

# REPORT TO EXECUTIVE MAYOR: 14 DECEMBER 2018

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## **STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2018/19 BUDGET FOR THE PERIOD ENDED 30 NOVEMBER 2018**

### **1. PURPOSE**

The purpose of the report is for Executive Mayor to consider and note the statement of financial performance and the implementation of the 2018/19 budget of the Buffalo City Metropolitan Municipality for the period ended 30 November 2018.

### **2. AUTHORITY**

Executive Mayor

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

- 3.1. The Constitution of the Republic of South Africa, 1996
- 3.2. Municipal Finance Management Act No 56, 2003 Chapter 7, Section 71
- 3.3. Municipal Budget and Reporting Regulations, 2009

### **4. BACKGROUND**

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

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

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

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

## **5. RESOLUTIONS**

It is recommended that:

- (i) The Executive Mayor considers and notes the report on the statement of financial performance and the implementation of the 2018/19 budget for the period ended 30 November 2018 including supporting documentation attached as Annexure A to F.
- (ii) The Executive Mayor notes the spending trend on capital and operating projects as well as the reasons for such an expenditure as indicated in section 14 and 15 respectively of this report.
- (iii) The Executive Mayor notes the year to date collection rate for the period ended 30 November 2018 of 79.27%.

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**A. SIHLAHLA**

**CITY MANAGER**

**BUFFALO CITY METROPOLITAN MUNICIPALITY**

SIYABULELA PETER/ NS

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**DATE**

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

**6.1. Dashboard / Performance Summary**

**Table 1: Performance Summary**

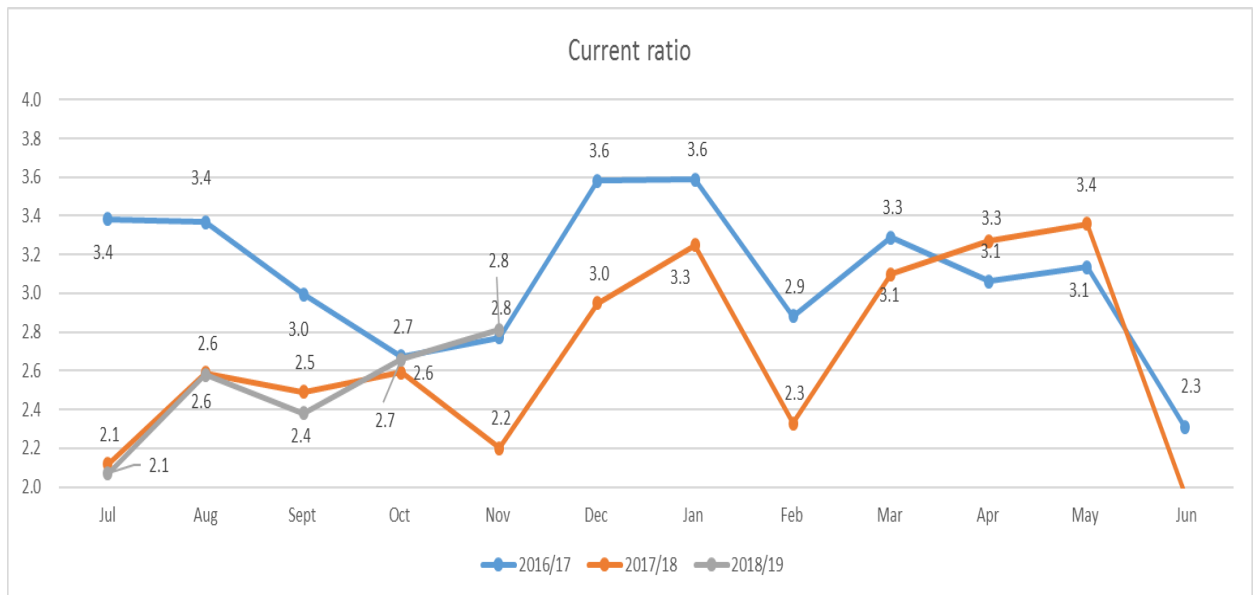
OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	R 2,512,313,892	Bank Balance	R 5,473,500
Expenditure	(R 2,719,434,614 )	Call investments (excl. int.)	R 1,205,006,019
Operating Deficit	(R 207,120,722)	<b>Cash and cash equivalents</b>	<b>R 1,210,479,519</b>
Transfers and Subsidies Recognised	R515,281,428	<i>Account Payables</i>	<i>(R 551,797,334)</i>
Deficit After Capital Transfers	(R 56,111,023)	<i>Unspent conditional grants</i>	<i>(R 117,942,288)</i>
<b>DEBTORS</b>		<i>Committed to Capital budget-own funds</i>	<i>(R 1,008,392,240)</i>
Total debtors book (incl. impairment)	R 2,124,658,213	<b>Possible cash deficit should there be no revenue collection made</b>	<b>(R 467,652,343)</b>
Total debtors - Government	R 123,972,631		
Total debtors - Business	R 669,625,853	Total Long term loans	R 389,219,250
Total debtors - Households	R 1,331,059,729		
Total debt written off	R 0	<b>SURPLUS / (DEFICIT) PER SERVICE</b>	
		Water	R 73,898,526
<b>REPAIRS AND MAINTENANCE</b>		Electricity	(R 129,139,665)
<b>2017/2018:</b> Exp.= R126,73m, which is 27% of adjusted budget of R462.49 m	<b>2018/2019:</b> Exp.= R159,8 m, which is 32% of adjusted budget of R493.62 m	Refuse	R 27,859,978
		Sewerage	R 90,971,272
<b>CAPITAL EXPENDITURE</b>		<b>OPERATING PROJECTS EXPENDITURE</b>	
<b><u>2017/2018: Exp. as a % of Adjusted Budget of R1.71b:</u></b>  Exp. (excl. vat) = R303,58mil % exp (Excl. vat) :18%  Exp. (incl. vat) = R328.72 mil % exp (incl. vat): 19%	<b><u>2018/2019: Exp. as a % of Adjusted Budget of R1.99b:</u></b>  Exp. (excl. vat) = R378,5 mil % exp. (Excl. vat) :19%  Exp. (incl. vat) = R410,02 mil % exp. (incl. vat): 21%	<b><u>2017/2018: Exp. as a % of Adjusted Budget of R300.9m:</u></b>  Exp. (excl. vat) = R83.65 mil % exp.(excl. vat): 28%  Exp. (incl. vat) = R87,95 mil % exp.(incl. vat): 29%	<b><u>2018/2019: Exp. as a % of Adjusted Budget of R333.73m:</u></b>  Exp. (excl. vat) = R51,2 mil % exp. (excl. vat): 15%  Exp. (incl. vat) = R51,4 mil % exp. (incl. vat): 15%
<b>FINANCIAL</b>		<b>HUMAN RESOURCES</b>	
Operating deficit for the period	(R 56,111,023)	Total staff complement	5 097
Debtors collection ratio	79.27%	Staff Appointments	23
YTD Grants and subsidies: recognized	R 515,281,428	Staff Terminations	24
% of Creditors paid within terms	100%	Number of funded vacant posts	789
Current ratio	2.81	Total overtime paid (YTD)	R 44,872,634
Total Debt to Revenue	9%	Allowances and benefits – Councillors (YTD)	R 25,596,60
Capital Charges to Operating Expenditure	1%	Salary bill - Officials	R 783,706, 71
Cost coverage ratio	2.49 months	Workforce costs as a % of expenditure	29,75%

## 6.2 Liquidity position

Buffalo City Metropolitan Municipality's liquidity is considered stable as the Current Ratio is 2.8:1 which indicates the ability of municipality's current assets to cover its current liabilities. This is above the norm of 1.5-2:1. The City has a strong cash and cash equivalent and can easily meet its immediate obligations, however, the stagnant revenue base and high rate of increase in operating costs is a threat to the City's cash position. This ratio denotes that the City can meet its short term liabilities.

The graph below shows comparison of the current ratio for the current financial year and the two previous financial years.

**Figure 1: Current Ratio**



## 6.3 Collection Rate and Outstanding Debtors

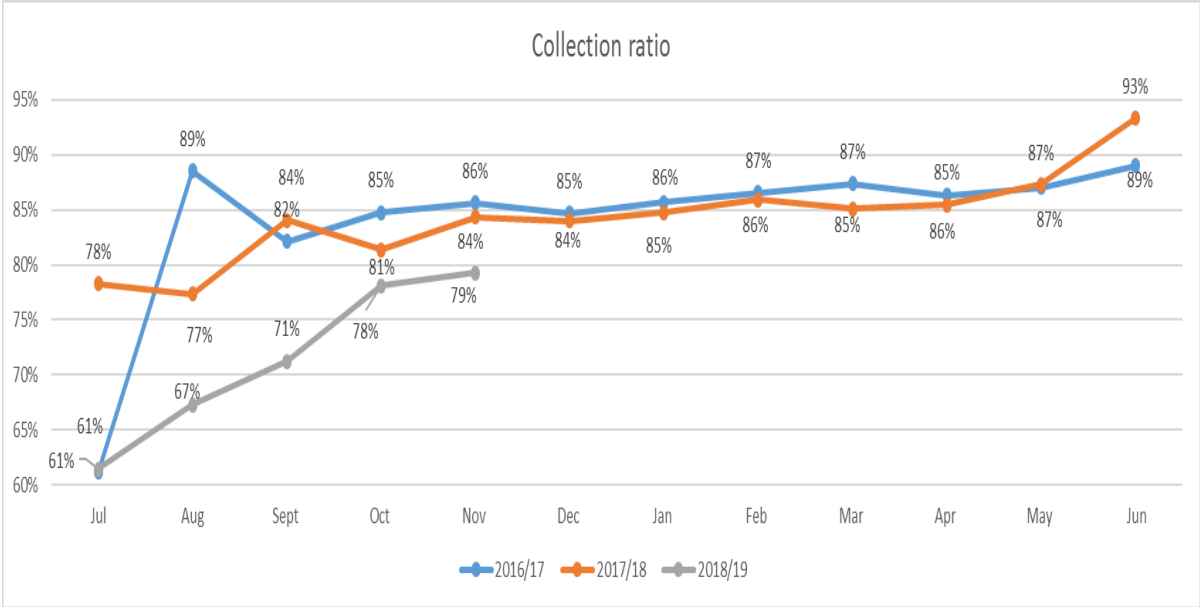
The year to date collection rate for the month ended 30 November 2018 is 79.27% (2017/18: 84.33%). This ratio denotes the City's ability to collect the billed revenue from its consumers. The collection ratio for November 2018 has reduced due to the fact that the municipality has not finalized the rates objections and consumers are not paying their debt, up until this process mentioned above is finalized.

Due to the unprotected industrial action taken by staff during the month of November 2018 an amount of R69,648,434 was not able to be receipted within November 2018 which would have resulted in the collection rate reflecting as 83.18%.

The outstanding debtors balance is also negatively affected by the non receipting of the amount of R69,648,434 due to the unprotected industrial action taken by municipal staff.

The graph below shows comparison of the monthly collection ratio for the current financial year and the two previous financial years.

**Figure 2: Collection Ratio**



Total gross debtors book (including current accounts) as at 30 November 2018 amounts to R2.12 billion (2017/18: R2.07 billion). Households: R1.33 billion, Business: R669.62 million and Government: R123.97 million.

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



#### **6.4 Capital Expenditure**

BCMM has spent 21% (R410.02 million, inclusive of reclaimed vat) of its 2018/19 adjusted capital budget of R1.99 billion as at 30 November 2018. This reflects an increase when compared to the same period in the previous financial year where 19% (R328.72 million, inclusive of reclaimed vat) of the adjusted budget of R1.71 billion was spent. (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 15% (R51.40 million, inclusive of reclaimed vat) of its 2018/19 adjusted operating projects budget of R333.73 million as at 30 November 2018. This reflects a decline when compared to the same period in the previous financial year where 29% (R87.95 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R300.91 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 31% (R283.26 million, inclusive of reclaimed vat) of its 2018/2019 conditional grants budget of R911.61 million as at 30 November 2018. This reflects an increase when compared to the same period in the previous financial year where 30% (R267.17 million, inclusive of reclaimed of vat) of conditional grants budget of R882.77 million was spent. (Refer to Section 11 for further details).

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

BCMM has spent 30% (R229.95 million, inclusive of reclaimed vat) of its 2018/2019 USDG budget of R762.99 million as at 30 November 2018. This reflects a decline when compared to the same period in the previous financial year where 31% (R235.69 million, inclusive of reclaimed of vat) of USDG budget of R768.13 million was spent. (Refer to Section 11 for further details).

## **6.7 Cash and Cash Equivalents**

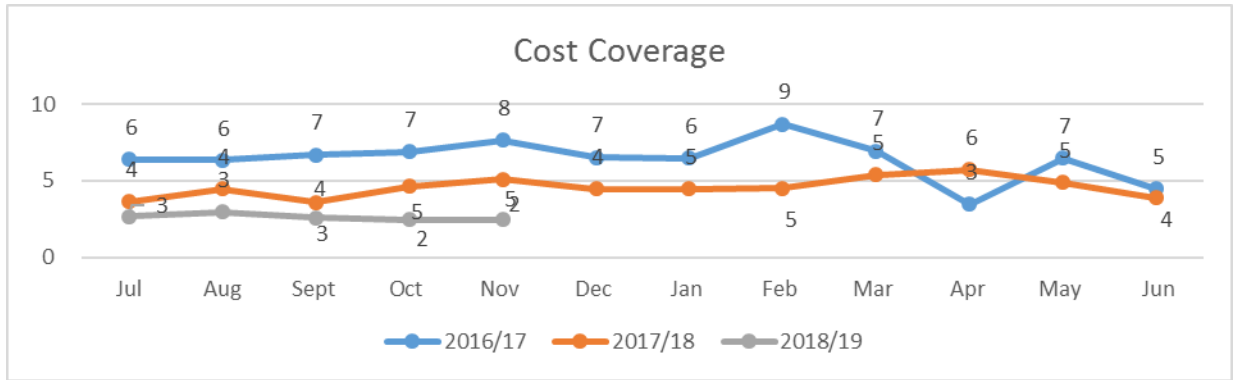
The cash and cash equivalents of the City as at 30 November 2018 are R1.21 billion made up of cash and bank amounting to R5.47 million and call investment deposits of R1.20 billion. This funding is invested with various financial institutions in compliance with the MFMA.

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 2.49 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 2.49 times, which is within the norm of 1-3 months as per the MFMA circular 71. It is however a concern to note that the City's cash and cash equivalent reserve is decreasing due to stagnant revenue base and operating expenditure that is increasing at a high rate. There have also been high capital investment that is funded by internally generated funds.

The graph below shows comparison of the monthly cost coverage for the current financial year and the two previous financial years.

### **Figure 3: Cost Coverage**



### **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. 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 November 2018 amounts to R389 million (Refer to Annexure C for the schedule of borrowings).

The ratio of capital charges to operating expenditure as at 30 November 2018 is 1.%. 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%.

The total debt to revenue ratio is 9% as at 30 November 2018, this indicates the extent of total borrowings (short and long term debt financing) in relation to total operating revenue of the municipality. The purpose of the ratio is to provide assurance that sufficient revenue will be generated to repay liabilities.

The above two ratios indicate that the City has additional capacity to take up additional loan.

