

**BUFFALO CITY METROPOLITAN MUNICIPALITY
OPERATING EXPENDITURE REPORT AS AT 31 DECEMBER 2016**

Project Name	Funding Source	2016-2017 Rollover Adjustment Budget	YTD Expenditure (incl.vat)	Available budget (incl.vat)	% Expenditure (incl.vat)	Comments
DIRECTORATE OF EXECUTIVE SUPPORT SERVICES						
Coastal Management Program	Own Funds	300 000	0	300 000	0%	A tender to develop invasive alien species monitoring, control and eradication plan for BCMM was advertised on the 20th December 2016 and closes on the 10th January 2017.
Review of IEMP& CZMP	Own Funds	250 000	0	250 000	0%	Evaluation for informal tender advert was conducted, no suitable bidder was found. The tender will be re- advertised.
Lighting Project	Glasgow	89 858	13 837	76 021	15%	The project is on hold due to budget restrains.
BCMM Master Plans - (Amenities Masterplan R2,5Mill, Roads Masterplan R1,5Mill, Tourism Sector Plan R800k, Events Strategy R800k, Arts-Culture and Heritage Sector Strategy R800k, Disaster Management Sector Plan R280k)	Own Funds	6 000 000	0	6 000 000	0%	Procurement process is underway.
TOTAL : EXECUTIVE SUPPORT SERVICES		6 639 858	13 837	6 626 021	0%	
DIRECTORATE OF THE CITY MANAGER						
Project Management Funding - EPMO Unit Salaries	USDG	20 444 970	10 725 275	9 719 695	52%	Project is ongoing and is on track.
Expanded Public Works Programme	EPWP	1 188 000	855 768	332 232	72%	Project is ongoing and is on track.
Customer Satisfaction Survey	Own Funds	1 790 000	155 286	1 634 714	9%	Project on Track: Phase 3: Data Collection completed.
BCMM Research Strategy and Agenda	Own Funds	400 000	315 000	85 000	79%	Project on track and Service Providers have been appointed. First phase is completed and the service provider is busy with Phase 2: Finalising Research Agenda .
Development of Innovation Strategy	Own Funds	1 400 000	4 675	1 395 325	0%	Amended assessment report resubmitted to BEC in December 2016, Report awaiting consideration by BEC
Development and Review of By-Laws	Own Funds	500 000	365 609	134 391	73%	Awaiting Council Committee to discuss the draft by laws before public participation takes place.
Share Point	Own Funds	1 500 000	0	1 500 000	0%	The implementation of Sharepoint / Intranet / Internet at build stage and to be completed by end January 2017. The setup and configuration scheduled to start in December 2016 and to be completed by March 2017.
Website Phase 2	Own Funds	200 000	0	200 000	0%	The implementation of Sharepoint / Intranet / Internet at build stage and to be completed by end January 2017. The setup and configuration scheduled to start in December 2016 and to be completed by March 2017.
Local Government Elections	IEC c/o	261 565	0	261 565	0%	
TOTAL : CITY MANAGER		27 684 535	12 421 612	15 262 923	45%	
DIRECTORATE OF HUMAN SETTLEMENTS						
Reeston Phase 3: Stage 2 - P5	HSDG	15 000 000	0	15 000 000	0%	The project expenditure is dependent upon resolution of contractual dispute between ASLA Implementing Agent and BCMM which is still under discussion.
Cluster 1 (Masibambane; Masibulele; Velwano; Ilinge and Dacawa) P5	HSDG	23 802 000	13 472 187	10 329 813	57%	The contractor has been tasked to complete the 86 houses where there is no issues regarding title deeds disputes. In the Masibulele and Dacawa areas, construction is suspended until the general plans are added.
Cluster 2 (Chris Hani 3; Winnie Mandela; Deluxolo Village; Sisulu Village; Francis Mei; Mahlangu Village, Mathemba Vuso, Gwentshe) P5 (Name Change)	HSDG	20 000 000	4 813 593	15 186 407	24%	The contractor is progressing fairly well after the reduction of scope of work from 908 units down to 266 due to underground services that need to be attended before construction can commence. Some areas need general plans to be approved first before construction can commence.
Cluster 3 (Fynbos 1; Fynbos 2; Ndancama,) P5	HSDG	18 000 000	15 104 322	2 895 678	84%	The contractor is making progress despite some challenges in moving out non qualifiers from the construction site. Further engagement with all affected stakeholders are on the way in seeking for a solution on the temporary relocation area. Additional funding is needed for the project.
