

REPORT TO EXECUTIVE MAYOR: 12 MAY 2017

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

1. PURPOSE

The purpose of the report is for the Executive Mayor to consider and note the statement of financial performance and the implementation of the 2016/17 budget of the Buffalo City Metropolitan Municipality for the period ended 30 April 2017.

2. AUTHORITY

Executive Mayor

3. LEGAL / STATUTORY REQUIREMENTS

The Constitution of the Republic of South Africa, 1996

Municipal Finance Management Act No 56, 2003

Municipal Budget and Reporting Regulations, 2009

4. BACKGROUND

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

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

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

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PART 1: IN-YEAR REPORT

5. RESOLUTIONS

It is recommended that:

- (i) The Executive Mayor considers and notes the report on the statement of financial performance and the implementation of the 2016/17 budget for the period ended 30 April 2017 including supporting documentation attached as Annexure A to F.
- (ii) The Executive Mayor notes the spending trend on capital and operating projects as well as the reasons for such an expenditure as indicated in section 14 and 15 respectively of this report.
- (iii) The Executive Mayor notes the year to date collection rate for the period ended 30 April 2017 of 86.36%.

ACTING CITY MANAGER

DATE

**6. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND
THE FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY FOR THE
PERIOD ENDED 30 APRIL 2017**

6.1. Dashboard / Performance Summary

Table 1: Performance Summary

OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	R 4,856,397,272	Bank Balance	R 12,112,403
Expenditure	(R 4,813,871,134)	Call investments (excl. int.)	R 2,245,143,328
Operating Surplus	R 42,526,138	Cash and cash equivalents	R 2,257,255,731
Transfers Recognised - Capital	R 416,704,470	<i>Account Payables</i>	<i>(R 452,258,230)</i>
Surplus After Capital Transfers	R 459,230,608	<i>Unspent conditional grants</i>	<i>(R 420,488,199)</i>
DEBTORS		<i>Committed to Capital budget- own funds</i>	<i>(R 383,151,755)</i>
Total debtors book	R 2,051,779,562	Therefore Cash and Cash equivalents ring fenced for assets renewal in outer years	R 1,001,357,547
Total debtors - Government	R 42,590,444	Total Long term loans	R 460,137,491
Total debtors - Business	R 486,074,040		
Total debtors - Households	R 1,248,063,367		
Total debtors - Other	R 275,051,711	SURPLUS / (DEFICIT) PER SERVICE	
Total debt written off	R 4,314,098	Water	(R 19,744,049)
REPAIRS AND MAINTENANCE		Electricity	R 41,850,213
2015/2016: Exp. = R245.88 m, which is 66% of adjusted budget of R371.61 m	2016/2017: Exp. = R268.06 m, which is 64% of adjusted budget of R418.61 m	Refuse	R 9,038,767
		Sewerage	R 12,593,809
CAPITAL EXPENDITURE		OPERATING PROJECTS EXPENDITURE	
2015/2016: Exp. as a % of Adjusted Budget of R1.39b: Exp. (excl. vat) = R647.03 mil % exp (Excl. vat) : 47% Exp. (incl. vat) = R697.53 mil % exp (incl. vat): 50%	2016/2017: Exp. as a % of Adjusted Budget of R1.49b: Exp. (excl. vat) = R794.75 mil % exp (Excl. vat) :53% Exp. (incl. vat) = R849.53 mil % exp (incl. vat): 57%	2015/2016: Exp. as a % of Adjusted Budget of R501.84m: Exp.(excl. vat)= R271.76 mil % exp.(excl. vat): 54% Exp.(incl. vat) = R273.67 mil % exp.(incl. vat): 55%	2016/2017: Exp. as a % of Adjusted Budget of R336.91m: Exp. (excl. vat) = R188.35 mil % exp.(excl. vat): 56% Exp. (incl. vat) = R195.92 mil % exp.(incl. vat): 58%
FINANCIAL		HUMAN RESOURCES	
Operating Surplus for the period	R 42,526,138	Total staff complement	5 185
Debtors collection ratio	86.36%	Staff Appointments	561
YTD Grants and subsidies	R 1,230,855,346	Staff Terminations	147
% of Creditors paid within terms	100%	Number of funded vacant posts	638
Current ratio	3.06:1	Total overtime paid (YTD)	R 107,672,010
Total Debt to Revenue	10.03%	Allowances and benefits - Councillors	R 45,834,881
Capital Charges to Operating Expenditure	1.40%	Salary bill - Officials	R1,389,680,839
Cost coverage ratio	2.46 months	Workforce costs as a % of expenditure	29.82%

6.2 Liquidity position

Buffalo City Metropolitan Municipality's liquidity is considered relatively sound as the Current Ratio is 3.06:1 which indicates the ability of Municipality's current assets to cover its current liabilities. Debtors constitute 34% of the current assets, inventory constitutes 1% and cash & cash equivalents comprise 64% of the current assets. The City has a stronger cash and cash equivalent and can easily meet its immediate obligations.

6.3 Collection Rate and Outstanding Debtors

The year to date collection rate for the month ended 30 April 2017 is 86.36% (2015/16: 73%). The collection rate reflects an improvement when compared to the previous financial year. It has slightly decreased by 0.74% from last month where 87.40% was achieved for the period ended 31 March 2017. This ratio denotes the City's ability to collect the billed revenue from its consumers. The corrective measures that are implemented to improve the collection are detailed under section 8 of the report under debtors management.

Total debtors book (including current accounts) as at 30 April 2017 amounts to R2.05 billion (2015/16: R1.63 billion). Households: R1.25 billion, Business: R486.07 million, Government: R42.59 million, Other: R275.05 million. BCMM analyses recoverability of debt on a monthly basis. During the latest review, an amount of R272.77 million was identified as irrecoverable in respect of rates and service charges. A report was prepared for Council's consideration and approval for the debt to be written off during the 2016/2017 financial period.

Refer to section 8.1 of the report for details on debtors' management. The debtors' age analysis report is reflected on Annexure B – SC3.

6.4 Capital Expenditure

BCMM has spent 57% (R849.53 million, inclusive of reclaimed vat) of its 2016/17 adjusted capital budget of R1.49 billion as at 30 April 2017. This reflects an improvement in both percentage and rand value terms when compared to the same period in the previous financial year where 50% (R697.5

million, inclusive of reclaimed vat) of the adjusted budget of R1.39 billion was spent. The capital expenditure is expected to speedily improve during the last quarter of the financial year as major projects have passed procurement to implementation stage. (Refer to Section 14 for further details).

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

6.5 Operating projects

The Metro has spent 58% (R195.92 million, inclusive of reclaimed vat) of its 2016/17 adjusted budget of R336.91 million as at 30 April 2017. This reflects an improvement in percentage terms when compared to the same period in the previous financial year where 55% (R273.67 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R501.84 million was spent. (Refer to Section 15 for further details).

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

6.6 Expenditure on Conditional Grants (DoRA Allocation)

The Metro has spent 67% (R549.01 million, inclusive of reclaimed vat) of its 2016/2017 conditional grants adjusted budget of R820.97 million as at 30 April 2017. This reflects a slight improvement when compared to the same period in the previous financial year where 66% (R542.61 million, inclusive of reclaimed of vat) of conditional grants budget of R824.32 million was spent. Expenditure is expected to speedily improve during the last quarter of the financial year as major projects have passed procurement to implementation stage. (Refer to Section 11 for further details).

6.6.1. Urban Settlement Development Grant (USDG) funded projects

BCMM has spent 73% (R531.54 million, inclusive of reclaimed vat) of its 2016/2017 USDG budget of R731.50 million as at 30 April 2017. This reflects an improvement when compared to the same period in the previous financial year where 67% (R508.14 million, inclusive of reclaimed of vat) of USDG budget of R755.5 million was spent. Expenditure is expected improve during the last quarter of the financial year as major projects have passed

procurement to implementation stage. (Refer to Section 11 for further details).

6.7 Cash and Cash Equivalents

The cash and cash equivalents of the City as at 30 April 2017 are R2.26 billion made up of cash and bank amounting to R12.11 million and call investment deposits of R2.25 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 2.46 months. This ratio indicates the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue during that period. This ratio denotes that the City can meet its monthly operating commitments 2 times, which falls within the norm of 1-3 months as per the MFMA circular 71.

6.8 Outstanding Creditors

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

6.9 Long-Term Debt Profile

The total long term borrowings of the municipality as at 30 April 2017 amounts to R460.14 million (Refer to Annexure C for the schedule of borrowings).

The ratio of capital charges to operating expenditure as at 30 April 2017 is 1.40%. This ratio assesses the level of capital charges / interest charges to operating expenditure. The norm as per the MFMA circular 71 is between 6 and 8%; BCMM is below the norm and has the capacity to take on additional borrowing to invest in infrastructure projects that generate revenue. The City is currently in the process of securing additional loan funding which will result in the actual moving closer to the norm.

The total debt to revenue ratio is 10.03% as at 30 April 2017, this indicates the

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

7. IN-YEAR BUDGET STATEMENT MAIN TABLES

7.1 Monthly Budget Statement Summary

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

Table 2:C1: Monthly Budget Statement Summary

BUF Buffalo City - Table C1 Consolidated Monthly Budget Statement Summary - M10 April

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	865 235	1 122 920	1 122 920	75 185	842 528	934 905	(92 377)	-10%	1 122 920
Service charges	2 749 648	2 928 610	2 928 610	159 791	2 371 376	2 227 597	143 779	6%	2 928 610
Investment revenue	154 775	143 844	143 775	13 835	124 654	119 633	5 020	4%	143 775
Transfers recognised - operational	963 670	1 319 728	1 356 414	12 640	1 230 855	1 136 902	93 954	8%	1 356 414
Other own revenue	714 463	391 937	391 737	22 506	286 984	325 634	(38 649)	-12%	391 737
Total Revenue (excluding capital transfers and contributions)	5 447 791	5 907 039	5 943 457	283 957	4 856 397	4 744 671	111 726	2%	5 943 457
Employee costs	1 352 201	1 531 068	1 506 068	287 674	1 389 681	1 294 898	94 783	7%	1 506 068
Remuneration of Councillors	54 375	58 099	58 099	4 550	45 835	49 146	(3 312)	-7%	58 099
Depreciation & asset impairment	789 811	748 339	748 339	62 362	623 616	623 616	0	0%	748 339
Finance charges	54 878	57 105	52 105	4 088	35 338	46 433	(11 095)	-24%	52 105
Materials and bulk purchases	1 427 318	1 521 587	1 526 587	119 387	1 274 308	1 285 490	(11 181)	-1%	1 526 587
Transfers and grants	237 321	288 468	306 068	19 225	236 409	240 387	(3 978)	-2%	306 068
Other expenditure	1 548 531	1 701 295	1 745 112	108 464	1 208 684	1 193 136	15 548	1%	1 745 112
Total Expenditure	5 464 435	5 905 961	5 942 379	605 750	4 813 871	4 733 106	80 765	2%	5 942 379
Surplus/(Deficit)	(16 644)	1 078	1 078	(321 793)	42 526	11 565	30 961	268%	1 078
Transfers recognised - capital	670 394	848 269	730 249	14 676	416 704	620 889	(204 184)	-33%	730 249
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	653 750	849 347	731 327	(307 118)	459 231	632 454	(173 224)	-27%	731 327
Share of surplus/ (deficit) of associate	30 383	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	684 133	849 347	731 327	(307 118)	459 231	632 454	(173 224)	-27%	731 327
Capital expenditure & funds sources									
Capital expenditure	1 186 373	1 558 134	1 491 448	43 977	794 752	792 181	2 571	0%	1 491 448
Capital transfers recognised	670 394	848 269	730 249	14 676	416 704	387 871	28 834	7%	730 249
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	69 582	-	-	-	-	-	-	(0)
Internally generated funds	515 979	640 283	761 199	29 301	378 048	404 310	(26 262)	-6%	761 199
Total sources of capital funds	1 186 373	1 558 134	1 491 448	43 977	794 752	792 181	2 571	0%	1 491 448
Financial position									
Total current assets	3 571 174	3 526 080	3 526 080		3 553 253				3 526 080
Total non current assets	13 495 258	14 131 021	14 064 335		13 666 943				14 064 335
Total current liabilities	1 440 811	1 131 155	1 131 155		1 159 979				1 131 155
Total non current liabilities	944 139	1 177 274	1 107 692		919 566				1 107 692
Community wealth/Equity	14 681 482	15 348 672	15 351 568		15 140 650				15 351 568
Cash flows									
Net cash from (used) operating	1 395 072	1 648 938	1 452 884	(219 065)	712 765	1 210 737	497 972	41%	1 452 884
Net cash from (used) investing	(1 175 532)	(1 558 134)	(1 491 448)	(43 977)	(794 752)	(1 242 873)	(448 121)	36%	(1 491 448)
Net cash from (used) financing	(44 499)	17 757	(51 825)	-	(36 339)	(43 187)	(6 848)	16%	(51 825)
Cash/cash equivalents at the month/year end	2 375 582	2 490 747	2 291 798	-	2 257 256	2 306 863	49 607	2%	2 285 193
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	271 573	108 306	70 038	62 745	59 424	46 007	306 270	1 127 417	2 051 780
Creditors Age Analysis									
Total Creditors	452 258	-	-	-	-	-	-	-	452 258

