



***MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT  
1 JULY 2023 TO 31 DECEMBER 2023 (MFMA S72)***

***SECOND QUARTER PERFORMANCE ASSESSMENT  
1 OCTOBER 2023 TO 31 DECEMBER 2023 (MFMA S52d)***

**24 JANUARY 2023**

To comply with the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (hereinafter referred to as the MFMA) in respect of Sections 52(d) and 72 and the Municipal Budget and Reporting Regulations as per government gazette no. 32141 dated 17 April 2009 in terms of Sections 31 and 33 and in the format specified in Schedule C.

**SOL PLAATJE LOCAL MUNICIPALITY**

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## List of Abbreviations and Acronyms

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  
SPCA - Society For The Prevention Of Cruelty To Animals  
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

## PART 1: IN-YEAR REPORT

### 1. Mayor's report

The Quarterly S52(d) assessment and the Mid-year Budget and Performance Assessment is compiled to comply with the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) (hereinafter referred to as the MFMA) in respect of Sections 52(d) and 72 and the Municipal Budget and Reporting Regulations as per government gazette no. 32141 dated 17 April 2009 in terms of Sections 31 and 33 and in the format specified in Schedule C.

As at 31 December 2023, the billed revenue excluding capital grants amounted to R1,494,153 billion resulting in 54.9% achieved versus the Original Budget of R2,719,604 billion. The billed revenue including capital grants amounted to R1,526,300 billion, resulting in a satisfactory variance of 2.0% when compared to the Original budget of R2,933,837 billion. The Total Operational Expenditure amounted to R1,330,169 billion versus the Original Budget of R2,691,252 billion, resulting in an actual achieved of 49.4%. The YTD actual on capital expenditure as at end of December 2023 amounted to R38,943 million and 15.6% spent when compared to the Original Budget of R249,473 million. The total YTD capex is funded from Capital grants R33,890 million (87%) and Internally generated funds R5,053 million (13%). Capital expenditure as at mid-year, is extremely low and major intervention is required for the financial year.

The following are the budget and other financial issues:

- Electricity tariffs
- New charges regarding electricity must be resolved by Council – huge financial loss (possible recovery plan is needed)
- Water and Electricity losses
- Collection on arrear debtors and liquidity of the Municipality
- Billing in general
- Serious implications of the non-compliance to the Municipal Debt Relief MFMA Circular 124
- Capex funding from internally generated funds
- Capital expenditure and capital grant dependency.

The municipality's Debt Relief application to National Treasury was approved on 30 October 2023. The municipality had an engagement with Eskom on 29 November 2023, to discuss the debt accrued after March 2023. A repayment proposal was submitted to Eskom for approval. It is imperative that the municipality abides with the conditions as non-compliance may have serious repercussions for the municipality and its electricity business. As per MFMA Circular 124, Section 5, articulated below are the consequence for failure to comply with the conditions of the Municipal Debt Relief and related initiatives:

"Municipalities are urged to maintain their behavioral change post the support. If a municipality fails to perform during the duration of the Municipal Debt Relief:

- a. The benefits of the Relief to that municipality will immediately cease;
- b. This means that Eskom will be obliged to implement its credit control and debt management policy on the defaulting municipality and the municipality must immediately start repaying its Eskom arrears, interest and penalties;
- c. Eskom may resume any legal proceedings (relating to the municipality's arrear debt, interest and penalties as of 31 March 2023), including attaching the municipal bank account; and
- d. The normal penalties applicable to the wider local government will also apply.

It is important to note that the work to resolve non-payment by municipalities is progressive and that the National Treasury intends to enforce the existing penalties available in the legislative framework and add additional penalties, including exploring but not limited to –

- A take-over of a defaulting municipality's electricity business;
- NERSA strengthening of license conditions;
- A National Treasury dispute resolution process;
- Strengthening and adding consequences and related consequence management processes as part of the ongoing review of the MFMA, including to facilitate the upfront resolve of budget issues and to instil a payment culture; and
- A wider special mechanism/ ombud system to facilitate organs of state payment and related disputes, including instituting consequences for organs of state failure to pay; etc.

In terms of the National Treasury's local government revenue improvement programme, all municipalities that benefit from the Municipal Debt Relief will continue to receive support towards strengthening their revenue value chains.

Municipalities are cautioned that the National Treasury considers the conditions set out in paragraph 6.1 to 6.14 as critical financial management minimum best practice and confirms that if a municipality fails to meet any and/ or a combination of the conditions set out in this Municipal Debt Relief framework, it could (over-and-above the consequences set out in 5.1 above) constitute a serious breach of its financial management fiduciary responsibilities and may also constitute financial misconduct as envisaged in the MFMA and Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014. The National Treasury reserves the right to immediately invoke section 216 of the Constitution and/ or any other remedies available to government in terms of the prevailing legislative framework in such a situation (including instituting individual financial misconduct and/ or criminal proceedings).

***Municipalities are reminded of MFMA s.173 to the effect that the accounting officer of a municipality is guilty of an offence if that accounting officer, deliberately or in a gross negligent way contravenes or fails to comply with MFMA s. 65(2)(f). Moreover, MFMA s.174 provides for penalties, to the extent where a person is liable on conviction of an offence in terms of section 173 to imprisonment for a period not exceeding five years or to an appropriate fine determined in terms of applicable legislation."***

As at 31 December 2023, the total debtor's book was standing at R3,699,364 billion, of which 89% of the debt is owed in excess of 90 days. The municipality is urging government, businesses and households to meet their obligation to the municipality or make payment arrangements with the municipality. The cash collection is not at a desired level, with the average Cost coverage at less than one month. This does not bode well for the municipality's financial position. *There needs to a major paradigm shift in the payment culture across all customer groups. This can only be achieved when the Credit Control and Debt Collection Policy is strictly, consistently and fairly applied to all customer groups.* Consumers that are not paying for services, must remember that no municipality will remain sustainable and functional if it expected to provide "services for free". And in the same breath, the municipality must employ all measures to ensure that customers receive quality and reliable services. The value of providing these services, should never be underestimated by the municipality as there is a direct correlation between providing quality services and consumers' willingness to pay. The municipality also introduced a Special Debt Relief Programme, with special incentives for all customers who want to settle their outstanding debt.

On 19 December 2023 a postponed Ordinary Council Meeting, which was converted to Special Council Meeting was held and Council made the following resolution (no.: C233/12/23)

1. Council has approved the Special Debt Relief Programme effective from the 05 December 2023 until 28 February 2024.
2. The Debt Relief Programme is only allowed for arrear debt equal or older than 90 Days.
3. The amount discounted as a result of this Special Debt Relief Programme shall be written off against Provision for Doubtful Debt.

4. There will be a public awareness programme.

We will be embarking on a campaign to promote the Debt Relief Programme as from 15 January 2024. In order to assist our Customers with rehabilitating their accounts and bringing their accounts up to date. We have already had some Customers take advantage of this great initiative and believe more Customers will do the same, once they become aware of the Programme. The awareness campaign will include radio interviews, newspaper articles, putting up of posters and handing out of flyers at different areas in our surrounding communities

### ANNUAL FINANCIAL STATEMENT AND AUDIT OUTCOMES FOR 2022/23 FINANCIAL YEAR

The municipality was able to submit the Annual Financial Statements and annual report on predetermined objectives to the Office of the Auditor General by the legislative deadline of 31 August 2023. Based on the audit report received on the 30<sup>th</sup> of November 2023, the overall audit outcome on the Financial Statements for the year ended 30 June 2023 is qualified with findings. The municipality stagnated on a qualified opinion on the financial statements over the last three years.

There was, however, an improvement in the quality of performance information which moved from a disclaimer to a qualified opinion. The continued material compliance findings hinders the obtainment of a clean audit. Audit outcomes of the prior three financial years, are indicated in the chart below:

Outcome area	Movement	2022-23	2021-22	2020-21
<b>Financial statements</b>		Qualified	Qualified	Qualified
<b>Annual performance report</b>				
<ul style="list-style-type: none"> <li>Basic Services and Infrastructure Development</li> </ul>		Qualified	Material findings	Material findings
<ul style="list-style-type: none"> <li>Local Economic Development</li> </ul>	n/a	Unqualified / No material findings	Not audited	Not audited

	Unqualified / No material findings		Qualified		Adverse		Disclaimed		Material findings		Not audited
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	Improvement		Regression		Unchanged
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Articulated in the table below, is the basis for the qualified opinion for the year ended 30 June 2023 in comparison to the year ended 30 June 2022. The audit outcome has deteriorated mainly as a result of repeat findings which requires strict remedial action to improve on results.

<b>Audit report status 2021/2022</b>	<b>Audit report status 2022/2023</b>
Qualified Audit Opinion	Qualified Audit Opinion
<b>Audit Findings</b>	<b>Audit Findings</b>
145	158
<b>Basis of qualified opinion</b>	<b>Basis of qualified opinion</b>
Property Plant and Equipment	Property Plant and Equipment
Service Charges	Service Charges
Trade Receivables from exchange transactions	Trade Receivables from exchange transactions
Statutory Receivables from non-exchange transactions	Investment Property
Investment Property	Inventory
Inventory	Revenue from exchange transactions
Revenue from exchange transactions	Loss/ write-down of inventory
	Material losses – electricity
<b>Emphasis of matter</b>	
Restatement of corresponding figures	
Material losses	

### **Audit Action Plan**

The Audit Action Plan for the 2022/23 financial year has been developed and is in the progress of being addressed. Indicated in the table below is the progress as at 19 January 2024, showing that 4 percent of the findings have not been started; 12 percent is under development and 84 percent has been developed and in the process of being reviewed by Internal Audit. In terms of implementation status, 32 percent has not been started, 60 percent is in progress and 8 percent has been completed.

Progress thus far has been slow due to staff being on leave over the festive season. If, executive management and responsible officials truly put in a concerted effort and work hard to address audit findings; enhance internal controls and processes, adhere and implement recommendations of the Auditor General, it can significantly improve the audit outcome in the future. It is imperative that performance overall improves and officials diligently do what is expected from them on a daily and/or monthly basis in line with their job requirements, to ensure that audit findings are reduced or eliminated to eventually achieve a clean audit. Improvement and stricter application of internal controls, consequence management measures and holding officials accountable will significantly contribute in the improvement of audit outcomes.



Development	No of Findings			
	Matters Affecting Audit Report	Other Important Matters	Total	% Achieved
Not Yet Started	1	5	6	4%
Under Development	10	9	19	12%
Developed - Management Approved	8	7	15	9%
Developed - CFO Approved	41	63	104	66%
Developed - Internal Auditor Approved	14	0	14	9%
Developed - Audit Committee Approved	0	0	0	0%
Developed - Council Approved	0	0	0	0%
<b>Total</b>	<b>74</b>	<b>84</b>	<b>158</b>	<b>100%</b>
Implementation	Matters Affecting Audit Report	Other Important Matters	Total	% Achieved
Not Yet Started	16	35	51	32%
In Progress	49	46	95	60%
Completed	9	3	12	8%
Agreed Findings Addressed	0	0	0	0%
<b>Total</b>	<b>74</b>	<b>84</b>	<b>158</b>	<b>100%</b>
Findings also addressed in current year	0	0	0	

### Summary of the potential impact of the national adjustments budget and the relevant provincial adjustments budget.

As per the Adjusted DoRA Bill the following grants have been reduced. Operational and capital expenditure will have to be reduced in line with the reductions as gazetted. Meetings are being scheduled with project managers to identify which capital projects will be affected and will have to be delayed.

DESCRIPTION	23/24 Original Allocation	Adjustment Increase (Decrease)	23/24 Adjusted Allocation
LIBRARY GRANT	8,300,000	0	8,300,000
FMG (LOCAL GOV FINANCIAL MANAGEMENT GRANT)	1,700,000	0	1,700,000
ISDG (INFRASTRUCTURE SKILLS DEVELOPMENT GRANT)	5,500,000	(500,000)	5,000,000
EPWP (EXPANDED PUBLIC WORKS PROGRAMME)	3,286,000	(184,000)	3,102,000
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	48,026,000	(12,186,000)	35,840,000
NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT)	2,000,000	0	2,000,000
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	86,000,000	(11,000,000)	75,000,000
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	74,207,000	0	74,207,000
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,000,000	0	4,000,000
<b>TOTAL</b>	<b>233,019,000</b>	<b>(23,870,000)</b>	<b>209,149,000</b>

Based on the mid-term budget assessment results and adjustments on grants, it is recommended that an adjustments budget for the municipality for 2023/24 MTREF is necessary.

## 2. Background

Section 52(d) of the Municipal Finance Management Act requires that the Mayor of a municipality must within 30 days after the end of each quarter, submit a report to Council on the implementation of the budget and the financial state of affairs of the municipality.

