

REPORT TO EXECUTIVE MAYOR: 13 JUNE 2016

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

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**STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF
THE 2015/16 BUDGET FOR THE PERIOD ENDED 31 MAY 2016**

1. PURPOSE

The purpose of the report is for the Executive Mayor to consider and note the statement of financial performance and the implementation of the 2015/16 budget of the Buffalo City Metropolitan Municipality for the period ended 31 May 2016.

2. AUTHORITY

Executive Mayor

3. LEGAL / STATUTORY REQUIREMENTS

The Constitution of the Republic of South Africa, 1996

Municipal Finance Management Act No 56, 2003

Municipal Budget and Reporting Regulations, 2009

4. BACKGROUND

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

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

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

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PART 1: IN-YEAR REPORT

5. RESOLUTIONS

It is recommended that:

- (i) The Executive Mayor considers and note the report on the statement of financial performance and the implementation of the 2015/16 budget for the period ended 31 May 2016 including supporting documentation attached as Annexure A to E.
- (ii) The Executive Mayor note the spending trends 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 note the year to date collection rate for the period ended 31 May 2016 of 85.86%.

ACTING CITY MANAGER

DATE

**6. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND
THE FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY FOR THE
PERIOD ENDED 31 MAY 2016**

6.1. Dashboard / Performance Summary

Table 1: Performance Summary

OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	R 5,071,701,681	Bank Balance	R 309,621,531
Expenditure	R 4,768,511,856	Call investments (excl. int.)	R2,507,120,280
Operating Surplus	R 303,189,825	Cash and cash equivalents	R 2,816,741,811
Transfers Recognised - Capital	R 521,656,352	<i>Account Payables</i>	<i>(R 473,698,482)</i>
Surplus After Capital Transfers	R 824,846,177	<i>Unspent conditional grants</i>	<i>(R 293,144,327)</i>
DEBTORS		<i>Committed to Capital budget- own funds</i>	<i>(R 379,185,816)</i>
Total debtors book	R 1,624,700,129	Therefore Cash and Cash equivalent ring fenced for asset renewal in outer years	R1,670,713,186
Total debtors - Government	R 24,815,376	Total Long term loans	R 509,333,026
Total debtors - Business	R 366,220,760	SURPLUS / DEFICIT PER SERVICE	
Total debtors - Households	R 1,009,403,147	Water	R 24,966,966
Total debtors - Other	R 224,260,846	Electricity	R 183,592,565
Total debt written off	R 38,398,417	Refuse	R 66,578,932
REPAIRS AND MAINTENANCE		Sewerage	R 20,297,913
2014/2015: Exp. = R257.81m, which is 79% of adj. budget of R327.75m	2015/2016: Exp. = R274.28m, which is 74% of adj. budget of R371.61m		
CAPITAL EXPENDITURE		OPERATING PROJECTS EXPENDITURE	
2014/2015: Exp. as a % of Adj. Budget of R1.17b: Exp. (excl. vat)=R702.31 mil % exp (Excl. vat) :60% Exp. (incl. vat)=R764.26 mil % exp (incl. vat): 65%	2015/2016: Exp. as a % of Adj. Budget of R1.39b: Exp. (excl. vat) = R743.28 mil % exp (Excl. vat) :53% Exp. (incl. vat) = R800.74 mil % exp (incl. vat): 58%	2014/2015: Exp. as a % of Adj. Budget of R341.92m: Exp.(excl. vat)=R225.81 mil % exp.(excl. vat): 66% Exp.(incl. vat)=R226.49 mil % exp.(incl. vat): 66%	2015/2016: Exp. as a % of Adj. Budget of R501.84m: Exp.(excl. vat)=R289.97 mil % exp.(excl. vat): 58% Exp.(incl. vat) = R292.45 mil % exp.(incl. vat): 58%
FINANCIAL		HUMAN RESOURCES	
Operating Surplus for the period	R 303,189,825	Total staff complement	4939
Debtors collection ratio	85.86%	Staff Appointments	817
YTD Grants and subsidies	R 893,674,444	Staff Terminations	240
% of Creditors paid within terms	100%	Number of funded vacant posts	822
Current ratio	3.70:1	Total overtime paid (YTD)	R 108,486,554
Total Debt to Revenue	11.04%	Allowances and benefits - Councillors	R 49,891,426
Capital Charges to Operating Expenditure	1.74%	Salary bill - Officials	R 1,256,259,843
Cost coverage ratio	9.48 months	Workforce costs as a % of expenditure	27.39%

6.2 Liquidity position

Buffalo City Metropolitan Municipality's liquidity is considered relatively sound as the Current Ratio is 3.70:1 which indicates the ability of Municipality's current assets to cover its current liabilities. Debtors constitute 25% of the current assets, inventory constitutes 1% and cash & cash equivalents comprise 74% of the current assets.

6.3 Collection Rate and Outstanding Debtors

The debtor's collection rate for the period ended 31 May 2016 is 101% (2014/15: 90.86%) and the year to date collection rate for the ten (10) months is 85.86%. Total debtors book as at 31 May 2016 amounts to R1.62 billion (2015: R1.5 billion). Households: R1.01 billion, Business: R366.22 million, Government: R24.82 million, Other: R224.26 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 R800.74 million inclusive of reclaimed vat (2014/15: R764.26 million) which is 58% (2014/15: 65%) of its 2015/16 mid-year adjusted capital budget of R1.39 billion (2014/15: R1.17 billion) as at 31 May 2016. This depicts a regression in terms of percentage when compared to the same period in the previous financial year. However, the rand value spent is above what was spent last year as R800.74 million (inclusive of reclaimed vat) has been spent compared to R764.23 million (inclusive of reclaimed vat) that was spent for the same period in 2014/15. (Refer to Section 14 for further details)

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

6.5 Operating projects

The Metro has spent 58% (R292.45 million, inclusive of reclaimed vat) of its 2015/16 mid-year adjusted budget of R501.84 million as at 31 May 2016. This reflects a regression when compared to the same period in the previous financial year where 66% (R226.49 million) of the mid-year adjusted operating projects budget of R341.92 million was spent. However, the rand value spent is above what was spent last year

as R292.45 million (inclusive of reclaimed vat) has been spent compared to R226.49 million (inclusive of reclaimed vat) that was spent for the same period in 2014/15. (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 R618.53 million (inclusive of reclaimed vat) (2014/15: R552.7 million) which is 75% (2014/15: 78%) of its 2015/2016 conditional grants budget of R824.32 million (2014/15: R707.77 million) as at 31 May 2016. (Refer to Section 11 for further details)

6.6.1. Urban Settlement Development Grant (USDG) funded projects

BCMM has spent R583.43 million (inclusive of reclaimed vat) (2014/15: R516.4 million) which is 77% (2014/15: 77%) of its 2015/16 USDG budget of R755.5 million (2014/15: R673.29 million) as at 31 May 2016. This is the same percentage that was spent last year, however it reflects an improvement in rand value terms when compared to the same period in the previous financial year as R583.43 million (inclusive of reclaimed vat) has been spent compared to R516.4 million (inclusive of reclaimed vat) that was spent for the same period in 2014/15 . (Refer to Section 11 for further details).

6.7 Cash and Cash Equivalents

The cash and cash equivalents of the City as at 31 May 2016 are R2.82 billion made up of cash and bank amounting to R309.62 million and call investment deposits of R2.51 billion. This funding is invested with various financial institutions in compliance with the MFMA. Refer to Section 7.7 and Annexure A – C7 for the cash flow statement as well as Section 10 and Annexure B – SC5 for the investment portfolio breakdown. The cost coverage ratio of the city is 9.48 months. This indicates a strong financial health as it is above the norm of 1-3 months as per the MFMA circular 71.

6.8 Outstanding Creditors

The Metro is paying its creditors within 30 days as stipulated by the MFMA except

when there are disputes on received invoices. Refer to Section 9 for details.

6.9 Long-Term Debt Profile

The total long term borrowings of the municipality as at 31 May 2016 amounts to R509.3 million (Refer to Annexure C for the schedule of borrowings).

The ratio of capital charges to operating expenditure as at 31 May 2016 is 1.74%, the acceptable norm in accordance with the MFMA circular 71 is 6-8%.

The total debt to revenue ratio is 11.04% as at 31 May 2016, this indicates that the municipality is highly solvent to meet its debt obligation. The acceptable norm in accordance with the MFMA circular 71 is 45%.

7. IN-YEAR BUDGET STATEMENT MAIN TABLES

7.1 Monthly Budget Statement Summary

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

Table 2:C1: Monthly Budget Statement Summary

BUF Buffalo City - Table C1 Monthly Budget Statement Summary - M11 May

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	794 519	903 413	953 413	70 557	839 447	789 693	49 754	6%	953 413
Service charges	2 424 753	2 686 741	2 790 741	147 967	2 522 099	2 382 195	139 904	6%	2 790 741
Investment revenue	124 166	133 620	133 620	13 983	137 946	116 060	21 885	19%	133 620
Transfers recognised - operational	948 239	1 249 333	1 078 556	14 256	893 674	988 676	(95 002)	-10%	1 078 556
Other own revenue	658 478	746 500	734 500	36 240	678 536	658 166	20 370	3%	734 500
Total Revenue (excluding capital transfers and contributions)	4 950 155	5 719 607	5 690 830	283 003	5 071 702	4 934 790	136 912	3%	5 690 830
Employee costs	1 192 331	1 387 619	1 425 572	135 912	1 256 260	1 303 199	(46 939)	-4%	1 425 572
Remuneration of Councillors	47 682	52 910	54 810	4 317	49 891	46 108	3 783	8%	54 810
Depreciation & asset impairment	729 880	712 213	740 930	103 266	679 186	679 186	0	0%	740 930
Finance charges	60 671	54 313	55 813	4 651	49 813	48 648	1 166	2%	55 813
Materials and bulk purchases	1 213 642	1 377 012	1 407 012	109 725	1 257 833	1 211 553	46 281	4%	1 407 012
Transfers and grants	235 798	258 568	258 568	21 320	216 512	222 348	(5 835)	-3%	258 568
Other expenditure	1 736 520	1 876 050	1 747 203	116 597	1 259 016	1 654 335	(395 319)	-24%	1 747 203
Total Expenditure	5 216 523	5 718 685	5 689 908	495 788	4 768 512	5 165 376	(396 864)	-8%	5 689 908
Surplus/(Deficit)	(266 368)	922	922	(212 785)	303 190	(230 586)	533 776	-231%	922
Transfers recognised - capital	615 492	850 353	850 353	67 604	521 656	680 282	(158 626)	-23%	850 353
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	349 124	851 275	851 275	(145 181)	824 846	449 696	375 150	83%	851 275
Share of surplus/ (deficit) of associate	22 359	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	371 483	851 275	851 275	(145 181)	824 846	449 696	375 150	83%	851 275
Capital expenditure & funds sources									
Capital expenditure	930 050	1 275 354	1 390 877	96 244	743 277	496 227	247 050	50%	1 390 877
Capital transfers recognised	615 492	850 353	789 612	67 604	521 656	281 712	239 944	85%	789 612
Public contributions & donations	-	-	459	-	-	164	(164)	-100%	459
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	314 558	425 002	600 806	28 640	221 620	214 351	7 269	3%	600 806
Total sources of capital funds	930 050	1 275 354	1 390 877	96 244	743 277	496 227	247 050	50%	1 390 877
Financial position									
Total current assets	3 090 516	3 250 381	3 247 391		3 823 985				3 247 391
Total non current assets	12 545 184	11 706 711	11 706 712		12 608 904				11 706 712
Total current liabilities	1 004 468	1 026 227	1 026 228		1 032 494				1 026 228
Total non current liabilities	1 011 100	1 099 508	1 099 508		980 597				1 099 508
Community wealth/Equity	13 620 132	12 831 357	12 828 366		14 419 797				12 828 366
Cash flows									
Net cash from (used) operating	1 013 447	1 350 929	1 560 620	132 934	1 392 718	1 483 735	91 017	6%	1 560 620
Net cash from (used) investing	(923 670)	(1 275 354)	(1 412 877)	(96 244)	(743 277)	(1 274 971)	(531 694)	42%	(1 412 877)
Net cash from (used) financing	(53 669)	(46 097)	(46 097)	-	(33 241)	(42 256)	(9 015)	21%	(46 097)
Cash/cash equivalents at the month/year end	2 200 541	2 383 434	2 300 443	-	2 816 742	2 365 306	(451 436)	-19%	2 302 186
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	244 180	76 590	57 983	47 207	45 604	38 309	248 489	866 337	1 624 700
Creditors Age Analysis									
Total Creditors	473 698	-	-	-	-	-	-	-	473 698