7.2 Monthly Budget Statement – Financial Performance (standard classification)

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

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

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

Description	Ref	Budget Year 2016/17								
		2015/16 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		2 029 240	2 268 639	2 238 758	105 397	1 910 842	2 274 384	(363 542)	-16%	2 238 758
Executive and council		23 255	30 796	22 902	1 285	14 579	20 879	(6 300)	-30%	22 902
Budget and treasury office		1 939 625	2 222 421	2 206 638	103 546	1 890 460	2 246 392	(355 932)	-16%	2 206 638
Corporate services		66 360	15 421	9 218	565	5 803	7 114	(1 311)	-18%	9 218
<i>Community and public safety</i>		331 234	127 228	481 481	22 019	307 636	384 373	(76 737)	-20%	481 481
Community and social services		20 861	19 511	30 208	679	24 760	20 418	4 341	21%	30 208
Sport and recreation		3 780	6 161	9 822	64	6 233	6 639	(406)	-6%	9 822
Public safety		113 972	98 758	156 226	4 929	113 909	113 767	142	0%	156 226
Housing		192 193	–	285 203	16 347	162 448	243 534	(81 085)	-33%	285 203
Health		428	2 797	22	–	286	15	271	1816%	22
<i>Economic and environmental services</i>		35 488	100 222	317 362	8 601	145 260	210 470	(65 210)	-31%	317 362
Planning and development		22 073	26 543	35 004	1 913	20 821	6 541	14 280	218%	35 004
Road transport		13 251	73 255	281 944	6 680	124 202	203 649	(79 447)	-39%	281 944
Environmental protection		165	423	414	9	236	280	(43)	-15%	414
<i>Trading services</i>		3 018 173	3 384 579	3 610 308	160 695	2 868 980	2 487 495	381 485	15%	3 610 308
Electricity		1 751 891	1 931 170	1 947 625	73 630	1 520 522	1 320 449	200 073	15%	1 947 625
Water		505 016	541 296	579 336	25 957	482 924	395 113	87 811	22%	579 336
Waste water management		384 179	446 227	669 618	34 575	522 097	456 686	65 411	14%	669 618
Waste management		377 087	465 885	413 729	26 532	343 437	315 247	28 190	9%	413 729
<i>Other</i>	4	734 434	874 641	25 797	1 921	40 384	8 837	31 547	357%	25 797
Total Revenue - Standard	2	6 148 568	6 755 308	6 673 705	298 633	5 273 102	5 365 560	(92 458)	-2%	6 673 705
Expenditure - Standard										
<i>Governance and administration</i>		967 780	1 189 292	1 042 362	107 558	788 979	793 615	(4 636)	-1%	1 042 362
Executive and council		250 586	209 046	301 700	26 604	249 964	243 048	6 916	3%	301 700
Budget and treasury office		452 161	553 044	471 839	44 321	324 734	357 312	(32 578)	-9%	471 839
Corporate services		265 033	427 203	268 823	36 633	214 282	193 255	21 027	11%	268 823
<i>Community and public safety</i>		719 662	738 246	718 908	100 969	605 552	576 958	28 594	5%	718 908
Community and social services		131 649	94 309	118 611	20 886	96 597	99 801	(3 204)	-3%	118 611
Sport and recreation		74 197	77 113	68 111	12 949	104 463	57 310	47 154	82%	68 111
Public safety		266 258	224 016	308 513	50 580	281 298	248 315	32 983	13%	308 513
Housing		216 633	280 019	188 415	11 849	94 867	144 424	(49 557)	-34%	188 415
Health		30 925	62 789	35 258	4 704	28 327	27 109	1 218	4%	35 258
<i>Economic and environmental services</i>		832 752	919 523	937 614	98 343	696 189	756 185	(59 995)	-8%	937 614
Planning and development		192 695	270 451	287 111	25 504	214 878	238 556	(23 678)	-10%	287 111
Road transport		532 428	543 263	540 848	49 765	395 179	425 363	(30 184)	-7%	540 848
Environmental protection		107 629	105 809	109 655	23 074	86 132	92 265	(6 133)	-7%	109 655
<i>Trading services</i>		2 928 376	3 041 214	3 223 058	295 909	2 700 500	2 589 171	111 329	4%	3 223 058
Electricity		1 575 891	1 725 555	1 787 089	146 772	1 475 188	1 469 458	5 730	0%	1 787 089
Water		647 217	531 791	595 721	58 305	507 417	467 780	39 637	8%	595 721
Waste water management		368 775	467 437	460 117	43 196	389 134	369 488	19 646	5%	460 117
Waste management		336 495	316 432	380 131	47 636	328 762	282 445	46 316	16%	380 131
<i>Other</i>		15 865	17 685	20 438	2 972	22 651	17 177	5 474	32%	20 438
Total Expenditure - Standard	3	5 464 435	5 905 961	5 942 379	605 750	4 813 871	4 733 106	80 765	2%	5 942 379
Surplus/ (Deficit) for the year		684 133	849 347	731 327	(307 118)	459 231	632 454	(173 224)	-27%	731 327

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

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

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

BUF Buffalo City - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M10 April

Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Directorate - Executive Support Services		383	145	548	3	4	141	(137)	-97.2%	548
Vote 2 - Directorate - City Manager		22 871	52 588	22 354	1 543	14 575	20 738	(6 163)	-29.7%	22 354
Vote 3 - Directorate - Human Settlements		192 193	362 572	285 203	109 552	162 448	243 534	(81 085)	-33.3%	285 203
Vote 4 - Directorate - Finance		2 610 019	2 947 365	2 206 638	(298 482)	1 890 613	2 246 392	(355 779)	-15.8%	2 206 638
Vote 5 - Directorate - Corporate Services		6 667	13 036	9 001	591	5 794	6 962	(1 168)	-16.8%	9 001
Vote 6 - Directorate - Infrastructure Services		2 744 983	2 744 633	3 376 530	431 190	2 663 203	2 359 334	303 870	12.9%	3 376 530
Vote 7 - Directorate - Development Planning		42 563	64 067	127 214	7 979	22 972	38 157	(15 185)	-39.8%	127 214
Vote 8 - Directorate - Health / Public Safety & Emergency Services		126 995	162 440	156 248	4 929	114 115	113 782	333	0.3%	156 248
Vote 9 - Directorate - Municipal Services		401 893	408 195	454 173	35 005	374 938	327 684	47 254	14.4%	454 173
Vote 10 - Directorate - Economic Development		-	-	35 797	6 322	24 439	8 837	15 602	176.5%	35 797
Total Revenue by Vote	2	6 148 568	6 755 039	6 673 705	298 633	5 273 102	5 365 560	(92 458)	-1.7%	6 673 705
Expenditure by Vote	1									
Vote 1 - Directorate - Executive Support Services		177 703	206 009	203 711	21 312	167 816	163 107	4 708	2.9%	203 711
Vote 2 - Directorate - City Manager		72 883	115 928	97 988	5 293	66 159	79 941	(13 781)	-17.2%	97 988
Vote 3 - Directorate - Human Settlements		216 633	346 542	188 415	11 868	101 187	144 424	(43 237)	-29.9%	188 415
Vote 4 - Directorate - Finance		452 161	551 753	471 839	44 321	345 622	357 312	(11 690)	-3.3%	471 839
Vote 5 - Directorate - Corporate Services		137 998	192 959	203 902	27 711	161 183	139 192	21 990	15.8%	203 902
Vote 6 - Directorate - Infrastructure Services		3 230 074	3 234 571	3 405 480	302 909	2 791 014	2 756 962	34 051	1.2%	3 405 480
Vote 7 - Directorate - Development Planning		229 830	333 338	264 136	25 691	191 009	214 272	(23 263)	-10.9%	264 136
Vote 8 - Directorate - Health / Public Safety & Emergency Services		297 183	321 998	343 771	55 284	307 838	275 424	32 415	11.8%	343 771
Vote 9 - Directorate - Municipal Services		649 970	602 596	676 507	104 776	617 396	534 442	82 954	15.5%	676 507
Vote 10 - Directorate - Economic Development		-	-	86 628	6 584	64 647	68 030	(3 382)	-5.0%	86 628
Total Expenditure by Vote	2	5 464 435	5 905 692	5 942 379	605 750	4 813 871	4 733 106	80 765	1.7%	5 942 379
Surplus/ (Deficit) for the year	2	684 133	849 347	731 327	(307 118)	459 231	632 454	(173 224)	-27.4%	731 327

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

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

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

BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 April										
Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		865 235	1 122 920	1 122 920	75 185	842 528	934 905	(92 377)	-10%	1 122 920
Property rates - penalties & collection charges		–	–	–	–	–	–	–		–
Service charges - electricity revenue		1 694 297	1 815 256	1 815 256	71 461	1 444 912	1 339 173	105 739	8%	1 815 256
Service charges - water revenue		425 276	444 291	444 291	32 745	371 748	348 678	23 070	7%	444 291
Service charges - sanitation revenue		298 552	339 107	339 107	28 060	276 692	284 378	(7 686)	-3%	339 107
Service charges - refuse revenue		287 400	308 375	308 375	25 581	257 145	237 271	19 874	8%	308 375
Service charges - other		44 122	21 580	21 580	1 944	20 879	18 097	2 782	15%	21 580
Rental of facilities and equipment		16 583	20 045	20 045	1 010	11 643	13 418	(1 775)	-13%	20 045
Interest earned - external investments		154 775	143 844	143 775	13 835	124 654	119 633	5 020	4%	143 775
Interest earned - outstanding debtors		32 661	34 651	34 651	3 867	41 380	27 017	14 362	53%	34 651
Dividends received		–	–	–	–	–	–	–		–
Fines		5 594	8 385	8 385	1 201	7 347	6 988	360	5%	8 385
Licences and permits		12 612	13 958	13 958	760	10 941	11 977	(1 036)	-9%	13 958
Agency services		–	–	–	–	–	–	–		–
Transfers recognised - operational		963 670	1 319 728	1 356 414	12 640	1 230 855	1 136 902	93 954	8%	1 356 414
Other revenue		646 513	314 898	314 698	15 667	215 674	266 234	(50 560)	-19%	314 698
Gains on disposal of PPE		500	–	–	–	–	–	–		–
Total Revenue (excluding capital transfers and contributions)		5 447 791	5 907 039	5 943 457	283 957	4 856 397	4 744 671	111 726	2%	5 943 457

BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M10 April

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		1 352 201	1 531 068	1 506 068	287 674	1 389 681	1 294 898	94 783	7%	1 506 068
Remuneration of councillors		54 375	58 099	58 099	4 550	45 835	49 146	(3 312)	-7%	58 099
Debt impairment		210 111	303 865	303 865	25 322	253 221	254 204	(983)	0%	303 865
Depreciation & asset impairment		789 811	748 339	748 339	62 362	623 616	623 616	0	0%	748 339
Finance charges		54 878	57 105	52 105	4 088	35 338	46 433	(11 095)	-24%	52 105
Bulk purchases		1 427 318	1 521 587	1 526 587	119 387	1 274 308	1 285 490	(11 181)	-1%	1 526 587
Other materials		-	-	-	-	-	-	-		-
Contracted services		-	22 486	38 960	1 920	29 096	31 817	(2 721)	-9%	38 960
Transfers and grants		237 321	288 468	306 068	19 225	236 409	240 387	(3 978)	-2%	306 068
Other expenditure		1 338 420	1 374 944	1 402 287	81 221	926 367	907 115	19 253	2%	1 402 287
Loss on disposal of PPE		-	-	-	-	-	-	-		-
Total Expenditure		5 464 435	5 905 961	5 942 379	605 750	4 813 871	4 733 106	80 765	2%	5 942 379
Surplus/(Deficit)		(16 644)	1 078	1 078	(321 793)	42 526	11 565	30 961	0	1 078
Transfers recognised - capital		670 394	848 269	730 249	14 676	416 704	620 889	(204 184)	(0)	730 249
Contributions recognised - capital		-	-	-	-	-	-	-		-
Contributed assets		-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		653 750	849 347	731 327	(307 118)	459 231	632 454			731 327
Taxation		-	-	-	-	-	-	-		-
Surplus/(Deficit) after taxation		653 750	849 347	731 327	(307 118)	459 231	632 454			731 327
Attributable to minorities		-	-	-	-	-	-	-		-
Surplus/(Deficit) attributable to municipality		653 750	849 347	731 327	(307 118)	459 231	632 454			731 327
Share of surplus/ (deficit) of associate		30 383	-	-	-	-	-	-		-
Surplus/ (Deficit) for the year		684 133	849 347	731 327	(307 118)	459 231	632 454			731 327

7.4.1 ANALYSIS OF STATEMENT OF FINANCIAL PERFORMANCE

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

7.4.1.1 Property rates

The April monthly roll was not processed timeously due to system errors in loading the valuation roll. The journal adjustments which should have reflected in April reporting, will therefore only appear in May 2017.