Whilst section 72 of the Municipal Finance Management Act requires that the Accounting Officer of a municipality must by 25 January each year, assess the performance of the municipality during the first half of the financial year and submit a report on such an assessment to the Mayor, National Treasury and Provincial Treasury.

The quarterly and mid-term assessment report of the municipality is prepared in accordance with the format specified in Schedule C and includes all the required tables, charts and explanatory information as prescribed in Municipal Budget and Reporting Regulations.

***In terms of Section 72 (1) of the MFMA, the Accounting Officer of a municipality must by 25 January of each year***

***a) Assess the performance of the municipality during the first half of the financial year, taking into account***

- (i) The monthly statements referred to in section 71 for the first half of the financial year;***
- (ii) The municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;***
- (iii) The past year's annual report, and progress on resolving problems identified in the annual report; and***
- (iv) The performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and***

***b) submit a report on such assessment to-***

- (i) The Mayor of the municipality;***
- (ii) The National Treasury; and***
- (iii) The relevant provincial treasury.***

*In terms of Section 52 of the MFMA, the mayor of a municipality*

- a) must provide general political guidance over the fiscal and financial affairs of the municipality;*
- b) in providing such general political guidance, may monitor and, to the extent provided in this Act, oversee the exercise of responsibilities assigned in terms of this Act to the accounting officer and the chief financial officer, but may not interfere in the exercise of those responsibilities;*
- c) must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget;*
- d) must, within 30 days of the end of each quarter, submit a report to the council on the implementation of the budget and the financial state of affairs of the municipality; and*
- e) must exercise the other powers and perform the other duties assigned to the mayor in terms of this Act or delegated by the council to the mayor.*

### 3. Resolutions

#### 1. **TABLING OF THE MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT REPORT (JULY TO DECEMBER 2023) AND THE QUARTER 2 BUDGET IMPLEMENTATION AND PERFORMANCE REPORT (OCTOBER TO DECEMBER 2023) FOR THE 2023/24 FINANCIAL YEAR**

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##### Purpose

The purpose of the report is to submit the Mid-year Budget and Performance Assessment to the Council as required by Section 72 (1), (2) and (3) and Quarter 2 Performance Report for the period 1 October to 31 December 2023 in terms of Section 52 (d) of MFMA No.56 of 2003.

##### For noting / for decision by

The item/report has NOT been considered by a portfolio committee.

This item is for recommendation by the Executive Mayor to Council.

##### Background

Section 72 of MFMA No.56 of 2003 stipulates the following:

1. The Accounting Officer must each year assess the performance of the municipality during the first half of the financial year and take all reasonable steps to ensure that the municipality approves its Annual Budget before the start of the budget year.
2. That the annual Performance Agreements as required in terms of Section 57 (1)(b) of the Municipal Systems Act for the Municipal Manager and all Senior Managers comply with the MFMA to promote sound financial management.

Whereas, MFMA Section 52(d) requires that the Executive Mayor must submit to Council a report on the Quarterly Budget Implementation and Financial State of Affairs of the municipality.

The two reports had been combined for convenience as the reporting period coincides.

##### Discussion

The Mid-year Budget and Performance Assessment is meant to give meaning to both in-year reporting in terms of Section 71 (monthly reporting), Section 72 (mid-year reporting) and end of year annual reports.

The Mid-year Budget and Performance Assessment are not required to be approved by Council, it is however tabled before Council and made public for information and monitoring purposes.

It should be seen as a dynamic tool, that may be utilized by the Municipal Manager and other top managers as actual measurement of performance after six months and in year. However if there is to be changes in service delivery targets, and performance indicators, this must be with the approval of the Council following approval of the Adjustment budget (section 54(1) of MFMA).

Both reports are submitted with recommendation as outlined in the item below.

##### Annexures

Mid-year Budget and Performance Assessment Report (July-December 2023) and the Quarter Two Budget Implementation and Performance Report (October-December 2023) for 2023/24 Financial Year. **ANNEXURE**

### Motivation

None

### Personnel Implications

None

### Financial Implications

None

### Legal Authority and Implications

Municipal Finance Management Act, Act 56 of 2003, Section 52(d) and Section 72.

### Consultation

Executive Mayor, Municipal and Executive Directors

### Contact Person

Executive Mayor: 053-8306 269

Municipal Manager: 053-8306 100

Acting CFO (K Samolapo): 053-8306 500

IDP Manager (Ms O Gopane): 053-8306682

### **RECOMMENDATION:**

- 1. That Council notes the 2023/24 Mid-year Budget and Performance Assessment Report for the period July to December 2023.**
- 2. That Council notes the Quarter Two Budget Implementation and Performance Report for the period 1 October to 31 December 2023.**
- 3. That the Mid-year Budget and Performance Assessment Report (July to December 2023) for 2023/24 budget year be sent to National and Provincial Treasury.**
- 4. That based on the indications from the mid-year report, the Accounting Officer reviews both the operating budget and capital budget and prepare an adjustment budget and in turn revise the Service Delivery Targets in line with the budget.**
- 5. That Annexure A (Quarter 2 Budget Implementation and Performance Report (October-December 2023) as per the Mid-year Budget and Performance Assessment Report for the period 1 July to 31 December 2023 for the 2023/24 Financial Year be noted**

#### 4. Executive summary

The Statement of Financial Performance shown in 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	YTD Budget December 2023	YTD Actual December 2023	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	1,359,802	1,494,153	134,351	109.9%	9.9%
Total Revenue (including capital transfers and contributions)	1,466,918	1,526,300	59,382	104.0%	4.0%
Total Operational Expenditure	1,345,631	1,330,169	(15,462)	98.9%	-1.1%

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

As indicated in Table 1 above, as at 31 December 2023, the billed revenue excluding capital grants amounted to R1,494,153 billion which resulted in a satisfactory variance of 9.9% when compared to the YTD Budget of R1,359,802 billion. The billed revenue including capital grants amounted to R1,526,300 billion, resulting in a satisfactory variance of 4.0% when compared to the YTD budget of R1,466,918 billion. Capital grants are recognised in the Statement of Financial Performance, monthly as soon as the conditions of the grant have been met. Reasons for the variances are articulated in Section 4.1 below. The Total Operational Expenditure amounted to R1,330,169 billion versus the YTD Budget of R1,345,631 billion, resulting in a satisfactory variance of minus 1.1%. Reasons for the variance are articulated in Section 4.2 below.

Summary Statement of Financial Performance: Original Budget					
Description R thousand	Original Budget	YTD Actual December 2023	Variance Favourable (Unfavourable)	% YTD Actual vs Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 50.00%
Total Revenue (excluding capital transfers and contributions)	2,719,604	1,494,153	1,267,519	54.9%	4.9%
Total Revenue (including capital transfers and contributions)	2,933,837	1,526,300	1,281,814	52.0%	2.0%
Total Operational Expenditure	2,691,252	1,330,169	1,105,898	49.4%	-0.6%

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 50.00% [calculated as follow: (100/12 months x 6 months of the year)] as at the end of December 2023, the Total operational revenue excluding capital grants versus the Original Budget resulted in a satisfactory variance of 4.9%. The Total operational revenue including capital grants versus the Original Budget resulted in a satisfactory variance of 2.0%. The Total Operational Expenditure resulted in a satisfactory variance of minus 0.6%.

**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 to 10 percent range, as prescribed by National Treasury are acceptable and need not necessarily be explained.**

## 5. Budget performance overview

### 5.1 Operating Revenue by Source

Description	Original Budget	Monthly actual	YearTD actual	YearTD budget	Achieved YTD Budget	YTD variance	YTD variance	Achieved Original Budget	Original Budget Variance	Original Variance IYM % - 50%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity	1,034,872	63,517	459,939	517,436	88.9%	(57,497)	-11.1%	44.4%	(57,497)	-5.6%
Service charges - Water	327,114	24,873	144,640	163,557	88.4%	(18,917)	-11.6%	44.2%	(18,917)	-5.8%
Service charges - Waste Water Managem	89,858	8,071	48,083	44,929	107.0%	3,154	7.0%	53.5%	3,154	3.5%
Service charges - Waste management	65,412	6,534	38,157	32,706	116.7%	5,452	16.7%	58.3%	5,452	8.3%
Sale of Goods and Rendering of Services	15,579	1,147	8,896	7,790	114.2%	1,106	14.2%	57.1%	1,106	7.1%
Agency services	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	168,880	21,669	125,198	84,440	148.3%	40,758	48.3%	74.1%	40,758	24.1%
Interest from Current and Non Current Ass	7,000	502	4,728	3,500	135.1%	1,228	35.1%	67.5%	1,228	17.5%
Dividends	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	26,930	2,431	14,041	13,465	104.3%	576	4.3%	52.1%	576	2.1%
Licence and permits	1,200	32	365	600	60.8%	(235)	-39.2%	30.4%	(235)	-19.6%
Operational Revenue	3,134	322	2,321	1,567	148.1%	754	48.1%	74.1%	754	24.1%
<b>Non-Exchange Revenue</b>										
Property rates	660,893	44,916	410,589	330,447	124.3%	80,142	24.3%	62.1%	80,142	12.1%
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	30,660	378	15,363	15,330	100.2%	33	0.2%	50.1%	33	0.1%
Licence and permits	6,150	409	2,992	3,075	97.3%	(83)	-2.7%	48.7%	(83)	-1.3%
Transfers and subsidies - Operational	281,921	80,490	195,438	140,960	138.6%	54,477	38.6%	69.3%	54,477	19.3%
Interest	-	-	-	-	-	-	-	-	-	-
Fuel Levy	-	-	-	-	-	-	-	-	-	-
Operational Revenue	-	4,425	22,342	-	-	22,342	-	-	22,342	-
Gains on disposal of Assets	-	-	1,059	-	-	-	-	-	-	-
Other Gains	-	-	-	-	-	-	-	-	-	-
Discontinued Operations	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,719,604</b>	<b>259,713</b>	<b>1,494,153</b>	<b>1,359,802</b>	<b>109.9%</b>	<b>133,292</b>	<b>9.8%</b>	<b>54.9%</b>	<b>134,351</b>	<b>4.9%</b>
Transfers and subsidies - capital	214,233	8,452	32,148	107,116	30.0%	(74,969)	-70.0%	15.0%	(74,969)	-35.0%
<b>Total Revenue (including capital transfers and contributions)</b>	<b>2,933,837</b>	<b>268,165</b>	<b>1,526,300</b>	<b>1,466,918</b>	<b>104.0%</b>	<b>59,382</b>	<b>4.0%</b>	<b>52.0%</b>	<b>59,382</b>	<b>2.0%</b>

Table 3: Table C4 Financial Performance (Revenue)

### Comparison against the YTD Budget

#### Exchange Revenue

- ❖ Service charges - Electricity is showing an unsatisfactory variance of minus 11.1%. Service charges Water is showing an under-recovery of minus 11.6%. It is imperative that the Billing section does a proper investigation to ensure that all properties have functional meters installed and are billed accurately. The same applies to all Service charges., Sanitation and Refuse are all showing an over-recovery when compared to the YTD budget.
- ❖ Sale of Goods and Rendering of Services is overstated by 14.2%, as a result of advance receipts on the approval of buildings plan to the tune of R2,833 million.
- ❖ Interest earned from Receivables is showing a positive variance of 48.3% due to the increase in specifically debt over 90 days and the consecutive interest rate hikes in the recent past.
- ❖ Interest from Current and Non-current Assets shows a positive variance of 35.1%. It should be noted that investments have remained relatively constant for the previous financial year. The municipality is improving on its cash and investment management and attempts to invest as much as possible of funds not immediately needed for operations. And the municipality is also investing capital grants

already received and withdraws funds when capital payments must be made. The bulk of the interest earned will be recognised as part of the year-end procedures.

- ❖ Licences and permits is showing a negative variance of 39.2%, as a result of the receipts on Road & Trsp: Operator & Pub Driv Permits being lower than anticipated.
- ❖ Operational Revenue is showing a positive variance of 48.1%, as a result of an over-recovery on Incidental Cash Surpluses and Commission: Transaction Handling Fees.

### **Non-Exchange Revenue**

- ❖ Property Rates is showing a positive YTD variance of 24.3%, due to the annual billing on Property rates.
- ❖ Transfers and subsidies - Operational is showing a positive variance of 38.6% as a result the receipt of the second tranche of the Equitable Share.
- ❖ Operational Revenue is showing movement of R22,342 million against a zero budget. This revenue pertains to availability charges billed for services. The budget will be corrected during the Adjustment budget for the year under review.
- ❖ Gains on disposal of assets, predominantly pertains to the sale of land.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 70% when compared to the YTD budget. Capital grants remains lower than anticipated due to poor capital grant expenditure. Serious intervention will have to be taken by Management to improve on monthly capital grant expenditure and capital expenditure overall. Capital grants are recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant have been met.

### **Comparison against Original Budget**

Based on the IYM percentage of 50%, the majority of revenue sources are performing satisfactorily.

