

SOL PLAATJE LOCAL MUNICIPALITY



QUARTERLY REPORT FOR THE PERIOD 1 JULY TO 30 SEPTEMBER 2021

MFMA SEC 52(D) REPORT

13 OCTOBER 2021

TABLE OF CONTENTS

1.	SUMMARY	3
2.	BUDGET IMPLEMENTATION	4
2.1	Operating Budget Overview.....	5
2.2	Capital Budget Overview	6
3.	REVENUE FRAMEWORK.....	7
3.1	Operating Revenue by Source	7
3.2	Revenue by Vote.....	9
3.3	Revenue By Major Service	10
3.4	Debtors Management.....	13
3.5	Prepaid Electricity.....	23
3.6	Allocation and grant receipts and expenditure	27
3.7	Cash flows.....	30
4.	EXPENDITURE FRAMEWORK.....	32
4.1	Operating Expenditure By Type.....	32
4.2	Expenditure By Vote.....	35
4.3	Councillor and Board Member Allowances and Employee Benefits	36
4.4	Bulk Purchases	38
4.5	Aged Creditors	40
4.6	Repairs And Maintenance	41
5.	CAPITAL PROGRAMME PERFORMANCE.....	42
5.1	Capital Expenditure By Project.....	43
5.2	Capital Expenditure By Vote.....	44
6.	INVESTMENT PORTFOLIO ANALYSIS	46
7.	FINANCIAL MANAGEMENT AND REPORTING	46
8.	TOP LAYER SDBIP 1 ST QUARTER PERFORMANCE REPORT: 1 JULY TO 30 SEPTEMBER 2021	51
9.	CONCLUSION.....	67
10.	MUNICIPAL MANAGER'S QUALITY CERTIFICATION	Error! Bookmark not defined.

List of Abbreviations and Acronyms used in the MBS

AFS – Annual Financial Statements
AGSA - Auditor-General of South Africa
BTO - Budget and Treasury Office
CAPEX – Capital Expenditure
CFO - Chief Financial Officer
COGHSTA - Department of Co-operative Governance, Human Settlement and Traditional Affairs
DBSA - Development Bank of South Africa
DoRA - Division of Revenue Act
DPW – Department of Public Works
DSAC – Department of Sports, Arts and Culture
DWS - Department of Water and Sanitation
ED - Executive Director
EEDG - Energy Efficiency and Demand Side Management Grant
EPWP - Expanded Public Works Programme
FMG – Financial Management Grant
FY – Financial Year
GG – Government Gazette
GRAP - Generally Recognised Accounting Practices
GURP - Galeshewe Urban Renewal Programme
IDP - Integrated Development Plan
INEP - Integrated National Electrification Programme
ISDG - Infrastructure Skills Development Grant
IT - Information Technology
IUDG –Integrated Urban Development Grant
IYM – In-year Monitoring
KPA or KPI - Key Performance Area or Indicator
MBRR - Municipal Budget and Reporting Regulations (GG 32141 of 17 April 2009)
MBS – Monthly Budget Statement
MFMA - Municipal Finance Management Act (Act 56 of 2003)
MIG - Municipal Infrastructure Grant
MM - Municipal Manager
MSA - Municipal Systems Act
MSIG - Municipal Systems Improvement Grant
MTREF - Medium Term Revenue and Expenditure Framework
NDPG - Neighbourhood Development Partnership Grant
NERSA - National Energy Regulator of South Africa (“the Regulator”)
NT - National Treasury
OPEX – Operational Expenditure
O/S - Outstanding
PPE - Property, Plant and Equipment
R&M - Repairs and Maintenance
SALGA - South African Local Government Association
SCM - Supply Chain Management
SCOA – Standard Chart of Accounts
SDBIP - Service Delivery and Budget Implementation Plan
SEDP - Strategic Economic Development and Planning
SLA -Service Level Agreement
SMME - Small, Medium and Micro Enterprises
SPLM - Sol Plaatje Local Municipality
VAT – Value Added Tax
YTD – Year to date
WRM - Water Resource Management
WRL - Water Research Levy
WSIG – Water Services Infrastructure Grant

1. SUMMARY

The purpose of this report is to comply with the Municipal Systems Act of 2000 (Chapter 6) and the Municipal Planning and Performance Regulations (2001) that provide for the establishment and implementation of a performance management system which include the setting of performance indicators and targets linked to the Municipality's IDP and the *monitoring, measurement* and the review of performance.

The Municipal Finance Management Act (MFMA) 2003, through the Service Delivery Budget Implementation Plan (SDBIP), created the tool for monitoring and measuring the performance of the Municipality and defines the SDBIP " as the detailed plan approved by the mayor of the municipality in terms of Section 53 (1) (c) (ii) for implementing the municipality's delivery of municipal services and its annual budget.

This report indicates the performance of the Municipality in terms of its SDBIP for the 1st Quarter of the 2021/2022 financial year.

The Covid-19 pandemic did not bode well for the municipality's finances which was already under severe strain and further exposed the vulnerability of the municipality's cash position. The municipality would like to thank all our clients who still continued to settle their outstanding municipal accounts during this difficult period. The municipality realises once again, the critical importance of having a minimum 3 months cash coverage which is a sound directive and required norm from National Treasury. This has been the focus of the municipality for the past few months to ensure that Sol Plaatje Municipality recovers fully to ensure its sustainability and financial viability. The municipality's main goal is to remain positive and committed in stabilising the municipality, improving its cash position and improving on service delivery. The re-instatement of the Chief Financial Officer and the Municipal Manager, effective 23 August 2021 will positively contribute to the stabilization of the municipality and improved accountability.

In order for the municipality to thrive, overall performance must improve, the quality of services rendered must improve, accountability must be enforced, serious consideration should be given to the service delivery and financial implications of all decisions taken, ensure that acts, regulations and policies are adhered to diligently, enhance revenue collection and ensure that operational and capital funds are spent effectively with good value for money.

Improving on preventative maintenance and spending funds cost-effectively and efficiently to address service delivery challenges. Ensure assets are maintained at desired levels and are being utilised optimally. The spending of funds will have to be prioritised, wastage be curbed and overall personnel performance and productivity be monitored and improved. Municipal officials should also take all reasonable steps to prevent unauthorised, irregular and fruitless and wasteful expenditure. Refrain from committing acts of financial misconduct and/or criminal offences as per Chapter 15 of the MFMA.

It is imperative that all municipal officials must have the inherent desire to do their job to the best of their ability, take pride and ownership in their work, take accountability for their job functions, doing the right thing consistently and work as a collective, cohesive team to achieve the municipality's strategic objectives. Foremost to all of these, have the community's best interest at heart.

The most prominent projects for the 2021/2022 financial year include the Installation of the electrical and mechanical components at the Lerato Park Sewer Pump Station (R22 266 million) funded through the IUDG grant, 75% completion of the construction work for the Carters Ridge sewer pump station building with all electrical and mechanical equipment (R25 million) funded through WSIG, Electrification of 1 100 households for Lethabo Park, Phase 2 (R20 million) funded through INEP and the Electrification of 1 500 households for Lerato Park, Phases 6 & 7 (R33 million) also funded through the INEP Grant.

In the area of Human Resources, the professionalisation of local government is a key objective, and the need for competent, skilled and professional staff in key positions drives the recruitment process. Skills development and the implementation of affirmation action is also high on the agenda.

The municipality acknowledges the importance of compliance, and it is for these reasons that schedule of key dates is made available to the key stakeholders on compliance. However, what supersedes everything is certainty and availability of services to the community.

In conclusion, it is imperative to understand the strategic objectives of the Municipality and vision in order to plan coherently and in a sustainable manner.

2. BUDGET IMPLEMENTATION

Annual budget of the municipality is allocated to various votes, programmes and projects of the municipality. For capital budget, the Accounting Officer in consultation with Senior Managers appoint Project Managers who carry the responsibility of ensuring that project scope is well defined as well as the project deliverables, as well as the community impact and service delivery objectives that needs to be met.

The Chief Financial Officer carries overall responsibility of ensuring that the budget is spent in accordance with the Service Delivery and Budget Implementation Plan of the municipality and that these are well aligned with the IDP Objectives as per the IDP Review of each year.

Retirement of the Budget reform returns. As per MFMA Budget Circular No. 94 “from 2019/20 onwards, municipalities will no longer be required to continue with the use of the Budget Reform Returns to upload budget and monthly expenditure to the National Treasury Local Government Database for publication purposes. The National Treasury will use only the *mSCOA* data strings required for submission as prescribed and all publications will use the data collected from the *mSCOA* data strings” which must be submitted before or on **14 October 2021**, (ten working day limit).

Version 6.5 of *mSCOA* was implemented in July 2021. All submissions of supporting documents and data was done as per the regulation.

Compliance with various legislation is also an area of performance, especially with regards to payment procedures. Senior Managers have as per the delegation of powers been tasked with financial management duties.

Monthly reporting on budget performance is the responsibility of the Financial Services Directorate, and each directorate received operating revenue, operating expenditure and capital budget performance reports which ultimately are consolidated for reporting purposes to the Finance Committee and where necessary to the Municipal Public Accounts Committee.

These committees sit on a monthly basis and account to the Executive Mayor and to the Municipal Council, respectively.

2.1 Operating Budget Overview

The Sol Plaatje Municipality generates own revenue from service charges on various services as well as through the levying of property rates in line with the Amended Municipal Property Rates Act and the Municipal By-Laws on Property Rates and Taxes. The revenue sources also included the minor revenue streams such as rental income from various properties and assets of the municipality and interest earned from investments and on outstanding debtors. The municipality provides all services directly to the customers and each customer receives a monthly bill of services consumed (metered and unmetered services).

This report summarizes the budget performance for the first quarter of 2021/2022 financial year. The Statement of Financial Performance shown in Annexure A, Table C4, is prepared on the prescribed monthly C-schedules, detailing Revenue by source and Expenditure by type. The consolidated summary of the financial performance is indicated in Table 1 and Table 2 below:

Summary Statement of Financial Performance: YTD Budget					
Description R thousand (R'000)	YTD Budget September 2021	YTD Actual September 2021	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	591,428	670,087	78,660	113.3%	13.3%
Total Revenue (including capital transfers and contributions)	633,369	670,087	36,718	105.8%	5.8%
Total Operational Expenditure	586,248	536,281	(49,967)	91.5%	-8.5%

Table 1: Consolidated summary: Statement of Financial Performance: YTD Budget

As indicated in Table 1 above, as at 30 September 2021, the billed revenue excluding capital grants amounted to R670,087 million which resulted in a positive variance of 13.3% when compared to the YTD budget of R591,428 million. The billed revenue including capital grants resulted in a positive variance of 5.8% when compared to the YTD budget of R633,369 million. Capital grants will be recognised in the Statement of Financial Performance, once all conditions of the grant has been met and this will be finalised as part of year-end procedures. The Total Operational Expenditure resulted in a negative variance of minus 8.5%.

Summary Statement of Financial Performance: Original Budget					
Description R thousand	Original Budget	YTD Actual September 2021	Variance Favourable (Unfavourable)	% YTD Actual vs Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 25.00%
Total Revenue (excluding capital transfers and contributions)	2,365,711	670,087	472,945	28.3%	3.3%
Total Revenue (including capital transfers and contributions)	2,533,477	670,087	458,964	26.4%	1.4%
Total Operational Expenditure	2,344,984	536,281	340,866	22.9%	-2.1%

Table 2: Consolidated summary: Statement of Financial Performance: Original Budget

Indicated in Table 2 above is the YTD actual compared to the Original Budget. When calculating the ideal In-Year-Monitoring percentage of 25.00% [calculated as follow: (100/12 months x 3 months of the year)] as at the end of September 2021, the Total operational revenue excluding capital grants

versus the Original Budget resulted in a satisfactory variance of 3.3%. The Total operational revenue including capital grants versus the Original Budget resulted in a satisfactory variance of 1.4%. Capital grants must still be recognised in the Statement of Financial Performance, once all conditions of the grant has been met and this will be finalised as part of year-end procedures. The Total Operational Expenditure resulted in a negative variance of minus 2.1%.

Please note that certain Revenue by source and Expenditure by type categories are showing excessive negative and/or positive variances. This is due to fact that the YTD budgets were all systematically determined on a straight-line basis by dividing the total budget per category per line item by 12. The capital projections were also done in the same fashion. Please note that variances within a 5% range, as prescribed by National Treasury are acceptable and need not necessarily be explained.

2.2 Capital Budget Overview

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - September 2021										
Capital expenditure	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Original Budget	Original Budget Variance	Original Variance IYM % - 25%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	179,266	6,196	8,715	44,817	19.4%	(36,101)	-80.6%	4.9%	(36,101)	-20.1%
Funded by										
Capital transfers recognised	167,766	6,163	7,693	41,942	18.3%	(34,248)	-81.7%	4.6%	(34,248)	-20.4%
Internally generated funds	11,500	33	1,022	2,875	35.5%	(1,853)	-64.5%	8.9%	(1,853)	-16.1%
Weighting Capital transfer recognised	94%	99%	88%	94%						
Weighting Internally generated funds	6%	1%	12%	6%						

Table 3: High level summary: Capital Budget

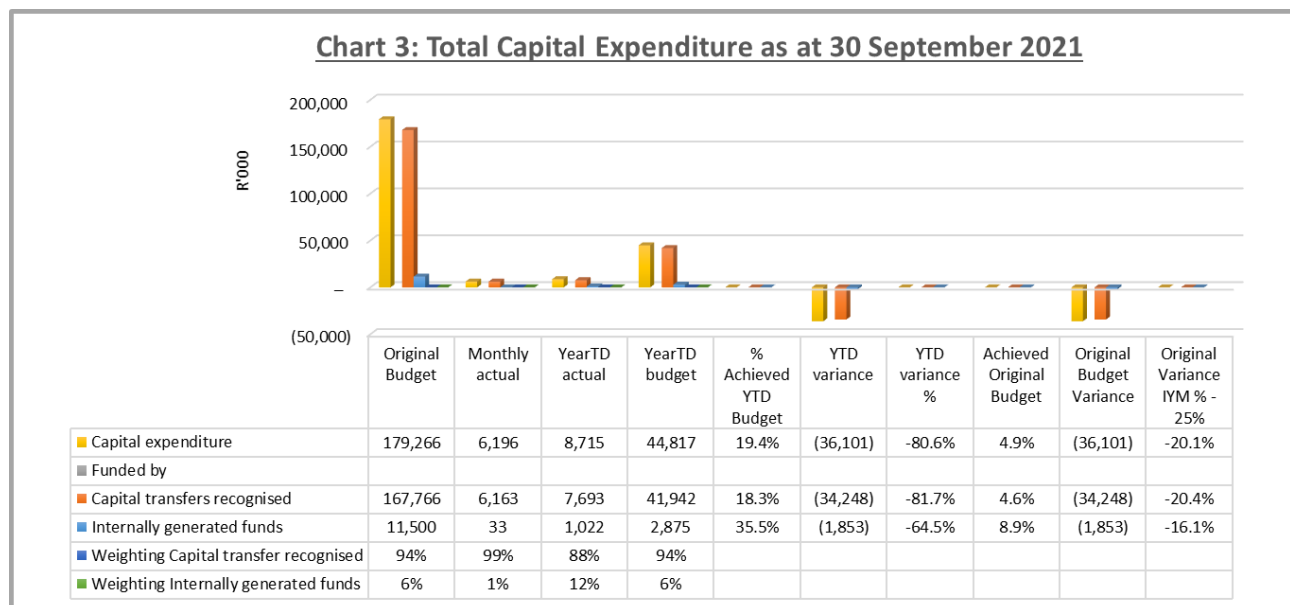


Chart 1: Total Capital Expenditure

As indicated in the Table 3 and Chart 1 above, the YTD Actual on capital expenditure as at end of September 2021 amounted to R8,715 million and 19.4% spent when compared to the YTD budget of R44,817 million and 4.9% spent when compared to the Original Budget of R179,266 million. The total YTD capex is funded from Capital transfers R7,693 million (88%) and Internally generated funds R1,022 million (12%). Capex is extremely low and this must improve going forward. Planning of project managers also needs to improve going forward.

One of the major challenges that the municipality is experiencing is in respect of tendering processes. The majority of capital projects are based on a functionality criteria. Bidders either do not

meet the functionality criteria or submit incomplete tender documents resulting in bidders being non-responsive. And due to the non-responsiveness of bidders, these bids unfortunately have to be re-advertised. The municipality has been implementing more compulsory site meetings to sensitise service providers on the compliance issues pertaining to bid documents. Secondly, project managers need to realistically anticipate challenges and immediately address delays in order to ensure that projects are completed within the specified timeframe. Contract management also needs to be monitored more closely, placing emphasis on the performance of appointed service providers and addressing issues of non-performance immediately. The Project Management Unit (PMU) is not adequately staffed, resulting in a lack of qualified permanently appointed project managers. Lastly, it is advised that disputes, if any are addressed and resolved expeditiously. The capital expenditure is slow and overall capital expenditure remains a major concern. Remedial action will have to be taken going forward to ensure improvement on capex. It should be noted that capital expenditure excludes VAT and commitments. The capital expenditure report shown in Annexure A, Table C5 has been prepared on the prescribed monthly C-schedule, and is categorised by municipal vote and functional classification.

3. REVENUE FRAMEWORK

3.1 Operating Revenue by Source

Revenue by Source	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	Achieved YTD Budget	YTD variance	YTD variance %	Achieved Adjusted Budget	Adjusted Budget Variance	Adjusted Variance IYM % - 25%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Property rates	584,108	42,706	209,948	146,027	143.8%	63,921	43.8%	35.9%	63,921	10.9%
Service charges - electricity revenue	766,232	67,500	200,135	191,558	104.5%	8,577	4.5%	26.1%	8,577	1.1%
Service charges - water revenue	278,626	881,665	930,546	69,657	1335.9%	860,890	1235.9%	334.0%	860,890	309.0%
Service charges - sanitation revenue	71,175	6,727	20,346	17,794	114.3%	2,552	14.3%	28.6%	2,552	3.6%
Service charges - refuse revenue	53,984	5,014	15,028	13,496	111.4%	1,532	11.4%	27.8%	1,532	2.8%
Rental of facilities and equipment	12,440	1,112	3,073	3,110	98.8%	(37)	-1.2%	24.7%	(37)	-0.3%
Interest earned - external investments	10,000	26	(969)	2,500	-38.8%	(3,469)	-138.8%	-9.7%	(3,469)	-34.7%
Interest earned - outstanding debtors	154,000	9,404	23,215	38,500	60.3%	(15,285)	-39.7%	15.1%	(15,285)	-9.9%
Fines, penalties and forfeits	33,345	926	1,148	8,336	13.8%	(7,188)	-86.2%	3.4%	(7,188)	-21.6%
Licences and permits	6,100	722	2,259	1,525	148.1%	734	48.1%	37.0%	734	12.0%
Agency services	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies	256,937	156	92,438	59,375	155.7%	33,063	55.7%	36.0%	28,204	11.0%
Other revenue	18,008	1,060	4,734	4,502	105.2%	232	5.2%	26.3%	232	1.3%
Gains on disposal of PPE	-	-	3,913	-	-	3,913	-	-	3,913	-
Total Revenue (excluding capital transfers and contributions)	2,244,956	1,017,018	1,505,815	556,380	270.6%	949,435	170.6%	67.1%	944,576	42.1%
Transfers and subsidies - capital	121,298	-	-	28,173	0.0%	(31,773)	-112.8%	0.0%	(30,325)	-25.0%
Total Revenue (including capital transfers and contributions)	2,366,254	1,017,018	1,505,815	584,553	257.6%	921,262	157.6%	63.6%	914,252	38.6%

Table 4: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

- ❖ Property Rates is showing a positive YTD variance of 42%, as a result of the annual billing on Property rates.
- ❖ Service charges is performing satisfactorily for the month under review, however Refuse removal and Sanitation charges is showing an over-recovery, possibly as result of increased billing. The direct contributing factors to this, should also be analysed by the Billing section.

- ❖ Interest earned – External investments shows a negative variance of minus 119.7%, as a result of accrued interest revenue that was recognised for the 2020/21 financial year. It should be noted that investments have been declining year-on-year.
- ❖ Due to financial constraints the municipality could not increase its investments which largely contributes to the lower interest earned. The reduced interest rate by the Reserve bank, also has a negative impact on Interest earned. The bulk of the interest normally gets recognised at year-end.
- ❖ Interest earned on outstanding debtors is showing a negative variance of minus 25.9%. The Billing section will have to do a thorough investigation into the lower interest generated and ascertain that interest is being duly charged to all outstanding balances that should attract interest.
- ❖ Fines, penalties and forfeits is showing a negative variance of 83.1% as a result of the under-recovery of Law enforcements fines with a 1.53% achieved versus a target of R17,900 million. The unit is experiencing various challenges in terms of capacity and the process of the reconciliation of fines with the Department of Justice needs to improve. The Traffic department did not respond to the query raised in this regard. Penalties: Disconnection fees achieved an actual of 7.12% against an annual target of R16,500 million. The bulk blocking of prepaid meters, could not materialise as the municipality must remain cognisant of adhering to the Covid-19 regulations.
- ❖ Licences and permits is showing a positive variance of 34.2%, however there are possible outstanding payments due to the Department of Transport, Safety and Liaison. There is sometimes a delay in the timing of receipts and eventual transfer, especially towards month-end. The responsible employee for this function, retired recently and the unit is experiencing some change-over challenges in this regard. Hopefully this will improve going forward.
- ❖ The first tranche of the Equitable Share was received during July 2021, hence the over-recovery on Transfer and subsidies – operational which is showing a positive variance of 53.4%.
- ❖ Capital grants are recognised in the Statement of Financial Performance at year-end, once all conditions of the grant have been met.

Comparison against Original Budget

Based on the IYM percentage of 25.00%, the majority of revenue sources are performing satisfactorily.

- ❖ Property rates is showing an over-recovery, due to annual billing on Property rates.
- ❖ Service charges is performing satisfactorily.
- ❖ Interest from External Investments shows an unsatisfactory variance of minus 29.9%. Same factors are applicable as described in the paragraph above.
- ❖ Interest on outstanding debtors is showing a satisfactory variance of 6.5%. Same factors are applicable as described in the paragraph above
- ❖ Fines, penalties and forfeits is showing a negative variance of 20.8%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits is showing a positive variance of 8.5%. Same factors are applicable as described in the paragraph above.
- ❖ The first tranche of the Equitable Share was received during July 2021, hence the over-recovery on Transfer and subsidies – operational, which is showing a positive variance of 13.4%..
- ❖ Transfers – recognised capital will be recognised in the Statement of Financial Performance at year-end, once all conditions of the grant have been met.

Also indicated in Chart 3 below is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 30 September 2021. The main contributors of the municipality's revenue are Service Charges (48.9%), Property Rates (32.0%) and Transfers and subsidies (13.2%). The weighting per Revenue source is distorted due to the annual billing on Property rates and the receipt of the first tranche of the Equitable Share.

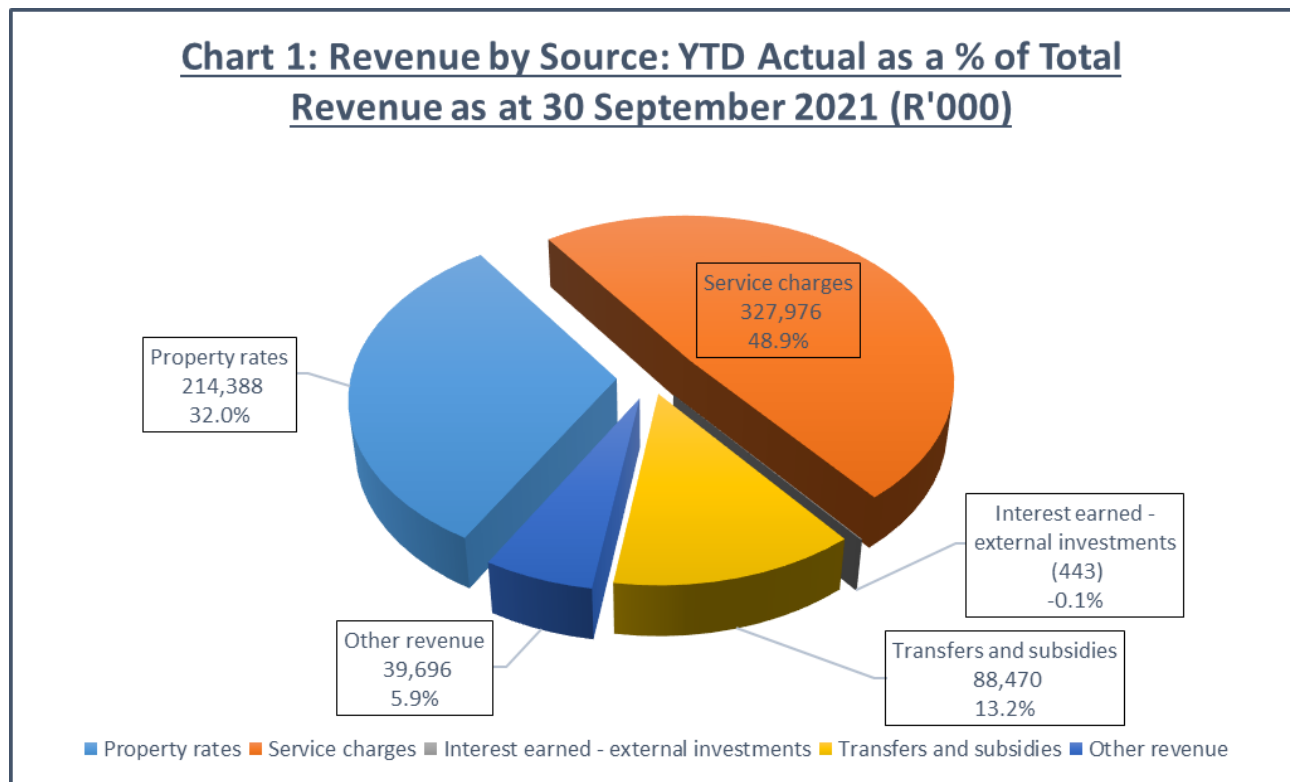


Chart 2: Revenue by Source: YTD Actual as a percentage of Total Revenue

3.2 Revenue by Vote

The responsibility of billing and enhancing revenue is delegated to all directorates as per their budgets and functions. The financial services however, carries the bigger task of ensuring correct billing, to the correct customer and that the bill reaches the customer within 5 days from date of billing.