7.4.1.2 Service Charges – other

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

- Availability charges
- Connection / Reconnection charges

The situation is however monitored on a monthly basis.

7.4.1.3 Rental of facilities equipment

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

7.4.1.4 Interest earned – outstanding debtors

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

7.4.1.5 Other revenue

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

7.4.1.6 Finance charges

The variance of 24 percent is a result of the two DBSA loans that are paid bi-annually at the end of September and March of every year which is different from the rest of the other loans that are paid end of December and June of every year. An interest accrual of R5.6 million for the two DBSA loans will be raised at year end correcting the timing difference between the payment and the budget.

7.4.1.7 Repairs and Maintenance

Table 6 below reflects that as at 30 April 2017, the repairs and maintenance expenditure is 64% of the adjusted budget of R418.61 million (2015/16: 66%). This is a regression when compared with the prior year. The expenditure pattern is expected to improve in the last quarter of the financial year. Refer to Annexure B: SC13c (repairs and maintenance by asset class).

Table 6: Repairs and Maintenance per Directorate

Directorate	<u>2016/2017</u> <u>Adjusted</u> <u>Budget</u> R	<u>2016/2017</u> <u>Annual</u> <u>Expenditure</u> R	<u>2016/2017</u> <u>-</u> <u>Variance</u> R	<u>2016/2017</u> <u>% of</u> <u>Budget</u> %
Directorate Of Executive Support Services	3 235 637	1 176 403	2 059 234	36%
Directorate Of The City Manager	134 478	12 339	122 139	9%
Directorate Of Corporate Services	6 540 381	2 850 244	3 690 137	44%
Directorate Of Development & Spatial Planning	28 357 088	15 102 810	13 254 278	53%
Directorate Of Economic Development & Agencies	1 180 627	517 596	663 031	44%
Directorate Of Finance	3 273 630	635 806	2 637 824	19%
Directorate Of Health / Public Safety & Emergency Services	6 195 492	2 749 076	3 446 416	44%
Directorate Of Human Settlement	108 421	97 488	10 933	90%
Directorate Of Infrastructure Services	331 976 103	214 774 745	117 201 358	65%
<i>Electricity</i>	126 468 926	89 823 522	36 645 404	71%
<i>Water</i>	47 616 091	38 502 109	9 113 982	81%
<i>Sanitation</i>	36 845 111	25 380 438	11 464 673	69%
<i>Other</i>	121 045 975	61 068 675	59 977 300	50%
Directorate Of Municipal Services	37 607 278	30 144 195	7 463 083	80%
TOTAL	418 609 135	268 060 701	150 548 434	64%

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

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

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

BUF Buffalo City - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M10 April										
Vote Description	Ref	Budget Year 2016/17								
		2015/16 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Directorate - Executive Support Services		2 222	5 500	6 578	45	2 308	5 165	(2 857)	-55%	6 578
Vote 2 - Directorate - City Manager		5 142	17 522	78 822	251	49 608	32 087	17 522	55%	78 822
Vote 3 - Directorate - Human Settlements		203 043	202 441	140 779	6 598	99 803	45 948	53 855	117%	140 779
Vote 4 - Directorate - Finance		2 034	10 600	18 798	1	664	8 044	(7 380)	-92%	18 798
Vote 5 - Directorate - Corporate Services		9 001	7 100	4 534	0	615	3 559	(2 944)	-83%	4 534
Vote 6 - Directorate - Infrastructure Services		818 247	887 671	870 932	28 142	546 888	520 057	26 831	5%	870 932
Vote 7 - Directorate - Development Planning		66 629	230 290	191 432	4 725	33 001	85 158	(52 157)	-61%	191 432
Vote 8 - Directorate - Health / Public Safety & Emergency Services		4 810	30 032	29 765	182	1 927	19 890	(17 963)	-90%	29 765
Vote 9 - Directorate - Municipal Services		75 245	122 478	96 045	2 952	41 633	36 158	5 475	15%	96 045
Vote 10 - Directorate - Economic Development		-	44 500	53 764	1 080	18 304	36 116	(17 811)	-49%	53 764
Total Capital Multi-year expenditure	4,7	1 186 373	1 558 134	1 491 448	43 977	794 752	792 181	2 571	0%	1 491 448
Total Capital single-year expenditure	4	-	-	-	-	-	-	-	-	-
Total Capital Expenditure		1 186 373	1 558 134	1 491 448	43 977	794 752	792 181	2 571	0%	1 491 448
Capital Expenditure - Standard Classification										
Executive and council		18 399	40 722	108 731	297	53 196	57 752	(4 556)	-8%	108 731
Budget and treasury office		7 364	23 022	85 400	296	51 917	45 360	6 557	14%	85 400
Corporate services		2 034	10 600	18 798	1	664	9 984	(9 320)	-93%	18 798
Community and public safety		9 001	7 100	4 534	-	615	2 408	(1 793)	-74%	4 534
Community and social services		245 226	276 498	222 422	8 770	138 556	118 139	20 417	17%	222 422
Sport and recreation		14 751	23 300	30 226	1 483	16 610	16 054	556	3%	30 226
Public safety		22 622	20 725	21 651	508	20 216	11 500	8 716	76%	21 651
Housing		4 810	30 032	29 765	182	1 927	15 810	(13 883)	-88%	29 765
Health		203 043	202 441	140 779	6 598	99 803	74 775	25 029	33%	140 779
Economic and environmental services		-	-	-	-	-	-	-	-	-
Planning and development		398 399	541 969	524 795	13 293	236 481	278 744	(42 264)	-15%	524 795
Road transport		66 629	274 790	245 196	5 805	51 305	130 235	(78 930)	-61%	245 196
Environmental protection		331 770	267 179	279 599	7 488	185 175	148 509	36 666	25%	279 599
Trading services		-	-	-	-	-	-	-	-	-
Electricity		476 965	680 946	602 738	24 232	342 271	320 144	22 127	7%	602 738
Water		146 652	143 000	154 613	4 858	77 772	82 122	(4 351)	-5%	154 613
Waste water management		116 452	87 500	155 541	14 628	122 135	82 615	39 519	48%	155 541
Waste management		175 989	371 992	248 417	3 784	137 558	131 946	5 612	4%	248 417
Other		37 872	78 454	44 168	962	4 806	23 460	(18 653)	-80%	44 168
Total Expenditure - Standard		47 384	18 000	32 762	(2 616)	24 248	17 402	6 846	39%	32 762
Total Capital Expenditure - Standard Classification	3	1 186 373	1 558 134	1 491 448	43 977	794 752	792 181	2 571	0%	1 491 448
Funded by:										
National Government		596 567	741 969	715 886	14 647	412 797	380 120	32 677	9%	715 886
Provincial Government		73 827	106 300	14 134	29	3 907	7 751	(3 843)	-50%	14 134
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	229	-	-	-	-	-	229
Transfers recognised - capital		670 394	848 269	730 249	14 676	416 704	387 871	28 834	7%	730 249
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	69 582	-	-	-	-	-	-	(0)
Internally generated funds		515 979	640 283	761 199	29 301	378 048	404 310	(26 262)	-6%	761 199
Total Capital Funding		1 186 373	1 558 134	1 491 448	43 977	794 752	792 181	2 571	0%	1 491 448

7.6 Monthly Budget Statement – Financial Position

The table below reflects the financial position of the Metro. It is good to note that the Metro is having excess assets over liabilities resulting into the net worth of R15.14 billion.

Table 8: C6: Monthly Budget Statement – Financial Position

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

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		223 091	80 644	80 644	12 112	80 644
Call investment deposits		2 152 490	2 410 242	2 410 242	2 245 143	2 410 242
Consumer debtors		695 008	820 635	820 635	511 947	820 635
Other debtors		464 554	108 064	108 064	737 121	108 064
Current portion of long-term receivables		–	15	15	–	15
Inventory		36 030	106 480	106 480	46 929	106 480
Total current assets		3 571 174	3 526 080	3 526 080	3 553 253	3 526 080
Non current assets						
Long-term receivables		–	66	66	–	66
Investments		–	–	–	–	–
Investment property		342 030	485 540	485 540	342 030	485 540
Investments in Associate		112 292	90 099	90 099	112 292	90 099
Property, plant and equipment		12 885 962	13 447 560	13 380 874	13 057 656	13 380 874
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		85 956	25 080	25 080	85 948	25 080
Other non-current assets		69 018	82 676	82 676	69 018	82 676
Total non current assets		13 495 258	14 131 021	14 064 335	13 666 943	14 064 335
TOTAL ASSETS		17 066 433	17 657 101	17 590 415	17 220 196	17 590 415
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		50 709	51 825	51 825	38 943	51 825
Consumer deposits		53 708	59 455	59 455	56 460	59 455
Trade and other payables		1 161 531	852 917	852 917	872 746	852 917
Provisions		174 863	166 958	166 958	191 830	166 958
Total current liabilities		1 440 811	1 131 155	1 131 155	1 159 979	1 131 155
Non current liabilities						
Borrowing		445 768	518 175	448 593	421 195	448 593
Provisions		498 372	659 099	659 099	498 372	659 099
Total non current liabilities		944 139	1 177 274	1 107 692	919 566	1 107 692
TOTAL LIABILITIES		2 384 950	2 308 429	2 238 847	2 079 546	2 238 847
NET ASSETS	2	14 681 482	15 348 672	15 351 568	15 140 650	15 351 568
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		10 067 541	12 256 811	12 259 707	10 526 709	12 259 707
Reserves		4 613 941	3 091 861	3 091 861	4 613 941	3 091 861
TOTAL COMMUNITY WEALTH/EQUITY	2	14 681 482	15 348 672	15 351 568	15 140 650	15 351 568

7.7 Monthly Budget Statement – Cash Flow

The Metros' cash flow position and cash/cash equivalent outcome is shown in the table below. The Metro's cash position reflects a net decrease of R118.33 million resulting in cash and cash equivalents closing balance of R2.26 billion as at April 2017. The net decrease in cash and cash equivalents can be attributed to the back pay on salaries' standardisation.

Table 9: C7: Monthly Budget Statement – Cash Flow

BUF Buffalo City - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M10 April

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges		865 235	1 038 701	1 038 701	56 950	727 607	865 584	(137 977)	-16%	1 038 701
Service charges		2 749 648	2 708 964	2 708 964	113 513	2 029 889	2 257 470	(227 581)	-10%	2 708 964
Other revenue		73 095	330 374	330 305	15 444	230 361	275 254	(44 893)	-16%	330 305
Government - operating		963 670	1 319 728	1 356 414	12 378	1 230 593	1 130 345	100 248	9%	1 356 414
Government - capital		670 394	848 269	730 249	-	704 273	608 541	95 732	16%	730 249
Interest		187 436	178 495	178 426	17 702	166 033	148 688	17 345	12%	178 426
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(3 822 207)	(4 430 013)	(4 534 446)	(411 738)	(4 104 245)	(3 778 705)	325 541	-9%	(4 534 446)
Finance charges		(54 878)	(57 113)	(52 105)	(4 088)	(35 338)	(43 421)	(8 083)	19%	(52 105)
Transfers and Grants		(237 321)	(288 468)	(303 624)	(19 225)	(236 409)	(253 020)	(16 611)	7%	(303 624)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 395 072	1 648 938	1 452 884	(219 065)	712 765	1 210 737	497 972	41%	1 452 884
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		10 841	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(1 186 373)	(1 558 134)	(1 491 448)	(43 977)	(794 752)	(1 242 873)	(448 121)	36%	(1 491 448)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1 175 532)	(1 558 134)	(1 491 448)	(43 977)	(794 752)	(1 242 873)	(448 121)	36%	(1 491 448)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	69 582	0	-	-	-	-		-
Increase (decrease) in consumer deposits		5 203	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		(49 702)	(51 825)	(51 825)	-	(36 339)	(43 187)	(6 848)	16%	(51 825)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(44 499)	17 757	(51 825)	-	(36 339)	(43 187)	(6 848)	16%	(51 825)
NET INCREASE/ (DECREASE) IN CASH HELD		175 041	108 561	(90 389)	(263 042)	(118 326)	(75 324)			(90 389)
Cash/cash equivalents at beginning:		2 200 541	2 382 186	2 382 186		2 375 582	2 382 186			2 375 582
Cash/cash equivalents at month/year end:		2 375 582	2 490 747	2 291 798		2 257 256	2 306 863			2 285 193