### **Exchange Revenue**

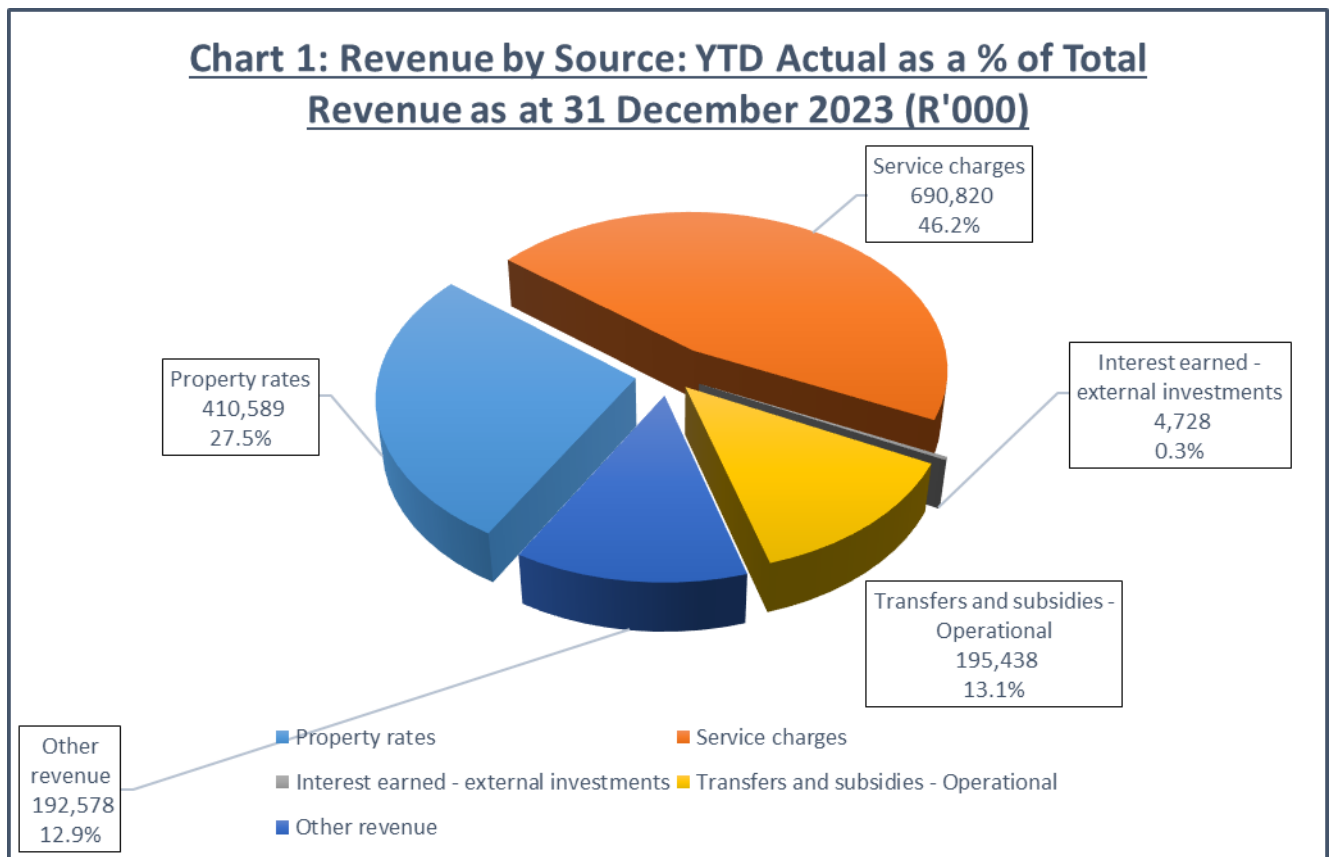
- ❖ Service charges against the Original budget is generally showing satisfactory performance.
- ❖ Sale of Goods and Rendering of Services is showing a positive variance of 7.1.%. Same factors are applicable as described in the paragraph above.
- ❖ Interest earned from Receivables is showing a positive variance of 24.1%. Same factors are applicable as described in the paragraph above.
- ❖ Interest from Current and Non-current Assets shows a positive variance of 17.5%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits is showing an unsatisfactory variance of minus 19.6%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a satisfactory variance of 24.1%. Same factors are applicable as described in the paragraph above.



**Non-Exchange Revenue**

- ❖ Property Rates is showing a positive variance of 12.1%, due to the annual billing on Property rates.
- ❖ Transfers and subsidies - Operational is showing a positive variance of 19.3% as a result the receipt of the second tranche of the Equitable Share.
- ❖ Operational Revenue is showing movement of R22,342 million against a zero budget. This revenue pertains to availability charges billed for services. The budget will be corrected during the Adjustment budget for the year under review.
- ❖ Gains on disposal of assets, predominantly pertains to the sale of land.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 35%. Capital grants remains lower than anticipated due to poor capital grant expenditure. Serious intervention will have to be taken by Management to improve on monthly capital grant expenditure and capital expenditure overall. Capital grants are recognised in the Statement of Financial Performance, on a monthly basis as soon as the conditions of the grant have been met.

Indicated in Chart 1 below is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 31 December 2023. The main contributors of the municipality’s revenue are Service Charges (46.2%), Property Rates (27.5%) and Transfers and subsidies (13.1%). The contribution per Revenue source is still slightly distorted, as a result of the annual billing of Property rates and the receipt of the second tranche of the Equitable Share.



**Chart 1: Revenue by Source: YTD Actual as a percentage of Total Revenue**



## 5.2 Operating Expenditure by Type

Description	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance	Achieved Original Budget	Original Budget Variance	Original Variance IYM % - 50%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Expenditure By Type										
Employee related costs	881,637	85,279	440,354	440,821	99.9%	(467)	-0.1%	49.9%	(465)	-0.1%
Remuneration of councillors	35,559	3,027	18,118	17,780	101.9%	339	1.9%	51.0%	339	1.0%
Bulk purchases - electricity	785,000	64,527	420,230	392,500	107.1%	27,730	7.1%	53.5%	27,730	3.5%
Inventory consumed	305,900	21,124	136,554	152,951	89.3%	(16,397)	-10.7%	44.6%	(16,396)	-5.4%
Debt impairment	317,500	79,375	158,750	158,750	100.0%	(0)	0.0%	50.0%	-	0.0%
Depreciation and amortisation	86,650	-	-	43,325	0.0%	(43,325)	-100.0%	0.0%	(43,325)	-50.0%
Interest	19,495	10,003	10,011	9,747	102.7%	264	2.7%	51.4%	264	1.4%
Contracted services	48,113	5,240	24,849	24,057	103.3%	792	3.3%	51.6%	792	1.6%
Transfers and subsidies	4,560	20	2,422	2,280	106.2%	142	6.2%	53.1%	142	3.1%
Irrecoverable debts written off	-	-	-	-	-	-	-	-	-	-
Operational costs	145,639	14,066	91,007	72,821	125.0%	18,186	25.0%	62.5%	18,188	12.5%
Losses on Disposal of Assets	-	-	-	-	-	-	-	-	-	-
Other Losses	61,200	-	27,873	30,600	91.1%	(2,727)	-8.9%	45.5%	(2,727)	-4.5%
<b>Total Expenditure</b>	<b>2,691,252</b>	<b>282,661</b>	<b>1,330,169</b>	<b>1,345,631</b>	<b>98.9%</b>	<b>(15,462)</b>	<b>-1.1%</b>	<b>49.4%</b>	<b>(15,457)</b>	<b>-0.6%</b>

Table 4: Table C4 Financial Performance (Expenditure)

### Comparison against YTD Budget

As indicated in the Table 4 above, as at 31 December 2023 current YTD expenditure shows a satisfactory variance of minus 1.1%. The YTD actual amounted to R1,330,169 billion against the YTD Budget of R1,345,631 billion.

- ❖ Employee related costs shows a satisfactory variance of minus 0.1%. Post-retirement benefit obligations are not factored in and will only be finalised as part of year-end procedures.
- ❖ Remuneration of councillors is showing a satisfactory variance of 1.9%.
- ❖ Bulk purchases – Electricity is showing a satisfactory variance of 7.1%. It should be noted that currently interest on overdue accounts is included in this line item, but it will be corrected during the Adjustments budget in February 2024.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 10.7%. Expenditure for the first month of the year is normally low, due later re-opening of the financial year after year-end closure. Various commitments are raised on the system, awaiting delivery of goods and services. 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 with good value for money and that funds will be fully spent at year-end. The major backlog and deterioration of infrastructure and high-level of crisis management is negatively influencing this expenditure line items and sound financial management of budgets is not adequately exercised. Deviations and re-directing of funds to manage crises is severely and rapidly depleting the R&M budget, impeding on the funds required for day-to-day maintenance. Lack of maintenance plans and planned maintenance is impeding on the municipality's ability to maintain assets optimally. There are limited resources available with severe budgetary constraints with the current cash flow position putting major strain on the municipality's finances to actually address service delivery challenges. The municipality is obligated to ensure that tariffs are cost-reflective whilst ensuring that tariff increases are inflationary related as prescribed by NT's annual MFMA Budget circulars. This is a major impediment for the municipality to increase the R&M budget to a desired level to actually address backlogs, whilst employee costs, provision for bad debts and other expenditure is putting further strain on the budgets each year.

R&M Expenditure per Directorate per Inventory type as at 31 December 2023 (Amounts in Rand)	Sum of Original Budget	Sum of Adjustment Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original	Sum of % Spent Adj budget	% Spent compared against ideal IYM % of 50.00%
<b>VOTE 1 - COUNCILLORS AND ADMIN</b>	<b>286,000</b>	<b>286,000</b>	<b>1,150</b>	<b>83,959</b>	<b>29.36%</b>	<b>29.36%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	118,000	124,000	1,150	38,995	33.05%	31.45%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	166,000	160,000	-	44,964	27.09%	28.10%	UNSATISFACTORY
<b>VOTE 2 - MUNICIPAL AND GENERAL</b>	<b>30,576,000</b>	<b>30,576,000</b>	<b>2,432,136</b>	<b>15,374,949</b>	<b>50.28%</b>	<b>50.28%</b>	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	670,000	670,000	-	149,767	22.35%	22.35%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	250,000	244,000	11,543	104,245	41.70%	42.72%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	-	6,000	2,162	5,102	#DIV/0!	85.03%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	29,656,000	29,656,000	2,418,432	15,115,835	50.97%	50.97%	SATISFACTORY
<b>VOTE 3 - MUNICIPAL MANAGER</b>	<b>138,000</b>	<b>138,000</b>	<b>9,796</b>	<b>71,277</b>	<b>51.65%</b>	<b>51.65%</b>	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	120,000	122,000	-	59,606	49.67%	48.86%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,000	16,000	9,796	11,671	64.84%	72.94%	OVERSPENT
<b>VOTE 4 - CORPORATE SERVICES</b>	<b>10,645,730</b>	<b>10,645,730</b>	<b>134,495</b>	<b>1,129,440</b>	<b>10.61%</b>	<b>10.61%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	867,000	865,000	83,871	491,730	56.72%	56.85%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	260,000	260,000	5,944	136,154	52.37%	52.37%	SATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	340,730	375,730	40,097	330,174	96.90%	87.88%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	9,178,000	9,145,000	4,583	171,382	1.87%	1.87%	UNSATISFACTORY
<b>VOTE 5 - COMMUNITY SERVICES</b>	<b>34,528,500</b>	<b>34,528,500</b>	<b>2,235,752</b>	<b>12,723,730</b>	<b>36.85%</b>	<b>36.85%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,008,500	1,063,500	132,694	441,486	43.78%	41.51%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	58,000	58,000	-	1,555	2.68%	2.68%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	195,000	195,000	30,742	140,049	71.82%	71.82%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	965,000	945,000	62,684	422,216	43.75%	44.68%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	7,457,000	7,513,000	666,148	4,146,261	55.60%	55.19%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	953,000	958,000	20,573	128,316	13.46%	13.39%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,892,000	23,796,000	1,322,911	7,443,845	31.16%	31.28%	UNSATISFACTORY
<b>VOTE 6 - FINANCIAL SERVICES</b>	<b>2,399,000</b>	<b>2,399,000</b>	<b>98,238</b>	<b>964,357</b>	<b>40.20%</b>	<b>40.20%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,270,000	1,100,000	48,672	596,040	46.93%	54.19%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	159,000	169,000	5,861	67,958	42.74%	40.21%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	172,000	172,000	8,983	77,100	44.83%	44.83%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	798,000	958,000	34,722	223,259	27.98%	23.30%	UNSATISFACTORY
<b>VOTE 7 - STRATEGY &amp; ECONOMIC DEVELOPMENT</b>	<b>6,430,000</b>	<b>6,430,000</b>	<b>388,811</b>	<b>2,864,059</b>	<b>44.54%</b>	<b>44.54%</b>	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	464,000	456,000	-	69,588	15.00%	15.26%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	61,000	64,000	770	28,676	47.01%	44.81%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	362,000	292,000	19,045	161,955	44.74%	55.46%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	6,000	86,000	1,385	5,470	91.17%	6.36%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	5,537,000	5,532,000	367,611	2,598,369	46.93%	46.97%	SATISFACTORY
<b>VOTE 8 - INFRASTRUCTURE SERVICES</b>	<b>220,896,654</b>	<b>220,896,654</b>	<b>15,823,606</b>	<b>103,342,024</b>	<b>46.78%</b>	<b>46.78%</b>	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	677,000	672,000	22,930	259,580	38.34%	38.63%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	13,660,000	13,660,000	86,149	6,310,059	46.19%	46.19%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	721,000	736,000	118,459	575,275	79.79%	78.16%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,650,000	6,650,000	619,234	4,529,805	68.12%	68.12%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	360,000	360,000	41,389	269,332	74.81%	74.81%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	137,626,654	137,616,654	9,671,304	48,665,839	35.36%	35.36%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	61,200,000	61,200,000	5,264,141	42,732,134	69.82%	69.82%	OVERSPENT
<b>Grand Total</b>	<b>305,899,884</b>	<b>305,899,884</b>	<b>21,123,985</b>	<b>136,553,794</b>	<b>44.64%</b>	<b>44.64%</b>	UNSATISFACTORY

