costs</b>	<b>Other Operating Expenditure</b>	<b>Repairs &amp; Maintenance</b>	<b>Total Expenditure Excluding Capital</b>
OFFICE OF THE DIRECTOR OF MUNICIPAL SERVICES	0	920 522	882 801	3 611	1 806 935
<b>GM - COMMUNITY AMENITIES</b>	<b>-389 262</b>	<b>14 149 781</b>	<b>696 901</b>	<b>298 900</b>	<b>15 145 582</b>
COMMUNITY AMENITIES	0	1 580 424	14 254	4 918	1 599 595
LIBRARIES & HALLS	0	0	0	0	0
LIBRARIES	-47 952	2 608 678	83 110	16 817	2 708 605
HALLS	-198 103	1 919 070	132 587	4 543	2 056 200
RECREATION	-121 273	4 640 140	236 893	236 837	5 113 870
SPORTS FACILITIES	-21 935	3 401 469	230 058	35 785	3 667 312
<b>GM - PARKS / CEMETRIES &amp; CONSERVATION</b>	<b>-1 581 220</b>	<b>18 473 078</b>	<b>1 691 837</b>	<b>359 266</b>	<b>20 524 181</b>
PARKS / CEMETRIES & CONSERVATION	0	336 690	2 815	0	339 504
CEMETRIES & CREMATORIA	-1 393 466	2 897 818	626 874	90 246	3 614 937
CONSERVATION	-164 451	2 283 523	95 132	5 902	2 384 557
PARKS: COASTAL	-23 303	12 955 048	967 017	263 119	14 185 183
PARKS: INLAND	0	0	0	0	0
PARKS: MIDLAND	0	0	0	0	0
VEGETATION CONTROL	0	0	0	0	0
<b>GM - SOLID WASTE MANAGEMENT</b>	<b>-77 490 596</b>	<b>18 183 485</b>	<b>10 732 818</b>	<b>747 975</b>	<b>29 664 277</b>
SOLID WASTE MANAGEMENT	0	1 280 371	413 954	671 774	2 366 099
CLEANSING & REFUSE REMOVAL: COASTAL	-76 932 804	15 459 330	8 416 008	76 200	23 951 539
CLEANSING & REFUSE REMOVAL: INLAND	0	0	0	0	0
CLEANSING & REFUSE REMOVAL: MIDLAND	0	0	0	0	0
LANDFILLS & TRANSFER STATIONS	-557 792	1 443 784	1 902 856	0	3 346 640
<b>Total</b>	<b>-79 461 078</b>	<b>51 726 866</b>	<b>14 004 357</b>	<b>1 409 752</b>	<b>67 140 976</b>

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

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

I, VINCENT PILLAY, the Acting City Manager of Buffalo City Metropolitan Municipality do hereby certify that –

The monthly budget statement (Section 71 Report)

for the period ending **August 2015** has been prepared in accordance with the Municipal Finance Management Act 2003 and Regulations made under that Act.

**Print name:** .....

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

**Signature:** .....

**Date:** .....

## **ANNEXURES:**

### **Annexure A**

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

### **Annexure B**

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

### **Annexure C**

Schedule of Borrowings

### **Annexure D**

Operating expenditure report

### **Annexure E**

Capital expenditure report