## **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 - M04 October

Description	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	1,421,961	1,421,961	104,594	624,521	668,567	(44,045)	-7%	1,421,961
Service charges	-	3,172,285	3,151,081	217,783	1,210,318	1,282,199	(71,881)	-6%	3,151,081
Investment revenue	-	140,961	140,961	6,726	42,510	60,180	(17,670)	-29%	140,961
Transfers and subsidies	-	1,471,673	1,492,316	4,875	515,281	723,326	(208,044)	-29%	1,492,316
Other own revenue	-	310,342	310,342	16,525	119,683	122,648	(2,965)	-2%	310,342
<b>Total Revenue (excluding capital transfers and contributions)</b>	-	<b>6,517,222</b>	<b>6,516,662</b>	<b>350,504</b>	<b>2,512,314</b>	<b>2,856,920</b>	<b>(344,606)</b>	<b>-12%</b>	<b>6,516,662</b>
Employee costs	-	1,961,118	1,939,914	153,974	783,706	818,615	(34,908)	-4%	1,939,914
Remuneration of Councillors	-	65,035	65,035	5,015	25,260	25,260	(0)	-0%	65,035
Depreciation & asset impairment	-	896,426	896,426	120,205	492,230	352,734	139,497	40%	896,426
Finance charges	-	59,818	59,818	6,594	20,072	17,127	2,945	17%	59,818
Materials and bulk purchases	-	1,784,885	1,784,885	133,948	805,098	833,192	(28,094)	-3%	1,784,885
Transfers and subsidies	-	60,526	60,526	7,612	36,437	26,449	9,988	38%	60,526
Other expenditure	-	1,685,490	1,706,127	95,461	556,631	635,672	(79,042)	-12%	1,706,127
<b>Total Expenditure</b>	-	<b>6,513,298</b>	<b>6,512,731</b>	<b>522,809</b>	<b>2,719,435</b>	<b>2,709,049</b>	<b>10,386</b>	<b>0%</b>	<b>6,512,731</b>
<b>Surplus/(Deficit)</b>	-	<b>3,924</b>	<b>3,931</b>	<b>(172,306)</b>	<b>(207,121)</b>	<b>147,871</b>	<b>(354,991)</b>	<b>-240%</b>	<b>3,931</b>
Transfers and subsidies - capital (monetary allocations)	-	803,900	812,936	81,811	151,010	286,775	(135,765)	-47%	812,936
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	-	<b>807,825</b>	<b>816,867</b>	<b>(90,495)</b>	<b>(56,111)</b>	<b>434,645</b>	<b>(490,756)</b>	<b>-113%</b>	<b>816,867</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	-	<b>807,825</b>	<b>816,867</b>	<b>(90,495)</b>	<b>(56,111)</b>	<b>434,645</b>	<b>(490,756)</b>	<b>-113%</b>	<b>816,867</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	-	<b>1,753,142</b>	<b>1,990,904</b>	<b>104,066</b>	<b>378,503</b>	<b>666,171</b>	<b>(287,668)</b>	<b>-43%</b>	<b>1,990,974</b>
Capital transfers recognised	-	803,900	812,936	58,358	204,471	272,014	(67,543)	-25%	812,936
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	69,000	69,000	-	-	23,088	(23,088)	-100%	69,000
Internally generated funds	-	<b>880,242</b>	<b>1,108,968</b>	<b>45,707</b>	<b>174,032</b>	<b>371,069</b>	<b>(197,037)</b>	<b>-53%</b>	<b>1,108,968</b>
<b>Total sources of capital funds</b>	-	<b>1,753,142</b>	<b>1,990,904</b>	<b>104,066</b>	<b>378,503</b>	<b>666,171</b>	<b>(287,668)</b>	<b>-43%</b>	<b>1,990,904</b>
<b>Financial position</b>									
Total current assets	-	3,590,140	-	-	2,983,890	-	-	-	3,590,140
Total non current assets	-	20,089,293	-	-	19,056,151	-	-	-	20,089,293
Total current liabilities	-	1,394,977	-	-	1,065,757	-	-	-	1,394,977
Total non current liabilities	-	1,153,005	-	-	863,450	-	-	-	1,153,005
Community wealth/Equity	-	<b>21,131,451</b>	-	-	<b>20,110,834</b>	-	-	-	<b>21,131,451</b>
<b>Cash flows</b>									
Net cash from (used) operating	-	1,683,238	-	(52,508)	(16,100)	701,349	717,450	102%	1,683,238
Net cash from (used) investing	-	(1,753,142)	-	(105,370)	(378,503)	(730,476)	(351,973)	48%	(1,753,142)
Net cash from (used) financing	-	9,333	-	-	(8,907)	(24,861)	(15,954)	64%	9,333
<b>Cash/cash equivalents at the month/year end</b>	-	<b>1,643,284</b>	-	-	<b>1,210,480</b>	<b>1,649,867</b>	<b>439,387</b>	<b>27%</b>	<b>1,553,418</b>
<b>Debtors &amp; creditors analysis</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	316,267	133,432	94,899	92,423	135,717	54,973	248,694	#####	2,124,658
<b>Creditors Age Analysis</b>									
Total Creditors	540,938	10,859	-	-	-	-	-	-	551,797

## **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 (functional classification) - M05 November

Description	Ref	Budget Year 2018/19								
		2017/18 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue - Functional</b>										
<i><b>Governance and administration</b></i>		-	<b>2,538,086</b>	<b>2,538,932</b>	<b>122,804</b>	<b>1,038,928</b>	<b>1,272,942</b>	(234,014)	-18%	<b>2,538,932</b>
Executive and council		-	26,940	26,940	2,474	9,978	7,040	2,938	42%	26,940
Finance and administration		-	2,511,147	2,511,993	120,330	1,028,950	1,265,902	(236,952)	-19%	2,511,993
Internal audit		-	-	-	-	-	-	-	-	-
<i><b>Community and public safety</b></i>		-	<b>293,677</b>	<b>313,474</b>	<b>18,198</b>	<b>60,307</b>	<b>86,175</b>	(25,869)	-30%	<b>313,474</b>
Community and social services		-	29,896	29,896	645	3,682	6,063	(2,381)	-39%	29,896
Sport and recreation		-	5,190	5,190	114	718	1,390	(672)	-48%	5,190
Public safety		-	98,778	98,778	4,790	39,551	35,572	3,978	11%	98,778
Housing		-	159,786	179,583	12,112	15,820	43,149	(27,329)	-63%	179,583
Health		-	27	27	537	537	2	535	35506%	27
<i><b>Economic and environmental services</b></i>		-	<b>447,405</b>	<b>456,441</b>	<b>40,705</b>	<b>122,135</b>	<b>183,659</b>	(61,524)	-33%	<b>456,441</b>
Planning and development		-	200,005	209,042	19,484	54,555	87,647	(33,092)	-38%	209,042
Road transport		-	244,101	244,101	21,103	66,985	94,921	(27,936)	-29%	244,101
Environmental protection		-	3,299	3,299	117	595	1,091	(495)	-45%	3,299
<i><b>Trading services</b></i>		-	<b>4,014,827</b>	<b>3,993,624</b>	<b>248,354</b>	<b>1,431,694</b>	<b>1,588,456</b>	(156,762)	-10%	<b>3,993,624</b>
Energy sources		-	2,069,822	2,048,618	143,278	778,962	860,800	(81,838)	-10%	2,048,618
Water management		-	799,770	799,770	36,367	284,670	255,004	29,666	12%	799,770
Waste water management		-	680,364	680,364	29,279	188,384	288,547	(100,163)	-35%	680,364
Waste management		-	464,872	464,872	39,430	179,679	184,106	(4,427)	-2%	464,872
<i><b>Other</b></i>	4	-	<b>27,126</b>	<b>27,126</b>	<b>2,253</b>	<b>10,260</b>	<b>12,462</b>	(2,203)	-18%	<b>27,126</b>
<b>Total Revenue - Functional</b>	2	-	<b>7,321,123</b>	<b>7,329,598</b>	<b>432,314</b>	<b>2,663,324</b>	<b>3,143,694</b>	<b>(480,371)</b>	<b>-15%</b>	<b>7,329,598</b>
<b>Expenditure - Functional</b>										
<i><b>Governance and administration</b></i>		-	<b>1,354,222</b>	<b>1,352,058</b>	<b>98,007</b>	<b>512,606</b>	<b>524,629</b>	(12,022)	-2%	<b>1,352,058</b>
Executive and council		-	394,381	396,691	24,585	159,403	164,078	(4,674)	-3%	396,691
Finance and administration		-	944,722	940,343	72,672	350,566	354,594	(4,029)	-1%	940,343
Internal audit		-	15,119	15,024	751	2,638	5,957	(3,319)	-56%	15,024
<i><b>Community and public safety</b></i>		-	<b>586,469</b>	<b>601,427</b>	<b>45,967</b>	<b>232,261</b>	<b>218,922</b>	13,339	6%	<b>601,427</b>
Community and social services		-	98,652	97,945	8,733	43,146	43,802	(655)	-1%	97,945
Sport and recreation		-	230,543	227,910	23,681	116,251	86,193	30,057	35%	227,910
Public safety		-	108,256	107,233	7,377	38,956	42,664	(3,707)	-9%	107,233
Housing		-	107,401	126,838	2,813	18,555	28,700	(10,145)	-35%	126,838
Health		-	41,617	41,501	3,362	15,353	17,563	(2,211)	-13%	41,501
<i><b>Economic and environmental services</b></i>		-	<b>1,071,729</b>	<b>1,066,347</b>	<b>136,645</b>	<b>616,098</b>	<b>441,899</b>	174,199	39%	<b>1,066,347</b>
Planning and development		-	186,929	185,984	40,302	172,558	70,192	102,366	146%	185,984
Road transport		-	863,159	858,930	94,378	434,558	356,891	77,666	22%	858,930
Environmental protection		-	21,641	21,433	1,966	8,982	14,816	(5,833)	-39%	21,433
<i><b>Trading services</b></i>		-	<b>3,394,903</b>	<b>3,387,324</b>	<b>232,543</b>	<b>1,328,148</b>	<b>1,485,673</b>	(157,525)	-11%	<b>3,387,324</b>
Energy sources		-	1,989,513	1,986,483	156,250	912,475	921,178	(8,703)	-1%	1,986,483
Water management		-	641,479	640,000	38,848	196,383	254,418	(58,034)	-23%	640,000
Waste water management		-	455,370	454,074	14,195	81,622	184,204	(102,582)	-56%	454,074
Waste management		-	308,541	306,766	23,250	137,668	125,874	11,794	9%	306,766
<i><b>Other</b></i>		-	<b>105,975</b>	<b>105,582</b>	<b>9,101</b>	<b>29,025</b>	<b>37,926</b>	(8,901)	-23%	<b>105,582</b>
<b>Total Expenditure - Functional</b>	3	-	<b>6,513,298</b>	<b>6,512,737</b>	<b>522,264</b>	<b>2,718,139</b>	<b>2,709,049</b>	<b>9,090</b>	<b>0%</b>	<b>6,512,737</b>
<b>Surplus/ (Deficit) for the year</b>		-	<b>807,825</b>	<b>816,861</b>	<b>(89,949)</b>	<b>(54,815)</b>	<b>434,645</b>	<b>(489,460)</b>	<b>-113%</b>	<b>816,861</b>

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

The table below shows budgeted financial performance in relation to the

revenue and expenditure by vote as well as the operating surplus or deficit for the City.

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

BUF Buffalo City - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M05 November										
Vote Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<b>Revenue by Vote</b>	1									
Vote 01 - Directorate - Executive Support Services		-	-	846	-	-	-	-		846
Vote 02 - Directorate - Municipal Manager		-	26,940	26,940	2,474	10,033	7,053	2,980	42.3%	26,940
Vote 03 - Directorate - Human Settlement		-	159,786	179,583	12,112	15,820	43,149	(27,329)	-63.3%	179,583
Vote 04 - Directorate - Chief Financial Officer		-	2,492,463	2,492,463	118,089	1,018,973	1,251,713	(232,740)	-18.6%	2,492,463
Vote 05 - Directorate - Corporate Services		-	10,801	10,801	1,191	4,787	3,848	939	24.4%	10,801
Vote 06 - Directorate - Infrastructure Services		-	3,732,612	3,711,408	230,035	1,300,059	1,472,736	(172,677)	-11.7%	3,711,408
Vote 07 - Directorate - Spatial Planning And Development		-	195,565	204,601	20,493	44,517	100,669	(56,152)	-55.8%	204,601
Vote 08 - Directorate - Health / Public Safety & Emergency Services		-	160,250	160,250	5,321	59,029	59,865	(836)	-1.4%	160,250
Vote 09 - Directorate - Municipal Services		-	503,257	503,257	40,306	184,673	193,428	(8,755)	-4.5%	503,257
Vote 10 - Directorate - Economic Development & Agencies		-	39,449	39,449	2,295	25,432	11,233	14,199	126.4%	39,449
<b>Total Revenue by Vote</b>	2	-	<b>7,321,123</b>	<b>7,329,598</b>	<b>432,314</b>	<b>2,663,324</b>	<b>3,143,694</b>	<b>(480,371)</b>	<b>-15.3%</b>	<b>7,329,598</b>
<b>Expenditure by Vote</b>	1									
Vote 01 - Directorate - Executive Support Services		-	275,413	277,971	19,914	105,697	109,857	(4,160)	-3.8%	277,971
Vote 02 - Directorate - Municipal Manager		-	191,028	191,451	12,421	81,944	79,719	2,225	2.8%	191,451
Vote 03 - Directorate - Human Settlement		-	107,401	126,838	2,813	18,555	28,700	(10,145)	-35.3%	126,838
Vote 04 - Directorate - Chief Financial Officer		-	503,480	500,112	42,253	209,397	198,548	10,849	5.5%	500,112
Vote 05 - Directorate - Corporate Services		-	157,617	156,535	11,713	59,232	62,598	(3,366)	-5.4%	156,535
Vote 06 - Directorate - Infrastructure Services		-	3,748,890	3,742,735	288,482	1,542,680	1,636,307	(93,627)	-5.7%	3,742,735
Vote 07 - Directorate - Spatial Planning And Development		-	305,497	304,208	45,722	197,911	111,040	86,871	78.2%	304,208
Vote 08 - Directorate - Health / Public Safety & Emergency Services		-	420,235	414,825	30,657	160,602	170,591	(9,989)	-5.9%	414,825
Vote 09 - Directorate - Municipal Services		-	653,407	648,125	57,193	304,412	270,099	34,313	12.7%	648,125
Vote 10 - Directorate - Economic Development & Agencies		-	150,330	149,937	11,641	39,005	41,590	(2,585)	-6.2%	149,937
<b>Total Expenditure by Vote</b>	2	-	<b>6,513,298</b>	<b>6,512,737</b>	<b>522,809</b>	<b>2,719,435</b>	<b>2,709,049</b>	<b>10,386</b>	<b>0.4%</b>	<b>6,512,737</b>
<b>Surplus/ (Deficit) for the year</b>	2	-	<b>807,825</b>	<b>816,861</b>	<b>(90,495)</b>	<b>(56,111)</b>	<b>434,645</b>	<b>(490,756)</b>	<b>-112.9%</b>	<b>816,861</b>

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

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

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

BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November											
Description	Ref	2017/18	Budget Year 2018/19								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
<b>R thousands</b>											
<b>Revenue By Source</b>											
Property rates			1,421,961	1,421,961	104,594	624,521	668,567	(44,045)	-7%	1,421,961	
Service charges - electricity revenue			1,992,712	1,971,508	140,144	762,368	829,541	(67,173)	-8%	1,971,508	
Service charges - water revenue			563,043	563,043	27,514	197,973	192,055	5,919	3%	563,043	
Service charges - sanitation revenue			322,143	322,143	29,049	143,367	138,199	5,168	4%	322,143	
Service charges - refuse revenue			294,388	294,388	21,076	106,610	122,404	(15,794)	-13%	294,388	
Service charges - other			-	-			-	-		-	
Rental of facilities and equipment			17,563	17,563	1,335	7,688	7,217	471	7%	17,563	
Interest earned - external investments			140,961	140,961	6,726	42,510	60,180	(17,670)	-29%	140,961	
Interest earned - outstanding debtors			41,807	41,807	2,916	16,397	22,274	(5,877)	-26%	41,807	
Dividends received			-	-			-	-		-	
Fines, penalties and forfeits			16,591	16,591	792	5,226	5,868	(642)	-11%	16,591	
Licences and permits			14,597	14,597	920	5,147	5,913	(765)	-13%	14,597	
Agency services			31,270	31,270	(1,741)	8,415	13,265	(4,850)	-37%	31,270	
Transfers and subsidies			1,471,673	1,492,316	4,875	515,281	723,326	(208,044)	-29%	1,492,316	
Other revenue			188,513	188,513	12,054	75,900	68,112	7,788	11%	188,513	
Gains on disposal of PPE			-	-	249	909	-	909	#DIV/0!	-	
<b>Total Revenue (excluding capital transfers and contributions)</b>			<b>-</b>	<b>6,517,222</b>	<b>6,516,662</b>	<b>350,504</b>	<b>2,512,314</b>	<b>2,856,920</b>	<b>(344,606)</b>	<b>-12%</b>	<b>6,516,662</b>

