

REPORT TO EXECUTIVE MAYOR: 13 FEBRUARY 2017

File No.:5/1/1/1[16/17]

Author: ACTING CITY MANAGER (APPANA NAIDOO)/VP

STATEMENT OF FINANCIAL PERFORMANCE AND THE IMPLEMENTATION OF THE 2016/17 BUDGET FOR THE PERIOD ENDED 31 JANUARY 2017

1. PURPOSE

The purpose of the report is for the Executive Mayor to consider and note the statement of financial performance and the implementation of the 2016/17 budget of the Buffalo City Metropolitan Municipality for the period ended 31 January 2017.

2. AUTHORITY

Executive Mayor

3. LEGAL / STATUTORY REQUIREMENTS

The Constitution of the Republic of South Africa, 1996

Municipal Finance Management Act No 56, 2003

Municipal Budget and Reporting Regulations, 2009

4. BACKGROUND

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

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

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

TABLE OF CONTENTS

REPORT TO EXECUTIVE MAYOR: 13 FEBRUARY 2017	1
1. PURPOSE.....	1
2. AUTHORITY	1
3. LEGAL / STATUTORY REQUIREMENTS	1
4. BACKGROUND	1
LIST OF TABLES	3
PART 1: IN-YEAR REPORT	4
5. RESOLUTIONS	5
6. EXECUTIVE SUMMARY ON THE IMPLEMENTATION OF THE BUDGET AND THE FINANCIAL STATE OF AFFAIRS OF THE MUNICIPALITY FOR THE PERIOD ENDED 31 JANUARY 2017	6
7. IN-YEAR BUDGET STATEMENT MAIN TABLES	10
PART 2: SUPPORTING DOCUMENTATION.....	21
8. IN-YEAR BUDGET STATEMENT SUPPORTING TABLES AND DOCUMENTATION	22
9. CREDITORS' ANALYSIS.....	26
10. INVESTMENT PORTFOLIO ANALYSIS	28
11. ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE.....	31
12. COUNCILLOR AND EMPLOYEE BENEFITS	36
13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE	44
14. CAPITAL PROGRAMME PERFORMANCE.....	46
15. OTHER SUPPORTING DOCUMENTS.....	51
16. INCOME AND EXPENDITURE REPORTS FOR DIRECTORATE OF HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES AND MUNICIPAL SERVICES	53
17. MUNICIPAL MANAGER'S QUALITY CERTIFICATION.....	55
ANNEXURES:	56

LIST OF TABLES

Table 1: Performance Summary	6
Table 2:C1: Monthly Budget Statement Summary	10
Table 3: C2: Monthly Budget Statement – Financial Performance (standard classification)	11
Table 4: C3: Monthly Budget Statement – Financial Performance (Revenue and expenditure by municipal vote)	12
Table 5: C4: Monthly Budget Statement – Financial Performance (Revenue by Source and Expenditure by Type)	13
Table 6: Repairs and Maintenance per Directorate	17
Table 7: C5: Monthly Budget Statement – Capital Expenditure (municipal vote, standard classification and funding)	18
Table 8: C6: Monthly Budget Statement – Financial Position	19
Table 9: C7: Monthly Budget Statement – Cash Flow	20
Table 10: SC3 Monthly Budget Statement Aged Debtors	22
Table 11: Debtor’s Age Analysis by Income Source Comparison	23
Table 12: Age Analysis per Category Type	24
Table 13: Analysis of Government Debtors	25
Table 14: SC4 Monthly Budget Statement Aged Creditors	26
Table 15: Payments made to the 20 highest paid creditors – January 2017	27
Table 16: SC5 Monthly Budget Statement – investment portfolio	28
Table 17: SC7 Monthly Budget Statement – transfers and grants expenditure	31
Table 18: Spending per Conditional Grant Funding Allocation	32
Table 19: SC8 Monthly Budget Statement – Councilor and Staff Benefits	36
Table 20: Overtime per Directorate	37
Table 21: Overtime Per Cost Centre: November 2016 – January 2017	38
Table 22: Standby & Shift Allowance per Directorate	42
Table 23: Temporary Staff per Directorate	43
Table 24: Councillors Costs	43
Table 25: Capital Expenditure per Funding Source against Budget	46
Table 26: Actual Expenditure per Service against Budget	47
Table 27: Actual Expenditure per Directorate against Budget	47
Table 28: SC12 Monthly budget Statement – capital expenditure trend	48
Table 29: SC13a Monthly budget Statement – capital expenditure on new assets by asset class	49
Table 30: SC13b Monthly budget Statement – capital expenditure on renewal of existing assets by asset class	50
Table 31: Operating Projects per Directorate	51
Table 32: Operating Projects per Funding Source	52
Table 33: Health / Public Safety & Emergency Services – Cost Analysis	53
Table 34: Municipal Services – Cost Analysis	54

PART 1: IN-YEAR REPORT

5. RESOLUTIONS

It is recommended that:

- (i) The Executive Mayor considers and notes the report on the statement of financial performance and the implementation of the 2016/17 budget for the period ended 31 January 2017 including supporting documentation attached as Annexure A to F.
- (ii) The Executive Mayor notes the spending trend on capital and operating projects as well as the reasons for such an expenditure as indicated in section 14 and 15 respectively of this report.
- (iii) The Executive Mayor notes the year to date collection rate for the period ended 31 January 2017 of 85.68%.

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 JANUARY 2017**

6.1. Dashboard / Performance Summary

Table 1: Performance Summary

OVERALL OPERATING RESULTS		CASH MANAGEMENT	
Income	R 3,487,984,409	Bank Balance	R 176,748,089
Expenditure	(R 3,302,953,788)	Call investments (excl. int.)	R 2,095,717,166
Operating Surplus	R 185,030,622	Cash and cash equivalents	R 2,272,465,255
Transfers Recognised - Capital	R 297,537,696	<i>Account Payables</i>	<i>(R 433,920,717)</i>
Surplus After Capital Transfers	R 482,568,318	<i>Unspent conditional grants</i>	<i>(R 383,856,868)</i>
DEBTORS		<i>Committed to Capital budget- own funds</i>	<i>(R 540,766,655)</i>
Total debtors book	R 1,962,708,695	Therefore Cash and Cash equivalents ring fenced for assets renewal in outer years	R 913,921,015
Total debtors - Government	R 61,684,387	Total Long term loans	R 471,903,617
Total debtors - Business	R 442,644,595		
Total debtors - Households	R 1,195,755,459		
Total debtors - Other	R 262,624,254	SURPLUS / (DEFICIT) PER SERVICE	
Total debt written off	R 4,302,303	Water	(R 859,879)
REPAIRS AND MAINTENANCE		Electricity	R 64,613,119
2015/2016: Exp. = R161.61 m, which is 43% of approved budget of R372.01m	2016/2017: Exp. = R169.33 m, which is 41% of approved budget of R414.79m	Refuse	R 21,136,887
		Sewerage	R 28,186,049
CAPITAL EXPENDITURE		OPERATING PROJECTS EXPENDITURE	
2015/2016: Exp. as a % of Adjusted Budget of R1.38b: Exp. (excl. vat) = R460.97 mil % exp (Excl. vat) : 33% Exp. (incl. vat) = R498.37 mil % exp (incl. vat): 36%	2016/2017: Exp. as a % of Adjusted Budget of R1.69b: Exp. (excl. vat) = R517.97 mil % exp (Excl. vat) :31% Exp. (incl. vat) = R556.99 mil % exp (incl. vat): 33%	2015/2016: Exp. as a % of Adjusted Budget of R697.73m: Exp.(excl. vat)= R155.88 mil % exp.(excl. vat): 22% Exp.(incl. vat) = R156.11 mil % exp.(incl. vat): 22%	2016/2017: Exp. as a % of Adjusted Budget of R327.39m: Exp.(excl. vat)=R143.56 mil % exp.(excl. vat): 44% Exp.(incl. vat) = R149.62 mil % exp.(incl. vat): 46%
FINANCIAL		HUMAN RESOURCES	
Operating Surplus for the period	R 185,030,622	Total staff complement	5 213
Debtors collection ratio	85.68%	Staff Appointments	483
YTD Grants and subsidies	R 885,050,029	Staff Terminations	104
% of Creditors paid within terms	100%	Number of funded vacant posts	621
Current ratio	3.59:1	Total overtime paid (YTD)	R 74,727, 263
Total Debt to Revenue	10.29%	Allowances and benefits - Councillors	R 31,155,531
Capital Charges to Operating Expenditure	1.45%	Salary bill - Officials	R 852,971,837
Cost coverage ratio	3.82 months	Workforce costs as a % of expenditure	26.77%

6.2 Liquidity position

Buffalo City Metropolitan Municipality's liquidity is considered relatively sound as the Current Ratio is 3.59:1 which indicates the ability of Municipality's current assets to cover its current liabilities. Debtors constitute 32% of the current assets, inventory constitutes 1% and cash & cash equivalents comprise 57% of the current assets. The City has a stronger cash and cash equivalent and can easily meet its immediate obligations.

6.3 Collection Rate and Outstanding Debtors

The year to date collection rate for the month ended 31 January 2017 is 85.68% (2015/16: 90.2%). This ratio denotes the City's ability to collect the billed revenue from its consumers.

Total debtors book (including current accounts) as at 31 January 2017 amounts to R1.96 billion (2015/16: R1.50 billion). Households: R1.2 billion, Business: R442.64 million, Government: R61.68 million, Other: R262.62 million. BCMM analyses recoverability of debt on a monthly basis. During the latest review, an amount of R272.77 million has been identified as irrecoverable in respect of rates and service charges. A report has been prepared for Council's consideration and approval for the debt to be written off during the 2016/2017 financial period.

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

6.4 Capital Expenditure

BCMM has spent 33% (R556.99 million, inclusive of reclaimed vat) of its 2016/17 adjusted capital budget of R1.69 billion as at 31 January 2017. This depicts a slight improvement in rand value terms when compared to the same period in the previous financial year where 36% (R498.37 million, inclusive of reclaimed vat) of the adjusted budget of R1.38 billion was spent. The capital expenditure is expected to speedily improve during the second half of the financial year as major projects have passed procurement to implementation stage. (Refer to Section 14 for further details).

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

6.5 Operating projects

The Metro has spent 46% (R149.62 million, inclusive of reclaimed vat) of its 2016/17 adjusted budget of R327.39 million as at 31 January 2017. This reflects an improvement in percentage terms when compared to the same period in the previous financial year where 22% (R156.11 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R697.73 million was spent. (Refer to Section 15 for further details).

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

6.6 Expenditure on Conditional Grants (DoRA Allocation)

The Metro has spent 47% (R389.01 million, inclusive of reclaimed vat) of its 2016/2017 conditional grants budget of R828.70 million as at 31 January 2017. This reflects a slight improvement in rand value terms when compared to the same period in the previous financial year where 47% (R378.45 million, inclusive of reclaimed of vat) of conditional grants budget of R801.94 million was spent. Expenditure is expected to speedily improve during the second half of the financial year as major projects have passed procurement to implementation stage. (Refer to Section 11 for further details).

6.6.1. Urban Settlement Development Grant (USDG) funded projects

BCMM has spent 53% (R384.53 million, inclusive of reclaimed vat) of its 2016/2017 USDG budget of R731.50 million as at 31 January 2017. This reflects an improvement when compared to the same period in the previous financial year where 49% (R348.08 million, inclusive of reclaimed of vat) of USDG budget of R713.13 million was spent. Expenditure is expected improve during the second half of the financial year as major projects have passed procurement to implementation stage. (Refer to Section 11 for further details).

6.7 Cash and Cash Equivalents

The cash and cash equivalents of the City as at 31 January 2017 are R2.27 billion made up of cash and bank amounting to R176.75 million and call investment deposits of R2.10 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 3.82 months. This ratio indicates the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue during that period. This ratio denotes that the City can meet its monthly operating commitments 3.8 times due to its stronger financial health which 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. However, Small Micro Medium Enterprises (SMME) are paid on a fortnightly basis to assist emerging service providers. Refer to Section 10 for details.

6.9 Long-Term Debt Profile

The total long term borrowings of the municipality as at 31 January 2017 amounts to R471.90 million (Refer to Annexure C for the schedule of borrowings).

The ratio of capital charges to operating expenditure as at 31 January 2017 is 1.45%. This ratio assesses the level of capital charges / interest charges to operating expenditure.

The total debt to revenue ratio is 10.29% as at 31 January 2017, this indicates the extent of total borrowings (short and long term debt financing) in relation to total operating revenue of the municipality. The purpose of the ratio is to provide assurance that sufficient revenue will be generated to repay liabilities. The municipality is therefore highly solvent to meet its debt obligation as it is below the set ceiling of 45% in accordance with the MFMA circular 71.