Housing Needs Database and Accreditation	HSDG	1 000 000	0	1 000 000	0%	There is no expenditure on the budget since the grant funding agreement has not been reviewed and extended yet, still engaging on the matter with the Provincial Dept. of Human Settlement.

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Reeston Phase 3 Stage 3 P5	HSDG	10 000 000	1 348 757	8 651 243	13%	The project is progressing well towards completion by February 2017 , about 66 sites will be left out pending the transfer of 66 sites from Amatole to BCMM.
Disaster Project - Tsholomnqa	HSDG	21 000 000	0	21 000 000	0%	The contractor has been appointed to build houses, to commence by mid January 2017. At the moment BCMM is busy sorting out National Home Builders Registration Council (NHBRC) home enrolment.
Peelton Cluster (Majali, Mdange, Kwatrain, Nkqonqweni, Drayini & Esixekweni) - P5	HSDG	15 000 000	12 683 196	2 316 804	85%	The project is progressing well, however there have been some challenges of people building their houses outside the general boundary area.
Relocation of beneficiaries to formal houses for all housing programmes - All Projects	Own Funds	500 000	609 241	-109 241	122%	Relocation of beneficiaries is an ongoing process. Expenditure is expected to increase as houses get completed or confirmed ready for occupation which should increase as the year progresses in particular at Reeston Phase 3 Stage 3.
Beneficiary Verification Projects	Own Funds	500 000	0	500 000	0%	The project is still at procurement stage for the appointment of service provider.
Mdantsane Sharing Houses Dispute	Own Funds	1 500 000	49 878	1 450 122	3%	Mdantsane sharing houses is an ongoing process until all houses/families affected are completed.
DVRI Pilot Project c/o	HSDG c/o	748 494	0	748 494	0%	BCMM and the contractor are having dispute over progress claims and the matter is still under discussion. Looking at the possibilities of suspending or terminating the contract all together .
Pilot Housing Project c/o	HSDG c/o	268 793	0	268 793	0%	BCMM and the contractor are having dispute over progress claims and the matter is still under discussion. Looking at the possibilities of suspending or terminating the contract all together .
TOTAL: HUMAN SETTLEMENTS		127 319 287	48 081 174	79 238 113	38%	
DIRECTORATE OF FINANCE						
Directorates Financial Management Capacity Project	Own Funds	700 000	142 598	557 402	20%	Project is in progress. Five (5) Temporary workers have been appointed to update the asset registers and the funds will be utilised before the end of the financial year.
Audit Improvement Plan	Own Funds	4 250 000	593 525	3 656 475	14%	The institution undertook a recruitment process for 4 individuals. The process concluded on 6 August 2016 with the appointment of 3 staff on a 12 month contract. A recruitment process will continue for identifying the additional individuals.
Standard Chart Of Accounts(SCOA)	Own Funds	9 299 700	2 683 771	6 615 929	29%	An order for an amount of R 6 495 279 has been generated and invoices for the months of September 2016 and October 2016 amounting to R 1 047 376.22 and R 757 529.68 respectively have been received and payment will be processed during the month of January 2017.
Financial Technical Support	Own Funds	1 000 000	499 533	500 467	50%	Project is progressing well as half of the funds have been utilised for asset management project.
Remuneration of Interns	FMG	780 652	310 489	470 163	40%	Spending is progressive as current interns have been remunerated accordingly. Three more interns have been appointed from 01 November 2016, and this will result in the expenditure increasing accordingly.
Training of interns and officials	FMG	419 348		419 348	0%	The budget will be utilised for the payment of the Municipal Finance Management Programme (MFMP) and also for the planned IMFO training for the newly appointed and the current interns.
Immovable Assets Project	Own Funds	10 000 000	1 758 334	8 241 666	18%	The project is in progress. The invoices for work done during the audit which commenced at the beginning of September 2016 will be accounted for in January 2017 .
Financial Systems - Revenue	Own Funds	3 000 000	452 818	2 547 183	15%	The department is already implementing the project. Consultants from Business Connexions (BCX) are already on site. The consultants are being paid on a quarterly basis, however no invoices was received for the second quarter. Payment will be made once an invoice is received.
Smart Metering System	Own Funds	8 000 000	2 744 658	5 255 343	34%	The project has been approved by the Bid Specification Committee and is awaiting to be advertised. The expenditure incurred to date is for a billing meter reading system.
Revenue Enhancement Strategy	Own Funds	2 000 000	156 314	1 843 686	8%	The specification for the project have been finalised, and submitted to Bid Specification Committee. The expenditure incurred to date is for advertising.