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

Description	Ref	2017/18	Budget Year 2018/19								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
<b>R thousands</b>											
<b>Expenditure By Type</b>											
Employee related costs			1,961,118	1,939,914	153,974	783,706	818,615	(34,908)	-4%	1,939,914	
Remuneration of councillors			65,035	65,035	5,015	25,260	25,260	(0)	0%	65,035	
Debt impairment			343,696	343,696	–	114,565	139,418	(24,853)	-18%	343,696	
Depreciation & asset impairment			896,426	896,426	120,205	492,230	352,734	139,497	40%	896,426	
Finance charges			59,818	59,818	6,594	20,072	17,127	2,945	17%	59,818	
Bulk purchases			1,698,510	1,698,510	131,232	778,214	803,371	(25,156)	-3%	1,698,510	
Other materials			86,376	86,376	2,716	26,884	29,821	(2,938)	-10%	86,376	
Contracted services			857,589	876,473	56,910	244,647	330,789	(86,143)	-26%	876,473	
Transfers and subsidies			60,526	60,526	7,612	36,437	26,449	9,988	38%	60,526	
Other expenditure			484,205	485,957	38,551	197,418	165,465	31,954	19%	485,957	
Loss on disposal of PPE			–	–	–	–	–	–		–	
<b>Total Expenditure</b>			<b>–</b>	<b>6,513,298</b>	<b>6,512,731</b>	<b>522,809</b>	<b>2,719,435</b>	<b>2,709,049</b>	<b>10,386</b>	<b>0%</b>	<b>6,512,731</b>
<b>Surplus/(Deficit)</b>			<b>–</b>	<b>3,924</b>	<b>3,931</b>	<b>(172,306)</b>	<b>(207,121)</b>	<b>147,871</b>	<b>(354,991)</b>	<b>(0)</b>	<b>3,931</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)			803,900	812,936	81,811	151,010	286,775	(135,765)	(0)	812,936	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)			–	–	–	–	–	–		–	
Transfers and subsidies - capital (in-kind - all)			–	–	–	–	–	–		–	
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>			<b>–</b>	<b>807,825</b>	<b>816,867</b>	<b>(90,495)</b>	<b>(56,111)</b>	<b>434,645</b>			<b>816,867</b>
Taxation			–	–	–	–	–	–		–	
<b>Surplus/(Deficit) after taxation</b>			<b>–</b>	<b>807,825</b>	<b>816,867</b>	<b>(90,495)</b>	<b>(56,111)</b>	<b>434,645</b>			<b>816,867</b>
Attributable to minorities			–	–	–	–	–	–		–	
<b>Surplus/(Deficit) attributable to municipality</b>			<b>–</b>	<b>807,825</b>	<b>816,867</b>	<b>(90,495)</b>	<b>(56,111)</b>	<b>434,645</b>			<b>816,867</b>
Share of surplus/ (deficit) of associate			–	–	–	–	–	–		16	
<b>Surplus/ (Deficit) for the year</b>			<b>–</b>	<b>807,825</b>	<b>816,867</b>	<b>(90,495)</b>	<b>(56,111)</b>	<b>434,645</b>			<b>816,867</b>



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

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

### **7.4.1.1 Refuse Removal**

The variance noted is as a result of alignment between budgeted cash flows from historical actuals. This alignment will be corrected in the mid-year adjustment budget.

### **7.4.1.2 Interest earned on external investment**

Call and short-term levels of investments have decreased which directly impacts the amount of invested funds available to earn interest. This is due to year-end accruals paid during July to October 2018 resulting in a decrease in interest being realised.

### **7.4.1.3 Interest earned on outstanding debtors**

Interest is raised in relation to outstanding debt on the various services.

### **7.4.1.4 Fines, Penalties and Forfeits**

The decrease in revenue in terms of Traffic Fines can be attributed to:

- Court delays in payments
- Cases are struck of the court role
- No service provider to service summons section 54
- Buyers of vehicles not registering their vehicles in their name, thus details are not updated to the new owner

Corrective measure: Traffic Department to increase its operations & roadblocks to get offenders to pay for their traffic fines.

#### **7.4.1.5 Licences and Permits**

Under collection or decrease in revenue can be attributed to the fact that vehicle licences can be renewed at the Post Office and the Department of Transport directly. Members of the public generally go to the closest convenient point in order to pay which may not always be BCMM. Three private companies other than BCMM also offer roadworthy testing of vehicles. These private companies are not as strict and as legislated as BCMM as BCMM is legislated by the Dept of Transport in terms of compliance hence members of the public will prefer to go to the companies less legislated. Learners Licences and Professional Drivers Licence testing can also be undertaken at the Dept of Transport. If members of the public cannot secure an appointment for these tests which are suitable for them through BCMM they will then arrange an appointment with the Dept of Transport which contributes to the lesser income derived by BCMM. BCMM strike action at the end of November also contributed to a drop in revenue.

#### **7.4.1.6 Agency fees**

Decrease can be attributed to the strike action which affected services during the last week of November. Members of the public have the option of renewing vehicle licences at the Post Office & at Zwelitsha & Dept of Transport directly which affects the income collected thus reducing the agency fees retained by BCMM.

#### **7.4.1.7 Other revenue**

Other revenue is made up of numerous miscellaneous items (e.g. town planning fees, fire levy charges, market income, road & transport registration fees, cemetery & burial fees, etc.). The actual income realised is above the projected income for the period under review due to interdepartment transaction between the buffalo City metropolitan development agency and BCMM not being cancelled.

#### **7.4.1.8 Gains on Disposal of PPE**

The gain is as a result of land disposal during the period under review.

#### **7.4.1.9 Depreciation**

Depreciation forecast for the year is R1.1billion. A request for additional funding will be prepared during the adjustment budget period.

#### **7.4.1.10 Debt Impairment**

Impairment is done in relation with the outstanding debt and will varies accordingly

#### **7.4.1.11 Finance charges**

BCMM is in the process of assessing additional loan funding options.

#### **7.4.1.12 Transfers and subsidies**

The variance is due to a transfer of R14.9 million made to BCMDA. The actual payment was greater than the anticipated budgeted cash flow projection. The budget was based on quarterly tranches that are paid in advance, however the actual payment was on half-yearly payments that are paid in advance.

#### **7.4.1.13 Other expenditure**

The variance noted is as a result of alignment between budgeted cash flows from historical actuals. This alignment will be corrected in the mid-year adjustment budget.

## 7.4.2 REPAIRS AND MAINTENANCE

Table 6 below reflects that as at 30 November 2018, the repairs and maintenance expenditure is 32% of the adjusted budget of R493.62 million (2017/18: 13%). Refer to Annexure B: SC13c (repairs and maintenance by asset class).

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

<b>Repairs and Maintenance</b>					
<b>Directorate</b>	<b><u>2018/2019</u> <u>Annual</u> <u>Budget</u> <b>R</b></b>	<b><u>2018/2019</u> <u>YTD</u> <u>Budget</u> <b>R</b></b>	<b><u>2018/2019</u> <u>Annual</u> <u>Expenditure</u> <b>R</b></b>	<b><u>2018/2019</u> <u>-</u> <u>Variance</u> <b>R</b></b>	<b><u>2018/2019</u> <u>% of</u> <u>Budget</u> <b>%</b></b>
Directorate Of Executive Support Services	3,997,658	1,508,400	492,355	1,016,045	12%
Directorate Of The City Manager	7,345,360	2,771,558	5,136,020	(2,364,461)	70%
Directorate Of Corporate Services	2,475,095	933,905	556,461	377,444	22%
Directorate Of Development & Spatial Planning	31,831,477	12,010,683	2,907,334	9,103,349	9%
Directorate Of Economic Development & Agencies	1,400,734	528,526	466,436	62,090	33%
Directorate Of Finance	3,141,574	1,185,382	817,887	367,494	26%
Directorate Of Health / Public Safety & Emergency Services	6,436,172	2,428,502	1,804,666	623,837	28%
Directorate Of Human Settlement	118,466	44,700	108,843	(64,143)	92%
Directorate Of Infrastructure Services	394,877,800	148,995,664	134,379,445	14,616,219	34%
<i>Electricity</i>	<i>152,873,689</i>	<i>57,682,445</i>	<i>47,475,388</i>	<i>10,207,057</i>	<i>31%</i>
<i>Water</i>	<i>55,107,016</i>	<i>20,793,031</i>	<i>5,841,533</i>	<i>14,951,498</i>	<i>11%</i>
<i>Sanitation</i>	<i>44,428,310</i>	<i>16,763,732</i>	<i>8,248,907</i>	<i>8,514,825</i>	<i>19%</i>
<i>Other</i>	<i>142,468,785</i>	<i>53,756,456</i>	<i>72,813,617</i>	<i>(19,057,161)</i>	<i>51%</i>
Directorate Of Municipal Services	41,977,627	15,839,038	13,174,847	2,664,191	31%
<b>TOTAL</b>	<b>493,601,963</b>	<b>86,246,359</b>	<b>159,844,294</b>	<b>26,402,064</b>	<b>32%</b>

### 7.4.3 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, functional classification and funding - M05 November)										
Vote Description	Ref	2017/18		Budget Year 2018/19						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 01 - Directorate - Executive Support Services		-	3,500	5,887	(2)	870	1,962	(1,092)	-56%	5,887
Vote 02 - Directorate - Municipal Manager		-	51,840	55,040	5,008	61,128	18,347	42,781	233%	55,040
Vote 03 - Directorate - Human Settlement		-	104,755	105,220	1,331	15,820	35,073	(19,253)	-55%	105,220
Vote 04 - Directorate - Chief Financial Officer		-	152,538	215,866	95	678	71,955	(71,278)	-99%	215,866
Vote 05 - Directorate - Corporate Services		-	3,600	3,781	90	100	1,260	(1,161)	-92%	3,781
Vote 06 - Directorate - Infrastructure Services		-	916,280	1,001,135	66,318	194,026	336,640	(142,614)	-42%	1,001,135
Vote 07 - Directorate - Spatial Planning And Development		-	263,838	294,910	20,971	62,531	98,303	(35,773)	-36%	294,910
Vote 08 - Directorate - Health / Public Safety & Emergency Services		-	14,270	35,312	3,125	7,140	11,804	(4,665)	-40%	35,312
Vote 09 - Directorate - Municipal Services		-	160,829	178,495	6,226	32,958	59,498	(26,540)	-45%	178,495
Vote 10 - Directorate - Economic Development & Agencies		-	81,692	95,257	903	3,252	31,327	(28,074)	-90%	95,257
<b>Total Capital Multi-year expenditure</b>	4,7	-	<b>1,753,142</b>	<b>1,990,904</b>	<b>104,066</b>	<b>378,503</b>	<b>666,171</b>	<b>(287,668)</b>	<b>-43%</b>	<b>1,990,974</b>
<b>Total Capital single-year expenditure</b>	4	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure</b>		-	<b>1,753,142</b>	<b>1,990,904</b>	<b>104,066</b>	<b>378,503</b>	<b>666,171</b>	<b>(287,668)</b>	<b>-43%</b>	<b>1,990,974</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		-	<b>292,651</b>	<b>368,340</b>	<b>8,092</b>	<b>73,687</b>	<b>123,249</b>	<b>(49,563)</b>	<b>-40%</b>	<b>368,340</b>
Executive and council			55,340	57,727	4,728	61,551	19,316	42,235	219%	57,727
Finance and administration			237,311	310,614	3,364	12,136	103,934	(91,798)	-88%	310,614
Internal audit			-	-	-	-	-	-	-	-
<b>Community and public safety</b>		-	<b>193,125</b>	<b>221,457</b>	<b>4,197</b>	<b>28,933</b>	<b>74,101</b>	<b>(45,168)</b>	<b>-61%</b>	<b>221,457</b>
Community and social services			21,820	29,560	795	4,972	9,891	(4,919)	-50%	29,560
Sport and recreation			57,950	68,897	733	4,984	23,054	(18,069)	-78%	68,897
Public safety			7,700	15,965	1,315	2,272	5,342	(3,070)	-57%	15,965
Housing			104,755	105,220	1,331	15,820	35,207	(19,387)	-55%	105,220
Health			900	1,815	23	886	607	278	46%	1,815
<b>Economic and environmental services</b>		-	<b>498,719</b>	<b>605,622</b>	<b>50,711</b>	<b>153,915</b>	<b>202,646</b>	<b>(48,730)</b>	<b>-24%</b>	<b>605,622</b>
Planning and development			202,957	227,436	20,805	61,401	76,102	(14,700)	-19%	227,436
Road transport			291,335	372,540	29,658	91,824	124,655	(32,831)	-26%	372,540
Environmental protection			4,427	5,646	248	690	1,889	(1,199)	-63%	5,646
<b>Trading services</b>		-	<b>689,248</b>	<b>706,515</b>	<b>40,164</b>	<b>120,020</b>	<b>236,405</b>	<b>(116,385)</b>	<b>-49%</b>	<b>706,515</b>
Energy sources			129,450	142,345	20,717	41,094	47,630	(6,536)	-14%	142,345
Water management			198,451	202,823	6,088	28,861	67,866	(39,005)	-57%	202,823
Waste water management			283,394	283,394	8,908	26,827	94,826	(67,999)	-72%	283,394
Waste management			77,952	77,952	4,450	23,239	26,083	(2,845)	-11%	77,952
<b>Other</b>			<b>79,400</b>	<b>88,970</b>	<b>903</b>	<b>1,948</b>	<b>29,770</b>	<b>(27,822)</b>	<b>-93%</b>	<b>88,970</b>
<b>Total Capital Expenditure - Functional Classification</b>	3	-	<b>1,753,142</b>	<b>1,990,904</b>	<b>104,066</b>	<b>378,503</b>	<b>666,171</b>	<b>(287,668)</b>	<b>-43%</b>	<b>1,990,904</b>
<b>Funded by:</b>										
National Government			803,900	803,900	58,358	203,167	268,991	(65,824)	-24%	803,900
Provincial Government			-	9,036	-	-	3,024	(3,024)	-100%	9,036
District Municipality			-	-	-	-	-	-	-	-
Other transfers and grants			-	-	-	1,304	-	1,304	#DIV/0!	-
<b>Transfers recognised - capital</b>		-	<b>803,900</b>	<b>812,936</b>	<b>58,358</b>	<b>204,471</b>	<b>272,014</b>	<b>(67,543)</b>	<b>-25%</b>	<b>812,936</b>
<b>Public contributions &amp; donations</b>	5		-	-	-	-	-	-	-	-
<b>Borrowing</b>	6		69,000	69,000	-	-	23,088	(23,088)	-100%	69,000
<b>Internally generated funds</b>			<b>880,242</b>	<b>1,108,968</b>	<b>45,707</b>	<b>174,032</b>	<b>371,069</b>	<b>(197,037)</b>	<b>-53%</b>	<b>1,108,968</b>
<b>Total Capital Funding</b>		-	<b>1,753,142</b>	<b>1,990,904</b>	<b>104,066</b>	<b>378,503</b>	<b>666,171</b>	<b>(287,668)</b>	<b>-43%</b>	<b>1,990,904</b>

## 7.5 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 R20 billion as per statement of financial position. Consumer debtors and other debtors are reflected net of impairments as per the statement of financial position.

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

**BUF Buffalo City - Table C6 Consolidated Monthly Budget Statement - Financial Position - M04 October**

Description	Ref	2017/18	Budget Year 2018/19				
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast	
<b>R thousands</b>	1						
<b>ASSETS</b>							
<b>Current assets</b>							
Cash			80,155		5,474	80,155	
Call investment deposits			1,563,129		1,205,006	1,563,129	
Consumer debtors			937,997		1,021,714	937,997	
Other debtors			880,000		709,802	880,000	
Current portion of long-term receivables			19		–	19	
Inventory			128,841		41,895	128,841	
<b>Total current assets</b>			<b>–</b>	<b>3,590,140</b>	<b>–</b>	<b>2,983,890</b>	<b>3,590,140</b>
<b>Non current assets</b>							
Long-term receivables			80		–	80	
Investments			–		–	–	
Investment property			486,233		428,247	486,233	
Investments in Associate			109,020		555,550	109,020	
Property, plant and equipment			19,381,893		18,054,313	19,381,893	
Agricultural			–		–	–	
Biological			–		–	–	
Intangible			12,029		18,041	12,029	
Other non-current assets			100,038		–	100,038	
<b>Total non current assets</b>			<b>–</b>	<b>20,089,293</b>	<b>–</b>	<b>19,056,151</b>	<b>20,089,293</b>
<b>TOTAL ASSETS</b>			<b>–</b>	<b>23,679,433</b>	<b>–</b>	<b>22,040,041</b>	<b>23,679,433</b>
<b>LIABILITIES</b>							
<b>Current liabilities</b>							
Bank overdraft			–		–	–	
Borrowing			59,667		52,572	59,667	
Consumer deposits			71,941		62,280	71,941	
Trade and other payables			1,060,015		728,366	1,060,015	
Provisions			203,354		222,538	203,354	
<b>Total current liabilities</b>			<b>–</b>	<b>1,394,977</b>	<b>–</b>	<b>1,065,757</b>	<b>1,394,977</b>
<b>Non current liabilities</b>							
Borrowing			355,516		336,647	355,516	
Provisions			797,489		526,803	797,489	
<b>Total non current liabilities</b>			<b>–</b>	<b>1,153,005</b>	<b>–</b>	<b>863,450</b>	<b>1,153,005</b>
<b>TOTAL LIABILITIES</b>			<b>–</b>	<b>2,547,982</b>	<b>–</b>	<b>1,929,207</b>	<b>2,547,982</b>
<b>NET ASSETS</b>	2		<b>–</b>	<b>21,131,451</b>	<b>–</b>	<b>20,110,834</b>	<b>21,131,451</b>
<b>COMMUNITY WEALTH/EQUITY</b>							
Accumulated Surplus/(Deficit)			17,390,299		11,058,948	17,390,299	
Reserves			3,741,152		9,051,887	3,741,152	
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2		<b>–</b>	<b>21,131,451</b>	<b>–</b>	<b>20,110,834</b>	<b>21,131,451</b>

## 7.6 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 R403 million resulting in cash and cash equivalents closing balance of R1.21 billion as at 30 November 2018.