The municipality generates revenue primarily from service charges and property rates. Infrastructure is therefore the main revenue generating vote. The Municipal and General vote consists mostly of grants received by the municipality.

The table below represents revenue for the quarter generated from various votes as per the functions of assigned to the vote.

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		420,845	478,759	478,759	5,219	102,477	119,690	(17,212)	-14.4%	478,759
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		6,247	6,804	6,804	425	434	1,701	(1,267)	-74.5%	6,804
Vote 05 - Community Services		90,713	110,627	110,627	6,992	21,534	27,657	(6,122)	-22.1%	110,627
Vote 06 - Financial Services		594,906	623,229	623,229	45,741	215,779	155,807	59,972	38.5%	623,229
Vote 07 - Strategy Econ Development And Planning		9,357	9,041	9,041	489	1,185	2,260	(1,075)	-47.6%	9,041
Vote 08 - Infrastructure And Services		1,058,256	1,305,018	1,305,018	106,199	328,677	326,254	2,423	0.7%	1,305,018
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2,180,324	2,533,477	2,533,477	165,064	670,087	633,369	36,718	5.8%	2,533,477
Expenditure by Vote	1									
Vote 01 - Executive & Council		53,090	57,883	57,883	4,402	13,153	14,471	(1,318)	-9.1%	57,883
Vote 02 - Municipal And General		335,678	335,456	335,456	53,310	73,019	83,864	(10,845)	-12.9%	335,456
Vote 03 - Municipal Manager		22,272	25,025	25,025	1,580	5,005	6,256	(1,251)	-20.0%	25,025
Vote 04 - Corporate Services		63,012	73,211	73,211	5,586	15,805	18,303	(2,498)	-13.6%	73,211
Vote 05 - Community Services		259,526	297,403	297,403	19,664	63,028	74,351	(11,323)	-15.2%	297,403
Vote 06 - Financial Services		126,380	152,611	152,611	10,838	30,045	38,153	(8,108)	-21.3%	152,611
Vote 07 - Strategy Econ Development And Planning		53,419	59,374	59,374	4,464	12,973	14,844	(1,871)	-12.6%	59,374
Vote 08 - Infrastructure And Services		1,252,983	1,344,020	1,344,020	256,556	323,253	336,006	(12,753)	-3.8%	1,344,020
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,166,359	2,344,984	2,344,984	356,400	536,281	586,248	(49,967)	-8.5%	2,344,984
Surplus/ (Deficit) for the year	2	13,964	188,493	188,493	(191,336)	133,806	47,121	86,686	184.0%	188,493

Table 5: Table C3 Monthly Budget Statement – Financial Performance (revenue and expenditure by municipal vote)

The Community services vote generates income from renting out municipal facilities e.g. halls and recreation facilities. The revenue generated is not sufficient to cover the costs of running the department. However, revenue from rates is used to fund community services.

3.3 Revenue By Major Service

3.3.1 Housing

The municipality holds rental stock and the letting of this stock is managed by the Housing Section within the Infrastructure and Services Directorate. It is expected that the cost of administering this function including general maintenance of these units should be recovered from the rental service charges as determined by Council in its tariffs.

Votenummer	Description	Original	Budget	Curr Mth Exp	Commitment	YTD Movement	Perc	Comment Ideal % = 25%
284000001000000000	HOUSING							
284010000000000000	REVENUE							
284013000000000000	EXCHANGE REVENUE							
284013400000000000	INTEREST DIVIDENDS AND RENT ON LAND							
284013800000000000	OPERATIONAL REVENUE							
284013824000000000	INCIDENTAL CASH SURPLUSES	-1 000.00	-1 000.00	-554.00	-	-19 801.72	999.99	REVENUE SATISFACTORY
284013899000000000	SUB TOTAL : OPERATIONAL REVENUE	-1 000.00	-1 000.00	-554.00	-	-19 801.72	999.99	REVENUE SATISFACTORY
284014000000000000	RENTAL FROM FIXED ASSETS							
284014008900000000	N-M-R PPE: S/LINE-OTHER ASSETS	-12 400 000.00	-12 400 000.00	-1 011 097.19	-	-2 990 679.57	24.11	REVENUE NOT MATERIALISING
284014099000000000	SUB TOTAL : RENTAL FROM FIXED ASSETS	-12 400 000.00	-12 400 000.00	-1 011 097.19	-	-2 990 679.57	24.11	REVENUE NOT MATERIALISING
284014200000000000	SALES OF GOODS AND RENDERING OF SERVICES							
284014999200000000	SUB TOTAL : EXCHANGE REVENUE	-12 401 000.00	-12 401 000.00	-1 011 651.19	-	-3 010 481.29	24.27	REVENUE NOT MATERIALISING
284019999800000000	TOTAL : INCOME	-12 401 000.00	-12 401 000.00	-1 011 651.19	-	-3 010 481.29	24.27	REVENUE NOT MATERIALISING

3.3.2 Electricity

Revenue from sale of electricity is the major revenue source of the municipality. Sale of electricity is done through a conventional meter or prepaid electricity meter. Most of residential and small businesses are on prepaid electricity whilst large customers are on conventional/ credit meter. Prepaid meter has far reaching benefits compared to the conventional metering system. These benefits include controlling demand and usage of electricity within budget, no surprise accounts at month as in the case with conventional meter, easy to monitor as balances can be checked on the meter device at any given point in time.

Votenum	Description	Original	Budget	Curr Mth Exp	YTD Movement	Unspend Bud	Perc	Comment Ideal % = 25%
28800000010000000000	ELECTRICITY							
28801000000000000000	REVENUE							
28801300000000000000	EXCHANGE REVENUE							
28801320000000000000	SERVICE CHARGES							
28801321030000000000	ELEC: CONNEX NEW FEES NON-GOVERN HOUSING	-8 000.00	-8 000.00	89 768.37	-1 117 925.31	1 109 925.31	999.99	REVENUE SATISFACTORY
28801321040000000000	ELEC: CONNEX/RECON DISCONN/RECONN FEES	-	-	-59 030.43	-152 833.23	152 833.23	-	REVENUE SATISFACTORY, NO BUDGET
28801321120000000000	ELEC SALES: COMMERC CONVEN SINGLE PHASE	-46 000 000.00	-46 000 000.00	-3 459 263.74	-10 954 654.82	-35 045 345.18	23.81	REVENUE NOT MATERIALISING
28801321140000000000	ELEC SALES: COMMERCIAL PREPAID	-4 000 000.00	-4 000 000.00	-106 362.67	-253 855.28	-3 746 144.72	6.34	REVENUE NOT MATERIALISING
28801321160000000000	ELEC SALES: DOMESTI LOW HOME LIGHT 1 60A	-15 500 000.00	-15 500 000.00	-1 161 873.17	-3 761 193.62	-11 738 806.38	24.26	REVENUE NOT MATERIALISING
28801321190000000000	ELEC SALES: DOMESTIC LOW: PREPAID	-335 648 564.00	-335 648 564.00	-22 803 001.14	-73 712 414.14	-261 936 149.86	21.96	REVENUE NOT MATERIALISING
28801321210000000000	ELEC SALES: DOMESTIC HIGH HOME POWER 2	-12 000 000.00	-12 000 000.00	-3 273 592.15	-10 223 119.40	-1 776 880.60	85.19	REVENUE SATISFACTORY
28801321230000000000	ELEC SALES: TIME OF USE TARIFFS	-234 000 000.00	-234 000 000.00	-24 843 469.59	-76 853 879.99	-157 146 120.01	32.84	REVENUE SATISFACTORY
28801321310000000000	ELEC SALES: SPORT/CHURCH/HOLIDAY/OLD-AGE	-60 000 000.00	-60 000 000.00	-3 449 518.68	-9 589 319.99	-50 410 680.01	15.98	REVENUE NOT MATERIALISING
28801321320000000000	ELEC SALES: STREET LIGHTING	-18 000 000.00	-18 000 000.00	-	-	-18 000 000.00	-	STREETLIGHT CONSUMPTION TO BE JOURNALISED
28801321340000000000	ELEC DISTRIB: REV - SERV NETWORK CHARGES	-114 000 000.00	-114 000 000.00	-8 715 261.97	-26 305 455.02	-87 694 544.98	23.07	REVENUE NOT MATERIALISING
28801321380000000000	ELEC: AVAILABILITY CHARGES	-22 000 000.00	-22 000 000.00	-1 872 086.33	-5 637 326.98	-16 362 673.02	25.62	REVENUE SATISFACTORY
28801329900000000000	SUB TOTAL : SERVICE CHARGES	-861 156 564.00	-861 156 564.00	-69 653 691.50	-218 561 977.78	-642 594 586.22	25.38	REVENUE SATISFACTORY
28801340000000000000	INTEREST DIVIDENDS AND RENT ON LAND							
28801341090000000000	INTER: RECEIV - SERVICE CHARGES	-16 000 000.00	-16 000 000.00	-984 022.39	-2 882 401.68	-13 117 598.32	18.01	REVENUE NOT MATERIALISING
28801349900000000000	SUB TOTAL : INTEREST DIV RENT ON LAND	-16 000 000.00	-16 000 000.00	-984 022.39	-2 882 401.68	-13 117 598.32	18.01	REVENUE NOT MATERIALISING
28801380000000000000	OPERATIONAL REVENUE							
28801499920000000000	SUB TOTAL : EXCHANGE REVENUE	-877 156 564.00	-877 156 564.00	-70 637 713.89	-221 444 379.46	-655 712 184.54	25.24	REVENUE SATISFACTORY
28801999980000000000	TOTAL : INCOME	-877 156 564.00	-877 156 564.00	-70 637 713.89	-221 444 379.46	-655 712 184.54	25.24	REVENUE SATISFACTORY

3.3.3 Water

Water is life, availability, certainty and safety of water is of paramount importance to us as the Water Services Authority. Infrastructure that is in good quality provides assurance of availability and certainty of water whilst operations and controls become very critical in as far as safety is concerned. All properties within the municipal jurisdiction has access to water, from free basic water to water used for industrial purposes. Each indigent household receives 6kl of water per month. Free basic water revenue is recouped from equitable share allocated against grants and subsidies made by the municipality.

RH	28600000010000000000	WATER							
RH	28601000000000000000	REVENUE							
RH	28601300000000000000	EXCHANGE REVENUE							
RH	28601320000000000000	SERVICE CHARGES							
R	28601324020000000000	WATER: SALE - CONVENTIONAL	-294 011 652.00	-294 011 652.00	-23 856 022.46	-	-72 214 229.91	-221 797 422.09	24.56 REVENUE NOT MATERIALISING
RS	28601329900000000000	SUB TOTAL : SERVICE CHARGES	-294 011 652.00	-294 011 652.00	-23 856 022.46	-	-72 214 229.91	-221 797 422.09	24.56 REVENUE NOT MATERIALISING
RH	28601340000000000000	INTEREST DIVIDENDS AND RENT ON LAND							
R	28601341140000000000	INTER: RECEIV - WATER	-34 000 000.00	-34 000 000.00	-2 598 068.78	-	-7 653 275.72	-26 346 724.28	22.50 REVENUE NOT MATERIALISING
RS	28601349900000000000	SUB TOTAL : INTEREST DIV RENT ON LAND	-34 000 000.00	-34 000 000.00	-2 598 068.78	-	-7 653 275.72	-26 346 724.28	22.50 REVENUE NOT MATERIALISING
RH	28601380000000000000	OPERATIONAL REVENUE							
RH	28601420000000000000	SALES OF GOODS AND RENDERING OF SERVICES							
R	28601423300000000000	LABORATORY SERVICES	-600 000.00	-600 000.00	-29 184.21	-	-83 952.64	-516 047.36	13.99 REVENUE NOT MATERIALISING
R	28601423600000000000	MANAGEMENT FEES	-	-	-17 161.74	-	-442 711.88	442 711.88	- REVENUE SATISFACTORY, ADJ BUDGET
RS	28601429900000000000	SUB TOTAL : SALES & RENDERING OF SERV	-600 000.00	-600 000.00	-46 345.95	-	-526 664.52	-73 335.48	87.77 REVENUE SATISFACTORY
RS	28601499920000000000	SUB TOTAL : EXCHANGE REVENUE	-328 611 652.00	-328 611 652.00	-26 500 437.19	-	-80 394 170.15	-248 217 481.85	24.46 REVENUE NOT MATERIALISING
RT	28601999980000000000	TOTAL : INCOME	-328 611 652.00	-328 611 652.00	-26 500 437.19	-	-80 394 170.15	-248 217 481.85	24.46 REVENUE NOT MATERIALISING

3.3.4 Sewerage

Sewer and sanitation tariffs recovers the costs of managing, operating and maintenance of treatment plants and the reticulation network. Other costs recovered from the tariffs are costs associated with any long term borrowing that would have financed infrastructure investments.

Sewer and sanitation fees are billed on a monthly flat rate for all customers. As such, the table below indicates the amount billed as at end of quarter three against the year to date budget as estimated during the budget assumptions.

Votenummer	Description	Original	Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Bud	Perc	Comment Ideal % = 25%
28500000010000000000	SEWERAGE								
28501000000000000000	REVENUE								
28501300000000000000	EXCHANGE REVENUE								
28501320000000000000	SERVICE CHARGES								
28501322020000000000	WASTE WATER MANG: SANITATION CHARGES	-74 548 456.00	-74 548 456.00	-6 987 308.46	-	-20 770 311.90	-53 778 144.10	27.86	REVENUE SATISFACTORY
28501323080000000000	WASTE WATER M: PUMP/REMOVAL WASTE WATER	-2 100 000.00	-2 100 000.00	-198 255.58	-	-535 953.30	-1 564 046.70	25.52	REVENUE SATISFACTORY
28501329900000000000	SUB TOTAL : SERVICE CHARGES	-76 648 456.00	-76 648 456.00	-7 185 564.04	-	-21 306 265.20	-55 342 190.80	27.79	REVENUE SATISFACTORY
28501340000000000000	INTEREST DIVIDENDS AND RENT ON LAND								
28501341130000000000	INTER: RECEIV - WASTE WATER MANAGEMENT	-10 200 000.00	-10 200 000.00	-797 462.18	-	-2 339 157.62	-7 860 842.38	22.93	REVENUE NOT MATERIALISING
28501349900000000000	SUB TOTAL : INTEREST DIV RENT ON LAND	-10 200 000.00	-10 200 000.00	-797 462.18	-	-2 339 157.62	-7 860 842.38	22.93	REVENUE NOT MATERIALISING
28501380000000000000	OPERATIONAL REVENUE								
28501420000000000000	SALES OF GOODS AND RENDERING OF SERVICES								
28501499920000000000	SUB TOTAL : EXCHANGE REVENUE	-86 848 456.00	-86 848 456.00	-7 983 026.22	-	-23 645 422.82	-63 203 033.18	27.22	REVENUE SATISFACTORY
28501999980000000000	TOTAL : INCOME	-86 848 456.00	-86 848 456.00	-7 983 026.22	-	-23 645 422.82	-63 203 033.18	27.22	REVENUE SATISFACTORY

3.3.5 Refuse Removal

As with sewer and sanitation, tariff charges for refuse collecting are billed on flat rate monthly as per the tariff book. All residential customers receive a door-to-door collection service at least once a week. The service is rendered by the municipality using its own fleet and staff.

Votenummer	Description	Original	Budget	Curr Mth Exp	Com	YTD Movement	Unspend Bud	Perc
24800000010000000000	REFUSE							
24801000000000000000	REVENUE							
24801300000000000000	EXCHANGE REVENUE							
24801320000000000000	SERVICE CHARGES							
24801322030000000000	WASTE MANGEMENT: REFUSE REMOVAL	- 59 566 822.00	- 59 566 822.00	- 5 254 658.63	-	- 15 893 513.43	- 43 673 308.57	26.68
24801329900000000000	SUB TOTAL : SERVICE CHARGES	- 59 566 822.00	- 59 566 822.00	- 5 254 658.63	-	- 15 893 513.43	- 43 673 308.57	26.68
24801340000000000000	INTEREST DIVIDENDS AND RENT ON LAND							
24801341120000000000	INTER: RECEIV - WASTE MANAGEMENT	- 11 000 000.00	- 11 000 000.00	- 610 938.92	-	- 1 808 466.60	- 9 191 533.40	16.44
24801349900000000000	SUB TOTAL : INTEREST DIV RENT ON LAND	- 11 000 000.00	- 11 000 000.00	- 610 938.92	-	- 1 808 466.60	- 9 191 533.40	16.44
24801380000000000000	OPERATIONAL REVENUE							
24801389900000000000	SUB TOTAL : OPERATIONAL REVENUE	-	-	-	-	-	-	0
24801420000000000000	SALES OF GOODS AND RENDERING OF SERVICES							
24801420620000000000	CLEANING & REMOVAL	- 25 000.00	- 25 000.00	-	-	-	- 25 000.00	0
24801429900000000000	SUB TOTAL : SALES & RENDERING OF SERV	- 25 000.00	- 25 000.00	-	-	-	- 25 000.00	-
24801499920000000000	SUB TOTAL : EXCHANGE REVENUE	- 70 591 822.00	- 70 591 822.00	- 5 865 597.55	-	- 17 701 980.03	- 52 889 841.97	25.07
24801999980000000000	TOTAL : INCOME	- 70 591 822.00	- 70 591 822.00	- 5 865 597.55	-	- 17 701 980.03	- 52 889 841.97	25.07

3.4 Debtors Management

NC091 Sol Plaatje - Supporting Table SC3 Monthly Budget Statement - aged debtors - M03 September

Description	NT Code	Budget Year 2021/22										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	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	52,594	15,264	13,852	434,866	–	–	–	–	516,576	434,866	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	81,103	16,073	10,354	173,186	–	–	–	–	280,716	173,186	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	52,004	86,491	11,994	598,867	–	–	–	–	749,358	598,867	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	11,802	4,376	3,940	135,507	–	–	–	–	155,625	135,507	–	–
Receivables from Exchange Transactions - Waste Management	1600	9,214	3,237	2,929	103,976	–	–	–	–	119,355	103,976	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	543	509	496	40,491	–	–	–	–	42,039	40,491	–	–
Interest on Arrear Debtor Accounts	1810	19,337	9,122	8,917	572,325	–	–	–	–	609,700	572,325	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	7,500	3,068	5,107	190,135	–	–	–	–	205,810	190,135	–	–
Total By Income Source	2000	234,097	138,140	57,590	2,249,352	–	–	–	–	2,679,179	2,249,352	–	–
2020/21 - totals only		282,266	72,083	60,625	2,144,368					2,559,343	2,144,368		
Debtors Age Analysis By Customer Group													
Organs of State	2200	43,764	81,137	9,483	662,813	–	–	–	–	797,196	662,813	–	–
Commercial	2300	85,752	18,290	13,736	337,335	–	–	–	–	455,112	337,335	–	–
Households	2400	101,885	37,540	33,361	1,204,249	–	–	–	–	1,377,035	1,204,249	–	–
Other	2500	2,697	1,174	1,010	44,954	–	–	–	–	49,836	44,954	–	–
Total By Customer Group	2600	234,097	138,140	57,590	2,249,352	–	–	–	–	2,679,179	2,249,352	–	–

Table 6: Supporting Table SC3: Aged Debtors

Indicated in Table 6 above, is the total outstanding debt by Income Source and Customer Group, with the total O/S Debt amounting to R2,679,179 billion as at the end of September 2021. The Credit control office implemented the following contingencies. In the light of current cash flow and very low cashier collection at points, we resumed disconnection and blocking of institutions, businesses and Government Departments without valid arrangements or not in discussions with, effective immediately. Bulk blocking of prepaid meters is hampered due to Covid-19 regulations. On a weekly basis, the municipality also focuses on the Top Ten accounts for all debtor groups. Water and lights (long outstanding queries and Interims), Rates (long outstanding Interims) are also dealt with. The Call Centre also do courtesy calls to the most paying customers, as a means to improve customer satisfaction.

Specific action – Covid-19

30% Discount for full settlement of arrear debt; 10% monthly early payment incentive (excluding Electricity sales); Radio interviews – customer education and awareness, invite indigent for registration; Blocking of non-residential dwellings: 30 % prepaid partial (non-indigent customers); 10 % prepaid partial (indigents customers) and 100% Commercial, Businesses, Gov, Staff, Cllrs, NGO, etc)

Chart 7: Debt over 90 days as a % of total O/S Debt: Jun 2021 - September 2021

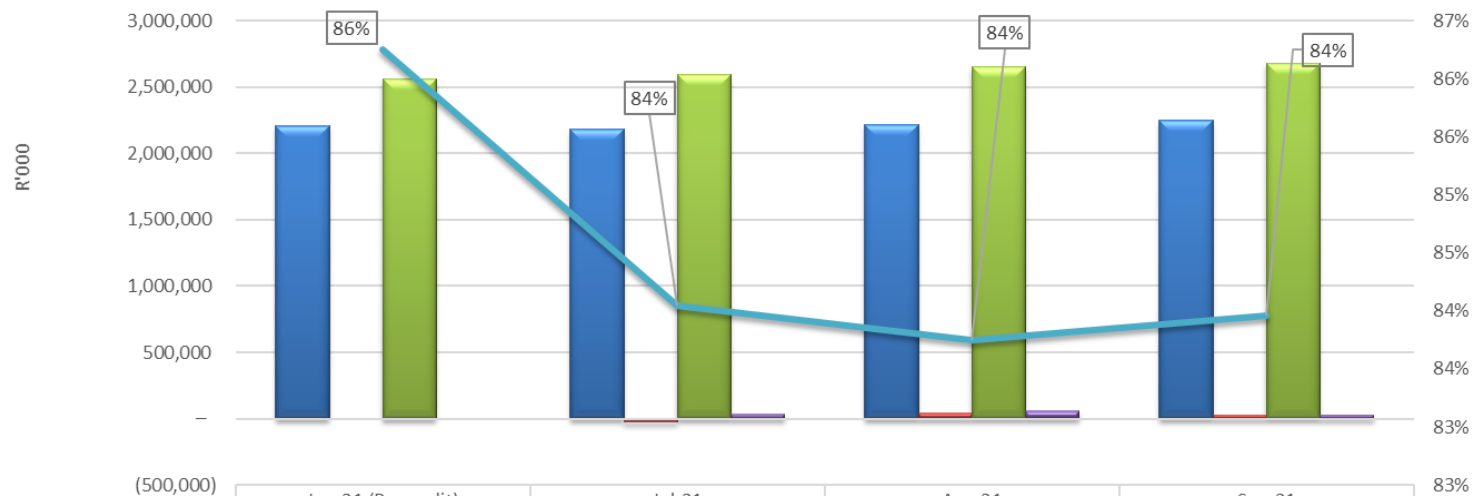
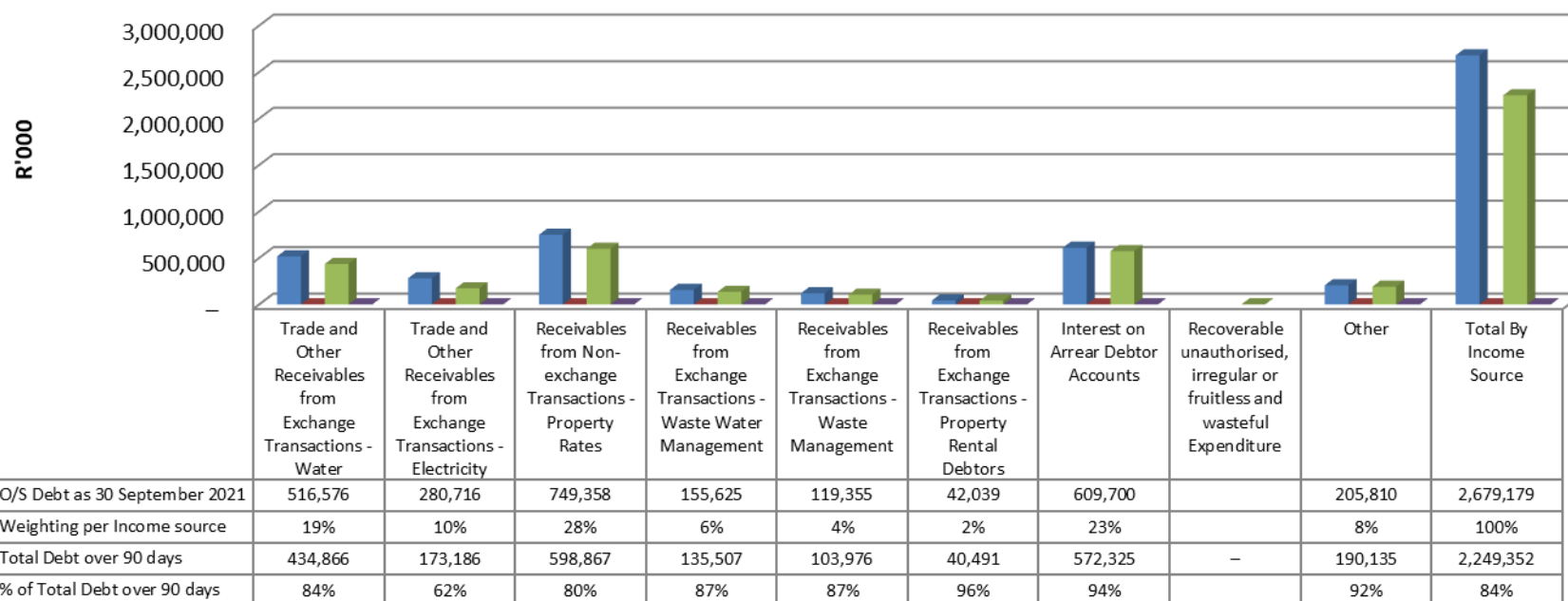


Chart 3: Debt over 90 days as a percentage of Total O/S Debt

Chart 3 above, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt which remained unchanged at 84% for the period under review. Debt over 90 days increased by R29,350 million in respect of the month-to-month comparison. The month-to-month increase on Total debt amounted to R28,477 million. It is concerning that total debt over 90 days is hovering at an average of 85%. During the Adjustment Budget funding assessment for 2019/20, NT advised that the municipality should consider writing off debtors that we know we are not realistically going to collect. To this end, the amounts written off as uncollectable amounted to R403,262 million for the year ended 30 June 2020. For the year ended 30 June 2021, the amounts written off as uncollectable amounted to R330,209 million. The total amounts written off as uncollectable for the two financial years amounts to R733,470 million.