7. IN-YEAR BUDGET STATEMENT MAIN TABLES

7.1 Monthly Budget Statement Summary

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

Table 2:C1: Monthly Budget Statement Summary

BUF Buffalo City - Table C1 Consolidated Monthly Budget Statement Summary - M07 January									
Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	865 235	1 122 920	1 122 920	74 097	619 158	678 949	(59 791)	-9%	1 122 920
Service charges	2 749 648	2 928 610	2 928 610	221 277	1 740 214	1 681 433	58 780	3%	2 928 610
Investment revenue	154 775	143 775	143 775	1 263	77 660	77 491	169	0%	143 775
Transfers recognised - operational	963 670	1 319 728	1 318 097	33 704	885 050	622 999	262 052	42%	1 318 097
Other own revenue	714 463	391 737	391 737	31 926	165 903	195 061	(29 158)	-15%	391 737
Total Revenue (excluding capital transfers and contributions)	5 447 791	5 906 770	5 905 139	362 268	3 487 984	3 255 932	232 052	7%	5 905 139
Employee costs	1 352 201	1 531 068	1 531 068	125 718	852 972	906 429	(53 457)	-6%	1 531 068
Remuneration of Councillors	54 375	58 099	58 099	4 475	31 156	34 403	(3 247)	-9%	58 099
Depreciation & asset impairment	789 811	748 339	748 339	63 224	437 393	436 531	862	0%	748 339
Finance charges	54 878	57 105	57 105	(8 086)	23 458	33 457	(9 998)	-30%	57 105
Materials and bulk purchases	1 427 318	1 521 587	1 521 587	126 363	939 692	915 093	24 599	3%	1 521 587
Transfers and grants	237 321	288 468	288 468	33 819	154 314	168 271	(13 957)	-8%	288 468
Other expenditure	1 548 531	1 701 026	1 699 395	98 471	863 969	766 913	97 055	13%	1 699 395
Total Expenditure	5 464 435	5 905 693	5 904 061	443 984	3 302 954	3 261 096	41 858	1%	5 904 061
Surplus/(Deficit)	(16 644)	1 078	1 078	(81 717)	185 031	(5 164)	190 194	-3683%	1 078
Transfers recognised - capital	670 394	848 269	848 269	6 773	297 538	410 041	(112 504)	-27%	848 269
Contributions & Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	653 750	849 347	849 347	(74 944)	482 568	404 878	77 691	19%	849 347
Share of surplus/ (deficit) of associate	30 383	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	684 133	849 347	849 347	(74 944)	482 568	404 878	77 691	19%	849 347
Capital expenditure & funds sources									
Capital expenditure	1 186 373	1 558 134	1 693 155	26 493	517 970	309 443	208 527	67%	1 693 155
Capital transfers recognised	670 394	848 269	862 374	6 773	297 538	157 609	139 929	89%	862 374
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	-	69 582	69 582	-	-	12 717	(12 717)	-100%	69 582
Internally generated funds	515 979	640 283	761 199	19 721	220 433	139 118	81 315	58%	761 199
Total sources of capital funds	1 186 373	1 558 134	1 693 155	26 493	517 970	309 443	208 527	67%	1 693 155
Financial position									
Total current assets	3 571 174	3 526 080	3 526 080		3 956 449				3 526 080
Total non current assets	13 495 258	14 131 021	14 239 037		13 576 817				14 239 037
Total current liabilities	1 440 811	1 131 155	1 131 155		1 102 786				1 131 155
Total non current liabilities	944 139	1 177 274	1 177 274		930 805				1 177 274
Community wealth/Equity	14 681 482	15 348 672	15 456 688		15 499 675				15 456 688
Cash flows									
Net cash from (used) operating	1 395 072	1 648 938	1 648 938	563	439 427	961 880	522 453	54%	1 648 938
Net cash from (used) investing	(1 175 532)	(1 558 134)	(1 693 155)	(26 493)	(517 970)	(908 911)	(390 941)	43%	(1 558 134)
Net cash from (used) financing	(44 499)	17 757	17 757	-	(24 573)	10 358	34 931	337%	17 757
Cash/cash equivalents at the month/year	2 375 582	2 490 747	2 355 726	-	2 272 465	2 445 513	173 048	7%	2 484 142
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	268 793	103 851	68 660	54 364	54 573	48 862	304 499	1 059 107	1 962 709
Creditors Age Analysis									
Total Creditors	432 266	1 655	-	-	-	-	-	-	433 921

7.2 Monthly Budget Statement – Financial Performance (standard classification)

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

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

BUF Buffalo City - Table C2 Consolidated Monthly Budget Statement - Financial Performance (standard classification) - M07 January

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
<i>Governance and administration</i>		2 029 240	2 268 639	2 266 738	85 836	1 327 865	1 318 672	9 193	1%	2 266 738
Executive and council		23 255	30 796	30 796	435	11 531	15 948	(4 417)	-28%	30 796
Budget and treasury office		1 939 625	2 222 421	2 220 521	83 989	1 310 502	1 293 921	16 581	1%	2 220 521
Corporate services		66 360	15 421	15 421	1 411	5 832	8 803	(2 971)	-34%	15 421
<i>Community and public safety</i>		331 234	127 228	127 228	29 513	136 148	63 295	72 853	115%	127 228
Community and social services		20 861	19 511	19 511	1 196	7 397	10 090	(2 693)	-27%	19 511
Sport and recreation		3 780	6 161	6 161	952	1 793	2 986	(1 193)	-40%	6 161
Public safety		113 972	98 758	98 758	14 096	78 681	49 133	29 548	60%	98 758
Housing		192 193	-	-	13 269	48 252	-	48 252	#DIV/0!	-
Health		428	2 797	2 797	-	24	1 085	(1 061)	-98%	2 797
<i>Economic and environmental services</i>		35 488	100 222	100 222	2 173	11 735	46 848	(35 114)	-75%	100 222
Planning and development		22 073	26 543	26 543	2 060	11 328	13 910	(2 582)	-19%	26 543
Road transport		13 251	73 255	73 255	101	344	32 734	(32 390)	-99%	73 255
Environmental protection		165	423	423	11	63	205	(142)	-69%	423
<i>Trading services</i>		3 018 173	3 384 579	3 384 579	241 090	1 997 761	1 922 322	75 439	4%	3 384 579
Electricity		1 751 891	1 931 170	1 931 170	142 266	1 136 121	1 224 541	(88 420)	-7%	1 931 170
Water		505 016	541 296	541 296	25 304	330 125	260 745	69 380	27%	541 296
Waste water management		384 179	446 227	446 227	46 178	288 688	237 203	51 485	22%	446 227
Waste management		377 087	465 885	465 885	27 343	242 827	199 833	42 994	22%	465 885
<i>Other</i>	4	734 434	874 641	874 641	10 429	312 013	314 836	(2 823)	-1%	874 641
Total Revenue - Standard	2	6 148 568	6 755 308	6 753 408	369 040	3 785 522	3 665 973	119 549	3%	6 753 408
Expenditure - Standard										
<i>Governance and administration</i>		967 780	1 189 292	1 189 644	80 453	565 667	569 072	(3 405)	-1%	1 189 644
Executive and council		250 586	209 046	209 397	10 695	107 202	110 824	(3 622)	-3%	209 397
Budget and treasury office		452 161	553 044	553 044	36 770	232 839	243 173	(10 335)	-4%	553 044
Corporate services		265 033	427 203	427 203	32 987	225 626	215 075	10 551	5%	427 203
<i>Community and public safety</i>		719 662	738 246	738 995	51 032	358 790	374 641	(15 852)	-4%	738 995
Community and social services		131 649	94 309	94 309	8 487	59 518	60 353	(835)	-1%	94 309
Sport and recreation		74 197	77 113	77 113	7 858	44 224	50 914	(6 690)	-13%	77 113
Public safety		266 258	224 016	224 016	30 134	173 879	151 976	21 903	14%	224 016
Housing		216 633	280 019	280 768	1 937	63 502	92 163	(28 661)	-31%	280 768
Health		30 925	62 789	62 789	2 617	17 668	19 236	(1 569)	-8%	62 789
<i>Economic and environmental services</i>		832 752	919 523	916 523	82 035	463 525	572 038	(108 513)	-19%	916 523
Planning and development		192 695	270 451	267 451	26 630	143 206	138 707	4 498	3%	267 451
Road transport		532 428	543 263	543 263	46 096	252 191	367 602	(115 410)	-31%	543 263
Environmental protection		107 629	105 809	105 809	9 310	68 128	65 729	2 399	4%	105 809
<i>Trading services</i>		2 928 376	3 041 214	3 041 214	229 036	1 903 524	1 736 394	167 130	10%	3 041 214
Electricity		1 575 891	1 725 555	1 725 555	122 688	1 071 508	986 862	84 646	9%	1 725 555
Water		647 217	531 791	531 791	44 424	349 824	305 857	43 967	14%	531 791
Waste water management		368 775	467 437	467 437	30 629	260 502	230 726	29 776	13%	467 437
Waste management		336 495	316 432	316 432	31 296	221 690	212 949	8 741	4%	316 432
<i>Other</i>		15 865	17 685	17 685	1 427	11 448	8 950	2 497	28%	17 685
Total Expenditure - Standard	3	5 464 435	5 905 961	5 904 061	443 984	3 302 954	3 261 096	41 858	1%	5 904 061
Surplus/ (Deficit) for the year		684 133	849 347	849 347	(74 944)	482 568	404 878	77 691	19%	849 347

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

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

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

BUF Buffalo City - Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M07 January

Vote Description	Ref	2015/16	Budget Year 2016/17							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue by Vote										
Vote 1 - Directorate - Executive Support Services	1	383	145	145	-	-	96	(96)	-100.0%	145
Vote 2 - Directorate - City Manager		22 871	52 588	52 588	435	11 531	15 376	(3 845)	-25.0%	52 588
Vote 3 - Directorate - Human Settlements		192 193	362 572	362 572	13 269	48 250	91 129	(42 878)	-47.1%	362 572
Vote 4 - Directorate - Finance		2 610 019	2 947 365	2 945 733	90 762	1 608 040	1 513 548	94 492	6.2%	2 945 733
Vote 5 - Directorate - Corporate Services		6 667	13 036	13 036	1 316	5 169	6 294	(1 125)	-17.9%	13 036
Vote 6 - Directorate - Infrastructure Services		2 744 983	2 744 633	2 744 633	213 750	1 754 981	1 711 859	43 122	2.5%	2 744 633
Vote 7 - Directorate - Development Planning		42 563	64 067	34 695	2 254	12 290	11 539	751	6.5%	34 695
Vote 8 - Directorate - Health / Public Safety & Emergency Services		126 995	162 440	162 440	14 096	78 706	76 845	1 860	2.4%	162 440
Vote 9 - Directorate - Municipal Services		401 893	408 195	408 195	29 502	252 080	229 519	22 561	9.8%	408 195
Vote 10 - Directorate - Economic Development		-	-	29 372	3 656	14 475	9 769	4 706	48.2%	29 372
Total Revenue by Vote	2	6 148 568	6 755 039	6 753 408	369 040	3 785 522	3 665 973	119 549	3.3%	6 753 408
Expenditure by Vote										
Vote 1 - Directorate - Executive Support Services	1	177 703	206 009	206 098	17 276	117 284	115 217	2 066	1.8%	206 098
Vote 2 - Directorate - City Manager		72 883	115 928	116 189	3 871	51 555	59 899	(8 344)	-13.9%	116 189
Vote 3 - Directorate - Human Settlements		216 633	346 542	347 560	2 754	68 599	99 136	(30 537)	-30.8%	347 560
Vote 4 - Directorate - Finance		452 161	551 753	551 753	36 770	232 839	243 173	(10 335)	-4.2%	551 753
Vote 5 - Directorate - Corporate Services		137 998	192 959	192 959	14 927	104 329	93 480	10 849	11.6%	192 959
Vote 6 - Directorate - Infrastructure Services		3 230 074	3 234 571	3 234 571	250 910	1 961 975	1 963 071	(1 095)	-0.1%	3 234 571
Vote 7 - Directorate - Development Planning		229 830	333 338	246 099	18 600	127 687	119 641	8 045	6.7%	246 099
Vote 8 - Directorate - Health / Public Safety & Emergency Services		297 183	321 998	321 998	33 113	193 533	190 862	2 670	1.4%	321 998
Vote 9 - Directorate - Municipal Services		649 970	602 596	602 596	57 630	398 112	335 663	62 449	18.6%	602 596
Vote 10 - Directorate - Economic Development		-	-	84 239	8 132	47 041	40 953	6 088	14.9%	84 239
Total Expenditure by Vote	2	5 464 435	5 905 692	5 904 061	443 984	3 302 954	3 261 096	41 858	1.3%	5 904 061
Surplus/ (Deficit) for the year	2	684 133	849 347	849 347	(74 944)	482 568	404 878	77 691	19.2%	849 347

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 January 2017.

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

BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January										
Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Source										
Property rates		865 235	1 122 920	1 122 920	74 097	619 158	678 949	(59 791)	-9%	1 122 920
Property rates - penalties & collection charges		–	–	–	–	–	–	–	–	–
Service charges - electricity revenue		1 694 297	1 815 256	1 815 256	139 370	1 081 004	1 054 383	26 621	3%	1 815 256
Service charges - water revenue		425 276	444 291	444 291	25 122	269 519	240 549	28 970	12%	444 291
Service charges - sanitation revenue		298 552	339 107	339 107	28 960	195 029	198 725	(3 696)	-2%	339 107
Service charges - refuse revenue		287 400	308 375	308 375	25 698	180 302	175 130	5 172	3%	308 375
Service charges - other		44 122	21 580	21 580	2 127	14 360	12 647	1 713	14%	21 580
Rental of facilities and equipment		16 583	20 045	20 045	1 579	8 269	7 004	1 265	18%	20 045
Interest earned - external investments		154 775	143 775	143 775	1 263	77 660	77 491	169	0%	143 775
Interest earned - outstanding debtors		32 661	34 651	34 651	4 463	28 740	18 192	10 549	58%	34 651
Dividends received		–	–	–	–	–	–	–	–	–
Fines		5 594	8 385	8 385	451	4 457	4 891	(435)	-9%	8 385
Licences and permits		12 612	13 958	13 958	1 065	7 392	6 982	410	6%	13 958
Agency services		–	–	–	–	–	–	–	–	–
Transfers recognised - operational		963 670	1 319 728	1 318 097	33 704	885 050	622 999	262 052	42%	1 318 097
Other revenue		646 513	314 698	314 698	24 368	117 045	157 992	(40 947)	-26%	314 698
Gains on disposal of PPE		500	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		5 447 791	5 906 770	5 905 139	362 268	3 487 984	3 255 932	232 052	7%	5 905 139

BUF Buffalo City - Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) - M07 January

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Expenditure By Type										
Employee related costs		1 352 201	1 531 068	1 531 068	125 718	852 972	906 429	(53 457)	-6%	1 531 068
Remuneration of councillors		54 375	58 099	58 099	4 475	31 156	34 403	(3 247)	-9%	58 099
Debt impairment		210 111	303 865	303 865	25 322	177 254	177 943	(688)	0%	303 865
Depreciation & asset impairment		789 811	748 339	748 339	63 224	437 393	436 531	862	0%	748 339
Finance charges		54 878	57 105	57 105	(8 086)	23 458	33 457	(9 998)	-30%	57 105
Bulk purchases		1 427 318	1 521 587	1 521 587	126 363	939 692	915 093	24 599	3%	1 521 587
Other materials		-	-	-	-	-	-	-	-	-
Contracted services		-	22 486	22 486	90	14 888	8 445	6 444	76%	22 486
Transfers and grants		237 321	288 468	288 468	33 819	154 314	168 271	(13 957)	-8%	288 468
Other expenditure		1 338 420	1 374 675	1 373 043	73 059	671 826	580 526	91 300	16%	1 373 043
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-
Total Expenditure		5 464 435	5 905 693	5 904 061	443 984	3 302 954	3 261 096	41 858	1%	5 904 061
Surplus/(Deficit)		(16 644)	1 078	1 078	(81 717)	185 031	(5 164)	190 194	(0)	1 078
Transfers recognised - capital		670 394	848 269	848 269	6 773	297 538	410 041	(112 504)	(0)	848 269
Contributions recognised - capital		-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		653 750	849 347	849 347	(74 944)	482 568	404 878			849 347
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		653 750	849 347	849 347	(74 944)	482 568	404 878			849 347
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		653 750	849 347	849 347	(74 944)	482 568	404 878			849 347
Share of surplus/ (deficit) of associate		30 383	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		684 133	849 347	849 347	(74 944)	482 568	404 878			849 347

7.4.1 ANALYSIS OF STATEMENT OF FINANCIAL PERFORMANCE

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

7.4.1.1 Service Charges – water revenue

The actual revenue depends on the usage of customers. The year to date actual reflects the billing patterns. The Revenue Department is analysing the billing trends per customer to ensure that all customers are billed appropriately.