PART 2: SUPPORTING **DOCUMENTATION**

8. IN-YEAR BUDGET STATEMENT SUPPORTING TABLES AND DOCUMENTATION

8.1 Debtors

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

Table 10: SC3 Monthly Budget Statement Aged Debtors

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

Description	NT Code	Budget Year 2016/17								Total	Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr				
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	44 210	34 333	25 839	28 567	26 442	12 894	101 920	302 018	576 223	471 842		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	111 019	20 791	8 502	3 940	3 815	3 398	14 950	36 283	202 697	62 385		
Receivables from Non-exchange Transactions - Property Rates	1400	69 976	30 190	19 405	15 906	15 514	16 684	96 664	328 290	592 629	473 059		
Receivables from Exchange Transactions - Waste Water Management	1500	22 504	9 654	6 204	4 945	4 678	4 398	32 071	137 062	221 516	183 154		
Receivables from Exchange Transactions - Waste Management	1600	17 315	9 304	6 697	5 993	5 818	5 633	40 323	191 973	283 057	249 741		
Receivables from Exchange Transactions - Property Rental Debtors	1700	74	76	68	67	67	66	486	3 541	4 444	4 227		
Interest on Arrear Debtor Accounts	1810									-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-		
Other	1900	6 476	3 958	3 324	3 327	3 089	2 934	19 856	128 250	171 214	157 456		
Total By Income Source	2000	271 573	108 306	70 038	62 745	59 424	46 007	306 270	1 127 417	2 051 780	1 601 862	-	-
2015/16 - totals only		291 855	76 034	61 181	45 985	38 837	3 439	210 133	719 269	1 446 733	1 017 863		
Debtors Age Analysis By Customer Group													
Organs of State	2200	13 071	10 210	3 578	400	796	1 928	5 599	7 007	42 590	15 731		
Commercial	2300	144 576	32 434	17 858	13 623	11 508	11 290	64 897	189 888	486 074	291 206		
Households	2400	102 766	59 916	42 855	43 013	41 792	27 731	201 192	728 800	1 248 063	1 042 527		
Other	2500	11 160	5 747	5 747	5 709	5 328	5 057	34 582	201 722	275 052	252 398		
Total By Customer Group	2600	271 573	108 306	70 038	62 745	59 424	46 007	306 270	1 127 417	2 051 780	1 601 862	-	-

8.1.1. Additional debtors information

The debtors that are older than 30 days, which includes all charges, amounted to R1.78 billion as at 30 April 2017 which is an increase of R53.77 million over the amount of R1.73 billion as at 31 March 2017.

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

Furthermore, the municipality is experiencing the following challenges, which have resulted in the collection ratio dropping in the month under review:

- Consumers, who are unable to pay, deliberately raise queries, so their accounts can be held in abeyance. When a query is logged, the account is flagged and protected against credit control action while the query is being investigated.
- Consumers often use other poor service delivery such as non-collection of refuse and roads ridden with potholes as excuse for not paying.
- Instability of the network, especially in the Mdantsane and King Williams Town areas, this continuously hampers the staff from attending to consumer accounts on time.
- Illegal connections and meter tampering is contributing to non-payment of services.

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

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

8.2. Additional debtor's information.

8.2.1. Age Analysis per Category

Table 11 below details debtors age analysis that are older than 30 days by income source as at 30 April 2017. It also provides comparison with the previous month (31 March 2017) which indicates an increase from R1.73 billion to R1.78 billion.

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

AGEING	RATES	SEWERAGE	ELECTRICITY	WATER	REFUSE	SUNDRY DEBTORS	TOTAL FOR APRIL 2017	TOTAL FOR MARCH 2017
30 DAYS	30 189 868	9 654 417	20 791 181	34 332 923	9 303 504	4 033 959	108 305 852	92 701 915
60 DAYS	19 404 824	6 203 919	8 501 647	25 838 706	6 697 172	3 391 711	70 037 978	69 277 246
90 DAYS	15 906 322	4 944 749	3 939 691	28 567 142	5 992 976	3 394 253	62 745 133	62 647 447
120 DAYS TO 360 DAYS	128 862 141	41 146 794	22 162 304	141 256 513	51 774 631	26 497 945	411 700 327	398 698 380
YEAR 2	127 730 058	34 637 223	11 055 456	109 813 343	44 892 500	24 627 940	352 756 521	344 562 442
YEAR 3	86 601 670	24 092 199	6 317 981	58 235 908	32 358 456	22 952 730	230 558 944	224 347 354
YEAR 4	28 050 988	20 733 209	5 127 422	37 952 551	27 042 411	21 423 462	140 330 043	138 751 572
YEAR 5	21 253 509	14 557 207	4 229 288	23 776 559	20 311 808	16 672 415	100 800 786	98 768 093
YEAR 5+	64 653 978	43 042 350	9 552 614	72 239 510	67 367 850	46 114 352	302 970 655	296 680 630
TOTAL	522 653 359	199 012 067	91 677 583	532 013 155	265 741 309	169 108 767	1 780 206 240	1 726 435 079

8.2.2. Age Analysis per Category

Table 12 below details debtors age analysis per category type that are older than 30 days as at 30 April 2017. It also reflects the percentage split per category with domestic consumers having the highest share followed by indigent consumers. Please note that the financial system is not able to produce a collection ratio per service, however the collection ratio is reported on globally.

Table 12: Age Analysis per Category Type

CATEGORY TYPE	30 DAYS	60 DAYS	90 DAYS	120 DAYS+	Total	% Share
Domestic	48 778 269	33 441 642	32 060 893	836 814 210	951 095 014	53.42
Indigent	10 803 663	9 199 575	10 793 111	161 994 748	192 791 097	10.83
Business	32 434 067	17 858 019	13 622 636	277 583 636	341 498 358	19.18
Government	10 209 769	3 578 434	400 023	15 330 780	29 519 007	1.66
Municipal Staff	333 576	213 595	159 069	705 224	1 411 463	0.08
Other	5 746 507	5 746 714	5 709 401	246 688 679	263 891 301	14.82
Total	108 305 851	70 037 979	62 745 133	1 539 117 277	1 780 206 240	100

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

8.2.3. Government Accounts

The total arrears (30 days and above) owed by Government Departments to Buffalo City Metropolitan Municipality as at 30 April 2017 amounted to R29.52 million. This indicates an increase of R11.35 million when compared to the prior month amount of R18.17 million. The breakdown of the arrears per department (excluding accounts in credit) is indicated in the table hereunder, as at 30 April 2017.

The were challenges experienced in complying with the Treasury Regulations, **“that all Municipalities must register with the Central Supplier Database (CSD)”** to be paid by Government Departments. BCMM was registered with CSD but unfortunately the banking details had not been provided which resulted in non payment by some departments. Department of Public Works was one of the departments which did not pay in time which resulted in the disconnection of electricity to their Head Office. After disconnection, BCMM received payment which was receipted in the month of May and will have a positive impact on the collection ratio for the month of May 2017.

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

Table 13: Analysis of Government Debtors

DEPARTMENT	PROPERTY RATES	SERVICES	ARREARS AS AT 30 APRIL 2017	ARREARS AS AT 31 MARCH 2017	DIFFERENCE
National Department Of Public Works	3 465 749	6 192 056	9 657 805	5 104 621	4 553 183
Provincial Department Of Public Works	1 105 218	5 332 296	6 437 514	2 531 575	3 905 939
Department Of Education		1 794 659	1 794 659	1 961 797	(167 138)
Department Of Health		5 076 764	5 076 764	2 514 210	2 562 554
Department Of Social Development		245 814	245 814	32 398	213 416
Department Of Transport		2 134	2 134	-	2 134
Department Of Agriculture		13 150	13 150	-	13 150
Department Of Nature Conservation		5 448	5 448	-	5 448
Department of Human Settlements		5 586	5 586	756	4 830
Department of Labour - UIF Services		374 003	374 003	188 037	185 966
Members Of Provincial Legislature		139 389	139 389	111 504	27 885
Department of Rural Development and Land Reform		613 887	613 887	608 091	5 796
Department of Public Works and Department of Human Settlements in respect of RDP Houses		5 152 855	5 152 855	5 114 941	37 915
TOTAL	4 570 967	24 948 040	29 519 007	18 167 929	11 351 078

9. CREDITORS' ANALYSIS

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

Table 14: SC4 Monthly Budget Statement Aged Creditors

BUF Buffalo City - Supporting Table SC4 Monthly Budget Statement - aged creditors - M10 April

Description	NT Code	Budget Year 2016/17									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	105 384	-	-	-	-	-	-	-	105 384	102 643
Bulk Water	0200	17 324	-	-	-	-	-	-	-	17 324	10 097
PAYE deductions	0300	60 785	-	-	-	-	-	-	-	60 785	13 483
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	19 545	-	-	-	-	-	-	-	19 545	17 528
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	147 896	-	-	-	-	-	-	-	147 896	216 298
Auditor General	0800	756	-	-	-	-	-	-	-	756	1 130
Other	0900	100 567	-	-	-	-	-	-	-	100 567	744
Total By Customer Type	1000	452 258	-	-	-	-	-	-	-	452 258	361 924

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

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

<u>CREDITOR</u>	<u>90 DAYS</u>	<u>60 DAYS</u>	<u>30 DAYS</u>	<u>CURRENT</u>	<u>TOTAL</u>	<u>PAYMENT</u>
ESKOM				105 384 173	105 384 173	105 384 173
AMATOLA WATER				17 324 223	17 324 223	17 324 223
MOTHEO / MPUMALANGA JOINT VENTURE				11 212 391	11 212 391	11 212 391
CZAR CONSTRUCTION				9 284 201	9 284 201	9 284 201
NYONI PROJECTS (PTY) LTD				9 277 805	9 277 805	9 277 805
HAW & INGLIS (PTY) LTD				8 530 442	8 530 442	8 530 442
XMOOR TRANSPORT (PTY) LTD				8 061 257	8 061 257	8 061 257
DOWN TOUCH INVESTMENTS (PTY) LTD				7 609 857	7 609 857	7 609 857
ASLA CONSTRUCTION				7 235 111	7 235 111	7 235 111
MANTELLA TRADING 522 CC				7 018 043	7 018 043	7 018 043
T V R CONSTRUCTION				6 158 466	6 158 466	6 158 466
MAMLAMBO CONSTRUCTION				4 595 267	4 595 267	4 595 267
EYA BANTU PROFFESIONAL SERVICES CC				4 029 628	4 029 628	4 029 628
BUSINESS CONNEXION				3 428 361	3 428 361	3 428 361
ESRI SOUTH AFRICA				3 147 540	3 147 540	3 147 540
MAZIYA GENERAL SERVICES				3 130 422	3 130 422	3 130 422
SITA (PTY) LTD				2 850 000	2 850 000	2 850 000
LIFETIME CONNECTION MANUFACTURING SUPPLY CC				2 382 451	2 382 451	2 382 451
ROYAL HASKONINGDHV (PTY) LTD				2 336 661	2 336 661	2 336 661
C & M FASTNERS CC				2 114 706	2 114 706	2 114 706
TOTAL	0	0	0	225 111 006	225 111 006	225 111 006

10. INVESTMENT PORTFOLIO ANALYSIS

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

Table 16: SC5 Monthly Budget Statement – investment portfolio

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

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
Municipality									
Rand Merchant Bank X021901943		Call Account	Call Account	Call Account	267	2.2%	49 966	267	50 233
Absa 91 2884 4539		Call Account	Call Account	Call Account	5	0.0%	931	5	936
Standard 422 742		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Absa 91 4102 2241		Call Account	Call Account	Call Account	49	0.4%	9 132	49	9 180
Absa 91 4163 6965		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Absa 91 5484 1280		Call Account	Call Account	Call Account	–	0.0%	(0)	–	(0)
Rand Merchant Bank X021904910		Call Account	Call Account	Call Account	50	0.4%	9 369	50	9 419
Standard 76586/442740		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Absa 92 0562 2137		Call Account	Call Account	Call Account	–	0.0%	853	–	853
Rand Merchant Bank X021904913		Call Account	Call Account	Call Account	84	0.7%	15 717	84	15 801
Stanlib 551 660 303		Call Account	Call Account	Call Account	236	2.0%	37 052	(89)	36 963
Nedbank 03/7881532939/000041		Call Account	Call Account	Call Account	7	0.1%	1 368	7	1 376
Nedbank 03/7881532939/000056		Call Account	Call Account	Call Account	6	0.0%	1 080	6	1 086
Nedbank 03/7881532939/000058		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Nedbank 03/7881532939/000103		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Nedbank 03/7881532939/000064		Call Account	Call Account	Call Account	47	0.4%	8 826	47	8 873
Absa 92 0559 0710		Call Account	Call Account	Call Account	0	0.0%	44	0	44
Nedbank 03/7881532939/000117		Call Account	Call Account	Call Account	6	0.0%	1 077	6	1 082
Nedbank 03/7881532939/000108		Call Account	Call Account	Call Account	1	0.0%	181	1	182
Absa 92 2975 5568		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Absa 91 9360 7257		Call Account	Call Account	Call Account	6	0.0%	1 043	6	1 049
Nedbank 03/7881532939/000110		Call Account	Call Account	Call Account	1	0.0%	262	1	263