7.2 Monthly Budget Statement – Financial Performance (standard classification)

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

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

BUF Buffalo City - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M11 May

Description	Ref	2014/15	Budget Year 2015/16							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		1 886 925	1 974 740	2 014 714	96 028	1 919 292	1 773 239	146 053	8%	2 014 714
Executive and council		28 536	37 902	27 996	1 551	22 229	31 976	(9 746)	-30%	27 996
Budget and treasury office		1 846 004	1 922 818	1 972 698	94 048	1 839 138	1 729 430	109 709	6%	1 972 698
Corporate services		12 385	14 019	14 019	429	57 924	11 834	46 090	389%	14 019
<i>Community and public safety</i>		286 920	651 123	412 038	32 833	298 396	410 189	(111 794)	-27%	412 038
Community and social services		9 404	17 738	17 738	1 102	18 554	15 217	3 337	22%	17 738
Sport and recreation		3 346	5 601	5 601	268	4 844	4 702	142	3%	5 601
Public safety		79 741	90 035	87 535	18 510	127 538	70 930	56 608	80%	87 535
Housing		193 400	535 206	298 621	12 953	147 037	317 224	(170 187)	-54%	298 621
Health		1 029	2 542	2 542	-	423	2 116	(1 693)	-80%	2 542
<i>Economic and environmental services</i>		79 188	97 752	88 383	1 237	15 950	90 871	(74 921)	-82%	88 383
Planning and development		25 472	21 272	21 403	1 146	15 223	18 873	(3 650)	-19%	21 403
Road transport		49 859	76 096	66 596	84	592	71 673	(71 081)	-99%	66 596
Environmental protection		3 857	385	385	6	135	325	(190)	-58%	385
<i>Trading services</i>		2 701 728	2 972 019	3 151 720	152 905	2 826 955	2 641 285	185 670	7%	3 151 720
Electricity		1 534 229	1 726 439	1 830 439	75 504	1 629 724	1 651 070	(21 346)	-1%	1 830 439
Water		461 672	492 088	492 088	36 404	496 152	294 958	201 194	68%	492 088
Waste water management		369 759	392 460	405 661	15 409	361 995	371 917	(9 922)	-3%	405 661
Waste management		336 068	361 032	423 532	25 588	339 085	323 341	15 744	5%	423 532
<i>Other</i>	4	633 245	874 327	874 327	67 604	532 765	699 487	(166 722)	-24%	874 327
Total Revenue - Standard	2	5 588 007	6 569 960	6 541 182	350 607	5 593 358	5 615 072	(21 714)	0%	6 541 182
Expenditure - Standard										
<i>Governance and administration</i>		1 074 718	1 087 762	1 123 270	79 873	865 637	955 041	(89 403)	-9%	1 123 270
Executive and council		154 500	194 037	201 849	11 373	146 149	168 883	(22 733)	-13%	201 849
Budget and treasury office		622 050	466 958	510 649	32 017	338 354	408 938	(70 583)	-17%	510 649
Corporate services		298 168	426 767	410 772	36 484	381 134	377 220	3 913	1%	410 772
<i>Community and public safety</i>		612 695	989 070	786 101	58 272	608 751	841 022	(232 271)	-28%	786 101
Community and social services		88 098	93 320	95 656	7 110	70 551	81 911	(11 360)	-14%	95 656
Sport and recreation		78 789	74 147	74 147	9 279	86 221	65 198	21 023	32%	74 147
Public safety		209 992	219 275	219 275	25 137	245 264	193 539	51 725	27%	219 275
Housing		207 474	571 731	336 649	14 492	179 587	473 429	(293 842)	-62%	336 649
Health		28 342	30 598	60 374	2 255	27 128	26 945	183	1%	60 374
<i>Economic and environmental services</i>		775 123	843 333	862 950	48 596	681 961	728 411	(46 450)	-6%	862 950
Planning and development		221 953	213 708	239 760	23 992	204 345	197 378	6 967	4%	239 760
Road transport		453 960	527 886	521 451	16 247	382 146	441 790	(59 644)	-14%	521 451
Environmental protection		99 210	101 739	101 739	8 357	95 470	89 243	6 227	7%	101 739
<i>Trading services</i>		2 740 479	2 781 669	2 900 735	307 386	2 597 904	2 626 412	(28 508)	-1%	2 900 735
Electricity		1 481 918	1 625 904	1 659 904	141 037	1 482 182	1 576 542	(94 360)	-6%	1 659 904
Water		586 655	503 337	511 337	84 728	504 678	454 591	50 087	11%	511 337
Waste water management		371 722	362 232	425 232	46 333	336 898	328 366	8 531	3%	425 232
Waste management		300 184	290 196	304 262	35 288	274 146	266 912	7 233	3%	304 262
<i>Other</i>		13 509	16 851	16 851	1 659	14 258	14 490	(232)	-2%	16 851
Total Expenditure - Standard	3	5 216 523	5 718 685	5 689 908	495 788	4 768 512	5 165 376	(396 864)	-8%	5 689 908
Surplus/ (Deficit) for the year		371 483	851 275	851 275	(145 181)	824 846	449 696	375 150	83%	851 275

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

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

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

BUF Buffalo City - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M11 May										
Vote Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%		
Revenue by Vote	1									
Vote 1 - Directorate - Executive Support Services		733	-	131	31	471	131	340	258.3%	131
Vote 2 - Directorate - City Manager		28 536	37 902	47 807	1 551	22 229	31 658	(9 428)	-29.8%	47 807
Vote 3 - Directorate - Human Settlements		196 494	535 206	352 011	12 958	147 087	317 232	(170 146)	-53.6%	352 011
Vote 4 - Directorate - Finance		1 846 004	1 922 818	1 972 698	94 048	1 839 138	1 589 607	249 531	15.7%	1 972 698
Vote 5 - Directorate - Corporate Services		7 832	11 851	11 851	337	6 085	9 729	(3 644)	-37.5%	11 851
Vote 6 - Directorate - Infrastructure Services		2 369 496	2 614 132	2 718 132	127 321	2 538 268	2 461 505	76 763	3.1%	2 718 132
Vote 7 - Directorate - Development Planning		44 568	55 515	55 515	1 283	27 836	47 514	(19 679)	-41.4%	55 515
Vote 8 - Directorate - Health / Public Safety & Emergency Services		126 175	157 427	145 427	18 510	127 961	131 866	(3 905)	-3.0%	145 427
Vote 9 - Directorate - Municipal Services		352 676	384 756	387 256	26 965	362 627	345 547	17 080	4.9%	387 256
Vote 10 - Directorate - Miscellaneous		615 492	850 353	850 353	67 604	521 656	680 282	(158 626)	-23.3%	850 353
Total Revenue by Vote	2	5 588 007	6 569 960	6 541 182	350 607	5 593 358	5 615 072	(21 714)	-0.4%	6 541 182
Expenditure by Vote	1									
Vote 1 - Directorate - Executive Support Services		158 483	164 414	198 928	15 258	163 977	159 174	4 804	3.0%	198 928
Vote 2 - Directorate - City Manager		79 494	102 124	111 469	4 366	64 432	90 363	(25 931)	-28.7%	111 469
Vote 3 - Directorate - Human Settlements		218 348	582 205	400 614	14 873	184 084	480 365	(296 280)	-61.7%	400 614
Vote 4 - Directorate - Finance		622 050	466 958	510 649	32 017	338 354	406 399	(68 045)	-16.7%	510 649
Vote 5 - Directorate - Corporate Services		123 906	214 533	185 537	17 083	146 161	189 569	(43 408)	-22.9%	185 537
Vote 6 - Directorate - Infrastructure Services		2 921 502	3 046 354	3 085 019	293 660	2 808 218	2 835 499	(27 281)	-1.0%	3 085 019
Vote 7 - Directorate - Development Planning		255 196	274 508	300 228	27 694	251 345	246 134	5 211	2.1%	300 228
Vote 8 - Directorate - Health / Public Safety & Emergency Services		264 371	283 787	313 488	27 662	274 803	249 499	25 304	10.1%	313 488
Vote 9 - Directorate - Municipal Services		573 172	582 239	582 411	63 175	537 137	508 374	28 763	5.7%	582 411
Vote 10 - Directorate - Miscellaneous		-	1 565	1 565	-	-	-	-		1 565
Total Expenditure by Vote	2	5 216 523	5 718 685	5 689 908	495 788	4 768 512	5 165 376	(396 864)	-7.7%	5 689 908
Surplus/ (Deficit) for the year	2	371 483	851 275	851 275	(145 181)	824 846	449 696	375 150	83.4%	851 275

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 31 May 2016.

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

BUF Buffalo City - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M11 May

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	794 519	902 842	952 842	70 557	839 447	789 139	50 307	6%	952 842
Property rates - penalties & collection charges	–	571	571	–	–	553	(553)	-100%	571
Service charges - electricity revenue	1 465 814	1 658 671	1 758 671	73 017	1 554 964	1 451 022	103 943	7%	1 758 671
Service charges - water revenue	394 282	411 381	411 381	35 148	412 507	376 791	35 716	9%	411 381
Service charges - sanitation revenue	278 832	314 571	314 571	14 753	277 380	288 818	(11 438)	-4%	314 571
Service charges - refuse revenue	261 807	286 063	286 063	23 904	263 536	250 785	12 751	5%	286 063
Service charges - other	24 018	16 056	20 056	1 145	13 712	14 779	(1 068)	-7%	20 056
Rental of facilities and equipment	17 430	18 629	18 629	1 086	20 796	15 957	4 839	30%	18 629
Interest earned - external investments	124 166	133 620	133 620	13 983	137 946	116 060	21 885	19%	133 620
Interest earned - outstanding debtors	34 999	32 175	32 175	3 135	29 531	30 345	(814)	-3%	32 175
Dividends received	–	–	–	–	–	–	–	–	–
Fines	5 500	10 293	7 793	938	5 641	7 144	(1 503)	-21%	7 793
Licences and permits	14 034	22 472	12 972	983	11 870	11 891	(21)	0%	12 972
Agency services	–	–	–	–	–	–	–	–	–
Transfers recognised - operational	948 239	1 249 333	1 078 556	14 256	893 674	988 676	(95 002)	-10%	1 078 556
Other revenue	586 515	662 931	662 931	30 098	610 699	592 830	17 869	3%	662 931
Gains on disposal of PPE	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)	4 950 155	5 719 607	5 690 830	283 003	5 071 702	4 934 790	136 912	3%	5 690 830

Description	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Expenditure By Type									
Employee related costs	1 192 331	1 387 619	1 425 572	135 912	1 256 260	1 303 199	(46 939)	-4%	1 425 572
Remuneration of councillors	47 682	52 910	54 810	4 317	49 891	46 108	3 783	8%	54 810
Debt impairment	365 110	245 009	253 979	21 165	232 814	232 814	(0)	0%	253 979
Depreciation & asset impairment	729 880	712 213	740 930	103 266	679 186	679 186	0	0%	740 930
Finance charges	60 671	54 313	55 813	4 651	49 813	48 648	1 166	2%	55 813
Bulk purchases	1 213 642	1 377 012	1 407 012	109 725	1 257 833	1 211 553	46 281	4%	1 407 012
Contracted services	14 607	21 622	21 622	740	8 803	18 938	(10 135)	-54%	21 622
Transfers and grants	235 798	258 568	258 568	21 320	216 512	222 348	(5 835)	-3%	258 568
Other expenditure	1 326 394	1 609 419	1 471 602	94 692	1 017 399	1 402 583	(385 184)	-27%	1 471 602
Loss on disposal of PPE	30 408	–	–	–	–	–	–	–	–
Total Expenditure	5 216 523	5 718 685	5 689 908	495 788	4 768 512	5 165 376	(396 864)	-8%	5 689 908
Surplus/(Deficit)	(266 368)	922	922	(212 785)	303 190	(230 586)	533 776	(0)	922
Transfers recognised - capital	615 492	850 353	850 353	67 604	521 656	680 282	(158 626)	(0)	850 353
Surplus/(Deficit) after capital transfers & contributions	349 124	851 275	851 275	(145 181)	824 846	449 696			851 275
Taxation	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after taxation	349 124	851 275	851 275	(145 181)	824 846	449 696			851 275
Attributable to minorities	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality	349 124	851 275	851 275	(145 181)	824 846	449 696			851 275
Share of surplus/ (deficit) of associate	22 359	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	371 483	851 275	851 275	(145 181)	824 846	449 696			851 275

7.4.1 ANALYSIS OF STATEMENT OF FINANCIAL PERFORMANCE

7.4.1.1 Property Rates – penalties and collection charges

Penalty rates are raised in terms of the Deed of Sale signed by the municipality and the purchaser of municipal land. In terms of the Deed, the purchaser must erect a structure on a property within a period of 2 years which may not be less than the amount specified on the Deed of Sale, otherwise failure to do so would result in the penalty.

The municipality placed a moratorium on sale of municipal land and this was lifted in January 2015. Since the lifting of the moratorium, the two year period allowed for the purchaser to erect a structure on the property has not lapsed, therefore no penalty rates have been raised.

It is expected that penalty rates will apply in 2017, where the purchasers fails to build a structure to the valued specified in a Deed Of Sale, within the 2 year period.

7.4.1.2 Rental of Facilities & Equipment

The variance is caused by revenue from Commission being incorrectly accounted for. A journal will be processed to correct the mis-allocated income.

7.4.1.3 Interest earned – External Investments

The variance of 19% is due to high interest earned on investments than what was projected. The institution had budgeted to have incurred expenditure from conditional grant funding at a higher rate than is currently the case. This resulted in conditional grant funding being available longer for investment and resulting in additional interest income.

7.4.1.4 Fines

The under-recovery on fines is mostly due to non-payment of traffic fines and withdrawing of drunken driving cases by the Prosecutors.

7.4.1.5 Transfer recognised - Operational

The transfers recognised relate to grants and subsidies received as well as revenue recognised on grant funded operating projects. Revenue from grant funded projects is recognised as the expenditure is incurred and to date R226.59 million has been recognised. Total Grants and Subsidies received amounts to R667.09 million. The low expenditure on grant funded projects has resulted in revenue realised being less than anticipated.

7.4.1.6 Contracted Services

Expenditure relating to contracted services was incorrectly accounted for. A journal will be processed to reflect funds spent to date.

7.4.1.7 Other expenditure

Other expenditure includes operating projects, operational costs as well as repairs and maintenance. The other expenditure incurred is less than the year to date budget by 27%. This is mainly due to the low expenditure on operating projects. Expenditure on repairs and maintenance is provided in table 6 below. Details on operating projects are provided on section 15 of the report.

7.4.1.8 Repairs and Maintenance

Table 6 below reflects that as at 31 May 2016, the repairs and maintenance expenditure is 74% of the approved budget of R371.61 million (2014/15: 79%). This reflects a regression when compared with the prior year. It is however projected that the funding will be fully utilised at year end. Refer to Annexure B: SC13c (repairs and maintenance by asset class).