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

BUF Buffalo City - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M04 October

Description	Ref	2017/18	Budget Year 2018/19								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast	
<b>R thousands</b>	1										
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates			1,315,314		89,047	495,058	548,048	(52,989)	-10%	1,315,314	
Service charges			2,934,363		183,066	948,493	1,222,651	(274,159)	-22%	2,934,363	
Other revenue			248,395		28,599	82,899	103,498	(20,599)	-20%	248,395	
Government - operating			1,471,673		4,011	518,394	613,197	(94,803)	-15%	1,471,673	
Government - capital			803,900		195,749	425,290	334,958	90,332	27%	803,900	
Interest			182,768		4,830	58,907	76,153	(17,246)	-23%	182,768	
Dividends			-		-	-	-	-		-	
<b>Payments</b>											
Suppliers and employees			(5,152,832)		(546,051)	(2,492,512)	(2,147,013)	345,499	-16%	(5,152,832)	
Finance charges			(59,818)		(6,594)	(20,072)	(24,924)	(4,852)	19%	(59,818)	
Transfers and Grants			(60,526)		(5,164)	(32,556)	(25,219)	7,337	-29%	(60,526)	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>			-	1,683,238	-	(52,508)	(16,100)	701,349	717,450	102%	1,683,238
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE			-		-	-	-	-	-	-	
Decrease (Increase) in non-current debtors			-		-	-	-	-	-	-	
Decrease (increase) other non-current receivables			-		-	-	-	-	-	-	
Decrease (increase) in non-current investments			-		-	-	-	-	-	-	
<b>Payments</b>											
Capital assets			(1,753,142)		(105,370)	(378,503)	(730,476)	(351,973)	48%	(1,753,142)	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>			-	(1,753,142)	-	(105,370)	(378,503)	(730,476)	(351,973)	48%	(1,753,142)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans			-		-	-	-	-	-	-	
Borrowing long term/refinancing			69,000		-	-	-	-	-	69,000	
Increase (decrease) in consumer deposits			-		-	-	-	-	-	-	
<b>Payments</b>											
Repayment of borrowing			(59,667)		-	(8,907)	(24,861)	(15,954)	64%	(59,667)	
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>			-	9,333	-	-	(8,907)	(24,861)	(15,954)	64%	9,333
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>			-	(60,571)	-	(157,878)	(403,510)	(53,988)		(60,571)	
Cash/cash equivalents at beginning:			1,703,855		-	1,613,989	1,703,855			1,613,989	
Cash/cash equivalents at month/year end:			1,643,284		-	1,210,480	1,649,867			1,553,418	

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



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

### 8.1 Debtors

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

**Table 10: SC3 Monthly Budget Statement Aged Debtors**

BUF Buffalo City - Supporting Table SC3 Monthly Budget Statement - aged debtors - M05 Nov														
Description	NT Code	Budget Year 2017/18									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					
<b>R thousands</b>														
<b>Debtors Age Analysis By Income Source</b>														
Trade and Other Receivables from Exchange Transactions - Water	1200	54,659	39,172	25,779	37,470	18,773	16,346	78,971	226,338	497,509	377,900		2,586	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	97,218	19,664	8,862	9,395	4,981	2,896	13,399	46,535	202,950	77,206		4,550	
Receivables from Non-exchange Transactions - Property Rates	1400	101,132	41,174	33,248	19,941	84,891	14,163	46,833	206,301	547,684	372,129		4,483	
Receivables from Exchange Transactions - Waste Water Management	1500	23,005	10,623	7,388	6,463	8,240	5,063	21,261	100,575	182,618	141,602		1,979	
Receivables from Exchange Transactions - Waste Management	1600	19,063	9,678	7,287	6,496	6,372	5,736	28,676	150,373	233,681	197,653		1,800	
Receivables from Exchange Transactions - Property Rental Debtors	1700								41	41	41		-	
Interest on Arrear Debtor Accounts	1810	5,507	5,448	5,810	5,793	5,362	5,245	28,571	153,150	214,886	198,121		-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-		-	
Other	1900	15,683	7,674	6,523	6,865	7,097	5,523	30,982	164,941	245,289	215,408		273	
<b>Total By Income Source</b>	<b>2000</b>	<b>316,267</b>	<b>133,432</b>	<b>94,899</b>	<b>92,423</b>	<b>135,717</b>	<b>54,973</b>	<b>248,694</b>	<b>1,048,254</b>	<b>2,124,658</b>	<b>1,580,060</b>		<b>15,671</b>	
2016/17 - totals only										-	-			
<b>Debtors Age Analysis By Customer Group</b>														
Organs of State	2200	14,219	8,093	11,832	7,308	68,482	305	1,152	12,581	123,973	89,828		-	
Commercial	2300	166,178	43,880	21,248	18,847	15,581	14,743	54,576	334,573	669,626	438,320		3,604	
Households	2400	135,870	81,460	61,818	66,267	51,654	39,925	192,966	701,099	1,331,060	1,051,912		12,067	
Other	2500									-	-		-	
<b>Total By Customer Group</b>	<b>2600</b>	<b>316,267</b>	<b>133,432</b>	<b>94,899</b>	<b>92,423</b>	<b>135,717</b>	<b>54,973</b>	<b>248,694</b>	<b>1,048,254</b>	<b>2,124,658</b>	<b>1,580,060</b>		<b>15,671</b>	

#### 8.1.1. Additional debtors' information

The arrears in respect of 30 days and more, which includes all charges excluding VAT, amounted to R1,808,391,246 as at 30 November 2018 which is an increase of R61,240,237 over the amount of R1,747,151,009 as at 31 October 2018.

During the month, Credit control action and debt collection action was implemented.

Please note that the debtor balance as indicated in the tables hereunder relates to arrears only (30 days and older) and excludes the November 2018 current account due by the 15 December 2018.

## 8.2. Additional debtor's information.

### 8.2.1. Age Analysis per Category

Table 11 below details debtors age analysis that are older than 30 days by income source as at 30 November 2018. It also provides comparison with the previous month (30 October 2018) which indicates a increase from R1,75 billion to R1.80 billion.

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

<b>AGEING</b>	<b>RATES</b>	<b>SEWERAGE</b>	<b>ELECTRICITY</b>	<b>WATER</b>	<b>REFUSE</b>	<b>SUNDRY DEBTORS</b>	<b>TOTAL FOR NOVEMBER 2018</b>	<b>TOTAL FOR OCTOBER 2018</b>
<b>30 DAYS</b>	42,849,911	12,077,714	20,206,897	43,347,769	10,367,063	4,583,064	133,432,419	127,784,895
<b>60 DAYS</b>	35,003,763	8,299,438	9,299,073	29,841,702	8,081,936	4,372,850	94,898,761	102,342,502
<b>90 DAYS</b>	21,696,797	7,369,620	9,751,561	42,039,663	7,260,591	4,304,359	92,422,592	146,777,492
<b>120 DAYS TO 360 DAYS</b>	165,552,295	43,695,884	27,105,909	157,932,042	50,986,776	26,791,706	472,064,611	349,238,962
<b>YEAR 2</b>	74,364,809	33,071,478	21,830,482	110,314,888	42,345,008	34,970,056	316,896,721	320,107,790
<b>YEAR 3</b>	48,370,530	22,181,678	11,335,814	58,781,997	30,101,533	19,662,229	190,433,781	191,521,762
<b>YEAR 4</b>	32,685,188	15,212,669	5,306,329	35,584,010	20,412,602	14,858,597	124,059,395	124,475,816
<b>YEAR 5</b>	24,168,159	12,728,566	3,437,404	24,438,634	17,925,562	16,741,231	99,439,556	100,158,381
<b>YEAR 5+</b>	65,421,902	37,846,889	7,449,154	63,512,781	61,194,710	49,317,974	284,743,410	284,743,410
<b>TOTAL</b>	<b>510,113,354</b>	<b>192,483,936</b>	<b>115,722,624</b>	<b>565,793,486</b>	<b>248,675,781</b>	<b>175,602,065</b>	<b>1,808,391,246</b>	<b>1,747,151,009</b>

### 8.2.2. Age Analysis per Category

Table 14 below details debtors age analysis per category type that are older than 30 days as at 30 November 2018. It also reflects the percentage split per category with domestic consumers having the highest share followed by business. Please note that the financial system is not able to produce a collection ratio per service, however the collection ratio is reported on globally.

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

<b>CATEGORY TYPE</b>	<b>30 DAYS</b>	<b>60 DAYS</b>	<b>90 DAYS</b>	<b>120 DAYS+</b>	<b>Total</b>	<b>% Share</b>
<b>Domestic</b>	59,537,972	39,463,385	41,037,229	835,890,158	975,928,744	53.97
<b>Indigent</b>	19,967,118	20,722,900	23,827,915	126,008,834	190,526,767	10.54
<b>Business</b>	34,453,434	16,723,099	13,492,926	202,383,459	267,052,918	14.77
<b>Government</b>	8,092,583	11,832,222	7,308,408	82,520,045	109,753,258	6.07
<b>Municipal Staff</b>	530,332	340,055	179,363	1,174,222	2,223,972	0.12
<b>Councillors</b>	19,853	12,607	16,151	20,838	69,448	0.00
<b>Other</b>	10,831,126	5,804,495	6,560,601	239,639,918	262,836,139	14.53
<b>Total</b>	<b>133,432,419</b>	<b>94,898,761</b>	<b>92,422,592</b>	<b>1,487,637,475</b>	<b>1,808,391,246</b>	<b>100.00</b>

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

During the month of November 2018 a total of R1,748,897 was receipted against staff and councilors accounts. The amount was allocated as follows:

Current Billing Receipts	R 888,631
Arrears Receipts	<u>R 860,265</u>
Total Receipts	<u>R 1,748,897</u>

Billing related queries such as water leaks prevent the debt from decreasing until it is resolved.

### 8.2.3. Government Accounts

The total arrears owed by Government Departments to Buffalo City Metropolitan Municipality as at 30 November 2018 amounted to R109,753,258. This indicates a decrease of R3,501,650 when compared to the previous month, in the amount of R113,254,908 as at 31 October 2018. The breakdown of the arrears per department (excluding accounts in credit) indicated in the table hereunder, as at 30 November 2018.

An amount of R68 million was received from government departments during November 2018 but due to the unprotected industrial action taken by staff the money could not be receipted within November 2018 and therefore the actual outstanding balance amounts to R41 million which is currently under property rates dispute related to the implementation of the General Valuation. It is anticipated that the General Valuation objections will be finalized by 31 December 2018.

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

**Table 13: Analysis of Government Debtors**

DEPARTMENT	PROPERTY RATES	SERVICES	ARREARS AS AT 30 NOVEMBER 2018	ARREARS AS AT 31 OCTOBER 2018	DIFFERENCE
National Department Of Public Works	18,045,478	3,293,665	21,339,142	21,759,270	(420,127)
Provincial Department Of Public Works	56,157,254	1,844,779	58,002,032	61,648,120	(3,646,088)
Department Of Education	-	7,456,663	7,456,663	5,984,909	1,471,753
Department Of Health	-	10,168,407	10,168,407	10,896,848	(728,441)
Department Of Social Development	-	1,425,262	1,425,262	1,452,820	(27,558)
Department Of Transport	-	59,064	59,064	-	59,064
Department Of Agriculture	-	31,408	31,408	12,524	18,884
Department Of Nature Conservation	-	7,187	7,187	3,452	3,735
Department of Human Settlements	-	108,570	108,570	104,015	4,555
Sport, Recreation, Arts and Culture	-	12,241	12,241	12,164	77
Department of Labour - UIF Services	-	105,891	105,891	314,035	(208,144)
Members Of Provincial Legislature	-	63,254	63,254	76,259	(13,005)
Department of Rural Development and Land Reform	-	715,070	715,070	693,535	21,535
Provincial RDP Houses	-	10,259,067	10,259,067	10,296,957	(37,891)
<b>Total</b>	<b>74,202,731</b>	<b>35,550,527</b>	<b>109,753,258</b>	<b>113,254,908</b>	<b>(3,501,650)</b>
<b>Less Amounts Received in November 2018 but not receipted</b>			<b>-68,344,789</b>		
<b>GRAND TOTAL</b>			<b>41,408,468</b>	<b>113,254,908</b>	<b>(71,846,440)</b>

## 9. CREDITORS' ANALYSIS

The creditors' analysis as depicted in table 14 below contains an aged analysis by customer type. It reflects that creditors are paid within 30 days.

**Table 14: SC4 Monthly Budget Statement Aged Creditors**

BUF Buffalo City - Supporting Table SC4 Monthly Budget Statement - aged creditors - M05 November

Description R thousands	NT Code	Budget Year 2018/19									Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
<b>Creditors Age Analysis By Customer Type</b>												
Bulk Electricity	0100	121,898									121,898	
Bulk Water	0200	12,846									12,846	
PAYE deductions	0300	22,851									22,851	
VAT (output less input)	0400	-									-	
Pensions / Retirement deductions	0500	26,270									26,270	
Loan repayments	0600	-									-	
Trade Creditors	0700	221,166	10,859								232,026	
Auditor General	0800	3,480									3,480	
Other	0900	132,428									132,428	
<b>Total By Customer Type</b>	<b>1000</b>	<b>540,938</b>	<b>10,859</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>551,797</b>	<b>-</b>

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

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

<b>CREDITOR</b>	<b>90 DAYS</b>	<b>60 DAYS</b>	<b>30 DAYS</b>	<b>CURRENT</b>	<b>TOTAL</b>	<b>PAYMENT</b>
ESKOM				121,897,587.01	121,897,587.01	121,897,587.01
STEFANUTTI STOCKS ROADS & EARTHWORKS				16,720,320.52	16,720,320.52	16,720,320.52
MANTELLA TRADING 522 CC				15,411,050.12	15,411,050.12	15,411,050.12
AMATOLA WATER				12,845,563.00	12,845,563.00	12,845,563.00
EYA BANTU PROFESSIONAL SERVICES CC			1,813,178.81	7,840,653.30	9,653,832.11	9,653,832.11
MVEZO PLANT & CIVILS CC					0.00	0.00
ABEDARE CABLES (PTY) LTD					0.00	0.00
HAW & INGLIS (PTY) LTD			5,726,146.07		5,726,146.07	5,726,146.07
MIHLEKUTHI TRADING				7,840,653.95	7,840,653.95	7,840,653.95
MAKINWA MEDIA SOLUTIONS				8,570,628.30	8,570,628.30	8,570,628.30
DOWN TOUCH INVESTMENTS (PTY) LTD				6,931,725.59	6,931,725.59	6,931,725.59
IRONMAN 70.3 SOUTH AFRICA			3,319,866.00		3,319,866.00	3,319,866.00
LATHIZA CONSTRUCTION				4,510,990.44	4,510,990.44	4,510,990.44
CAPSTONE 1248 CC T/A NOMANESI DEVELOPMENT				3,553,086.98	3,553,086.98	3,553,086.98
NEXTEC INDUSTRIALTECHNOLOGIES T/A EOH INTELLIGENT				3,325,549.17	3,325,549.17	3,325,549.17
IMVUSA TRADING 595 CC			2,782,167.92		2,782,167.92	2,782,167.92
IMVUSA TRADING 415 CC			1,710,924.00	3,256,984.00	4,967,908.00	4,967,908.00
EVALUATIONS ENHANCED PROPERTY APPRAISALS (PTY) LTD			2,375,654.66	2,920,956.59	5,296,611.25	5,296,611.25
UMSO/ IMVUSA 454 (DON CIVILS) JOIN VENTURE			2,260,756.28	2,831,571.77	5,092,328.05	5,092,328.05
RANDCIVILS					0.00	0.00
<b>TOTAL</b>	-	-	19,988,693.74	218,457,320.74	238,446,014.48	238,446,014.48