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

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
Municipality									
Rand Merchant Bank RRB1629010		Call Account	Call Account	Call Account	416	3.5%	77 865	416	78 281
Stanlib 551 989 180		Call Account	Call Account	Call Account	253	2.1%	39 656	253	39 909
Absa 92 2590 9850		Call Account	Call Account	Call Account	5	0.0%	1 028	5	1 034
Stanlib 551 539 764		Call Account	Call Account	Call Account	12	0.1%	1 942	12	1 954
Rand Merchant Bank RRB0324003		Call Account	Call Account	Call Account	–	0.0%	(0)	–	(0)
Stanlib 551 567 496		Call Account	Call Account	Call Account	0	0.0%	2	0	2
Stanlib 551 576 733		Call Account	Call Account	Call Account	–	0.0%	0	–	0
Rand Merchant Bank RRB0B25020		Call Account	Call Account	Call Account	9	0.1%	1 738	(46)	1 692
Standard 76586/442743		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Rand Merchant Bank RRB1609012		Call Account	Call Account	Call Account	–	0.0%	(0)	–	(0)
Stanlib 551 742 405		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Rand Merchant Bank KLN2308011		Call Account	Call Account	Call Account	–	0.0%	–	–	–
Nedbank 03/7881532939/000128		Call Account	Call Account	Call Account	374	3.1%	80 032	(16 399)	63 634
Rand Merchant Bank RRB1722008		Call Account	Call Account	Call Account	457	3.8%	85 486	457	85 942
Standard 76586/442745		Call Account	Call Account	Call Account	342	2.8%	64 074	342	64 416
Absa 92 6406 3148		Call Account	Call Account	Call Account	753	6.2%	140 967	753	141 720
Rand Merchant Bank KLN2720020		Call Account	Call Account	Call Account	32	0.3%	6 302	(416)	5 886
Stanlib 551 868 235		Call Account	Call Account	Call Account	1	0.0%	144	1	145
Absa 92 0559 0891		Call Account	Call Account	Call Account	3	0.0%	543	(50)	493
Rand Merchant Bank VVW2B13011		Call Account	Call Account	Call Account	2	0.0%	361	2	363
Standard 76586/494573		Call Account	Call Account	Call Account	33	0.3%	6 182	(35)	6 147
Nedbank 03/7881532939/000133		Call Account	Call Account	Call Account	3	0.0%	532	3	535

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

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
<u>Municipality</u>									
Nedbank 03/7881532939/000134		Call Account	Call Account	Call Account	187	1.6%	35 296	(204)	35 093
Stanlib 753 72 270		Call Account	Call Account	Call Account	345	2.9%	54 001	345	54 347
Stanlib 551 353 708		Call Account	Call Account	Call Account	7	0.1%	1 096	7	1 103
Standard 76586/442736		Call Account	Call Account	Call Account	254	2.1%	60 785	(15 746)	45 038
Stanlib 753 72 271		Call Account	Call Account	Call Account	423	3.5%	81 999	(18 577)	63 422
Rand Merchant Bank X021904579		Call Account	Call Account	Call Account	343	2.8%	112 447	(63 657)	48 791
Nedbank 03/7881532939/000101		Call Account	Call Account	Call Account	244	2.0%	77 362	(37 756)	39 606
Absa 92 1120 9757		Call Account	Call Account	Call Account	1 220	10.1%	296 073	(86 780)	209 294
Absa 92 2110 3430		Call Account	Call Account	Call Account	967	8.0%	180 991	967	181 958
Standard 76586/442741		Call Account	Call Account	Call Account	178	1.5%	33 241	178	33 419
Standard 76586/442744		Call Account	Call Account	Call Account	159	1.3%	29 724	159	29 883
Rand Merchant Bank RRB0C07002		Call Account	Call Account	Call Account	287	2.4%	53 733	287	54 020
Nedbank 03/7881532939/000129		Call Account	Call Account	Call Account	256	2.1%	47 922	256	48 178
Nedbank 03/7881532939/000132		Call Account	Call Account	Call Account	1 817	15.1%	361 421	(47 183)	314 239
Rand Merchant Bank KLN3815041		Call Account	Call Account	Call Account	974	8.1%	197 979	(35 026)	162 953
Standard 76586/470801		Call Account	Call Account	Call Account	917	7.6%	199 795	(64 083)	135 712
Standard 76586/442738		Call Account	Call Account	Call Account	13	0.1%	2 525	13	2 538
Municipality sub-total					12 053		2 470 143	(381 060)	2 089 083
<u>Reconciling item</u>									
Add back: Withdrawals in Investment Register not yet in general ledger due to delayed receipting									168 113
TOTAL INVESTMENTS AND INTEREST	2				12 053		2 470 143	(381 060)	2 257 196

11. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

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

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

BUF Buffalo City - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M10 April

Description	Ref	2015/16		Budget Year 2016/17						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		763 536	1 174 961	1 193 311	2 877	1 162 099	1 175 797	(13 698)	-1.2%	1 193 311
Local Government Equitable Share		655 141	678 197	678 197	-	678 197	678 197	-		678 197
Urban Settlement Development Grant		98 783	75 445	88 745	1 134	66 388	73 954	(7 566)	-10.2%	88 745
Finance Management		1 194	1 200	1 250	65	581	1 042	(460)	-44.2%	1 250
EPWP Incentive		1 034	1 188	1 188	-	854	990	(136)	-13.7%	1 188
Infrastructure Skills Development Grant		4 186	8 900	8 900	979	4 697	7 417	(2 719)	-36.7%	8 900
Public Transport Infrastructure and Systems Grant		-	-	5 000	700	1 350	4 167	(2 817)	-67.6%	5 000
Municipal Human Settlement Capacity Grant		3 198	-	-	-	-	-	-		-
General Fuel Levy		-	410 031	410 031	-	410 031	410 031	-		410 031
Provincial Government:		197 710	141 272	162 289	7 278	86 122	137 535	(51 413)	-37.4%	162 289
Local Government & Traditional Affairs		3 130	-	-	-	-	-	-		-
Health Subsidy - ATIC		-	-	-	-	-	-	-		-
DSRAC - Library Subsidy		9 638	15 000	15 000	-	15 000	15 000	-		15 000
Dept Sport, Recreation, Arts and Culture (DSRAC)		30	-	-	-	-	-	-		-
Department of Public Works		-	2 470	2 470	312	1 515	1 852	(338)	-18.2%	2 470
Human Settlement Development Grant		184 186	123 802	144 819	6 966	69 607	120 683	(51 076)	-42.3%	144 819
Dept of Land Affairs		727	-	-	-	-	-	-		-
District Municipality:		-	-	-	-	262	-	262	#DIV/0!	-
Health Subsidy - Environmental Health		-	-	-	-	262	-	262	#DIV/0!	-
Other grant providers:		2 424	3 496	815	-	2 048	679	1 369	201.7%	815
SETA - Skills Development		2 309	-	-	-	2 048	-	2 048	#DIV/0!	-
Donor Funding - Leiden & Galve		-	-	229	-	-	191	(191)	-100.0%	229
Transnet		-	3 000	-	-	-	-	-		-
Umsobomvu Youth Fund		116	-	-	-	-	-	-		-
City of Oldenburg		-	496	496	-	-	413	(413)	-100.0%	496
Vuna Awards		-	-	90	-	0	75	(75)	-100.0%	90
Total operating expenditure of Transfers and Grants:		963 670	1 319 728	1 356 414	10 155	1 250 531	1 314 011	(63 480)	-4.8%	1 356 414
Capital expenditure of Transfers and Grants										
National Government:		596 567	741 969	715 886	14 647	412 797	596 571	(183 774)	-30.8%	715 886
Urban Settlement Development Grant		576 870	656 054	642 754	14 331	403 209	535 628	(132 419)	-24.7%	642 754
Infrastructure Skills Development Grant		88	100	100	-	27	83	(56)	-67.5%	100
Energy Efficiency and Demand Management		3 998	-	-	-	-	-	-		-
Public Transport Network Grant		-	35 289	30 289	-	-	25 241	(25 241)	-100.0%	30 289
Neighbourhood Development Partnership		-	19 346	-	-	-	-	-		-
Integrated National Electrification Programme		10 517	25 000	36 613	315	9 560	30 510	(20 951)	-68.7%	36 613
Finance Management		102	100	50	1	1	42	(40)	-96.5%	50
Integrated City Development Grant		4 908	6 080	6 080	-	-	5 067	(5 067)	-100.0%	6 080
Municipal Human Settlement Capacity Grant		83	-	-	-	-	-	-		-
Provincial Government:		73 827	106 300	13 647	29	3 907	11 372	(7 465)	-65.6%	13 647
Human Settlement Development Grant		70 224	106 300	-	-	-	-	-		-
Human Settlement Development Grant - MPCC		-	-	-	-	-	-	-		-
Dept Sport, Recreation, Arts and Culture (DSRAC)		3 603	-	4 411	29	3 907	3 676	231	6.3%	4 411
Dept of Local Government and Traditional Affairs		-	-	9 036	-	-	7 530	(7 530)	-100.0%	9 036
Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT)		-	-	199	-	-	166	(166)	-100.0%	199
District Municipality:		-	-	-	-	-	-	-		-
Health Subsidy - Environmental Health		-	-	-	-	-	-	-		-
Other grant providers:		-	-	716	-	-	597	(597)	-100.0%	716
BCMET Funding		-	-	487	-	-	406	(406)	-100.0%	487
Lieden		-	-	229	-	-	191	(191)	-100.0%	229
Total capital expenditure of Transfers and Grants		670 394	848 269	730 249	14 676	416 704	608 541	(191 836)	-31.5%	730 249
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 634 064	2 167 997	2 086 663	24 830	1 667 236	1 922 551	(255 316)	-13.3%	2 086 663

11.1 Expenditure On Conditional Grants (DoRA Allocation)

The Metro has spent 67% (R549.01 million, inclusive of reclaimed vat) of its 2016/2017 conditional grants adjusted budget of R820.97 million as at 30 April 2017. This reflects a slight improvement when compared to the same period in the previous financial year where 66% (R542.61 million, inclusive of reclaimed of vat) of conditional grants mid-year adjusted budget of R824.34 million was spent. Expenditure is expected to speedily improve during the last quarter of the financial year as major projects have passed procurement to implementation stage.

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

Table 18: Spending per Conditional Grant Funding Allocation

Funding	<u>2016/2017 Mid-Year Adjustment Budget</u>	<u>YTD Expenditure (incl. VAT)</u>	<u>Variance (incl. VAT)</u>	<u>% Expenditure (incl. VAT)</u>
Integrated National Electrification Programme Grant	25 000 000	148 389	24 851 611	1%
Integrated National Electrification Programme Grant c/o	11 612 579	9 510 005	2 102 574	82%
Finance Management Grant	1 300 000	582 992	717 008	45%
Infrastructure Skills Development Grant	9 000 000	4 829 270	4 170 730	54%
Urban Settlement Development Grant	731 499 000	531 544 080	199 954 920	73%
Integrated City Development Grant	6 080 000	0	6 080 000	0%
Expanded Public Works Programme Grant	1 188 000	855 768	332 232	72%
Public Transport Network Grant	35 289 000	1 538 842	33 750 158	4%
TOTAL CONDITIONAL GRANTS	820 968 579	549 009 345	271 959 234	67%

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

11.1.1. INTERGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)

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

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

The INEP funding is utilised to fund the above mentioned electrification programme. The Department of Electricity is currently having tenders that are still to be evaluated. Fifty (50) connections have been completed for infills households.

11.1.2. FINANCE MANAGEMENT GRANT

Spending is progressive as current six interns have been remunerated accordingly. Three interns have been appointed effective from 01 November 2016 in addition to the six that were already appointed. An amount of R312 000 has been paid in May 2017 for a training in Municipal Finance Management Programme (MFMP) that is attended by three interns and three finance officials. Therefore the expenditure rate will improve and the funding will be fully utilised at year end.

11.1.3. INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)

The funding is only being used to pay the interns stipends as well as mentor salaries. Previously there were eleven (11) interns in the program together with 2 external mentors. Nine (9) additional interns started on 01 December 2016 and their stipends have increased expenditure. Four (4) additional mentors were appointed effective from 01 April 2017 and expenditure is expected to increase thereof. The finalization of the contract and implementation of the two (2) ISDG training programs will be accelerated and this will improve the expenditure.

11.1.4. INTERGRATED CITY DEVELOPMENT GRANT (ICDG)

Project scope of works being finalised. Ready for procurement of Service Provider.

11.1.5. URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)

INFRASTRUCTURE SERVICES

Sanitation

Litigation process has been finalised for the Zwelitsha waste water treatment works project and the contract for the Reeston waste water treatment works has been awarded. The extended time period to award the Reeston waste water treatment works contract resulted in the slow progress in the expenditure.