Table 6: Repairs and Maintenance per Directorate

Directorate	<u>2015/2016</u> <u>Annual</u> <u>Budget</u> <u>R</u>	<u>2015/2016</u> <u>Annual</u> <u>Expenditure</u> <u>R</u>	<u>2015/2016</u> <u>-</u> <u>Variance</u> <u>R</u>	<u>2015/2016</u> <u>% of</u> <u>Budget</u> <u>%</u>
Directorate Of Executive Support Services	2 901 917	1 265 456.26	1 636 460.74	44%
Directorate Of The City Manager	120 609	11 133.50	109 475.50	9%
Directorate Of Corporate Services	5 865 813	3 757 113.69	2 108 699.31	64%
Directorate Of Development & Spatial Planning	25 432 367	18 962 120.84	6 470 246.16	75%
Directorate Of Economic Development & Agencies	1 058 859	592 656.09	466 202.91	56%
Directorate Of Finance	2 935 990	1 371 051.60	1 564 938.40	47%
Directorate Of Health / Public Safety & Emergency Services	5 556 496	2 656 402.61	2 900 093.39	48%
Directorate Of Human Settlement	97 239	83 019.90	14 219.10	85%
Directorate Of Infrastructure Services	293 911 912	217 681 658.77	76 230 253.23	74%
<i>Electricity</i>	111 049 555	77 572 937.44	33 476 617.56	70%
<i>Water</i>	42 375 218	35 687 351.62	6 687 866.38	84%
<i>Sanitation</i>	29 620 452	24 200 836.24	5 419 615.76	82%
<i>Other</i>	110 866 687	80 220 533.47	30 646 153.53	72%
Directorate Of Municipal Services	33 728 503	27 897 611.41	5 830 891.59	83%
TOTAL	371 609 705	274 278 224.67	97 331 480.33	74%

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

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

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

BUF Buffalo City - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M11 May									
Vote Description	2014/15		Budget Year 2015/16						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 1 - Directorate - Executive Support Services	1 321	6 200	4 898	62	1 453	3 342	(1 889)	-57%	4 898
Vote 2 - Directorate - City Manager	5 452	21 500	700	212	212	185	27	15%	700
Vote 3 - Directorate - Human Settlements	144 783	211 424	196 391	14 343	144 189	29 862	114 327	383%	196 391
Vote 4 - Directorate - Finance	3 282	10 000	10 752	10	839	10 262	(9 424)	-92%	10 752
Vote 5 - Directorate - Corporate Services	4 863	21 600	30 621	48	3 636	3 475	160	5%	30 621
Vote 6 - Directorate - Infrastructure Services	671 827	820 556	925 500	69 925	484 894	362 859	122 035	34%	925 500
Vote 7 - Directorate - Development Planning	37 437	68 221	86 153	5 588	48 450	60 887	(12 437)	-20%	86 153
Vote 8 - Directorate - Health / Public Safety & Emergency Services	3 751	21 650	15 809	604	4 898	14 154	(9 256)	-65%	15 809
Vote 9 - Directorate - Municipal Services	57 333	94 204	120 054	5 452	54 705	11 199	43 506	388%	120 054
Total Capital Multi-year expenditure	930 050	1 275 354	1 390 877	96 244	743 277	496 227	247 050	50%	1 390 877
Single Year expenditure appropriation									
Vote 1 - Directorate - Executive Support Services	-	-	-	-	-	-	-	-	-
Vote 2 - Directorate - City Manager	-	-	-	-	-	-	-	-	-
Vote 3 - Directorate - Human Settlements	-	-	-	-	-	-	-	-	-
Vote 4 - Directorate - Finance	-	-	-	-	-	-	-	-	-
Vote 5 - Directorate - Corporate Services	-	-	-	-	-	-	-	-	-
Vote 6 - Directorate - Infrastructure Services	-	-	-	-	-	-	-	-	-
Vote 7 - Directorate - Development Planning	-	-	-	-	-	-	-	-	-
Vote 8 - Directorate - Health / Public Safety & Emergency Services	-	-	-	-	-	-	-	-	-
Vote 9 - Directorate - Municipal Services	-	-	-	-	-	-	-	-	-
Vote 10 - Directorate - Miscellaneous	-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	-	-	-	-	-	-	-	-	-
Total Capital Expenditure	930 050	1 275 354	1 390 877	96 244	743 277	496 227	247 050	50%	1 390 877
Capital Expenditure - Standard Classification									
Governance and administration	14 918	59 300	46 512	332	6 139	16 594	(10 455)	-63%	46 512
Executive and council	6 773	27 700	5 139	274	1 665	1 834	(169)	-9%	5 139
Budget and treasury office	3 282	10 000	10 752	10	839	3 836	(2 997)	-78%	10 752
Corporate services	4 863	21 600	30 621	48	3 636	10 925	(7 289)	-67%	30 621
Community and public safety	165 241	305 568	265 774	17 637	172 821	94 821	78 001	82%	265 774
Community and social services	11 918	40 269	20 050	563	13 585	7 153	6 432	90%	20 050
Sport and recreation	4 788	32 225	33 524	2 127	10 149	11 961	(1 812)	-15%	33 524
Public safety	3 751	21 650	15 809	604	4 898	5 640	(742)	-13%	15 809
Housing	144 783	211 424	196 391	14 343	144 189	70 067	74 123	106%	196 391
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	369 799	333 221	427 260	45 578	250 300	152 435	97 865	64%	427 260
Planning and development	37 437	68 221	86 612	5 588	48 450	30 901	17 550	57%	86 612
Road transport	322 624	265 000	340 649	39 990	201 850	121 534	80 315	66%	340 649
Environmental protection	9 738	-	-	-	-	-	-	-	-
Trading services	379 734	529 266	603 331	32 697	313 990	215 252	98 738	46%	603 331
Electricity	150 386	158 500	164 500	6 926	115 051	58 689	56 362	96%	164 500
Water	91 521	91 000	110 000	11 958	86 596	39 245	47 351	121%	110 000
Waste water management	106 938	258 056	262 352	11 051	81 371	93 600	(12 229)	-13%	262 352
Waste management	30 889	21 710	66 480	2 762	30 971	23 718	7 253	31%	66 480
Other	358	48 000	48 000	-	26	17 125	(17 099)	-100%	48 000
Total Capital Expenditure - Standard Classification	930 050	1 275 354	1 390 877	96 244	743 277	496 227	247 050	50%	1 390 877
Funded by:									
National Government	565 914	742 884	702 762	63 158	473 368	250 726	222 642	89%	702 762
Provincial Government	49 578	107 469	86 850	4 445	48 288	30 986	17 302	56%	86 850
District Municipality	-	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	615 492	850 353	789 612	67 604	521 656	281 712	239 944	85%	789 612
Public contributions & donations	-	-	459	-	-	164	(164)	-100%	459
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	314 558	425 002	600 806	28 640	221 620	214 351	7 269	3%	600 806
Total Capital Funding	930 050	1 275 354	1 390 877	96 244	743 277	496 227	247 050	50%	1 390 877

7.6 Monthly Budget Statement – Financial Position

The table below reflects the financial position of the Metro. It is good to note that the Metro is having high assets over liabilities resulting into the net worth of R14.42 billion.

Table 8: C6: Monthly Budget Statement – Financial Position

BUF Buffalo City - Table C6 Monthly Budget Statement - Financial Position - M11 May

Description	2014/15	Budget Year 2015/16			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	62 873	80 000	80 000	309 622	80 000
Call investment deposits	2 135 924	2 303 434	2 300 443	2 507 120	2 300 443
Consumer debtors	484 302	671 945	671 946	418 066	671 946
Other debtors	362 538	98 188	98 188	545 780	98 188
Current portion of long-term receivables	–	14	14	–	14
Inventory	44 878	96 800	96 800	43 397	96 800
Total current assets	3 090 516	3 250 381	3 247 391	3 823 985	3 247 391
Non current assets					
Long-term receivables	–	60	60	–	60
Investment property	328 302	411 400	411 400	328 302	411 400
Investments in Associate	81 908	–	–	81 908	–
Property, plant and equipment	12 036 600	11 197 291	11 197 292	12 105 482	11 197 292
Intangible assets	98 374	22 800	22 800	93 211	22 800
Other non-current assets		75 160	75 160	–	75 160
Total non current assets	12 545 184	11 706 711	11 706 712	12 608 904	11 706 712
TOTAL ASSETS	15 635 700	14 957 092	14 954 103	16 432 889	14 954 103
LIABILITIES					
Current liabilities					
Borrowing	48 835	46 097	46 097	46 097	46 097
Consumer deposits	48 505	54 050	54 051	53 320	54 051
Trade and other payables	740 894	774 300	774 300	766 843	774 300
Provisions	166 234	151 780	151 780	166 234	151 780
Total current liabilities	1 004 468	1 026 227	1 026 228	1 032 494	1 026 228
Non current liabilities					
Borrowing	497 244	500 418	500 418	466 741	500 418
Provisions	513 856	599 090	599 090	513 856	599 090
Total non current liabilities	1 011 100	1 099 508	1 099 508	980 597	1 099 508
TOTAL LIABILITIES	2 015 568	2 125 735	2 125 736	2 013 092	2 125 736
NET ASSETS	13 620 132	12 831 357	12 828 366	14 419 797	12 828 366
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	9 383 469	10 020 574	10 017 583	10 183 134	10 017 583
Reserves	4 236 663	2 810 783	2 810 783	4 236 663	2 810 783
TOTAL COMMUNITY WEALTH/EQUITY	13 620 132	12 831 357	12 828 366	14 419 797	12 828 366

7.7 Monthly Budget Statement – Cash Flow

The Metros' cash flow position and cash/cash equivalent outcome is shown in the table below. The Metro's cash position reflects a net increase of R616.2 million resulting in cash and cash equivalents closing balance of R2.82 billion as at 31 May 2016.

Table 9: C7: Monthly Budget Statement – Cash Flow

BUF Buffalo City - Table C7 Monthly Budget Statement - Cash Flow - M11 May

Description	Ref	2014/15	Budget Year 2015/16							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges		794 519	831 140	884 767	70 557	839 447	811 037	28 410	4%	884 767
Service charges		2 424 753	2 471 802	2 586 096	146 823	2 508 387	2 423 754	84 633	3%	2 586 096
Other revenue		84 777	657 180	651 758	34 250	662 717	597 445	65 272	11%	651 758
Government - operating		948 263	1 149 387	1 078 556	14 256	893 674	988 676	(95 002)	-10%	1 078 556
Government - capital		615 492	850 353	812 071	36	747 168	744 398	2 770	0%	812 071
Interest		159 221	152 531	165 794	17 118	167 477	151 978	15 498	10%	165 794
Dividends		-	-	0	-	-	0	(0)	-100%	0
Payments										
Suppliers and employees		(3 718 728)	(4 448 581)	(4 304 041)	(124 134)	(4 159 826)	(3 945 371)	214 455	-5%	(4 304 041)
Finance charges		(60 674)	(54 313)	(55 813)	(4 651)	(49 813)	(51 162)	(1 349)	3%	(55 813)
Transfers and Grants		(234 175)	(258 568)	(258 568)	(21 320)	(216 512)	(237 021)	(20 509)	9%	(258 568)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 013 447	1 350 929	1 560 620	132 934	1 392 718	1 483 735	91 017	6%	1 560 620
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		6 254	-	-	-	-	-	-	-	-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		16	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(929 939)	(1 275 354)	(1 412 877)	(96 244)	(743 277)	(1 274 971)	(531 694)	42%	(1 412 877)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(923 670)	(1 275 354)	(1 412 877)	(96 244)	(743 277)	(1 274 971)	(531 694)	42%	(1 412 877)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		3 667	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		(57 336)	(46 097)	(46 097)	-	(33 241)	(42 256)	(9 015)	21%	(46 097)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(53 669)	(46 097)	(46 097)	-	(33 241)	(42 256)	(9 015)	21%	(46 097)
NET INCREASE/ (DECREASE) IN CASH HELD		36 108	29 477	101 645	36 690	616 201	166 508			101 645
Cash/cash equivalents at beginning:		2 164 433	2 353 956	2 198 797		2 200 541	2 198 797			2 200 541
Cash/cash equivalents at monthly year end:		2 200 541	2 383 434	2 300 443		2 816 742	2 365 306			2 302 186

PART 2: SUPPORTING **DOCUMENTATION**

8. IN-YEAR BUDGET STATEMENT SUPPORTING TABLES AND DOCUMENTATION

8.1 Debtors

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

Table 10: SC3 Monthly Budget Statement Aged Debtors

BUF Buffalo City - Supporting Table SC3 Monthly Budget Statement - aged debtors - M11 May

Description	NT Code	Budget Year 2015/16									Total over 90 days	Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total			
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	46 957	20 910	21 387	16 950	17 742	13 086	83 950	230 905	451 887	362 633		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	86 214	12 574	5 219	2 652	2 521	1 466	8 733	30 272	149 651	45 645		
Receivables from Non-exchange Transactions - Property Rates	1400	64 223	23 818	16 707	14 474	13 327	12 643	85 152	223 556	453 900	349 152		
Receivables from Exchange Transactions - Waste Water Management	1500	20 945	7 777	5 368	4 571	4 075	3 714	24 707	110 908	182 065	147 974		
Receivables from Exchange Transactions - Waste Management	1600	15 986	8 158	6 299	5 709	5 173	4 893	29 661	156 838	232 717	202 274		
Receivables from Exchange Transactions - Property Rental Debtors	1700	70	64	62	60	62	60	430	2 930	3 739	3 542		
Interest on Arrear Debtor Accounts	1810									-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-		
Other	1900	9 785	3 289	2 942	2 791	2 704	2 447	15 856	110 928	150 741	134 726		
Total By Income Source	2000	244 180	76 590	57 983	47 207	45 604	38 309	248 489	866 337	1 624 700	1 245 946	-	-
2014/15 - totals only		188 707	51 323	36 295	32 134	37 322	42 005	146 747	566 722	1 101 256	824 930		
Debtors Age Analysis By Customer Group													
Organs of State	2200	13 361	4 462	688	184	127	172	2 599	3 223	24 815	6 304		
Commercial	2300	123 391	20 381	12 535	9 928	9 668	8 184	56 986	125 149	366 221	209 914		
Households	2400	97 433	46 205	39 539	32 488	31 598	25 364	157 811	578 965	1 009 403	826 226		
Other	2500	9 996	5 543	5 220	4 608	4 211	4 589	31 093	159 000	224 261	203 502		
Total By Customer Group	2600	244 180	76 590	57 983	47 207	45 604	38 309	248 489	866 337	1 624 700	1 245 946	-	-

8.1.1. Additional debtors information

The debtors that are older than 30 days, which includes all charges, amounted to R1,380,519,777 as at 31 May 2016 which is an increase of R11,115,406 over the amount of R1,369,404,371 at 30 April 2016.

The change in total debt this month was significantly less than the previous reporting period. The change in the previous reporting period (March 2016 to April 2016) amounted to R58,586,215 as compared to the current change of R11,115,406. This is due to stringent credit control action being implemented during the month resulting in an amount of R254 million being collected in May 2016 as compared to R206 million being collected in April 2016.

8.2. Additional debtor's information.

8.2.1. Age Analysis per Category

Table 11 below details debtors age analysis that are older than 30 days by income source as at 31 May 2016. It also provides comparison with the previous month (30 April 2016) which indicates an increase from R1.37 billion to R1.38 billion.