Table 4.1 R&M Expenditure per Directorate per inventory type

R&M Expenditure per Service per Inventory Type as at 31 December 2023 (Amounts in Rand)	Sum of Original Budget	Sum of Adjustment Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original Budget	Sum of % Spent Adj Budget	% Spent compared against ideal IYM % of 50.00%
<b>2480 - REFUSE</b>	<b>20,731,000</b>	<b>20,731,000</b>	<b>1,137,848</b>	<b>7,036,817</b>	<b>33.94%</b>	<b>33.94%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	71,000	71,000	-	36,164	50.94%	50.94%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	210,000	210,000	-	13,640	6.50%	6.50%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	5,000,000	5,000,000	370,142	2,903,170	58.06%	58.06%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	750,000	750,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	14,700,000	14,700,000	767,706	4,083,843	27.78%	27.78%	UNSATISFACTORY
<b>2830 - ROADS</b>	<b>46,038,000</b>	<b>46,038,000</b>	<b>4,769,371</b>	<b>14,586,195</b>	<b>31.68%</b>	<b>31.68%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	50,000	50,000	4,588	28,775	57.55%	57.55%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	54,000	54,000	14,133	15,284	28.30%	28.30%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	45,934,000	45,934,000	4,750,650	14,542,136	31.66%	31.66%	UNSATISFACTORY
<b>2840 - HOUSING</b>	<b>3,497,000</b>	<b>3,497,000</b>	<b>151,973</b>	<b>1,208,303</b>	<b>34.55%</b>	<b>34.55%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	98,000	108,000	8,332	74,933	76.46%	69.38%	OVERSPENT
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	125,000	125,000	-	121,412	97.13%	97.13%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	150,000	150,000	-	41,987	27.99%	27.99%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,123,000	3,113,000	143,641	969,971	31.06%	31.16%	UNSATISFACTORY
<b>2850 - SEWERAGE</b>	<b>20,739,000</b>	<b>20,739,000</b>	<b>1,187,789</b>	<b>8,712,701</b>	<b>42.01%</b>	<b>42.01%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	45,000	45,000	-	9,564	21.25%	21.25%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	150,000	150,000	1,207	55,517	37.01%	37.01%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	239,000	239,000	44,232	225,816	94.48%	94.48%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	1,700,000	1,700,000	183,492	1,309,027	77.00%	77.00%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	100,000	100,000	468	53,400	53.40%	53.40%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,505,000	18,505,000	958,389	7,059,378	38.15%	38.15%	UNSATISFACTORY
<b>2860 - WATER</b>	<b>105,314,000</b>	<b>105,314,000</b>	<b>8,635,596</b>	<b>66,890,275</b>	<b>63.52%</b>	<b>63.52%</b>	<b>OVERSPENT</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	95,000	80,000	5,591	36,501	38.42%	45.63%	SATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	13,510,000	13,510,000	84,942	6,254,542	46.30%	46.30%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	105,000	120,000	12,071	90,609	86.29%	75.51%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	1,600,000	1,600,000	151,497	1,123,288	70.21%	70.21%	OVERSPENT
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	260,000	260,000	40,920	215,932	83.05%	83.05%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	28,544,000	28,544,000	3,076,434	16,437,268	57.59%	57.59%	OVERSPENT
2326600 (INVENTORY - WATER)	61,200,000	61,200,000	5,264,141	42,732,134	69.82%	69.82%	OVERSPENT
<b>2880 - ELECTRICITY</b>	<b>49,461,000</b>	<b>49,461,000</b>	<b>1,624,909</b>	<b>11,930,142</b>	<b>24.12%</b>	<b>24.12%</b>	<b>UNSATISFACTORY</b>
2320601 (INV-CONSUMABLE-SR/STATIONERY)	194,000	194,000	4,419	60,315	31.09%	31.09%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	71,000	71,000	45,781	66,225	93.27%	93.27%	OVERSPENT
2323600 (INVENTORY - MATERIALS & SUPPLIES)	49,195,000	49,195,000	1,574,709	11,803,603	23.99%	23.99%	UNSATISFACTORY
<b>Grand Total</b>	<b>245,780,000</b>	<b>245,780,000</b>	<b>17,507,486</b>	<b>110,364,433</b>	<b>44.90%</b>	<b>44.90%</b>	<b>UNSATISFACTORY</b>

Table 4.2 R&M Expenditure per Service per inventory type

- ❖ Debt impairment will be provided for on a quarterly basis and the journal for the second quarter was processed during December 2023.
- ❖ Depreciation was projected for on a straight-line basis but is only be provided for, as part of year-end procedures. The municipality is currently engaging our service provider to make use of the available Asset module on the financial system. A demonstration is being scheduled by our service provider.
- ❖ Interest is showing a satisfactory variance of 2.7%. Interest on External borrowing is paid bi-annually and the first instalment for the current financial year was paid during December 2023. The interest on overdue accounts for the Eskom bulk account is being captured on the system under Bulk purchases electricity, as there is no provision for Interest on overdue accounts. This is attributable to the fact that the municipality could not factor this cost into the electricity tariffs and expect the community to fund this and secondly, the municipality intended to apply for the municipal debt relief. This shortfall will be addressed during the Adjustment budget and corrective journals will be processed. Minor interest charges on overdue accounts was handled through a budget virement on the system, until it can be corrected during the Adjustment budget. A formal communique must be distributed to warn users on the late submission of payments which is incurring unnecessary charges and which they may be held liable for in future. All Interest paid on overdue accounts must be recognized as Fruitless and Wasteful expenditure in the Annual Financial Statements.
- ❖ Expenditure on Contracted services is showing a satisfactory variance of 3.3%.
- ❖ Transfers and subsidies showing satisfactory variance of 6.2%, due to the once-off settlement of the grant due to the SPCA for the current year. Other grants show minimal movement due to cash flow constraints.
- ❖ Operational cost is showing an unsatisfactory variance of 25% as a result of the following line items under Operational Cost (OC)
  - The municipality is offering a 10% discount on the early settlement of a consumer's municipal bill. This discount is reflected as an expense under OC: Cash Discount of R20,191 million with a zero budget, but these costs will be transferred and debited against

Revenue at year-end because it is considered Revenue foregone. The prorata split is done manually between Property rates and service charges, excluding Electricity Revenue because the system cannot handle the automated split per Revenue source. This will be discussed again with our service provider.

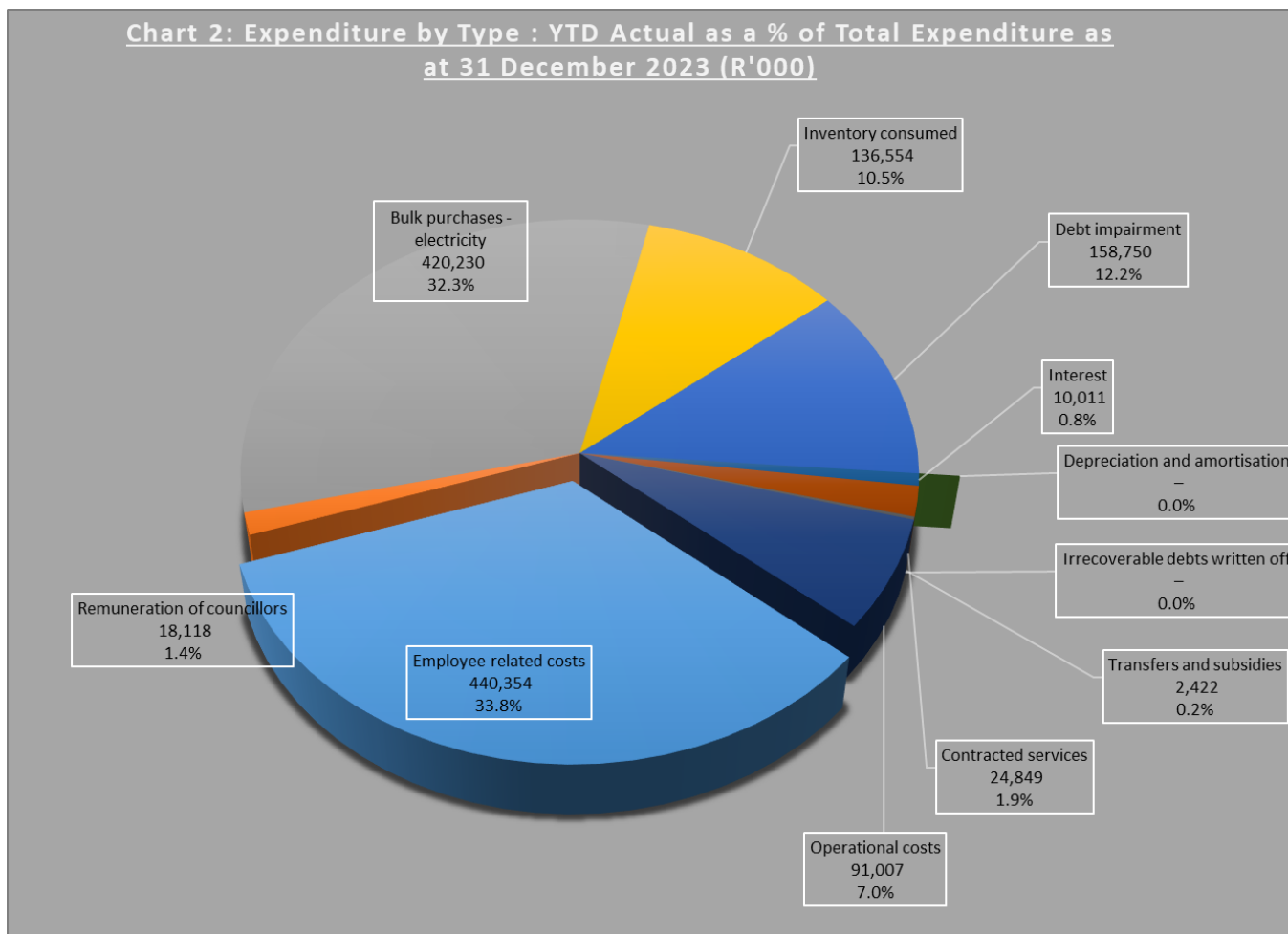
- Cost incurred of R3,985 million on OC: Ext Com Serv Prov - S/Ware Licences, for predominantly annual software license fees.
  - Cost incurred of R9,468 million on OC: Professional Bodies M/Ship & Subs, for predominantly annual SALGA membership fees.
- ❖ Other Losses is showing a variance of minus 8.9%. Bulk purchases Water is treated in line with GRAP 12. The invoices are captured on the balance sheet under Water: Input Vol: Bulk Purchases and then journalized to the Income Statement and is simultaneously split between Water Inventory and Water losses. The corrective journal to recognise Water inventory and losses portion for the actuals of November 2023 and December 2023 must still be processed on the system.

### **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 December 2023 is 50%. The total operational expenditure against the Original budget is 49.4% spent, resulting in a satisfactory variance of minus 0.6%.