7.4.1.2 Service Charges – other

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

- Availability charges
- Connection / Reconnection charges

The situation is however monitored on a monthly basis.

7.4.1.3 Rental of facilities and equipment

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

7.4.1.4 Interest earned – outstanding debtors

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

7.4.1.5 Transfers recognised - operational

The variance is as a result of general fuel levy that was received in the month of August 2016. The general fuel levy was not projected for under operational transfers recognised, however this will be corrected in the mid-year adjustment budget.

7.4.1.6 Other revenue

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

7.4.1.7 Finance charges

BCMM is in the process of acquiring additional loan. The process of acquiring this loan took longer than anticipated. The budget was projected under the assumption that the loan would have already been secured by now hence the variance. This will be adjusted in the mid-year adjustment budget.

7.4.1.8 Contracted services

Contracted services are utilised as and when required. As the year progresses the use of contracted services will stabilise. One-Man-Contract workers have been appointed to assist towards the cleanliness of the City.

7.4.1.9 Other expenditure

Other expenditure includes operating projects, operational costs as well as repairs and maintenance and these expenditure categories are overspent by 16% when compared to the year to date budget. These were not correctly projected for in the year to date budget, however the annual budget was correctly projected; the monthly projections will be corrected in the mid-year adjustment budget. Details of expenditure on repairs and maintenance is provided in table 6 below. Details on operating projects are provided on section 15 of the report.

7.4.1.10 Repairs and Maintenance

Table 6 below reflects that as at 31 January 2017, the repairs and maintenance expenditure is 41% of the approved budget of R414.79 million (2015/16: 43%). This is a slight regression when compared with the prior year. Refer to Annexure B: SC13c (repairs and maintenance by asset class).

Table 6: Repairs and Maintenance per Directorate

Directorate	<u>2016/2017</u> <u>Annual</u> <u>Budget</u> <u>R</u>	<u>2016/2017</u> <u>Annual</u> <u>Expenditure</u> <u>R</u>	<u>2016/2017</u> <u>-</u> <u>Variance</u> <u>R</u>	<u>2016/2017</u> <u>% of</u> <u>Budget</u> <u>%</u>
Directorate Of Executive Support Services	3 235 637	869 341	2 366 296	27%
Directorate Of The City Manager	134 478	3 902	130 576	3%
Directorate Of Corporate Services	6 540 381	1 708 248	4 832 133	26%
Directorate Of Development & Spatial Planning	28 357 088	10 260 601	18 096 487	36%
Directorate Of Economic Development & Agencies	1 180 627	861 829	318 798	73%
Directorate Of Finance	3 273 630	497 303	2 776 327	15%
Directorate Of Health / Public Safety & Emergency Services	6 195 492	1 565 205	4 630 288	25%
Directorate Of Human Settlement	108 421	75 017	33 404	69%
Directorate Of Infrastructure Services	328 157 794	129 553 293	198 604 501	39%
<i>Electricity</i>	126 468 926	57 923 818	68 545 109	46%
<i>Water</i>	47 248 367	26 524 186	20 724 181	56%
<i>Sanitation</i>	33 026 802	13 860 383	19 166 419	42%
<i>Other</i>	121 413 699	31 244 907	90 168 792	26%
Directorate Of Municipal Services	37 607 278	23 935 439	13 671 839	64%
TOTAL	414 790 826	169 330 177	245 460 649	41%

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

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

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

BUF Buffalo City - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding - M07 January)										
Vote Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Directorate - Executive Support Services		2 222	5 500	8 007	1 214	1 554	765	789	103%	8 007
Vote 2 - Directorate - City Manager		5 142	17 522	17 522	223	10 961	41	10 920	26794%	17 522
Vote 3 - Directorate - Human Settlements		203 043	202 441	211 477	1 217	79 445	21 996	57 449	261%	211 477
Vote 4 - Directorate - Finance		2 034	10 600	10 748	104	485	2 113	(1 628)	-77%	10 748
Vote 5 - Directorate - Corporate Services		9 001	7 100	9 034	36	463	4 397	(3 934)	-89%	9 034
Vote 6 - Directorate - Infrastructure Services		818 247	887 671	937 030	13 704	373 346	205 735	167 611	81%	937 030
Vote 7 - Directorate - Development Planning		66 629	230 290	230 417	3 605	12 839	23 003	(10 163)	-44%	230 417
Vote 8 - Directorate - Health / Public Safety & Emergency Services		4 810	30 032	46 484	82	1 330	15 184	(13 854)	-91%	46 484
Vote 9 - Directorate - Municipal Services		75 245	122 478	167 702	5 943	25 981	10 253	15 728	153%	167 702
Vote 10 - Directorate - Economic Development		-	44 500	54 734	366	11 568	25 958	(14 391)	-55%	54 734
Total Capital Multi-year expenditure	4,7	1 186 373	1 558 134	1 693 155	26 493	517 970	309 443	208 527	67%	1 693 155
Total Capital Expenditure		1 186 373	1 558 134	1 693 155	26 493	517 970	309 443	208 527	67%	1 693 155
Capital Expenditure - Standard Classification										
Governance and administration		18 399	40 722	80 310	1 577	13 462	14 678	(1 215)	-8%	80 310
Executive and council		7 364	23 022	60 529	1 437	12 515	11 062	1 453	13%	60 529
Budget and treasury office		2 034	10 600	10 748	104	485	1 964	(1 480)	-75%	10 748
Corporate services		9 001	7 100	9 034	36	463	1 651	(1 188)	-72%	9 034
Community and public safety		245 226	276 498	309 838	3 729	102 911	56 626	46 284	82%	309 838
Community and social services		14 751	23 300	30 226	1 047	5 856	5 524	331	6%	30 226
Sport and recreation		22 622	20 725	21 651	1 383	16 280	3 957	12 323	311%	21 651
Public safety		4 810	30 032	46 484	82	1 330	8 495	(7 165)	-84%	46 484
Housing		203 043	202 441	211 477	1 217	79 445	38 650	40 795	106%	211 477
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		398 399	541 969	552 330	4 908	139 361	100 945	38 416	38%	552 330
Planning and development		66 629	274 790	285 151	3 970	24 407	52 115	(27 708)	-53%	285 151
Road transport		331 770	267 179	267 179	937	114 954	48 830	66 124	135%	267 179
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		476 965	680 946	732 365	15 238	252 119	133 848	118 271	88%	732 365
Electricity		146 652	143 000	143 000	6 088	54 265	26 135	28 130	108%	143 000
Water		116 452	87 500	87 500	3 545	63 809	15 992	47 818	299%	87 500
Waste water management		175 989	371 992	386 040	2 092	130 200	70 553	59 647	85%	386 040
Waste management		37 872	78 454	115 825	3 513	3 845	21 168	(17 323)	-82%	115 825
Other		47 384	18 000	18 312	1 042	10 117	3 347	6 771	202%	18 312
Total Capital Expenditure - Standard Classification	3	1 186 373	1 558 134	1 693 155	26 493	517 970	309 443	208 527	67%	1 693 155
Funded by:										
National Government		596 567	741 969	741 969	6 715	285 795	135 603	150 192	111%	741 969
Provincial Government		73 827	106 300	120 405	58	11 743	22 005	(10 262)	-47%	120 405
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		670 394	848 269	862 374	6 773	297 538	157 609	139 929	89%	862 374
Public contributions & donations	5	-	-	-	-	-	-	-	-	-
Borrowing	6	-	69 582	69 582	-	-	12 717	(12 717)	-100%	69 582
Internally generated funds		515 979	640 283	761 199	19 721	220 433	139 118	81 315	58%	761 199
Total Capital Funding		1 186 373	1 558 134	1 693 155	26 493	517 970	309 443	208 527	67%	1 693 155

7.6 Monthly Budget Statement – Financial Position

The table below reflects the financial position of the Metro. It is good to note that the Metro is having excess assets over liabilities resulting into the net worth of R15.50 billion.

Table 8: C6: Monthly Budget Statement – Financial Position

BUF Buffalo City - Table C6 Consolidated Monthly Budget Statement - Financial Position - M07 January

Description	Ref	2015/16	Budget Year 2016/17			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		223 091	80 644	80 644	176 748	80 644
Call investment deposits		2 152 490	2 410 242	2 410 242	2 095 717	2 410 242
Consumer debtors		695 008	820 635	820 635	807 453	820 635
Other debtors		464 554	108 064	108 064	833 267	108 064
Current portion of long-term receivables		–	15	15	–	15
Inventory		36 030	106 480	106 480	43 264	106 480
Total current assets		3 571 174	3 526 080	3 526 080	3 956 449	3 526 080
Non current assets						
Long-term receivables		–	66	66	–	66
Investments		–	–	–	–	–
Investment property		342 030	485 540	485 540	342 030	485 540
Investments in Associate		112 292	90 099	90 099	112 292	90 099
Property, plant and equipment		12 885 962	13 447 560	13 555 576	12 967 530	13 555 576
Agricultural		–	–	–	–	–
Biological assets		–	–	–	–	–
Intangible assets		85 956	25 080	25 080	85 948	25 080
Other non-current assets		69 018	82 676	82 676	69 018	82 676
Total non current assets		13 495 258	14 131 021	14 239 037	13 576 817	14 239 037
TOTAL ASSETS		17 066 433	17 657 101	17 765 117	17 533 266	17 765 117
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		50 709	51 825	51 825	39 470	51 825
Consumer deposits		53 708	59 455	59 455	53 708	59 455
Trade and other payables		1 161 531	852 917	852 917	817 778	852 917
Provisions		174 863	166 958	166 958	191 830	166 958
Total current liabilities		1 440 811	1 131 155	1 131 155	1 102 786	1 131 155
Non current liabilities						
Borrowing		445 768	518 175	518 175	432 433	518 175
Provisions		498 372	659 099	659 099	498 372	659 099
Total non current liabilities		944 139	1 177 274	1 177 274	930 805	1 177 274
TOTAL LIABILITIES		2 384 950	2 308 429	2 308 429	2 033 591	2 308 429
NET ASSETS	2	14 681 482	15 348 672	15 456 688	15 499 675	15 456 688
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		10 067 541	12 256 811	12 364 827	10 885 735	12 364 827
Reserves		4 613 941	3 091 861	3 091 861	4 613 941	3 091 861
TOTAL COMMUNITY WEALTH/EQUITY	2	14 681 482	15 348 672	15 456 688	15 499 675	15 456 688

7.7 Monthly Budget Statement – Cash Flow

The Metros' cash flow position and cash/cash equivalent outcome is shown in the table below. The Metro's cash position reflects a net decrease of R103.12 million resulting in cash and cash equivalents closing balance of R2.27 billion as at January 2017. The net decrease is as a result of a lower collection rate than projected, it is however expected to improve as the year progresses.