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

AGEING	RATES	SEWERAGE	ELECTRICITY	WATER	REFUSE	SUNDRY DEBTORS	TOTAL FOR MAY 2016	TOTAL FOR APRIL2016
30 DAYS	23 817 950	7 777 242	12 574 384	20 909 809	8 158 092	3 352 976	76 590 454	88 950 750
60 DAYS	16 706 593	5 367 878	5 218 947	21 386 922	6 298 785	3 003 773	57 982 898	60 642 539
90 DAYS	14 474 227	4 571 101	2 652 119	16 949 875	5 708 781	2 851 345	47 207 447	49 022 834
120 DAYS TO 360 DAYS	111 121 997	32 495 093	12 720 308	114 778 106	39 726 932	21 559 188	332 401 625	327 040 433
YEAR 2	99 117 868	26 967 681	8 874 091	78 015 606	35 563 562	23 859 386	272 398 195	261 750 412
YEAR 3	31 276 102	22 377 167	6 051 596	44 570 675	29 109 343	23 276 993	156 661 876	154 482 721
YEAR 4	23 406 499	15 830 210	4 864 888	27 670 820	21 460 081	17 607 042	110 839 539	109 644 046
YEAR 5	19 523 082	11 118 881	4 819 727	18 801 966	15 001 358	11 885 151	81 150 166	77 245 008
YEAR 5+	50 232 004	34 614 358	5 661 869	61 846 323	55 704 080	37 228 943	245 287 578	240 625 629
TOTAL	389 676 323	161 119 610	63 437 928	404 930 103	216 731 015	144 624 797	1 380 519 777	1 369 404 371

8.2.2. Age Analysis per Category

Table 12 below details debtors age analysis per category type that are older than 30 days as at 31 May 2016. It also reflects the percentage split per category with domestic consumers having the highest share followed by indigent consumers. Please note that the financial system is not able to produce a collection ratio per service, however the collection ratio is reported on globally.

Table 12: Age Analysis per Category Type

CATEGORY TYPE	30 DAYS	60 DAYS	90 DAYS	120 DAYS+	Total	% Share
Domestic	33 107 690	23 731 665	19 714 728	499 650 103	576 204 187	41.74
Indigent	12 762 612	15 581 775	12 648 743	293 295 496	334 288 625	24.21
Business	20 380 616	12 535 223	9 927 719	199 986 413	242 829 971	17.59
Government	4 461 935	688 456	183 509	6 120 493	11 454 393	0.83
Municipal Staff	323 913	221 587	121 492	777 877	1 444 869	0.10
Councillors	10 922	3 948	2 847	15 121	32 837	0.00
Other	5 542 765	5 220 245	4 608 410	198 893 474	214 264 895	15.52
Total	76 590 454	57 982 898	47 207 447	1 198 738 977	1 380 519 777	100.00

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

8.2.3. Debt Incentive Scheme

The City is currently undertaking a debt incentive scheme to encourage consumers to pay its long outstanding debts. Any debt that was 120 days or older as at November 2014 qualifies for a write off of 50% provided that the remaining 50% plus the debt in the current to 90 days ageing categories is paid.

This debt can be paid once-off, or in monthly instalment arrangements; or as a rand-for-rand option, whereby the consumer has an opportunity to pay 50% of the debt older than 120 days off as and when they can, until the end of June 2016 and for every payment made towards this debt, an amount of equal value is written off.

As at 31 May 2016 a total of three thousand six hundred and seventy seven (3677) consumers have registered for the scheme. The total registered debt value is R73.8 million to date and debt write-offs total to R22.02 million.

8.2.4. Government Accounts

The total arrears owed by Government Departments to Buffalo City Metropolitan Municipality as at 31 May 2016 amounted to R11.45 million. This indicates a decrease of R6.04 million when compared to prior month amount of R17.5 million.

A total payment of R17.65 million was receipted from Government Departments in the month of May 2016. The breakdown of the arrears per department (excluding accounts in credit) is indicated in the table hereunder, as at 31 May 2016.

Table 13 below provides an analysis of government debtors as at 31 May 2016 and comparison with the previous month.

Table 13: Analysis of Government Debtors

DEPARTMENT	PROPERTY RATES	SERVICES	ARREARS AS AT 31 MAY 2016	ARREARS AS AT 30 APRIL 2016	DIFFERENCE
National Department Of Public Works	533 074	52 024	585 098	549 790	35 308
Provincial Department Of Public Works	859 882	1 813 048	2 672 931	2 466 310	206 620
Department Of Education		749 184	749 184	2 261 693	(1 512 509)
Department Of Health		3 088 331	3 088 331	7 183 853	(4 095 522)
Department Of Social Development		-	-	654 487	(654 487)
Department Of Transport		37 504	37 504	-	37 504
Department Of Agriculture		23 445	23 445	68 843	(45 398)
Department Of Nature Conservation		10 748	10 748	5 898	4 850
Department of Human Settlements		6 505	6 505	5 792	713
Sport, Recreation, Arts and Culture		309	309	-	309
Department of Labour - UIF Services		7 988	7 988	14 173	(6 185)
Members Of Provincial Legislature		15 582	15 582	85 231	(69 649)
Department of Water Affairs		1	1	1	-
Department of Cooperate Governance & Traditional Affairs		-	-	-	-
Department of Rural Development and Land Reform		427 218	427 218	411 302	-
Provincial RDP Houses		3 829 549	3 829 549	3 790 959	38 590
TOTAL	1 392 957	10 061 436	11 454 393	17 498 331	(6 043 939)

9. CREDITORS' ANALYSIS

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

Table 14: SC4 Monthly Budget Statement Aged Creditors

BUF Buffalo City - Supporting Table SC4 Monthly Budget Statement - aged creditors - M11 May

Description	NT Code	Budget Year 2015/16									Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	105 740	-	-	-	-	-	-	-	-	105 740	84 169
Bulk Water	0200	11 107	-	-	-	-	-	-	-	-	11 107	16 072
PAYE deductions	0300	24 860	-	-	-	-	-	-	-	-	24 860	12 135
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	17 564	-	-	-	-	-	-	-	-	17 564	15 490
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	216 298	-	-	-	-	-	-	-	-	216 298	100 376
Auditor General	0800	715	-	-	-	-	-	-	-	-	715	435
Other	0900	97 414	-	-	-	-	-	-	-	-	97 414	114 702
Total By Customer Type	1000	473 698	-	-	-	-	-	-	-	-	473 698	343 380

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

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

<u>CREDITOR</u>	<u>90 DAYS</u>	<u>60 DAYS</u>	<u>30 DAYS</u>	<u>CURRENT</u>	<u>TOTAL</u>	<u>PAYMENT</u>
ESKOM				105 740 313.12	105 740 313.12	105 740 313.12
RUWACON				13 012 571.14	13 012 571.14	13 012 571.14
AMATOLA WATER				11 107 121.30	11 107 121.30	11 107 121.30
MOTHEO / MPUMALANGA JOINT VENTURE				9 536 885.85	9 536 885.85	9 536 885.85
MANTELLA TRADING 522 CC				7 759 612.07	7 759 612.07	7 759 612.07
LIFETIME CONNECTION MANUFACTURING SUPPLY CC				6 994 617.42	6 994 617.42	6 994 617.42
IMVUSA TRADING 415 CC				6 992 681.50	6 992 681.50	6 992 681.50
LUQAQAMBO CIVILS CONSTRUCTION CC				5 376 679.56	5 376 679.56	5 376 679.56
CZAR CONSTRUCTION				5 363 438.40	5 363 438.40	5 363 438.40
EYA BANTU PROFFESIONAL SERVICES CC				4 643 491.98	4 643 491.98	4 643 491.98
MAMLAMBO CONSTRUCTION				4 286 048.98	4 286 048.98	4 286 048.98
INTERWASTE				4 278 874.73	4 278 874.73	4 278 874.73
MAZIYA GENERAL SERVICES				4 274 023.91	4 274 023.91	4 274 023.91
MORETENG INVESTMENTS				4 249 610.32	4 249 610.32	4 249 610.32
T V R CONSTRUCTION			4 186 845.27	-	4 186 845.27	4 186 845.27
XESIBE CONSTRUCTION				4 165 571.40	4 165 571.40	4 165 571.40
MVEZO PLANT & CIVILS CC				3 942 254.43	3 942 254.43	3 942 254.43
AMANZ ABANTU SERVICES (PTY) LTD				3 356 482.83	3 356 482.83	3 356 482.83
CHIPPA TRAINING ACADEMY (PTY) LTD				2 872 800.00	2 872 800.00	2 872 800.00
MTIMA PLUMBING SERVICE				2 687 184.58	2 687 184.58	2 687 184.58
TOTAL	-	-	4 186 845.27	210 640 263.52	214 827 108.79	214 827 108.79

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 - M11 May								
Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands	Yrs/Months							
Municipality								
Rand Merchant Bank X021901943	Call Account	Call Account	Call Account	260	1.8%	47 080	260	47 340
Absa 91 2884 4539	Call Account	Call Account	Call Account	7	0.0%	1 218	7	1 224
Standard 422 742	Call Account	Call Account	Call Account	5	0.0%	901	5	906
Absa 91 4102 2241	Call Account	Call Account	Call Account	51	0.4%	9 516	51	9 567
Absa 91 4163 6965	Call Account	Call Account	Call Account	1	0.0%	216	1	217
Absa 91 5484 1280	Call Account	Call Account	Call Account	3	0.0%	8	777	785
Rand Merchant Bank X021904910	Call Account	Call Account	Call Account	51	0.3%	9 209	51	9 259
Standard 76586/442740	Call Account	Call Account	Call Account	12	0.1%	2 234	12	2 246
Absa 92 0562 2137	Call Account	Call Account	Call Account	4	0.0%	804	4	808
Rand Merchant Bank X021904913	Call Account	Call Account	Call Account	82	0.6%	14 809	82	14 891
Rand Merchant Bank X021903300	Call Account	Call Account	Call Account	–		–	–	–
Stanlib 551 557 338	Call Account	Call Account	Call Account	–		–	–	–
Absa 92 4434 8061	Call Account	Call Account	Call Account	–		0	–	0
Nedbank 03/7881532939/000126	Call Account	Call Account	Call Account	–		–	–	–
Standard 76586/442739	Call Account	Call Account	Call Account	31	0.2%	5 650	31	5 681
Stanlib 551 660 303	Call Account	Call Account	Call Account	117	0.8%	18 274	117	18 391
Nedbank 03/7881532939/000041	Call Account	Call Account	Call Account	37	0.3%	6 766	37	6 803
Nedbank 03/7881532939/000056	Call Account	Call Account	Call Account	6	0.0%	1 067	6	1 073
Nedbank 03/7881532939/000058	Call Account	Call Account	Call Account	33	0.2%	5 911	44	5 954
Nedbank 03/7881532939/000103	Call Account	Call Account	Call Account	7	0.0%	1 200	7	1 206
Nedbank 03/7881532939/000064	Call Account	Call Account	Call Account	46	0.3%	8 316	46	8 362

BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands	Yrs/Months							
Municipality								
Absa 92 0559 0710	Call Account	Call Account	Call Account	0	0.0%	41	0	42
Nedbank 03/7881532939/000117	Call Account	Call Account	Call Account	44	0.3%	8 061	44	8 105
Nedbank 03/7881532939/000108	Call Account	Call Account	Call Account	1	0.0%	170	1	171
Absa 92 2975 5568	Call Account	Call Account	Call Account	0	0.0%	15	0	15
Absa 91 9360 7257	Call Account	Call Account	Call Account	5	0.0%	983	5	989
Nedbank 03/7881532939/000112	Call Account	Call Account	Call Account	–		(0)	–	(0)
Standard 76586/442737	Call Account	Call Account	Call Account	–		0	–	0
Nedbank 03/7881532939/000110	Call Account	Call Account	Call Account	1	0.0%	246	1	248
Nedbank 03/7881532939/000123	Call Account	Call Account	Call Account	–		–	–	–
Rand Merchant Bank RRB1629010	Call Account	Call Account	Call Account	405	2.8%	73 367	405	73 772
Stanlib 551 989 180	Call Account	Call Account	Call Account	237	1.6%	36 950	237	37 187
Absa 92 2590 9850	Call Account	Call Account	Call Account	5	0.0%	969	5	974
Stanlib 551 539 764	Call Account	Call Account	Call Account	11	0.1%	1 770	11	1 781
Rand Merchant Bank RRB0324003	Call Account	Call Account	Call Account	0	0.0%	40	0	41
Stanlib 551 567 496	Call Account	Call Account	Call Account	0	0.0%	1	0	1
Stanlib 551 576 733	Call Account	Call Account	Call Account	1	0.0%	86	1	86
Rand Merchant Bank RRB0B25020	Call Account	Call Account	Call Account	9	0.1%	1 692	9	1 701
Standard 76586/442743	Call Account	Call Account	Call Account	0	0.0%	88	0	89
Rand Merchant Bank RRB1609012	Call Account	Call Account	Call Account	2	0.0%	291	2	293
Stanlib 551 742 405	Call Account	Call Account	Call Account	2	0.0%	380	2	382
Rand Merchant Bank KLN2308011	Call Account	Call Account	Call Account	2	0.0%	314	2	316
Nedbank 03/7881532939/000128	Call Account	Call Account	Call Account	161	1.1%	48 731	(41 839)	6 893
Rand Merchant Bank RRB1722008	Call Account	Call Account	Call Account	175	1.2%	46 798	(33 825)	12 973
Standard 76586/442745	Call Account	Call Account	Call Account	329	2.3%	93 552	(65 137)	28 415

BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M11 May

Investments by maturity Name of institution & investment ID	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
R thousands	Yrs/Months							
Municipality								
Absa 92 6406 3148	Call Account	Call Account	Call Account	613	4.2%	144 974	(49 810)	95 164
Rand Merchant Bank KLN2720020	Call Account	Call Account	Call Account	29	0.2%	5 332	29	5 361
Stanlib 551 868 235	Call Account	Call Account	Call Account	1	0.0%	134	1	135
Absa 92 0559 0891	Call Account	Call Account	Call Account	3	0.0%	512	3	515
Rand Merchant Bank VVW2B13011	Call Account	Call Account	Call Account	1	0.0%	124	1	125
Standard 76586/494573	Call Account	Call Account	Call Account	31	0.2%	5 666	31	5 697
Nedbank 03/7881532939/000133	Call Account	Call Account	Call Account	3	0.0%	502	3	504
Nedbank Refer to Confirmation	Refer to Confir	Refer to Confir	Refer to Confir	–		–	–	–
Stanlib 753 72 270	Call Account	Call Account	Call Account	323	2.2%	50 317	323	50 640
Stanlib 551 353 708	Call Account	Call Account	Call Account	7	0.0%	1 022	7	1 028
Standard 76586/442736	Call Account	Call Account	Call Account	287	2.0%	52 065	287	52 352
Stanlib 753 72 271	Call Account	Call Account	Call Account	415	2.9%	64 710	415	65 125
Rand Merchant Bank X021904579	Call Account	Call Account	Call Account	211	1.5%	38 264	211	38 475
Nedbank 03/7881532939/000101	Call Account	Call Account	Call Account	181	1.2%	32 716	181	32 897
Absa 92 1120 9757	Call Account	Call Account	Call Account	1 704	11.7%	349 595	(78 296)	271 300
Absa 92 2110 3430	Call Account	Call Account	Call Account	920	6.3%	170 584	920	171 504
Standard 76586/442741	Call Account	Call Account	Call Account	173	1.2%	31 321	173	31 494
Standard 76586/442744	Call Account	Call Account	Call Account	155	1.1%	28 007	155	28 162
Rand Merchant Bank RRB0C07002	Call Account	Call Account	Call Account	279	1.9%	50 629	279	50 908
Nedbank 03/7881532939/000129	Call Account	Call Account	Call Account	249	1.7%	45 154	249	45 403
Nedbank 03/7881532939/000125	Call Account	Call Account	Call Account	–		(0)	–	(0)
Stanlib 551 748 914	Call Account	Call Account	Call Account	–		95	(95)	–
Absa 92 6406 3407	Call Account	Call Account	Call Account	–		–	–	–
Nedbank 03/7881532939/000132	Call Account	Call Account	Call Account	2 995	20.6%	531 859	20 346	552 205
Rand Merchant Bank KLN3815041	Call Account	Call Account	Call Account	2 240	15.4%	396 485	20 240	416 726
Standard 76586/470801	Call Account	Call Account	Call Account	1 548	10.7%	268 799	25 548	294 347
Standard 76586/442738	Call Account	Call Account	Call Account	13	0.1%	2 379	13	2 392
Municipality sub-total				14 527		2 718 966	(197 319)	2 521 647
Entities								
Entities sub-total				–		–	–	–
TOTAL INVESTMENTS AND INTEREST				14 527		2 718 966	(197 319)	2 521 647