- ❖ Employee related costs shows a satisfactory variance of minus 0.1%. Same factors are applicable as explained above.
- ❖ Remuneration of councillors is showing a satisfactory variance of 1%. Same factors are applicable as explained above.
- ❖ Bulk purchases – Electricity is showing a satisfactory variance of 3.5%. Same factors are applicable as explained above.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 5.4%. Same factors are applicable as explained above.
- ❖ Debt impairment is showing a satisfactory variance of close to 0%. Debt impairment will be provided for on a quarterly basis and the journal for the second quarter was processed during December 2023.
- ❖ Depreciation was projected for on a straight-line basis but will only be provided for, as part of year-end procedures. Same factors are applicable as explained above.
- ❖ Interest is showing a satisfactory variance of 1.4%. Same factors are applicable as explained above.
- ❖ Expenditure on Contracted services is satisfactory at 1.6%, when compared to the Original budget.
- ❖ Transfers and subsidies show a satisfactory variance of 3.1%. Same factors are applicable as explained above.
- ❖ Operational cost is showing an unsatisfactory variance of 12.5%. Same factors are applicable as explained above.
- ❖ Other Losses is showing a satisfactory variance of minus 4.5%. Same factors are applicable as explained above.

**Chart 2: Expenditure by Type : YTD Actual as a % of Total Expenditure as at 31 December 2023 (R'000)**



**Chart 2: Expenditure by Type: YTD Actual as a percentage of Total Expenditure**

Also indicated in Chart 2 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 31 December 2023. The main cost drivers of the municipality are Employee Related Costs (33.8), Bulk Purchases – Electricity (32.3%) and Debt Impairment (12.2%) and Inventory consumed (10.5%).

It should be noted that the weighting per Expenditure type is satisfactory. percentages are slightly distorted as a result of the following:

- ❖ Employee costs, the Post-retirement benefit obligations under Employee related costs will be finalized as part of the year-end procedures.
- ❖ Depreciation is not provided for and will only be finalized at year-end.

**Bulk Purchases: Electricity, Water inventory and Water losses**

❖ Indicated in Table 5.1 below, is the YTD expenditure on Bulk Purchases: Electricity. When compared to the IYM percentage of 50% as at end of December 2023, Bulk Purchases Electricity is showing a satisfactory variance of 3.53%. It should be noted that for the interim interest on overdue accounts is included under this line item, until it can be corrected during the Adjustment budget.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 50%
BULK PURCHASES: ELECTRICITY	785,000,000	64,526,555	420,230,361	53.53%	3.53%
<b>Total</b>	<b>785,000,000</b>	<b>64,526,555</b>	<b>420,230,361</b>	<b>53.53%</b>	<b>3.53%</b>

Table 5.1: Summary of YTD Bulk Electricity expenditure



- ❖ Indicated in Table 5.2 below, is the Water inventory and Water losses which is showing an satisfactory variance of 7.7%, when compared to the ideal percentage of 50%. During the Adjustment budget for 2021/22 and advised by NT, Bulk purchases Water was split between Inventory Water and Water losses in the Statement of Financial Performance aligned to GRAP 12. A corrective journal for the actuals pertaining to Water inventory and losses was processed on the system. The actuals are overstated as a result of the water consumption factored in automatically from the billing side. The actual split between water inventory and losses will have to be corrected accordingly, so that aligns to the actual bulk water purchased.

Description	Original Budget	Monthly Actual	YTD Actual	% Spent Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 50%
INVENTORY - WATER	61,200,000	5,264,141	42,732,134	69.8%	19.8%
NON-REVENUE WATER LOSSES	61,200,000	-	27,873,202	45.5%	-4.5%
<b>Total</b>	<b>122,400,000</b>	<b>5,264,141</b>	<b>70,605,335</b>	<b>57.7%</b>	<b>7.7%</b>

Table 5.2: Summary of YTD Bulk Water expenditure

### Outstanding debt: ESKOM and DWS

ESKOM - Outstanding debt (R'000)	Sum of Invoice amount	Sum of Payments (2023/24)	Sum of Interest written-off	Sum of Outstanding Balance	Sum of Arrear Debt	Sum of Interest Charges 2023/24
<b>2021/22</b>	<b>523,811</b>	-		<b>523,811</b>	<b>523,811</b>	-
Oct-21	51,028	-		51,028	51,028	-
Nov-21	50,813	-		50,813	50,813	-
Dec-21	51,379	-		51,379	51,379	-
Jan-22	53,401	-		53,401	53,401	-
Feb-22	51,445	-		51,445	51,445	-
Mar-22	54,652	-		54,652	54,652	-
Apr-22	51,835	-		51,835	51,835	-
May-22	57,826	-		57,826	57,826	-
Jun-22	101,431	-		101,431	101,431	-
<b>2022/23</b>	<b>389,602</b>	<b>103,242</b>	<b>(37,482)</b>	<b>248,878</b>	<b>248,878</b>	-
Dec-22	48,088	-		48,088	48,088	-
Jan-23	59,491	-		59,491	59,491	-
Feb-23	56,821	-	(9,504)	47,317	47,317	-
Apr-23	45,106	-	(7,923)	37,183	37,183	-
May-23	65,831	-	(9,033)	56,798	56,798	-
Jun-23	114,264	103,242	(11,022)	-	-	-
<b>2023/24</b>	<b>537,255</b>	<b>288,288</b>	<b>(43,756)</b>	<b>205,210</b>	<b>140,899</b>	<b>55,053</b>
Jul-23	131,032	63,262	(8,736)	59,034	59,034	8,736
Aug-23	123,594	70,000	(10,784)	42,810	42,810	10,784
Sep-23	71,421	30,000	(10,598)	30,823	30,823	10,598
Oct-23	76,317	62,679	(13,638)	-	-	13,638
Nov-23	70,580	62,348	-	8,232	8,232	8,232
Dec-23	64,311	-	-	64,311	-	3,065
<b>Grand Total</b>	<b>1,450,667</b>	<b>391,530</b>	<b>(81,239)</b>	<b>977,899</b>	<b>913,588</b>	<b>55,053</b>

Table 6.1: Summary of outstanding ESKOM debt

Indicated in Table 6.1 above, is the total outstanding debt owed to ESKOM amounting to R977,899 million. It should be noted that R81,239 million interest charges were reversed, for interest charges from March 2023 to October 2023, as part of the debt relief programme. The current account amounts to R64,311 million. The total arrear debt amounts to R913,588 million summarized as follow 2021/22 (R523,811m), 2022/23 (R248,878m) and 2023/24 (R140,899m). The total interest

charged on overdue accounts from July to December 2023 amounts to R55,053 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. The interest charges that were reversed for the 2023/24 financial year amounts to R43,756 million.

The total billed amount for the 2023/24 financial year amounts to R537,235 million. Total payments for the 2023/24 financial year amounts to R391,530 million of which R103,242 million relates to 2022/23 financial year and R288,288 million was paid for invoices for 2023/24 financial year. The current arrangement with Eskom is that the municipality must at least settle the monthly current account. There was no formal payment arrangement in place for 2022/23 financial year and the payment arrangement for the debt incurred after March 2023 must be concluded for 2023/24 financial year. The municipality is struggling to meet the monthly current account but pays what is available from a cash perspective and going forward will endeavour to pay over actual receipts from Electricity sales for the same period. The municipality especially struggles during the high months, when the Eskom bill is double that of the low months.

DWS - Outstanding debt (R'000)	Sum of Invoice amount	Sum of Payments (2023/24)	Sum of Outstanding Balance	Sum of Arrear Debt
<b>2021/22</b>	<b>126,431</b>	<b>55,145</b>	<b>71,287</b>	<b>71,287</b>
INTEREST (APR-JUN 2022)	6,191	–	6,191	6,191
Aug-21	15,075	15,075	–	–
Sep-21	15,795	15,795	–	–
Oct-21	15,275	15,275	–	–
Nov-21	14,523	9,000	5,523	5,523
Dec-21	11,108	–	11,108	11,108
Jan-22	17,098	–	17,098	17,098
Feb-22	16,437	–	16,437	16,437
Mar-22	14,930	–	14,930	14,930
<b>2022/23</b>	<b>82</b>	<b>82</b>	<b>–</b>	<b>–</b>
WRM LEVIES JUN 2023	82	82	–	–
<b>2023/24</b>	<b>95,507</b>	<b>49,801</b>	<b>45,706</b>	<b>32,373</b>
Jul-23	15,303	–	15,303	15,303
Aug-23	13,588	13,588	–	–
Sep-23	18,332	18,332	–	–
Oct-23	17,633	17,633	–	–
WRM LEVIES JUL 2023	82	82	–	–
WRM LEVIES AUG 2023	82	82	–	–
WRM LEVIES SEP 2023	82	82	–	–
Nov-23	17,070	–	17,070	17,070
Dec-23	13,333	–	13,333	–
<b>Grand Total</b>	<b>222,020</b>	<b>105,028</b>	<b>116,993</b>	<b>103,660</b>

Table 6.2: Summary of outstanding DWS debt

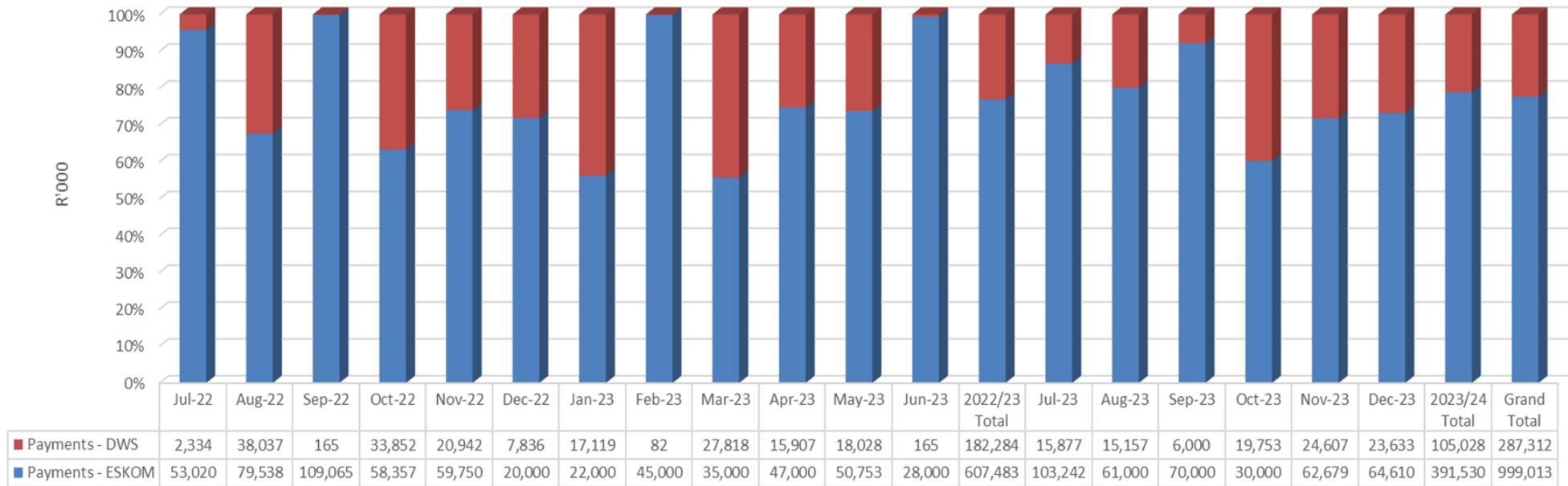
Indicated in Table 6.2 above, is the total outstanding debt owed to DWS which amounts to R116,993 million. The total current water account for December 2023 amounts to R13,333 million. The total arrear debt amounts to R103,660 million which pertains to outstanding invoices for 2021/22 financial year (R71,287m). All the invoices for the 2022/23 financial year, has been settled in full and for the 2023/24 financial an amount of R32,373m).

The municipality opted to partake in the Department's Debt Incentive Scheme which constitutes of the following conditions:

- Settling 10% of the arrear debt (municipality complied)
- Settling the current account each month (municipality complied since inception of Incentive scheme but has defaulted on some months. All invoices for 2022/23 financial year have been settled in full. The municipality defaulted for July, September, October and November 2023. The September and October 2023 invoices were settled, however the biggest concern for the municipality is to settle the outstanding invoices for July and November 2023 as a matter of urgency.
- Settling the monthly debt instalment (municipality complied, but defaulted for February and November 2023, but has since caught up).
- Repayment of debt over 12 months (municipality requested 24-month repayment period, which was approved by the Department)
- Also included in the Incentive scheme, is the writing-off of all accrued interest and suppression of interest going forward, hence no interest was charged for the prior and current financial year. The repayment proposal was approved by the Department.



**Chart 2.1: Monthly payments: DWS & ESKOM: 2022/23 and 2023/24**



**Chart 2.1: Monthly payments to DWS & ESKOM**

Indicated in Chart 2.1 above, are the monthly payments made to DWS and ESKOM for 2022/23 and 2023/24 financial year as at 31 December 2023.

The total amount paid to DWS for December 2023 amounted to R23,633 million which included the October 2023 account and debt repayment instalment. The municipality had insufficient cash available to settle the July and November 2023 accounts in full. Payments for 2022/23 amount to R182,284 million and R105,028 million for 2023/24 financial year. The total payments amount to R287,312 million.