General Valuations Roll 2017	Own Funds	14 000 000	0	14 000 000	0%	The contract was awarded on 13 September 2016 and accepted by the service provider on 16th Sept 2016. Both parties signed the Service Level Agreement on 18th October 2016. Work on the project has started and is in progress. The first deliverable and invoice is expected to be received and processed in January 2016.
TOTAL : FINANCE		53 449 700	9 342 040	44 107 660	17%	

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DIRECTORATE CORPORATE SERVICES						
Infrastructure Skills Development	ISDG	8 900 000	3 213 390	5 686 610	36%	Funds only used for payment of stipends to 12 ISDG interns who are finishing up the program. Appointment of 9 additional interns is complete and stipends were paid in November 2016 for 4 and in December 2016 for the remaining 5. Recruitment of additional 4 mentors, a Project Administrator and also 5 interns is also underway with adverts out in January 2017. Informal Tender for Behavioural assessment of new interns is also underway and implementation expected in February 2017.
TOTAL : CORPORATE SERVICES		8 900 000	3 213 390	5 686 610	36%	
DIRECTORATE OF INFRASTRUCTURE SERVICES						
BCMM Fleet Management System - Maintenance	Own Funds	2 000 000	997 687	1 002 313	50%	Budget is for operating; monitoring and maintenance of the system
Stormwater Management System	Own Funds	1 000 000	0	1 000 000	0%	Project is at procurement stage.
Rural Sanitation Backlog	USDG	50 000 000	42 874 663	7 125 337	86%	Tenders closed within the Supply Chain Management process.
Pavement Management System	Own Funds	1 000 000	0	1 000 000	0%	Project is at procurement stage.
Renewable Energy Efficient Building	City of Oldenburg	495 761	0	495 761	0%	Project at planning stage for Bid Specification Committee.
TOTAL : INFRASTRUCTURE SERVICES		54 495 761	43 872 350	10 623 412	81%	
DIRECTORATE OF DEVELOPMENT AND SPATIAL PLANNING						
Signage Removal	Own Funds	500 000	0	500 000	0%	The report is with the BAC in order to make an appointment..
Outdoor Advertising	Own Funds	500 000	284 810	215 190	57%	The project is in progress as anticipated in order to remove illegal outdoor posters.
Municipal Planning Tribunal in terms of SPLUMA	Own Funds	250 000	0	250 000	0%	The Municipal Planning Tribunal has not been established yet, therefore no payments can be made to members at this stage. Council will have to approve the names of the people who will serve on the Municipal Planning Tribunal, before it can become operational and any payments can be made.
TOTAL : DEVELOPMENT AND SPATIAL PLANNING		1 250 000	284 810	965 190	23%	
DIRECTORATE OF ECONOMIC DEVELOPMENT & AGENCIES						
Local Economic Development Programme - LED - (Export Support, Trade Promotion & Franchise Expo)	Own Funds	2 000 000	1 945 183	54 817	97%	The BCMM Franchise expo has been hosted successfully in November 2016 and invoices have been paid. Invest Buffalo City partnership has been paid to the Border Kei Chamber of Business as per the agreement.
Capacity Building Programme	Own Funds	2 000 000	437 079	1 562 921	22%	The department is busy with the finalisation of the specifications for the training that will be conducted in the next quarter for both SMME's and Cooperatives.
Centre operations - (Mdantsane One Stop Shop, DV Business Hives, KWT; Automotive and Incubation & Dimbaza)	Own Funds	2 800 000	1 203 174	1 596 826	43%	The funding is allocated for the operations of the centres located in various areas such as Dimbaza, King Williams Town and Mdantsane.
Strategy Development and Reviewal / Policies and By-laws	Own Funds	1 000 000	0	1 000 000	0%	Specifications for the minor reviewal of the Agricultural Sector Plan and SMME Strategy. Finalising the inputs on the Terms of reference for the Investment Strategy (Incentives / Business Retention), the document will be circulated to the Invest Buffalo City Advisory Board for their inputs as well.
Trade and investment programmes	Own Funds	800 000	433 930	366 070	54%	Funds awaiting the finalisation of the agreement between the City and ECDC on export development programme
Agriculture and rural development support Programme - Cropping Programme & Organic Farming	Own Funds	2 000 000	95 993	1 904 007	5%	Funding allocated for planting programme. Bid was advertised and report was submitted to SCM but was withdrawn by BEC due to non-responsive of bids. Request to cancell and readvertise has been done and submitted to SCM , now we awaiting SCM to readvertise.