11.ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

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

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

BUF Buffalo City - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M11 May

Description	Ref	Budget Year 2015/16								
		2014/15 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		36 709	714 196	776 722	5 228	740 360	766 590	(26 230)	-3.4%	776 722
Local Government Equitable Share			655 141	655 141	–	655 141	655 141	–	–	655 141
Urban Settlement Development Grant		28 272	33 348	95 994	4 635	77 165	87 994	(10 829)	-12.3%	95 994
Finance Management		1 465	1 300	1 180	82	530	1 082	(552)	–	1 180
EPWP Incentive		1 596	1 149	1 149	1	1 032	1 053	(22)	–	1 149
Infrastructure Skills Development Grant		5 376	8 400	8 400	326	3 966	7 700	(3 734)	–	8 400
Integrated City Development Grant			5 605	5 605	–	–	5 138	(5 138)	–	5 605
Municipal Human Settlement Capacity Grant			9 253	9 253	185	2 525	8 482	(5 957)	-70.2%	9 253
Provincial Government:		178 126	531 687	298 252	11 260	162 633	273 701	(111 068)	-40.6%	298 252
Roads Subsidy - Provincial Roads		–	1 871	1 871	–	–	1 715	(1 715)	-100.0%	1 871
Dept of Economic Dev, Environmental Affairs & Tourism		3 419	–	2 500	–	–	2 292	(2 292)	-100.0%	2 500
Local Government & Traditional Affairs		5 549	2 000	3 770	11	2 938	3 456	(518)	-15.0%	3 770
Health Subsidy - ATIC		–	2 522	2 522	–	–	2 312	(2 312)	-100.0%	2 522
Cooperative Governance and Traditional Affairs		–	–	–	–	–	–	–	–	–
Library Subsidy		–	3 638	3 638	–	9 638	3 638	6 000	164.9%	3 638
Reclaim Land Claims Commission(RLCC)		63	–	–	–	–	–	–	–	–
Dept Sport, Recreation, Arts and Culture (DSRAC)		–	–	31	–	–	28	(28)	-100.0%	31
Dept of Land Affairs		19	–	766	–	–	702	(702)	-100.0%	766
Accreditation Capacity Enhancement Grant		–	–	–	–	–	–	–	–	–
Human Settlement Development Grant		169 076	521 656	283 154	11 248	150 056	259 558	(109 502)	-42.2%	283 154
District Municipality:		–	–	–	–	–	–	–	–	–
Health Subsidy - Environmental Health		–	–	–	–	–	–	–	–	–
Other grant providers:		2 264	3 329	3 120	–	2 414	2 611	(197)	-7.6%	3 120
SETA - Skills Development		1 243	2 989	2 989	–	2 309	2 491	(182)	-7.3%	2 989
Donor Funding - Leiden & Galve		41	–	–	–	–	–	–	–	–
Trust Funds		522	–	–	–	–	–	–	–	–
Umsobomvu Youth Fund		458	–	131	–	105	121	(15)	-12.8%	131
Donor Funding - European Commission		–	340	–	–	–	–	–	–	–
Vuna Award		1	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:		217 099	1 249 211	1 078 093	16 488	905 406	1 042 902	(137 496)	-13.2%	1 078 093
Capital expenditure of Transfers and Grants										
National Government:		554 565	742 884	702 762	63 158	473 368	644 198	(170 830)	-26.5%	702 762
Urban Settlement Development Grant		529 103	679 784	659 542	63 129	449 711	604 580	(154 869)	-25.6%	659 542
Infrastructure Skills Development Grant		–	100	100	–	78	92	(14)	-15.2%	100
Energy Efficiency and Demand Management		–	13 000	13 000	29	12 998	11 917	1 082	9.1%	13 000
Public Transport and Systems		–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership		4 885	20 000	–	–	–	–	–	–	–
Integrated National Electrification Programme		20 577	30 000	30 000	–	10 517	27 500	(16 983)	-61.8%	30 000
Finance Management		–	–	120	–	64	110	(46)	-42.2%	120
Provincial Government:		49 395	107 469	86 850	4 445	48 288	79 613	(31 325)	-39.3%	86 850
Human Settlement Development Grant		46 985	94 400	69 800	4 349	46 735	63 983	(17 249)	-27.0%	69 800
Human Settlement Development Grant - MPCC		665	13 069	–	–	–	–	–	–	–
Dept Sport, Recreation, Arts and Culture (DSRAC)		1 377	–	8 014	96	1 554	7 346	(5 793)	-78.9%	8 014
Dept of Local Government and Traditional Affairs		179	–	9 036	–	–	8 283	(8 283)	-100.0%	9 036
Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT)		189	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Health Subsidy - Environmental Health		–	–	–	–	–	–	–	–	–
Other grant providers:		256	–	459	–	–	421	(421)	-100.0%	459
BCMET Funding		256	–	–	–	–	–	–	–	–
Public Funding		–	–	–	–	–	–	–	–	–
Lieden		–	–	459	–	–	421	(421)	-100.0%	459
Total capital expenditure of Transfers and Grants		604 216	850 353	790 071	67 604	521 656	724 232	(202 575)	-28.0%	790 071
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		821 314	2 099 564	1 868 165	84 091	1 427 062	1 767 133	(340 071)	-19.2%	1 868 165

11.1 Expenditure On Conditional Grants (DoRA Allocation)

The total expenditure inclusive of reclaimed vat on conditional grants budget as at 31 May 2016 amounts to R618.53 million which is 75% of the mid-year adjusted budget of R824.34 million.

Table 18 below reflects the year to date expenditure on 2015/16 total conditional grants.

Table 18: Spending per Conditional Grant Funding Allocation

Funding/Grant	<u>2015/2016 Mid-year Adjustment Budget</u>	<u>YTD Expenditure</u>	<u>Variance</u>	<u>% Expenditure vs. Budget</u>
Integrated National Electrification Programme Grant	30 000 000	11 989 641	18 010 359	40%
Energy Efficiency & Demand Side Management Grant	13 000 000	14 795 757	(1 795 757)	114%
Finance Management Grant	1 300 000	597 035	702 965	46%
Infrastructure Skills Development Grant	8 500 000	4 147 530	4 352 470	49%
Urban Settlement Development Grant	755 535 408	583 425 583	172 109 825	77%
Integrated City Development Grant	5 605 000	-	5 605 000	0%
Municipal Human Settlement Capacity Grant	9 253 000	2 543 455	6 709 545	27%
Expanded Public Works Programme Grant	1 149 000	1 031 619	117 381	90%
TOTAL	824 342 408	618 530 620	205 811 788	75%

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

11.1.1. INTERGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)

The following contracts are at the evaluation stage and expenditure is set to commence at appointment stage.

The grant funding is going to be used to service connections to RDP houses detailed below:

AREA	CONNECTIONS	STATUS
Mdantsane – Mount Ruth	168	Awaiting assessment date
Mdantsane Buffer Strip	563	Awaiting assessment date
Potsdam Unit P(Extension 2)	400	Awaiting assessment date
Quenera (Mzamomhle PH 1)	311	Awaiting assessment date
Reeston Phase 3 (Stage1)	400	Awaiting assessment date

A request for change control from formal electrification to informal electrification has been submitted to Department of Energy (DoE) for approval; this will allow the City to utilize the funding for informal electrification which has a contract that is already progressing.

11.1.2. FINANCE MANAGEMENT GRANT (FMG)

Six (6) new interns started the internship programme on 04 January 2016. As at 07 March 2016, three(3) interns out of the six have started doing the Municipal Finance Management Programme as part of the skills development. Invoices that relate to training and Municipal Standard Chart of Accounts (mSCOA) activities have been received and are being processed. The funding will be fully utilised at year end.

11.1.3. INFRASTRUCURE SKILLS DEVELOPMENT GRANT (ISDG)

There is no further training scheduled for the current ISDG interns as the program is nearing completion; funding is only being used to pay the interns stipends. The number of interns has reduced and it has affected the amount of stipends to be paid as the funding is for the payment of stipends as well as training. National Treasury has approved additional appointment of four interns and the recruitment process for the four additional interns has been initiated to increase the expenditure. Furthermore, a recovery plan is being drawn up requesting for additional interns.

11.1.4. URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)

INFRASTRUCTURE SERVICES

Sanitation Capital Projects

Litigation process has been finalized for one Waste Water Treatment Works projects. Funds have been spent on materials to be installed and purchasing of electronic components for the Wastewater Treatment Works projects. For one Wastewater

Treatment Works project, the municipality has awarded the project as per the court order.

Some of the rural sanitation projects have reached final completion and some have reached practical completion. The Annual contractor and EPWP contractors have been appointed to fast track the implementation of the outstanding projects within the Rural Sanitation Backlog Eradication Programme.

DEVELOPMENT & SPATIAL PLANNING

KwaTshatshu Pedestrian Bridge

Consultants were appointed in July 2014. The detail designs and tender document phase has been completed. An Environmental Authorisation was issued in July 2015. The Water Use Licence Application (WULA) has been approved by the Department of Water & Sanitation and confirmation has been received. The land requirements are currently being dealt with by the Land Administration Division. Valuations have been obtained and the Land Administration Department is in the process of dealing with the land owner. The construction tender was advertised and closed on 09 February 2016.

Needs Camp / Potsdam Bridge

Consultants were appointed in December 2013. The detail designs and tender document phase has been completed. Environmental Authorisation has been delayed until written confirmation regarding knowledge of the proposed project has been received from the community leader or households affected by the proposed roadway. The Land Administration Department is currently dealing with the land issues regarding ownership and transfer to Council for the roadway. The Water Use Licence Application (WULA) has been approved and received from the Department of Water & Sanitation. The construction tender was advertised and closed on 26 February 2016.

Sidewalks

The construction of sidewalks has been completed in Scenery Park and Amalinda Main Road. The sidewalks in Mdantsane NU8 and Mdantsane Clusters (1-3) are 95% complete & the construction of sidewalks in Sweetwaters has started and completion is expected by 30 June 2016.

Traffic calming measures

The traffic calming measures (speed humps) have been constructed in the following areas: Duncan Village, Sweetwaters, Mdantsane, Beacon Bay, Cambridge, Haven Hills and Amalinda. Work has now commenced in Zwelitsha, Mdantsane, Amalinda and Winterstrand.

Guardrails

Guardrails have been installed in Mdantsane, Alphantale, Amalinda and Ginsberg.

Traffic Signals

Traffic signals have been completed on the North East Expressway (NEX), Potters Pass, Caxton, Terminus and Gullsway. The informal tender for the visually impaired pedestrian push buttons has been closed and still awaiting the order.

Guidance Signage

Guidance signs have been designed for the rural areas and have been manufactured by the BCMM signage contractor. Installation of guidance signage from Cambridge to Zwelitsha has been completed.

Taxi/ Bus stops, Scenery Park Taxi Loading Area and Bonza Bay Taxi Loading Area Ablution Facility

Taxi/Bus stops in Reeston, Amalinda and Mdantsane nu1&13 are 100% complete. Designs for the Scenery Park Taxi Loading area are in progress and designs will be completed in June 2016. Construction of Ablution Facility at the Bonza Bay Taxi Loading area is complete. Work on the kerbing of the existing taxi rank is complete.

KWT Taxi and Bus Facilities

KWT Taxi/Bus Facility Bid document closed on 27 May 2016.

ECONOMIC DEVELOPMENT AND AGENCIES

The Directorate of Economic Development and Agencies has an approved allocation of R10 million from the USDG in the 2015/16 financial year. The Market Upgrade programme has various projects i.e. roads renewal, building capital works and refurbishment and roofing. With regard to committed projects, it must be noted that the

Revised Bid Specification Document for Relocation and Upgrading of Cashier Cubicles has been completed. Seventy three percent (73%) of the allocated USDG funds on this programme has been spent.

HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES

The project for King Williams Town Traffic Building is a multi-year project. Project is on track in terms of project milestones with the Professional Team. The specifications were approved on 22 January 2016 for the tender for the construction of the building. Tender was advertised on 18 March 2016 and it closed on 22 April 2016. Preliminary report to Bid Evaluation Committee (BEC) has been prepared and submitted to Supply Chain Management (SCM) on the 6 June 2016 for evaluation and submission to BEC Committee.

MUNICIPAL SERVICES

Development and Upgrading of Community Halls

Work is in Progress and contractors are on site to carry out refurbishment and upgrade of nine (9) community halls (Carnegie Hall, 5 Mdantsane community halls, Billy Francis, Needs Camp Community Hall and King Williams Town Hall).

The expenditure to date is at 98% and seven (7) of the Projects are 100% complete.

The Professional Service Provider has been appointed to do a cost assessment for the restoration of KWT Town Hall. Remaining funding to be utilized for additional refurbishment at KWT Town Hall.

Construction of Nompumelelo Hall

The Tender was advertised on the 13th of November 2015 and the Tender closing date was the 15th of December 2015. As at the end of April 2016 the tender had not yet been awarded and it has now expired due to extension letters not being sent out timeously. A deviation has been done to spend R2.8 million towards Nompumelelo Hall in the current financial year. R1.2 million has been diverted towards Refurbishment of KWT Town Hall.