Chart 8: Outstanding Debt by Income Source as at 30 September 2021



Chart

Chart 4: Outstanding Debt by Income Source

Indicated in Chart 4 above, is the total outstanding debt per Income Source, including the weighting and the percentage of Total Debt over 90 days as at the end of September 2021. The highest percentage weighting of debt owed is attributable to:

- ❖ Receivables from Non-exchange Transactions - Property Rates at 28%
- ❖ Interest on Arrear Debtor Accounts 23%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 19%

The highest percentage weighting of debt owed in excess of 90 days is attributable to:

- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 96%
- ❖ Interest on Arrear Debtor Accounts at 94%;
- ❖ Other 92%

Debtors Age Analysis By Income Source	O/S Debt as 31 August 2021	O/S Debt as 30 September 2021	Percentage month-on-month Increase/ (Decrease) in Debtors	R-Value Increase /(Decrease)	Weighting of Debt per Category as a % of Total O/S
Trade and Other Receivables from Exchange Transactions - Water	510,337,006	516,575,752	1.2%	6,238,746	19%
Trade and Other Receivables from Exchange Transactions - Electricity	274,345,542	280,715,932	2.3%	6,370,390	10%
Receivables from Non-exchange Transactions - Property Rates	749,375,408	749,357,553	-0.0024%	-17,855	28%
Receivables from Exchange Transactions - Waste Water Management	152,681,036	155,624,520	1.9%	2,943,484	6%
Receivables from Exchange Transactions - Waste Management	117,105,731	119,355,362	1.9%	2,249,631	4%
Receivables from Exchange Transactions - Property Rental Debtors	41,613,518	42,039,405	1.0%	425,887	2%
Interest on Arrear Debtor Accounts	601,055,696	609,699,994	1.4%	8,644,298	23%
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-		-	
Other	204,187,864	205,810,341	0.8%	1,622,477	8%
Total By Income Source	2,650,701,801	2,679,178,859	1.1%	28,477,058	100%
Debtors Age Analysis By Customer Group					
Organs of State	797,013,315	797,196,016	0.023%	182,701	30%
Commercial	450,335,302	455,112,479	1.0%	4,777,177	17%
Households	1,354,188,171	1,377,034,631	1.7%	22,846,460	51%
Other	49,165,013	49,835,733	1.3%	670,720	2%
Total By Customer Group	2,650,701,801	2,679,178,859	1.1%	28,477,058	100%

Table 7: Month-on-Month growth in outstanding debtors

Indicated in Table 7 above is the month-on-month growth in outstanding debt, per Income Source and per Customer Group, from August to September 2021, the municipality's total O/S debt increased by 1.1% or R28,477 million.

O/S debt per Income Source

- ❖ Trade and Other Receivables from Exchange Transactions - Water increased by 1.2%.
- ❖ Trade and Other Receivables from Exchange Transactions - Electricity increased by 2.3%.
- ❖ Receivables from Non-exchange Transactions - Property Rates decreased by 0.0024%.
- ❖ Receivables from Exchange Transactions - Waste Water Management increased by 1.9%;
- ❖ Receivables from Exchange Transactions - Waste Management increased by 1.9%.
- ❖ Receivables from Exchange Transactions - Property Rental Debtors increased by 1.0%.
- ❖ Interest on Arrear Debtor Accounts increased by 1.4%.
- ❖ Other increased by 0.8%.

O/S debt per Customer Group

- ❖ Organs of State increased by 0.023%.
- ❖ Commercial debtors increased by 1.0%.
- ❖ Debt owed by Households increased by 1.7%.
- ❖ Other Debt increased by 1.3%.

Weighting per Customer Group

- Government debt constitutes 30%, Businesses 17%, Households 51% and Other 2% of the total outstanding debt.

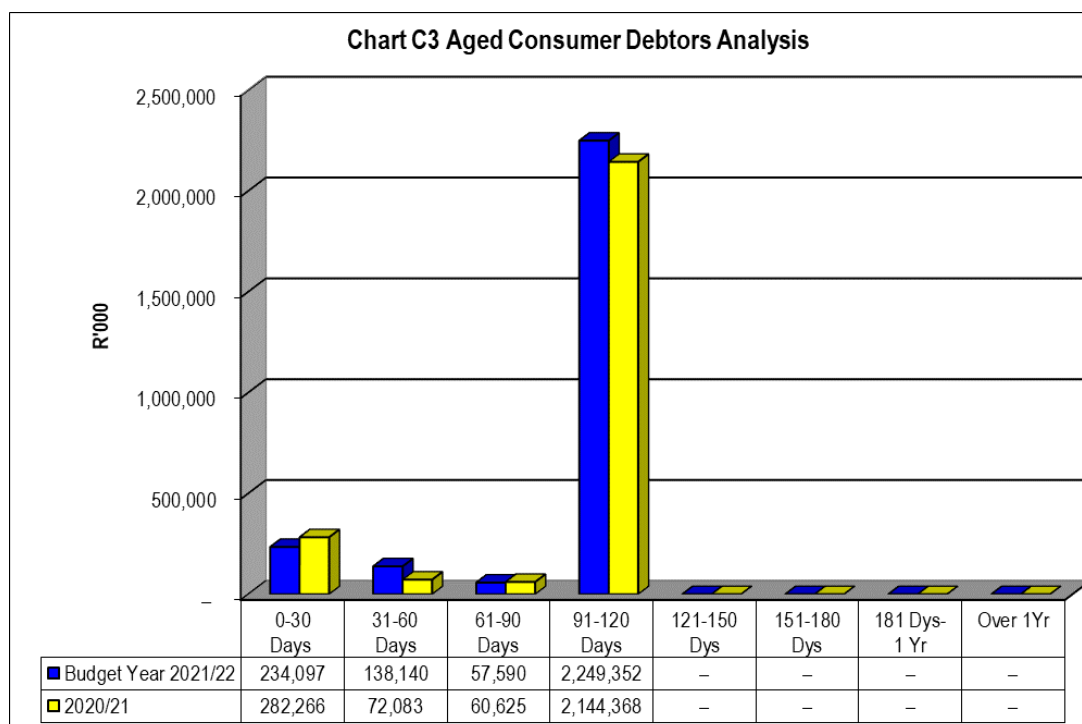


Chart 5: Aged Consumer Debtor Analysis

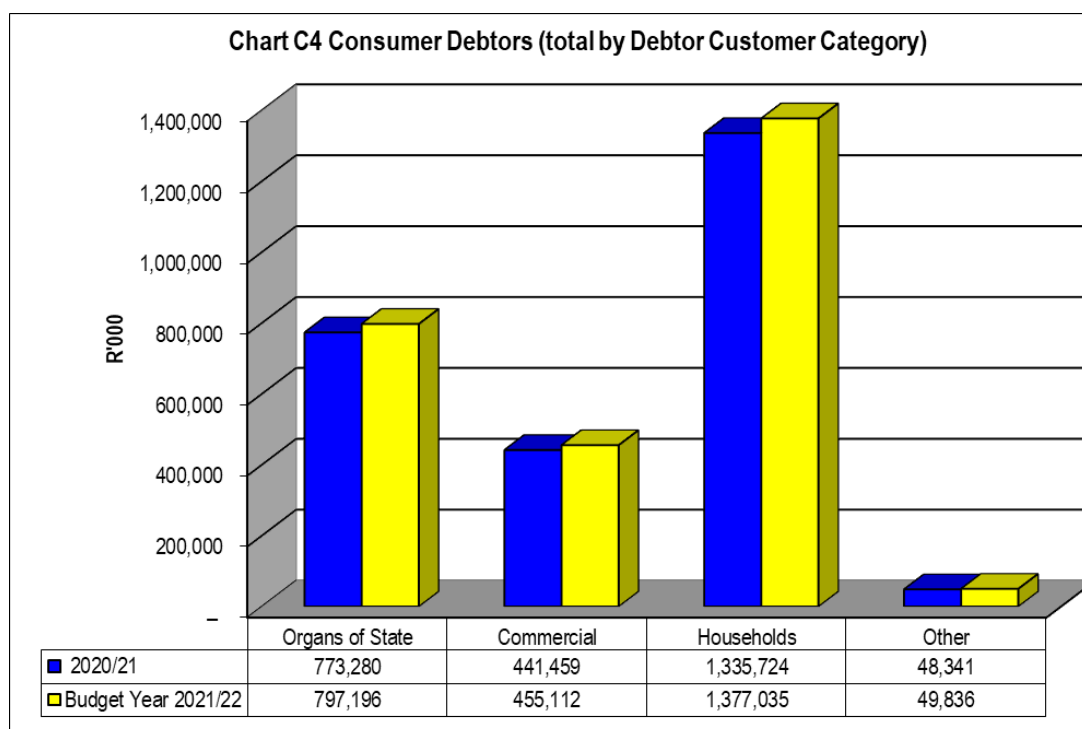


Chart 6: Consumer Debtors (total by Debtor Customer Category)

Chart 11: Debtor's Age Analysis per Customer Group as at 30 September 2021

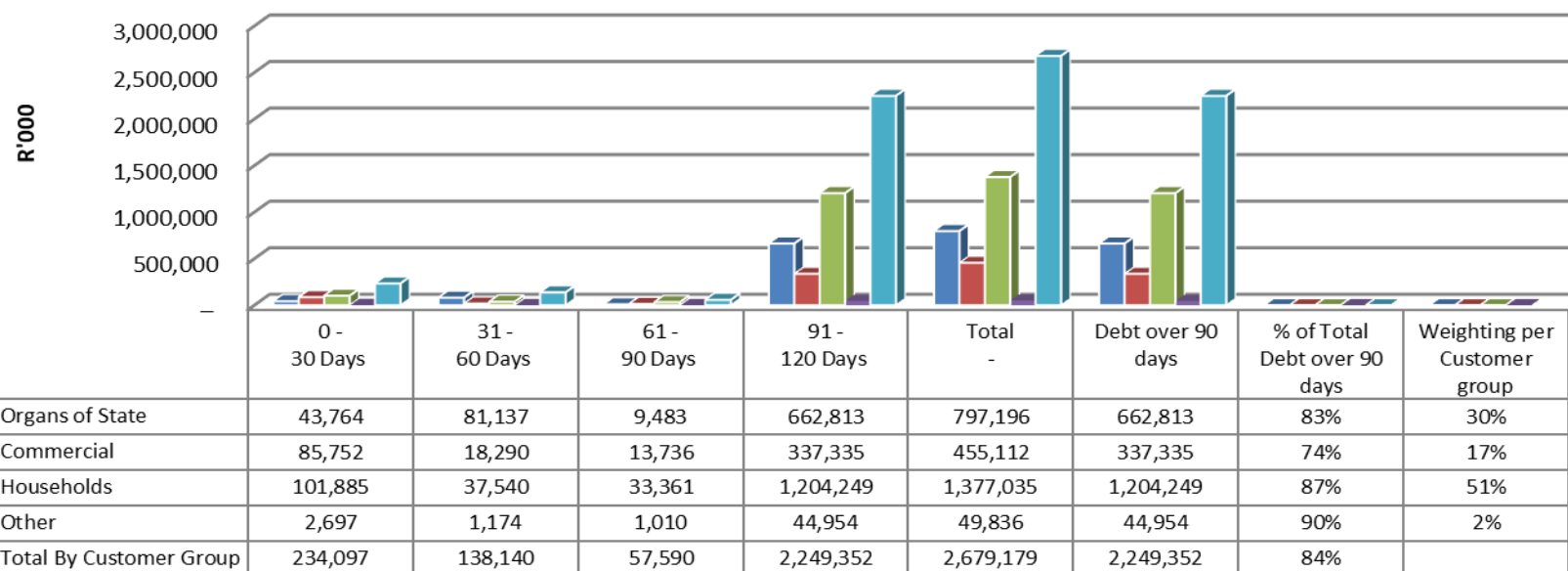


Chart 7: Debtor's Age Analysis per Customer Group

Chart 7 above, illustrates that the bulk of SPM debt is aged over 90 days with a total weighting of 84%. An analysis revealed that the catalysts for this condition are the sheer volume of accountholders in arrears, the poor economic circumstances of a large number of our accountholders, and the increasing cost of services beyond the Municipality's control. This is compounded by the large number of water leaks that go unreported which causes the accountholder's account to escalate beyond their means to pay. In addition to this, there is a substantial portion of irrecoverable, stagnant debt that attracts interest every month. We have a backlog of processing this debt and submitting this to Council for approval to write off. We have revised our policies to make our processes more effective. This will allow us to focus on preventing debt from ageing where possible in tracing and updating our debtors' information and of course recovering outstanding amounts. We anticipate a marked turnaround of this trend and in conjunction with a concerted effort to retard the escalation of ageing debt, we are focusing on improving the accuracy and regularity of our billing as well as our communication with our accountholders. Indigent verification is a continuous process and we are encouraging accountholders whose households qualify, to approach the Municipality for an assessment and possible registration as an Indigent Household. The benefits of this are the provision of free basic services and assistance with arrear debt owed to the Municipality. The Covid-19 pandemic also adversely affected consumer's ability to pay, this is evident by the average monthly collection rate of 69%. The municipality has been providing additional incentives to assist consumers to settle their arrear accounts.

Revised Collection Rate

As per Table 8 below, when taking into consideration what was billed in August 2021 and received in September 2021, the monthly collection rate is 69%. Indicated in Table 9 below is the revised average collection of 64.1% for the period under review. The average collection is distorted due to the annual billing of Property rates. The actual Rand-value billed for July 2021, is R78m and was subsequently deducted from the YTD Actual on Property rates. The annual billing is effectively deducted from the YTD billing on Property rates, to portray a more realistic picture of the average collection rate which is standing at 74.2%. When considering the average collection rate, various factors are taken into account, like the receipts on Prepaid Electricity, unallocated credits, etc. The YTD billing on Property Rates and Service Charges are obtained from the general ledger. Billing on Other is obtained from the BS902 report (Debits Raised Versus Payments). The BS566 report (Payments per Service per Day/Period) includes all monies received from 1 September to 30 September 2021. Unallocated credits are obtained from the cashbook. Government in particular and businesses/households that opt to get billed annually, have until the end of September/ October 2021 to settle their outstanding accounts. For October the municipality will attempt to ascertain what the actual receipts are for annual billing on Property rates.

Monthly Collection Rate	Debits (Billed August 2021)	Credits (Received September 2021)	% Collected
PROPERTY RATES	45,409,092	36,732,676	81%
ELECTRICITY	52,372,935	36,042,785	69%
WATER	23,856,022	11,241,699	47%
SEWERAGE	8,505,433	3,669,151	43%
REFUSE	6,420,658	2,814,650	44%
OTHER	10,836,523	11,729,603	108%
Total	147,400,664	102,230,564	69%

Monthly collection rate per service				
Monthly Collection	Jul-21	Aug-21	Sep-21	Average
Property Rates	62%	25%	81%	44%
Electricity	80%	77%	69%	75%
Water	85%	47%	47%	59%
Sewerage	48%	44%	43%	45%
Refuse	48%	47%	44%	46%
Other	108%	50%	108%	88%
Monthly collection rate	74%	41%	69%	58%

Table 8: Monthly Collection rate

REVENUE BY SOURCE	YTD ACTUAL SEPTEMBER 2021	YTD RECEIPTS	Rate
PROPERTY RATES	R 214,388,413	R 95,119,058	44.4%
SERVICE CHARGE ELECTRICITY	R 143,433,713	R 101,554,128	70.8%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 75,128,264	R 75,128,264	100.0%
SERVICE CHARGE WATER	R 72,214,230	R 41,226,907	57.1%
SERVICE CHARGE SANITATION	R 21,306,265	R 11,325,275	53.2%
SERVICE CHARGE REFUSE	R 15,893,513	R 8,822,419	55.5%
OTHER	R 34,534,165	R 31,114,954	90.1%
UNALLOCATED CREDITS		R 5,389,335	
REVISED AVERAGE COLLECTION RATE - AUGUST 2021	R 576,898,565	R 369,680,340	64.1%
REVENUE BY SOURCE	YTD ACTUAL SEPTEMBER 2021	YTD RECEIPTS	Rate
REVISED AVERAGE COLLECTION RATE - AUGUST 2021 incl ANNUAL BILLING ON PROPERTY RATES	R 576,898,565	R 369,680,340	64.1%
LESS ANNUAL BILLING ON PROPERTY RATES	R -78,561,553		0.0%
REVISED AVERAGE COLLECTION RATE - AUGUST 2021 excl ANNUAL BILLING ON PROPERTY RATES	R 498,337,012	R 369,680,340	74.2%

Table 9: Revised Average collection rate

Indicated in the Tables 10 and 11 below, are the receipts per Service and per Debtor type as per the BS566 report

BS566 Payments per Service per Day/Period - Service					
Per Service	Tariff Code	Jul-21	Aug-21	Sep-21	TOTAL
PROPERTY RATES	VA	-	710.80	-	710.80
PROPERTY RATES	VA2010	98.54	400.00	73.74	572.28
PROPERTY RATES	VARESD	12,007,341.97	12,212,368.68	12,163,799.89	36,383,510.54
PROPERTY RATES	VASRA	679,537.02	722,394.72	699,696.30	2,101,628.04
PROPERTY RATES	VABCOM	12,149,403.43	14,308,811.99	15,446,038.89	41,904,254.31
PROPERTY RATES	VAIND	1,344,417.62	1,525,434.72	1,314,215.38	4,184,067.72
PROPERTY RATES	VAFAAG	100,199.84	107,193.66	126,646.12	334,039.62
PROPERTY RATES	VAFARE	23,064.20	14,172.13	21,678.35	58,914.68
PROPERTY RATES	VAMUN	570.12	-	1,140.24	1,710.36
PROPERTY RATES	VAGOVN	962,992.98	1,446,092.14	7,006,585.48	9,415,670.60
PROPERTY RATES	VARESV	219,155.37	168,997.49	210,933.49	599,086.35
PROPERTY RATES	VAGOVN	-	-	-	-
PROPERTY RATES	VAPBO	-	-	772.00	772.00
PROPERTY RATES	VAFABC	31,124.00	52,728.24	50,268.00	134,120.24
TOTAL ASSESSMENT RATES		27,517,905.09	30,559,304.57	37,041,847.88	95,119,057.54
BASIC ELECTRICITY	BE	467,974.35	474,997.38	528,492.86	1,471,464.59
ELECTRICITY	EL	28,210,519.51	34,737,091.67	37,135,052.34	100,082,663.52
PREPAID ELECTRICITY		27,317,859.54	25,196,134.81	22,614,270.11	75,128,264.46
TOTAL ELECTRICITY		55,996,353.40	60,408,223.86	60,277,815.31	176,682,392.57
BASIC WATER	BW	45,774.06	44,178.85	42,504.92	132,457.83
WATER CONSUMPTION	WA	16,299,907.56	9,977,711.36	14,816,830.56	41,094,449.48
TOTAL WATER		16,345,681.62	10,021,890.21	14,859,335.48	41,226,907.31
BASIC SEWERAGE	BS	245,124.26	182,272.32	199,980.15	627,376.73
SANITATION	SE	3,799,122.39	3,387,940.08	3,510,835.65	10,697,898.12
TOTAL SANITATION		4,044,246.65	3,570,212.40	3,710,815.80	11,325,274.85
REFUSE	BR	2,815,388.72	2,605,275.97	2,682,447.75	8,103,112.44
ADD REFUSE	RF	252,390.81	273,761.64	193,154.13	719,306.58
TOTAL REFUSE		3,067,779.53	2,879,037.61	2,875,601.88	8,822,419.02
INTEREST ON ARREARS	IN001	34,721.11	39,204.54	41,963.66	115,889.31
INTEREST ON ARREARS	INBR	65,535.02	60,770.80	52,524.18	178,830.00
INTEREST ON ARREARS	INSE	89,478.44	76,410.67	71,230.70	237,119.81
INTEREST ON ARREARS	INWA	255,169.16	216,027.29	219,572.70	690,769.15
INTEREST ON ARREARS	INSU	51,029.35	49,019.46	31,523.87	131,572.68
INTEREST ON ARREARS	INBS	4,948.42	2,260.00	4,757.86	11,966.28
INTEREST ON ARREARS	INEL	326,905.24	219,210.02	222,915.63	769,030.89
INTEREST ON ARREARS	INBE	2,731.42	4,468.97	5,980.62	13,181.01
INTEREST ON ARREARS	INBW	4,757.82	1,733.39	1,825.24	8,316.45
INTEREST ON ARREARS	INRF	1,706.64	1,440.81	5,502.72	8,650.17
INTEREST ON ARREARS	INVA	255,616.54	321,812.05	313,042.98	890,471.57
TOTAL INTEREST ON ARREARS		1,092,599.16	992,358.00	970,840.16	3,055,797.32
DEPOSITS	DEWE	204,112.43	202,855.98	254,984.41	661,952.82
CREDITS NOT YET ALLOCATED	EX	10,745,412.33	3,566,948.92	10,241,165.37	24,553,526.62
SUNDRY DEBTORS	SU	818,020.20	718,375.28	714,650.82	2,251,046.30
HOUSE RENTALS	SU10	129,941.73	123,109.95	124,165.61	377,217.29
MISC 1	SU50	42,303.30	44,846.26	86,889.42	174,038.98
MISC 2	SU51	-	-	-	-
INFORMAL HOUSING	SU60	8,229.35	4,517.35	4,693.13	17,439.83
ARREARS MAGIC	SU70	1,598.50	426.23	1,217.59	3,242.32
SUNDRY COMMISSION	SUCOMM	1,583.93	961.85	1,422.09	3,967.87
COMM ON PNP	SUEASY	2,125.88	8,599.61	5,999.28	16,724.77
OTHER		11,953,327.65	4,670,641.43	11,435,187.72	28,059,156.80
VAT	VAT	7,861,034.92	7,821,334.01	8,943,726.80	24,626,095.73
TOTAL RECEIPTS		100,561,068.48	95,726,867.28	117,500,900.92	313,788,836.68
TOTAL RECEIPTS LESS VAT		92,700,033.56	87,905,533.27	108,557,174.12	289,162,740.95
TOTAL RECEIPTS INCL PREPAIDS		120,017,893.10	113,101,668.08	131,171,444.23	364,291,005.41

Table 10: BS566 report on receipts per service

BS566 Payments per Service per Day/Period - Debtor type					
Debtor Type Description	Debtor Type	Jul-21	Aug-21	Sep-21	TOTAL
BUSINESS KVA	BK	9,501,634.66	12,189,536.61	12,271,474.43	33,962,645.70
BUSINESS RESIDENTIAL	BR	792,204.29	897,256.49	985,137.71	2,674,598.49
BUSINESS	BU	28,016,684.19	27,693,890.64	26,624,836.40	82,335,411.23
CHURCHES	CH	86,323.44	79,220.18	128,513.69	294,057.31
COUNCILLOR	CL	31,186.52	40,726.69	82,562.07	154,475.28
COMMERCIAL	CO	2,090,027.46	2,068,011.34	3,275,997.26	7,434,036.06
DECEASED ESTATE	DE	-	-	-	-
GOVERNMENT - OTHER	GO	-	-	-	-
SCHOOLS	GS	1,696,524.31	1,681,033.13	1,865,739.52	5,243,296.96
INDIGENTS CANCELLED	IC	656,541.45	663,808.64	647,822.63	1,968,172.72
INDIGENTS	ID	1,314,980.60	1,184,815.32	1,142,862.02	3,642,657.94
INDIGENTS INFORMAL SETTLEMENT	IF	149,731.75	99,744.81	89,179.46	338,656.02
INDIGENT - LATE ESTATE	IL	1,536.92	614.97	676.07	2,827.96
INDIGENT PENDING	IP	400,782.73	339,621.13	329,250.14	1,069,654.00
INDUSTRIAL	IN	755,854.35	957,195.81	830,074.30	2,543,124.46
MUNICIPAL DEPARTMENTAL	MD	-	-	-	-
INDUSTRIAL	MI	-	-	-	-
MUNICIPAL	MU	314,158.78	472,935.53	433,396.12	1,220,490.43
NAT: POLICE	N3	10,168.40	3,069.53	23,235.79	36,473.72
NAT: DEFENCE AND MILITARY VETERA	ND	1,145.68	-	3,703.05	4,848.73
NAT: CORRECTIONAL SERVICES	NN	393,926.33	336,758.10	368,797.83	1,099,482.26
NAT: PUBLIC WORKS	NP	8,578,764.15	3,825,996.97	19,696,804.47	32,101,565.59
NON-STAFF ACCOUNTS PAID BY STAFF	NS	392,271.09	345,389.80	354,724.64	1,092,385.53
OPEN SPACE	OP	13,501.16	7,071.83	8,048.47	28,621.46
OTHER	OT	364,200.88	417,037.71	356,532.05	1,137,770.64
PUBLIC: OTHER: PROV PUBLIC ENTIT	P0	5,330.30	2,024.12	5,393.39	12,747.81
PROV: SOCIAL DEVELOPMENT	P1	463,687.08	212,639.30	296,305.02	972,631.40
PROV: HOUSING AND LOCAL GOVERNME	P2	176,797.83	59,029.00	774.92	236,601.75
PROV: OFFICE OF THE PREMIER	P3	8,053.84	4,478.88	5,777.14	18,309.86
PROV: OTHER DEPARTMENTS	P4	220,239.28	161,874.69	215,156.78	597,270.75
PROV: AGRICULTURE	PA	46,365.72	-	57,465.35	103,831.07
PROV: EDUCATION	PE	1,920,364.15	2,451,676.00	2,800,969.94	7,173,010.09
PROV: HEALTH	PH	1,587,041.92	2,562,813.04	573,550.27	4,723,405.23
PROV: PUBLIC WORKS, ROADS & TRAN	PP	1,974,807.82	192,505.16	5,466,059.93	7,633,372.91
PROV: SPORT, ARTS & CULTURE	PS	48,261.96	266,211.88	2,048.25	316,522.09
RESIDENTIAL	RE	30,000,326.47	27,918,996.59	28,992,251.09	86,911,574.15
SUNDRY DEBTOR	SD	3,641.12	7,096.24	10,708.64	21,446.00
STALE REFUNDS	SR	78.00	-	-	78.00
STAFF	ST	676,590.57	752,437.47	601,311.45	2,030,339.49
UNKNOWN	UN	230.00	-	540.00	770.00
EXCEPTIONAL CIRCUMSTANCES	IE	6,068.36	10,015.67	9,493.83	25,577.86
VAT	VAT	7,861,034.92	7,821,334.01	8,943,726.80	24,626,095.73
TOTAL RECEIPTS		100,561,068.48	95,726,867.28	117,500,900.92	313,788,836.68
TOTAL RECEIPTS LESS VAT		92,700,033.56	87,905,533.27	108,557,174.12	289,162,740.95