Table 9: C7: Monthly Budget Statement – Cash Flow

BUF Buffalo City - Table C7 Consolidated Monthly Budget Statement - Cash Flow - M07 January

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates, penalties & collection charges		865 235	1 038 701	1 038 701	60 130	486 323	605 909	(119 586)	-20%	1 038 701
Service charges		2 749 648	2 708 964	2 708 964	177 840	1 400 896	1 580 229	(179 333)	-11%	2 708 964
Other revenue		73 095	330 374	330 374	24 013	122 260	192 718	(70 458)	-37%	330 374
Government - operating		963 670	1 319 728	1 319 728	33 704	885 050	769 842	115 209	15%	1 319 728
Government - capital		670 394	848 269	848 269	7 430	571 090	494 824	76 266	15%	848 269
Interest		187 436	178 495	178 495	5 726	106 400	104 122	2 278	2%	178 495
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(3 822 207)	(4 430 013)	(4 430 013)	(282 546)	(2 954 819)	(2 584 174)	370 645	-14%	(4 430 013)
Finance charges		(54 878)	(57 113)	(57 113)	8 086	(23 458)	(33 316)	(9 858)	30%	(57 113)
Transfers and Grants		(237 321)	(288 468)	(288 468)	(33 819)	(154 314)	(168 273)	(13 958)	8%	(288 468)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 395 072	1 648 938	1 648 938	563	439 427	961 880	522 453	54%	1 648 938
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		10 841	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables		-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(1 186 373)	(1 558 134)	(1 693 155)	(26 493)	(517 970)	(908 911)	(390 941)	43%	(1 558 134)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1 175 532)	(1 558 134)	(1 693 155)	(26 493)	(517 970)	(908 911)	(390 941)	43%	(1 558 134)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		-	69 582	69 582	-	-	40 589	(40 589)	-100%	69 582
Increase (decrease) in consumer deposits		5 203	-	-	-	-	-	-		-
Payments										
Repayment of borrowing		(49 702)	(51 825)	(51 825)	-	(24 573)	(30 231)	(5 658)	19%	(51 825)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(44 499)	17 757	17 757	-	(24 573)	10 358	34 931	337%	17 757
NET INCREASE/ (DECREASE) IN CASH HELD										
		175 041	108 561	(26 460)	(25 930)	(103 116)	63 327			108 561
Cash/cash equivalents at beginning:		2 200 541	2 382 186	2 382 186		2 375 582	2 382 186			2 375 582
Cash/cash equivalents at month/year end:		2 375 582	2 490 747	2 355 726		2 272 465	2 445 513			2 484 142

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 - M07 January

Description	NT Code	Budget Year 2016/17									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	66 961	36 220	15 826	14 520	19 472	16 717	106 847	282 968	559 530	440 524		
Trade and Other Receivables from Exchange Transactions - Electricity	1300	87 929	15 200	7 743	5 183	5 271	4 188	14 993	34 828	175 334	64 463		
Receivables from Non-exchange Transactions - Property Rates	1400	67 823	30 366	28 621	19 920	15 196	14 366	94 501	301 665	572 448	445 638		
Receivables from Exchange Transactions - Waste Water Management	1500	23 192	8 937	6 093	5 222	5 338	4 742	30 610	130 354	214 490	176 268		
Receivables from Exchange Transactions - Waste Management	1600	16 282	8 941	6 952	6 261	6 016	5 909	38 377	182 192	270 931	238 755		
Receivables from Exchange Transactions - Property Rental Debtors	1700	75	70	67	69	68	67	465	3 374	4 256	4 043		
Interest on Arrear Debtor Accounts	1810									-	-		
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-		
Other	1900	6 531	4 117	3 358	3 190	3 212	2 883	18 704	123 724	165 720	151 714		
Total By Income Source	2000	268 793	103 851	68 660	54 364	54 573	48 862	304 499	1 059 107	1 962 709	1 521 405	-	-
2015/16 - totals only		291 855	76 034	61 181	45 985	38 837	3 439	210 133	719 269	1 446 733	1 017 663		
Debtors Age Analysis By Customer Group													
Organs of State	2200	18 918	10 902	11 416	5 533	1 736	1 277	7 061	4 843	61 684	20 449		
Commercial	2300	125 133	23 775	15 308	12 493	12 508	11 047	66 636	175 745	442 645	278 428		
Households	2400	113 308	63 173	36 204	31 333	35 213	31 392	197 704	687 428	1 195 755	983 071		
Other	2500	11 434	6 002	5 732	5 005	5 117	5 147	33 097	191 091	262 624	239 456		
Total By Customer Group	2600	268 793	103 851	68 660	54 364	54 573	48 862	304 499	1 059 107	1 962 709	1 521 405	-	-

8.1.1. Additional debtors information

The debtors that are older than 30 days, which includes all charges, amounted to R1.69 billion as at 31 January 2017 which is an increase of R23.99 million over the amount of R1.67 billion as at 31 December 2016.

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

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 January 2017. It also provides comparison with the previous month (31 December 2016) which indicates an increase from R1.67 billion to R1.69 billion.

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

AGEING	RATES	SEWERAGE	ELECTRICITY	WATER	REFUSE	SUNDRY DEBTORS	TOTAL FOR JANUARY 2017	TOTAL FOR DECEMBER 2016
30 DAYS	30 365 894	8 937 342	15 199 817	36 219 610	8 941 487	4 186 668	103 850 818	96 558 091
60 DAYS	28 620 875	6 093 277	7 742 582	15 825 728	6 951 643	3 425 607	68 659 712	66 895 615
90 DAYS	19 919 620	5 222 277	5 182 544	14 519 571	6 260 756	3 258 821	54 363 590	58 173 228
120 DAYS TO 360 DAYS	124 053 246	40 690 834	24 452 480	143 036 153	50 302 502	25 399 482	407 934 697	411 146 914
YEAR 2	123 029 385	32 075 432	10 051 869	99 418 432	41 107 465	23 323 992	329 006 575	323 008 064
YEAR 3	70 929 255	26 001 463	6 154 329	56 346 645	33 455 993	24 758 279	217 645 964	211 489 931
YEAR 4	26 118 083	18 176 989	5 456 571	34 166 263	24 908 133	20 071 719	128 897 759	125 885 939
YEAR 5	20 410 365	13 410 006	5 247 747	22 807 009	18 723 854	14 978 638	95 577 621	93 546 754
YEAR 5+	61 178 335	40 690 543	7 917 042	70 230 090	63 996 792	43 966 219	287 979 021	283 221 858
TOTAL	504 625 058	191 298 164	87 404 983	492 569 500	254 648 624	163 369 426	1 693 915 755	1 669 926 394

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 January 2017. It also reflects the percentage split per category with domestic consumers having the highest share followed by indigent consumers. Please note that the financial system is not able to produce a collection ratio per service, however the collection ratio is reported on globally.

Table 12: Age Analysis per Category Type

CATEGORY TYPE	30 DAYS	60 DAYS	90 DAYS	120 DAYS+	Total	% Share
Domestic	46 765 748	27 575 231	22 804 807	642 801 573	739 947 358	43.68
Indigent	15 992 991	8 459 313	8 421 518	308 328 563	341 202 385	20.14
Business	23 774 688	15 308 263	12 492 909	265 935 453	317 511 313	18.74
Government	10 901 501	11 415 661	5 532 570	14 916 580	42 766 313	2.52
Municipal Staff	414 161	169 087	107 045	607 785	1 298 079	0.08
Other	6 001 727	5 732 157	5 004 740	234 451 683	251 190 306	14.83
Total	103 850 818	68 659 712	54 363 590	1 467 041 637	1 693 915 755	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. Government Accounts

The total arrears (30 days and above) owed by Government Departments to Buffalo City Metropolitan Municipality as at 31 January 2017 amounted to R42.77 million. This indicates a decrease of R10.17 million when compared to the prior month amount of R52.94 million. The breakdown of the arrears per department (excluding accounts in credit) is indicated in the table hereunder, as at 31 January 2017.

Table 13 below provides an analysis of government debtors that are older than 30 days as at 31 January 2017 and comparison with the previous month.

Table 13: Analysis of Government Debtors

DEPARTMENT	PROPERTY RATES	SERVICES	ARREARS AS AT 31 JANUARY 2017	ARREARS AS AT 31 DECEMBER 2016	DIFFERENCE
National Department Of Public Works	3 158 859	69 738	3 228 598	4 701 433	(1 472 835)
Provincial Department Of Public Works	15 594 046	3 395 470	18 989 516	16 941 575	2 047 941
Department Of Education	0	2 968 739	2 968 739	1 827 883	1 140 856
Department Of Health	0	10 955 149	10 955 149	23 744 715	(12 789 567)
Department Of Social Development	0	224 250	224 250	0	224 250
Department Of Transport	0	35 466	35 466	0	35 466
Department Of Nature Conservation	0	4 551	4 551	0	4 551
Department of Human Settlements	0	47 599	47 599	48 007	(408)
Sport, Recreation, Arts and Culture	0	251 555	251 555	0	251 555
Department of Labour - UIF Services	0	288 573	288 573	2 333	286 240
Members Of Provincial Legislature	0	128 902	128 902	85 196	43 705
Department of Water Affairs	0	8 775	8 775	0	8 775
Department of Rural Development and Land Reform	0	596 502	596 502	590 709	5 794
Provincial RDP Houses	0	5 038 138	5 038 138	4 995 810	42 329
TOTAL	18 752 905	24 013 408	42 766 313	52 937 661	(10 171 348)

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 - M07 January

Description	NT Code	Budget Year 2016/17									Prior year totals for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
R thousands												
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	110 699									110 699	84 348
Bulk Water	0200	19 437									19 437	16 170
PAYE deductions	0300	16 753									16 753	14 022
VAT (output less input)	0400	-									-	-
Pensions / Retirement deductions	0500	19 518									19 518	15 504
Loan repayments	0600	-									-	-
Trade Creditors	0700	196 138	1 655								197 793	103 825
Auditor General	0800	863									863	755
Other	0900	68 859									68 859	53 192
Total By Customer Type	1000	432 266	1 655	-	-	-	-	-	-	-	433 921	287 816

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

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

<u>CREDITOR</u>	<u>90 DAYS</u>	<u>60 DAYS</u>	<u>30 DAYS</u>	<u>CURRENT</u>	<u>TOTAL</u>	<u>PAYMENT</u>
ESKOM				110 698 525	110 698 525	110 698 525
AMATOLA WATER				19 438 902	19 438 902	19 438 902
MANTELLA TRADING 522 CC				5 452 239	5 452 239	5 452 239
INTERWASTE				4 005 128	4 005 128	4 005 128
T V R CONSTRUCTION				3 862 896	3 862 896	3 862 896
EYA BANTU PROFFESIONAL SERVICES CC				3 818 632	3 818 632	3 818 632
M W P CONSTRUCTION CC				3 711 914	3 711 914	3 711 914
CHIPPA TRAINING ACADEMY (PTY) LTD				2 968 560	2 968 560	2 968 560
CZAR CONSTRUCTION				2 899 121	2 899 121	2 899 121
MVEZO PLANT & CIVILS CC				2 312 187	2 312 187	2 312 187
TSHUVANE SERVICES				2 282 124	2 282 124	2 282 124
ABERDARE CABLES (PTY) LTD			1 654 874		1 654 874	1 654 874
LATHIZA CONSTRUCTION CC				1 436 400	1 436 400	1 436 400
MAKINWA MEDIA SOLUTIONS (P[PTY) LTD				1 280 806	1 280 806	1 280 806
GEAT SERVICES (PTY) LTD				1 187 785	1 187 785	1 187 785
ARISTOPIX (PTY) LTD				1 180 254	1 180 254	1 180 254
MTIMA PLUMBING SERVICE				1 132 619	1 132 619	1 132 619
KEPU TRADING (PTY) LTD				1 108 669	1 108 669	1 108 669
EXPRESS BUILDERS CC				1 107 532	1 107 532	1 107 532
KPMG SERVICES PTY LTD				1 047 377	1 047 377	1 047 377
TOTAL	-	-	1 654 874	170 931 670	172 586 544	172 586 544

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 - M07 January

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
Municipality									
Rand Merchant Bank X021901943		Call Account	Call Account	Call Account	271	2.3%	49 173	271	49 445
Absa 91 2884 4539		Call Account	Call Account	Call Account	6	0.1%	1 160	6	1 166
Standard 422 742		Call Account	Call Account	Call Account	–		–	–	–
Absa 91 4102 2241		Call Account	Call Account	Call Account	50	0.4%	9 140	50	9 190
Absa 91 4163 6965		Call Account	Call Account	Call Account	–		–	–	–
Absa 91 5484 1280		Call Account	Call Account	Call Account	0	0.0%	5	0	5
Rand Merchant Bank X021904910		Call Account	Call Account	Call Account	51	0.4%	9 165	51	9 216
Standard 76586/442740		Call Account	Call Account	Call Account	–		–	–	–
Absa 92 0562 2137		Call Account	Call Account	Call Account	5	0.0%	839	5	844
Rand Merchant Bank X021904913		Call Account	Call Account	Call Account	85	0.7%	15 468	85	15 553
Stanlib 551 660 303		Call Account	Call Account	Call Account	284	2.4%	43 550	284	43 834
Nedbank 03/7881532939/000041		Call Account	Call Account	Call Account	7	0.1%	1 347	7	1 354
Nedbank 03/7881532939/000056		Call Account	Call Account	Call Account	6	0.0%	1 063	6	1 069
Nedbank 03/7881532939/000058		Call Account	Call Account	Call Account	–		–	–	–
Nedbank 03/7881532939/000103		Call Account	Call Account	Call Account	–		–	–	–
Nedbank 03/7881532939/000064		Call Account	Call Account	Call Account	48	0.4%	8 686	48	8 734
Absa 92 0559 0710		Call Account	Call Account	Call Account	0	0.0%	43	0	43
Nedbank 03/7881532939/000117		Call Account	Call Account	Call Account	25	0.2%	4 462	25	4 486
Nedbank 03/7881532939/000108		Call Account	Call Account	Call Account	1	0.0%	178	1	179
Absa 92 2975 5568		Call Account	Call Account	Call Account	–		–	–	–
Absa 91 9360 7257		Call Account	Call Account	Call Account	6	0.0%	1 027	6	1 032

BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M07 January

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
<u>Municipality</u>									
Nedbank 03/7881532939/000110		Call Account	Call Account	Call Account	1	0.0%	257	1	259
Rand Merchant Bank RRB1629010		Call Account	Call Account	Call Account	423	3.6%	76 630	423	77 053
Stanlib 551 989 180		Call Account	Call Account	Call Account	254	2.2%	38 905	254	39 159
Absa 92 2590 9850		Call Account	Call Account	Call Account	6	0.0%	1 012	6	1 017
Stanlib 551 539 764		Call Account	Call Account	Call Account	12	0.1%	1 905	12	1 918
Rand Merchant Bank RRB0324003		Call Account	Call Account	Call Account	0	0.0%	0	0	0
Stanlib 551 567 496		Call Account	Call Account	Call Account	0	0.0%	2	0	2
Stanlib 551 576 733		Call Account	Call Account	Call Account	-		0	-	0
Rand Merchant Bank RRB0B25020		Call Account	Call Account	Call Account	9	0.1%	1 710	9	1 720
Standard 76586/442743		Call Account	Call Account	Call Account	-		-	-	-
Rand Merchant Bank RRB1609012		Call Account	Call Account	Call Account	-		(0)	-	(0)
Stanlib 551 742 405		Call Account	Call Account	Call Account	-		-	-	-
Rand Merchant Bank KLN2308011		Call Account	Call Account	Call Account	-		-	-	-
Nedbank 03/7881532939/000128		Call Account	Call Account	Call Account	348	3.0%	62 963	348	63 310
Rand Merchant Bank RRB1722008		Call Account	Call Account	Call Account	365	3.1%	66 102	365	66 467
Standard 76586/442745		Call Account	Call Account	Call Account	261	2.2%	47 345	261	47 606
Absa 92 6406 3148		Call Account	Call Account	Call Account	757	6.4%	137 055	757	137 812
Rand Merchant Bank KLN2720020		Call Account	Call Account	Call Account	40	0.3%	7 163	40	7 203
Stanlib 551 868 235		Call Account	Call Account	Call Account	1	0.0%	141	1	142
Absa 92 0559 0891		Call Account	Call Account	Call Account	3	0.0%	535	3	537
Rand Merchant Bank VVW2B13011		Call Account	Call Account	Call Account	2	0.0%	430	2	433
Standard 76586/494573		Call Account	Call Account	Call Account	37	0.3%	6 651	37	6 688

BUF Buffalo City - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M07 January

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of the month	Change in market value	Market value at end of the month
		Yrs/Months							
R thousands									
<u>Municipality</u>									
Nedbank 03/7881532939/000133		Call Account	Call Account	Call Account	3	0.0%	524	3	527
Nedbank 03/7881532939/000134		Call Account	Call Account	Call Account	114	1.0%	20 653	114	20 767
Stanlib 753 72 270		Call Account	Call Account	Call Account	345	2.9%	52 979	345	53 325
Stanlib 551 353 708		Call Account	Call Account	Call Account	7	0.1%	1 076	7	1 083
Standard 76586/442736		Call Account	Call Account	Call Account	221	1.9%	40 090	221	40 311
Stanlib 753 72 271		Call Account	Call Account	Call Account	313	2.7%	48 044	313	48 357
Rand Merchant Bank X021904579		Call Account	Call Account	Call Account	159	1.4%	28 861	159	29 020
Nedbank 03/7881532939/000101		Call Account	Call Account	Call Account	15	0.1%	2 710	15	2 724
Absa 92 1120 9757		Call Account	Call Account	Call Account	1 197	10.2%	216 898	1 197	218 095
Absa 92 2110 3430		Call Account	Call Account	Call Account	983	8.4%	178 121	983	179 104
Standard 76586/442741		Call Account	Call Account	Call Account	181	1.5%	32 714	181	32 894
Standard 76586/442744		Call Account	Call Account	Call Account	161	1.4%	29 253	161	29 414
Rand Merchant Bank RRB0C07002		Call Account	Call Account	Call Account	292	2.5%	52 880	292	53 172
Nedbank 03/7881532939/000129		Call Account	Call Account	Call Account	260	2.2%	47 162	260	47 422
Nedbank 03/7881532939/000132		Call Account	Call Account	Call Account	1 964	16.7%	355 690	1 964	357 653
Rand Merchant Bank KLN3815041		Call Account	Call Account	Call Account	1 076	9.2%	194 840	1 076	195 915
Standard 76586/470801		Call Account	Call Account	Call Account	1 085	9.2%	196 627	1 085	197 712
Standard 76586/442738		Call Account	Call Account	Call Account	14	0.1%	2 485	14	2 498
Municipality sub-total					11 755		2 095 717	11 755	2 107 472
<u>Entities</u>									
Entities sub-total					-		-	-	-
TOTAL INVESTMENTS AND INTEREST	2				11 755		2 095 717	11 755	2 107 472

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 - M07 January										
Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		763 536	1 177 431	1 177 431	890	840 483	799 868	40 616	5.1%	1 177 431
Local Government Equitable Share		655 141	678 197	678 197	–	508 648	508 648	–		678 197
Urban Settlement Development Grant		98 783	75 445	75 445	1 178	54 162	44 010	10 152	23.1%	75 445
Finance Management		1 194	1 200	1 200	69	379	700	(321)	-45.8%	1 200
EPWP Incentive		1 034	1 188	1 188	–	854	693	161	23.3%	1 188
Infrastructure Skills Development Grant		4 186	8 900	8 900	(382)	2 739	5 192	(2 453)	-47.2%	8 900
Water Services Operating Subsidy		–	–	–	–	–	–	–	–	–
Department of Public Works		–	2 470	2 470	25	347	1 441	(1 094)	-75.9%	2 470
Integrated City Development Grant		–	–	–	–	–	–	–	–	–
Municipal Human Settlement Capacity Grant		3 198	–	–	–	–	–	–	–	–
General Fuel Levy		–	410 031	410 031	–	273 354	239 185	34 169	14.3%	410 031
Provincial Government:		197 710	138 802	140 081	–	47 422	81 714	(34 292)	-42.0%	138 802
Roads Subsidy - Provincial Roads		–	–	–	–	–	–	–	–	–
Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT) - Greening Award		–	–	–	–	–	–	–	–	–
Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT)		–	–	–	–	–	–	–	–	–
Department of Water Affairs		–	–	–	–	–	–	–	–	–
Local Government & Traditional Affairs		3 130	–	–	–	–	–	–	–	–
Health Subsidy - ATIC		–	–	–	–	–	–	–	–	–
DSRAC - Library Subsidy		9 638	15 000	15 000	–	–	8 750	(8 750)	-100.0%	15 000
Reclaim Land Claims Commission(RLCC)		–	–	–	–	–	–	–	–	–
Dept Sport, Recreation, Arts and Culture (DSRAC)		30	–	–	–	–	–	–	–	–
Independent Electoral Commission		–	–	262	–	–	153	(153)	-100.0%	–
Human Settlement Development Grant		184 186	123 802	124 819	–	47 422	72 811	(25 389)	-34.9%	123 802
Dept of Land Affairs		727	–	–	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Health Subsidy - Environmental Health		–	–	–	–	–	–	–	–	–
Other grant providers:		2 424	3 496	586	961	2 061	342	1 719	503.2%	3 496
SETA - Skills Development		2 309	–	–	963	2 048	–	2 048	#DIV/0!	–
Donor Funding - Leiden & Galve		–	–	–	–	–	–	–	–	–
Salaida		–	–	–	–	–	–	–	–	–
Transnet		–	3 000	–	–	–	–	–	–	3 000
Trust Funds		–	–	–	–	–	–	–	–	–
Umsobomvu Youth Fund		116	–	–	–	–	–	–	–	–
BCMETS Funding		–	–	–	–	–	–	–	–	–
Donor Funding - European Commission		–	–	–	–	–	–	–	–	–
City of Oldenburg		–	496	496	–	–	289	(289)	-100.0%	496
Vuna Awards		–	–	90	(1)	13	52	(40)	-76.1%	–
Total operating expenditure of Transfers and Grants:		963 670	1 319 728	1 318 097	1 851	889 966	881 923	8 043	0.9%	1 319 728
Capital expenditure of Transfers and Grants										
National Government:		596 567	741 969	741 969	6 715	285 795	432 815	(147 020)	-34.0%	741 969
Urban Settlement Development Grant		576 870	656 054	656 054	6 736	285 438	382 698	(97 260)	-25.4%	656 054
Infrastructure Skills Development Grant		88	100	100	–	14	58	(45)	-76.7%	100
Energy Efficiency and Demand Management		3 998	–	–	–	–	–	–	–	–
Public Transport Network Grant		–	35 289	35 289	–	287	20 585	(20 298)	-98.6%	35 289
Neighbourhood Development Partnership		–	19 346	19 346	–	–	11 285	(11 285)	-100.0%	19 346
Integrated National Electrification Programme		10 517	25 000	25 000	(3)	57	14 583	(14 527)	-99.6%	25 000
Finance Management		102	100	100	(19)	–	58	(58)	-100.0%	100
Integrated City Development Grant		4 908	6 080	6 080	–	–	3 547	(3 547)	-100.0%	6 080
Municipal Human Settlement Capacity Grant		83	–	–	–	–	–	–	–	–
Provincial Government:		73 827	106 300	119 947	58	11 743	69 969	(58 226)	-83.2%	106 300
Human Settlement Development Grant		70 224	106 300	106 300	–	7 890	62 008	(54 118)	-87.3%	106 300
Human Settlement Development Grant - MPCC		–	–	–	–	–	–	–	–	–
Dept Sport, Recreation, Arts and Culture (DSRAC)		3 603	–	4 411	58	3 853	2 573	1 280	49.7%	–
Dept of Local Government and Traditional Affairs		–	–	9 036	–	–	5 271	(5 271)	-100.0%	–
Dept of Economic Development, Environmental Affairs and Tourism (DEDEAT)		–	–	199	–	–	116	(116)	-100.0%	–
District Municipality:		–	–	–	–	–	–	–	–	–
Health Subsidy - Environmental Health		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	458	–	–	267	(267)	-100.0%	–
Public Funding		–	–	–	–	–	–	–	–	–
European Commission		–	–	–	–	–	–	–	–	–
BCMETS Funding		–	–	–	–	–	–	–	–	–
Lieden		–	–	458	–	–	267	(267)	-100.0%	–
Total capital expenditure of Transfers and Grants		670 394	848 269	862 374	6 773	297 538	503 051	(205 514)	-40.9%	848 269
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		1 634 064	2 167 997	2 180 471	8 624	1 187 504	1 384 974	(197 471)	-14.3%	2 167 997

11.1 Expenditure On Conditional Grants (DoRA Allocation)

The Metro has spent 47% (R389.01 million, inclusive of reclaimed vat) of its 2016/2017 conditional grants budget of R828.70 million as at 31 January 2017. This reflects a slight improvement in rand value terms when compared to the same period in the previous financial year where 47% (R378.45 million, inclusive of reclaimed of vat) of conditional grants budget of R801.94 million was spent. Expenditure is expected to speedily improve during the second half of the financial year as major projects have passed procurement to implementation stage.

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

Table 18: Spending per Conditional Grant Funding Allocation

Funding	2016/2017 Rollover Adjustment Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Integrated National Electrification Programme Grant	25 000 000	65 872	24 934 128	0%
Finance Management Grant	1 300 000	379 237	920 763	29%
Infrastructure Skills Development Grant	9 000 000	2 850 767	6 149 233	32%
Neighbourhood Development Partnership Grant	19 346 000	0	19 346 000	0%
Urban Settlement Development Grant	731 499 000	384 533 623	346 965 377	53%
Integrated City Development Grant	6 080 000	0	6 080 000	0%
Expanded Public Works Programme Grant	1 188 000	855 768	332 232	72%
Public Transport Network Grant	35 289 000	326 912	34 962 088	1%
TOTAL CONDITIONAL GRANTS	828 702 000	389 012 179	439 689 821	47%

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

11.1.1. INTERGRATED NATIONAL ELECTRIFICATION PROGRAMME (INEP)

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

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

The INEP funding is utilised to fund the above mentioned electrification programme.

The Department of Electricity is currently having tenders that are still to be evaluated.

11.1.2. FINANCE MANAGEMENT GRANT

Spending is progressive as current six interns have been remunerated accordingly. Three interns have been appointed effective from 01 November 2016 in addition to the six that was already appointed. Therefore the expenditure rate will improve. The budget will also be utilised for the payment of the Municipal Finance Management Programme (MFMP) to be attended by three interns and two finance officials. The funding will be fully utilised at year end.

11.1.3. INFRASTRUCTURE SKILLS DEVELOPMENT GRANT (ISDG)

The funding is only being used to pay the interns stipends as well as mentor salaries. Previously there were eleven (11) interns in the program together with 2 external mentors. Nine (9) additional interns started on 01 December 2016 and their stipends will therefore increase expenditure. Recruitment process is underway for four additional mentor positions and five intern positions. Furthermore, procurement process for an informal tender is underway for behavioral assessment of new interns.

11.1.4. INTERGRATED CITY DEVELOPMENT GRANT (ICDG)

Procurement of service provider(s) for the Oxford Street, Settlersway and Urban Roads Rehabilitation is currently at Bid Evaluation Committee (BEC).

11.1.5. URBAN SETTLEMENT DEVELOPMENT GRANT (USDG)

INFRASTRUCTURE SERVICES

Sanitation

The Eastern Beach Sewers project is in the process of litigation. Litigation process has been finalised for the Zwelitsha waste water treatment works project, and the contract for the Reeston waste water treatment works has been awarded.

Electricity

Street Lighting and Highmasts within BCMM Areas of Supply: Highmast Lighting Specification at tender stage. Project for new street lighting in Bonza Bay is to be

completed soon. Electrification of informal dwelling areas: Contractors have been appointed for Fynbos and Dacawa Electrification.

DEVELOPMENT & SPATIAL PLANNING

KwaTshathsu Pedestrian Bridge

Construction tender was awarded on the 30 November 2016 and as a result construction will start in March 2017 pending the finalization of the land issues.

Needs Camp / Potsdam Bridge

The construction tender was awarded on the 09 December 2016 and construction will start in March 2017.

Traffic calming measures

Construction of speed humps has been completed in Airport Township, Mdantsane NU 2, NU 3, NU 11, Dunoon Road and Zwelitsha Zone 2. Other traffic calming measures tenders are in the procurement processes.

Traffic signals

Service Providers have been appointed to assess intersection controls that need improvement. Once the studies are completed, implementation will then be undertaken by means of acquiring materials and installing traffic signals at Amalinda (SPCA & Amalinda Stadium intersection) and Dice and Mdantsane Access Road intersections.

Sidewalks

The contract is now being evaluated at Bid Evaluation Committee (BEC).

ECONOMIC DEVELOPMENT AND AGENCIES

The Upgrading of the Market project is being implemented by an annual contractor that is currently on site. The budget is 36% spent and the remainder is committed. Invoices will be submitted as work progresses.

HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES

The Construction of King William's Town Traffic Centre is in the final stages of the procurement processes.

MUNICIPAL SERVICES

The Construction of Cell 3, 4 and ancilliary works are in the procurement process. The municipality is also finalizing the specification and designs of Transfer Stations.

11.1.6. PUBLIC TRANSPORT INFRASTRUCTURE AND SYSTEMS GRANT

Operational plan review of integrated rapid public transport network

The tender is currently in the procurement process.

Qumza Highway

The tender for the Construction of Qumza Highway is currently in the procurement processes.

Development and Upgrading of Public Transport Facilities in KWT

The tender was awarded on 10 October 2016. Site handover was done on the 10th November 2016 and implementation will improve expenditure.

11.1.7. NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT

The funding has not yet been transferred from National Treasury. As a result no expenditure has been incurred.

12. COUNCILLOR AND EMPLOYEE BENEFITS

12.1. Councillor and Employees Benefits Summary

Table 19 below provides summary of employees and Councillors remuneration. The workforce costs as a percentage of expenditure amounted to 26.77%. The City is normally at 25%, however in the last seven months the City embarked on paying scarce skills and additional responsibility allowances which resulted in higher employment costs.

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

BUF Buffalo City - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M07 January

Summary of Employee and Councillor remuneration	Ref	2015/16		Budget Year 2016/17						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		30 991	33 999	33 999	2 600	18 110	17 256	854	5%	33 999
Pension and UIF Contributions		3 306	3 495	3 495	295	1 845	1 774	71	4%	3 495
Medical Aid Contributions		1 783	1 987	1 987	151	941	1 008	(67)	-7%	1 987
Motor Vehicle Allowance		11 682	13 412	13 412	1 040	7 242	6 807	434	6%	13 412
Cellphone Allowance		2 147	2 279	2 279	179	1 234	1 157	78	7%	2 279
Housing Allowances		2 847	2 927	2 927	209	1 784	1 486	298	20%	2 927
Other benefits and allowances		1 620	-	-	-	-	-	-	-	-
Sub Total - Councillors		54 375	58 099	58 099	4 475	31 156	29 488	1 668	6%	58 099
% increase	4		6.8%	6.8%						6.8%
Senior Managers of the Municipality										
Basic Salaries and Wages		5 998	12 192	12 192	533	3 102	6 187	(3 084)	-50%	12 192
Pension and UIF Contributions		1 166	2 216	2 216	103	582	1 124	(543)	-48%	2 216
Medical Aid Contributions		136	262	262	14	78	133	(55)	-41%	262
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		1 370	2 630	2 630	94	673	1 335	(662)	-50%	2 630
Cellphone Allowance		195	414	414	10	85	210	(125)	-59%	414
Housing Allowances		1	-	-	-	-	-	-	-	-
Other benefits and allowances		1 551	2 202	2 202	165	853	1 117	(264)	-24%	2 202
Payments in lieu of leave		885	-	-	-	-	-	-	-	-
Long service awards		(1)	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		11 300	19 916	19 916	918	5 373	10 106	(4 733)	-47%	19 916
% increase	4		76.2%	76.2%						76.2%
Other Municipal Staff										
Basic Salaries and Wages		788 780	913 258	913 258	71 306	494 279	463 432	30 847	7%	913 258
Pension and UIF Contributions		146 210	174 823	174 823	15 316	104 358	88 714	15 644	18%	174 823
Medical Aid Contributions		60 245	81 759	81 759	6 616	41 115	41 489	(374)	-1%	81 759
Overtime		121 192	72 218	72 218	13 331	74 727	36 647	38 080	104%	72 218
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		20 565	30 051	30 051	2 019	13 824	15 250	(1 426)	-9%	30 051
Cellphone Allowance		3 967	3 884	3 884	339	2 308	1 971	338	17%	3 884
Housing Allowances		11 858	14 767	14 767	932	5 896	7 494	(1 597)	-21%	14 767
Other benefits and allowances		136 219	179 077	179 077	13 143	97 450	90 872	6 578	7%	179 077
Payments in lieu of leave		33 749	16 209	16 209	64	1 301	8 225	(6 924)	-84%	16 209
Long service awards		18 114	18 925	18 925	1 728	12 297	9 603	2 694	28%	18 925
Post-retirement benefit obligations		-	6 181	6 181	6	43	3 137	(3 093)	-99%	6 181
Sub Total - Other Municipal Staff		1 340 901	1 511 153	1 511 153	124 800	847 599	766 833	80 766	11%	1 511 153
% increase	4		12.7%	12.7%						12.7%
Total Parent Municipality		1 406 576	1 589 167	1 589 167	130 193	884 127	806 427	77 701	10%	1 589 167
Unpaid salary, allowances & benefits in arrears:										
TOTAL SALARY, ALLOWANCES & BENEFITS		1 406 576	1 602 436	1 602 436	130 193	884 127	806 427	77 701	10%	1 602 436
% increase	4		13.9%	13.9%						13.9%
TOTAL MANAGERS AND STAFF		1 352 201	1 544 233	1 544 233	125 718	852 972	776 939	76 033	10%	1 544 233

12.2. Overtime Analysis

Table 20 below provides comparison of overtime expenditure against budget per directorate for the period ended 31 January 2017. Table 21 below details overtime expenditure incurred per cost centre for the past three months ended 31 January 2017.

Table 20: Overtime per Directorate

Directorate Overtime	2016/2017 Annual Budget R	2016/2017 YTD Budget R	2016/2017 YTD Expenditure R	2016/2017 Variance R	2016/2017 % of YTD Budget %
Directorate Of Executive Support Services	1 638 161	955 594	2 038 141	(1 082 547)	213%
Directorate Of The City Manager	310 477	181 112	219 788	(38 677)	121%
Directorate Of Corporate Services	597 129	348 325	433 354	(85 028)	124%
Directorate Of Development & Spatial Planning	623 454	363 682	237 103	126 579	65%
Directorate Of Economic Development & Agencies	468 800	273 467	212 642	60 825	78%
Directorate Of Finance	1 358 753	792 606	2 049 628	(1 257 022)	259%
Directorate Of Health / Public Safety & Emergency Services	29 709 079	17 330 296	22 268 546	(4 938 250)	128%
Directorate Of Human Settlement	101 931	59 460	0	59 460	0%
Directorate Of Infrastructure Services	17 131 302	9 993 260	21 372 077	(11 378 817)	214%
<i>Electricity</i>	7 741 181	4 515 689	6 977 436	(2 461 747)	155%
<i>Water</i>	3 352 141	1 955 416	8 034 399	(6 078 984)	411%
<i>Sanitation</i>	4 954 818	2 890 311	5 775 792	(2 885 481)	200%
<i>Other</i>	1 083 162	631 845	584 449	47 395	92%
Directorate Of Municipal Services	20 279 324	11 829 606	25 895 985	(14 066 379)	219%
Total	72 218 410	42 127 406	74 727 263	(32 599 857)	177%

Table 21: Overtime Per Cost Centre: November 2016 – January 2017

		November 2016	December 2016	January 2017
	DIRECTORATE -EXECUTIVE SUPPORT SERVICES			
0505	OFFICE OF THE DIRECTOR EXECUTIVE SUPPORT SERVICES	293 718.14	291 442.64	263 562.84
0512	INTERNATIONAL & INTERGOVERNMENTAL RELATIONS	14 715.66	24 265.43	55 732.03
0523	IDP & BUDGET INTEGRATION	0	3 735.00	0
0531	POLITICAL OFFICE ADMINISTRATION	35 764.73	18 680.00	10 424.14
		344 198.53	338 123.07	329 719.01
	DIRECTORATE OF THE CITY MANAGER			
1005	OFFICE OF THE CITY MANAGER	11 928.18	13 989.21	27 011.25
1015	INFORMATION / TECHNOLOGY & SUPPORT	0	26 542.36	18 509.19
1041	GOVERNANCE & INTERNAL AUDITING	0	0	1 770.26
1061	LEGAL SERVICES & MUNICIPAL COURT	0	2 110.34	0
		11 928.18	42 641.91	47 290.70
	DIRECTORATE OF CORPORATE SERVICES			
1512	ADMINISTRATIVE & CORPORATE SUPPORT	2 742.76	5 244.48	2 889.83
1513	AUXILLIARY / RECORDS & DECISION TRACKING AND TELECOMMUNICATIONS	49 799.45	40 969.40	27 149.21
1531	HUMAN RESOURCES MANAGEMENT	10 445.71	8 562.08	7 941.28
1532	ADMINISTRATIVE SUPPORT	6 705.51	5 900.84	8 999.47
		69 693.43	60 676.80	46 979.79
	DIRECTORATE OF DEVELOPMENT & SPATIAL PLANNING			
2023	BUILDING MAINTENANCE	20 036.53	21 314.90	0
2034	INTEGRATED PUBLIC TRANSPORT NETWORK OPERATIONS	14 829.67	16 552.56	4 899.89
2037	TRAFFIC MANAGEMENT & SAFETY	11 748.87	13 467.29	10 660.61
		46 615.07	51 334.75	15 560.50
	DIRECTORATE OF ECONOMIC DEVELOPMENT & AGENCIES			
2505	OFFICE OF THE DIRECTOR OF ECONOMIC DEVELOPMENT & AGENCIES	1 995.98	0	1 453.58
2511	FRESH PRODUCE MARKET	12 963.51	35 536.41	28 010.26
2521	TOURISM / ARTS / CULTURE & HERITAGE	0	0	24 106.49
2531	Trade / Industry & Rural Agrarian	0	0	35 022.37
		14 959.49	35 536.41	88 592.70

		November 2016	December 2016	January 2017
	DIRECTORATE OF FINANCE			
3011	BUDGET & TREASURY MANAGEMENT	8 502.56	0	0
3031	EXPENDITURE & PAYMENTS MANAGEMENT	0	1 090.94	0
3033	Salary Office	0	0	467.81
3034	VAT / LEASES & PAYMENTS	3 905.58	2 733.92	1 869.10
3041	FINANCIAL REPORTING	0	1 195.02	2 935.44
3051	REVENUE MANAGEMENT	36 198.26	60 667.36	92 926.74
3052	ACCOUNTS MANAGEMENT & REVENUE CONTROL	89 290.58	73 931.35	48 356.48
3053	COASTAL REVENUE MANAGEMENT	67 430.58	123 221.56	68 199.28
3054	CUSTOMER RELATIONS (CALL CENTRE)	78 509.51	80 411.48	94 279.89
3057	RATES & VALUATIONS	6 585.13	11 884.90	0
3061	STRATEGY & OPERATIONS	3 398.89	2 818.03	2 678.69
3071	SUPPLY CHAIN MANAGEMENT	4 449.35	8 076.60	7 540.48
		298 270.44	366 031.16	319 253.91
	DIRECTORATE OF HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES			
3512	DISASTER MANAGEMENT	11 353.63	9 699.45	34 434.83
3513	FIRE & RESCUE	429 905.07	280 520.09	1 016 488.95
3521	MUNICIPAL HEALTH SERVICES	10 870.75	34 773.44	0
3531	PUBLIC SAFETY & PROTECTION SERVICES	47 118.87	65 308.59	74 069.98
3532	LAW ENFORCEMENT SERVICES	1 223 788.28	1 547 970.27	2 321 858.66
3533	TRAFFIC SERVICES	504 523.64	510 118.38	441 016.25
		2 227 560.24	2 448 390.22	3 887 868.67
	DIRECTORATE OF INFRASTRUCTURE SERVICES			
4505	OFFICE OF THE DIRECTOR OF INFRASTRUCTURE SERVICES	2 810.99	2 932.86	1 049.84
4511	ELECTRICAL & ENERGY SERVICES	2 082.19	2 225.91	2 325.87
4512	CUSTOMER SERVICES & REVENUE PROTECTION	90 506.31	72 276.54	94 629.90
4513	ELECTRICAL DEVELOPMENT / CONTRACTS & ASSETS	6 880.30	669.00	3 752.69
4514	ELECTRICAL DISTRIBUTION	883 545.79	987 719.76	1 043 385.57
4521	ROADS / PIU & CONSTRUCTION	0	0	4 149.35
4523	PROJECT IMPLEMENTATION UNIT	0	322.07	0
4524	ROADS	32 441.63	2 790.82	54 083.89
4532	SANITATION	782 917.28	721 650.16	887 280.91
4533	SCIENTIFIC SERVICES	0	3 796.40	0
4535	WATER SERVICES	1 134 321.98	1 012 359.68	1 203 513.98
4542	FLEET SERVICES & PLANT	0	0	2 897.01
4543	WORKSHOPS	37 275.61	58 581.34	80 305.96
		2 972 782.08	2 865 324.54	3 377 374.97

		November 2016	December 2016	January 2017
	DIRECTORATE OF MUNICIPAL SERVICES			
5005	OFFICE OF THE DIRECTOR OF MUNICIPAL SERVICES	12 272.88	19 719.40	21 069.71
5011	COMMUNITY AMENITIES	24 043.82	19 304.66	19 876.07
5013	LIBRARIES	7 726.13	26 981.53	9 793.64
5014	HALLS	212 151.52	190 790.03	180 085.66
5015	RECREATION	492 499.92	443 561.56	916 239.30
5016	SPORTS FACILITIES	272 931.42	195 815.44	184 262.80
5022	CEMETRIES & CREMATORIA	307 346.86	251 618.90	273 479.05
5023	CONSERVATION	54 752.35	188 530.57	172 681.40
5024	PARKS: COASTAL	328 531.25	805 044.73	739 370.06
5031	SOLID WASTE MANAGEMENT	10 601.79	10 811.77	19 492.44
5032	CLEANSING & REFUSE REMOVAL: COASTAL	1 404 928.06	1 308 593.43	1 743 420.56
5035	LANDFILLS & TRANSFER STATIONS	130 480.41	109 511.13	137 117.60
		3 258 266.41	3 570 283.15	4 416 888.29
	TOTAL OVERTIME	9 244 273.87	9 778 342.01	12 529 528.54

12.2.1. Comments On Overtime

a) Directorate of Executive Support Services

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

b) City Managers Office

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

c) Directorate of Corporate Services

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

d) Directorate of Finance

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

Furthermore, Revenue Management undertook roll out campaigns to assist customers in addressing municipal billing and meter reading related matters. These roll out campaigns were time0tabled over October and November and based within the local regional area. This resulted in three Main Regional Centers being opened to the public on Saturdays.

e) Directorate of Infrastructure Services

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

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

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

f) Directorate of Health / Public Safety & Emergency Services

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

g) Directorate of Municipal Services

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

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

12.3. Standby and Shift Allowance Analysis

Table 22 below reflects the total standby and shift allowance incurred per directorate for the past three months ended 31 January 2017. There was an increase in the total payment between November 2016 and December 2016 of R64 372 and an increase in the total payment between December 2016 and January 2017 of R7 725.