## 10. INVESTMENT PORTFOLIO ANALYSIS

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

**Table 16: SC5 Monthly Budget Statement – investment portfolio**

BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M05 November									
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands		Yrs/Months							
<b>Municipality</b>									
Land Affairs - West Bank		Call Account	Call Account	Call Account	290	4.59%	55 334	290	55 624
Finance Management Grant		Call Account	Call Account	Call Account	5	0.08%	10	1 155	1 165
MD Urban Renewal (MT Ruth Node)		Call Account	Call Account	Call Account	58	0.92%	11 088	58	11 146
Workmans Compensation (COID)		Call Account	Call Account	Call Account	55	0.88%	10 699	(112)	10 587
Reeston Development		Call Account	Call Account	Call Account	1	0.01%	170	1	170
Human Settlement Development Grant (HSDG)		Call Account	Call Account	Call Account	91	1.44%	17 406	91	17 497
Intergrated Electrification Programme (INEP)		Call Account	Call Account	Call Account	0	0.00%	14	0	14
Trust Funds		Call Account	Call Account	Call Account	6	0.09%	1 166	(57)	1 109
Vuna Awards		Call Account	Call Account	Call Account	6	0.09%	1 086	6	1 091
Department of Sports, Recreation & Culture (DSARC)		Call Account	Call Account	Call Account	0	0.00%	49	0	49
Department of Sports, Recreation & Culture (DSARC)		Call Account	Call Account	Call Account	1	0.02%	181	1	182
City of Leiden		Call Account	Call Account	Call Account	0	0.01%	80	0	81
Needscamp Planning		Call Account	Call Account	Call Account	5	0.08%	958	5	963
Umsobomvu Youth Fund (UYF)		Call Account	Call Account	Call Account	2	0.02%	290	2	291
Land Affairs - East Bank		Call Account	Call Account	Call Account	451	7.15%	86 231	402	86 633
Land Affairs West Bank		Call Account	Call Account	Call Account	275	4.36%	44 674	275	44 949
European Commission		Call Account	Call Account	Call Account	6	0.09%	1 138	6	1 144



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

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							
<b>R thousands</b>									
<b>Municipality</b>									
Salaida		Call Account	Call Account	Call Account	7	0.11%	1 085	7	1 092
Electricity Demand Management Grant		Call Account	Call Account	Call Account	19	0.30%	38	4 019	4 058
ADM Funding		Call Account	Call Account	Call Account	9	0.14%	1 746	(55)	1 691
Urban Settelement Dev elopment Grant		Call Account	Call Account	Call Account	163	2.58%	31 085	163	31 248
Urban Settelement Dev elopment Grant		Call Account	Call Account	Call Account	115	1.82%	21 967	115	22 082
Urban Settelement Dev elopment Grant		Call Account	Call Account	Call Account	357	5.66%	84 566	(20 048)	64 518
Urban Settelement Dev elopment Grant		Call Account	Call Account	Call Account	246	3.91%	61 536	(17 754)	43 782
Infrastructure Skills Dev elopment Grant		Call Account	Call Account	Call Account	28	0.44%	6 979	(2 059)	4 920
Infrastructure Dev elopment Lev y		Call Account	Call Account	Call Account	1	0.02%	162	1	163
Bcmet		Call Account	Call Account	Call Account	3	0.04%	543	(50)	493
Expanded Public Works Programme		Call Account	Call Account	Call Account	5	0.07%	18	1 135	1 152
City of Oldenburg		Call Account	Call Account	Call Account	2	0.03%	333	2	335
Public Transport Network Grant		Call Account	Call Account	Call Account	310	4.92%	42 847	21 828	64 675
DEAT		Call Account	Call Account	Call Account	1	0.02%	213	1	214
Neighbourhood Dev elopment Grant (NDP Grant)		Call Account	Call Account	Call Account	27	0.43%	2 546	3 527	6 073
Integrated City Dev elopment Grant (ICDG)		Call Account	Call Account	Call Account	20	0.32%	0	5 022	5 022
Capital Replacement Reserv e ( CRR)		Call Account	Call Account	Call Account	97	1.54%	15 751	97	15 848
Mayoral Projects (CRR)		Call Account	Call Account	Call Account	8	0.12%	1 235	8	1 243
Ow n Funds		Call Account	Call Account	Call Account	62	0.98%	11 818	62	11 880
Ow n Funds		Call Account	Call Account	Call Account	196	3.10%	45 159	(39 804)	5 354
Ow n Funds		Call Account	Call Account	Call Account	188	2.98%	47 535	(30 812)	16 723
Ow n Funds		Call Account	Call Account	Call Account	244	3.87%	46 677	244	46 921
Ow n Funds		Call Account	Call Account	Call Account	296	4.69%	71 031	(38 704)	32 327
Ow n Funds		6 Months	Fixed Deposit	21/09/2018	-	0.00%	-	-	-

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

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
<b>R thousands</b>		<b>Yrs/Months</b>							
<b>Municipality</b>									
Own Funds		6 Months	Fixed Deposit	21/09/2018	–	0.00%	–	–	–
Own Funds		6 Months	Fixed Deposit	27/06/2018	338	5.37%	51 343	338	51 681
Own Funds		6 Months	Fixed Deposit	26/06/2018	316	5.02%	51 350	316	51 667
Own Funds - CRR		Call Account	Call Account	Call Account	658	10.44%	125 746	658	126 404
Own Funds - CRR		Call Account	Call Account	Call Account	193	3.06%	36 837	193	37 030
Own Funds - CRR		Call Account	Call Account	Call Account	172	2.73%	32 940	172	33 112
Own Funds - CRR		Call Account	Call Account	Call Account	119	1.89%	22 742	119	22 861
Own Funds - CRR		Call Account	Call Account	Call Account	134	2.12%	25 516	134	25 650
Own Funds (Depreciation)		Call Account	Call Account	Call Account	590	9.36%	112 796	590	113 386
Own Funds (Depreciation)		Call Account	Call Account	Call Account	81	1.28%	15 473	81	15 554
Own Funds (Depreciation)		Call Account	Call Account	Call Account	35	0.55%	6 611	35	6 646
Housing Development		Call Account	Call Account	Call Account	15	0.23%	2 798	15	2 813
<b>Municipality sub-total</b>					<b>6 305</b>	<b>100.00%</b>	<b>1 209 594</b>	<b>(108 283)</b>	<b>1 101 311</b>
<b>Entities</b>									
<b>Entities sub-total</b>					<b>–</b>		<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL INVESTMENTS AND INTEREST</b>	<b>2</b>				<b>6 305</b>		<b>1 209 594</b>	<b>(108 283)</b>	<b>1 101 311</b>

## 11. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

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

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

BUF Buffalo City - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M05 November

Description	Ref	2017/18		Budget Year 2018/19						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>										
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		-	1,399,602	1,399,602	1,822	504,453	504,453	-		1,399,602
Local Government Equitable Share			778,048	778,048	-	324,187	324,187	-		778,048
General Fuel Levy			513,844	513,844	-	171,281	171,281	-		513,844
Finance Management			1,150	1,150	-	1,150	1,150	-		1,150
EPWP Incentive			4,050	4,050	1,822	2,835	2,835	-		4,050
Urban Settlement Development Grant			77,810	77,810	-	-	-	-		77,810
Public Transport Network Grant			14,000	14,000	-	-	-	-		14,000
Infrastructure Skills Development Grant			10,700	10,700	-	5,000	5,000	-		10,700
Municipal Human Settlement Capacity Grant			-	-	-	-	-	-		-
0			-	-	-	-	-	-		-
0			-	-	-	-	-	-		-
Other transfers and grants [insert description]			-	-	-	-	-	-		-
<b>Provincial Government:</b>		-	72,071	92,720	1,937	12,132	38,278	(19,534)	-51.0%	72,071
Human Settlement Development Grant			56,201	76,850	1,937	12,132	31,666	(19,534)	-61.7%	56,201
DSRAC - Library Subsidy			15,870	15,870	-	-	6,613	-		15,870
Department of Public Works			-	-	-	-	-	-		-
Office of the Premier			-	-	-	-	-	-		-
DEDEA (BCMDA)			-	-	-	-	-	-		-
Other transfers/grants [insert description]			-	-	-	-	-	-		-
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
[insert description]			-	-	-	-	-	-		-
<b>Other grant providers:</b>		-	-	846	252	1,809	1,809	-		-
SETA - Skills Development			-	-	252	1,809	1,809	-		-
Donor Funding - Leiden			-	-	-	-	-	-		-
Salaida / Gawe			-	846	-	-	-	-		-
City of Oldenburg			-	-	-	-	-	-		-
[insert description]			-	-	-	-	-	-		-
<b>Total Operating Transfers and Grants</b>	5	-	1,471,673	1,493,168	4,011	518,394	544,540	(19,534)	-3.6%	1,471,673
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		-	803,900	803,900	199,249	425,290	425,290	-		803,900
Urban Settlement Development Grant			685,182	685,182	190,748	381,496	381,496	-		685,182
Public Transport and Systems			81,165	81,165	-	23,791	23,791	-		81,165
Neighbourhood Development Partnership			13,250	13,250	3,500	6,000	6,000	-		13,250
Integrated National Electrification Programme			6,200	6,200	-	-	-	-		6,200
Electricity Demand Side Management			8,000	8,000	-	4,000	4,000	-		8,000
Integrated City Development Grant			10,003	10,003	5,001	10,003	10,003	-		10,003
Finance Management			-	-	-	-	-	-		-
Infrastructure Skills Development Grant			100	100	-	-	-	-		100
Other capital transfers [insert description]			-	-	-	-	-	-		-
<b>Provincial Government:</b>		-	-	-	-	-	3,765	(3,765)	-100.0%	-
Dept of Local Government and Traditional Affairs			-	-	-	-	3,765	(3,765)	-100.0%	-
Dept Sport, Recreation, Arts and Culture (DSRAC)			-	-	-	-	-	-		-
Department of Public Works			-	-	-	-	-	-		-
<b>District Municipality:</b>		-	-	-	-	-	-	-		-
[insert description]			-	-	-	-	-	-		-
<b>Other grant providers:</b>		-	-	-	-	-	-	-		-
Salaida / Gawe			-	-	-	-	-	-		-
Public Funding			-	-	-	-	-	-		-
<b>Total Capital Transfers and Grants</b>	5	-	803,900	803,900	199,249	425,290	429,055	(3,765)	-0.9%	803,900
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	-	2,275,573	2,297,068	203,260	943,684	973,595	(23,299)	-2.4%	2,275,573

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

The Metro has spent 31% (R283,26 million, inclusive of reclaimed vat) of its 2018/2019 conditional grants budget of R911.61 million as at 30 November 2018. This reflects a decline when compared to the same period in the previous financial year where 30% (R267.17 million, inclusive of reclaimed of vat) of conditional grants budget of R882.77 million was spent. (Refer to Section 11 for further details).

Table 18 below reflects the year to date expenditure on 2018/19 total conditional grants.

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

<b>Funding/Grant</b>	<b><u>2018/19 Approved Budget</u></b>	<b><u>YTD Exp (vat) R</u></b>	<b><u>Variance (vat incl.) R</u></b>	<b><u>% Expenditure vs. Budget (vat incl.)</u></b>
Integrated National Electrification Programme Grant	6,200,000	654,788	5,545,212	11%
EEDSM ( Energy, Efficiency and Demand Side Management)	8,000,000	7,525,683	474,317	94%
Finance Management Grant	1,150,000	246,768	903,232	21%
Infrastructure Skills Development Grant	10,800,000	3,946,485	6,853,515	37%
Urban Settlement Development Grant	762,992,000	229,955,393	533,036,607	30%
Neighbourhood Development Partnership Grant	13,250,000	0	13,250,000	0%
Integrated City Development Grant	10,003,000	6,466,772	3,536,228	65%
Expanded Public Works Programme Grant	4,050,000	4,556,375	-506,375	113%
Public Transport Infrastructure and Systems Grant	95,165,000	29,904,617	65,260,383	31%
<b>TOTAL</b>	<b>911,610,000</b>	<b>283,256,882</b>	<b>628,353,118</b>	<b>31%</b>

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

**Details of the projects that are implemented by each grant are reflected in both Annexure D and E.**

**11.1.1. INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT (INEP)**

Projects in line with change control request to Department of Energy

<b>AREA</b>	<b>CONNECTIONS</b>	<b>FUNDS</b>	<b>STAUTS</b>
Fynbos	350	R 5 425 000.00	Construction Commenced
Mdantsane NU 5	50	R 775 000.00	45%; Construction at standstill due to Community members at loggerheads with ward Councilor over appointed CLO
<b>TOTAL</b>	<b>400</b>	<b>R 6 200 000.00</b>	

**11.1.2. EXPANDED PUBLIC WORKS PROGRAMME GRANT**

The EPWP has recorded an above average expenditure due to the fact that departments have contributed to the EPWP Grant funding as stipulated in the EPWP Incentive Grant Funding Service Level Agreement. Own funding will also be used to counter fund the EPWP project for the duration of the current financial year.

**11.1.3. ENERGY, EFFICIENCY AND DEMAND SIDE MANAGEMENT (EEDSM)**

The material needed for the implementation of the project has arrived and installation has commenced. Invoices have been submitted and construction is in line with the program

**11.1.4. FINANCE MANAGEMENT GRANT (FMG)**

There are eight (8) interns currently serving on the internship programme. The interns are being remunerated accordingly. A recruitment process to advertise for one (1) intern position has already been started as the target for the current financial year is to have at least 9 interns.

**11.1.5. INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)**

There has been delays in the appointment of two interns and additional mentor. Also delays in implementation of stipend increment for all ISDG interns. Monthly salaries for the month of November for 5 mentors amounting to R184 230 could not be captured due to their late submission of claims. Appointment of the two interns and the mentor for the Municipal Valuer Internship has been finalized and they will assume duties on 01/01/19.

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

### **SPATIAL PLANNING AND DEVELOPMENT**

#### **Bridge Designs & Implementation**

Nine sites have been identified. Works orders have been issued to Service Providers and work has commenced. Service providers have invoiced and invoices processed.

#### **Guardrails**

The tender for the project is at the Bid Evaluation Committee and is being packaged for bid adjudication committee.

#### **Sleeper Site Roads**

The tender for the project was awarded on the 29 November 2018, expenditure is expected to improve once construction has commenced in February 2019.

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

Project is progressing well and as per the programme and the expenditure is as per cash flow.

#### **Bridge Designs & Implementation – Ward 8**

The site has been identified through the Feasibility Study. Works order has been issued and Service Provider has commenced with work. Environmental applications are required and have been made.

#### **Bridge Designs & Implementation – Ward 14**

The site has been identified through the Feasibility Study. Works order has been issued and Service Provider has commenced. Environmental applications are required and have been made.

#### **Guidance Signage**

Terms of Reference have been completed, An informal tender submission made to SCM on the 01 October 2018. Awaiting bid advertisement date.

### **Traffic Calming**

The construction of speed humps has commenced at Scenery Park, Ndancama, Mdantsane NU 14, Zwelitsha Zone 4 & 10, Elephant Road. The contractor will commence with the construction in Mdantsane NU1 and Ward 16 in the second week of November.

### **Traffic Signals**

The wayleaves have been handed to the province/SANRAL and waiting for their approval to proceed with the installation of signals in Inland and Coastal regions. Province and SANRAL to approve wayleaves.

### **Traffic Calming - Ward 16**

The sites have been identified and currently busy with the quotations so that the metro can generate orders and will commence with the construction in the second week of November.

### **Traffic Calming - Ward 10**

The construction of speed humps has commenced at Scenery Park, Ndancama and Elephant Road.

### **Taxi Rank Infrastructure (Roads & Ablution Facilities)**

Service Providers currently busy with Preliminary & Detailed Design Reports. Once the designs are complete, expenditure will improve.

### **Taxi /Bus Embayments**

Annual Contract 300 has been awarded and order being generated. Construction will start in January 2019 .