Table 11: BS566 report on receipts per debtor type

3.5 Prepaid Electricity

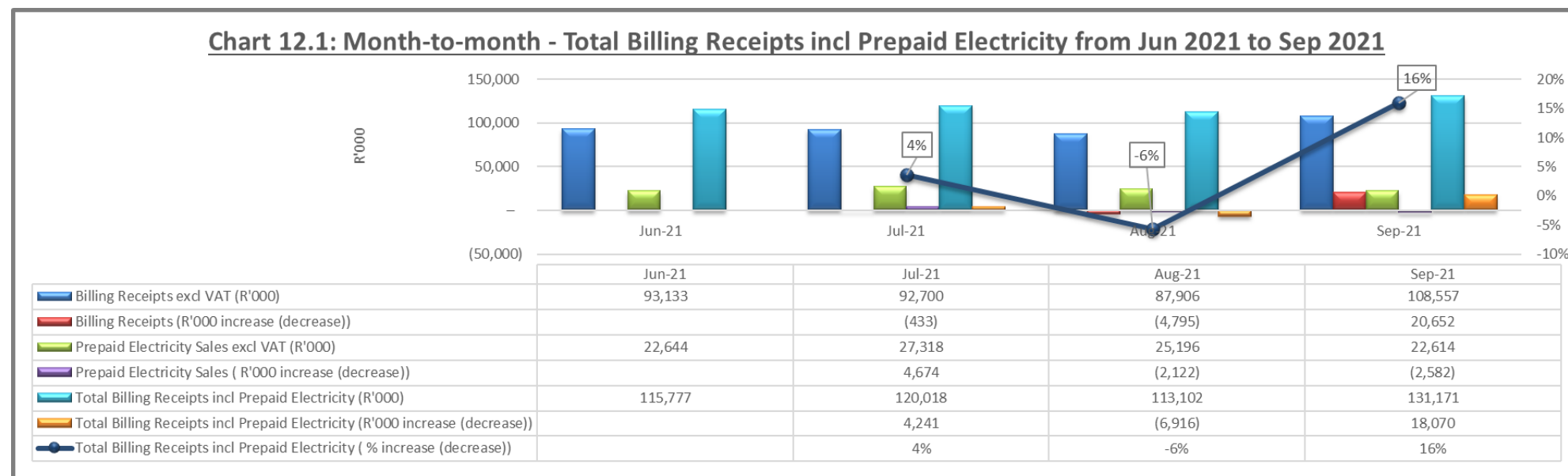


Chart 8.1: Month-to-Month: Total billing receipts incl Prepaid Electricity

As indicated in Chart 8.1 above, the Total Billing Receipts including Prepaid Electricity amounted to R131,171 million which resulted in an increase of R18,070 million or 16% in respect of the month-to-month comparison. Unallocated billing receipts at month end amounted to R5,389 million.

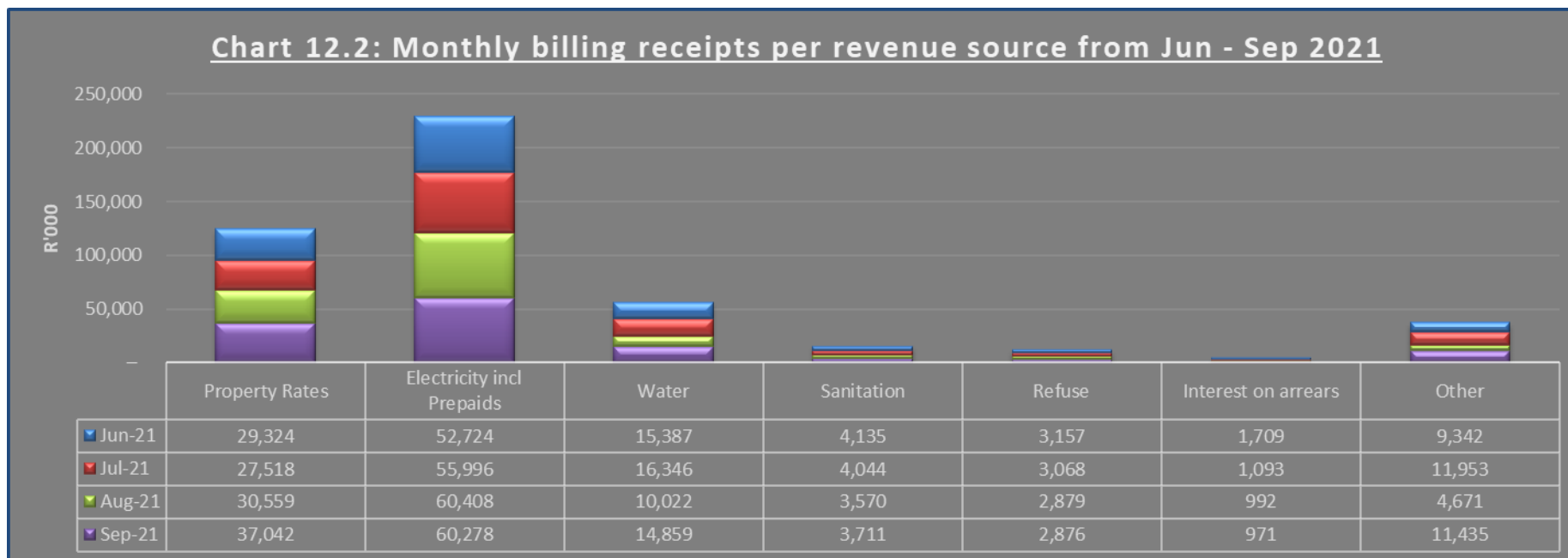


Chart 8.2: Monthly billing receipts per revenue source from Jun - Sep 2021

Indicated in Chart 8.2 above, is the month-to-month receipts per Revenue source. Receipts are relatively constant based on the month-to-month comparison. Receipts on Property increased to R37,042 million when compared to prior months, as a result of R7,007 received from government. There is also a substantial increase in Other receipts from R4,671 million for August 2021 to R11,435 million for September 2021.

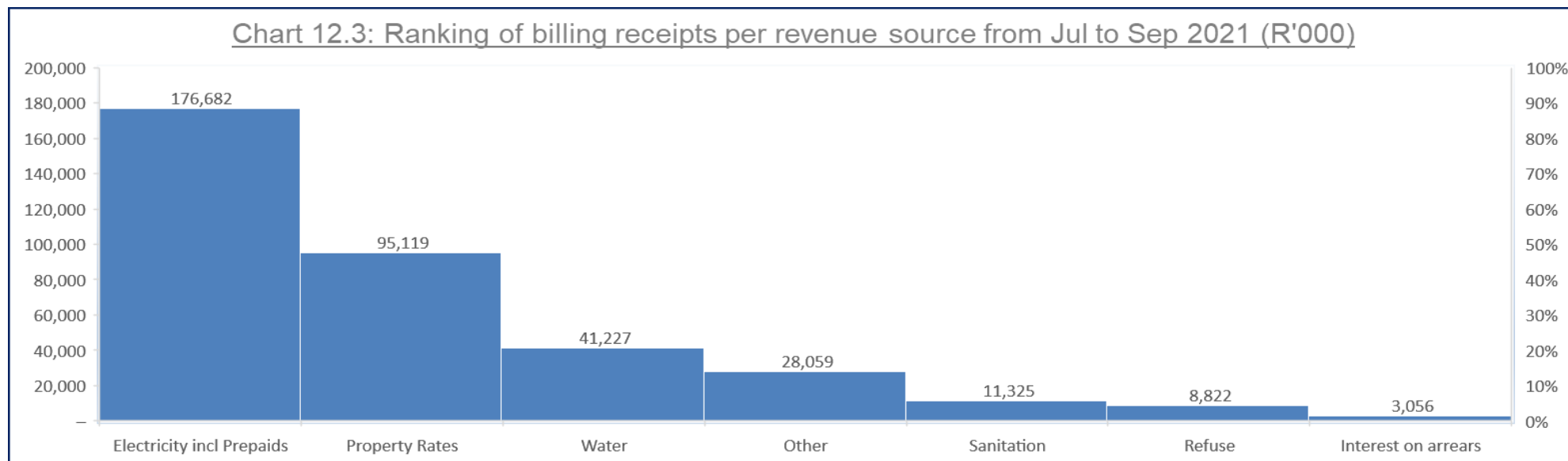


Chart 8.3: Monthly billing receipts per revenue source from Jun - Sep 2021

Indicated in Chart 8.3, is the ranking of receipts per revenue source from July to September 2021. Data from the above pareto chart, clearly indicates that Electricity incl Prepays is the highest contributor at R176,682 million being received. This illustrates the sensitivity and vulnerability in respect of Electricity sales that the municipality is facing. Any major reductions in this revenue source can severely affect the municipality's financial position and this was clearly demonstrated when the municipality had to abolish the implementation of the basic charge in 2018/19 financial year. The second highest contributor is Property Rates at R95,119 million, however more measures should be implemented to ensure that receipts from annual billing materializes. The YTD billing amounts to R214,388 million which translates to 44% collection on this revenue source. Receipts from Sanitation and Refuse is extremely low and on average the municipality collects approximately 50% from these revenue sources. The lowest contributor in respect of actual receipts, is Interest on arrears at R3,056 million. This demonstrates the fact that the municipality is facing challenges in collecting long outstanding debt. It should be noted that in terms of the approved Customer Care, Credit Control and Debt Collection Policy, is outlines that "the municipality shall implement an incentive for settlement of arrears accounts as illustrated below:

- a) 100 % of all interest charges and penalties not yet paid and still reflecting on the consumer's most recent account may be written off if such account is settled in full prior to the next billing run of such account.

- b) 85% of all interest charges and penalties not yet paid and still reflecting on the consumer's most recent account may be written off if such account is settled in full over a period of two consecutive months.
- c) 50 % of all interest charges and penalties not yet paid and still reflecting on the consumer's most recent account will be written off if such account is settled in full over a period of three consecutive months."

The above incentives negatively influences the collectability of this revenue source, but positively influences the collection of other services.

3.6 Allocation and grant receipts and expenditure

Operational and Capital Grants: Receipts

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M03 September

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		245,173	222,840	222,840	–	88,470	55,710	32,760	58.8%	222,840
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	–		–
Equitable Share		234,642	212,328	212,328	–	88,470	53,082	35,388	66.7%	212,328
Expanded Public Works Programme Integrated Grant		4,170	3,362	3,362	–	–	840	(840)	-100.0%	3,362
Infrastructure Skills Development Grant		4,661	5,500	5,500	–	–	1,375	(1,375)	-100.0%	5,500
Local Government Financial Management Grant		1,700	1,650	1,650	–	–	413	(413)	-100.0%	1,650
Municipal Disaster Relief Grant		–	–	–	–	–	–	–		–
Municipal Infrastructure Grant		–	–	–	–	–	–	–		–
Municipal Systems Improvement Grant		–	–	–	–	–	–	–		–
Other transfers and grants [insert description]		–	–	–	–	–	–	–		–
Provincial Government:		15,253	7,800	7,800	–	–	1,950	(1,950)	-100.0%	7,800
Capacity Building		–	–	–	–	–	–	–		–
Capacity Building and Other Grants		8,207	7,800	7,800	–	–	1,950	(1,950)	-100.0%	7,800
Expanded Public Works Programme		–	–	–	–	–	–	–		–
Health		–	–	–	–	–	–	–		–
Infrastructure Grant		7,046	–	–	–	–	–	–		–
Libraries; Archives and Museums		–	–	–	–	–	–	–		–
Other transfers and grants [insert description]		–	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Finance and Admin		–	–	–	–	–	–	–		–
Public Safety		–	–	–	–	–	–	–		–
Other grant providers:		–	–	–	–	–	–	–		–
European Union		–	–	–	–	–	–	–		–
Higher Education SA (HESA)		–	–	–	–	–	–	–		–
Total Operating Transfers and Grants	5	260,426	230,640	230,640	–	88,470	57,660	30,810	53.4%	230,640
Capital Transfers and Grants										
National Government:		109,706	167,766	167,766	–	–	41,941	(41,941)	-100.0%	167,766
Infrastructure Skills Development Grant		–	–	–	–	–	–	–		–
Integrated National Electrification Programme Grant		17,206	66,500	66,500	–	–	16,625	(16,625)	-100.0%	66,500
Integrated Urban Development Grant		50,328	66,266	66,266	–	–	16,566	(16,566)	-100.0%	66,266
Municipal Infrastructure Grant		–	–	–	–	–	–	–		–
Neighbourhood Development Partnership Grant		22,881	10,000	10,000	–	–	2,500	(2,500)	-100.0%	10,000
Regional Bulk Infrastructure Grant		–	–	–	–	–	–	–		–
Water Services Infrastructure Grant		19,291	25,000	25,000	–	–	6,250	(6,250)	-100.0%	25,000
Provincial Government:		–	–	–	–	–	–	–		–
Capacity Building		–	–	–	–	–	–	–		–
Libraries; Archives and Museums		–	–	–	–	–	–	–		–
District Municipality:		–	–	–	–	–	–	–		–
Specify (Add grant description)		–	–	–	–	–	–	–		–
Other grant providers:		2,856	–	–	–	–	–	–		–
[insert description]		–	–	–	–	–	–	–		–
European Union		2,856	–	–	–	–	–	–		–
Total Capital Transfers and Grants	5	112,562	167,766	167,766	–	–	41,941	(41,941)	-100.0%	167,766
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	372,988	398,406	398,406	–	88,470	99,601	(11,131)	-11.2%	398,406

Table 12: Supporting Table SC6: Transfers and Grant Receipts

No Operational grant monies were received for the month under review.

There are some mapping errors pertaining to operational grants for Libraries and Frances Baard District Municipality. This will be discussed with BCX.

No Capital grant monies were received for the month under review.

Operational and Capital Grants: Expenditure

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M03 September

Description		Ref	2020/21	Budget Year 2021/22							
			Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands											
<u>EXPENDITURE</u>											
<u>Operating expenditure of Transfers and Grants</u>											
National Government:			111,662	101,646	101,646	12,479	25,311	25,412	(101)	-0.4%	101,646
Equitable Share			101,154	91,134	91,134	12,150	24,307	22,784	1,523	6.7%	91,134
Expanded Public Works Programme Integrated Grant			4,170	3,362	3,362	–	–	841	(841)	-100.0%	3,362
Infrastructure Skills Development Grant			4,672	5,500	5,500	288	881	1,375	(494)	-35.9%	5,500
Local Government Financial Management Grant			1,666	1,650	1,650	41	123	413	(290)	-70.2%	1,650
Municipal Disaster Relief Grant			–	–	–	–	–	–	–	–	–
Provincial Government:			8,881	7,800	9,300	63	169	2,223	(2,053)	-92.4%	9,300
Capacity Building and Other Grants			5,019	7,800	7,800	11	22	1,950	(1,928)	-98.9%	7,800
Infrastructure Grant			3,862	–	1,500	51	147	273	(126)	-46.1%	1,500
Libraries; Archives and Museums			–	–	–	–	–	–	–	–	–
District Municipality:			–	–	–	–	–	–	–	–	–
Road Transport			–	–	–	–	–	–	–	–	–
Other grant providers:			–	–	–	–	–	–	–	–	–
European Union			–	–	–	–	–	–	–	–	–
Total operating expenditure of Transfers and Grants:			120,543	109,446	110,946	12,541	25,480	27,634	(2,154)	-7.8%	110,946
<u>Capital expenditure of Transfers and Grants</u>											
National Government:			101,832	167,766	167,766	6,163	7,693	41,942	(34,248)	-81.7%	167,766
Integrated National Electrification Programme Grant			16,469	66,500	66,500	52	289	16,625	(16,336)	-98.3%	66,500
Integrated Urban Development Grant			46,175	66,266	66,266	5,192	5,606	16,567	(10,961)	-66.2%	66,266
Municipal Infrastructure Grant			–	–	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant			19,896	10,000	10,000	–	–	2,500	(2,500)	-100.0%	10,000
Regional Bulk Infrastructure Grant			–	–	–	–	–	–	–	–	–
Water Services Infrastructure Grant			19,291	25,000	25,000	919	1,798	6,250	(4,452)	-71.2%	25,000
Provincial Government:			–	–	–	–	–	–	–	–	–
Sports and Recreation			–	–	–	–	–	–	–	–	–
District Municipality:			–	–	–	–	–	–	–	–	–
Specify (Add grant description)			–	–	–	–	–	–	–	–	–
Other grant providers:			2,483	–	–	–	–	–	–	–	–
European Union			2,483	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants			104,315	167,766	167,766	6,163	7,693	41,942	(34,248)	-81.7%	167,766
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS			224,858	277,212	278,712	18,704	33,173	69,576	(36,403)	-52.3%	278,712

Table 13: Supporting Table SC7(1): Transfers and grant expenditure

The municipality is experiencing huge challenges in respect of funding for the EPWP which is not sufficient and this is putting strain on the municipality's finances. The total YTD expenditure is standing at R2,796 million. For reporting purposes to NT and the Dept of Public Works, the municipality is only expected to report up until the allocation amount. The current years' gazetted allocation for the EPWP is R3,362 million. In addition to this, the municipality budgeted R6,000 million for this programme. Management has been in a process of reviewing this programme. The YTD expenditure on operational grants is satisfactory.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	66,500,000	52,178	289,468	0.4%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	66,266,000	5,191,919	5,605,708	8.5%
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	10,000,000	-	-	0.0%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	25,000,000	918,825	1,798,104	0.0%
Grand Total	167,766,000	6,162,922	7,693,281	4.6%

Table 14: Summary of Expenditure per Grant

As indicated in Table 14 above, the YTD expenditure amounts to R7,693 million or 4.6% spent against the Original capital grant allocation of R167,766 million. Capex is usually slow for the first quarter mainly as a result of finalization of procurement processes and/or work still in progress. It should be noted that grant expenditure excludes VAT which will be recognized at year-end in the Statement of Financial performance, when all conditions of the grant have been met.

Rollover Grants: Expenditure

A rollover request was submitted to NT on 30 August 2021 as directed by NT.

Table 15: Supporting Table SC7(2) - Expenditure against approved rollovers

Table 15 is excluded due to the awaited outcome from NT pertaining to the rollover request.

3.7 Cash flows

Chart 4: Current investment deposits and Cash & cash equivalents at year-end

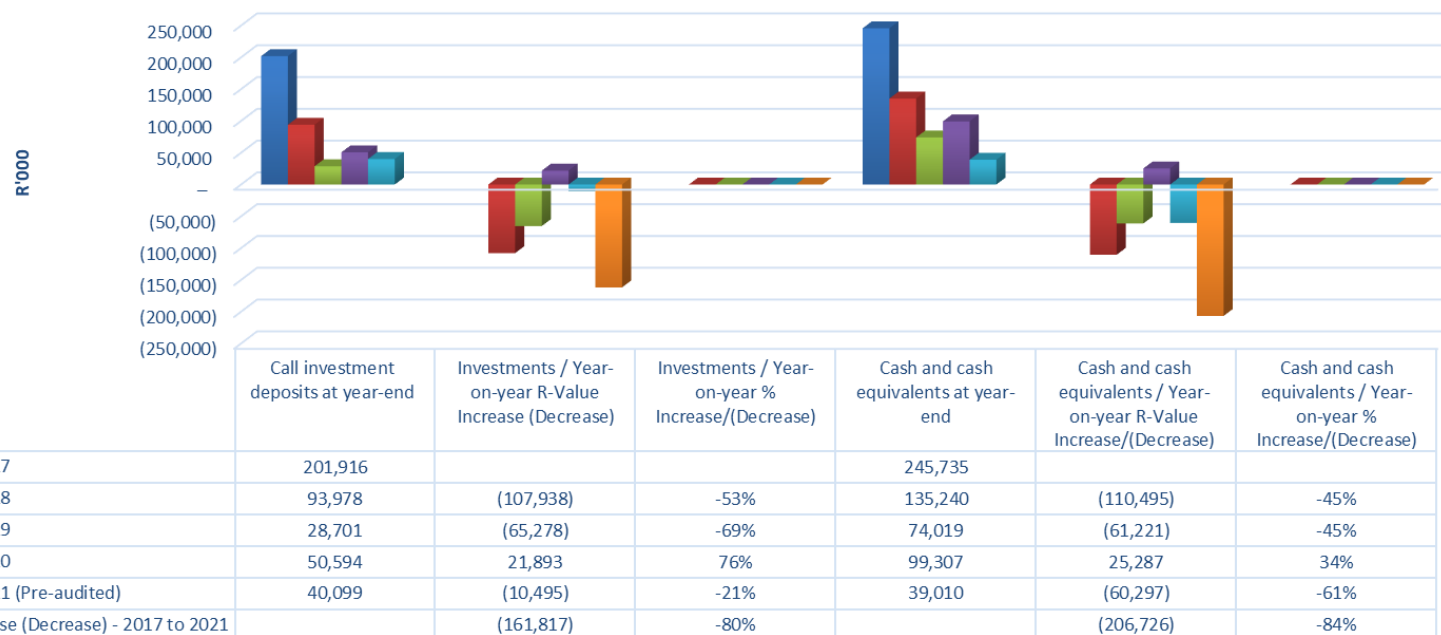


Chart 9: Call Investment deposits and Cash & Cash Equivalents at year-end

Investments decreased by R107,938 million or 53% from 2017 to 2018. Investments decreased by R65,278 million or 69% from 2018 to 2019. Investments increased by R21,893 million or 76% from 2019 to 2020. Investments decreased by R10,495 million or 21% from 2020 to 2021. From 2017 to 2021, the total investments decreased by R161,817 million. The same trend can be seen year-on-year, as indicated in the chart above in respect of the Cash and cash equivalents. This is attributable to various factors inter alia, the lower collection rate, increased capital expenditure, especially increase on CRR funding year-on-year, the non-implementation of the basic charge for the 2018/19 financial year, increase in bulk purchases, operational expenditure, including excessive expenditure on Overtime and EPWP, variation orders on contracts, excessive water and electricity losses. And the servicing of the long-term loan. The decline in investments and Cash & cash equivalents is concerning and must be addressed by management.

Chart 5: Call investment deposits incl interest for the period ending 30 September 2021

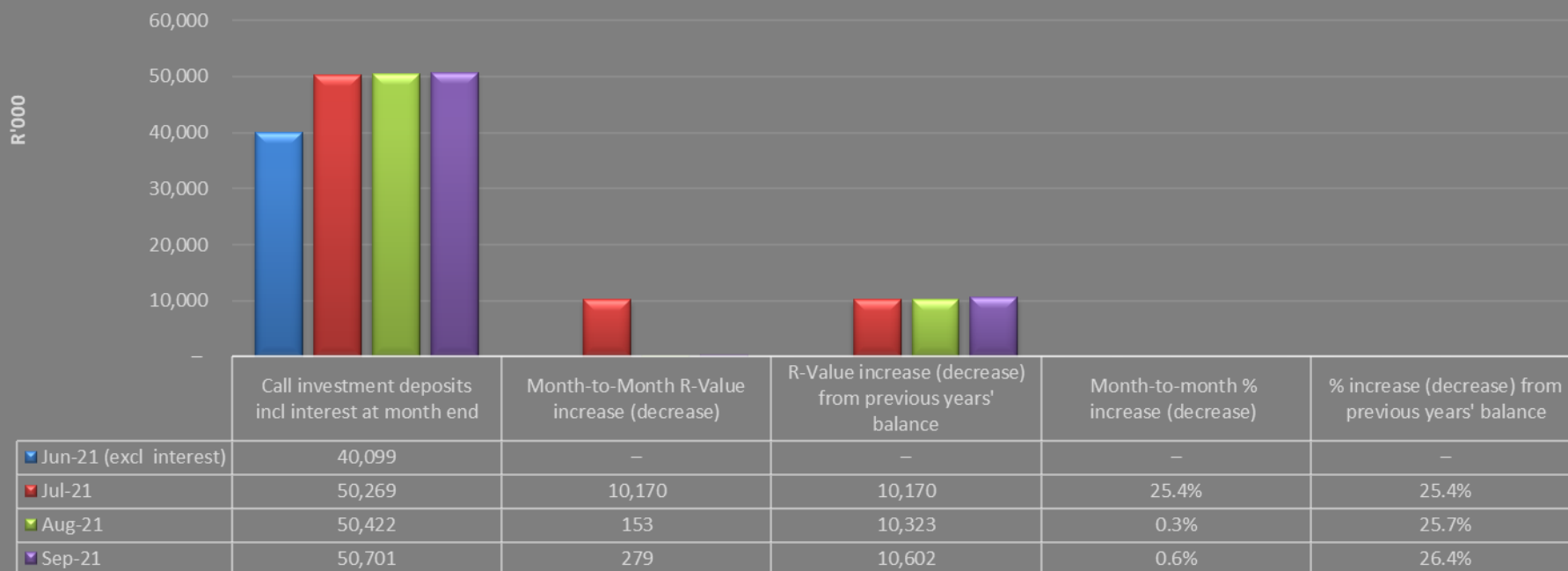


Chart 10: Call investments deposits at month-end

As indicated in the Chart 10 above from August to September 2021 investments incl interest increased by R279 thousand or 0.6%, in respect of the month-to-month comparison. Investments increased by R10,602 million or 26.4% when compared to the previous years' pre-audited balance of R40,099 million. Various commitments must be met monthly including Salaries, Bulk Electricity, Bulk Water in the billing period and capital expenditure. The majority of staff receive their annual bonuses in December of each year. Bi-annual long-term loan repayments. The non-charging of the basic charge for the 2018/19 financial year for domestic consumers also had a negative impact on the income from Sale of Electricity and thus negatively affecting the municipality's cash flow. The movement on investments should be monitored going forward and a concerted effort should be done to collect current and long outstanding debt. Capital and Operational expenditure overall, also needs to be reviewed and prioritised.