THE AMENITIES DIVISION

The department experienced challenges with the majority of the annual contractors in terms of their capacity to execute the works or to provide quotations that correlated with their tender documents/appointments. Furthermore, there were delays experienced in the extension of the contracts of the annual contractors that were appointed by the Building Maintenance Division. As a result of the above, the implementation of projects had to wait for the extension of contracts to be approved before they could continue. Work on the projects has since resumed upon approval of the extension of contracts of the annual contractors.

11.1.5. INTEGRATED CITY DEVELOPMENT GRANT (ICDG)

Spending is dependent on the Sleepersite Best Concept Use Framework to be adopted by Council. Monthly reports have been submitted to council pertaining the progress to date.

11.1.6. MUNICIPAL HUMAN SETTLEMENT CAPACITY GRANT (MHSCG)

The transfer of funds to BCMM was only done at end of October 2015 and this resulted in delayed planning and implementation of plans. The funding is meant to assist the department with enhancing the current personnel capacity. The department has revised the Business Plan (BP) and submitted a request for approval of the revised BP from Department of Human Settlements to utilize service providers to augment the existing capacity of the municipality's Human Settlement Directorate for the posts that have not been filled yet due to the fact that the grant is going to be discontinued as from 01 July 2016.

The Department of Human Settlement will be sending a request to National Treasury for a roll-over of this grant. There has been insignificant deferrals in the procurement process for the various programs that were targeted on the Grant. It is anticipated that all due process's with regards to tender evaluations will be concluded within the next month. The process of paying some Enterprise Project Management Office (EPMO) staff that are seconded to Housing is ongoing. It must however be noted that the transfer of the grant to the Metro was actioned later than anticipated.

12. COUNCILLOR AND EMPLOYEE BENEFITS

12.1. Councillor and Employees Benefits Summary

Table 19 below provides summary of employees and Councilors remuneration.

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

BUF Buffalo City - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M11 May									
Summary of Employee and Councillor remuneration	2014/15			Budget Year 2015/16					
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	A	B	C					%	D
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	29 335	31 903	32 074	2 437	28 537	26 023	2 514	10%	32 074
Pension and UIF Contributions	3 047	3 328	3 297	280	3 026	2 774	253	9%	3 297
Medical Aid Contributions	1 539	1 856	1 874	155	1 629	1 577	52	3%	1 874
Motor Vehicle Allowance	11 247	12 944	12 653	1 046	10 640	10 644	(5)	0%	12 653
Cellphone Allowance	–	–	2 150	176	1 970	1 808	161	9%	2 150
Housing Allowances	2 515	2 879	2 762	215	2 628	2 323	305	13%	2 762
Other benefits and allowances	–	–	–	9	1 462	959	503	52%	–
Sub Total - Councillors	47 682	52 910	54 810	4 317	49 891	46 108	3 783	8%	54 810
% increase		11.0%	14.9%						14.9%
Senior Managers of the Municipality									
Basic Salaries and Wages	5 482	15 026	11 501	491	5 507	10 514	(5 007)	-48%	11 501
Pension and UIF Contributions	985	2 734	2 147	95	1 070	1 963	(893)	-45%	2 147
Medical Aid Contributions	122	266	254	12	124	232	(108)	-47%	254
Motor Vehicle Allowance	1 071	2 738	2 481	109	1 261	2 268	(1 007)	-44%	2 481
Cellphone Allowance	–	–	391	19	179	357	(178)	-50%	391
Housing Allowances	6	83	–	–	1	–	1	#DIV/0!	–
Other benefits and allowances	2 038	2 273	1 242	130	1 421	1 069	352	33%	1 242
Payments in lieu of leave	–	–	–	–	106	–	106	#DIV/0!	–
Long service awards	24	36	0	–	(1)	–	(1)	#DIV/0!	0
Post-retirement benefit obligations	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality	9 728	23 157	18 017	857	9 668	16 404	(6 736)	-41%	18 017
% increase		138.1%	85.2%						85.2%
Other Municipal Staff									
Basic Salaries and Wages	704 205	851 398	850 039	113 749	741 239	777 070	(35 832)	-5%	850 039
Pension and UIF Contributions	134 398	155 271	163 908	12 358	136 253	149 838	(13 585)	-9%	163 908
Medical Aid Contributions	52 791	96 719	79 727	5 370	54 849	72 883	(18 034)	-25%	79 727
Overtime	107 200	60 348	60 348	8 964	107 165	59 853	47 312	79%	60 348
Performance Bonus	–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	19 402	26 800	27 860	1 896	19 085	25 469	(6 384)	-25%	27 860
Cellphone Allowance	–	–	3 665	344	3 643	3 350	292	9%	3 665
Housing Allowances	3 502	10 185	12 205	1 113	10 970	11 157	(187)	-2%	12 205
Other benefits and allowances	115 629	139 402	171 170	12 368	146 147	151 859	(5 711)	-4%	171 170
Payments in lieu of leave	29 230	7 307	15 291	(24 113)	707	13 978	(13 272)	-95%	15 291
Long service awards	16 246	17 033	17 509	1 557	16 477	16 006	470	3%	17 509
Post-retirement benefit obligations	–	–	5 831	1 450	10 058	5 331	4 727	89%	5 831
Sub Total - Other Municipal Staff	1 182 603	1 364 462	1 407 555	135 056	1 246 592	1 286 795	(40 203)	-3%	1 407 555
% increase		15.4%	19.0%						19.0%
Total Parent Municipality	1 240 013	1 440 529	1 480 382	140 229	1 306 151	1 349 307	(43 156)	-3%	1 480 382
		16.2%	19.4%						19.4%
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Basic Salaries and Wages	–	96	–	–	–	–	–	–	–
Sub Total - Board Members of Entities	–	96	–	–	–	–	–	–	–
% increase		0.0%							
Senior Managers of Entities									
Basic Salaries and Wages	–	1 004	–	–	–	–	–	–	–
Pension and UIF Contributions	–	184	–	–	–	–	–	–	–
Medical Aid Contributions	–	91	–	–	–	–	–	–	–
Motor Vehicle Allowance	–	310	–	–	–	–	–	–	–
Housing Allowances	–	25	–	–	–	–	–	–	–
Other benefits and allowances	–	104	–	–	–	–	–	–	–
Sub Total - Senior Managers of Entities	–	1 718	–	–	–	–	–	–	–
% increase		0.0%							
Other Staff of Entities									
Basic Salaries and Wages	–	180	–	–	–	–	–	–	–
Pension and UIF Contributions	–	34	–	–	–	–	–	–	–
Medical Aid Contributions	–	91	–	–	–	–	–	–	–
Housing Allowances	–	16	–	–	–	–	–	–	–
Other benefits and allowances	–	19	–	–	–	–	–	–	–
Sub Total - Other Staff of Entities	–	341	–	–	–	–	–	–	–
% increase		0.0%							
Total Municipal Entities	–	2 155	–	–	–	–	–	–	–
TOTAL SALARY, ALLOWANCES & BENEFITS	1 240 013	1 442 684	1 480 382	140 229	1 306 151	1 349 307	(43 156)	-3%	1 480 382
% increase		16.3%	19.4%						19.4%
TOTAL MANAGERS AND STAFF	1 192 331	1 389 678	1 425 572	135 912	1 256 260	1 303 199	(46 939)	-4%	1 425 572

12.2. Overtime Analysis

Table 20 below provides comparison of overtime expenditure against budget per directorate for the period ended 31 May 2016. Table 21 below details overtime expenditure incurred per cost centre for the past three months ended 31 May 2016.

Table 20: Overtime per Directorate

Directorate	2015/2016 Annual Budget R	2015/2016 YTD Budget R	2015/2016 YTD Expenditure R	2015/2016 Variance R	2015/2016 % of YTD Budget %
Directorate Of Executive Support Services	1 577 751	1 446 272	3 853 654	(2 407 383)	266%
Directorate Of The City Manager	292 903	268 494	484 004	(215 510)	180%
Directorate Of Corporate Services	563 330	516 386	663 776	(147 390)	129%
Directorate Of Development & Spatial Planning	588 164	539 150	494 811	44 339	92%
Directorate Of Economic Development & Agencies	442 264	405 409	714 553	(309 144)	176%
Directorate Of Finance	1 245 438	1 141 652	1 366 378	(224 726)	120%
Directorate Of Health / Public Safety & Emergency Services	25 374 017	23 259 516	28 345 127	(5 085 612)	122%
Directorate Of Human Settlement	96 161	88 148	23 807	64 340	27%
Directorate Of Infrastructure Services	16 161 606	14 814 806	29 442 537	(14 627 731)	199%
<i>Electricity</i>	7 303 001	6 694 418	8 228 292	(1 533 874)	123%
<i>Water</i>	3 162 397	2 898 864	11 710 743	(8 811 880)	404%
<i>Sanitation</i>	4 674 357	4 284 827	8 838 848	(4 554 020)	206%
<i>Other</i>	1 021 851	936 697	664 654	272 043	71%
Directorate Of Municipal Services	19 131 438	17 537 152	43 097 907	(43 097 907)	246%
Total	65 473 072	60 016 983	108 486 554	(48 469 571)	181%

Analysis of Overtime

The total overtime payment for the months of March 2016, April 2016 and May 2016 is reflected below. There was an increase in the total payment of overtime between March 2016 and April 2016 of R1 338 436 and a decrease in the total payment of overtime between April 2016 and May 2016 of R1 810 670.

Table 21: Overtime Per Cost Centre: March 2016 – May 2016

OVERTIME PER COST CENTRE

		March 2016 Amount	April 2016 Amount	May 2016 Amount
	Directorate -Executive Support Services			
105 005	Office of The Director of Executive Support	227 836.46	267 378.35	278 217.79
105 020	Public Participation & Ward Committees	22 737.11	18 577.53	28 818.12
105 025	Strategic Support	1 012.95	-	2 447.97
105 030	Special Programmes	2 472.15	-	5 196.55
110 005	IDP	-	-	6 803.66
120 010	Public Relations & International Events	39 586.22	88 819.75	75 146.56
		293 644.89	374 775.63	396 630.65
	Directorate - Municipal Manager			
205 005	Office of The Municipal Manager & Support Services	33 984.28	18 123.64	41 393.08
225 005	Municipal Public Accounts Committee	3 422.65	2 425.50	-
225 010	Municipal Public Accounts Committee	3 594.80	-	1 729.65
215 005	Internal Audit		3 601.57	6 283.68
		41 001.73	24 150.71	49 406.41
	Directorate - Chief Operations Officer			
250005	Office of the Chief Operations Officer	-	8 276.60	-
255010	Mdantsane Urban Renewal Unit	-	3 154.40	-
			11 431.00	-
	Directorate - Chief Financial Officer			
305 005	Office of The Director of Finance	-	-	-
305 010	Support Services Office	3 057.45	-	-
315 005	Budget Office	-	5 521.55	-
320 005	Asset Risk & Financial Services	-	-	1 350.60
320 010	Supply Chain Management	981.75	8 652.94	26 013.98
320 015	Expenditure Office	2 345.63	3 183.36	13 343.02
320 020	Salary Office	4 844.79	-	-
330 005	Rates & Valuations Office	1 029.04	-	708.41
330 010	Consolidated Billing & Miscellaneous Revenue Office	236 974.62	95 555.04	4 823.34
330 015	Debtors Management Office	21 200.88	44 538.36	43 329.65
330 020	Customer Care Office	19 301.31	8 186.73	1 644.93
330 025	Pre-Payment Vending Office	3 061.53	3 852.25	-
		292 797.00	169 490.23	91 213.93

		March 2016 Amount	April 2016 Amount	May 2016 Amount
	Directorate - Corporate Services			
415 005	Administrative & Council Support	9 857.96	12 910.65	16 069.21
415 010	Auxilliary & Telecommunication Services	30 483.57	40 974.70	28 161.31
415 025	Management Information Services	5 065.88	-	14 020.81
420 005	H.R. Administration	-	-	3 711.40
420 010	Occupational Risk Management	5 436.32	10 872.64	8 154.48
425 005	Research Policy & Knowledge Management Unit	3 102.76	-	-
420 015	Labour Relations	-	859.74	3 865.80
		53 946.49	65 617.73	73 983.01
	Directorate - Engineering Services			
505 010	City Engineering Building	2 256.83	1 826.96	1 719.48
515 006	Night Soil Removal - Coastal	35 840.10	94 764.20	47 952.96
515 007	Night Soil Removal - Central	4 534.75	5 212.64	2 103.75
515 026	Sewerage Treatment - Coastal	53 389.09	64 248.63	67 088.46
515 027	Sewerage Treatment - Central	36 320.86	41 227.29	69 620.49
515 028	Sewerage Treatment - Inland	66 420.92	142 951.93	112 199.76
515 031	Sewerage Reticulation - Coastal	240 676.88	263 855.60	245 804.20
515 032	Sewerage Reticulation - Central	87 571.27	112 204.96	75 996.87
515 033	Sewerage Reticulation - Inland	103 130.15	195 216.95	84 009.95
520 005	Water Administration	14 137.87	37 938.81	15 949.67
520 011	Maden Dam	13 751.55	22 881.69	17 718.80
520 012	Bridle Drift Dam	6 023.63	3 614.18	-
520 015	Bulk Pumping Stations	23 243.60	23 996.53	20 854.62
520 021	Umzonyana Water Treatment Works	81 827.03	96 467.18	85 426.02
520 023	KWT Water Treatment Works	100 423.16	131 649.64	105 806.92
520 024	Mdantsane Bulk Pumping	35 550.04	44 491.09	20 920.35
520 025	Water Ops & Maint. - Inland	171 975.45	243 669.93	157 848.91
520 026	Water Ops & Maint. - Midland	211 181.73	229 972.75	196 838.05
520 030	Water Ops & Maint. - Coastal	413 793.18	325 642.39	350 590.13
525 005	Construction Distribution	-	617.66	-
525 010	Roads Administration	1 496.39	-	726.57
525 025	Roads & Stormwater Drainage	5 085.70	28 910.13	1 280.20
530 005	Mechanical Workshop - Westbank	-	478.35	690.95
530 015	Mechanical Workshop - Braelyn	32 128.16	42 906.62	19 352.54
535 005	Electricity Administration	1 209.66	1 244.72	1 244.72
535 010	Electricity Distribution Supervisory Staff	658 310.37	653 316.33	429 961.80
535 025	Electricity Planning & Design	736.32	666.20	490.88
535 040	Revenue Protection	64 280.83	84 938.45	62 617.42
		2 465 295.52	2 894 911.81	2 194 814.47