## **INFRASTRUCTURE SERVICES**

### **Sanitation**

The overall status of sanitation projects is as detailed below:

USDG funding budget	:	R131,294,290
Expenditure value	:	R23,733,789
% of total budget	:	18 %

Contract 3A at BEC stage (16 August 2018). Tenders closed 3 July 2018. Hoodpoint Outfall sewer at EIA stage. Mdantsane WWTW at tender approval stage.

### ***Corrective Measures to improve expenditure***

Bisho, KWT and Zwelitsha Bulk Regional Sewerage Scheme - Phase 2 – Zwelitsha WWTW –mechanical and electrical contract awarded. Contract 119 awarded on the 15 November 2018.

### **Water**

Water expenditure is at 16% and most of the projects are waiting for the finalization of the procurement processes, currently at the bid evaluation stage.

### **Roads**

The contract for gravel roads was delayed, the contractors have been appointed and the work has been identified. The contractors are currently on site, and the work will be completed well within the allotted time frames.

## **MUNICIPAL SERVICES**

Construction of leachate treatment is progressing as per the cashflow projections and invoices for November 2018 will be processed in the month of December 2018.

### **11.1.7. INTEGRATED CITY DEVELOPMENT GRANT (ICDG)**

Currently the ICDG projects are progressing well and the funding is also utilized on Fleet street road upgrade.



### **11.1.8. PUBLIC TRANSPORT NETWORK GRANT**

#### **Qumza Highway**

Construction only started in September due to work permit delay from Department of labour. Contractor is progressing well on site and expenditure is improving.

#### **Traffic Safety Master Plan**

Tender is currently in the Procurement phase as per the approved Procurement Plan. Award contract to start with the project.

#### **Operational & Business Plan**

Project is progressing as per approved programme. Awaiting further invoice from Service Provider. Receive and process invoice.

#### **Industry Transition Plan**

The Industry Transition Plan forms part of the IPTN Operational & Business Plan project and as such is budgeted for within the IPTN project. The budget for this item will be reallocated during midyear adjustment to a different PTNG project

#### **Universal Access Development Plan**

The UDAP forms part of IPTN the Operational & Business Plan project and as such is budgeted for within the IPTN project. The budget for this item will be reallocated during midyear adjustment to a different PTNG project.

#### **Public Transport Plan**

The Public Transport Plan forms part of the IPTN Operational & Business Plan project and as such is budgeted for within the IPTN project. The budget for this item will be reallocated during midyear adjustment to a different PTNG project.

#### **11.1.9. NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT**

Procurement of service provider for the design and documentation of the project has been finally done. Engineering Advice Services have been appointed to prepare the designs for the Toyana Non-Motorised Transport (NMT) Project. The strike action has seen the consultant's progress being hindered as a meeting designed to kick start the work did not happen two weeks ago. It is however anticipated that we will see work and expenditure moving this time going forward.

#### **11.1.10. HUMAN SETTLEMENTS**

Procurement delays that are beyond the Directorate control. Some major projects have experienced community riots and illegal occupation of housing structures that were still under construction further blocking to site for installation of internal services. The metro has applied for eviction of the illegal occupants of houses under construction, the matter is set for argument by the parties on the 13th December 2018 at the High Court. Some major contracts are expected to increase after December holiday construction shutdown.

## 12. COUNCILLOR AND EMPLOYEE BENEFITS

### 12.1. Councillor and Employees Benefits Summary

Table 19 below provides summary of employees and councillors remuneration. The workforce costs as a percentage of total expenditure amounted to 29%. This is within the norm of 25% - 40%.

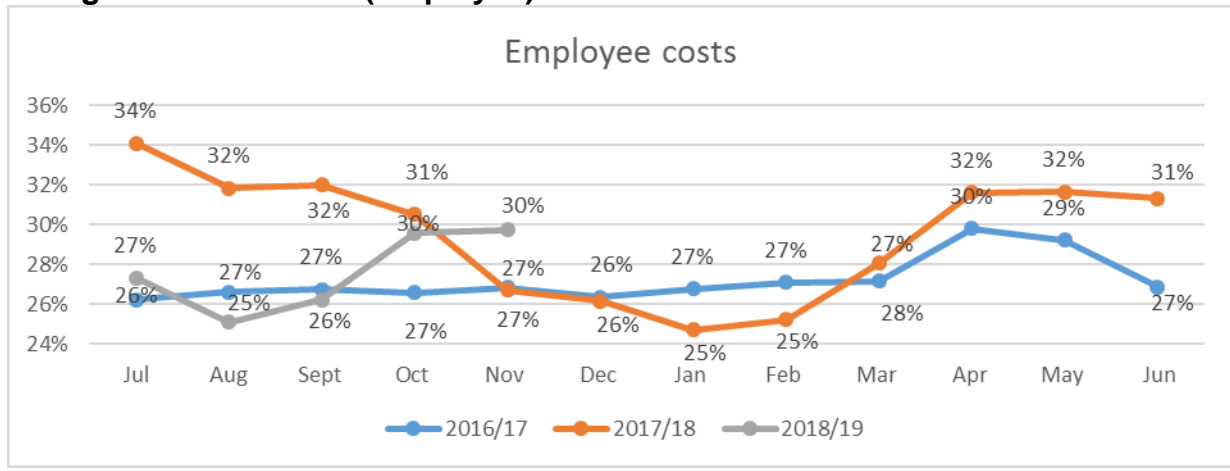
**Table 19: SC8 Monthly Budget Statement – Councillor, Board Members and Staff Benefits**

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

Summary of Employee and Councillor remuneration	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages			40,253	40,253	2,802	14,002	12,600	1,401	11%	40,253
Pension and UIF Contributions			3,999	3,999	344	1,717	1,252	465	37%	3,999
Medical Aid Contributions			1,885	1,885	184	911	590	321	54%	1,885
Motor Vehicle Allowance										
Cellphone Allowance			2,624	2,624	344	1,931	821	1,109	135%	2,624
Housing Allowances			2,274	2,274	196	988	712	276	39%	2,274
Other benefits and allowances			13,150	13,150	1,144	5,711	4,116	1,595	39%	13,150
<b>Sub Total - Councillors</b>			<b>64,185</b>	<b>64,185</b>	<b>5,015</b>	<b>25,260</b>	<b>20,092</b>	<b>5,168</b>	<b>26%</b>	<b>64,185</b>
<b>% increase</b>	4		<b>#DIV/0!</b>	<b>#DIV/0!</b>						<b>#DIV/0!</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages			15,446	15,297	786	3,929	5,180	(1,251)	-24%	15,297
Pension and UIF Contributions			2,851	2,823	137	687	956	(269)	-28%	2,823
Medical Aid Contributions			284	281	20	100	95	5	5%	281
Overtime										
Performance Bonus										
Motor Vehicle Allowance			3,311	3,277	167	842	1,110	(268)	-24%	3,277
Cellphone Allowance					23	123		123	#DIV/0!	
Housing Allowances			520	515	194	966	175	791	453%	515
Other benefits and allowances			2,745	2,717	8	61	920	(859)	-93%	2,717
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations										
<b>Sub Total - Senior Managers of Municipality</b>			<b>25,157</b>	<b>24,910</b>	<b>1,335</b>	<b>6,707</b>	<b>8,436</b>	<b>(1,729)</b>	<b>-20%</b>	<b>24,910</b>
<b>% increase</b>	4		<b>#DIV/0!</b>	<b>#DIV/0!</b>						<b>#DIV/0!</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages			1,167,270	1,153,950	95,866	480,708	390,801	89,907	23%	1,153,950
Pension and UIF Contributions			221,985	219,719	19,662	98,756	74,411	24,345	33%	219,719
Medical Aid Contributions			104,778	103,713	7,179	36,611	35,124	1,487	4%	103,713
Overtime			7,370	84,116	8,835	49,770	28,487	21,283	75%	84,116
Performance Bonus			97,741	96,741	5,901	36,391	32,763	3,628	11%	96,741
Motor Vehicle Allowance			37,813	37,448	2,377	11,938	12,682	(744)	-6%	37,448
Cellphone Allowance			4,903	4,855	357	1,778	1,644	133	8%	4,855
Housing Allowances			19,130	18,939	624	3,020	6,414	(3,394)	-53%	18,939
Other benefits and allowances			201,244	122,256	8,595	41,729	41,404	325	1%	122,256
Payments in lieu of leave			20,475	20,267	42	101	6,864	(6,763)	-99%	20,267
Long service awards			23,922	23,672	2,068	10,248	8,017	2,232	28%	23,672
Post-retirement benefit obligations			7,604	7,601	3	13	2,574	(2,562)	-100%	7,601
<b>Sub Total - Other Municipal Staff</b>			<b>1,914,233</b>	<b>1,893,277</b>	<b>151,508</b>	<b>771,062</b>	<b>641,184</b>	<b>129,878</b>	<b>20%</b>	<b>1,893,277</b>
<b>% increase</b>	4		<b>#DIV/0!</b>	<b>#DIV/0!</b>						<b>#DIV/0!</b>
<b>Total Parent Municipality</b>			<b>2,003,576</b>	<b>1,982,372</b>	<b>157,857</b>	<b>803,029</b>	<b>669,711</b>	<b>133,318</b>	<b>20%</b>	<b>1,982,372</b>

The graph below shows the workforce costs as a percentage of total expenditure for the current financial year and the two previous financial years.

**Figure 4: Workforce (Employee) Costs**



## 12.2. Overtime Analysis

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

**Table 20: Overtime per Directorate**

Overtime	2018/2019 Annual Budget R	2018/2019 YTD Expenditure R	2018/2019 YTD Variance R	2018/2019 % of YTD Budget %
Directorate Of Executive Support Services	1,471,929	1,385,603	(751,279)	94%
Directorate Of The City Manager	586,183	483,256	(230,642)	82%
Directorate Of Corporate Services	517,856	294,201	(71,033)	57%
Directorate Of Development & Spatial Planning	749,669	85,717	237,351	11%
Directorate Of Economic Development & Agencies	511,860	127,437	93,148	25%
Directorate Of Finance	2,049,216	889,823	(6,719)	43%
Directorate Of Health / Public Safety & Emergency Services	27,387,450	11,258,045	544,501	41%
Directorate Of Human Settlement	127,471	7,944	46,989	6%
Directorate Of Infrastructure Services	20,105,047	14,714,246	(6,050,032)	73%
<i>Electricity</i>	9,438,951	5,221,265	(1,153,575)	55%
<i>Water</i>	3,664,300	4,857,042	(3,277,922)	133%
<i>Sanitation</i>	5,643,892	4,251,636	(1,819,416)	75%
<i>Other</i>	1,357,904	384,304	200,881	28%
Directorate Of Municipal Services	23,320,519	15,626,363	(5,576,450)	67%
<b>Total</b>	<b>76,827,200</b>	<b>44,872,634</b>	<b>(11,764,166)</b>	<b>58%</b>

**Table 21: Overtime Per Cost Centre: September 2018 – November 2018**

	<b>SEPTEMBER 2018</b>	<b>OCTOBER 2018</b>	<b>NOVEMBER 2018</b>
Directorate of Executive Support Services	305 739	287 233	209 918
Directorate of the City Manager	101 866	62 784	112 239
Directorate of Corporate Services	82 559	53 209	60 495
Directorate of Development & Spatial Planning	10 581	6 667	33 755
Directorate Economic Development & Agencies	27 105	28 834	41 591
Directorate of Finance	166 241	157 659	123 516
Directorate of Health/Public Safety & Emergency Services	2 157 455	2 689 121	1 541 456
Directorate of Human Settlement	-	-	-
Directorate of Infrastructure Services	3 159 504	3 189 915	2 980 659
Directorate of Municipal Services	3 131 053	3 003 179	2 759 132
<b>TOTAL</b>	<b>9 142 102</b>	<b>9 478 601</b>	<b>7 862 762</b>

The total overtime payment for the months of September 2018, October 2018 and November 2018 is reflected above. There was an increase in the total payment of overtime between September 2018 and October 2018 of R336 499 and a decrease in the total payment of overtime between October 2018 and November 2018 of R1 615 839.

**OVERTIME PER COST CENTRE**

		<b>September 2018 Amount</b>	<b>October 2018 Amount</b>	<b>November 2018 Amount</b>
	<b>Directorate -Executive Support Services</b>			
0505	OFFICE OF THE DIRECTOR EXECUTIVE SUPPORT SERVICES	297 126.25	284 879.44	193 510.73
0512	INTERNATIONAL & INTERGOVERNMENTAL RELATIONS	1 078.39	1 660.04	4 796.92
0523	IDP & BUDGET INTEGRATION	4 671.94	693.63	3 717.26
0531	POLITICAL OFFICE ADMINISTRATION	2 755.43	-	-
0536	MUNICIPAL PUBLIC ACCOUNTS COMMITTEE	106.57	-	7 893.20
		<b>305 738.58</b>	<b>287 233.11</b>	<b>209 918.11</b>
	<b>DIRECTORATE OF THE CITY MANAGER</b>			
1005	OFFICE OF THE CITY MANAGER	75 125.80	62 783.71	48 397.96
1015	INFORMATION / TECHNOLOGY & SUPPORT	26 739.73	-	63 841.14
1041	GOVERNANCE & INTERNAL AUDITING	-	-	-
		<b>101 865.53</b>	<b>62 783.71</b>	<b>112 239.10</b>
	<b>DIRECTORATE OF CORPORATE SERVICES</b>			
1505	OFFICE OF THE DIRECTOR CORPORATE SERVICES	-138.56	-138.56	-138.56
1512	ADMINISTRATIVE & CORPORATE SUPPORT	19 160.30	8 185.01	721.02
1513	AUXILLIARY / RECORDS & DECISION TRACKING AND TELECOMMUNICATIONS	43 176.96	21 566.90	45 685.50
1531	HUMAN RESOURCES MANAGEMENT	10 198.33	13 433.55	11 173.36
1532	ADMINISTRATIVE SUPPORT	10 662.18	10 662.00	3 554.00
1536	ORGANISATIONAL DEVELOPMENT	-500.00	-500.00	-500.00
		<b>82 559.21</b>	<b>53 208.90</b>	<b>60 495.32</b>
	<b>DIRECTORATE OF DEVELOPMENT &amp; SPATIAL PLANNING</b>			
2034	INTEGRATED PUBLIC TRANSPORT NETWORK OPERATIONS	4 371.81	-	20 161.31
2037	TRAFFIC MANAGEMENT & SAFETY	6 208.83	6 667.41	13 594.05
		<b>10 580.64</b>	<b>6 667.41</b>	<b>33 755.36</b>
	<b>DIRECTORATE OF ECONOMIC DEVELOPMENT &amp; AGENCIES</b>			
2511	FRESH PRODUCE MARKET	9 546.68	7 038.35	7 655.89