This chart could not be populated due to errors on the system pertaining to C6 (Statement of Financial Position) and C7 (Cash flow) that could not be resolved timeously.

Chart 10.1: Cash & cash equivalents at month-end

This chart could not be populated due to errors on the system pertaining to C6 (Statement of Financial Position) and C7 (Cash flow) that could not be resolved timeously.

Chart 10.2: Cost coverage ratio

The estimated average Cost coverage ratio is currently less than one week. Cash at this stage is monitored on a daily basis. The Cost coverage ratio is a serious key indicator that the municipality is in a severe cash flow crisis and not in the conducive position to settle short-term commitments. This is a critical threat to the municipality's ability to pay salaries, bulk accounts and day-to-day operations which can have a detrimental effect on service delivery and irrevocably damage the municipality's relationship with its service providers and further tarnishing the municipality's reputation. The only way to address these issues, is to work as a collective, enforce accountability within all departments and to collect outstanding debt. Collect outstanding debt and improve the collection rate. The municipality also needs to spend funds effectively and efficiently with good value for money. Cost containment measures must be stringently applied.

4. EXPENDITURE FRAMEWORK

4.1 Operating Expenditure By Type

Expenditure By Type	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Original Budget	Original Budget Variance	Original Variance IYM % - 25%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Employee related costs	836,388	56,724	175,216	209,098	83.8%	(33,882)	-16.2%	20.9%	(33,881)	-4.1%
Remuneration of councillors	34,547	2,507	7,521	8,637	87.1%	(1,115)	-12.9%	21.8%	(1,115)	-3.2%
Debt impairment	275,000	68,750	68,752	68,750	100.0%	2	0.0%	25.0%	2	0.0%
Depreciation & asset impairment	79,150	—	—	19,788	0.0%	(19,788)	-100.0%	0.0%	(19,788)	-25.0%
Finance charges	22,261	—	—	5,565	0.0%	(5,565)	-100.0%	0.0%	(5,565)	-25.0%
Bulk purchases - electricity	761,000	184,838	199,399	190,250	104.8%	9,149	4.8%	26.2%	9,149	1.2%
Inventory consumed	165,331	14,418	35,172	41,333	85.1%	(6,161)	-14.9%	21.3%	(6,161)	-3.7%
Contracted services	46,687	5,432	6,088	11,672	52.2%	(5,584)	-47.8%	13.0%	(5,584)	-12.0%
Transfers and subsidies	4,850	240	821	1,213	67.7%	(391)	-32.3%	16.9%	(391)	-8.1%
Other expenditure	119,770	23,491	43,311	29,944	144.6%	13,367	44.6%	36.2%	13,368	11.2%
Total Expenditure	2,344,984	356,400	536,281	586,248	91.5%	(49,967)	-8.5%	22.9%	(49,965)	-2.1%

Table 16: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 16 above, as at 30 September 2021 current expenditure shows an unsatisfactory variance of minus 8.5%. The YTD actual amounted to R536,281 million against the YTD budgeted SDBIP target of R586,248 million.

- ❖ Employee related costs shows an unsatisfactory variance of minus 16.2%. Post-retirement benefit obligations are not factored in and will only be finalised as part of year-end procedures. There is also a soft lock on the filling of vacancies for the past few months. The majority of employees receive their 13th cheques (bonus) at the end of December.
- ❖ Remuneration of councillors is showing an under-expenditure of 12.9%. It should be noted that the gazette on the Determination of upper limits of salaries, allowances and benefits of different members of municipal councils for 2021/2022 financial year has not been issued. The gazette is normally issued during December of each year.
- ❖ Depreciation was projected for on a straight-line basis but will only be provided for, as part of year-end procedures.
- ❖ Debt impairment is provided for quarterly. The journal for the first quarter was processed during September 2021.
- ❖ Expenditure on Contracted services is lower than anticipated, especially pertaining to Legal Cost Advice & Litigation which is 9.47% spent versus a budget of R7,065 million. Contr: Maintenance of Unspecified Assets is 0.88 spent vs a budget of R5,000 million. There are no specific maintenance contracts in place. This line item was previously budgeted for the security contract, which has since expired. Prepaid Electricity Vendors is 19.37% spent versus a budget of R25,500 million. The September 2021 invoice is due on at the end of October 2021.
- ❖ Bulk purchases is showing satisfactory variance of 4.8%. Based on the accrual accounting principle the July and August 2021 invoices were captured on the system, but remains unpaid due to cash flow constraints. The full arrears will be included in the new debt agreement that the municipality envisages to conclude with ESKOM for the 2021/22 financial year. It should be noted that the budgeted amount for Bulk purchases: Electricity is R647 million. It should be noted that Bulk water with a budgeted amount of R114 million is erroneously included under Bulk Purchases Electricity. The municipality received communication from NT in respect of the treatment of Bulk water purchases and it will be corrected accordingly during the Adjustment budget. Bulk water is also understated because the municipality is still awaiting the July and September 2021 invoices from DWS. And have therefore, not been captured on the system.
- ❖ Transfers and subsidies shows a negative variance of 32.3%. A transfer of R550 thousand was made to the SPCA. Due to cashflow constraints the municipality opted to settle the R2,200 million in tranches as and when cash becomes available. Other grants also shows minimal movement due to cash flow constraints.
- ❖ Finance charges is showing a negative variance of 100%. It should be noted that finance charges are paid bi-annually and the first instalment is due on or before 31 December 2021. Interest on overdue accounts will be addressed in the Adjustment budget. Corrections on the actuals pertaining to Interest paid on overdue accounts will be journalised on the system. All Interest paid on overdue accounts must be recognized as Fruitless and Wasteful expenditure in the Annual Financial Statements.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of 14.9%. It has been reiterated monthly that expenditure on Inventory consumed needs to be monitored closely and remedial action be taken to ensure that funds are spent effectively and also that funds will be fully spent at year-end.
- ❖ During the 2019/20 Mid-year Budget Assessment the following factors were identified by the municipality that negatively affects the expenditure on Inventory consumed:
The possible root causes can vary from poor preventative maintenance strategies, poor planning, vehicles being at the Workshop for longer periods which is hampered by the availability of suitable parts, procurement processes exacerbated by a lack of valid tenders being in place for which the user departments are responsible for, clamping down on deviations and major works still outstanding for which proper procurement processes needs to be adhered to, and then prioritisation as a result of the cash flow constraints. It is advised that management

finalise maintenance plans and implement these plans within the current financial constraints, ensure that remedial action be taken to improve on preventative maintenance and spend funds cost-effectively and efficiently to address service delivery issues and ensure assets are maintained at desired levels and are being utilised optimally. The spending of funds will have to be prioritised, wastage be curbed, overall personnel performance and productivity be monitored and improved.

Operating Expenditure by Type: Comparison against Original Budget

Indicated in Table 4 above, is the YTD actual compared to the Original Budget. The ideal In-Year-Monitoring percentage as at the end of September 2021 is 25.00%. The total operational expenditure against the Original Budget is 22.9% spent, resulting in a variance of minus 2.1%.

- ❖ Employee costs and Councillors remuneration is showing a satisfactory variances of 4.1% and 3.2%, respectively. Same factors are applicable as explained above.
- ❖ Depreciation will be provided for at year-end. The Asset management unit was requested to advise on the challenges that hampers the municipality from recognising depreciation at least on a quarterly in the ledger. Still awaiting a response from the Asset Manager.
- ❖ Finance charges are paid bi-annually and show an unsatisfactory variance of minus 25.00%, same factors are applicable as explained above.
- ❖ Debt impairment is provided for on a quarterly basis. The first quarter journal was processed during September 2021.
- ❖ Expenditure on Contracted services is lower than anticipated, same factors are applicable as explained above.
- ❖ Transfers and grants is unsatisfactory with a variance of minus 8.1%. The same factors are applicable as explained in the paragraph above.

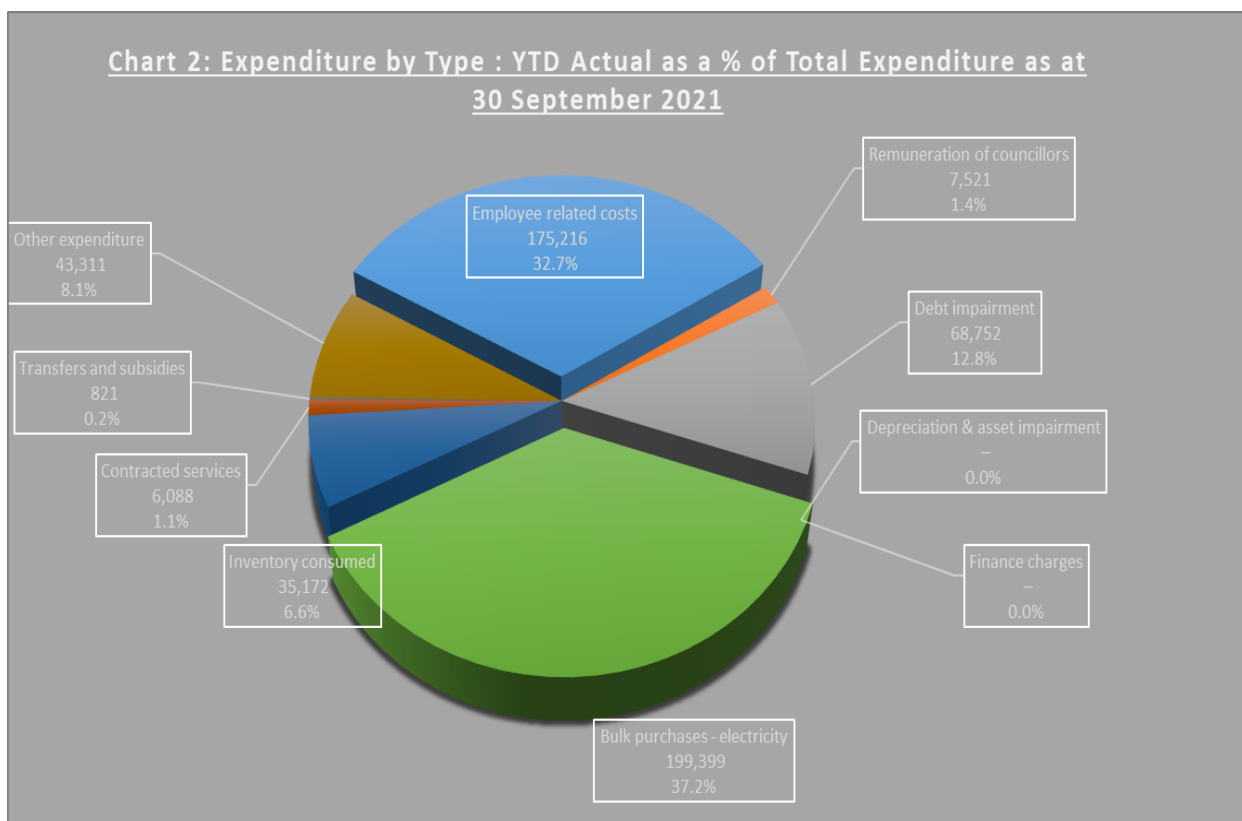


Chart 11: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

Also indicated in Chart 11 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 30 September 2021.

The main cost drivers of the municipality are Employee Related Costs, Debt Impairment and Bulk Purchases. It should be noted that these percentages are still slightly distorted as a result of the following:

- ❖ The Post-retirement benefit obligations under Employee related costs will be finalized as part of the year-end procedures. The softlock on filling of vacancies also plays a role.
- ❖ Depreciation is not provided for and will only be finalized at year-end.
- ❖ Debt impairment is provided for quarterly. The first quarter journal was processed during October 2021.
- ❖ Interest on external borrowing is paid bi-annually.
- ❖ The municipality is still awaiting the July 2021 invoice from DWS and this has not been captured on the system. The September 2021 account is also still awaited from DWS.

4.2 Expenditure By Vote

The vote structure of the municipality is represented by various directorates. Expenditure for the NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		420,845	478,759	478,759	5,219	102,477	119,690	(17,212)	-14.4%	478,759
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		6,247	6,804	6,804	425	434	1,701	(1,267)	-74.5%	6,804
Vote 05 - Community Services		90,713	110,627	110,627	6,992	21,534	27,657	(6,122)	-22.1%	110,627
Vote 06 - Financial Services		594,906	623,229	623,229	45,741	215,779	155,807	59,972	38.5%	623,229
Vote 07 - Strategy Econ Development And Planning		9,357	9,041	9,041	489	1,185	2,260	(1,075)	-47.6%	9,041
Vote 08 - Infrastructure And Services		1,058,256	1,305,018	1,305,018	106,199	328,677	326,254	2,423	0.7%	1,305,018
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2,180,324	2,533,477	2,533,477	165,064	670,087	633,369	36,718	5.8%	2,533,477
Expenditure by Vote	1									
Vote 01 - Executive & Council		53,090	57,883	57,883	4,402	13,153	14,471	(1,318)	-9.1%	57,883
Vote 02 - Municipal And General		335,678	335,456	335,456	53,310	73,019	83,864	(10,845)	-12.9%	335,456
Vote 03 - Municipal Manager		22,272	25,025	25,025	1,580	5,005	6,256	(1,251)	-20.0%	25,025
Vote 04 - Corporate Services		63,012	73,211	73,211	5,586	15,805	18,303	(2,498)	-13.6%	73,211
Vote 05 - Community Services		259,526	297,403	297,403	19,664	63,028	74,351	(11,323)	-15.2%	297,403
Vote 06 - Financial Services		126,380	152,611	152,611	10,838	30,045	38,153	(8,108)	-21.3%	152,611
Vote 07 - Strategy Econ Development And Planning		53,419	59,374	59,374	4,464	12,973	14,844	(1,871)	-12.6%	59,374
Vote 08 - Infrastructure And Services		1,252,983	1,344,020	1,344,020	256,556	323,253	336,006	(12,753)	-3.8%	1,344,020
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,166,359	2,344,984	2,344,984	356,400	536,281	586,248	(49,967)	-8.5%	2,344,984
Surplus/ (Deficit) for the year	2	13,964	188,493	188,493	(191,336)	133,806	47,121	86,686	184.0%	188,493

quarter ended 30 September 2021 is represented as per the table below:

Table 17: Table C3 Monthly budget statement - Financial Performance (Expenditure by Vote)

4.3 Councillor and Board Member Allowances and Employee Benefits

NC091 Sol Plaatje - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M03 September

2020/21 Budget Supporting Table 200 Monthly Budget Statement – Councillor and Staff Salaries – from September										
Summary of Employee and Councillor remuneration	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		–	–	–	–	–	–	–		–
Pension and UIF Contributions		827	–	–	67	202	–	202	#DIV/0!	–
Medical Aid Contributions		339	–	–	25	74	–	74	#DIV/0!	–
Motor Vehicle Allowance		–	–	–	–	–	–	–		–
Cellphone Allowance		2,862	3,243	3,243	233	698	811	(112)	-14%	3,243
Housing Allowances		–	–	–	4	11	–	11	#DIV/0!	–
Other benefits and allowances		26,231	31,305	31,305	2,179	6,536	7,826	(1,290)	-16%	31,305
Sub Total - Councillors		30,260	34,547	34,547	2,507	7,521	8,637	(1,115)	-13%	34,547
% increase	4		14.2%	14.2%						14.2%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		9,434	8,600	8,600	672	2,097	2,150	(53)	-2%	8,600
Pension and UIF Contributions		984	1,108	1,108	89	267	277	(10)	-4%	1,108
Medical Aid Contributions		215	252	252	18	55	63	(8)	-13%	252
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		2,042	1,961	1,961	155	464	490	(26)	-5%	1,961
Cellphone Allowance		168	202	202	14	42	50	(8)	-17%	202
Housing Allowances		36	39	39	2	7	10	(3)	-32%	39
Other benefits and allowances		15	105	105	1	4	26	(22)	-85%	105
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		56	62	62	5	14	16	(1)	-8%	62
Post-retirement benefit obligations		–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		12,951	12,329	12,329	957	2,950	3,082	(133)	-4%	12,329
% increase	4		-4.8%	-4.8%						-4.8%
Other Municipal Staff										
Basic Salaries and Wages		395,579	450,593	449,632	32,449	98,518	112,461	(13,943)	-12%	449,632
Pension and UIF Contributions		63,864	76,857	76,857	5,235	15,798	19,215	(3,417)	-18%	76,857
Medical Aid Contributions		48,766	58,592	58,592	4,526	13,887	14,648	(761)	-5%	58,592
Overtime		5,493	4,146	4,146	633	1,417	1,036	381	37%	4,146
Performance Bonus		28,489	35,421	35,421	822	3,482	8,855	(5,373)	-61%	35,421
Motor Vehicle Allowance		38,306	51,621	51,621	3,453	10,545	12,905	(2,361)	-18%	51,621
Cellphone Allowance		1,296	1,499	1,499	111	379	375	4	1%	1,499
Housing Allowances		2,696	3,158	3,158	220	667	790	(122)	-15%	3,158
Other benefits and allowances		63,958	63,880	64,840	5,728	19,896	16,157	3,739	23%	64,840
Payments in lieu of leave		29,135	14,000	14,000	363	1,314	3,500	(2,186)	-62%	14,000
Long service awards		23,136	22,791	22,791	1,896	5,678	5,698	(20)	0%	22,791
Post-retirement benefit obligations	2	12,550	41,500	41,500	331	685	10,375	(9,690)	-93%	41,500
Sub Total - Other Municipal Staff		713,268	824,059	824,059	55,767	172,267	206,016	(33,749)	-16%	824,059
% increase	4		15.5%	15.5%						15.5%
Total Parent Municipality		756,479	870,935	870,935	59,231	182,738	217,735	(34,997)	-16%	870,935
TOTAL SALARY, ALLOWANCES & BENEFITS		756,479	870,935	870,935	59,231	182,738	217,735	(34,997)	-16%	870,935
% increase	4		15.1%	15.1%						15.1%
TOTAL MANAGERS AND STAFF		726,219	836,388	836,388	56,724	175,216	209,098	(33,882)	-16%	836,388

Table 18: Supporting Table SC8 : Councillor and Staff Benefits

As depicted in Table 18 above, Employee related costs is underspent and showing a variance of minus 16%. This is attributable to Post-retirement benefit obligations that will be finalized as part of the year-end procedures and the softlock on the filling of vacancies. It should be noted that the disclosure under Performance bonus, is the annual bonuses or 13th cheques that is budgeted for and paid out to employees. This is not subject to any performance appraisal. Councillors Remuneration is slightly under-performing at minus 13%. The annual increase has not been factored in, as the gazette on the Determination of Upper limits of salaries, allowances and benefits of different members of municipal councils is normally issued in December of each year. Management started to address the issues on Overtime which is higher than the ideal IYM

percentage of 25.00%, at 36.5% spent. Backpay was paid to firemen at Emergency Services backdated from December 2019.

The total amount paid out during the first quarter of the financial year was R1,923 million. There is possibly a mapping error because as per SC(8) the budgeted Overtime is reflecting an amount of R4,146 million for Night-shift allowance and the two line items (Overtime Structured and Non-structured) in the ledger amounts to R31,021 million. After a consultation with BCX, our financial system administrator, it was established that is how the mapping was done by NT. The matter was formally lodged with NT and the municipality is awaiting feedback from them in this regard. There are early indicators that the Overtime controls is no longer as effective and the desired outcome to remain within budget, will not be achieved at year-end. The lack of capacity in certain departments, like Water services and the severe service delivery challenges is negatively impacting on the management of Overtime expenditure. Overtime hours are limited to 30 hours per month within most departments. The Overtime policy was developed and approved by Council.

And indicated in Table 19 below, is the YTD Overtime expenditure excluding Night-shift allowance per line item and also per Directorate as at end of September 2021.

Description per line item	Sum of Original Budget	Sum of YTD Movement	% Spent Original Budget
MS: OVERTIME - NON STRUCTURED	18,783,000	8,394,618	44.7%
MS: OVERTIME - STRUCTURED	12,237,841	2,927,971	23.9%
Overtime as at 30 Sep 2021	31,020,841	11,322,589	36.5%
Directorate	Sum of Original Budget	Sum of YTD Movement	% Spent Original Budget
20-EXECUTIVE AND COUNCIL	205,000	42,975	21.0%
21-MUNICIPAL AND GENERAL	-	-	
22-MUNICIPAL MANAGER	-	4,358	
23-CORPORATE SERVICES	1,760,000	453,480	25.8%
24-COMMUNITY SERVICES	11,741,441	5,238,096	44.6%
26-FINANCIAL SERVICES	453,000	352,315	77.8%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	259,000	213,005	82.2%
28-INFRASTRUCTURE SERVICES	16,602,400	5,018,359	30.2%
Overtime as at 30 Sep 2021	31,020,841	11,322,589	36.5%

Table 19: Current YTD Overtime expenditure excl Night Shift Allowance

Overtime has been capped at 30 hours across most units within the municipality. The YTD Overtime expenditure is R11,323 million and 36.5% spent, resulting in a negative variance of 11.50%.

The BTO office recommended the following precautionary measures.

- The monitoring of daily tasks/assignments. This means that work that can be done during normal working hours should be monitored closely. Ideally, put emphasis on performance and especially the quality of work done.
- Finding means to actually verify work performed, even if this means that for the first few questionable overtime work that managers/supervisors actually go out to the site, if possible.

- Using the vehicle tracking reports to ascertain the timespan at a particular site.
- Making sure that the hours claimed are legitimate and is actually consistent and correlates to the normal estimated time to complete a job of a similar nature.
- Request a detailed description of the nature of work done and insist on the exact site where work was performed being specified.
- Ensure that managers remain vigilant and question hours claimed and not just sign Overtime forms. We believe that this will make workers more aware that they cannot just claim hours like they did in the past.
- Stopping planned Overtime, unless it is to avoid major shutdowns or service interruptions.
- The adherence to the Overtime Policy stipulations, is imperative in order to address the issues on overtime.

Listed below are the challenges with regard to Overtime which was identified during the 2012/13 MTREF

- Ensuring accountability across all directorates and ensuring that Executive directors, Line Managers and Supervisors take full responsibility
- Identify and investigate possible abuse and alleged fraudulent allegations and taking disciplinary action, where applicable
- Ensuring the compliance and adherence to applicable laws and regulations and internal policies
- Approval of Overtime prior to it being incurred
- Inability to manage overtime proactively
- To remain within the budgeted Overtime
- Curbing / Limiting / Curtailing expenditure on Overtime
- Monitoring expenditure on Overtime
- Utilizing the available workforce optimally
- Unduly compromising or hampering service delivery, which basically means that work that could have been done during normal hours is deliberately delayed so that work can be finalized after hours
- Implementing an alternative method of compensation
- Addressing the immediate infrastructure maintenance requirements, specifically addressing preventative maintenance
- Ensuring and enhancing the lifespan of Property, plant and equipment
- Improve both the personal productivity of individual employees and the overall productivity of departments and the entire municipal system
- Difficult to track departmental overtime on more than a monthly or even quarterly basis, by then it's too late to take meaningful action to minimize overtime costs

4.4 Bulk Purchases

- ❖ Indicated in Table 20 below, is the YTD expenditure on Bulk Purchases Electricity and Water. When compared to the IYM percentage of 25.00% as at end of September 2021, Bulk Purchases Electricity is showing a satisfactory variance of 3.8%.
- ❖ Bulk purchases – Water is showing a negative variance of 13.5% when compared to the ideal percentage of 25.00%. The municipality is awaiting the July and September 2021 bulk water invoice from DWS.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 25%
Bulk Purchases: Electricity	647,000,000	172,239,193	186,293,917	28.8%	3.8%
Bulk Purchases: Water	114,000,000	12,598,326	13,105,484	11.5%	-13.5%
Total	761,000,000	184,837,519	199,399,401	26.2%	1.2%

Table 20: Summary of YTD Bulk Expenditure

Organ of state	Principle debt 2020/21	Monthly Instalment	Corrections on arrear debt	Total revised debt amount	Amount paid to date	% of debt settled	Balance on Payment arrangement	Balance of unpaid invoices	Current Account due (Sep 2021)	Total Outstanding Debt	YTD Interest charged 2021/22
ESKOM	112,040,715.83	12,448,968.43	-	112,040,715.83	112,040,715.83	100%	-	299,277,356.99	54,138,006.95	353,415,363.94	7,134,755.24
DWS (Water boards)	61,179,514.18	5,000,000.00	340,009.25	61,519,523.43	46,712,428.26	76%	14,807,095.17	69,054,150.34		83,861,245.51	507,157.37
Grand Total	173,220,230.01	17,448,968.43	340,009.25	173,560,239.26	158,753,144.09	91%	14,807,095.17	368,331,507.33	54,138,006.95	437,276,609.45	7,641,912.61

Table 21: Summary of outstanding bulk costs debt

Indicated in Table 21 above, is the total outstanding debt owed to ESKOM amounting to R353,415 million. The current account due to ESKOM is R54,138 million. The arrear debt of R299,277 million pertains to the outstanding balance of May 2021 (R21,954m) account, unpaid accounts for June 2021 (R79,903m), July 2021 (R104,400m) and August 2021 (R93,020m). The municipality did not have sufficient cash to settle the outstanding accounts due to ESKOM. For the month of September 2021, the municipality settled an amount of R24,000 million on the arrear debt owed to ESKOM. The total year to date interest charged on overdue accounts due to ESKOM amounts to R7,135 million. The debt agreement for 2020/21 has been settled in full. The municipality envisages to enter into a new payment agreement with ESKOM for the current financial year.