Electricity

Street Lighting and Highmasts within BCMM Areas of Supply: Highmast Lighting Specification at tender stage. Electrification of informal dwelling areas: Contractors have been appointed for Fynbos and Dacawa Electrification and work is progressing.

DEVELOPMENT & SPATIAL PLANNING

KwaTshathsu Pedestrian Bridge

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

Needs Camp / Potsdam Bridge

The construction tender was awarded on the 09 December 2016. One of the losing bidders contested the award and recently withdrew. Construction was meant to commence late in April 2017 but due to the Department of Labour delaying to issue a construction permit, the contractor can only commence once this permit has been issued.

Traffic calming measures

Traffic calming measures tender is in the procurement processes. Tender is expected to be awarded in May 2017.

Traffic signals

Service Providers have been appointed to assess intersection controls that need improvement. Once the studies are completed, implementation will

then be undertaken by means of acquiring materials and installing traffic signals at Amalinda (SPCA & Amalinda Stadium intersection) and Dice and Mdantsane Access Road intersections. Count Down signals will also be installed in the East London and King Williams Town Central Business District (CBD).

Sidewalks

The contract is now being evaluated at Bid Evaluation Committee (BEC). An annual contract is currently being used for concrete works.

ECONOMIC DEVELOPMENT AND AGENCIES

The Upgrading of the Market project is being implemented by an annual contractor that is currently on site. The budget is 70% spent and the remainder is committed. Invoices will be submitted as work progresses.

HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES

The Construction of King William's Town Traffic Centre tender was awarded on the 27th February 2017. Sod Turning ceremony took place on the 5 April 2017 and site was handed over to the contractor to commence work on the 5 April 2017. Demolition of buildings has been completed, the site is being prepared and services have been dug up in preparation for foundations to be laid. Hoarding & signs around the site has been erected.

MUNICIPAL SERVICES

The tender for the construction of Cell 3 and 4 for Roundhill landfill site is currently at evaluation stage. It is anticipated to be awarded in May 2017.

11.1.5.1. PUBLIC TRANSPORT NETWORK GRANT

Transport Register

Meetings were held with Taxi Associations so that preparation for Data Collections can proceed. Data Collection resumed in February 2017 and is expected to be completed in June 2017 and this will provide almost 50%

expenditure of the project with the balance of the work being undertaken on the assessment and reporting of the data.

Operational plan review of integrated rapid public transport network

The tender is currently in the procurement process and is anticipated to be awarded in May 2017.

Qumza Highway

The tender for the Construction of Qumza Highway is currently in the procurement processes and is anticipated to be awarded in May 2017.

Development and Upgrading of Public Transport Facilities in KWT

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

12. COUNCILLOR AND EMPLOYEE BENEFITS

12.1. Councillor and Employees Benefits Summary

Table 19 below provides summary of employees and Councillors remuneration. The workforce costs as a percentage of expenditure amounted to 29.82%.

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

BUF Buffalo City - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M10 April

Summary of Employee and Councillor remuneration	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		30 991	33 999	33 999	2 623	26 904	28 760	(1 856)	-6%	33 999
Pension and UIF Contributions		3 306	3 495	3 495	311	2 771	2 956	(185)	-6%	3 495
Medical Aid Contributions		1 783	1 987	1 987	154	1 390	1 681	(290)	-17%	1 987
Motor Vehicle Allowance		11 682	13 412	13 412	1 066	10 430	11 346	(915)	-8%	13 412
Cellphone Allowance		2 147	2 279	2 279	191	1 928	1 928	0	0%	2 279
Housing Allowances		2 847	2 927	2 927	205	2 411	2 476	(65)	-3%	2 927
Other benefits and allowances		1 620	-	-	-	-	-	-	-	-
Sub Total - Councillors		54 375	58 099	58 099	4 550	45 835	49 146	(3 312)	-7%	58 099
% increase	4		6.8%	6.8%						6.8%
Senior Managers of the Municipality										
Basic Salaries and Wages		5 998	12 192	12 192	419	4 360	10 311	(5 951)	-58%	12 192
Pension and UIF Contributions		1 166	2 216	2 216	81	825	1 874	(1 049)	-56%	2 216
Medical Aid Contributions		136	262	262	14	120	222	(102)	-46%	262
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1 370	2 630	2 630	94	955	2 224	(1 269)	-57%	2 630
Cellphone Allowance		195	414	414	10	114	351	(236)	-67%	414
Housing Allowances		1	-	-	-	-	-	-	-	-
Other benefits and allowances		1 551	2 202	2 202	110	1 186	1 862	(676)	-36%	2 202
Payments in lieu of leave		885	-	-	-	-	-	-	-	-
Long service awards		(1)	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		11 300	19 916	19 916	728	7 560	16 844	(9 284)	-55%	19 916
% increase	4		76.2%	76.2%						76.2%
Other Municipal Staff										
Basic Salaries and Wages		788 780	913 258	888 258	236 506	871 790	772 386	99 403	13%	888 258
Pension and UIF Contributions		146 210	174 823	174 823	15 088	149 853	147 856	1 996	1%	174 823
Medical Aid Contributions		60 245	81 759	81 759	6 707	61 218	69 148	(7 930)	-11%	81 759
Overtime		121 192	72 218	72 218	11 527	107 672	61 079	46 593	76%	72 218
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		20 565	30 051	30 051	2 038	20 030	25 416	(5 386)	-21%	30 051
Cellphone Allowance		3 967	3 884	3 884	202	3 065	3 285	(219)	-7%	3 884
Housing Allowances		11 858	14 767	14 767	442	8 084	12 489	(4 406)	-35%	14 767
Other benefits and allowances		136 219	179 077	179 077	12 719	141 546	151 454	(9 908)	-7%	179 077
Payments in lieu of leave		33 749	16 209	16 209	-	1 387	13 708	(12 322)	-90%	16 209
Long service awards		18 114	18 925	18 925	1 710	17 415	16 005	1 410	9%	18 925
Post-retirement benefit obligations		-	6 181	6 181	6	62	5 228	(5 165)	-99%	6 181
Sub Total - Other Municipal Staff		1 340 901	1 511 153	1 486 153	286 946	1 382 121	1 278 054	104 067	8%	1 486 153
% increase	4		12.7%	10.8%						10.8%
Total Parent Municipality		1 406 576	1 589 167	1 564 167	292 224	1 435 516	1 344 044	91 471	7%	1 564 167
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS		1 406 576	1 602 436	1 577 436	292 224	1 435 516	1 344 044	91 471	7%	1 577 436
% increase	4		13.9%	12.1%						12.1%
TOTAL MANAGERS AND STAFF		1 352 201	1 544 233	1 519 233	287 674	1 389 681	1 294 898	94 783	7%	1 519 233

12.2. Overtime Analysis

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

Table 20: Overtime per Directorate

Directorate Overtime	2016/2017 Adjusted Budget R	2016/2017 YTD Budget R	2016/2017 YTD Expenditure R	2016/2017 Variance R	2016/2017 % of YTD Budget %
Directorate Of Executive Support Services	1 638 161	1 365 134	2 878 084	-1 512 949	211%
Directorate Of The City Manager	310 477	258 731	331 956	-73 225	128%
Directorate Of Corporate Services	597 129	497 608	754 895	-257 287	152%
Directorate Of Development & Spatial Planning	623 454	519 545	309 183	210 362	60%
Directorate Of Economic Development & Agencies	468 800	390 667	333 269	57 398	85%
Directorate Of Finance	1 358 753	1 132 294	2 052 254	-919 959	181%
Directorate Of Health / Public Safety & Emergency Services	24 680 251	20 566 876	31 416 662	-10 849 787	153%
Directorate Of Human Settlement	101 931	84 943	1 180	83 762	1%
Directorate Of Infrastructure Services	17 131 302	14 276 085	31 039 694	-16 763 609	217%
<i>Electricity</i>	7 741 181	6 450 984	10 441 632	-3 990 648	162%
<i>Water</i>	3 355 849	2 796 541	11 492 631	-8 696 090	411%
<i>Sanitation</i>	4 954 818	4 129 015	8 256 800	-4 127 785	200%
<i>Other</i>	1 079 454	899 545	848 631	50 914	94%
Directorate Of Municipal Services	20 279 324	16 899 437	38 554 834	-21 655 397	228%
Total	67 189 582	55 991 318	107 672 010	-51 680 691	192%

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

OVERTIME PER COST CENTRE				
		February 2017 Amount	March 2017 Amount	April 2017 Amount
DIRECTORATE -EXECUTIVE SUPPORT SERVICES				
0505	Office Of The Director Executive Support Services	149 271.23	223 290.09	286 454.22
0512	International & Intergovernmental Relations	13 543.20	14 936.53	14 180.17
0523	Idp & Budget Integration	9 139.48	5 864.79	6 016.56
0531	Political Office Administration	38 608.40	18 657.63	503.76
0536	Municipal Public Accounts Committee	-	22 881.10	16 931.67
		210 562.31	285 630.14	324 086.38
DIRECTORATE OF THE CITY MANAGER				
1005	Office Of The City Manager	18 800.50	30 133.17	29 203.74
1015	Information / Technology & Support	42 212.96	17 734.73	17 897.29
1041	Governance & Internal Auditing	-	6 690.28	-
1061	Legal Services & Municipal Court	-2 110.34	-	-
		58 903.12	54 558.18	47 101.03
DIRECTORATE OF CORPORATE SERVICES				
1512	Administrative & Corporate Support	8 263.43	6 894.88	22 471.49
1513	Auxilliary / Records & Decision Tracking And Telecommunications	34 225.86	39 651.38	40 571.66
1531	Human Resources Management	37 435.67	58 764.85	-
1532	Administrative Support	5 900.84	2 950.42	8 851.26
1533	Employee Relations	-	-	6 511.66
1536	Organisational Development	-	334.74	1 163.68
1537	Recruitment & Selection	-	108 596.27	-
		85 825.80	108 596.27	79 569.75
DIRECTORATE OF DEVELOPMENT & SPATIAL PLANNING				
2023	Building Maintenance	660.17	-	14 960.86
2034	Integrated Public Transport Network Operations	4 448.99	4 952.97	9 192.76
2037	Traffic Management & Safety	8 019.75	13 944.34	12 738.26
2040	Gm - Urban & Rural Regeneration	-	18 897.31	-
		13 128.91	18 897.31	36 891.88
DIRECTORATE OF ECONOMIC DEVELOPMENT & AGENCIES				
2511	Fresh Produce Market	29 494.24	11 204.40	19 113.05
2521	Tourism / Arts / Culture & Heritage	-	-	47 772.66
2531	Trade / Industry & Rural Agrarian	-	-	7 713.24
		29 494.24	11 204.40	74 598.95

		February 2017 Amount	March 2017 Amount	April 2017 Amount
	DIRECTORATE OF FINANCE			
3011	Budget & Treasury Management	733.85	1 630.76	652.30
3031	Expenditure & Payments Management	-	5 498.41	9 750.93
3033	Payroll & Benefits	-	2 833.82	-
3034	Vat / Leases & Payments	2 510.74	2 510.74	-
3041	Financial Reporting	3 626.14	-	-
3051	Revenue Management	101 301.61	17 222.64	3 860.91
3052	Accounts Management & Revenue Control	41 881.89	85 010.80	108 576.04
3053	Coastal Revenue Management	39 143.57	33 393.94	33 974.71
3054	Customer Relations (Call Centre)	80 084.17	-	-
3061	Strategy & Operations	2 520.70	4 110.00	2 520.70
3071	Supply Chain Management	2 702.03	3 182.78	3 910.62
		274 504.70	155 393.89	163 246.21
	DIRECTORATE OF HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES			
3511	Emergency Services	-	1 783.98	-
3512	Disaster Management	9 766.55	7 519.26	7 598.90
3513	Fire & Rescue	565 372.05	322 721.30	378 674.26
3521	Municipal Health Services	-	2 164.99	9 198.27
3531	Public Safety & Protection Services	94 547.88	43 013.43	63 269.14
3532	Law Enforcement Services	1 966 273.54	1 237 965.47	1 488 327.91
3533	Traffic Services	900 052.42	298 685.74	439 741.31
		3 536 012.44	1 913 854.17	2 386 809.79
	DIRECTORATE OF INFRASTRUCTURE SERVICES			
4505	Office Of The Director Of Infrastructure Services	1 866.39	2 099.69	2 757.19
4511	Electrical & Energy Services	1 623.67	5 295.62	12 575.25
4512	Customer Services & Revenue Protection	86 007.47	75 608.05	88 026.62
4513	Electrical Development / Contracts & Assets	3 005.85	4 994.61	3 859.15
4514	Electrical Distribution	1 017 747.52	806 392.20	1 264 111.11
4521	Roads / Piu & Construction	1 055.18	-	-
4524	Roads	24 687.68	5 945.83	12 510.42
4532	Sanitation	814 534.79	678 436.50	798 198.59
4533	Scientific Services	-	8 712.28	-
4535	Water Services	1 186 216.81	977 760.44	1 128 020.81
4542	Fleet Services & Plant	2 498.67	3 983.39	23 499.98
4543	Workshops	69 429.10	47 848.86	48 209.15
		3 208 673.13	2 617 077.47	3 381 768.27