Art, Culture and Heritage Soft Development Programme - Reburials, Film Industry & Artist Development	Own Funds	3 000 000	466 782	2 533 218	16%	The procurement of goods and services to implement the arts, culture and heritage projects in line with the SDBIP is currently underway.

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Tourism Events Programmes	Own Funds	19 000 000	13 158 153	5 841 847	69%	The funding is allocated to fund both internal & external events for the summer season programme. Furthermore, Council approved proposal to host the Harley Davidson Africa Bike Week event. An Memorandum Of Agreement (MOA) for this event is currently being finalized in order to be able to make payment. A report on the list of events that have requested sponsorship has been prepared. It is awaiting consideration and approval by council.
Tourism Niche Product Development - Feasibility Study	Own Funds	500 000	352 960	147 040	71%	The funding is allocated towards funding the business plan competition and feasibility study. A call for submission of business plan has already been advertised.
Tourism Awareness Programme	Own Funds	200 000	52 000	148 000	26%	The funding allocated towards funding tourism awareness initiatives. One awareness will be hosted per quarter targeting various communities.
Tourism Support and Capacity Building Programme	Own Funds	200 000	34 034	165 966	17%	Request for support from various tourism SMME's has been submitted and is currently being considered.
TOTAL : ECONOMIC DEVELOPMENT & AGENCIES		33 500 000	18 179 289	15 320 711	54%	
DIRECTORATE OF HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES						
Community Based Risk Reduction	Own Funds	130 000	0	130 000	0%	Funding to be utilised for the training & utilisation of community members to conduct risk assessments in wards 1 & 2 from February to May 2017.
Disaster Management: Education, Training and Awareness	Own Funds	80 000	0	80 000	0%	The Training will take place in April and May 2017.
Disaster Management Structures	Own Funds	60 000	0	60 000	0%	It has not been possible to host the meeting due to various commitments. New date being set for January 2017.
Climate Change Resilience	Own Funds	800 000	0	800 000	0%	Specifications and Demand Management Plan completed and submitted to Supply Chain Management on 2 December 2016.
Event Safety Capacity Building	Own Funds	40 000	0	40 000	0%	Pilot workshop to be held to develop workshop material. Workshop to be held in the 3rd Quarter.
Community Safety Forums	Own Funds	20 000	0	20 000	0%	Once off training for members to the Community Safety Forum to take place in February & March 2017.
Implementation of the Coastal Crime Prevention Unit Safety Project in BCMM	Dept of Public Works	2 469 600	321 992	2 147 608	13%	Project and funds to be transferred to Municipal Services Directorate during mid year budget adjustment process.
TOTAL: HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES		3 599 600	321 992	3 277 608	9%	
DIRECTORATE OF MUNICIPAL SERVICES						
Environmental Enhancement: Parks and Cemeteries	Own Funds	800 000	595 738	204 263	74%	75% of the budget has been spent and the rest of the budget will be spent by the end of February 2017.
Bush Clearing Programmes	Own Funds	750 000	677 580	72 420	90%	Project is complete. Total budget has been spent
Grass Mowing (IDZ and Co-OPS)	Own Funds	500 000	0	500 000	0%	Payment will be done on receipt of invoices when work is complete. The work is carried out by ELIDZ as per Memorandum of Understanding. At this stage, an invoice amounting to R41 211.40 has been received for payment. A cheque requisitions for the invoice has been sent for payment in the amount of R41 000.
Street Litter Bins	Own Funds	1 000 000	0	1 000 000	0%	Procurement process is underway. Specification were presented to Bid Specification Committee on the 29 July 2016 and it was deferred. Bid Specification Committee 1 agenda scheduled on the 22 September 2016: the meeting was postponed. Bid Specification Committee requested the department to re-submit the specification. The specification was re-submitted on the 27 November 2016.
Construction and Rehabilitation of Waste Cells - Landfill Operations	USDG	5 000 000	5 345 036	-345 036	107%	Contractor is on site and project is progressing.
Assessment prior Rehabilitation of Unlicensed Disposal Sites	Own Funds	1 500 000	0	1 500 000	0%	Procurement process is underway. Specification has been submitted to the Bid Specification Committee
Pilot Project - co-Operatives for Solid Waste Department / Greening	Own Funds	1 000 000	0	1 000 000	0%	Department is developing Terms of Reference for the pilot project. The Terms of Reference are developed by two sections, Local Economic Development section and Solid Waste Management Department. This is because Cooperatives is the core function of Local Economic Development
TOTAL : MUNICIPAL SERVICES		10 550 000	6 618 354	3 931 646	63%	
TOTAL OPERATING PROJECTS		327 388 741	142 348 846	185 039 896	43%	