Also, indicated in Table 21 above, is the total outstanding debt owed to DWS amounting to R83,861 million. It should be noted that the total debt due to DWS needs to concurred with the Department. The debt owed to DWS is understated as the municipality is awaiting the invoices from the Department for June 2021, relating to 2020/21 financial year and the July and September 2021 invoices. The arrear debt of R69,054 million pertains to the outstanding accounts of December 2020 (R8,733m), January 2021 (R17,084m), February 2021 (R15,329m), March 2021 (13,224m) and August 2021 (R14,685m). Due to cash flow constraints, the municipality could not settle the outstanding invoices. For the month of September 2021, the municipality settled an amount of R10,000 million on the arrear debt owed to DWS. The total year to date interest charged on overdue accounts to DWS amounted to R507 thousand. The interest charged is possibly understated, due to the fact that no statements were received from DWS for August and September 2021. The debt agreement for 2020/21 has an outstanding balance of R14,807 million. The municipality envisages to enter into a new payment agreement with DWS for the current financial year, inclusive of all debt.

4.5 Aged Creditors

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M03 September

Budget Year 2021/22												Prior year
Description	NT Code	0 -	31 -	61 -	91 -	121 -	151 -	181 Days -	Over 1	Total	totals for chart	
R thousands		30 Days	60 Days	90 Days	120 Days	150 Days	180 Days	1 Year	Year		(same period)	
Creditors Age Analysis By Customer Type												
Bulk Electricity	0100	54,138	93,020	104,400	79,903	21,954	-	-	-	353,415	165,312	
Bulk Water	0200	-	14,685	-	-	-	-	68,935	241	83,861	98,903	
PAYE deductions	0300	9,733	-	-	-	-	-	-	-	9,733	8,752	
VAT (output less input)	0400									-	-	
Pensions / Retirement deductions	0500	7,312	-	-	-	-	-	-	-	7,312	7,355	
Loan repayments	0600									-	-	
Trade Creditors	0700	4,938	183	75	12	-	-	-	-	5,207	27,512	
Auditor General	0800									-	-	
Other	0900	-	2,746	1	-	-	-	-	-	2,747	150,244	
Total By Customer Type	1000	76,121	110,635	104,475	79,915	21,954	-	68,935	241	462,276	458,077	

Table 22: Support Table S4: Aged Creditors

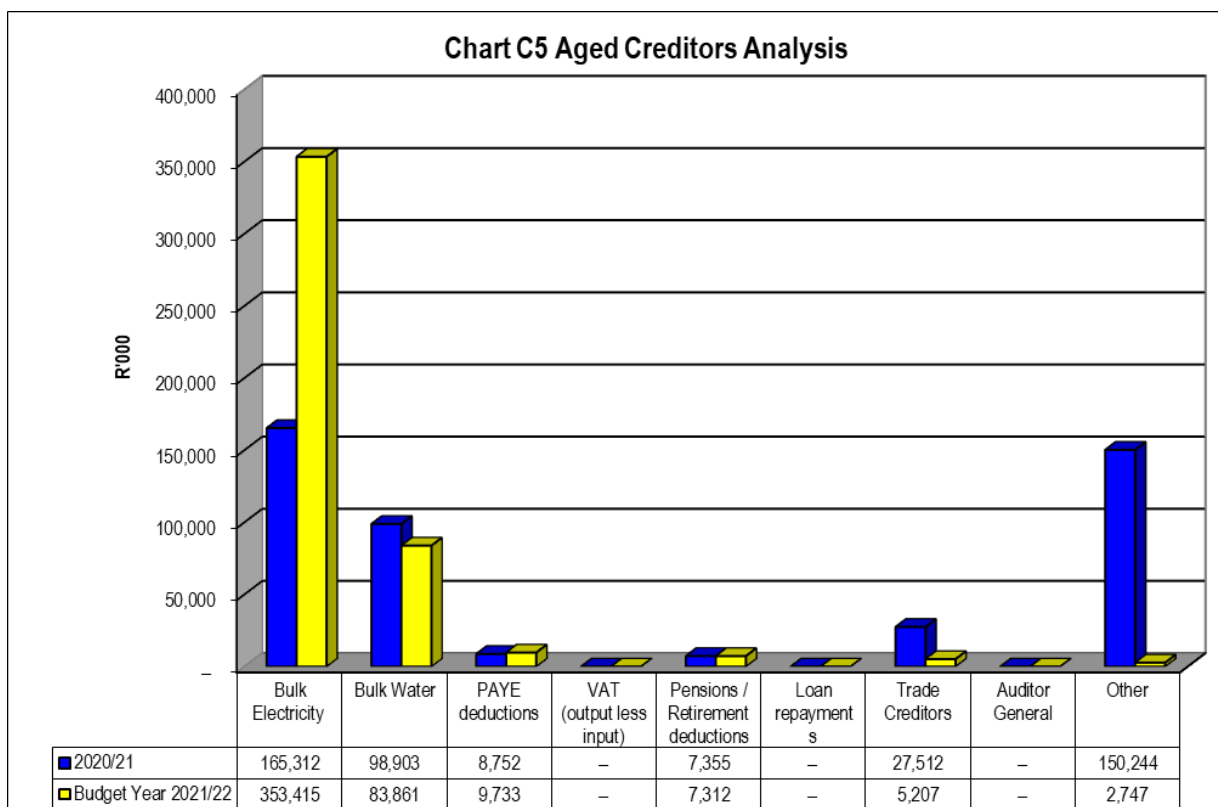


Chart 12: Aged Creditors Analysis

Bulk Electricity – As at the 30 September 2021, the outstanding debt owed to ESKOM amounted to R353,415 million. The municipality will conclude a new payment agreement with ESKOM for the 2021/22 financial year. The municipality envisage to engage ESKOM representatives to arrange a meeting.

Bulk Water – The outstanding debt owed to DWS is R83,861 million. The municipality is still awaiting the June, July and September 2021 invoices from the Department. The municipality will conclude a new payment agreement with DWS for the 2021/22 financial year.

PAYE and Pension statutory deductions are paid over monthly to the relevant institutions.

VAT – after the monthly VAT reconciliation, an amount of R8,066 million was paid to SARS on 22 September 2021.

Trade creditors are all suppliers registered on the municipality's database and it is a prerequisite for these suppliers to be registered on the central supplier database (CSD). Debt pertains to all services rendered and goods received but not yet paid.

Auditor General – the total outstanding invoices due to AGSA has been settled.

Other creditors – includes Sundry creditors which were unpaid as at the reporting date.

4.6 Repairs And Maintenance

Repairs and maintenance enables the municipality to deliver much needed services to the people. Infrastructure requires continuous maintenance to perform.

The report below gives further breakdown of maintenance budget as allocated to various votes and the spending to date. Maintenance expenditure varies year on year as it is influenced by various factors such as seasons, temperatures and unforeseen circumstances that happens randomly such as aged network resulting in network failures.

Service	Sum of Adjustment Budget	Sum of Curr Mth Exp	Sum of YTD Movement	% Spent
ELECTRICITY	29 016 005	1 877 351	3 702 930	13%
HOUSING	1 591 500	54 965	103 720	7%
REFUSE	21 108 000	740 198	1 823 820	9%
ROADS	16 245 000	1 585 711	3 922 296	24%
SEWERAGE	18 061 000	572 899	1 266 987	7%
WATER	35 979 000	1 538 041	5 403 962	15%
Grand Total	122 000 505	6 369 166	16 223 715	13%

Service per department	Sum of Original Budget	Sum of Curr Mth Exp	Sum of YTD Movement	% Spent Original
ELECTRICITY	31 102 000	2 054 439	6 613 557	21%
HOUSING	1 498 000	59 174	170 059	11%
REFUSE	21 085 000	1 030 607	2 381 848	11%
ROADS	15 723 000	510 817	2 051 647	13%
SEWERAGE	16 799 000	1 596 469	5 003 406	30%
WATER	36 002 000	2 810 660	7 528 455	21%
Grand Total	122 209 000	8 062 166	23 748 973	19%

5. CAPITAL PROGRAMME PERFORMANCE

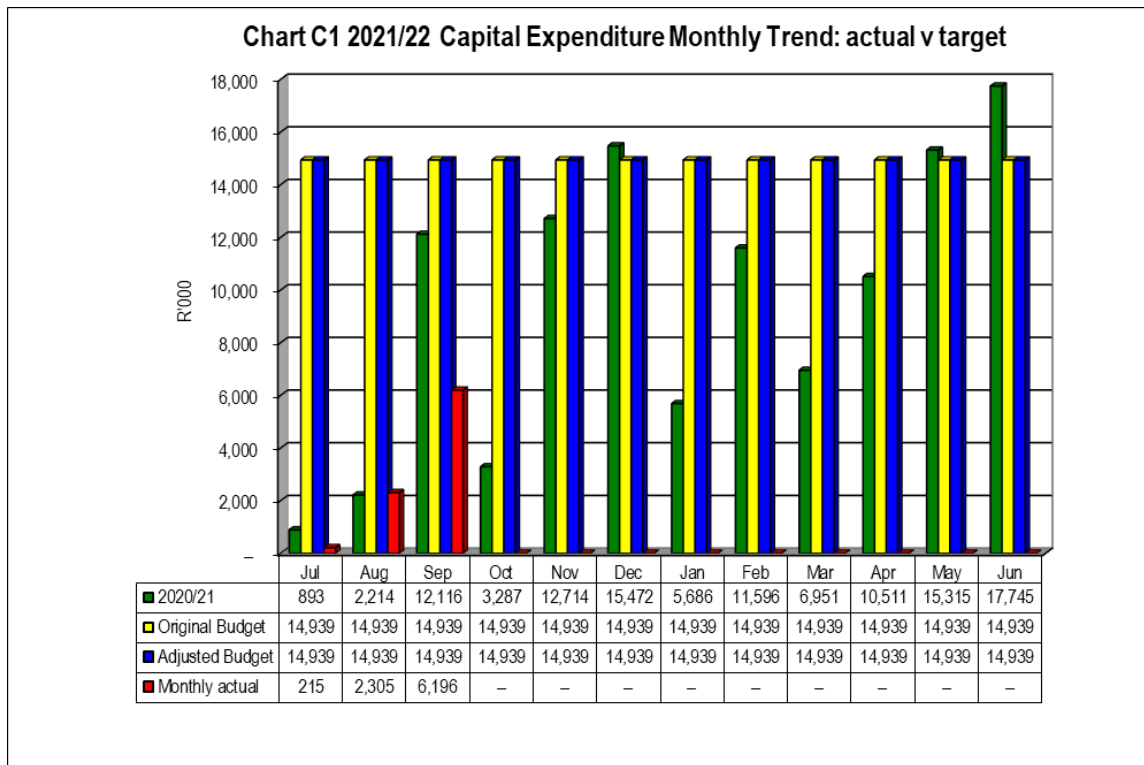


Chart 13: Capital Expenditure Monthly Trend: actual v target

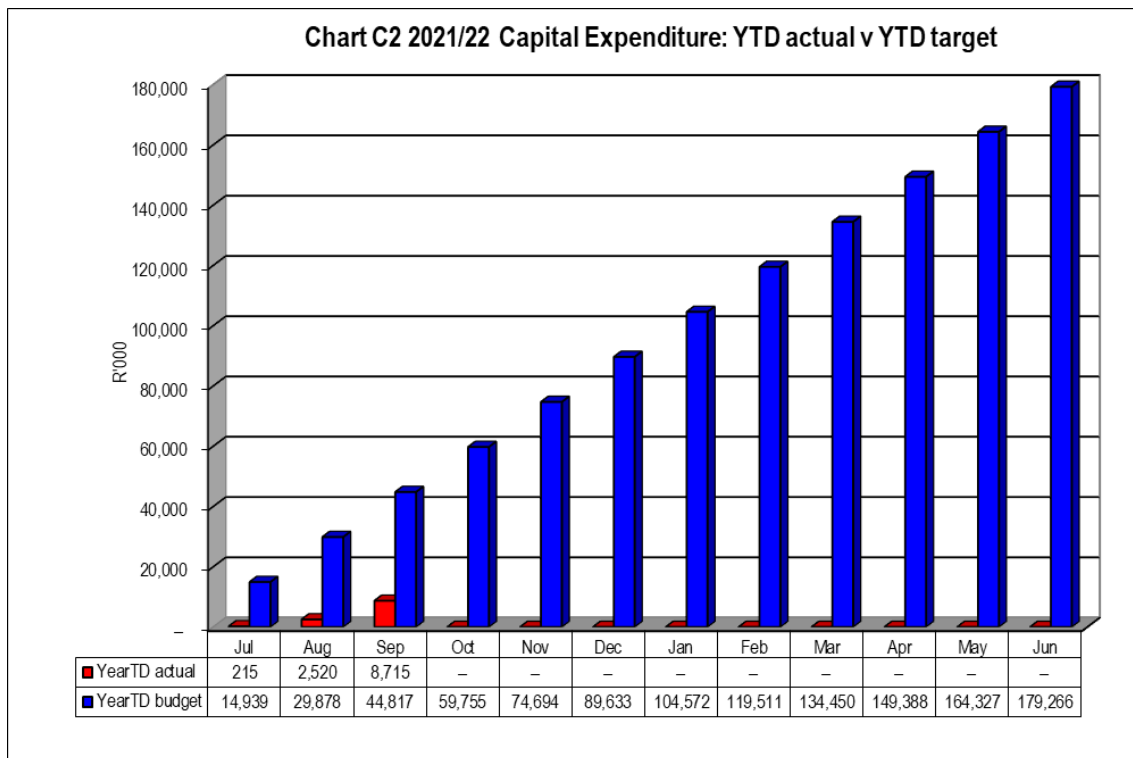


Chart 14: Capital Expenditure YTD Actual v YTD Target

5.1 Capital Expenditure By Project

Indicated in Table 23 below, is a list of projects with the applicable funding source. The total capex is extremely slow during the start of the financial year. The actual monthly expenditure for September 2021 amounted to R6,196 million. The total YTD Capex amounted to R8,715 million. Total commitments amounts to R7,834 million. Please note that commitments are excluded from the YTD movement. Expenditure is also exclusive of VAT.

Description	Original Budget	Adj Budget	Curr Mth Exp	Commitment	YTD Movement	Unspend Budget	% Original	% Adj Budget	Funding source
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	3,000,000	3,000,000	-	-	-	3,000,000	0.0%	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ-FLEET REPLACEMENT	4,000,000	4,000,000	-	-	-	4,000,000	0.0%	0.0%	INTERNALLY GENERATED FUNDS
ACQ-FURNITURE AND OFFICE EQUIP REPLACEM	2,000,000	2,000,000	-	-	-	2,000,000	0.0%	0.0%	INTERNALLY GENERATED FUNDS
ACQ-COMPUTER EQUIPMENT REPLACEMENT	3,500,000	3,500,000	-	432,540	199,368	2,868,092	5.7%	5.7%	INTERNALLY GENERATED FUNDS
RESEALING OF ROADS VARIOUS WARDS	13,000,000	10,000,000	4,260,870	4,968,825	4,260,870	770,305	32.8%	42.6%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
STORMWAT PROJ-SW CHANNEL GALASH IUDG	10,000,000	9,000,000	-	779,798	-	8,220,202	0.0%	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
UPGRADE GRAVEL ROADS WARDS VARIOUS	10,000,000	9,000,000	187,426	1,515,274	601,215	6,883,511	6.0%	6.7%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ STORMWAT PROJ-STORWAT CHANNEL GALASH	10,000,000	10,000,000	-	-	-	10,000,000	0.0%	0.0%	NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT
P-CNIN COM F FIRE/AMBUL	-	4,000,000	743,624	-	743,624	3,256,376	-	18.6%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
CRAVEN STREET TRADE CENTRE	8,000,000	8,000,000	-	-	-	8,000,000	0.0%	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	22,266,000	22,266,000	-	-	-	22,266,000	0.0%	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
ACQ - CARTERS GLEN SEWER PUMP STATION	25,000,000	25,000,000	918,825	-	1,798,104	23,201,896	7.2%	7.2%	WSIG (WATER SERVICES INFRASTRUCTURE GRANT)
DSITRBUTION-ACQ-WAT METER REPLACEME	1,000,000	1,000,000	32,635	137,945	87,515	774,539	8.8%	8.8%	INTERNALLY GENERATED FUNDS
ELEVATED WATER TANKS DISTRIBUTION	-	1,000,000	-	-	-	1,000,000	-	0.0%	IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)
UPGRADE HADISON PARK 66/11 KV SUBSTATION	1,500,000	1,500,000	-	-	-	1,500,000	0.0%	0.0%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
NETWORKS ACQ - ELECTR MATHIBE	33,000,000	33,000,000	52,178	-	289,468	32,710,532	0.9%	0.9%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
ELECTRIFICATION LETABO PARK	20,000,000	20,000,000	-	-	-	20,000,000	0.0%	0.0%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
ELECTRIFIC LERATO PARK LINK SERV NETWORK	12,000,000	12,000,000	-	-	-	12,000,000	0.0%	0.0%	INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)
CAPITAL SPARES-ACQ-PREPAID METERS	1,000,000	1,000,000	-	-	734,974	265,026	73.5%	73.5%	INTERNALLY GENERATED FUNDS
TOTAL	179,266,000	179,266,000	6,195,557	7,834,383	8,715,138	162,716,480	4.9%	4.9%	

Table 23: Detailed Capital Expenditure

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	66,500,000	52,178	289,468	0.4%
INTERNALLY GENERATED FUNDS	11,500,000	32,635	1,021,857	8.9%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	66,266,000	5,191,919	5,605,708	8.5%
NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT	10,000,000	-	-	0.0%
WSIG (WATER SERVICES INFRASTRUCTURE GRANT)	25,000,000	918,825	1,798,104	7.2%
Grand Total	179,266,000	6,195,557	8,715,138	4.9%

Table 24: Summary of capital expenditure per funding source

Indicated in Table 24 above, is a summary of the capital expenditure per funding source compared to the Original budget. Overall spending on grants is extremely slow. The expenditure on IUDG (8.5%), NDPG (0%), INEP (0.4%) and WSIG (7.2%). Spending on Internally generated funds is 8.9% spent. Implementation of projects is possibly delayed by the finalization of procurement processes. Payment certificates are settled once work is completed.

5.2 Capital Expenditure By Vote

Capital projects are analyzed by vote to ensure that the performance contracts of the executive management team include these projects. Further to this and as compelled by multiyear planning, projects may span over one year.

The table below indicates single year and multi-year projects by vote.

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03
September

Vote Description	Ref	2020/21	Budget Year 2021/22							
		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 01 - Executive & Council		-	-	-	-	-	-	-		-
Vote 02 - Municipal And General		26,692	33,000	32,000	5,192	5,606	8,068	(2,462)	-31%	32,000
Vote 03 - Municipal Manager		-	-	-	-	-	-	-		-
Vote 04 - Corporate Services		-	-	-	-	-	-	-		-
Vote 05 - Community Services		-	-	-	-	-	-	-		-
Vote 06 - Financial Services		-	-	-	-	-	-	-		-
Vote 07 - Strategy Econ Development And Planning		3,126	8,000	8,000	-	-	2,000	(2,000)	-100%	8,000
Vote 08 - Infrastructure And Services		64,887	81,266	81,266	951	2,621	20,317	(17,696)	-87%	81,266
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	94,705	122,266	121,266	6,143	8,226	30,385	(22,158)	-73%	121,266
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-		-
Vote 02 - Municipal And General		23,485	22,500	22,500	-	199	5,625	(5,426)	-96%	22,500
Vote 03 - Municipal Manager		-	-	-	-	-	-	-		-
Vote 04 - Corporate Services		-	-	-	-	-	-	-		-
Vote 05 - Community Services		-	-	-	-	-	-	-		-
Vote 06 - Financial Services		-	-	-	-	-	-	-		-
Vote 07 - Strategy Econ Development And Planning		-	-	-	-	-	-	-		-
Vote 08 - Infrastructure And Services		1,312	34,500	35,500	52	289	8,807	(8,517)	-97%	35,500
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	24,797	57,000	58,000	52	489	14,432	(13,943)	-97%	58,000
Total Capital Expenditure		119,502	179,266	179,266	6,196	8,715	44,817	(36,101)	-81%	179,266
Capital Expenditure - Functional Classification										
Governance and administration		50,177	55,500	54,500	5,192	5,805	13,693	(7,888)	-58%	54,500
Executive and council		50,177	55,500	54,500	5,192	5,805	13,693	(7,888)	-58%	54,500
Finance and administration		-	-	-	-	-	-	-		-
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		-	-	-	-	-	-	-		-
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		3,126	8,000	8,000	-	-	2,000	(2,000)	-100%	8,000
Planning and development		3,126	8,000	8,000	-	-	2,000	(2,000)	-100%	8,000
Road transport		-	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
Trading services		66,199	115,766	116,766	1,004	2,910	29,123	(26,213)	-90%	116,766
Energy sources		16,469	67,500	67,500	52	1,024	16,875	(15,851)	-94%	67,500
Water management		1,312	1,000	2,000	33	88	432	(344)	-80%	2,000
Waste water management		48,418	47,266	47,266	919	1,798	11,817	(10,018)	-85%	47,266
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	119,502	179,266	179,266	6,196	8,715	44,817	(36,101)	-81%	179,266
Funded by:										
National Government		101,832	167,766	167,766	6,163	7,693	41,942	(34,248)	-82%	167,766
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private		2,483	-	-	-	-	-	-		-
Transfers recognised - capital		104,315	167,766	167,766	6,163	7,693	41,942	(34,248)	-82%	167,766
Borrowing		-	-	-	-	-	-	-		-
Internally generated funds	6	15,186	11,500	11,500	33	1,022	2,875	(1,853)	-64%	11,500
Total Capital Funding		119,502	179,266	179,266	6,196	8,715	44,817	(36,101)	-81%	179,266

Table 25: Supporting Table C5: Capital expenditure per vote

6. INVESTMENT PORTFOLIO ANALYSIS

The market value of the investment portfolio has been utilized and for the period ending 30 September 2021, the value of total investments made was R50,701 million including interest. Investments excluding interest amounted to R50,099 million. Part of investments made during the month where interest accrued which reflected an increase in investment and not as a result of increased revenue collection.

NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M03 September

Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commissio n Paid (Rands)	Commissio n Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Absa Bank 20 -6295-4443		12 mths	Notice	YES	Fixed	04.85			28.06.2022	7,437	30	-	-	7,466
Standard Bank 048466271-080		12 mths	Notice	YES	Fixed	402.50%			10.11.2021	21,114	70	-	-	21,184
First National Bank			Call a/c	YES	Variable	03.20				5,523	15	-	-	5,538
Absa Bank			Call a/c	YES	Variable	02.30				5,522	10	-	-	5,532
Investec			Call a/c	YES	Variable	03.30				618	2	-	-	620
Nedbank			Call a/c	YES	Variable	03.25				5,180	138	-	-	5,318
Standard Bank			Call a/c	YES	Variable	03.50				5,029	14	-	-	5,044
Municipality sub-total										50,422	279	-	-	50,701
TOTAL INVESTMENTS AND INTEREST	2									50,422	279	-	-	50,701

Table 26: Supporting Table SC5: Investment portfolio

7. FINANCIAL MANAGEMENT AND REPORTING

MFMA Section 52 (d) to require that the Executive Mayor reports on the financial state of affairs of the municipality. As such, financial ratios have been used to analyse the municipality's performance as at 31 March 2020. The municipality has used the financial ratios as published in MFMA Circular that are aimed at replacing those that were promulgated in the Performance Regulations of 2001. The following is a summary of the outcomes of the analysis.