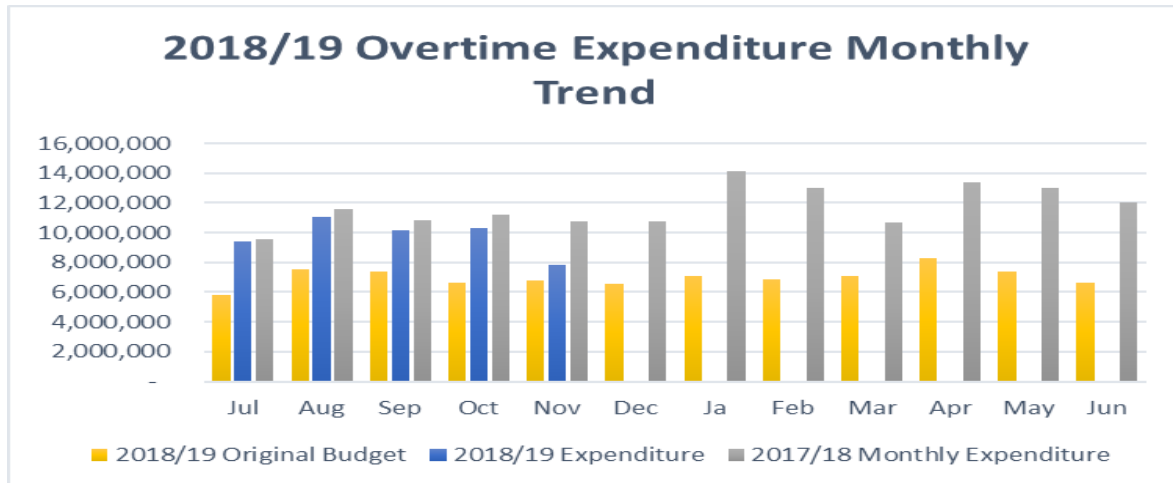
		September 2018 Amount	October 2018 Amount	November 2018 Amount
2521	TOURISM / ARTS / CULTURE & HERITAGE	17 558.22	21 795.84	20 584.96
2531	TRADE / INDUSTRY & RURAL AGRARIAN	-	-	13 350.21
		<b>27 104.90</b>	<b>28 834.19</b>	<b>41 591.06</b>
	<b>DIRECTORATE OF FINANCE</b>			
3005	OFFICE OF THE DIRECTOR FINANCE	98.70	-	-
3031	EXPENDITURE & PAYMENTS MANAGEMENT	8 861.55	654.59	-
3033	PAYROLL & BENEFITS	186.27	317.12	-
3034	VAT / LEASES & PAYMENTS	2 994.39	-	-
3052	ACCOUNTS MANAGEMENT & REVENUE CONTROL	4 116.30	4 099.65	3 489.40
3053	COASTAL REVENUE MANAGEMENT	6 650.43	7 442.24	4 002.68
3054	CUSTOMER RELATIONS (CALL CENTRE)	135 319.91	134 993.84	113 390.64
3055	INLAND REVENUE MANAGEMENT	-176.43	-176.43	-176.43
3056	MIDLAND REVENUE MANAGEMENT	3 770.36	3 154.69	2 810.06
3061	STRATEGY & OPERATIONS	-	2 464.20	-
3071	SUPPLY CHAIN MANAGEMENT	4 419.52	4 708.80	-
		<b>166 241.00</b>	<b>157 658.70</b>	<b>123 516.35</b>
	<b>DIRECTORATE OF HEALTH / PUBLIC SAFETY &amp; EMERGENCY SERVICES</b>			
3512	DISASTER MANAGEMENT	3 017.40	1 589.28	4 560.54
3513	FIRE & RESCUE	466 148.02	769 017.53	237 262.42
3521	MUNICIPAL HEALTH SERVICES	5 055.09	1 124.04	2 895.69
3532	LAW ENFORCEMENT SERVICES	1 207 606.10	1 394 578.31	844 904.45
3533	TRAFFIC SERVICES	475 628.46	522 811.39	451 832.89
		<b>2 157 455.07</b>	<b>2 689 120.55</b>	<b>1 541 455.99</b>
	<b>DIRECTORATE OF HUMAN SETTLEMENT</b>			
4005	OFFICE OF THE DIRECTOR OF HUMAN SETTLEMENT	-	-	-
4011	HOUSING DELIVERY & IMPLEMENTATION	-	-	-
		-	-	-
	<b>DIRECTORATE OF INFRASTRUCTURE SERVICES</b>			
4505	OFFICE OF THE DIRECTOR OF INFRASTRUCTURE SERVICES	2 871.73	2 529.09	2 810.10
4511	ELECTRICAL & ENERGY SERVICES	154.68	1 999.49	2 611.38
		<b>September 2018 Amount</b>	<b>October 2018 Amount</b>	<b>November 2018 Amount</b>

4512	CUSTOMER SERVICES & REVENUE PROTECTION	90 551.90	96 016.54	88 772.25
4513	ELECTRICAL DEVELOPMENT / CONTRACTS & ASSETS	44.69	683.16	896.66
4514	ELECTRICAL DISTRIBUTION	971 466.58	1 015 232.96	965 683.33
4524	ROADS	17 957.43	11 632.07	16 735.65
4532	SANITATION	984 996.55	958 495.91	965 255.72
4535	WATER SERVICES	1 034 911.73	1 047 003.50	898 747.40
4543	WORKSHOPS	56 548.43	56 322.34	39 146.52
		<b>3 159 503.72</b>	<b>3 189 915.06</b>	<b>2 980 659.01</b>
	<b>DIRECTORATE OF MUNICIPAL SERVICES</b>			
5005	OFFICE OF THE DIRECTOR OF MUNICIPAL SERVICES	2 537.80	7 972.01	2 190.65
5011	COMMUNITY AMENITIES	21 791.22	21 763.04	16 474.11
5013	LIBRARIES	11 707.19	11 651.66	11 793.11
5014	HALLS	223 847.10	239 277.82	214 799.71
5015	RECREATION	271 053.10	446 337.66	315 313.22
5016	SPORTS FACILITIES	90 403.03	126 952.16	137 133.71
5022	CEMETRIES & CREMATORIA	498 385.82	123 877.58	210 480.24
5023	CONSERVATION	133 520.28	157 163.48	111 788.74
5024	PARKS: COASTAL	172 472.73	189 449.42	223 891.88
5031	SOLID WASTE MANAGEMENT	25 425.22	30 926.55	25 255.48
5032	CLEANSING & REFUSE REMOVAL: COASTAL	1 536 193.55	1 481 695.22	1 354 310.96
5035	LANDFILLS & TRANSFER STATIONS	143 716.06	166 112.84	135 699.89
		<b>3 131 053.10</b>	<b>3 003 179.44</b>	<b>2 759 131.70</b>
	<b>TOTAL OVERTIME</b>	<b>9 142 101.75</b>	<b>9 478 601.07</b>	<b>7 862 762.00</b>



The graph below shows the overtime expenditure monthly trend for the current financial year.

**Figure 5: Overtime Expenditure Monthly Trend**



**12.2.1. Comments On Overtime**

**a) Directorate of Executive Support**

Overtime in the office of the City Manager is also based on emergency work for the support of the network, applications, IT Environment and server room. This cannot be avoided as these are crucial services in support of the IT environment.

**b) Directorate of Finance**

The department is busy with an exercise to change the conditions of service of staff from 5-day to 6-day workers. This was meant to have been finalized during the month of December 2018, but due to the disruptions of the illegal strike, this has not yet been finalized. This will reduce the costs of overtime going forward significantly.

**c) Directorate of Corporate Services**

Overtime within Records department can unfortunately not be prevented due to delivery of council packages that gets to be delivered over weekends and after hours in most cases. In some cases staff are required to do special deliveries that contributes to working overtime. We render a support function which is depended on other Directorates and Political offices to meet their deadlines for submissions.

**d) Directorate of Infrastructure Services**

Electricity – Office Attendants opening & closing building, cleaning offices after hours and admin staff working when required. Emergency standby work carried out over weekends and after hours. Vandalism & theft contributes a large percentage of overtime.

Roads - Emergency call out to unblock stormwater drains in Buffalo Rd, KTW

Water and Sanitation - Operational requirements to attend to overflows / breakdowns after hours. Overtime is due to additional hours worked on 12hr shifts, emergency replacements of staff on leave and vacant posts.

Other - Workshops' overtime is mainly caused by call outs by departments for either mechanical breakdown, tyre punctures , vehicles getting stuck & accidents.

**e) Directorate of Municipal Services**

Structured overtime is compulsory compensation payable as a result of the requirement to work on Sundays and Public Holidays as part of a shift system. As an example the average hours per month for fire fighters in respect of structured overtime for July to November 2018 was 4402 hours per month, whereas the average for prior approved and emergency overtime for the same period was 208 hours per month. The structured overtime cannot be reduced as Fire & Rescue operate on a 24/7 basis. Any reduction would have a negative effect on service delivery by the Fire & Rescue Services.

Excessive Overtime worked by Security guards throughout the institution is impacting on the overtime which is combined with Law Enforcement. This is an issue, which together with HR will need to be resolved. Security guards working longer hours due to the fact there are many installations which require security & guarding and insufficient staffing to cover all installations.

**f) Human Settlements**

Overtime is used as contingency and emergency fund, spent when personnel are compelled to work odd hours because of demand for service delivery. Expenditure is incurred as the need for such services arises and should increase as the year progresses.

### 12.3. Standby and Shift Allowance Analysis

Table 22 below reflects the total standby and shift allowance incurred per directorate for the past three months ended 30 November 2018. There was a decrease in the total payment between September 2018 and October 2018 of R204 204 and an increase in the total payment between October 2018 and November 2018 of R255 146

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

	<b>SEPTEMBER 2018</b>	<b>OCTOBER 2018</b>	<b>NOVEMBER 2018</b>
Directorate of Executive Support Services	6 103	3 475	4 755
Directorate of the City Manager	61 460	4 611	117 246
Directorate of Corporate Services	2 040	1 526	1 355
Directorate of Development & Spatial Planning	18 491	13 112	17 296
Directorate Economic Development & Agencies	1 398	1 151	1 275
Directorate of Finance	10 686	9 000	12 162
Directorate of Health/Public Safety & Emergency Services	604 859	557 505	623 453
Directorate of Human Settlement	-	-	-
Directorate of Infrastructure Services	755 670	695 623	720 782
Directorate of Municipal Services	328 057	298 558	341 383
<b>TOTAL</b>	<b>1 788 765</b>	<b>1 584 561</b>	<b>1 839 707</b>

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

The total payment of Temporary Staff for the months of September 2018, October 2018 and November 2018 is reflected below. There was a decrease in the total payment between September 2018 and October 2018 of R600 880 and a decrease in the total payment between October 2018 and November 2018 of R629 489.

**Table 23: Temporary Staff per Directorate**

	<b>SEPTEMBER 2018</b>	<b>OCTOBER 2018</b>	<b>NOVEMBER 2018</b>
Directorate of Executive Support Services	594 717	560 562	603 945
Directorate of the City Manager	354 273	293 954	293 307
Directorate of Corporate Services	1 290 117	1 339 450	1 325 083
Directorate of Development & Spatial Planning	236 562	177 929	113 747
Directorate Economic Development & Agencies	39 327	33 906	33 906
Directorate of Finance	795 282	704 145	556 449
Directorate of Health/Public Safety & Emergency Services	234 819	209 252	182 321
Directorate of Human Settlement	263 498	229 006	229 435
Directorate of Infrastructure Services	342 609	249 192	206 757
Directorate of Municipal Services	2 232 905	1 985 832	1 608 789
<b>TOTAL</b>	<b>6 384 108</b>	<b>5 783 228</b>	<b>5 153 739</b>

## 12.5. Councillors Costs

The table below shows the budget and expenditure to date for councillors' costs. The year to date expenditure of R25.25 million less Annual Budget of R 65 million leaves a variance of R 38.92 million.

**Table 24: Councillors Costs**

### Councillors Allowances and Benefits

<b>Councillors Allowances And Benefits</b>	<b>2018/2019 Annual Budget R</b>	<b>2018/2019 YTD Expenditure R</b>	<b>2018/2019 Variance R</b>	<b>2018/2019 Variance %</b>
Councillors Allowances	42,877,130	15,932,562	26,944,568	37%
Housing Allowance	2,274,000	987,586	1,286,414	43%
Medical Aid Allowance	1,884,903	911,340	973,563	48%
Pension Allowance	3,998,763	1,716,734	2,282,029	43%
Travel Allowance	13,150,247	5,711,439	7,438,808	43%
<b>Total</b>	<b>64,185,043</b>	<b>25,259,661</b>	<b>38,925,382</b>	<b>39%</b>

### 13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE

BCMDA has spent R7.44 million (16.7%) of its 2018/2019 approved operating budget of R44.35 million.

**Table 25: Monthly Budget Statement – summary of municipal entity**

BUF Buffalo City - Supporting Table SC11 Monthly Budget Statement - summary of municipal entities - M05 November

Description	Ref	2017/18	Budget Year 2018/19							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue By Municipal Entity</b>										
<i>Buffalo City Metropolitan Development Agency SOC Ltd</i>										
Interest earned - external investments		-	789	-	39	201	263	(62)	-24%	789
Agency services		-	990	-	-	-	330	(330)	-100%	990
Transfers and subsidies		-	32,033	-	-	14,924	16,016	(1,093)	-7%	32,033
Other revenue		-	10,544	-	0	6	3,515	(3,509)	-100%	10,544
<b>Total Operating Revenue</b>	1	-	<b>44,355</b>	-	<b>39</b>	<b>15,131</b>	<b>20,124</b>	<b>(4,993)</b>	<b>-25%</b>	<b>44,355</b>
<b>Expenditure By Municipal Entity</b>										
<i>Buffalo City Metropolitan Development Agency SOC Ltd</i>										
Employee related costs		-	21,727	-	1,201	4,805	7,242	(2,437)	-34%	21,727
Remuneration of Directors		-	850	-	18	102	283	(182)	-64%	850
Depreciation & asset impairment		-	1,412	-	94	-	-	-	-	-
Finance charges		-	10	-	0	313	471	(158)	-34%	1,412
Other expenditure		-	20,356	-	1,187	0	3	(3)	-100%	10
<b>Total Operating Expenditure</b>	2	-	<b>44,355</b>	-	<b>2,500</b>	<b>7,440</b>	<b>14,785</b>	<b>(7,345)</b>	<b>-50%</b>	<b>44,355</b>
<b>Surplus/ (Deficit) for the yr/period</b>		-	(0)	-	(2,461)	7,691	5,339	(12,339)	-231%	(0)
<b>Capital Expenditure By Municipal Entity</b>										
<i>Buffalo City Metropolitan Development Agency SOC Ltd</i>										
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	27,292	-	1,304	1,304	9,097	(7,793)	-86%	9,097
<b>Total Capital Expenditure</b>	3	-	<b>27,292</b>	-	<b>1,304</b>	<b>1,304</b>	<b>9,097</b>	<b>(7,793)</b>	<b>-86%</b>	<b>9,097</b>

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

### 14. CAPITAL PROGRAMME PERFORMANCE

BCMM has spent 21% (R410.02 million, inclusive of reclaimed vat) of its 2018/19 adjusted capital budget of R1.99 billion as at 30 November 2018. This reflects an increase when compared to the same period in the previous financial year where 19% (R328.72 million, inclusive of reclaimed vat) of the adjusted budget of R1.71 billion was spent

Refer to Annexure A – C5 for the breakdown per municipal vote, standard classification & funding; Annexure B – SC14 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**

<b>2018/2019 CAPITAL BUDGET PER FUNDING SOURCE</b>	<b>2018/2019 Rollover Adjustment Budget</b>	<b>2018/2019 YTD EXPENDITURE INCLD. VAT</b>	<b>2018/2019 EXPENDITURE INCLD. VAT %</b>
Own Funds - WF	852,950,000	135,205,839	16%
Own Funds - WF C/O	228,726,022	7,077,943	3%
Loan - YX	69,000,000	0	0%
<b>TOTAL OWN FUNDS</b>	<b>1,150,676,022</b>	<b>142,283,782</b>	<b>12%</b>
Urban Settlements Grant - CF	685,182,240	223,186,634	33%
Public Transport Network Grant - CG	81,165,000	28,503,440	35%
Intergrated City Development Grant - KF	10,003,000	6,466,772	65%
Infrastructure Skills Development Grant - LF	100,000	97,407	97%
Neighbourhood Development Partnership Grant - QF	13,250,000	0	0%
Energy Efficiency and Demand Side Management - SG	8,000,000	7,525,683	94%
Integrated National Electrification Grant - YF	6,200,000	654,788	11%
LGTH	9,036,112	0	0%
<b>TOTAL GRANTS</b>	<b>812,936,352</b>	<b>266,434,724</b>	<b>33%</b>
<b>TOTAL - FUNDING SOURCES</b>	<b>1,963,612,374</b>	<b>408,718,506</b>	<b>21%</b>
BCMDA Projects	27,291,750	1,304,348	5%
<b>TOTAL CONSOLIDATED CAPITAL PER FUNDING</b>	<b>1,990,904,124</b>	<b>410,022,854</b>	<b>21%</b>

Table 27 below reflects capital expenditure performance per service

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

<b>2018/2019 CAPITAL BUDGET PER SERVICE</b>	<b>2018/2019 Rollover Adjustment Budget</b>	<b>2018/2019 YTD EXPENDITURE INCLD. VAT</b>	<b>2018/2019 EXPENDITURE INCLD. VAT %</b>
Amenities	97,542,927	9,719,848	10%
Electricity	141,345,421	42,023,380	30%
Housing	104,254,640	17,984,161	17%
LED	67,535,322	1,744,055	3%
Other	18,000,000	8,477,547	47%
Public Safety	33,897,065	6,603,050	19%
Roads	354,572,365	98,727,335	28%
Spatial Planning	89,183,654	5,033,718	6%
Support Services	286,910,118	64,255,922	22%
Transport Planning	204,201,112	64,801,581	32%
Waste Manangement	79,952,360	26,472,451	33%
Waste Water	288,512,859	30,361,955	11%
Water	197,704,531	32,513,504	16%
<b>TOTAL - PER SERVICE</b>	<b>1,963,612,374</b>	<b>408,718,506</b>	<b>21%</b>
BCMDA Projects	27,291,750	1,304,348	5%
<b>TOTAL CONSOLIDATED CAPITAL PER SERVICE</b>	<b>1,990,904,124</b>	<b>410,022,854</b>	<b>21%</b>

Table 28 below reflects capital expenditure performance per directorate.