		February 2017 Amount	March 2017 Amount	April 2017 Amount
	DIRECTORATE OF MUNICIPAL SERVICES			
5005	Office Of The Director Of Municipal Services	8 610.90	27 340.16	20 238.77
5011	Community Amenities	19 690.51	7 264.64	21 849.55
5013	Libraries	46 669.79	491.93	90 396.16
5014	Halls	110 620.69	46 898.44	262 132.19
5015	Recreation	849 089.52	425 647.32	467 283.76
5016	Sports Facilities	185 321.46	243 379.60	247 519.69
5021	Parks / Cemeteries & Conservation	-	980.79	-
5022	Cemeteries & Crematoria	290 717.08	260 357.11	260 746.35
5023	Conservation	154 033.10	112 971.63	123 180.44
5024	Parks: Coastal	935 943.91	985 715.82	1 102 069.74
5031	Solid Waste Management	15 886.78	14 429.63	11 036.42
5032	Cleansing & Refuse Removal: Coastal	1 550 614.71	1 530 388.41	1 688 595.11
5035	Landfills & Transfer Stations	128 852.90	105 117.33	121 380.43
		4 296 051.35	3 760 982.81	4 416 428.61
	TOTAL OVERTIME	11 713 156.00	8 926 194.64	10 910 500.87

12.2.1. Comments On Overtime

a) Directorate of Executive Support Services

The over expenditure is due to the respective political office's Bodyguards having to work extended overtime and night shifts. Furthermore, staff had to work overtime during Summer Season Events which contributed to the exceeded overtime.

b) City Managers Office

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

c) Directorate of Corporate Services

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

d) Directorate of Finance

A large portion of the over expenditure was due to Financial Reporting and Supply Chain Management officials having to work overtime in order to meet the deadlines for the submission of Requests for Information (RFI's) to the Auditor General (AGSA).

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

e) Directorate of Infrastructure Services

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

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

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

f) Directorate of Health / Public Safety & Emergency Services

The traffic services as an emergency service will always have to work overtime due to the nature of services rendered in that it has to respond to all emergencies either road accidents, unrest situations, protest marches, shortage of staff and disasters. Operational staff duties performed over the weekends include Drunk and driving campaigns, events, roadblocks etc. in order to comply with the National Rollout Enforcement Plan (NREP). The officials are being encouraged to take leave in lieu of overtime so as to decrease the amount of over expenditure.

g) Directorate of Municipal Services

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

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

12.3. Standby and Shift Allowance Analysis

Table 22 below reflects the total standby and shift allowance incurred per directorate for the past three months ended 30 April 2017. There was a decrease in the total payment between February 2017 and March 2017 of R275 610 and an increase in the total payment between March 2017 and April 2017 of R288 335.

Table 22: Standby & Shift Allowance per Directorate

	FEBRUARY 2017	MARCH 2017	APRIL 2017
Directorate of Executive Support Services	3 692	7 540	8 579
Directorate of the City Manager	40 962	30 686	33 499
Directorate of Corporate Services	1 621	7 315	1 120
Directorate of Development and Spatial Planning	14 186	12 230	14 028
Directorate Economic Development & Agencies	1 002	1 217	3 110
Directorate of Finance	17 779	8 264	18 476
Directorate of Health / Public Safety & Emergency Services	698 082	594 066	669 131
Directorate of Infrastructure Services	675 396	553 356	712 396
Directorate of Municipal Services	311 531	273 968	316 639
TOTAL	1 764 251	1 488 641	1 776 977

12.4. Cost of Temporary Staff

The total payment of Temporary Staff for the past three months ended 30 April 2017 is reflected below. There was a decrease in the total payment between February 2017 and March 2017 of R1 128 310 and an increase in the total

payment between March 2017 and April 2017 of R5 386 622. The increase can be attributed to the back pay on salaries' standardization.

Table 23: Temporary Staff per Directorate

	FEBRUARY	MARCH	APRIL
	2017	2017	2017
Directorate of Executive Support Services	414 810	253 292	688 371
Directorate of the City Manager	185 702	127 118	574 588
Directorate of Corporate Services	1 141 822	957 567	1 419 200
Directorate of Development and Spatial Planning	108 525	73 247	283 488
Directorate Economic Development & Agencies	76 186	63 992	77 484
Directorate of Finance	333 763	339 906	710 983
Directorate of Health / Public Safety & Emergency Services	76 372	67 547	237 147
Directorate of Human Settlements	111 309	84 967	263 347
Directorate of Infrastructure Services	235 835	95 947	363 618
Directorate of Municipal Services	1 917 915	1 410 347	4 242 324
TOTAL	4 602 238	3 473 928	8 860 550

12.5. Councillors Costs

The table below shows the budget and expenditure to date for councillors' costs. The year to date budget of R48 415 668 less the year to date expenditure of R45 834 881 leaves a variance of R2 580 787.

Table 24: Councillors Costs

Councillors Allowances and Benefits	2016/2017	2016/2017	2016/2017	2016/2017	2016/2017
	Annual Budget	YTD Budget	YTD Expenditure	Variance	YTD Expenditure
	R	R	R	R	%
Mayoral Allowance	790 172	658 477	607 395	51 082	92%
Deputy Mayoral Allowance	638 158	531 798	494 441	37 358	93%
Mayoral Committee Allowance	6 599 489	5 499 574	4 506 578	992 997	82%
Speakers Allowance	638 158	531 798	497 910	33 888	94%
Out of Pocket Expenses	1 208 400	1 007 000	373 064	633 936	37%
Councillors Allowance	24 124 437	20 103 698	20 424 398	(320 701)	102%
Cllr Cell Phone Allowance	2 278 635	1 898 863	1 927 834	(28 971)	102%
Cllr Housing Subsidy	2 927 329	2 439 441	2 411 233	28 208	99%
Cllr Medical Aid	1 986 812	1 655 677	1 390 462	265 214	84%
Cllr Pension Scheme	3 495 042	2 912 535	2 771 104	141 431	95%
Cllr Travel Allowance	13 412 169	11 176 808	10 430 462	746 345	93%
TOTAL	58 098 801	48 415 668	45 834 881	2 580 787	95%

13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE

The entity has started operating on its own with minimal need for daily support from the parent municipality. The Buffalo City Metropolitan Development Agency had a budget of R18.38 million which has been adjusted to R 20.8 million to include the Greenest Municipal Competition grant received from Department of Environmental Affairs. The business plan for the said grant was only approved in December 2016 hence it became imperative to include the grant amount in the adjustments budget. The entities expenditure to date is R 13.9 million (67%) as at 30 April 2017.

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

Table 25: Monthly Budget Statement – summary of municipal entity

BUF Buffalo City - Supporting Table SC11 Monthly Budget Statement - summary of municipal entities - M10 April

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Municipal Entity										
<i>Buffalo City Metropolitan Development Agency SOC Ltd</i>										
Interest earned - external investments		-	69	199	11	163	166	(3)	-2%	199
Transfers recognised - operational		764	18 116	15 357	3 973	15 891	18 116	(2 225)	-12%	18 116
Agency services			200	375	-	99	313			375
Other revenue		-		2 134	289	468	1 778	(1 310)	-74%	2 134
								-		
Total Operating Revenue	1	764	18 385	18 065	4 273	16 621	20 372	(3 752)	-18%	20 824
Expenditure By Municipal Entity										
<i>Buffalo City Metropolitan Development Agency SOC Ltd</i>										
Employee related costs		760	12 225	9 773	1 048	7 782	8 144	(362)	-4%	9 773
Remuneration of Directors		156	566	561	33	380	467	(88)	-19%	561
Depreciation & asset impairment		3	393	393	49	220	328	(108)	-33%	393
Finance charges		-	8	3	-	-	3	(3)	-100%	3
Other expenditure		276	5 192	7 336	618	3 506	6 113	(2 607)	-43%	7 336
								-		
Total Operating Expenditure	2	1 194	18 385	18 065	1 749	11 888	15 055	(3 167)	-21%	18 065
Surplus/ (Deficit) for the yr/period		(430)	-	(0)	2 524	4 733	5 318	(6 918)	-130%	2 758
Capital Expenditure By Municipal Entity										
<i>Buffalo City Metropolitan Development Agency SOC Ltd</i>										
Transfers recognised - capital		-	-	2 758	191	1 766	2 299	(533)	-23%	2 758
Contributions recognised - capital		-	-	-	-	-	-	-		-
Contributed assets		-	-	-	-	-	-	-		-
								-		
Total Capital Expenditure	3	-	-	2 758	191	1 766	2 299	(533)	-23%	2 758

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

14. CAPITAL PROGRAMME PERFORMANCE

BCMM has spent 57% (R849.53 million, inclusive of reclaimed vat) of its 2016/17 adjusted capital budget of R1.49 billion as at 30 April 2017. This reflects an improvement in both the percentage and rand value terms when compared to the same period in the previous financial year where 50% (R697.5 million, inclusive of reclaimed vat) of the adjusted budget of R1.39 billion was spent. The capital expenditure is expected to speedily improve during the last quarter of the financial year as major projects have passed procurement to implementation stage. Refer to Annexure A – C5 for the breakdown per municipal vote, standard classification & funding; Annexure B – SC12 for monthly expenditure trends; SC13a for breakdown of asset classification for new assets and SC13b for breakdown on asset classification on renewal of existing asset).

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

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

Table 26: Capital Expenditure per Funding Source against Budget

Funding	<u>2016/2017 Mid-Year Adjustment Budget</u>	<u>YTD Expenditure (incl. VAT)</u>	<u>Variance (incl. VAT)</u>	<u>% Expenditure (incl. VAT)</u>
Total Own Funding	761 199 310	378 047 555	383 151 755	50%
BCMET	487 499	0	487 499	0%
DoE(Integrated National Electrification Programme)	25 000 000	148 389	24 851 611	1%
DoE(Integrated National Electrification Programme) c/o	11 612 579	9 510 005	2 102 574	82%
DEDEAT c/o	199 168	0	199 168	0%
DSRAC c/o	4 411 277	3 907 331	503 946	89%
Finance Management Grant	50 000	1 663	48 337	3%
Galve c/o	229 000	0	229 000	0%
Infrastructure Skills Development Grant	100 000	30 832	69 168	31%
Integrated City Development Grant	6 080 000	0	6 080 000	0%
Local Government & Traditional Affairs	9 036 112	0	9 036 112	0%
Urban Settlement Development Grant	642 754 030	457 883 622	184 870 409	71%
Public Transport Infrastructure and Systems Grant	30 289 000	0	30 289 000	0%
Total Grants	730 248 665	471 481 842	258 766 824	65%
TOTAL PER FUNDING	1 491 447 975	849 529 396	641 918 579	57%

Table 27 below reflects capital expenditure performance per service.

Table 27: Actual Expenditure per Service against Budget

Services	2016/2017 Mid-Year Adjustment Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Water	173 541 122	127 432 734	46 108 388	73%
Waste Water	229 916 852	156 646 790	73 270 061	68%
Electricity	154 612 579	78 968 621	75 643 958	51%
Roads and Stormwater	273 519 469	200 102 502	73 416 967	73%
Housing	140 779 452	111 930 537	28 848 915	80%
Transport Planning	122 789 000	18 108 480	104 680 520	15%
Local Economic Development	53 764 025	18 941 704	34 822 321	35%
Spatial Planning	74 722 550	15 415 908	59 306 642	21%
Waste Management / Refuse	44 138 937	5 476 860	38 662 077	12%
Amenities	51 376 990	36 360 974	15 016 016	71%
Public Safety	29 765 169	1 926 586	27 838 583	6%
Support Services	109 759 808	53 969 720	55 790 088	49%
Other BCM Fleet	32 762 022	24 247 979	8 514 043	74%
TOTAL PER SERVICE	1 491 447 975	849 529 396	641 918 579	57%

Table 28 below reflects capital expenditure performance per directorate.