7.1 Assets Management

					2020/21
Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		2%
				Total Operating Expenditure	536 281
				Taxation Expense	-
				Total Capital Expenditure	8 715
Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100	Statement of Financial Position, Notes to the AFS and AR	0%		0%
				PPE, Investment Property and Intangible Impairment	-
				PPE at carrying value	1 886 547
				Investment property at carrying value	209 057
				Intangible Assets at carrying value	10 339
Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%		2%
				Total Repairs and Maintenance Expenditure	35 172
				PPE at carrying value	1 886 547
				Investment Property at Carrying value	209 057

7.2 Debtors Management

B. Debtors Management					
					TOTAL DEBTORS
1	Collection Rate	$(\text{Gross Debtors Closing Balance} + \text{Billed Revenue} - \text{Gross Debtors Opening Balance} - \text{Bad Debts Written Off}) / \text{Billed Revenue} \times 100$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year Reports, IDP and AR	95%	48%
				Gross Debtors closing balance	2 679 179
				Gross Debtors opening balance	2 465 644
				Bad debts written Off	68 752
				Billed Revenue	542 364
2	Bad Debts Written-off as % of Provision for Bad Debt	$\text{Bad Debts Written-off} / \text{Provision for Bad debts} \times 100$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%	8%
				Consumer Debtors Bad debts written off	68 752
				Consumer Debtors Current bad debt Provision	815 367
3	Net Debtors Days	$((\text{Gross Debtors} - \text{Bad debt Provision}) / \text{Actual Billed Revenue}) \times 365$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days	1 004 days
				Gross debtors (90+ days)	2 306 942
				Bad debts Provision	815 367
				Billed Revenue	542 364

7.3 Liquidity Management

C. Liquidity Management					
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	$((\text{Cash and Cash Equivalents} - \text{Unspent Conditional Grants} - \text{Overdraft}) + \text{Short Term Investment}) / \text{Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)}$	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months	4.72 Month
				Cash and cash equivalents	147 807
				Unspent Conditional Grants	(36 101)
				Overdraft	-
				Short Term Investments	-
				Total Annual Operational Expenditure	467 529
2	Current Ratio	$\text{Current Assets} / \text{Current Liabilities}$	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1	2.77
				Current Assets	2 206 854
				Current Liabilities	796 107

7.4 Liability Management

Capital Cost(Interest Paid and Redemption) as a % of Total Operating Expenditure	$\text{Capital Cost(Interest Paid and Redemption)} / \text{Total Operating Expenditure} \times 100$	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%		2.00%
				Interest Paid	-
				Redemption	10 734
				Total Operating Expenditure	536 281
				Taxation Expense	-
Debt (Total Borrowings) / Revenue	$(\text{Overdraft} + \text{Current Finance Lease Obligation} + \text{Non current Finance Lease Obligation} + \text{Short Term Borrowings} + \text{Long term borrowing}) / (\text{Total Operating Revenue} - \text{Operational Conditional Grants}) \times 100$	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%		31%
				Total Debt	182 267
				Total Operating Revenue	670 087
				Operational Conditional Grants	88 470

7.5 Sustainability

Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement Financial Position, Budget and AR	100%		190%
				Cash and cash Equivalents	147 807
				Bank Overdraft	-
				Short Term Investment	-
				Long Term Investment	-
				Unspent Grants	(36 101)
				Net Assets	3 089 675
				Share Premium	-
				Share Capital	-
				Revaluation Reserve	57 205
				Fair Value Adjustment Reserve	-
				Accumulated Surplus	2 935 574

7.6 Efficiency

A. Efficiency					
1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%	20%
					Total Operating Revenue
					670 087
					Depreciation - Revalued Portion (Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%	-3%
					Total Electricity Revenue
					221 444
					Total Electricity Expenditure
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%	32%
					Total Water Revenue
					80 394
					Total Water Expenditure
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%	17%
					Total Refuse Revenue
					17 702
					Total Refuse Expenditure
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%	20%
					Total Sanitation and Water Waste Revenue
					23 645
					Total Sanitation and Water Waste Expenditure
					18 889

7.7 Revenue and Distribution Losses

C. Revenue Management					
1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period's number of Active Debtor Accounts)/ previous number of Active Debtor Accounts x 100	Debtors System	None	11%
					Number of Active Debtors Accounts (Previous)
					71 594
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue) / previous period's Total Revenue) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI	-69%
					CPI
					3%
					Total Revenue (Previous)
3	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants- previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants) x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= CPI	-68%
					3%
					Total Revenue Exl.Capital (Previous)
					2 067 761
					Total Revenue Exl.Capital (Current)
					670 087

B. Distribution Losses					
1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%	<div>27.95%</div> <div>Number of units purchased and/or generated</div> <div>246 556</div> <div>Number of units sold</div> <div>177 654</div>
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%	<div>58.64%</div> <div>Number of kilolitres purchased and/or purified</div> <div>17 597</div> <div>Number of kilolitres sold</div> <div>7 278</div>

7.8 Expenditure Management

D. Expenditure Management					
1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days	<div>576 days</div> <div>Trade Creditors</div> <div>462 276</div> <div>Contracted Services</div> <div>6 088</div> <div>Repairs and Maintenance</div> <div>35 172</div> <div>General expenses</div> <div>43 311</div> <div>Bulk Purchases</div> <div>199 399</div> <div>Capital Credit Purchases (Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment)</div> <div>8 715</div>
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%	<div>0%</div> <div>Irregular, Fruitless and Wasteful and Unauthorised Expenditure</div> <div>-</div> <div>Total Operating Expenditure</div> <div>536 281</div> <div>Taxation Expense</div> <div>-</div>
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%	<div>34%</div> <div>Employee/personnel related cost</div> <div>175 216</div> <div>Councillors Remuneration</div> <div>7 521</div> <div>Total Operating Expenditure</div> <div>536 281</div> <div>Taxation Expense</div> <div>-</div>
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%	<div>1%</div> <div>Contracted Services</div> <div>6 088</div> <div>Total Operating Expenditure</div> <div>536 281</div> <div>Taxation Expense</div> <div>-</div>

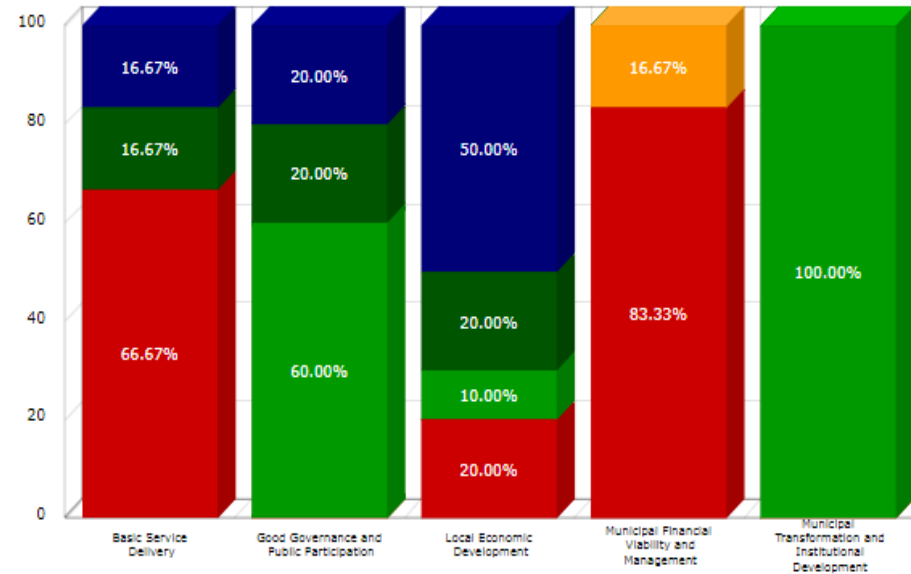
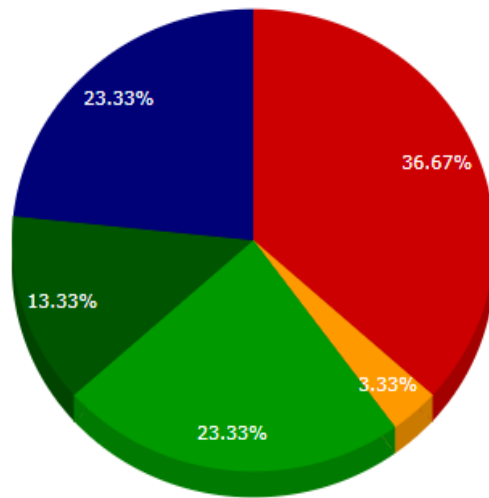
7.9 Grant Dependency

E. Grant Dependency					
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None	<div>12%</div> <div>Internally generated funds</div> <div>1 022</div> <div>Borrowings</div> <div>-</div> <div>Total Capital Expenditure</div> <div>8 715</div>
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None	<div>12%</div> <div>Internally generated funds</div> <div>1 022</div> <div>Total Capital Expenditure</div> <div>8 715</div>
3	Own Source Revenue to Total Operating Revenue (including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations) / Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None	<div>88%</div> <div>Total Revenue</div> <div>670 087</div> <div>Government grant and subsidies</div> <div>88 470</div> <div>Public contributions and Donations</div> <div>-</div> <div>Capital Grants</div> <div>7 693</div>

7.10 Budget Implementation

3. BUDGET IMPLEMENTATION					
1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%	
					5%
					Actual Capital Expenditure 8 715
					Budget Capital Expenditure 179 266
2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	
					23%
					Actual Operating Expenditure 536 281
					Budget Operating Expenditure 2 344 984
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	
					28%
					Actual Operating Revenue 670 087
					Budget Operating Revenue 2 365 711
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%	
					29%
					Actual Service Charges and Property Rates Revenue 542 364
					Budget Service Charges and Property Rates Revenue 1 895 090

8. TOP LAYER SDBIP 1ST QUARTER PERFORMANCE REPORT: 1 JULY TO 30 SEPTEMBER 2021



	Sol Plaatje Municipality	National KPA					
		Basic Service Delivery	Good Governance and Public Participation	Local Economic Development	Municipal Financial Viability and Management	Municipal Transformation and Institutional Development	[Unspecified]
Not Met	11 (36.67%)	4 (66.67%)	-	2 (20.00%)	5 (83.33%)	-	-
Almost Met	1 (3.33%)	-	-	-	1 (16.67%)	-	-
Met	7 (23.33%)	-	3 (60.00%)	1 (10.00%)	-	3 (100.00%)	-
Well Met	4 (13.33%)	1 (16.67%)	1 (20.00%)	2 (20.00%)	-	-	-
Extremely Well Met	7 (23.33%)	1 (16.67%)	1 (20.00%)	5 (50.00%)	-	-	-
Total:	30*	6	5	10	6	3	-
	100%	20.00%	16.67%	33.33%	20.00%	10.00%	-

* Excludes 25 KPIs which had no targets/actuals for the period selected.

Summary of Performance per Municipal Key Performance Area

8.1 BASIC AND SUSTAINABLE SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Overall performance for Quarter 1 (July to September 2021)				
				Target	Actual	R	Performance Comment	Corrective Measures
TL11	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	12 000 Indigent households to receive free basic services (water, electricity, sanitation and waste removal according to national guidelines) by 30 June 2022	No of indigents per the Indigent Register	3 000	12 141	B	[D164] GM : Revenue: No of indigents per the Indigent Register determined. (September 2021)	[D164] GM : Revenue: N/A (September 2021)
TL42	To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects	To upgrade at least 3 km access roads to a paved surface in Sol Plaatje area by 30 June 2022	Distance of km paved	0.75	0	R	[D468] City Engineer: Roads and Storm water: Layer works is 32% complete, waiting for the supply of paving bricks to be awarded to start with paving. (September 2021)	[D468] City Engineer: Roads and Storm water: To expedite progress on project. (September 2021)
TL44	To address the poor condition of the roads in the Sol Plaatje area through maintenance and upgrading projects	Complete 100% rehabilitation of Thlageng attenuation dam in Galeshewe by 30 June 2022	Percentage progress	10.00%	11.00%	G2	[D470] City Engineer: Roads and Storm water: Contract was terminated on the 19th of July 2021. Waiting for court declaratory order to appoint new contractor. (September 2021)	
TL46	To ensure the adequate provision, upgrading and maintenance of electricity services infrastructure	To appoint a professional service provider for the pre-engineering and professional consultancy associated works for Hadison Park Substation by 30 June 2022	Percentage completion as per project progress report	25.00%	0.00%	R		
TL48	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To complete the electrification of 1100 households by 30 June 2022 (Lethabo Park Phase 1)	Number of houses connected to electricity network	250	0	R		

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Overall performance for Quarter 1 (July to September 2021)				
				Target	Actual	R	Performance Comment	Corrective Measures
TL49	To ensure a basic standard of living for all through the provision of basic sanitation, water, electricity and refuse delivery services	To complete the electrification of 1500 households by 30 June 2022 (Lerato Park, Phases 6-7)	Number of houses connected to electricity network	250	0	R		

summary: Basic and Sustainable Service Delivery and Infrastructure Development

R	KPI Not Met	0% <= Actual/Target <= 74.999%	4
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	0
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	1
B	KPI Extremely Well Met	150.000% <= Actual/Target	1
Total KPIs:			6

8.2 MUNICIPAL FINANCIAL VIABILITY AND SUSTAINABLE MANAGEMENT

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Overall performance for Quarter 1 (July to September 2021)				
				Target	Actual	R	Performance Comment	Corrective Measures
TL12	Enhance revenue through leveraging alternate sources of funding and identifying new revenue streams	Improve revenue enhancement by ensuring a collection rate of 85% after debt write off by 30 June 2022	% Collection rate	85.00%	73.66%	O	[D165] GM : Revenue: Collection rate is improving. (September 2021)	[D165] GM : Revenue: A collection strategy has been implemented. (September 2021)
TL13	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	To spend at least 85% of the Capital Budget (including VAT) on capital projects identified in terms of the IDP by 30 June 2022	Percentage capital spending	20.00%	0.00%	R		
TL14	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	To spend at least 90% of the Operational Budget annually (30 June)	Percentage operational spending	20.00%	0.00%	R		
TL15	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Maintain the debt coverage ratio of at least 2:1 against net assets of the municipality by 30 June 2022	Debt coverage ratio	2.1	0	R		
TL16	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Reduce net debtor days to 300 days by 30 June 2022	Net debtor days	300	0	R		
TL17	Promote sound financial management and financial sustainability of Sol Plaatje Municipality through prudent fiscal management	Maintain the cost coverage ratio of at least 1 month (annually)	Cost coverage ratio	1	0	R		

Summary: Municipal Financial Viability and Management

R	KPI Not Met	0% <= Actual/Target <= 74.999%	5
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	1
G	KPI Met	Actual meets Target (Actual/Target = 100%)	0
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	0
B	KPI Extremely Well Met	150.000% <= Actual/Target	0
Total KPIs:			6

8.3 LOCAL ECONOMIC DEVELOPMENT

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Overall Performance for Quarter 1 (July to September 2021)				
				Target	Actual	R	Performance Comment	Corrective Measures
TL1	To develop sustainable living through job creation (EPWP and other initiatives)	Create 400 FTE jobs through EPWP initiatives of the SPM by 30 June 2022	Number of jobs created	100	121	G2	[D57] PMU Manager: Report submitted of Number of FTE created. (September 2021)	
TL10	To capacitate SMME's and local entrepreneurs	To successfully implement the PPPFA Regulations to achieve BBBEE and radical economic transformation through local procurement by ensuring at least 60% of the municipality's tenders are awarded to EME's, OSE's and from the businesses in the	Percentage of tenders and value thereof awarded to EME, OSE, local and from business in the rural areas within the municipal jurisdiction	60.00%	38%	R	[D163] Manager : SCM: The following bids were awarded in this quarter being: 1, INFRA/CEE02/2021 - Electrification of Lerato Park, (Awarded to Gauteng Company) 2, INFRA/CEE08/2021 - Lift Maintenance, (awarded to Gauteng company) 3, INFRA/CE/T4/2019 - Riverton Water Treatment works (awarded to a Kimberley company) 4, INFRA/CEE03/2020 - Supply and delivery of street light poles (awarded to a Kimberley) 5, INFRA/CEE04/2020 - Bi-ennial contract for the supply and delivery of street light fittings (awarded to a local company) 6, MM/IT01/2021 - Supply and delivery six veean and replication licenses (awarded to Gauteng company) 7. MM/IT02/2021 - Supply and delivery of desktop computers (awarded to Gauteng company) 8. INFRA/CE/T4/2020 - Augmentation of Legaeng and eagle street Pumps station (awarded to KZN company)	[D163] Manager : SCM: Companies with Head office and Branches in the Northern Cape Province are given opportunity in terms of scoring. In terms of calculation in this quarter is 38%. (September 2021)

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Overall Performance for Quarter 1 (July to September 2021)				
				Target	Actual	R	Performance Comment	Corrective Measures
TL32	To ensure effective spatial planning and development in order to establish a competitive economic position	Ensuring a response time of 11 weeks for building plan submissions received in the current financial year for buildings or architectural buildings greater than 500 m² annually	Average response time in weeks to approve building plans	11	1	B	[D363] Manager: Urban Planning: Very few building plans above 500m/sq submitted. (September 2021)	[D363] Manager: Urban Planning: None (September 2021)
TL33	To ensure effective spatial planning and development in order to establish a competitive economic position	Ensuring a response time of 11 weeks for building plan submissions received in the current financial year for buildings or architectural buildings less than 500 m² annually	Average response time in weeks to approve building plans	11	5	B	[D364] Manager: Urban Planning: Target Met (September 2021)	[D364] Manager: Urban Planning: None (September 2021)
TL37	To capacitate SMME's and local entrepreneurs	Implementation of the Developmental Programme that supports SMME's through business incubation for at least 10 businesses annually	Number of SMME businesses provided with skills	3	304	B	[D368] Manager: SMME: In collaboration with the Galeshewe SMME Village we have implemented the business support for 219 small enterprises by conducting Agriculture business training, Youth in Business, Youth Information sessions, Business Tech Savvy and various other business interventions for enterprises in the smme village and enterprises in general. (July 2021) [D368] Manager: SMME: SPM in partnership with the Galeshewe SMME Village we have implemented the business support for the Month of August 2021 219 small enterprises by conducting two business clinics, and a grow your enterprise with Proudly south Africa. (August 2021) [D368] Manager: SMME: The mLab NC: Galeshewe SMME	[D368] Manager: SMME: None (July 2021) [D368] Manager: SMME: None (August 2021)

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Overall Performance for Quarter 1 (July to September 2021)				
				Target	Actual	R	Performance Comment	Corrective Measures
							Village as a multi-sectoral business incubation centre strives to provide small to medium enterprises with professional business premises to conduct business, business support and targeted enterprise development interventions that are designed to accelerate business growth, job creation and business sustainability. By end of August 2021 the mLab NC has 11 active incubatees, 12 SMMEs were assisted with CIPC registration, 18 SMMEs were assisted with SARS e-filing, 3 SMMEs were assisted CIBD grading 1 and 2, 14 SMMEs were assisted with CPIC administration that is annual returns and 8 SMMEs were assisted funding applications. Two workshop were held and 15 SMMEs benefited The total of 82 SMMEs benefited at mLab NC by the end of August 2021 (September 2021)	
TL39	To capacitate SMME's and local entrepreneurs	Enhancing Sol Plaatje Municipality's economic governance and infrastructure for Business Expansion Attraction and Retention (BEAR) by 30 June 2022	Percentage use components output deliveries	25.00%	30.00%	G2	[D370] Manager: LED: The project is progressing very well however in terms of spending we are still to receive the payment for current 2021/22. We spent 79% of the R3,6 million allocated for 2020/21 (July 2021)	[D370] Manager: LED: We have submitted requisition for 2021/22 amounting r10,8 million to National Treasury. (July 2021) [D370] Manager: LED: We were advised by National Treasury on

Section 52(d) 1st Quarter Performance report 2021/22

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Overall Performance for Quarter 1 (July to September 2021)				
				Target	Actual	R	Performance Comment	Corrective Measures
							<p>[D370] Manager: LED: The project is progressing very well however in terms of spending we are still to receive the payment for current 2021/22. (August 2021)</p> <p>[D370] Manager: LED: Component that deals with RED Tape in terms of Ease of doing Business is underway. The Co-ordinator of the component has already started interviews with various business forums that is both formal and informal. This component of part three is focusing on Global Competitiveness survey index and Red Tape Reduction process. The other process dealt with the structure of LED Unit and its budget. This included broad sector of the economy which are critical in attracting investment to SPM. (September 2021)</p>	the 31 August 2021 that we should revise the submitted requisition on R10,8 million. The CMRA is busy relooking at budget. (August 2021)

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Overall Performance for Quarter 1 (July to September 2021)				
				Target	Actual	R	Performance Comment	Corrective Measures
TL40	To capacitate SMME's and local entrepreneurs	Establishment of an Automotive Hub at Roodepan by 30 June 2022	Percentage use components output deliveries	25.00%	40.00%	B	<p>[D371] Manager: LED: Business Plan is completed and was submitted by MDA to Retail Motor Industry. The exist strategy of the project was also completed including the letter of support to hub in terms of procurement opportunities. (July 2021)</p> <p>[D371] Manager: LED: Business Plan is completed and was submitted by MDA to Retail Motor Industry. The exist strategy of the project was also completed including the letter of support to hub in terms of procurement opportunities. (August 2021)</p> <p>[D371] Manager: LED: At moment still awaiting feedback from MDA and RMI on the finalization of the budget as business plan submittetd (September 2021)</p>	<p>[D371] Manager: LED: Awaiting final approval from both MDA and RMI (July 2021)</p> <p>[D371] Manager: LED: Awaiting final approval from both MDA and RMI (August 2021)</p>
TL41	To capacitate SMME's and local entrepreneurs	Establishment of the Northern Cape Innovation at Sol Plaatje University by 30 June 2022	Percentage use components output deliveries	25.00%	100.00%	B	<p>[D372] Manager: LED: The Northern Cape Innovation Forum (NCIF) was launched in February 2021. (July 2021)</p> <p>[D372] Manager: LED: The Northern Cape Innovation Forum (NCIF) was launched in February 2021. (August 2021)</p> <p>[D372] Manager: LED: This KPI was completed 100%</p>	<p>[D372] Manager: LED: The NCIF is fully operational and it has started with its mandate. (July 2021)</p> <p>[D372] Manager: LED: The NCIF is fully operational and it has started with its mandate. (August 2021)</p>

Section 52(d) 1st Quarter Performance report 2021/22

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Overall Performance for Quarter 1 (July to September 2021)				
				Target	Actual	R	Performance Comment	Corrective Measures
							because the NCIF is 100% operational at the moment at the SPU. Though recently there is resignation of the coordinator SPU is busy with the recruitment process. (September 2021)	
TL8	To ensure effective spatial planning and development in order to establish a competitive economic position	To improve the SCM turnaround time to 12 weeks for annual contracts from closing date to date of award by June 2022	Average time in weeks to award tender	12	8	R	[D161] Manager : SCM: INFRA/CEE02/2021 & INFRA/CEE08/2021 had 8 & 7 weeks respectively in terms of turnaround date from closing date to award. The SCM will continue to maintain competitive economic position in this KPI. (September 2021)	[D161] Manager : SCM: After the close off the tender SCM will inform Line Manager about the 12 weeks turnaround time for submission of the technical report but Line Manager must submit in 6 weeks earlier in order to achieve the set time. At the same time to inform the MM and relevant ED in order to hold Line Manager accountable who submit their technical report late. (September 2021)
TL9	To ensure effective spatial planning and development in order to establish a competitive economic position	To improve the SCM turnaround time to 6 weeks for once off contracts from closing date to date of award by June 2022	Average time in weeks to award tender	6	6	G	[D162] Manager : SCM: In this quarter there were no once off contracts awarded and there no target but will have achieved the set target as we not exceeded the set target for this quarter. The	

Section 52(d) 1st Quarter Performance report 2021/22

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Overall Performance for Quarter 1 (July to September 2021)				
				Target	Actual	R	Performance Comment	Corrective Measures
							SCM will continue to maintain competitive economic position in this KPI. (September 2021)	

Summary of Results: Local Economic Development

R	KPI Not Met	0% <= Actual/Target <= 74.999%	2
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	1
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	2
B	KPI Extremely Well Met	150.000% <= Actual/Target	5
Total KPIs:			10

8.4 GOOD GOVERNANCE AND PUBLIC PARTICIPATION

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Overall Performance for Quarter 1 (July to September 2021)				
				Target	Actual	R	Performance Comment	Corrective Measures
TL19	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	To implement an effective and efficient Supply Chain Management System by ensuring that successful appeals is not more than 5% of tenders awarded by 30 June 2022	Percentage successful appeals	5.00%	0.00%	B	[D172] Manager : SCM: There is no objection or appeals received for bids awarded in the first quarter of this financial year. (September 2021)	[D172] Manager : SCM: SCM will ensure that the zero objection is maintained by ensure that the SCM procurement processes are clearly define and followed at all times and are understood by bidders (September 2021)
TL27	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	To report quarterly on the progress of risk mitigation to the Accounting Officer and Executive Management Team (EMT)	Quarterly reports on strategic risk register	1	1	G	Register was updated	
TL29	Promote community participation and communication	To communicate to the public (established residential areas) by issuing monthly newsletters	Number of newsletters issued	3	3	G	[D240] Manager : Communications: Communications to residents are done via different media tools (whats app, etc) (September 2021)	
TL30	Promote community participation and communication	To respond to all media enquiries and issue media statement within 24 hours after an occurrence	Reponse times after an event has occurred in hours	24	24	G	[D241] Manager : Communications: All responses with regard to media inquiries are done within required time frame as and when requested. (September 2021)	

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Overall Performance for Quarter 1 (July to September 2021)				
				Target	Actual	R	Performance Comment	Corrective Measures
TL6	To ensure an improved audit opinion through compliance with all relevant regulations, continuous assessment of risk and internal controls	Internal audit to perform an assessment of the internal control environment and other risk areas within the municipality and issue at least 10 internal audit reports to the audit committee during the financial year	Number of internal audit reports completed	3	4	G2	[D62] Chief Audit Executive: audit reports issued (September 2021)	[D62] Chief Audit Executive: none (September 2021)

Summary: Good Governance and Public Participation

R	KPI Not Met	0% <= Actual/Target <= 74.999%	0
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	3
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	1
B	KPI Extremely Well Met	150.000% <= Actual/Target	1
Total KPIs:			5

8.5 MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT

KPI Ref	Strategic Objective	KPI	Unit of Measurement	Overall Performance for Quarter 1 (July to September 2021)				
				Target	Actual	R	Performance Comment	Corrective Measures
TL25	To provide a basis for sustainable municipal performance improvement	On a quarterly basis communicate the funded vacant positions in each directorate to the relevant Executive Director	Number of communications provided	1	1	G	[D236] Manager : Human Resources: On a quarterly basis communicate the funded vacant positions in each directorate to the relevant Executive Director (September 2021)	
TL26	To provide a basis for sustainable municipal performance improvement	Co-ordinate bi-annual performance assessments of the municipal manager and managers reporting directly to the municipal manager by 30 June 2022	Number of assessments conducted	1	1	G	[D237] Manager : Human Resources: The assessment were scheduled for 16 July 2021, but was postponed due to unavailability of Directors. (September 2021)	
TL3	To provide a basis for sustainable municipal performance improvement	Submit quarterly organisational performance reports to the Executive Mayor by the 20th of the month following the end of each Quarter for 2021/22	No of reports submitted	1	1	G	[D59] IDP Manager: Preliminary 4th Quarter SDBIP Performance Report submitted to Acting MM on 30 July 21 for submission to Executive Mayor (July 2021)	[D59] IDP Manager: Line Managers must ensure to adhere to timeline set for updating their KPI's (July 2021)

Summary: Municipal Transformation and Institutional Development

R	KPI Not Met	0% <= Actual/Target <= 74.999%	0
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	3
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	0
B	KPI Extremely Well Met	150.000% <= Actual/Target	0
Total KPIs:			3

9. CONCLUSION

This report meets the Section 52(d) MFMA, Act 56 of 2003, requirement for the Executive Mayor to report on the financial state of affairs of the municipality within 30 working days.