Table 22: Standby & Shift Allowance per Directorate

	NOVEMBER 2016	DECEMBER 2016	JANUARY 2017
Directorate of Executive Support Services	8 359	7 299	6 916
Directorate of the City Manager	0	30 512	35 688
Directorate of Corporate Services	33 128	2 092	1 996
Directorate of Development and Spatial Planning	13 487	11 766	11 855
Directorate Economic Development & Agencies	0	2 202	2 112
Directorate of Finance	17 177	18 255	17 927
Directorate of Health / Public Safety & Emergency Services	561 137	653 631	633 735
Directorate of Infrastructure Services	632 563	631 530	662 591
Directorate of Municipal Services	323 530	296 423	288 612
TOTAL	1 589 382	1 653 708	1 661 433

12.4. Cost of Temporary Staff

The total payment of Temporary Staff for the past three months ended 31 January 2017 is reflected below. There was an increase in the total payment between November 2016 and December 2016 of R132 552 and an increase in the total payment between December 2016 and January 2017 of R856 332.

Table 23: Temporary Staff per Directorate

	NOVEMBER 2016	DECEMBER 2016	JANUARY 2017
Directorate of Executive Support Services	235 993	338 185	347 317
Directorate of the City Manager	312 219	275 908	279 131
Directorate of Corporate Services	966 971	1 047 026	1 037 928
Directorate of Development and Spatial Planning	54 949	97 203	127 752
Directorate Economic Development & Agencies	0	10 365	117 503
Directorate of Finance	370 901	420 036	351 905
Directorate of Health / Public Safety & Emergency Services	41 951	35 478	89 041
Directorate of Human Settlements	270 474	124 205	129 882
Directorate of Infrastructure Services	168 407	174 253	214 734
Directorate of Municipal Services	1 910 004	1 941 762	2 625 560
TOTAL	4 331 869	4 464 421	5 320 753

12.5. Councillors Costs

The table below shows the budget and expenditure to date for councillors' costs. The year to date budget of R33 890 967 less the year to date expenditure of R31 155 531 leaves a variance of R2 735 436.

Table 24: Councillors Costs

Councillors Allowances and Benefits	2016/2017 Annual Budget R	2016/2017 YTD Budget R	2016/2017 YTD Expenditure R	2016/2017 Variance R	2016/2017 YTD Expenditure %
Mayoral Allowance	790 172	460 934	421 034	39 900	91%
Deputy Mayoral Allowance	638 158	372 259	343 932	28 327	92%
Mayoral Committee Allowance	6 599 489	3 849 702	3 167 854	681 848	82%
Speakers Allowance	638 158	372 259	347 401	24 858	93%
Out of Pocket Expenses	1 208 400	704 900	244 130	460 770	35%
Councillors Allowance	24 124 437	14 072 588	13 586 002	507 358	96%
Cllr Cell Phone Allowance	2 278 635	1 329 204	1 234 339	94 865	93%
Cllr Housing Subsidy	2 927 329	1 707 609	1 783 527	075 918	104%
Cllr Medical Aid	1 986 812	1 158 974	940 985	217 988	81%
Cllr Pension Scheme	3 495 042	2 038 775	1 844 578	194 196	90%
Cllr Travel Allowance	13 412 169	7 823 765	7 241 749	582 016	93%
TOTAL	58 098 801	33 890 967	31 155 531	2 735 436	92%

13. MUNICIPAL ENTITY FINANCIAL PERFORMANCE

The entity has started operating on its own with minimal need for daily support from the parent municipality. The Buffalo City Metropolitan Development Agency has a budget of R18.38 million and has spent R8.2 million (45%) as at 31 January 2017.

A detailed analysis of the entity's financial performance for month ended 31 January 2017 is outlined below and the attached Annexure F.

13.1. FINANCIAL PERFORMANCE

The statement of financial performance of the entity presented in table below, compares the expenditure and revenue against budget for the period ended 31 January 2017.

Table 25: Monthly Budget Statement – summary of municipal entity

BUF Buffalo City - Supporting Table SC11 Monthly Budget Statement - summary of municipal entities - M07 January

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue By Municipal Entity										
<i>Buffalo City Metropolitan Development Agency SOC Ltd</i>										
Interest earned - external investments		-	69	69	15	114	40	74	184%	69
Transfers recognised - operational		764	18 116	18 116	4 072	11 918	13 587	(1 669)	-12%	18 116
Agency services			200	200	99	99	117			
Other revenue		-			1	9	-	9	#DIV/0!	200
								-		
Total Operating Revenue	1	764	18 385	18 385	4 188	12 140	13 744	(1 603)	-12%	18 385
Expenditure By Municipal Entity										
<i>Buffalo City Metropolitan Development Agency SOC Ltd</i>										
Employee related costs		760	12 225	12 225	875	4 837	7 131	(2 294)	-32%	12 225
Remuneration of Directors		156	566	566	-	166	330	(164)	-50%	566
Depreciation & asset impairment		3	393	393	22	104	229	(125)	-55%	393
Finance charges		-	8	8	-	-	4	(4)	-100%	8
Other expenditure		276	5 192	5 192	256	2 260	3 029	(769)	-25%	5 192
								-		
Total Operating Expenditure	2	1 194	18 385	18 385	1 153	7 368	10 724	(3 356)	-31%	18 385
Surplus/ (Deficit) for the yr/period		(430)	-	-	3 034	4 773	3 020	(4 960)	-164%	-
Capital Expenditure By Municipal Entity										
<i>Buffalo City Metropolitan Development Agency SOC Ltd</i>										
Transfers recognised - capital		-	-	-	176	851	-	851	#DIV/0!	-
Contributions recognised - capital		-	-	-	-	-	-	-		-
Contributed assets		-	-	-	-	-	-	-		-
Total Capital Expenditure	3	-	-	-	176	851	-	851	#DIV/0!	-

Revenue by Source

Interest on external investments is more than the budget amount due to frequent investment of surplus funds and always maintaining a positive bank balance on the primary bank account.

An operational grant has been received from the municipality for three tranches as expected however the amount received is less than the year-to-date budget amount due to the output VAT which is payable to SARS as the agency is currently a VAT vendor and when the budget was approved this was not catered for as the agency was not registered at the time.

Expenditure by type

The Agency could not fill all vacancies timeously within the first two quarters as initially planned due to a lot of factors. Five vacancies have subsequently been filled, two of which started in January 2017, the other two in February 2017 with the remainder to commence duty by the end of March 2017. The expenditure on employee related costs will then increase to be in line with the expected norm and it has been adjusted downwards in the adjustments budget in order to reduce it with the salaries and benefits that were not incurred as a result of delayed appointments.

Currently the Agency Board of Directors have not been officially appointed since December 2016 and that has affected the board expenditure as the institution has been unable to have committee sittings however it is anticipated that such meetings will commence in February 2017.

The activities that were anticipated to commence in the preceding months which are the biggest components of general expenses did not start as anticipated, however procurement processes are underway to ensure implementation of some of the development facilitation projects.

13.2. CAPITAL EXPENDITURE

The Agency incurred capital expenditure in relation to the computers for the new staff members, a purchase of a projector and intangible assets relating to recurring

expenses of website hosting and a Microsoft project software for the development facilitation personnel.

14. CAPITAL PROGRAMME PERFORMANCE

BCMM has spent 33% (R556.99 million, inclusive of reclaimed vat) of its 2016/17 adjusted capital budget of R1.69 billion as at 31 January 2017. This depicts a slight improvement in rand value terms when compared to the same period in the previous financial year where 36% (R498.37 million, inclusive of reclaimed vat) of the adjusted budget of R1.38 billion was spent. The capital expenditure is expected to speedily improve during the second half of the financial year as major projects have passed procurement to implementation stage. Refer to Annexure A – C5 for the breakdown per municipal vote, standard classification & funding; Annexure B – SC12 for monthly expenditure trends; SC13a for breakdown of asset classification for new assets and SC13b for breakdown on asset classification on renewal of existing asset).

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

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

Table 26: Capital Expenditure per Funding Source against Budget

Funding	<u>2016/2017 Rollover Adjustment Budget</u>	<u>YTD Expenditure (incl. VAT)</u>	<u>Variance (incl. VAT)</u>	<u>% Expenditure (incl. VAT)</u>
Total Own Funding	830 781 135	220 432 655	610 348 480	27%
DoE(Integrated National Electrification Programme)	25 000 000	65 872	24 934 128	0%
DEDEAT c/o	199 168	0	199 168	0%
DSRAC c/o	4 411 277	3 852 781	558 496	87%
Finance Management Grant	100 000	0	100 000	0%
Galve c/o	458 000	0	458 000	0%
Infrastructure Skills Development Grant	100 000	15 477	84 523	15%
Integrated City Development Grant	6 080 000	0	6 080 000	0%
Local Government & Traditional Affairs	9 036 112	0	9 036 112	0%
Neighbourhood Development Partnership Grant	19 346 000	0	19 346 000	0%
Urban Settlement Development Grant	656 054 030	324 405 304	331 648 727	49%
Human Settlement Development Grant	106 300 000	7 890 060	98 409 940	7%
Public Transport Infrastructure and Systems Grant	35 289 000	326 912	34 962 088	1%
Total Grants	862 373 587	336 556 405	525 817 182	39%
TOTAL PER FUNDING	1 693 154 722	556 989 060	1 136 165 662	33%

Table 27 below reflects capital expenditure performance per service.

Table 27: Actual Expenditure per Service against Budget

Services	2016/2017 Rollover Adjustment Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Water	87 500 000	68 322 653	19 177 347	78%
Waste Water	420 539 799	142 138 158	278 401 641	34%
Electricity	143 000 000	54 899 471	88 100 529	38%
Roads and Stormwater	261 098 558	125 930 378	135 168 180	48%
Housing	211 477 194	89 261 028	122 216 166	42%
Transport Planning	139 789 000	5 716 366	134 072 634	4%
Local Economic Development	54 734 025	11 822 896	42 911 129	22%
Spatial Planning	96 708 219	7 324 746	89 383 473	8%
Waste Management / Refuse	115 796 195	4 382 813	111 413 382	4%
Amenities	51 376 990	21 823 286	29 553 704	42%
Public Safety	46 483 912	1 330 201	45 153 711	3%
Support Services	46 338 808	13 919 664	32 419 144	30%
Other 0 BCM Fleet	18 312 022	10 117 400	8 194 622	55%
TOTAL PER SERVICE	1 693 154 722	556 989 060	1 136 165 662	33%

Table 28 below reflects capital expenditure performance per directorate.

Table 28: Actual Expenditure per Directorate against Budget

Directorate	2016/2017 Rollover Adjustment Budget	YTD Expenditure (incl. VAT)	Variance (incl. VAT)	% Expenditure (incl. VAT)
Directorate of Executive Support Services	8 007 062	1 553 607	6 453 455	19%
Directorate of the City Manager	17 521 500	10 972 194	6 549 306	63%
Directorate of Human Settlement	211 477 194	89 261 028	122 216 166	42%
Directorate of Finance	747 535	378 570	368 965	51%
Directorate of Corporate Services	9 033 820	464 804	8 569 016	5%
Directorate of Infrastructure Services	937 030 379	401 539 892	535 490 487	43%
Directorate of Development and Spatial Planning	230 417 219	13 041 112	217 376 107	6%
Directorate of Economic Development and Agencies	54 734 025	11 822 896	42 911 129	22%
Directorate of Health, Public Safety and Emergency Services	46 483 912	1 330 201	45 153 711	3%
Directorate of Municipal Services	167 702 076	26 518 823	141 183 254	16%
TOTAL DIRECTORATES	1 683 154 722	556 883 127	1 126 271 595	33%
Asset Replacement	10 000 000	105 933	9 894 067	1%
GRAND TOTAL	1 693 154 722	556 989 060	1 136 165 662	33%

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

Table 29: SC12 Monthly budget Statement – capital expenditure trend

BUF Buffalo City - Supporting Table SC12 Consolidated Monthly Budget Statement - capital expenditure trend - M07 January

Month	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	% spend of Original Budget
R thousands									
Monthly expenditure performance trend									
July	148	6 746	6 746	1 611	1 611	6 746	5 135	76.1%	0%
August	42 068	42 169	42 169	39 205	40 817	48 916	8 099	16.6%	3%
September	57 530	34 991	34 991	86 333	127 150	83 907	(43 243)	-51.5%	8%
October	101 591	58 305	58 305	78 499	205 649	142 212	(63 436)	-44.6%	13%
November	85 219	56 652	56 652	124 330	329 978	198 865	(131 113)	-65.9%	21%
December	111 569	69 364	69 364	161 499	491 477	268 229	(223 248)	-83.2%	32%
January	62 851	41 215	41 215	26 493	517 970	309 443	(208 527)	-67.4%	33%
February	49 495	42 842	42 842			352 285	-		
March	117 166	65 464	65 464			417 750	-		
April	19 396	89 153	89 153			506 903	-		
May	96 244	87 115	87 115			594 018	-		
June	443 096	964 116	1 099 137			1 693 155	-		
Total Capital expenditure	1 186 373	1 558 134	1 693 155	517 970					