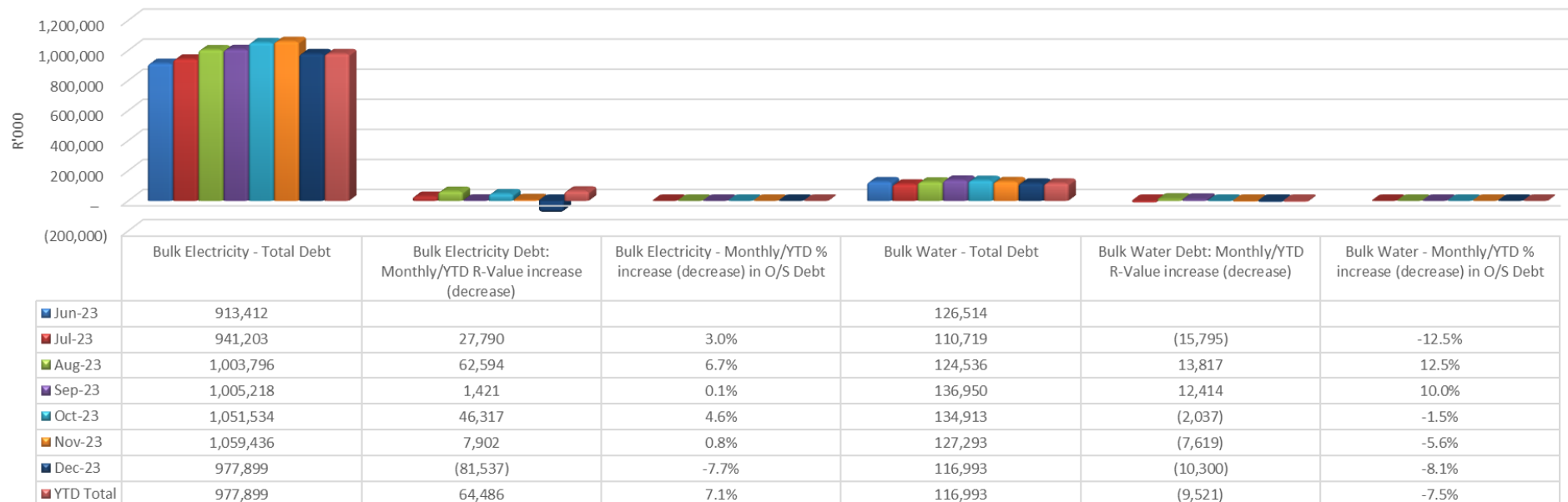
For the month of December 2023, the municipality settled R64,610 million on the November 2023 ESKOM account which included an amount of R2,262 million as part of the debt repayment. The total payments made for the 2022/23 financial year amount to R607,483 million and for 2023/24 financial year the payments amount to R391,530 million, resulting in the total payments for both periods amounting to R999,013 million.

FIN YEAR PER PAYMENT DATE	Sum of VOTE AMOUNT		FIN YEAR PER PAYMENT DATE	Sum of VOTE AMOUNT
<b>2022/23</b>	<b>R 607,483,087.93</b>		<b>2022/23</b>	<b>R 182,284,059.00</b>
20220713	R 53,019,940.09		20220714	R 82,471.24
20220815	R 40,000,000.00		20220728	R 1,388,435.69
20220824	R 39,537,674.82		20220802	R 863,336.64
20220919	R 109,064,695.35		20220816	R 38,036,976.25
20221028	R 58,357,071.08		20220901	R 82,471.24
20221130	R 59,750,383.02		20220920	R 82,471.24
20221230	R 20,000,000.00		20221021	R 82,471.24
20230131	R 22,000,000.00		20221031	R 33,769,424.62
20230228	R 45,000,000.00		20221111	R 82,471.24
20230316	R 35,000,000.00		20221124	R 20,859,449.92
20230417	R 25,000,000.00		20221229	R 7,835,604.54
20230428	R 22,000,000.00		20230109	R 82,471.24
20230505	R 15,753,323.56		20230124	R 16,953,859.72
20230530	R 35,000,000.01		20230126	R 82,471.24
20230630	R 28,000,000.00		20230220	R 82,471.24
<b>2023/24</b>	<b>R 391,529,979.33</b>		20230317	R 27,735,396.94
20230801	R 103,241,512.23		20230322	R 82,471.24
20230830	R 61,000,000.00		20230421	R 77,850.54
20230928	R 35,000,000.00		20230502	R 15,828,854.80
20230929	R 35,000,000.00		20230508	R 6,000,000.00
20231031	R 30,000,000.00		20230522	R 4,620.70
20231130	R 62,678,528.38		20230530	R 12,023,065.00
20231220	R 2,262,000.00		20230605	R 82,471.24
20231228	R 62,347,938.72		20230629	R 82,471.24
<b>Grand Total ESKOM</b>	<b>R 999,013,067.26</b>		<b>2023/24</b>	<b>R 105,027,515.02</b>
			20230727	R 82,471.24
			20230712	R 15,794,682.80
			20230804	R 15,074,754.70
			20230830	R 82,471.24
			20230914	R 6,000,000.00
			20231003	R 13,588,064.81
			20231005	R 82,471.24
			20231027	R 82,471.24
			20231018	R 6,000,000.00
			20231106	R 6,275,086.61
			20231114	R 18,331,770.78
			20231208	R 6,000,000.00
			20231212	R 17,633,270.36
			<b>Grand Total DWS</b>	<b>R 287,311,574.02</b>

Table 6.3: Summary of payments per payment date

Indicated in table 6.3 above, are the payments to ESKOM and DWS per financial year and per payment date, which corresponds to Chart 2.1 above. Please refer to narratives under monthly payments made to DWS and ESKOM.

**Chart 2.2: Monthly & YTD comparison of Bulk Electricity and Water debt - Jun 2023 to Dec 2023**



**Chart 2.2: Monthly & YTD comparison – Bulk Electricity & Water debt**

Indicated in Chart 2.1 above, is the monthly and YTD comparison of Bulk electricity and Water debt.

**ESKOM** - From November to December 2023, debt owed to ESKOM decreased by R81,537 million or 7.7%, from R1,059,436 billion to R977,899 million. This is attributable to the interest reversal of R81,239 million. When comparing the total outstanding debt to June 2023, the outstanding debt increased by R64,486 million or 7.1%, from R913,412 million to R977,899 million.

**DWS** - From November to December 2023, debt owed to DWS decreased by R10,300 million or 8.1%, from R127,293 million to R116,993 million. When comparing the total outstanding debt to June 2023, the outstanding debt decreased by R9,521 million or 7.5% from R126,514 million to R116,993 million.

## 5.3 Capital expenditure

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - December 2023										
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
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	249,473	6,822	38,943	124,737	31.22%	(85,794)	-68.8%	15.6%	(85,794)	-34.4%
Funded by										
Capital transfers recognised	214,233	6,780	33,890	107,117	31.64%	(73,226)	-68.4%	15.8%	(73,226)	-34.2%
Internally generated funds	35,240	41	5,053	17,620	28.7%	(12,567)	-71.3%	14.3%	(12,567)	-35.7%
Weighting Capital transfer recognised	85.9%	99.4%	87.0%	85.9%						
Weighting Internally generated funds	14.1%	0.6%	13.0%	14.1%						

Table 7: High level summary: Capital Expenditure

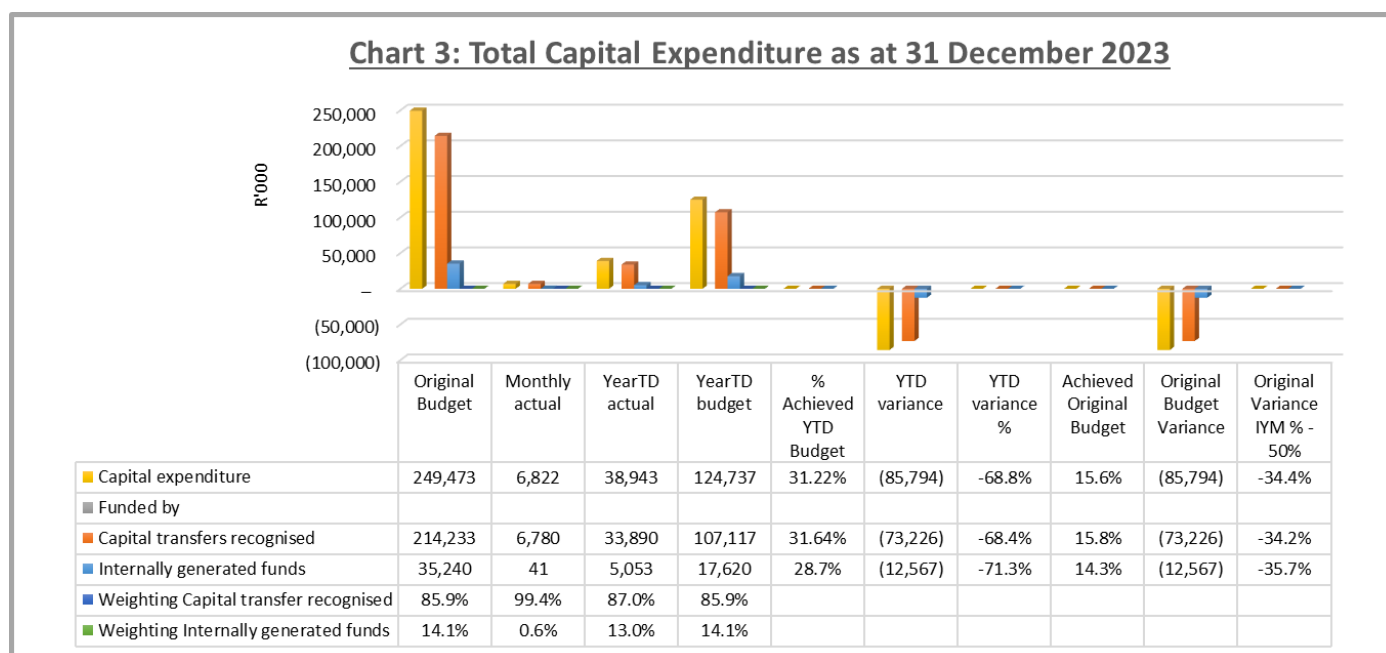


Chart 3: Total Capital expenditure

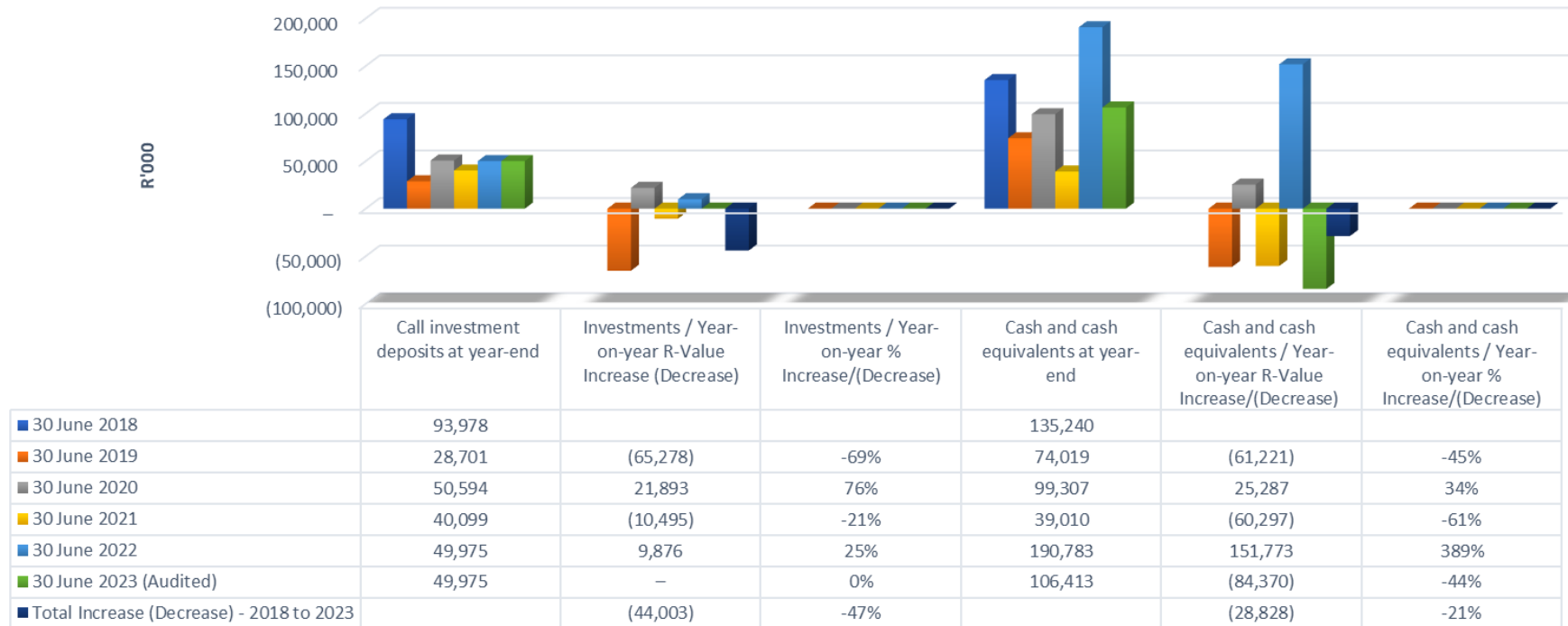
As indicated in the Table 7 and Chart 3 above, the YTD Actual on capital expenditure as at end of December 2023 amounted to R38,943 million and 31.2% spent when compared to the YTD budget of R124,737 million and 15.6% spent when compared to the Original Budget of R249,473 million. The total YTD capex is funded from Capital grants R33,890 million (87%) and Internally generated funds R5,053 million (13%). Capex is extremely low and major intervention is required for the financial year. 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.