Communication

In compliance to legislative requirements (Section 52(d) of the MFMA, Act 56 of 2003) this document is provided to all stakeholders by placing it on the Sol Plaatje municipal website: www.solplaatje.org.za or can be viewed or downloaded from the following link: <http://www.solplaatje.org.za/CityManagement/Reporting/Pages/SDBIP.aspx>

10. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

Quality Certificate

I, **G Akharwaray**, the Municipal Manager of Sol Plaatje Municipality, hereby certify that –

(mark as appropriate)

☐

the monthly budget statement

☒

quarterly report on the implementation of the budget and financial state affairs
of the municipality

☐

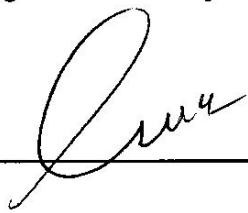
mid-year budget and performance assessment

For the quarter ended **30 September 2021** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: G AKHARWARAY

Municipal Manager of Sol Plaatje Local Municipality (NC091)

Signature: _____



Date: 22 / 10 / 2021

ANNEXURE A – SCHEDULE C – Tables

NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - M03 September

Description	2020/21	Budget Year 2021/22							
	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	571,075	603,707	603,707	45,444	214,388	150,927	63,462	42%	603,707
Service charges	1,053,050	1,291,383	1,291,383	105,950	327,976	322,846	5,130	2%	1,291,383
Investment revenue	2,835	9,000	9,000	15	(443)	2,250	(2,693)	-120%	9,000
Transfers and subsidies	260,426	230,640	230,640	–	88,470	57,660	30,810	53%	230,640
Other own revenue	180,375	230,981	230,981	13,655	39,696	57,745	(18,050)	-31%	230,981
Total Revenue (excluding capital transfers and contributions)	2,067,761	2,365,711	2,365,711	165,064	670,087	591,428	78,660	13%	2,365,711
Employee costs	726,219	836,388	836,388	56,724	175,216	209,098	(33,882)	-16%	836,388
Remuneration of Councillors	30,260	34,547	34,547	2,507	7,521	8,637	(1,115)	-13%	34,547
Depreciation & asset impairment	63,881	79,150	79,150	–	–	19,788	(19,788)	-100%	79,150
Finance charges	36,467	22,261	22,261	–	–	5,565	(5,565)	-100%	22,261
Inventory consumed and bulk purchases	819,353	926,331	926,331	199,256	234,571	231,583	2,988	1%	926,331
Transfers and subsidies	2,528	4,850	4,850	240	821	1,213	(391)	-32%	4,850
Other expenditure	487,650	441,457	441,457	97,673	118,151	110,365	7,786	7%	441,457
Total Expenditure	2,166,359	2,344,984	2,344,984	356,400	536,281	586,248	(49,967)	-9%	2,344,984
Surplus/(Deficit)	(98,598)	20,727	20,727	(191,336)	133,806	5,179	128,627	2483%	20,727
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	109,706	167,766	167,766	–	–	41,941	###	-100%	167,766
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	2,856	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	13,964	188,493	188,493	(191,336)	133,806	47,121	86,686	184%	188,493
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	13,964	188,493	188,493	(191,336)	133,806	47,121	86,686	184%	188,493
Capital expenditure & funds sources									
Capital expenditure	119,502	179,266	179,266	6,196	8,715	44,817	(36,101)	-81%	179,266
Capital transfers recognised	104,315	167,766	167,766	6,163	7,693	41,942	(34,248)	-82%	167,766
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	15,186	11,500	11,500	33	1,022	2,875	(1,853)	-64%	11,500
Total sources of capital funds	119,502	179,266	179,266	6,196	8,715	44,817	(36,101)	-81%	179,266
Financial position									
Total current assets	2,662,188	2,242,830	2,242,830		2,206,854				2,242,830
Total non current assets	2,097,228	2,225,894	2,225,894		2,105,943				2,225,894
Total current liabilities	1,043,824	725,335	725,335		796,107				725,335
Total non current liabilities	436,934	417,829	417,829		427,015				417,829
Community wealth/Equity	2,916,177	3,325,560	3,325,560		3,049,983				3,325,560
Cash flows									
Net cash from (used) operating	57,980	256,277	256,277	–	331,985	64,069	(267,916)	-418%	256,277
Net cash from (used) investing	(111,391)	(142,399)	(179,266)	–	(2,520)	(35,600)	(33,080)	93%	(142,399)
Net cash from (used) financing	(2,980)	(16,583)	(10,734)	(106)	(39,703)	(14,089)	25,614	-182%	(56,357)
Cash/cash equivalents at the month/year end	40,142	191,186	160,168	–	332,770	14,380	(318,390)	-2214%	57,521
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	234,097	138,140	57,590	2,249,352	–	–	–	–	2,679,179
Creditors Age Analysis									
Total Creditors	76,121	110,635	104,475	79,915	21,954	–	68,935	241	462,276

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M03 September

Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		1,022,534	1,109,592	1,109,592	51,492	318,916	277,398	41,518	15%	1,109,592
Executive and council		420,845	478,759	478,759	5,219	102,477	119,690	(17,212)	-14%	478,759
Finance and administration		601,689	630,833	630,833	46,273	216,438	157,708	58,730	37%	630,833
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		24,102	27,556	27,556	1,571	4,317	6,889	(2,572)	-37%	27,556
Community and social services		10,785	10,980	10,980	190	826	2,745	(1,919)	-70%	10,980
Sport and recreation		1,131	3,315	3,315	59	114	829	(715)	-86%	3,315
Public safety		150	760	760	309	345	190	155	81%	760
Housing		11,967	12,401	12,401	1,012	3,010	3,100	(90)	-3%	12,401
Health		69	100	100	1	22	25	(3)	-13%	100
<i>Economic and environmental services</i>		17,700	23,286	23,286	499	1,415	5,821	(4,406)	-76%	23,286
Planning and development		7,783	5,166	5,166	375	940	1,291	(352)	-27%	5,166
Road transport		9,917	18,120	18,120	125	476	4,530	(4,054)	-89%	18,120
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1,108,344	1,363,208	1,363,208	110,987	343,186	340,802	2,384	1%	1,363,208
Energy sources		672,093	877,157	877,157	70,638	221,444	219,289	2,155	1%	877,157
Water management		287,090	328,612	328,612	26,500	80,394	82,153	(1,759)	-2%	328,612
Waste water management		86,391	86,848	86,848	7,983	23,645	21,712	1,933	9%	86,848
Waste management		62,770	70,592	70,592	5,866	17,702	17,648	54	0%	70,592
<i>Other</i>	4	7,644	9,835	9,835	514	2,254	2,459	(205)	-8%	9,835
Total Revenue - Functional	2	2,180,324	2,533,477	2,533,477	165,064	670,087	633,369	36,718	6%	2,533,477
Expenditure - Functional										
<i>Governance and administration</i>		640,979	683,100	683,100	79,244	147,015	170,776	(23,761)	-14%	683,100
Executive and council		400,365	405,549	405,549	58,508	88,703	101,387	(12,685)	-13%	405,549
Finance and administration		234,323	270,570	270,570	20,256	56,835	67,643	(10,809)	-16%	270,570
Internal audit		6,291	6,982	6,982	480	1,478	1,745	(268)	-15%	6,982
<i>Community and public safety</i>		166,029	183,469	183,469	11,532	40,724	45,868	(5,144)	-11%	183,469
Community and social services		40,133	42,230	42,230	3,469	10,111	10,558	(446)	-4%	42,230
Sport and recreation		47,702	55,822	55,822	4,143	11,850	13,956	(2,105)	-15%	55,822
Public safety		38,887	43,502	43,502	3,412	11,374	10,876	499	5%	43,502
Housing		21,940	23,480	23,480	1,887	5,555	5,870	(315)	-5%	23,480
Health		17,367	18,435	18,435	(1,381)	1,833	4,609	(2,776)	-60%	18,435
<i>Economic and environmental services</i>		123,036	139,819	139,819	8,936	27,451	34,955	(7,504)	-21%	139,819
Planning and development		39,994	48,172	48,172	3,215	9,522	12,043	(2,522)	-21%	48,172
Road transport		82,378	90,936	90,936	5,669	17,773	22,734	(4,961)	-22%	90,936
Environmental protection		665	711	711	52	157	178	(21)	-12%	711
<i>Trading services</i>		1,214,239	1,313,216	1,313,216	254,822	315,558	328,304	(12,746)	-4%	1,313,216
Energy sources		749,833	857,928	857,928	200,796	227,518	214,482	13,036	6%	857,928
Water management		314,140	296,663	296,663	40,871	54,419	74,166	(19,747)	-27%	296,663
Waste water management		91,753	88,033	88,033	7,552	18,889	22,008	(3,119)	-14%	88,033
Waste management		58,513	70,592	70,592	5,604	14,732	17,648	(2,916)	-17%	70,592
<i>Other</i>		22,076	25,380	25,380	1,865	5,532	6,345	(813)	-13%	25,380
Total Expenditure - Functional	3	2,166,359	2,344,984	2,344,984	356,400	536,281	586,248	(49,967)	-9%	2,344,984
Surplus/ (Deficit) for the year		13,964	188,493	188,493	(191,336)	133,806	47,121	86,686	184%	188,493

NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M03 September

Vote Description	Ref	2020/21	Budget Year 2021/22							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		420,845	478,759	478,759	5,219	102,477	119,690	(17,212)	-14.4%	478,759
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		6,247	6,804	6,804	425	434	1,701	(1,267)	-74.5%	6,804
Vote 05 - Community Services		90,713	110,627	110,627	6,992	21,534	27,657	(6,122)	-22.1%	110,627
Vote 06 - Financial Services		594,906	623,229	623,229	45,741	215,779	155,807	59,972	38.5%	623,229
Vote 07 - Strategy Econ Development And Planning		9,357	9,041	9,041	489	1,185	2,260	(1,075)	-47.6%	9,041
Vote 08 - Infrastructure And Services		1,058,256	1,305,018	1,305,018	106,199	328,677	326,254	2,423	0.7%	1,305,018
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	2,180,324	2,533,477	2,533,477	165,064	670,087	633,369	36,718	5.8%	2,533,477
Expenditure by Vote	1									
Vote 01 - Executive & Council		53,090	57,883	57,883	4,402	13,153	14,471	(1,318)	-9.1%	57,883
Vote 02 - Municipal And General		335,678	335,456	335,456	53,310	73,019	83,864	(10,845)	-12.9%	335,456
Vote 03 - Municipal Manager		22,272	25,025	25,025	1,580	5,005	6,256	(1,251)	-20.0%	25,025
Vote 04 - Corporate Services		63,012	73,211	73,211	5,586	15,805	18,303	(2,498)	-13.6%	73,211
Vote 05 - Community Services		259,526	297,403	297,403	19,664	63,028	74,351	(11,323)	-15.2%	297,403
Vote 06 - Financial Services		126,380	152,611	152,611	10,838	30,045	38,153	(8,108)	-21.3%	152,611
Vote 07 - Strategy Econ Development And Planning		53,419	59,374	59,374	4,464	12,973	14,844	(1,871)	-12.6%	59,374
Vote 08 - Infrastructure And Services		1,252,983	1,344,020	1,344,020	256,556	323,253	336,006	(12,753)	-3.8%	1,344,020
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,166,359	2,344,984	2,344,984	356,400	536,281	586,248	(49,967)	-8.5%	2,344,984
Surplus/ (Deficit) for the year	2	13,964	188,493	188,493	(191,336)	133,806	47,121	86,686	184.0%	188,493

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M03 September

Description	Ref	2020/21	Budget Year 2021/22							
		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		571,075	603,707	603,707	45,444	214,388	150,927	63,462	42%	603,707
Service charges - electricity revenue		659,307	861,157	861,157	69,654	218,562	215,289	3,273	2%	861,157
Service charges - water revenue		259,156	294,012	294,012	23,856	72,214	73,503	(1,289)	-2%	294,012
Service charges - sanitation revenue		78,186	76,648	76,648	7,186	21,306	19,162	2,144	11%	76,648
Service charges - refuse revenue		56,401	59,567	59,567	5,255	15,894	14,892	1,002	7%	59,567
Rental of facilities and equipment		12,018	13,145	13,145	1,027	3,036	3,286	(250)	-8%	13,145
Interest earned - external investments		2,835	9,000	9,000	15	(443)	2,250	(2,693)	-120%	9,000
Interest earned - outstanding debtors		109,408	157,200	157,200	10,195	29,133	39,300	(10,167)	-26%	157,200
Dividends received		—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits		29,477	34,725	34,725	248	1,465	8,681	(7,216)	-83%	34,725
Licences and permits		6,383	6,500	6,500	487	2,180	1,625	555	34%	6,500
Agency services		—	—	—	—	—	—	—	—	—
Transfers and subsidies		260,426	230,640	230,640	—	88,470	57,660	30,810	53%	230,640
Other revenue		17,354	19,411	19,411	1,698	3,880	4,853	(972)	-20%	19,411
Gains		5,736	—	—	—	—	—	—	—	—
Total Revenue (excluding capital transfers and contributions)		2,067,761	2,365,711	2,365,711	165,064	670,087	591,428	78,660	13%	2,365,711
Expenditure By Type										
Employee related costs		726,219	836,388	836,388	56,724	175,216	209,098	(33,882)	-16%	836,388
Remuneration of councillors		30,260	34,547	34,547	2,507	7,521	8,637	(1,115)	-13%	34,547
Debt impairment		344,346	275,000	275,000	68,750	68,752	68,750	2	0%	275,000
Depreciation & asset impairment		63,881	79,150	79,150	—	—	19,788	(19,788)	-100%	79,150
Finance charges		36,467	22,261	22,261	—	—	5,565	(5,565)	-100%	22,261
Bulk purchases - electricity		540,953	761,000	761,000	184,838	199,399	190,250	9,149	5%	761,000
Inventory consumed		278,400	165,331	165,331	14,418	35,172	41,333	(6,161)	-15%	165,331
Contracted services		40,651	46,687	46,687	5,432	6,088	11,672	(5,584)	-48%	46,687
Transfers and subsidies		2,528	4,850	4,850	240	821	1,213	(391)	-32%	4,850
Other expenditure		102,187	119,770	119,770	23,491	43,311	29,944	13,367	45%	119,770
Losses		467	—	—	—	—	—	—	—	—
Total Expenditure		2,166,359	2,344,984	2,344,984	356,400	536,281	586,248	(49,967)	-9%	2,344,984
Surplus/(Deficit)		(98,598)	20,727	20,727	(191,336)	133,806	5,179	128,627	0	20,727
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		109,706	167,766	167,766	—	—	41,941	(41,941)	(0)	167,766
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		2,856	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (in-kind - all)										
Surplus/(Deficit) after capital transfers & contributions		13,964	188,493	188,493	(191,336)	133,806	47,121			188,493
Taxation								—		
Surplus/(Deficit) after taxation		13,964	188,493	188,493	(191,336)	133,806	47,121			188,493
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		13,964	188,493	188,493	(191,336)	133,806	47,121			188,493
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		13,964	188,493	188,493	(191,336)	133,806	47,121			188,493

References

1. Material variances to be explained on Table SC1

Total Revenue (excluding capital transfers and contributions) inclu	2,180,324	2,533,477	2,533,477	165,064	670,087	633,369	2,533,477
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NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M03
September

Vote Description	Ref	2020/21	Budget Year 2021/22							
		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 01 - Executive & Council		-	-	-	-	-	-	-		-
Vote 02 - Municipal And General		26,692	33,000	32,000	5,192	5,606	8,068	(2,462)	-31%	32,000
Vote 03 - Municipal Manager		-	-	-	-	-	-	-		-
Vote 04 - Corporate Services		-	-	-	-	-	-	-		-
Vote 05 - Community Services		-	-	-	-	-	-	-		-
Vote 06 - Financial Services		-	-	-	-	-	-	-		-
Vote 07 - Strategy Econ Development And Planning		3,126	8,000	8,000	-	-	2,000	(2,000)	-100%	8,000
Vote 08 - Infrastructure And Services		64,887	81,266	81,266	951	2,621	20,317	(17,696)	-87%	81,266
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital Multi-year expenditure	4,7	94,705	122,266	121,266	6,143	8,226	30,385	(22,158)	-73%	121,266
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-		-
Vote 02 - Municipal And General		23,485	22,500	22,500	-	199	5,625	(5,426)	-96%	22,500
Vote 03 - Municipal Manager		-	-	-	-	-	-	-		-
Vote 04 - Corporate Services		-	-	-	-	-	-	-		-
Vote 05 - Community Services		-	-	-	-	-	-	-		-
Vote 06 - Financial Services		-	-	-	-	-	-	-		-
Vote 07 - Strategy Econ Development And Planning		-	-	-	-	-	-	-		-
Vote 08 - Infrastructure And Services		1,312	34,500	35,500	52	289	8,807	(8,517)	-97%	35,500
Vote 09 -		-	-	-	-	-	-	-		-
Vote 10 -		-	-	-	-	-	-	-		-
Vote 11 -		-	-	-	-	-	-	-		-
Vote 12 -		-	-	-	-	-	-	-		-
Vote 13 -		-	-	-	-	-	-	-		-
Vote 14 -		-	-	-	-	-	-	-		-
Vote 15 - Other		-	-	-	-	-	-	-		-
Total Capital single-year expenditure	4	24,797	57,000	58,000	52	489	14,432	(13,943)	-97%	58,000
Total Capital Expenditure		119,502	179,266	179,266	6,196	8,715	44,817	(36,101)	-81%	179,266
Capital Expenditure - Functional Classification										
Governance and administration		50,177	55,500	54,500	5,192	5,805	13,693	(7,888)	-58%	54,500
Executive and council		50,177	55,500	54,500	5,192	5,805	13,693	(7,888)	-58%	54,500
Finance and administration		-	-	-	-	-	-	-		-
Internal audit		-	-	-	-	-	-	-		-
Community and public safety		-	-	-	-	-	-	-		-
Community and social services		-	-	-	-	-	-	-		-
Sport and recreation		-	-	-	-	-	-	-		-
Public safety		-	-	-	-	-	-	-		-
Housing		-	-	-	-	-	-	-		-
Health		-	-	-	-	-	-	-		-
Economic and environmental services		3,126	8,000	8,000	-	-	2,000	(2,000)	-100%	8,000
Planning and development		3,126	8,000	8,000	-	-	2,000	(2,000)	-100%	8,000
Road transport		-	-	-	-	-	-	-		-
Environmental protection		-	-	-	-	-	-	-		-
Trading services		66,199	115,766	116,766	1,004	2,910	29,123	(26,213)	-90%	116,766
Energy sources		16,469	67,500	67,500	52	1,024	16,875	(15,851)	-94%	67,500
Water management		1,312	1,000	2,000	33	88	432	(344)	-80%	2,000
Waste water management		48,418	47,266	47,266	919	1,798	11,817	(10,018)	-85%	47,266
Waste management		-	-	-	-	-	-	-		-
Other		-	-	-	-	-	-	-		-
Total Capital Expenditure - Functional Classification	3	119,502	179,266	179,266	6,196	8,715	44,817	(36,101)	-81%	179,266
Funded by:										
National Government		101,832	167,766	167,766	6,163	7,693	41,942	(34,248)	-82%	167,766
Provincial Government		-	-	-	-	-	-	-		-
District Municipality		-	-	-	-	-	-	-		-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private		2,483	-	-	-	-	-	-		-
Transfers recognised - capital	6	104,315	167,766	167,766	6,163	7,693	41,942	(34,248)	-82%	167,766
Borrowing		-	-	-	-	-	-	-		-
Internally generated funds		15,186	11,500	11,500	33	1,022	2,875	(1,853)	-64%	11,500
Total Capital Funding		119,502	179,266	179,266	6,196	8,715	44,817	(36,101)	-81%	179,266

Section 52(d) 1st Quarter Performance report 2021/22

NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M03 September

Description	Ref	2020/21	Budget Year 2021/22			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		777,931	172,968	172,968	147,807	172,968
Call investment deposits		–	–	–	–	–
Consumer debtors		1,715,553	1,475,363	1,475,363	1,863,811	1,475,363
Other debtors		129,382	547,474	547,474	143,287	547,474
Current portion of long-term receivables		–	–	–	–	–
Inventory		39,323	47,025	47,025	51,948	47,025
Total current assets		2,662,188	2,242,830	2,242,830	2,206,854	2,242,830
Non current assets						
Long-term receivables		–	36,867	36,867	–	36,867
Investments						
Investment property		209,057	205,486	205,486	209,057	205,486
Investments in Associate						
Property, plant and equipment		1,865,761	1,964,370	1,964,370	1,874,476	1,964,370
Biological						
Intangible		10,339	7,307	7,307	10,339	7,307
Other non-current assets		12,071	11,864	11,864	12,071	11,864
Total non current assets		2,097,228	2,225,894	2,225,894	2,105,943	2,225,894
TOTAL ASSETS		4,759,416	4,468,724	4,468,724	4,312,797	4,468,724
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		–	–	–	–	–
Consumer deposits		39,774	45,623	45,623	39,703	45,623
Trade and other payables		1,004,051	590,399	590,399	756,404	590,399
Provisions		–	89,313	89,313	–	89,313
Total current liabilities		1,043,824	725,335	725,335	796,107	725,335
Non current liabilities						
Borrowing		182,267	172,829	172,829	182,267	172,829
Provisions		254,667	245,000	245,000	244,748	245,000
Total non current liabilities		436,934	417,829	417,829	427,015	417,829
TOTAL LIABILITIES		1,480,758	1,143,164	1,143,164	1,223,123	1,143,164
NET ASSETS	2	3,278,658	3,325,560	3,325,560	3,089,675	3,325,560
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		2,858,972	3,246,167	3,246,167	2,992,779	3,246,167
Reserves		57,205	79,393	79,393	57,205	79,393
TOTAL COMMUNITY WEALTH/EQUITY	2	2,916,177	3,325,560	3,325,560	3,049,983	3,325,560

C6 is not balancing. Total community wealth/equity is understated by R39,691m. This was taken with BCX and they are investigating the matter

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M03 September

Description	Ref	2020/21	Budget Year 2021/22							
		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		559,486	537,299	537,299	–	52,664	134,325	(81,661)	-61%	537,299
Service charges		1,805,322	901,622	901,622	–	226,118	225,405	713	0%	901,622
Other revenue		(835,294)	339,839	339,839	–	127,543	84,960	42,584	50%	339,839
Transfers and Subsidies - Operational		46,335	230,640	230,640	–	3,000	57,660	(54,660)	-95%	230,640
Transfers and Subsidies - Capital		27,240	149,809	149,809	–	13,253	37,452	(24,199)	-65%	149,809
Interest		2,787	–	–	–	–	–	–		–
Dividends								–		
Payments										
Suppliers and employees		(1,547,896)	(1,875,821)	(1,875,821)	–	(90,593)	(468,955)	(378,362)	81%	(1,875,821)
Finance charges		–	(22,261)	(22,261)	–	–	(5,565)	(5,565)	100%	(22,261)
Transfers and Grants		–	(4,850)	(4,850)	–	–	(1,213)	(1,213)	100%	(4,850)
NET CASH FROM/(USED) OPERATING ACTIVITIES		57,980	256,277	256,277	–	331,985	64,069	(267,916)	-418%	256,277
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								–		
Decrease (increase) in non-current receivables		–	36,867	–	–	–	9,217	(9,217)	-100%	36,867
Decrease (increase) in non-current investments								–		
Payments										
Capital assets		(111,391)	(179,266)	(179,266)	–	(2,520)	(44,816)	(42,297)	94%	(179,266)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(111,391)	(142,399)	(179,266)	–	(2,520)	(35,600)	(33,080)	93%	(142,399)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								–		
Borrowing long term/refinancing								–		
Increase (decrease) in consumer deposits		(2,980)	(5,849)	–	(106)	(39,703)	(11,406)	(28,298)	248%	(45,623)
Payments										
Repayment of borrowing		–	(10,734)	(10,734)	–	–	(2,684)	(2,684)	100%	(10,734)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(2,980)	(16,583)	(10,734)	(106)	(39,703)	(14,089)	25,614	-182%	(56,357)
NET INCREASE/ (DECREASE) IN CASH HELD		(56,392)	97,295	66,277	(106)	289,762	14,380			57,521
Cash/cash equivalents at beginning:		96,534	93,891	93,891	–	43,007				
Cash/cash equivalents at month/year end:		40,142	191,186	160,168		332,770	14,380			57,521

System error to be resolved so that Adjusted budget, monthly and YTD actuals populate correctly. The Cash and Cash equivalents is also overstated. Serious intervention is required to correct these discrepancies