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

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

BUF Buffalo City - Supporting Table SC13a Consolidated Monthly Budget Statement - capital expenditure on new assets by asset class - M07 January

Description	Ref	2015/16		Budget Year 2016/17						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		146 506	417 323	434 397	7 542	60 737	79 391	18 655	23.5%	434 397
Infrastructure - Road transport		19 428	106 080	106 080	67	36 553	19 387	(17 165)	-88.5%	106 080
Roads, Pavements & Bridges		19 428	106 080	106 080	67	36 553	19 387	(17 165)	-88.5%	106 080
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		43 610	43 000	43 000	341	4 875	7 859	2 984	38.0%	43 000
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		43 610	43 000	43 000	341	4 875	7 859	2 984	38.0%	43 000
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		83 468	268 243	285 317	7 134	19 309	52 145	32 836	63.0%	285 317
Waste Management		26 799	78 454	85 294	3 513	3 845	15 588	11 744	75.3%	85 294
Transportation		44 810	145 789	145 789	3 256	5 514	26 645	21 130	79.3%	145 789
Gas		-	-	-	-	-	-	-	-	-
Other		11 859	44 000	54 234	364	9 949	9 912	(38)	-0.4%	54 234
Community		13 726	21 000	21 926	325	5 153	4 007	(1 146)	-28.6%	21 926
Parks & gardens		-	500	500	-	91	91	100.0%	100.0%	500
Sportsfields & stadia		-	500	1 426	-	493	261	(232)	-88.9%	1 426
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		5 791	10 000	10 000	272	272	1 828	1 556	85.1%	10 000
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-	-	-
Cemeteries		-	10 000	10 000	53	4 389	1 828	(2 561)	-140.2%	10 000
Social rental housing		-	-	-	-	-	-	-	-	-
Other		7 935	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Investment properties		202 832	201 941	210 977	1 217	79 060	38 558	(40 502)	-105.0%	210 977
Housing development		202 832	201 941	210 977	1 217	79 060	38 558	(40 502)	-105.0%	210 977
Other		-	-	-	-	-	-	-	-	-
Other assets		74 614	113 570	200 053	3 577	27 356	36 562	9 206	25.2%	200 053
General vehicles		47 384	18 200	52 009	1 065	10 239	9 505	(733)	-7.7%	52 009
Specialised vehicles		3 533	11 000	11 532	-	-	2 108	2 108	100.0%	11 532
Plant & equipment		13 154	14 966	21 214	540	2 086	3 877	1 791	46.2%	21 214
Computers - hardware/equipment		10 542	20 700	55 700	77	10 626	10 180	(446)	-4.4%	55 700
Furniture and other office equipment		-	23 972	27 693	1 895	4 392	5 061	670	13.2%	27 693
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		-	5 286	12 458	-	-	2 277	2 277	100.0%	12 458
Other Buildings		-	-	-	-	-	-	-	-	-
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	19 446	19 446	-	14	3 554	3 540	99.6%	19 446
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	437 677	753 834	867 354	12 660	172 306	158 519	(13 787)	-8.7%	867 354
Specialised vehicles		3 533	11 000	11 532	-	-	2 108	2 108	0	11 532
Refuse		-	-	-	-	-	-	-	-	-
Fire		3 533	11 000	11 532	-	-	2 108	2 108	0	11 532
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

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

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

BUF Buffalo City - Supporting Table SC13b Consolidated Monthly Budget Statement - capital expenditure on renewal of existing assets by asset class - M07 January

Description	Ref	2015/16	Budget Year 2016/17							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		712 733	720 091	734 138	12 240	321 669	134 172	(187 496)	-139.7%	734 138
Infrastructure - Road transport		317 251	161 099	161 099	870	78 401	29 443	(48 959)	-166.3%	161 099
Roads, Pavements & Bridges		317 251	161 099	161 099	870	78 401	29 443	(48 959)	-166.3%	161 099
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		103 042	100 000	100 000	5 746	49 390	18 276	(31 114)	-170.2%	100 000
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		103 042	100 000	100 000	5 746	49 390	18 276	(31 114)	-170.2%	100 000
Street Lighting		-	-	-	-	-	-	-	-	-
Infrastructure - Water		116 452	87 500	87 500	3 545	63 809	15 992	(47 818)	-299.0%	87 500
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		-	-	-	-	-	-	-	-	-
Reticulation		116 452	87 500	87 500	3 545	63 809	15 992	(47 818)	-299.0%	87 500
Infrastructure - Sanitation		16 835	371 492	385 540	2 079	130 069	70 462	(59 607)	-84.6%	385 540
Reticulation		16 835	371 492	385 540	2 079	130 069	70 462	(59 607)	-84.6%	385 540
Sewerage purification		-	-	-	-	-	-	-	-	-
Infrastructure - Other		159 154	-	-	-	-	-	-	-	-
Waste Management		159 154	-	-	-	-	-	-	-	-
Transportation		-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Community		18 895	19 855	25 805	1 075	14 651	4 716	(9 935)	-210.7%	25 805
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		11 815	10 000	14 411	584	9 353	2 634	(6 719)	-255.1%	14 411
Swimming pools		-	2 500	2 500	-	1 556	457	(1 099)	-240.6%	2 500
Community halls		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Recreational facilities		7 080	7 355	8 894	492	3 742	1 626	(2 117)	-130.2%	8 894
Other assets		17 067	64 355	65 857	518	9 345	12 036	2 692	22.4%	65 857
General vehicles		-	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Plant & equipment		-	700	1 181	(3)	357	216	(141)	-65.4%	1 181
Civic Land and Buildings		16 336	62 655	63 676	384	8 693	11 638	2 945	25.3%	63 676
Other		731	1 000	1 000	136	295	183	(112)	-61.2%	1 000
Total Capital Expenditure on renewal of existing assets	1	748 696	804 300	825 801	13 833	345 664	150 925	(194 740)	-129.0%	825 801
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse		-	-	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

15. OTHER SUPPORTING DOCUMENTS

15.1. Operating Projects Expenditure

The Metro has spent 46% (R149.62 million) inclusive of reclaimed vat of its 2016/17 adjusted budget of R327.39 million as at 31 January 2017. This reflects an improvement in percentage terms when compared to the same period in the previous financial year where 22% (R156.11 million, inclusive of reclaimed vat) of the adjusted operating projects budget of R697.73 million was spent. The operating expenditure is expected to speedily improve during the second half of the financial year as major projects have passed procurement to implementation stage.

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

Tables 32 and 33 below summarise Annexure D.

Table 32: Operating Projects per Directorate

Directorate	<u>2016/2017 Rollover Adjustment Budget</u>	<u>YTD Expenditure (incl.vat)</u>	<u>Variance (incl.vat)</u>	<u>% Expenditure (incl.vat)</u>
Executive Support Services	6 639 858	12 531	6 627 327	0%
Directorate of the City Manager	27 684 535	14 077 072	13 607 463	51%
Directorate of Human Settlement	127 319 287	48 081 174	79 238 113	38%
Directorate of Finance	53 449 700	10 598 848	42 850 852	20%
Directorate of Corporate Services	8 900 000	2 835 290	6 064 710	32%
Directorate of Infrastructure Services	54 495 761	43 872 350	10 623 412	81%
Directorate of Development and Spatial Planning	1 250 000	474 810	775 190	38%
Directorate of Economic Development and Agencies	33 500 000	22 589 649	10 910 351	67%
Directorate of Health, Public Safety and Emergency Services	3 599 600	347 052	3 252 548	10%
Directorate of Municipal Services	10 550 000	6 735 124	3 814 876	64%
TOTAL	327 388 741	149 623 899	177 764 842	46%

Table 33: Operating Projects per Funding Source

<u>Funding</u>	<u>2016/2017 Rollover Adjustment Budget</u>	<u>YTD Expenditure (incl. vat)</u>	<u>Variance (incl. vat)</u>	<u>% Expenditure (incl. vat)</u>
Total Own Funding	112 519 700	37 643 646	74 876 054	33%
City of Oldenburg	495 761	0	495 761	0%
Department of Public Works	2 469 600	347 052	2 122 548	14%
Expanded Public Works Programme Incentives Grant	1 188 000	855 768	332 232	72%
Finance Management Grant	1 200 000	379 237	820 763	32%
Human Settlement Development Grant	123 802 000	47 422 055	76 379 945	38%
Human Settlement Development Grant c/o	1 017 287	0	1 017 287	0%
Independent Electoral Commission c/o	261 565	0	261 565	0%
Glasgow	89 858	12 531	77 327	14%
Infrastructure Skills Development Grant	8 900 000	2 835 290	6 064 710	32%
Urban Settlement Development Grant	75 444 970	60 128 320	15 316 650	80%
Total Grants	214 869 041	111 980 253	102 888 789	52%
TOTAL PER FUNDING	327 388 741	149 623 899	177 764 842	46%

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

16.1. Health / Public Safety & Emergency Services

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

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

Health & Public Safety	Total Revenue	Employee Costs	Other Operating Expenditure	Repairs & Maintenance	Total Expenditure Excluding Capital
OFFICE OF THE DIRECTOR OF HEALTH / PUBLIC SAFETY & EMERGENCY SERVICES	0	1 790 982	195 422	0	1 986 405
GM - EMERGENCY SERVICES	(52 288 392)	42 965 403	19 167 060	401 152	62 533 614
EMERGENCY SERVICES	0	1 329 438	278 998	15 325	1 623 762
DISASTER MANAGEMENT	0	1 391 112	626 576	24 526	2 042 214
FIRE & RESCUE	(52 288 392)	40 244 853	18 261 485	361 301	58 867 638
GM - MUNICIPAL HEALTH SERVICES	(24 200)	15 258 247	2 327 607	81 763	17 667 616
MUNICIPAL HEALTH SERVICES	(24 200)	15 258 247	2 327 607	81 763	17 667 616
GM - PUBLIC SAFETY & PROTECTION SERVICES	(26 392 964)	101 046 874	9 215 950	1 082 290	111 345 114
PUBLIC SAFETY & PROTECTION SERVICES	(18 492)	9 731 519	4 011 703	666 850	14 410 072
LAW ENFORCEMENT SERVICES	(1 020)	60 872 405	2 193 987	258 566	63 324 958
TRAFFIC SERVICES	(26 373 452)	30 442 951	3 010 260	156 874	33 610 084
Total	(78 705 556)	161 061 507	30 906 038	1 565 204	193 532 750

16.2. Municipal Services

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

Table 35: Municipal Services – Cost Analysis

Municipal Services	Total Revenue	Employee Costs	Other Operating Expenditure	Repairs & Maintenance	Total Expenditure Excluding Capital
OFFICE OF THE DIRECTOR OF MUNICIPAL SERVICES	0	3 871 305	679 213	2 000	4 552 518
GM - COMMUNITY AMENITIES	(2 714 948)	55 943 282	14 221 662	3 270 905	73 435 849
COMMUNITY AMENITIES	0	6 271 140	365 620	34 979	6 671 739
LIBRARIES	(144 278)	10 721 732	1 235 216	147 148	12 104 095
HALLS	(777 229)	8 205 390	1 960 733	270 163	10 436 286
RECREATION	(1 685 581)	19 153 503	5 294 069	1 933 325	26 380 897
SPORTS FACILITIES	(107 860)	11 591 518	5 366 025	885 289	17 842 832
GM - PARKS / CEMETRIES & CONSERVATION	(6 538 180)	76 633 406	18 123 714	3 676 649	98 433 770
PARKS / CEMETRIES & CONSERVATION	0	1 372 277	124 248	0	1 496 525
CEMETRIES & CREMATORIA	(5 553 871)	12 543 547	6 555 852	307 158	19 406 557
CONSERVATION	(921 652)	8 404 624	2 005 557	488 843	10 899 023
PARKS: COASTAL	(62 657)	54 312 959	9 438 057	2 880 648	66 631 664
GM - SOLID WASTE MANAGEMENT	(242 826 879)	73 595 039	131 109 068	16 985 885	221 689 992
SOLID WASTE MANAGEMENT	(60)	4 762 937	13 150 847	4 865 845	22 779 628
CLEANSING & REFUSE REMOVAL: COASTAL	(236 567 328)	62 526 126	95 544 764	12 120 040	170 190 929
LANDFILLS & TRANSFER STATIONS	(6 259 491)	6 305 977	22 413 458	0	28 719 435
Total	(252 080 007)	210 043 032	164 133 657	23 935 439	398 112 128

17. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

QUALITY CERTIFICATE

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

The monthly budget statement (Section 71 Report)

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

Print name: Appana Naidoo

Acting City Manager of Buffalo City Metropolitan Municipality, BUF

Signature:

Date:

ANNEXURES:

Annexure A

- C1 Monthly Budget Statement 0 Summary
- C2 Monthly Budget Statement 0 Financial Performance (Std Classification)
- C3 Monthly Budget Statement 0 Financial Performance (By Municipal Vote)
- C4 Monthly Budget Statement 0 Financial Performance (Revenue and Expenditure)
- C5 Monthly Budget Statement 0 Capital Expenditure (Municipal Vote, Std Classification and Funding)
- C6 Monthly Budget Statement 0 Financial Position
- C7 Monthly Budget Statement 0 Cash Flow

Annexure B

- SC1 Material Variance Explanation
- SC2 Performance Indicators
- SC3 Aged Debtors
- SC4 Aged Creditors
- SC5 Investment Portfolio
- SC6 Transfers and Grants Receipts
- SC7 (1) Transfers and Grants Expenditure
- SC7 (2) Expenditure against approved rollovers
- SC8 Councillor and Staff Benefits
- SC9 Actuals and Revised Targets for Cash Receipts
- SC11 Monthly Budget Statement – Summary of Municipal Entity
- 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

Annexure F

Buffalo City Metropolitan Development Agency Financial Performance Report