**Sol Plaatje: S52(d) Second Quarter Assessment and S72 Mid-year Budget & Performance Assessment**

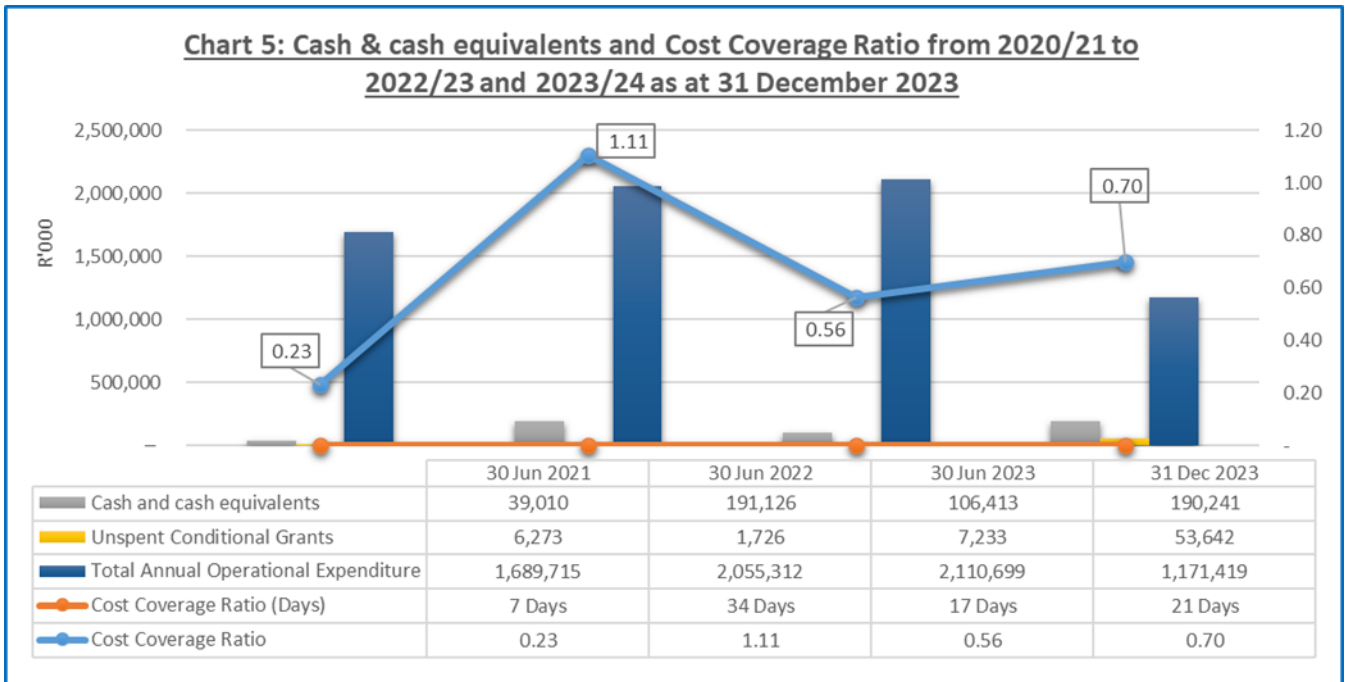
## 5.4 Cash flows

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



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

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. Investments increased by R9,876 million or 25% from 2021 to 2022. The total investment remained the same from 2022 to 2023. From 2018 to 2023, the total investments decreased by R44,003 million or 47%. The same trend can be seen year-on-year, as indicated in the chart above in respect of the Cash and cash equivalents. There has been a substantial increase in the Cash and Cash equivalents for the year ended 30 June 2022, due to portion of the Equitable Share that was held as reserve, to avert a crisis situation, where the municipality cannot pay salaries. 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: Cash & cash equivalents and Cost coverage ratio**

Indicated in Chart 5 above, is the Cost coverage ratio, number of days coverage and the Cash and cash equivalents for the year. The required NT norm is 3 months Cost coverage. The audited outcome for the year ended 30 June 2021 is (0.23; 7 days; R39,010m). There was a marginal improvement for the year ended 30 June 2022 (1.11; 34 days; R191,126m), but this was as a result of increased Cash and cash equivalents, which was predominantly Equitable share funds that the municipality was saving to build up some kind of reserve. The audited outcomes for the year ended 30 June 2023 is (0.56; 17 days; R106,413m). The Cost coverage ratio as at 31 December 2023 is calculated at (0.70; 21 days; R190,241m).

Cash at this stage is monitored on a daily basis. The Cost coverage ratio is a critical 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. This is also evident by the escalation in debt owed to Eskom and DWS. However, as a result of the debt agreement with DWS and the Incentive initiated by the Department, the municipality has made significant strides in reducing the arrear debt and settling all invoices for the 2022/23 financial year in full.

The only way to address these issues, is to work as a collective team, enforce accountability within all departments and to collect outstanding debt and improve the collection rate. Therefore, the municipality must apply the Credit Control Policy diligently, consistently and fairly to ensure the credibility of the municipality. During the 2022/23 Mid-year engagement, National Treasury recommended that the Credit Control and Debt Collection Policy must be 100% applied. Generally, the payment culture of all consumers and stakeholders must improve. The municipality also needs to spend funds effectively and efficiently with good value for money. Cost containment measures must be stringently applied.

## 6. Adjustments budget proposals

Due to various indicators as per the mid-term budget assessment results, it became clear that the approved operational and capital budget for the 2023/24 MTREF must be adjusted. Some of the material underlying reasons include the following:

### Revenue projections from Exchange and Non-exchange transactions

- ❖ Lower than projected revenue from Property Rates, Service charges Water and Electricity.
- ❖ Projected increase in revenue from Service charges for Sanitation and Refuse.
- ❖ Projected increase in revenue from Operational revenue from non-exchange transactions for availability charges for services
- ❖ Projected increase in Interest earned from Receivables and Interest from Current and Non-Current Assets
- ❖ Projected increase in Sale of Goods and Rendering of Services and Rental from Fixed Assets
- ❖ Adjustments on Operational and Capital grants that became known after the approval of the MTREF.

### Expenditure projections

- ❖ Projected increase in Bulk purchases Electricity
- ❖ Increase on Interest on overdue accounts for ESKOM and minor interest charges on smaller accounts
- ❖ Upward adjustment on the Water inventory and Water losses in line with GRAP 12
- ❖ Various adjustments on Operational Expenditure

The municipality will be tabling an adjustment budget by 28 February 2024. The adjustment budget proposals for the current financial year will be continuously reviewed and finalised after 31 January 2024. Indicated in the table below is a high-level summary of the proposed adjustments for operational revenue and expenditure. The proposed adjustments result in a net increase on Operational revenue of R27,796 million, Operational expenditure is adjusted upward by R187,639 million, resulting in an adjusted operating deficit of R131,492 million. Transfers and subsidies with a net downward adjustment of R1,336 million, resulting in a net decrease of R161,179 million on the overall surplus with the Surplus for the year reducing to R81,405 million.

Description	Budget Year 2023/24		
	Original Budget	Net Adjustments	Adjusted Budget
<b>R thousands</b>			
Total Revenue (excluding capital transfers and contributions)	2,719,604	27,796	2,747,400
Total Expenditure	2,691,252	187,639	2,878,891
Surplus/(Deficit)	28,351	(159,843)	(131,492)
Transfers and subsidies - capital (monetary allocations)	214,233	(1,336)	212,897
<b>Surplus/ (Deficit) for the year</b>	<b>242,584</b>	<b>(161,179)</b>	<b>81,405</b>

The following principles should ideally be applied for any adjustments budget, especially considering the municipality's cash flow constraints.

- there are no additional resources available for the 2023/24 Adjustment Budget. Ideally, votes or sub-votes must not submit any requests for baseline increases, unless proof of additional external
- Sol Plaatje: S52(d) Second Quarter Assessment and S72 Mid-year Budget & Performance Assessment**



funding through grants is confirmed with the transferring department or alternatively that any additional allocations to the votes or sub-votes will need to be funded through reductions in another vote or sub-vote or through reprioritisation, within the vote's budget, or from other vote's budgets.

- Any capex project planned for 2023/24 financial year funded from CRR will be reviewed to ensure that there is funding available. Capex funded from withdrawn conditional grants will have to be reconceptualised for both need and funding options.
- What makes this adjustment extremely difficult is the current financial position of the municipality in conjunction with commitments that have to be factored into the budget, unless the municipality wants to recklessly incur unauthorised expenditure for the year under review which is in contravention of the MFMA.
- Increasing the current collection rate to an acceptable norm and increase the collection rate to at least 90% (NT required norm is 95%). The improved collection rate will positively contribute to the funding of the Adjustment budget as the Adjustment budget is technically unfunded from a cash flow perspective and artificially funded considering our high outstanding debtors which must be recouped as a matter of urgency.
- The municipality should also focus on implementing more permanent, long-term solutions to service delivery challenges which will not happen overnight but with improved planning and sound financial management and proven best-practices this can be achieved.
- A thorough analysis per expenditure line will be made to identify cost containment measures that can be applied to reduce the projected deficit.



## Proposed Revenue Adjustments

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure)				
Description	Budget Year 2023/24			
	R thousands	Original Budget	Net Adjustments	Adjusted Budget
<b>Revenue</b>				
<b>Exchange Revenue</b>				
Service charges - Electricity	1,034,872	(89,000)		945,872
Service charges - Water	327,114	(37,800)		289,314
Service charges - Waste Water Management	89,858	6,300		96,158
Service charges - Waste management	65,412	10,900		76,312
Sale of Goods and Rendering of Services	15,579	1,000		16,579
Agency services				-
Interest	-			-
Interest earned from Receivables	168,880	81,520		250,400
Interest from Current and Non Current Assets	7,000	2,460		9,460
Dividends	-			-
Rent on Land				-
Rental from Fixed Assets	26,930	1,170		28,100
Licence and permits	1,200			1,200
Operational Revenue	3,134			3,134
<b>Non-Exchange Revenue</b>				
Property rates	660,893	(6,900)		653,993
Surcharges and Taxes				-
Fines, penalties and forfeits	30,660	7,250		37,910
Licence and permits	6,150			6,150
Transfers and subsidies - Operational	281,921	5,116		287,037
Interest				-
Fuel Levy				-
Operational Revenue - Non-exchange	-	44,680		44,680
Gains on disposal of Assets	-	1,100		1,100
Other Gains	-			-
Discontinued Operations				-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,719,604</b>	<b>27,796</b>		<b>2,747,400</b>

Property rates should be adjusted downwards, due to projected shortfall based on the YTD actuals as at mid-year and as a result of a decrease in the valuation roll, due to the objection process.

Revenue from sale of water and electricity will have to be adjusted downwards. Sale of water is showing a projected shortfall based on the average YTD billing, which is exacerbated by the understatement of revenue in terms of billing accuracy. The Revenue department is working on resolving the findings raised by the AG.

Sale of electricity is also showing a shortfall due to basic and capacity charges for households that was resisted by the community and technically held in abeyance by Council due to the challenges in the implementation. Council requested that a proper engagement with the community must be done.

Services charges for Refuse and Sanitation be adjusted upwards due to improved billing and taking the full year forecast into consideration.

Rental of fixed assets to be adjusted upwards due to a projected increase in revenue from rental of flats.

Penalties on disconnections should be adjusted upwards to make provision for the projected increase in revenue from disconnections, whilst the YTD actuals was also taken into account.

Provision for operational grants predominantly received from Frances Baard DM.

Projected increase in revenue from Operational revenue from non-exchange transactions for availability charges for services.