Table 28: Actual Expenditure per Directorate against Budget

Directorate	2016/2017 Mid-Year Adjustment Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Directorate of Executive Support Services	6 578 062	2 308 449	4 269 613	35%
Directorate of the City Manager	78 821 500	49 623 615	29 197 885	63%
Directorate of Human Settlement	140 779 452	111 930 537	28 848 915	80%
Directorate of Finance	8 797 535	558 123	8 239 412	6%
Directorate of Corporate Services	4 533 820	619 285	3 914 535	14%
Directorate of Infrastructure Services	870 932 044	587 687 809	283 244 234	67%
Directorate of Development and Spatial Planning	191 431 550	33 524 388	157 907 162	18%
Directorate of Economic Development and Agencies	53 764 025	18 941 704	34 822 321	35%
Directorate of Health, Public Safety and Emergency Services	29 765 169	1 926 586	27 838 583	6%
Directorate of Municipal Services	96 044 818	42 302 966	53 741 852	44%
TOTAL DIRECTORATES	1 481 447 975	849 423 463	632 024 512	57%
Asset Replacement	10 000 000	105 933	9 894 067	1%
GRAND TOTAL	1 491 447 975	849 529 396	641 918 579	57%

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

Table 29: SC12 Monthly budget Statement – capital expenditure trend

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

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

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

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

BUF Buffalo City - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M10 April

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		146 506	417 323	361 870	5 999	118 922	192 207	73 284	38.1%	361 870
Infrastructure - Road transport		19 428	106 080	106 080	1 382	62 175	56 344	(5 830)	-10.3%	106 080
Roads, Pavements & Bridges		19 428	106 080	106 080	1 382	62 175	56 344	(5 830)	-10.3%	106 080
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		43 610	43 000	54 613	1 073	17 752	29 007	11 256	38.8%	54 613
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		43 610	43 000	54 613	1 073	17 752	29 007	11 256	38.8%	54 613
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		83 468	268 243	201 177	3 544	38 996	106 855	67 859	63.5%	201 177
Waste Management		26 799	78 454	13 637	962	4 806	7 243	2 437	33.6%	13 637
Transportation		44 810	145 789	134 276	3 268	17 818	71 321	53 503	75.0%	134 276
Other		11 859	44 000	53 264	(686)	16 372	28 291	11 920	42.1%	53 264
Community		13 726	21 000	21 926	481	15 620	11 646	(3 974)	-34.1%	21 926
Parks & gardens		-	500	500	-	276	266	(11)	-4.0%	500
Sportsfields & stadia		-	500	1 426	(910)	493	758	265	35.0%	1 426
Community halls		5 791	10 000	10 000	680	7 929	5 311	(2 618)	-49.3%	10 000
Cemeteries		-	10 000	10 000	712	6 922	5 311	(1 611)	-30.3%	10 000
Other		7 935	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		202 832	201 941	140 279	6 598	99 803	74 509	(25 294)	-33.9%	140 279
Housing development		202 832	201 941	140 279	6 598	99 803	74 509	(25 294)	-33.9%	140 279
Other		-	-	-	-	-	-	-	-	-
Other assets		74 614	113 570	210 571	(1 126)	82 058	111 844	29 786	26.6%	210 571
General vehicles		47 384	18 200	65 552	(2 627)	24 572	34 818	10 246	29.4%	65 552
Specialised vehicles		3 533	11 000	6 532	-	-	3 470	3 470	100.0%	6 532
Plant & equipment		13 154	14 966	18 414	1 248	2 634	9 781	7 147	73.1%	18 414
Computers - hardware/equipment		10 542	20 700	79 600	243	49 063	42 279	(6 783)	-16.0%	79 600
Furniture and other office equipment		-	23 972	35 143	11	5 762	18 666	12 904	69.1%	35 143
Civic Land and Buildings		-	5 286	5 229	-	-	2 777	2 777	100.0%	5 229
Other		-	19 446	100	-	27	53	26	49.1%	100
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	437 677	753 834	734 647	11 952	316 404	390 207	73 802	18.9%	734 647
Specialised vehicles		3 533	11 000	6 532	-	-	3 470	3 470	0	6 532
Refuse		-	-	-	-	-	-	-	-	-
Fire		3 533	11 000	6 532	-	-	3 470	3 470	0	6 532
Ambulances		-	-	-	-	-	-	-	-	-

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

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

BUF Buffalo City - Supporting Table SC13b Consolidated Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M10 April

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		712 733	720 091	676 977	28 273	442 424	359 576	(82 849)	-23.0%	676 977
Infrastructure - Road transport		317 251	161 099	173 519	6 106	123 001	92 165	(30 836)	-33.5%	173 519
<i>Roads, Pavements & Bridges</i>		317 251	161 099	173 519	6 106	123 001	92 165	(30 836)	-33.5%	173 519
<i>Storm water</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		103 042	100 000	100 000	3 785	60 020	53 115	(6 905)	-13.0%	100 000
<i>Generation</i>		-	-	-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>		103 042	100 000	100 000	3 785	60 020	53 115	(6 905)	-13.0%	100 000
<i>Street Lighting</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Water		116 452	87 500	155 541	14 071	121 577	82 615	(38 962)	-47.2%	155 541
<i>Reticulation</i>		116 452	87 500	155 541	14 071	121 577	82 615	(38 962)	-47.2%	155 541
Infrastructure - Sanitation		16 835	371 492	247 917	4 311	137 827	131 681	(6 146)	-4.7%	247 917
<i>Reticulation</i>		16 835	371 492	247 917	4 311	137 827	131 681	(6 146)	-4.7%	247 917
<i>Sewerage purification</i>		-	-	-	-	-	-	-	-	-
Infrastructure - Other		159 154	-	-	-	-	-	-	-	-
<i>Waste Management</i>		159 154	-	-	-	-	-	-	-	-
<i>Other</i>		-	-	-	-	-	-	-	-	-
Community		18 895	19 855	25 805	503	18 556	13 707	(4 849)	-35.4%	25 805
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		11 815	10 000	15 931	392	12 977	8 462	(4 515)	-53.4%	15 931
Swimming pools		-	2 500	2 500	-	1 556	1 328	(229)	-17.2%	2 500
Recreational facilities		7 080	7 355	7 374	111	4 023	3 917	(106)	-2.7%	7 374
Other assets		17 067	64 355	54 019	3 248	17 368	28 692	11 324	39.5%	54 019
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	700	1 057	-	357	561	205	36.4%	1 057
Civic Land and Buildings		16 336	62 655	51 962	3 248	16 716	27 599	10 883	39.4%	51 962
Other		731	1 000	1 000	-	295	531	237	44.5%	1 000
Total Capital Expenditure on renewal of existing assets	1	748 696	804 300	756 801	32 024	478 348	401 974	(76 374)	-19.0%	756 801
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

15. OTHER SUPPORTING DOCUMENTS

15.1. Operating Projects Expenditure

The Metro has spent 58% (R195.92 million) inclusive of reclaimed vat of its 2016/17 adjusted budget of R336.91 million as at 30 April 2017. This reflects an improvement in percentage terms when compared to the same period in the previous financial year where 55% (R273.67 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R501.84 million was spent. The operating expenditure is expected to speedily improve during the last quarter of the financial year as major projects have passed procurement to implementation stage.

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

Tables 32 and 33 below summarise Annexure D.

Table 32: Operating Projects per Directorate

<u>Directorate</u>	<u>2016/2017 Mid-Year Adjustment Budget</u>	<u>YTD Expenditure (incl.vat)</u>	<u>Variance (incl.vat)</u>	<u>% Expenditure (incl.vat)</u>
Executive Support Services	568 858	4 415	564 443	1%
Directorate of the City Manager	32 935 935	17 408 298	15 527 637	53%
Directorate of Human Settlement	146 969 532	69 835 803	77 133 729	48%
Directorate of Finance	44 099 700	20 435 579	23 664 121	46%
Directorate of Corporate Services	8 900 000	4 798 437	4 101 563	54%
Directorate of Infrastructure Services	52 495 761	55 462 800	-2 967 038	106%
Directorate of Development and Spatial Planning	6 250 000	2 249 003	4 000 997	36%
Directorate of Economic Development and Agencies	20 870 000	17 150 362	3 719 638	82%
Directorate of Health, Public Safety and Emergency Services	1 000 000	0	1 000 000	0%
Directorate of Municipal Services	22 819 600	8 573 129	14 246 471	38%
TOTAL	336 909 386	195 917 826	140 991 561	58%

Table 33: Operating Projects per Funding Source

Funding	2016/2017 Mid-Year Adjustment Budget	YTD Expenditure (incl. vat)	Variance (incl. vat)	% Expenditure (incl. vat)
Total Own Funding	83 722 910	43 361 217	40 361 693	52%
City of Oldenburg	495 761	0	495 761	0%
Department of Public Works	2 469 600	1 514 599	955 001	61%
Expanded Public Works Programme Incentives Grant	1 188 000	855 768	332 232	72%
Finance Management Grant	1 250 000	581 330	668 670	47%
Human Settlement Development Grant	143 802 000	69 607 175	74 194 825	48%
Human Settlement Development Grant c/o Glasgow	1 017 287	0	1 017 287	0%
Infrastructure Skills Development Grant	8 900 000	4 798 437	4 101 563	54%
Urban Settlement Development Grant	88 744 970	73 660 458	15 084 512	83%
Public Transport Infrastructure Grant	5 000 000	1 538 842	3 461 158	31%
Galve c/o	229 000	0	229 000	0%
Total Grants	253 186 476	152 556 609	100 629 868	60%
TOTAL PER FUNDING	336 909 386	195 917 826	140 991 561	58%

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

16.1. Health / Public Safety & Emergency Services

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

Table 34: Health / Public Safety & Emergency Services – Cost Analysis

Health & Public Safety	Total Revenue	Employee Costs	Other Operating Expenditure	Repairs & Maintenance	Total Expenditure Excluding Capital
OFFICE OF THE DIRECTOR OF HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES	0	2 613 285	248 414	0	2 861 699
GM - EMERGENCY SERVICES	(73 345 405)	70 015 400	24 103 101	1 027 689	95 146 189
EMERGENCY SERVICES	0	2 046 610	356 321	139 958	2 542 889
DISASTER MANAGEMENT	0	2 137 790	797 586	24 526	2 959 902
FIRE & RESCUE	(73 345 405)	65 831 000	22 949 194	863 205	89 643 398
GM - MUNICIPAL HEALTH SERVICES	(286 200)	23 985 372	3 353 781	216 896	27 556 048
MUNICIPAL HEALTH SERVICES	(286 200)	23 985 372	3 353 781	216 896	27 556 048
GM - PUBLIC SAFETY & PROTECTION SERVICES	(40 483 636)	168 170 048	12 599 957	1 504 492	182 274 498
PUBLIC SAFETY & PROTECTION SERVICES	(31 067)	14 744 437	6 088 372	892 068	21 724 877
LAW ENFORCEMENT SERVICES	(1 020)	100 889 425	2 535 859	394 423	103 819 707
TRAFFIC SERVICES	(40 451 549)	52 536 186	3 975 726	218 002	56 729 914
Total	(114 115 240)	264 784 105	40 305 253	2 749 076	307 838 434

16.2. Municipal Services

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

Table 35: Municipal Services – Cost Analysis

Municipal Services	Total Revenue	Employee Costs	Other Operating Expenditure	Repairs & Maintenance	Total Expenditure Excluding Capital
OFFICE OF THE DIRECTOR OF MUNICIPAL SERVICES	0	6 237 137	2 429 318	3 138	8 669 593
GM - COMMUNITY AMENITIES	(18 726 205)	94 023 526	21 420 185	4 069 177	119 512 888
COMMUNITY AMENITIES	0	10 025 370	528 361	49 136	10 602 867
LIBRARIES	(15 189 958)	18 015 785	1 716 157	197 570	19 929 512
HALLS	(1 210 173)	13 741 308	2 856 964	545 413	17 143 685
RECREATION	(2 188 343)	32 599 436	7 691 343	2 037 826	42 328 604
SPORTS FACILITIES	(137 731)	19 641 627	8 627 360	1 239 233	29 508 220
					0
GM - PARKS / CEMETRIES & CONSERVATION	(8 596 008)	128 628 395	25 007 908	5 463 899	159 100 201
PARKS / CEMETRIES & CONSERVATION	0	2 079 357	181 325	0	2 260 682
CEMETRIES & CREMATORIA	(7 515 278)	20 551 053	9 108 578	350 153	30 009 784
CONSERVATION	(992 910)	13 766 806	2 791 122	799 994	17 357 922
PARKS: COASTAL	(87 820)	92 231 179	12 926 883	4 313 751	109 471 814
GM - SOLID WASTE MANAGEMENT	(338 920 341)	126 418 330	182 855 263	20 607 981	329 881 574
SOLID WASTE MANAGEMENT	(60)	8 689 487	10 444 901	8 053 190	27 187 578
CLEANSING & REFUSE REMOVAL: COASTAL	(332 166 074)	107 118 441	144 103 959	12 554 791	263 777 191
LANDFILLS & TRANSFER STATIONS	(6 754 207)	10 610 402	28 306 403	0	38 916 805
Total	(366 242 554)	355 307 388	231 712 674	30 144 195	617 164 256

17. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

I, APPANA NAIDOO, the Acting City Manager of Buffalo City Metropolitan Municipality do hereby certify that –

The monthly budget statement (Section 71 Report)

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

Print name: Appana Naidoo

Acting City Manager of Buffalo City Metropolitan Municipality, BUF

Signature:

Date:

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Schedule of Borrowings

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Operating expenditure report

Annexure E

Capital expenditure report

Annexure F

Buffalo City Metropolitan Development Agency Financial Performance Report