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

<b>2018/2019 CAPITAL BUDGET PER DIRECTORATE</b>	<b>2018/2019 Rollover Adjustment Budget</b>	<b>2018/2019 YTD EXPENDITURE INCLD. VAT</b>	<b>2018/2019 EXPENDITURE INCLD. VAT %</b>
1. Executive Suppor Services	5,886,795	869,968	15%
2. City Manager's Office	55,040,000	61,130,930	111%
3. Corporate Services	3,781,438	112,014	3%
4. Spatial Planning & Development	294,910,424	69,848,417	24%
5. Economic Development & Agencies	68,035,322	1,947,756	3%
6. Finance Services	205,865,666	232,980	0%
7. Health/Public Safety & Emergency Services	35,312,335	7,139,710	20%
8. Human Settlements	105,149,931	18,024,462	17%
9. Infrastructure Services	1,001,135,176	212,632,051	21%
10 . Municipal Services	178,495,287	36,335,508	20%
<b>Total Directorates</b>	<b>1,953,612,374</b>	<b>408,273,795</b>	<b>21%</b>
Asset Replacement	10,000,000	444,710	4%
<b>Total Budget Per Directorate</b>	<b>1,963,612,374</b>	<b>408,718,506</b>	<b>21%</b>
BCMDA Projects	27,291,750	1,304,348	5%
<b>TOTAL CONSOLIDATED CAPITAL PER DIRECTORATE</b>	<b>1,990,904,124</b>	<b>410,022,854</b>	<b>21%</b>



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

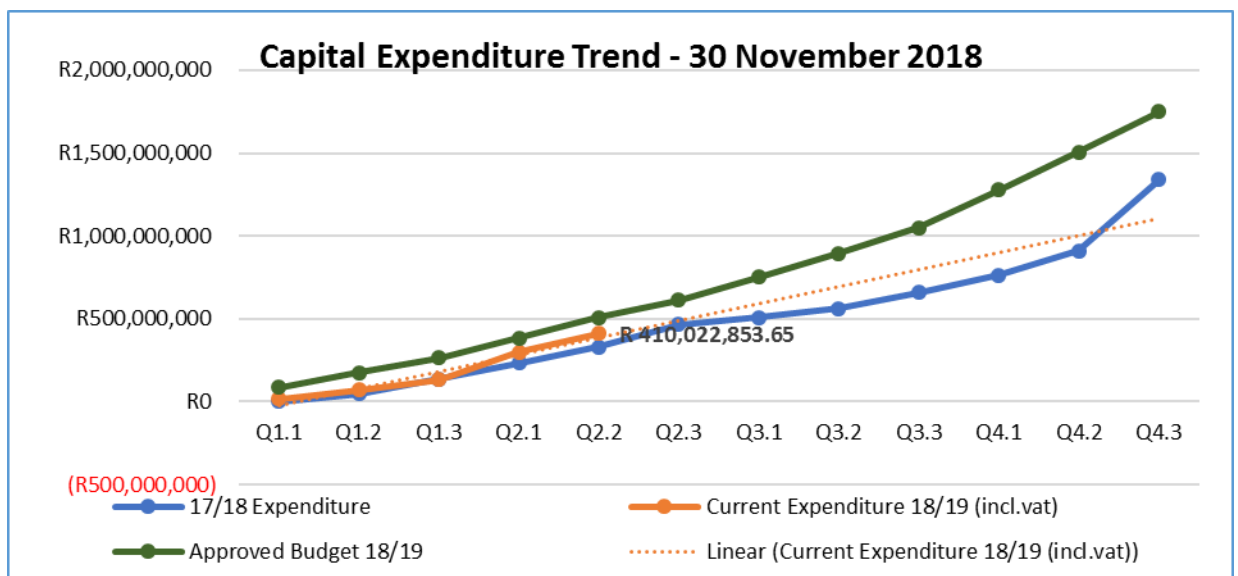
**Table 29: SC14 Monthly Budget Statement – capital expenditure trend**

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

Month	2017/18	Budget Year 2018/19							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
<b>Monthly expenditure performance trend</b>									
July		131,677	923	79,865	79,865	923	(78,942)	-8553.4%	5%
August		131,677	166,312	(14,129)		167,235	-		
September		131,677	166,312	57,137	#VALUE!	333,547	#VALUE!	#VALUE!	#VALUE!
October		131,677	166,312	151,564	#VALUE!	499,859	#VALUE!	#VALUE!	#VALUE!
November		131,677	166,312	104,066	#VALUE!	666,171	#VALUE!	#VALUE!	#VALUE!
December		131,677	166,312	-		832,483	-		
January		131,677	166,312	-		998,795	-		
February		131,677	166,312	-		1,165,107	-		
March		131,677	166,312	-		1,331,419	-		
April		131,677	166,312	-		1,497,731	-		
May		131,677	166,312	-		1,664,043	-		
June		304,692	326,931	-		1,990,974	-		
<b>Total Capital expenditure</b>	-	<b>1,753,142</b>	<b>1,990,974</b>	<b>378,503</b>					

The graph below shows the capital expenditure trend inclusive of reclaimed vat for the current financial year and the previous financial year.

**Figure 6: Capital Expenditure Trend**



## 15. OTHER SUPPORTING DOCUMENTS

### 15.1. Operating Projects Expenditure

The Metro has spent 15% (R51.40 million, inclusive of reclaimed vat) of its 2018/19 adjusted operating projects budget of R333.73 million as at 30 November 2018. This reflects a decline when compared to the same period in the previous financial year where 29% (R87.95 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R300.91 million was spent.

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

Tables 30 and 30 below summarise Annexure D.

**Table 30: Operating Projects per Directorate**

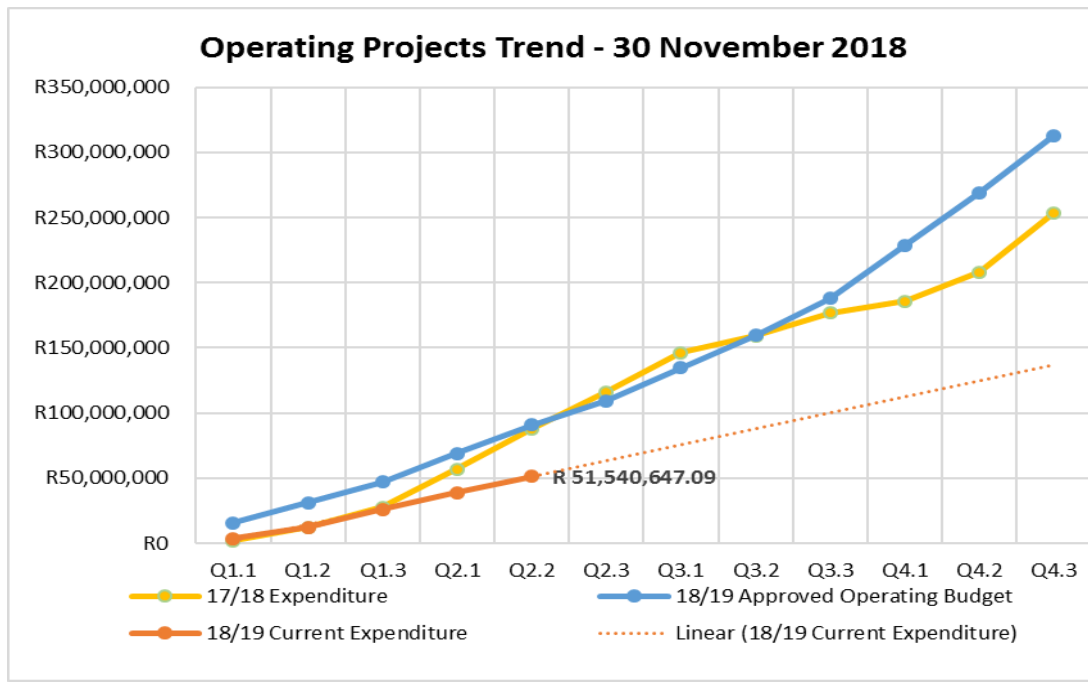
Directorate	1st Adjustment budget	2018/2019 YTD EXPENDITURE INCLD. VAT	2018/2019 EXPENDITURE INCLD. VAT %
1. Executive Support Services	44,173,011	2,155,341	5%
2. Municipal Manager's Office	37,559,760	13,780,349	37%
3. Human Settlements	76,568,064	4,545,392	6%
4. Directorate of Financial Services	26,430,933	7,828,864	30%
5. Directorate of Corporate Services	21,710,375	6,994,076	32%
6. Directorate of Infrastructure Services	61,000,000	1,559,412	3%
7. Development and Spatial Planning	15,900,000	2,302,260	14%
8. Directorate of Economic Development	34,310,000	9,360,574	27%
9. Directorate of Health & Public Safety	1,179,300	175,884	15%
10. Directorate of Municipal Services	14,900,000	2,838,494	19%
<b>TOTAL PER DIRECTORATE</b>	<b>333,731,443</b>	<b>51,540,647</b>	<b>15%</b>

**Table 31: Operating Projects Per Funding Source**

<b>Funding</b>	<b>1st Adjustment budget</b>	<b>2018/2019 YTD EXPENDITURE INCLD. VAT</b>	<b>2018/2019 EXPENDITURE INCLD. VAT %</b>
Own Funds	149,177,518	30,651,443	21%
<b>Total Own Funding</b>	<b>149,177,518</b>	<b>30,651,443</b>	<b>21%</b>
Expanded Public Works Programme Incentives Grant	4,050,000	4,556,375	113%
Finance Management Grant	1,150,000	246,768	21%
Human Settlement Development Grant	56,201,024	368,202	1%
Human Settlement Development Grant c/o	19,797,040	3,677,191	19%
Infrastructure Skills Development Grant	10,700,000	3,849,079.03	36%
Public Transport Infrastructure Grant	14,000,000	1,401,177	10%
Salaida (Galve)	846,101	21,653	3%
Urban Settlement Development Grant	77,809,760	6,768,759	9%
<b>TOTAL GRANTS</b>	<b>184,553,925</b>	<b>20,889,204</b>	<b>11%</b>
<b>TOTAL PER FUNDING</b>	<b>333,731,443</b>	<b>51,540,647</b>	<b>15%</b>

The graph below shows the operating projects expenditure trend for the current financial year and the previous financial year.

**Figure 7: Operating Projects Expenditure Trend**



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

**15.2.1. Health / Public Safety & Emergency Services**

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

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

<b>Health &amp; Public Safety</b>	<b>Total Revenue</b>	<b>Employee Costs</b>	<b>Other Operating Expenditure</b>	<b>Repairs &amp; Maintenance</b>	<b>Total Expenditure Excluding Capital</b>
<b>OFFICE OF THE DIRECTOR OF HEALTH / PUBLIC SAFETY &amp; EMERGENCY SERVICES</b>	<b>0</b>	<b>1,697,792</b>	<b>97,543</b>	<b>1,210</b>	<b>1,796,544</b>
<b>GM - EMERGENCY SERVICES</b>	<b>(39,550,631)</b>	<b>35,737,992</b>	<b>4,021,607</b>	<b>832,030</b>	<b>40,591,630</b>
EMERGENCY SERVICES	0	1,111,629	34,943	0	1,146,573
DISASTER MANAGEMENT	0	1,193,947	423,242	18,080	1,635,269
FIRE & RESCUE	(39,550,631)	33,432,416	3,563,423	813,950	37,809,789
<b>GM - MUNICIPAL HEALTH SERVICES</b>	<b>(537,000)</b>	<b>14,393,065</b>	<b>894,943</b>	<b>64,510</b>	<b>15,352,517</b>
MUNICIPAL HEALTH SERVICES: COASTAL REGION	(537,000)	14,393,065	894,943	64,510	15,352,517
<b>GM - PUBLIC SAFETY &amp; PROTECTION SERVICES</b>	<b>(18,941,132)</b>	<b>96,493,077</b>	<b>5,461,282</b>	<b>906,916</b>	<b>102,861,274</b>
PUBLIC SAFETY & PROTECTION SERVICES	(134,542)	834,382	839,946	564,111	2,238,439
LAW ENFORCEMENT SERVICES	(4,582)	54,590,527	1,950,837	257,675	56,799,039
TRAFFIC SERVICES	(18,802,009)	41,068,168	2,670,498	85,130	43,823,796
<b>Total</b>	<b>(59,028,764)</b>	<b>148,321,926</b>	<b>10,475,374</b>	<b>1,804,666</b>	<b>160,601,966</b>

### 15.2.2. Municipal Services

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

**Table 33: Municipal Services – Cost Analysis**

Municipal Services	Total Revenue	Employee Costs	Other Operating Expenditure	Repairs & Maintenance	Total Expenditure Excluding Capital
<b>OFFICE OF THE DIRECTOR OF MUNICIPAL SERVICES</b>	<b>0</b>	<b>3,449,115</b>	<b>438,452</b>	<b>20,836.24</b>	<b>3,908,403</b>
<b>GM - COMMUNITY AMENITIES</b>	<b>(1,266,845)</b>	<b>52,425,238</b>	<b>32,466,084</b>	<b>5,312,295.77</b>	<b>90,203,618</b>
COMMUNITY AMENITIES	0	5,610,357	25,953,120	182,669.42	31,746,147
LIBRARIES & HALLS					
LIBRARIES	(69,894)	11,037,854	2,535,672	452,627.08	14,026,153
HALLS	(518,907)	8,969,109	1,318,856	1,015,448.69	11,303,414
RECREATION	(624,910)	16,765,468	1,358,732	1,320,467.94	19,444,668
SPORTS FACILITIES	(53,135)	10,042,450	1,299,705	2,341,082.64	13,683,237
<b>GM - PARKS / CEMETRIES &amp; CONSERVATION</b>	<b>(3,727,716)</b>	<b>62,366,933</b>	<b>10,677,827</b>	<b>3,495,605.75</b>	<b>76,540,365</b>
PARKS / CEMETRIES & CONSERVATION		1,237,586	83,451	-	1,321,037
CEMETRIES & CREMATORIA	(3,092,844)	10,665,770	4,134,870	1,380,577.10	16,181,217
CONSERVATION	(595,394)	7,347,886	1,224,006	410,520.49	8,982,412
PARKS: COASTAL	(39,478)	43,115,692	5,235,500	1,704,508.16	50,055,699
<b>GM - SOLID WASTE MANAGEMENT</b>	<b>(161,619,312)</b>	<b>72,558,511</b>	<b>56,854,714</b>	<b>4,346,109.28</b>	<b>133,759,334</b>
SOLID WASTE MANAGEMENT	0	6,145,178	6,534,001	3,568,584.85	16,247,763
CLEANSING & REFUSE REMOVAL: COASTAL	(160,394,282)	60,091,516	37,376,888	777,524.43	98,245,929
LANDFILLS & TRANSFER STATIONS	(1,225,030)	6,321,817	12,943,825	-	19,265,642
<b>Total</b>	<b>(166,613,873)</b>	<b>190,799,797</b>	<b>100,437,077</b>	<b>13,174,847.04</b>	<b>304,411,720</b>

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

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

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

The monthly budget statement (Section 71 Report)

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

**Print name: Andile Sihlahla**

**City Manager of Buffalo City Metropolitan Municipality**

**Signature: .....**

**Date: .....**

## **ANNEXURES:**

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

### **Annexure B**

- SC1 Material Variance Explanation
- SC2 Performance Indicators
- SC3 Aged Debtors
- SC4 Aged Creditors
- SC5 Investment Portfolio
- SC6 Transfers and Grants Receipts
- SC7 (1) Transfers and Grants Expenditure
- SC7 (2) Expenditure against approved rollovers
- SC8 Councillor and Staff Benefits
- SC9 Actuals and Revised Targets for Cash Receipts
- SC11 Monthly Budget Statement – Summary of Municipal Entity
- SC14 Capital Expenditure trend
- SC13a Capital Expenditure on New Assets by Class
- SC13b Capital Expenditure on Renewal of Existing Assets by Class
- SC13c Expenditure on Repairs and Maintenance by Asset Class
- SC13d Depreciation by Asset Class

### **Annexure C**

Schedule of Borrowings

### **Annexure D**

Operating expenditure report

### **Annexure E**

Capital expenditure report

### **Annexure F**

Buffalo City Metropolitan Development Agency Performance Report