		March 2016 Amount	April 2016 Amount	May 2016 Amount
	Directorate - Development Planning			
615 075	Architecture	82.16	-	-
615 095	Building Maintenance - Coastal / Central	11 348.60	-	-
620 015	Traffic Signal Maintenance	10 416.89	13 972.74	10 190.37
625 005	Buffalo City Bus Services	32 117.77	13 347.92	14 580.22
635 005	Local Economic Development	3 189.60	-	-
635 010	Market	41 188.49	16 013.23	31 874.09
		98 343.51	43 333.89	56 644.68
	Directorate - Health & Public Safety			
705 010	Support Services	-	-	468.12
725 010	Fire & Rescue Services	259 759.42	681 536.12	524 787.69
725 015	Law Enforcement Services	1 056 134.57	1 872 710.94	1 594 402.52
725 020	Traffic Administration	75 480.93	84 629.90	60 237.12
725 025	Traffic Control	180 373.93	259 598.08	285 248.61
710 030	Environmental Health	-	10 250.01	7 912.21
725 035	Vehicle Test Station / Examination	11 310.91	13 282.73	10 747.77
725 036	Vehicle Registration	2 390.92	5 261.62	7 776.95
725 045	Traffic Technical Services	23 674.85	22 618.74	7 847.70
725 050	Parking Areas / Meters	34 892.42	60 062.64	42 378.40
725 055	Disaster Management	8 560.62	13 655.33	5 207.66
		1 652 578.57	3 023 606.11	2 547 014.75
	Directorate - Community Services			
750 005	Office of The Director of Community Services	2 750.12	2 493.09	616.85
750 010	Cleansing Administration Support	1 826.20	616.35	5 912.33
755 005	Environmental Administration Support	616.85	-	-
755 010	Environmental Services	557 888.88	299 593.21	267 570.03
755 015	Environmental Conservation	167 595.82	85 911.10	55 616.75
755 025	Interments	246 456.21	243 880.58	245 622.35
760 005	Arts & Cultural Services Admin	38 133.65	42 536.38	54 393.31
760 010	Libraries	6 473.89	6 499.42	9 524.40
760 025	Halls	147 343.47	211 701.05	199 329.11
765 005	Amenities Administration Support	30 440.09	30 146.73	15 459.01
765 010	Sportsfields	204 403.35	200 901.34	122 052.46
765 015	Swimming Pools	206 743.36	179 261.32	118 667.66
765 020	Aquarium	39 095.25	59 210.94	49 604.89
765 025	Zoo	52 025.84	66 475.18	64 941.88
765 030	Beaches	402 640.08	92 011.04	323 890.90
765 035	Resorts	74 512.66	63 570.68	81 378.36
770 005	Cleansing Administration Support	34 970.23	24 012.09	21 256.83

		March 2016 Amount	April 2016 Amount	May 2016 Amount
770 010	Refuse Removal	969 253.74	941 378.72	765 671.77
770 015	Waste Disposal Sites	30 968.94	44 126.58	24 942.91
770 020	Street Sweeping	506 363.68	722 601.59	351 155.96
770 025	Public Conveniences	116 886.50	123 474.05	75 067.27
770 030	E.L Regional Waste Disposal Site & Transfer Station	62 988.80	88 702.64	63 367.78
		3 900 377.61	3 529 104.08	2 916 042.81
	TOTAL OVERTIME	8 797 985.32	10 136 421.19	8 325 750.71

12.2.1. Comments On Overtime

a) Directorate of Executive Support Services

The planned and emergency nature of tasks within the Executive Mayor and the Speakers Office contribute to excessive hours of work as bodyguards have to work beyond normal working hours. Overtime incurred is also due to ward committee meetings held after business hours, loudhailing done after business hours and on weekends; attending public participation programmes on weekends.

b) City Managers Office

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

c) Directorate of Corporate Services

The over expenditure on overtime is as a result of council meetings which necessitates the drivers to deliver council agendas along with the nurse that works emergency overtime for traffic department.

d) Directorate of Economic Development & Agencies

The excessive overtime on Economic Development and Agencies is due to the Cold Room Attendants who are required to wait for delivery trucks to deliver stock outside of the normal operating hours for the Fresh Produce Market. Furthermore, the overtime on Market is as a result of Cashiers having to work extended hours, waiting for their cash intakes to be counted in their presence before it is deposited to the bank.

e) Directorate of Finance

The over expenditure is due to the preparation of Requests for Information and Communications of Audit Findings for the Auditor General's 2014/2015 Regulatory Audit. Other factors for the over expenditure include the increase in the Bid Committee meetings held, the interim stock take and annual stores stock take. The over expenditure is also due to the Meter Reading project which was undertaken in order to catch up on operations that suffered in October, November, January and February resulting from the unexpected strike by staff, as well as the breakdown in hardware related to the Meter Reading Handheld Devices. The readings had to be taken manually and captured manually which was a time consuming exercise.

f) Directorate of Infrastructure Services

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

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

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

g) Directorate of Health / Public Safety & Emergency Services

Overtime incurred is due to work performed by security guards placed within various Directorates of BCMM which is being booked against the Law Enforcement overtime vote. Furthermore, some operational staff duties are performed over the weekend and these include Drunk and Driving campaigns and roadblocks in order to comply with the National Rollout Enforcement Plan (NREP).

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

include road accidents, unrest situations, protest marches, disasters as well as unplanned events for example presidential escorts.

h) Directorate of Municipal Services

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

The Amenities functions are of such a nature that certain staff must be available seven days a week including public holidays. Services provided include emergency work, swimming pools (inland/ coastal), sports fields (inland/ coastal), resorts, aquarium, beaches, coastal conservation, nature reserves and the zoo.

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

12.3. Standby and Shift Allowance Analysis

Table 22 below reflects the total standby and shift allowance incurred per directorate for the past eleven (11) months for the months ended 31 May 2016. There was an increase in the total payment between March 2016 and April 2016 of R142 494 and a decrease in the total payment between April 2016 and May 2016 of R155 013.

Table 22: Standby & Shift Allowance per Directorate

	MARCH 2016	APRIL 2016	MAY 2016
Directorate of Executive Support Services	10 791	10 228	12 829
Directorate of the City Manager	-	-	1 671
Directorate of Finance	13 015	10 472	11 457
Directorate of Corporate Services	20 877	1 563	22 833
Directorate of Infrastructure Services	503 656	552 258	477 465
Directorate of Development and Spatial Planning	12 671	12 201	12 491
Directorate of Health / Public Safety & Emergency Services	479 582	585 429	546 139
Directorate of Municipal Services	238 743	249 677	181 930
TOTAL	1 279 334	1 421 828	1 266 815

12.4. Cost of Temporary Staff

The total payment of Temporary Staff for the past eleven (11) months ended 31 May 2016 is reflected below. There was a decrease in the total payment between March 2016 and April 2016 of R434 764 and an increase in the total payment between April 2016 and May 2016 of R385 208.

Table 23: Temporary Staff per Directorate

	MARCH 2016	APRIL 2016	MAY 2016
Directorate of Executive Support Services	1 236 416	1 163 901	1 264 858
Directorate of the City Manager	309 411	244 292	276 728
Directorate of Human Settlements	257 776	263 036	218 751
Directorate of Finance	445 921	422 607	430 633
Directorate of Corporate Services	660 310	881 734	837 144
Directorate of Infrastructure Services	125 704	89 181	114 533
Directorate of Development and Spatial Planning	89 234	47 271	69 611
Directorate of Health / Public Safety & Emergency Services	36 367	32 943	35 081
Directorate of Municipal Services	2 248 326	1 829 734	2 112 570
TOTAL	5 409 464	4 974 700	5 359 908

12.5. Councillors Costs

The table below shows the budget and expenditure to date for councillors costs. The year to date budget of R50 242 677 less the year to date expenditure of R49 891 426 leaves a Variance of R351 251.

Table 24: Councillors Costs

	2015/2016 Annual Budget R	2015/2016 YTD Budget R	2015/2016 YTD Expenditure R	2015/2016 Variance R	2015/2016 YTD Expenditure %
Mayoral Allowance	745 445	683 325	639 556	43 769	94%
Deputy Mayoral Allowance	602 036	551 866	516 518	35 349	94%
Mayoral Committee Allowance	6 225 934	5 707 106	4 577 803	1 129 303	80%
Speakers Allowance	602 036	551 866	398 034	153 832	72%
Out of Pocket Expenses	1 140 000	1 045 000	558 192	486 808	53%
Councillors Allowance	22 758 902	20 862 327	22 256 519	(1 394 192)	107%
Cllr Cell Phone Allowance	2 149 656	1 970 518	1 969 647	871	100%
Cllr Housing Subsidy	2 761 632	2 531 496	2 627 832	(96 336)	104%
Cllr Medical Aid	1 874 352	1 718 156	1 628 638	89 518	95%
Cllr Pension Scheme	3 297 210	3 022 443	3 026 403	(3 961)	100%
Cllr Travel Allowance	12 652 990	11 598 574	11 692 283	(93 709)	101%
Cllr U.I.F	-	-	-	-	-
TOTAL	54 810 193	50 242 677	49 891 426	351 251	99%

13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE

The parent municipality, Buffalo City Metropolitan Municipality, is still in a process of resuscitating the development agency for the metro. In this regards BCMM has constituted the board members for Buffalo City Metropolitan Development Agency (BCMDA) and the board is currently recruiting staff for the running of the agency. The CEO and a temporary Office Administrator have been appointed and commenced work on 01 November 2015 and 01 December 2015 respectively. The CFO was also recently appointed and commenced work on 18 April 2016.

In addition, the posts of Executive Manager: Corporate Services; Company Secretary & Legal Services Manager as well as an Executive Personal Assistant have been filled and the incumbents will assume duty on 01 June whereas the Executive Manager: Development Facilitation will assume duty on 01 July 2016. A decision is yet to be made on whether to continue to fill the post of Manager: Risk & Internal Audit given the limited resources and the fact that the organization is being established and there may not be a lot of assurance work in the beginning. Two other posts, one for finance

and administration and the other one for supply chain and supply chain management and asset management have been advertised and the applications closed on 23 May. It is anticipated that these two posts will be filled with effect from 01 August 2016 if not earlier.

The draft five year strategic plan for the agency has been developed and was discussed at the board workshop on 17 March 2016. The same was updated and discussed in a board meeting of 25 May 2016. There were further issues to be incorporated for final approval in a board meeting of 27 June 2016. It is anticipated that once strategic plan is in place and the advertised posts are filled, the entity will start operating on its own with minimal need for daily support from the parent municipality.

The Buffalo City Metropolitan Development Agency has a budget of R7.58 million within the Executive Support Services Directorate of BCMM and has spent R1.87 million (24.7%) as at 31 May 2016.

14. CAPITAL PROGRAMME PERFORMANCE

BCMM has spent R800.74 million inclusive of reclaimed vat (2014/15: R764.26 million) which is 58% (2014/15: 65%) of its 2015/16 mid-year adjusted capital budget of R1.39 billion (2014/15: R1.17 billion) as at 31 May 2016. This reflects a regression when compared to the same period in the previous financial year. However, the rand value spent is above what was spent last year as R800.74 million (inclusive of reclaimed vat) has been spent compared to R764.26 million (inclusive of reclaimed vat) that was spent for the same period in 2014/15. Refer to Annexure A – C5 for the breakdown per municipal vote, standard classification & funding; Annexure B – SC12 for monthly expenditure trends; SC13a for breakdown of asset classification for new assets and SC13b for breakdown on asset classification on renewal of existing asset).

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

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

Table 25: Capital Expenditure per Funding Source against Budget

Funding	<u>2015/2016</u> <u>Mid-year</u> <u>Adjustment</u> <u>Budget</u>	<u>2015/2016</u> <u>YTD</u> <u>Expend.</u> <u>(incl. VAT)</u>	<u>2015/2016</u> <u>Variance</u> <u>(incl. VAT)</u>	<u>2015/2016</u> <u>%</u> <u>Expenditure</u>
Total Own Funding	600 806 117	221 620 301	379 185 816	37%
DoE(Integrated National Electrification Programme)	30 000 000	11 989 641	18 010 359	40%
DSRAC (Department of Sport, Recreation, Arts and Culture c/o)	8 014 208	1 553 564	6 460 644	19%
Department of Local Government and Housing	9 036 112	-	9 036 112	0%
Electricity Demand Side Management Grant	13 000 000	14 795 757	-1 795 757	114%
Finance Management Grant	120 000	63 600	56 400	53%
Infrastructure Skills Development Grant	100 000	88 609	11 391	89%
Gavle c/o	458 860	-	458 860	0%
Urban Settlement Development Grant	630 339 691	494 481 652	135 858 039	78%
Urban Settlement Development Grant c/o	29 202 172	9 407 644	19 794 528	32%
Human Settlement Development Grant	69 800 000	46 734 521	23 065 479	67%
Total Grants	790 071 043	579 114 989	210 956 054	73%
TOTAL PER FUNDING	1 390 877 160	800 735 289	590 141 871	58%

Table 26 below reflects capital expenditure performance per service.

Table 26: Actual Expenditure per Service against Budget

Services	<u>2015/2016 Mid-</u> <u>year Adjustment</u> <u>Budget</u>	<u>2015/2016</u> <u>YTD Expend.</u> <u>(incl. VAT)</u>	<u>2015/2016</u> <u>Variance (incl.</u> <u>VAT)</u>	<u>2015/2016</u> <u>% Expend</u> <u>(incl. VAT)</u>
Water	110 000 000	93 708 530	16 291 470	85%
Waste Water	255 801 527	89 976 942	165 824 585	35%
Electricity	164 500 000	120 260 026	44 239 974	73%
Roads and Stormwater	340 648 616	215 173 927	125 474 689	63%
Housing	196 390 625	158 499 606	37 891 019	81%
Transport Planning	86 611 729	51 340 599	35 271 130	59%
Waste Management / Refuse	72 479 736	35 465 754	37 013 982	49%
Amenities	53 574 482	25 057 508	28 516 974	47%
Public Safety	15 808 656	4 898 465	10 910 191	31%
Support Services	47 061 789	6 327 639	40 734 150	13%
Other - BCM Fleet	48 000 000	26 294	47 973 706	0%
Total Per Service	1 390 877 160	800 735 289	590 141 871	58%

Table 27 below reflects capital expenditure performance per directorate.

Table 27: Actual Expenditure per Directorate against Budget

Directorate	<u>2015/2016 Mid-year Adjustment Budget</u>	<u>2015/2016 YTD Expend. (incl. VAT)</u>	<u>2015/2016 Variance (incl. VAT)</u>	<u>2015/2016 % Expend (incl. VAT)</u>
Directorate of Executive Support Services	4 898 157	1 453 171	3 444 986	30%
Directorate of the City Manager	700 000	235 014	464 986	34%
Directorate of Human Settlement	196 390 625	158 499 606	37 891 019	81%
Directorate of Finance	751 902	516 611	235 291	69%
Directorate of Corporate Services	30 620 590	3 646 483	26 974 107	12%
Directorate of Infrastructure Services	919 500 143	519 299 953	400 200 190	56%
Directorate of Development and Spatial Planning	62 152 869	40 377 324	21 775 545	65%
Directorate of Economic Development and Agencies	24 000 000	10 963 275	13 036 725	46%
Directorate of Health, Public Safety and Emergency Services	15 808 656	4 898 465	10 910 191	31%
Directorate of Municipal Services	126 054 218	60 523 262	65 530 956	48%
TOTAL DIRECTORATES	1 380 877 160	800 413 163	580 463 997	58%
Asset Replacement	10 000 000	322 127	9 677 873	3%
GRAND - TOTAL	1 390 877 160	800 735 289	590 141 871	58%

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

Table 28: SC12 Monthly budget Statement – capital expenditure trend

BUF Buffalo City - Supporting Table SC12 Monthly Budget Statement - capital expenditure trend - M11 May									
Month	2014/15	Budget Year 2015/16							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	% spend of Original Budget
R thousands								%	
Monthly expenditure performance trend									
July	4 279	2 538	2 748	148	148	2 748	2 600	94.6%	0%
August	36 998	30 122	34 860	42 068	42 216	37 608	(4 608)	-12.3%	3%
September	63 771	24 852	28 339	57 530	99 746	65 947	(33 799)	-51.3%	8%
October	82 385	45 563	48 109	101 591	201 336	114 056	(87 281)	-76.5%	16%
November	52 978	43 333	47 611	85 219	286 556	161 666	(124 889)	-77.3%	22%
December	123 417	50 976	58 312	111 569	398 125	219 978	(178 146)	-81.0%	31%
January	30 397	29 612	34 931	62 851	460 975	254 909	(206 066)	-80.8%	36%
February	47 087	32 833	34 767	49 495	510 470	289 677	(220 794)	-76.2%	40%
March	104 078	51 060	55 941	117 166	627 636	345 618	(282 018)	-81.6%	49%
April	59 993	69 017	77 242	19 396	647 032	422 860	(224 172)	-53.0%	-
May	96 922	65 150	73 367	96 244	743 277	496 227	(247 050)	-49.8%	-
June	227 742	830 300	894 650	-		1 390 877	-		
Total Capital expenditure	930 050	1 275 354	1 390 877	743 277					

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

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

BUF Buffalo City - Supporting Table SC13a Monthly Budget Statement - capital expenditure on new assets by asset class - M11 May

Description	Ref	Budget Year 2015/16								
		2014/15 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		213 161	158 210	187 162	11 443	126 948	66 774	(60 174)	-90.1%	187 162
Infrastructure - Road transport		116 893	20 000	20 000	2 309	17 962	7 135	(10 826)	-151.7%	20 000
Roads, Pavements & Bridges		116 893	20 000	20 000	2 309	17 962	7 135	(10 826)	-151.7%	20 000
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		38 944	66 500	66 500	2 007	42 645	23 725	(18 919)	-79.7%	66 500
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		38 944	66 500	66 500	2 007	42 645	23 725	(18 919)	-79.7%	66 500
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		57 324	71 710	100 662	7 127	66 342	35 914	(30 428)	-84.7%	100 662
Waste Management		30 727	21 710	34 662	2 741	30 256	12 367	(17 889)	-144.7%	34 662
Transportation		25 256	30 000	42 000	3 166	26 071	14 984	(11 086)	-74.0%	42 000
Gas		-	-	-	-	-	-	-	-	-
Other		1 341	20 000	24 000	1 221	10 015	8 563	(1 452)	-17.0%	24 000
Community		20 706	35 069	18 300	549	13 534	6 529	(7 005)	-107.3%	18 300
Parks & gardens		3 576	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		7 392	27 069	10 300	485	6 139	3 675	(2 464)	-67.1%	10 300
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		9 738	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	8 000	8 000	64	7 395	2 854	(4 541)	-159.1%	8 000
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		145 316	211 274	195 880	14 330	144 072	69 885	(74 187)	-106.2%	195 880
Housing development		145 316	211 274	195 880	14 330	144 072	69 885	(74 187)	-106.2%	195 880
Other		-	-	-	-	-	-	-	-	-
Other assets		48 568	125 375	128 256	1 643	10 695	45 758	35 063	76.6%	128 256
General v ehicles		25 117	48 450	48 450	-	26	17 286	17 259	99.8%	48 450
Specialised vehicles		-	7 600	5 588	422	3 533	1 994	(1 539)	-77.2%	5 588
Plant & equipment		688	8 675	43 105	395	2 633	15 379	12 746	82.9%	43 105
Computers - hardware/equipment		1 718	40 650	31 113	825	4 502	11 100	6 598	59.4%	31 113
Furniture and other office equipment		10 178	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		4 821	-	-	-	-	-	-	-	-
Other Buildings		1 161	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		4 885	20 000	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	427 751	529 928	529 598	27 964	295 249	188 946	(106 302)	-56.3%	529 598
Specialised vehicles		-	7 600	5 588	422	3 533	1 994	(1 539)	(0)	5 588
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	7 600	5 588	422	3 533	1 994	(1 539)	(0)	5 588
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

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

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

BUF Buffalo City - Supporting Table SC13b Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M11 May

Description	Ref	Budget Year 2015/16								
		2014/15 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure	1	490 455	686 056	791 000	65 609	424 261	282 207	(142 054)	-50.3%	791 000
Infrastructure - Road transport		212 002	245 000	320 649	37 681	183 888	114 399	(69 489)	-60.7%	320 649
Roads, Pavements & Bridges		212 002	245 000	320 649	37 681	183 888	114 399	(69 489)	-60.7%	320 649
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		79 994	92 000	98 000	4 919	72 407	34 964	(37 443)	-107.1%	98 000
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		79 994	92 000	98 000	4 919	72 407	34 964	(37 443)	-107.1%	98 000
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		90 752	91 000	110 000	11 958	86 596	39 245	(47 351)	-120.7%	110 000
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		90 752	91 000	110 000	11 958	86 596	39 245	(47 351)	-120.7%	110 000
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		107 707	258 056	262 352	11 051	81 371	93 600	12 229	13.1%	262 352
Waste Management		107 707	258 056	262 352	11 051	81 371	93 600	12 229	13.1%	262 352
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		4 788	30 700	27 759	1 479	8 642	9 904	1 262	12.7%	27 759
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		4 495	22 700	19 009	1 408	5 100	6 782	1 682	24.8%	19 009
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		293	8 000	8 750	71	3 542	3 122	(420)	-13.5%	8 750
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		7 056	28 671	42 519	1 192	15 125	15 170	45	0.3%	42 519
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	-	-	-	-	-	-	-	-
Computers - hardware/equipment		-	-	-	-	-	-	-	-	-
Furniture and other office equipment		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		7 056	24 221	41 519	1 191	15 112	14 813	(299)	-2.0%	41 519
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	4 450	1 000	1	13	357	344	96.4%	1 000
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing ass	1	502 299	745 427	861 279	68 280	448 028	307 281	(140 747)	-45.8%	861 279
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

15. OTHER SUPPORTING DOCUMENTS

15.1. Operating Projects Expenditure

The Metro has spent 58% (R292.45 million) inclusive of reclaimed vat of its 2015/16 mid-year adjusted budget of R501.84 million as at 31 May 2016. This reflects a regression when compared to the same period in the previous financial year where 66% (R226.49 million) of the mid-year adjusted operating projects budget of R341.92 million was spent. However, the rand value spent is above what was spent last year as R292.45 million inclusive of reclaimed vat) has been spent compared to R226.49 million (inclusive of reclaimed vat) that was spent for the same period in 2014/15.

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

Tables 31 and 32 below summarise Annexure D.

Table 31: Operating Projects per Directorate

OPERATING PROJECTS PER DIRECTORATE	<u>2015/2016 Mid Year Adjustment Opex Budget</u>	<u>2015/2016 YTD Expenditure (incl. vat)</u>	<u>2015/2016 Available Budget (incl. vat)</u>	<u>2015/2016 % Expenditure (incl. vat)</u>
Directorate of Executive Support Services	2 521 697	729 248	1 792 449	29%
Directorate of The City Manager	31 996 309	21 404 482	10 591 827	67%
Directorate of Human Settlements	305 374 146	157 839 362	147 534 784	52%
Directorate of Finance	43 445 303	20 901 352	22 543 951	48%
Directorate of Corporate Services	9 624 627	4 534 336	5 090 291	47%
Directorate of Infrastructure Services	71 500 000	63 146 560	8 353 440	88%
Directorate of Development & Spatial Planning	400 000	397 018	2 982	99%
Directorate of Economic Development & Agencies	18 200 000	17 109 888	1 090 112	94%
Directorate of Health / Public Safety & Emergency Services	75 000	0	75 000	0%
Directorate of Municipal Services	18 701 236	6 389 209	12 312 027	34%
TOTAL	501 838 318	292 451 454	209 386 864	58%

Table 32: Operating Projects per Funding Source

OPERATING PROJECTS PER FUNDING SOURCE	2015/2016 Mid Year Adjustment Opex Budget	2015/2016 YTD Expenditure (incl. vat)	2015/2016 Variance (incl. vat)	2015/2016 % Expenditure (incl. vat)
Total Own Funding	89 905 161	51 647 947	38 257 214	57%
Department of Environmental Affairs	2 500 000	-	2 500 000	0%
Umsobomvu Youth Fund	131 466	105 140	26 326	80%
Department of Local Government & Traditional Affairs	2 000 000	2 236 488	-236 488	112%
Department of Local Government & Traditional Affairs c/o	1 769 908	701 718	1 068 190	40%
Expanded Public Works Programme Incentives Grant	1 149 000	1 031 619	117 381	90%
Finance Management Grant	1 180 000	533 435	646 565	45%
Human Settlement Development Grant	281 652 815	149 303 254	132 349 561	53%
Human Settlement Development Grant c/o	1 501 683	753 189	748 494	50%
Infrastructure Skills Development Grant	8 400 000	4 058 921	4 341 079	48%
Integrated City Development Grant	5 605 000	-	5 605 000	0%
Municipal Human Settlement Capacity Grant	9 253 000	2 543 455	6 709 545	27%
Urban Settlement Development Grant	82 792 309	74 965 024	7 827 285	91%
Urban Settlement Development Grant c/o	13 201 236	4 571 263	8 629 973	35%
Department of Sports, Recreation, Arts and Culture	30 533	-	30 533	0%
Department of Land Affairs	766 207	-	766 207	0%
Total Grants	411 933 157	240 803 508	171 129 649	58%
TOTAL PER FUNDING	501 838 318	292 451 454	209 386 864	58%

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

16.1. Health / Public Safety & Emergency Services

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

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

Health & Public Safety	Total Revenue	Employee Costs	Other Operating Expenditure	Repairs & Maintenance	Total Expenditure Excluding Capital
OFFICE OF THE DIRECTOR OF HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES	-	2 186 754	224 941	-	2 411 695
GM - EMERGENCY SERVICES	(76 786 984)	53 783 670	20 863 425	892 913	75 540 008
EMERGENCY SERVICES	-	1 972 422	313 062	10 105	2 295 589
DISASTER MANAGEMENT	-	2 010 618	806 652	10 157	2 827 427
FIRE & RESCUE	(76 786 984)	49 800 629	19 743 712	872 650	70 416 992
GM - MUNICIPAL HEALTH SERVICES	(423 023)	23 280 843	3 729 146	117 774	27 127 763
MUNICIPAL HEALTH SERVICES	(423 023)	23 280 843	3 729 146	117 774	27 127 763
GM - PUBLIC SAFETY & PROTECTION SERVICES	(50 750 552)	149 532 909	17 388 125	1 645 716	168 566 750
PUBLIC SAFETY & PROTECTION SERVICES	(36 872)	17 742 087	10 577 485	1 051 803	29 371 375
LAW ENFORCEMENT SERVICES	(34 682)	83 728 779	2 948 298	396 910	87 073 986
TRAFFIC SERVICES	(50 678 998)	48 062 043	3 862 342	197 003	52 121 388
Total	(127 960 558)	228 784 175	42 205 638	2 656 403	273 646 216

16.2. Municipal Services

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

Table 34: Municipal Services – Cost Analysis

Municipal Services	Total Revenue	Employee Costs	Other Operating Expenditure	Repairs & Maintenance	Total Expenditure Excluding Capital
OFFICE OF THE DIRECTOR OF MUNICIPAL SERVICES	(9 111)	5 977 869	2 670 059	9 125	8 657 053
GM - COMMUNITY AMENITIES	(14 750 269)	88 251 690	21 448 206	3 740 717	113 440 613
COMMUNITY AMENITIES	-	9 194 533	428 844	47 253	9 670 631
LIBRARIES	(9 909 436)	16 285 813	1 683 765	146 411	18 115 989
HALLS	(1 237 957)	11 912 426	3 665 037	551 630	16 129 093
RECREATION	(3 431 445)	31 131 143	8 188 989	2 098 626	41 418 758
SPORTS FACILITIES	(171 430)	19 727 776	7 481 571	896 797	28 106 143
GM - PARKS / CEMETRIES & CONSERVATION	(8 782 546)	113 276 476	22 581 116	5 035 311	140 892 903
PARKS / CEMETRIES & CONSERVATION	-	1 936 469	154 068	-	2 090 537
CEMETRIES & CREMATORIA	(7 406 528)	18 276 880	8 090 751	268 039	26 635 670
CONSERVATION	(1 240 994)	13 450 067	2 918 542	327 758	16 696 368
PARKS: COASTAL	(135 023)	79 613 060	11 417 754	4 439 514	95 470 328
GM - SOLID WASTE MANAGEMENT	(339 084 776)	118 787 187	134 132 573	19 112 458	272 032 219
SOLID WASTE MANAGEMENT	-	8 716 787	10 951 663	4 632 155	24 300 606
CLEANSING & REFUSE REMOVAL: COASTAL	(333 259 970)	100 868 854	101 212 528	14 439 513	216 520 895
LANDFILLS & TRANSFER STATIONS	(5 824 805)	9 201 546	21 968 382	40 790	31 210 718
Total	(362 626 701)	326 293 223	180 831 954	27 897 611	535 022 788

17. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

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

The monthly budget statement (Section 71 Report)

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

Print name:

Acting City Manager of Buffalo City Metropolitan Municipality, BUF

Signature:

Date:

ANNEXURES:

Annexure A

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

Annexure B

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

Annexure C

Schedule of Borrowings

Annexure D

Operating expenditure report

Annexure E

Capital expenditure report