Projected increase in Interest earned from Receivables and Interest from Current and Non-Current Assets

## Proposed Operational Expenditure Adjustments

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure)				
Description	Budget Year 2023/24			
	R thousands	Original Budget	Net Adjustments	Adjusted Budget
<b>Expenditure By Type</b>				
Employee related costs	881,637	–		881,637
Remuneration of councillors	35,559			35,559
Bulk purchases - electricity	785,000	5,100		790,100
Inventory consumed	305,900	24,709		330,609
Debt impairment	317,500			317,500
Depreciation and amortisation	86,650			86,650
Interest	19,495	127,110		146,605
Contracted services	48,113	11,500		59,613
Transfers and subsidies	4,560			4,560
Irrecoverable debts written off	–			–
Operational costs	145,639	14,420		160,059
Losses on Disposal of Assets	–			–
Other Losses	61,200	4,800		66,000
<b>Total Expenditure</b>	<b>2,691,252</b>	<b>187,639</b>		<b>2,878,891</b>

**Interest:** The current cash flow constraints of the municipality have exacerbated the deterioration of the arrear debt owed to ESKOM, resulting in excessive interest on overdue accounts for ESKOM bulk account. The municipality was approved for the Debt relief programme and technically the municipality does not have to budget for Interest, but only if the municipality does not default on any payments. The projected Interest is based on the worst-case scenario. The municipality is a participant in the Incentive scheme of DWS, where the accrued interest will be written-off after successful settlement of the arrear debt and interest is also suppressed for the period, provided the municipality adhere to the terms and conditions of the debt agreement.

**Inventory consumed:** Serious service delivery challenges will necessitate the upward adjustment of Repairs and Maintenance (Inventory consumed) to deal with urgent water and sanitation issues. We are awaiting inputs from the City Engineer. Cable theft replacement for the Electrical department. Increase in cost of purification chemicals due the quality of raw water extracted from the Vaal river, turbidity of water and the backwash losses on water at the Plant. Water bulk purchases is also showing a projected shortfall, and this will be handled in line with GRAP 12. Various other proposed minor adjustments are also catered for.

**Bulk purchases electricity** is also showing a projected shortfall, based on the YTD average consumption.

**Contracted services:** Provision for commission for the revenue enhancement tender and savings on Contr: Prepaid Electricity vendors due to a substantial decrease in the commission rate.

**Operational cost:** major adjustments pertain to premiums on short-term insurance, legal claims / court settlements for Infrastructure projects and increase on fees for our financial systems provider.

## Proposed Capital Expenditure Adjustments

DESCRIPTION	23/24 Original Allocation	Adjustment Increase (Decrease)	23/24 Adjusted Allocation
LIBRARY GRANT	8,300,000	0	8,300,000
FMG (LOCAL GOV FINANCIAL MANAGEMENT GRANT)	1,700,000	0	1,700,000
ISDG (INFRASTRUCTURE SKILLS DEVELOPMENT GRANT)	5,500,000	(500,000)	5,000,000
EPWP (EXPANDED PUBLIC WORKS PROGRAMME)	3,286,000	(184,000)	3,102,000
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	48,026,000	(12,186,000)	35,840,000
NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT)	2,000,000	0	2,000,000
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	86,000,000	(11,000,000)	75,000,000
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	74,207,000	0	74,207,000
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,000,000	0	4,000,000
<b>TOTAL</b>	<b>233,019,000</b>	<b>(23,870,000)</b>	<b>209,149,000</b>

As per the Adjusted DoRA Bill the grants indicated in the table above have been reduced. Expenditure will have to be reduced in line with the reductions. Meetings are being scheduled with project managers to identify which capital projects will be affected and will have to be delayed. Additional funding of R3m from Frances Baard District Municipality for Roads. An amount of R18,850m received from the European Union for Enhancing Sol Plaatje Local Municipality's Economic Governance & Infrastructure for Business Expansion Attraction and Retention (BEAR) Project.

## **7. In-year budget statement tables**

The financial results consisting of the following C-schedule tables.

- (a) Table C1: Summary
- (b) Table C2: Financial Performance (Functional Classification)
- (c) Table C3: Financial Performance (Revenue and Expenditure by Municipal vote)
- (d) Table C4: Financial Performance (Revenue and Expenditure)
- (e) Table C5: Capital Expenditure by vote, functional classification and funding
- (f) Table C6: Statement of Financial Position
- (g) Table C7: Cash Flow

**NC091 Sol Plaatje - Table C1 Monthly Budget Statement Summary - M06 December**

Description	2022/23	Budget Year 2023/24							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	610,991	660,893	660,893	44,916	410,589	330,447	80,142	24%	660,893
Service charges	1,182,667	1,517,256	1,517,256	102,995	690,820	758,628	(67,808)	-9%	1,517,256
Investment revenue	8,550	-	-	-	-	-	-	-	-
Transfers and subsidies - Operational	8,550	7,000	7,000	502	4,728	3,500	1,228	35%	7,000
Other own revenue	612,144	534,455	534,455	111,300	388,016	267,227	120,789	45%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>2,422,901</b>	<b>2,719,604</b>	<b>2,719,604</b>	<b>259,713</b>	<b>1,494,153</b>	<b>1,359,802</b>	<b>134,351</b>	<b>10%</b>	<b>2,719,604</b>
Employee costs	821,306	881,637	881,637	85,279	440,354	440,821	(467)		881,637
Remuneration of Councillors	32,224	35,559	35,559	3,027	18,118	17,780	339		35,559
Depreciation and amortisation	71,830	86,650	86,650	-	-	43,325	(43,325)		86,650
Interest	113,955	19,495	19,495	10,003	10,011	9,747	264		19,495
Inventory consumed and bulk purchases	937,060	1,090,900	1,090,900	85,651	556,784	545,451	11,333		1,090,900
Transfers and subsidies	2,599	4,560	4,560	20	2,422	2,280	142	6%	4,560
Other expenditure	617,008	572,452	572,452	98,682	302,480	286,228	16,252	6%	572,452
<b>Total Expenditure</b>	<b>2,595,982</b>	<b>2,691,252</b>	<b>2,691,252</b>	<b>282,661</b>	<b>1,330,169</b>	<b>1,345,631</b>	<b>(15,462)</b>	<b>-1%</b>	<b>2,691,252</b>
<b>Surplus/(Deficit)</b>	<b>(173,081)</b>	<b>28,351</b>	<b>28,351</b>	<b>(22,949)</b>	<b>163,984</b>	<b>14,170</b>	<b>149,814</b>	<b>1057%</b>	<b>28,351</b>
Transfers and subsidies - capital (monetary)	108,149	214,233	214,233	8,452	32,148	107,116	107,116	-70%	214,233
Transfers and subsidies - capital (in-kind)	3,387	-	-	-	-	-	-		-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(61,545)</b>	<b>242,584</b>	<b>242,584</b>	<b>(14,496)</b>	<b>196,132</b>	<b>121,287</b>	<b>74,845</b>	<b>62%</b>	<b>242,584</b>
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-		-
<b>Surplus/ (Deficit) for the year</b>	<b>(61,545)</b>	<b>242,584</b>	<b>242,584</b>	<b>(14,496)</b>	<b>196,132</b>	<b>121,287</b>	<b>74,845</b>	<b>62%</b>	<b>242,584</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	<b>126,016</b>	<b>249,473</b>	<b>249,473</b>	<b>6,822</b>	<b>38,943</b>	<b>124,737</b>	<b>(85,794)</b>	<b>-69%</b>	<b>249,473</b>
Capital transfers recognised	96,392	214,233	214,233	6,780	33,890	107,117	(73,226)	-68%	214,233
Borrowing	-	-	-	-	-	-	-		-
Internally generated funds	29,624	35,240	35,240	41	5,053	17,620	(12,567)	-71%	35,240
<b>Total sources of capital funds</b>	<b>126,016</b>	<b>249,473</b>	<b>249,473</b>	<b>6,822</b>	<b>38,943</b>	<b>124,737</b>	<b>(85,794)</b>	<b>-69%</b>	<b>249,473</b>
<b>Financial position</b>									
Total current assets	2,304,408	3,472,014	3,472,014		2,643,741				3,472,014
Total non current assets	2,265,500	2,466,074	2,466,074		2,304,443				2,466,074
Total current liabilities	1,457,966	1,151,431	1,151,431		1,644,395				1,151,431
Total non current liabilities	416,743	443,824	443,824		410,208				443,824
Community wealth/Equity	2,694,412	4,342,835	4,342,835		2,893,581				4,342,835
<b>Cash flows</b>									
Net cash from (used) operating	(940,714)	238,844	238,844	94,461	119,704	119,422	(282)	-0%	238,844
Net cash from (used) investing	(126,016)	(213,757)	(213,757)	(6,822)	(37,883)	(106,878)	(68,995)	65%	(213,757)
Net cash from (used) financing	-	(13,351)	(13,351)	192	1,158	(6,676)	(7,834)	117%	(13,351)
<b>Cash/cash equivalents at the month/year end</b>	<b>(869,139)</b>	<b>210,043</b>	<b>210,043</b>	<b>-</b>	<b>192,515</b>	<b>204,175</b>	<b>11,660</b>	<b>6%</b>	<b>121,272</b>
<b>Debtors &amp; creditors analysis</b>									
	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91-120 Days</b>	<b>121-150 Dys</b>	<b>151-180 Dys</b>	<b>181 Dys-1 Yr</b>	<b>Over 1Yr</b>	<b>Total</b>
<b>Debtors Age Analysis</b>									
Total By Income Source	166,781	112,086	109,882	94,875	77,029	149,455	387,871	#####	3,699,364
<b>Creditors Age Analysis</b>									
Total Creditors	117,108	26,194	-	30,823	58,113	59,034	200,790	657,409	1,149,470

NC091 Sol Plaatje - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - M06 December

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Revenue - Functional</b>										
<b>Governance and administration</b>		1,180,153	1,271,802	1,271,802	144,802	717,929	635,901	82,028	13%	1,271,802
Executive and council		503,511	580,455	580,455	99,301	289,894	290,227	(333)	0%	580,455
Finance and administration		676,642	691,347	691,347	45,501	428,035	345,673	82,362	24%	691,347
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		31,035	41,568	41,568	3,012	17,399	20,784	(3,385)	-16%	41,568
Community and social services		11,662	11,782	11,782	288	2,149	5,891	(3,742)	-64%	11,782
Sport and recreation		2,428	2,265	2,265	284	1,129	1,133	(4)	0%	2,265
Public safety		412	750	750	24	127	375	(248)	-66%	750
Housing		12,972	26,701	26,701	2,413	13,944	13,350	593	4%	26,701
Health		3,560	70	70	3	51	35	16	45%	70
<b>Economic and environmental services</b>		22,120	16,520	16,520	645	7,347	8,260	(913)	-11%	16,520
Planning and development		5,342	5,595	5,595	543	5,107	2,797	2,309	83%	5,595
Road transport		16,779	10,925	10,925	103	2,240	5,462	(3,223)	-59%	10,925
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		1,291,009	1,594,737	1,594,737	119,245	780,102	797,368	(17,267)	-2%	1,594,737
Energy sources		773,385	1,052,252	1,052,252	69,573	490,627	526,126	(35,499)	-7%	1,052,252
Water management		328,261	364,714	364,714	31,215	181,138	182,357	(1,219)	-1%	364,714
Waste water management		108,190	101,358	101,358	10,338	61,181	50,679	10,502	21%	101,358
Waste management		81,173	76,413	76,413	8,119	47,156	38,206	8,949	23%	76,413
<b>Other</b>	4	10,121	9,210	9,210	461	3,524	4,605	(1,081)	-23%	9,210
<b>Total Revenue - Functional</b>	2	2,534,437	2,933,837	2,933,837	268,165	1,526,300	1,466,918	59,382	4%	2,933,837
<b>Expenditure - Functional</b>										
<b>Governance and administration</b>		757,821	662,700	743,143	85,693	349,377	371,574	(22,196)	-6%	743,143
Executive and council		505,059	287,301	449,301	60,147	212,999	224,651	(11,652)	-5%	449,301
Finance and administration		247,373	368,723	287,166	25,006	133,546	143,585	(10,039)	-7%	287,166
Internal audit		5,389	6,676	6,676	539	2,833	3,338	(505)	-15%	6,676
<b>Community and public safety</b>		186,168	195,332	195,332	19,170	100,276	97,667	2,609	3%	195,332
Community and social services		45,511	49,529	49,529	4,722	24,315	24,765	(450)	-2%	49,529
Sport and recreation		59,539	56,350	56,350	6,191	32,612	28,175	4,437	16%	56,350
Public safety		41,055	42,115	42,115	4,230	21,847	21,057	789	4%	42,115
Housing		20,980	26,752	26,752	2,085	11,169	13,376	(2,207)	-17%	26,752
Health		19,082	20,586	20,586	1,941	10,333	10,293	40	0%	20,586
<b>Economic and environmental services</b>		138,729	256,194	175,751	17,657	77,099	87,876	(10,777)	-12%	175,751
Planning and development		42,376	132,278	51,835	4,350	23,079	25,918	(2,839)	-11%	51,835
Road transport		95,517	123,016	123,016	13,197	53,567	61,508	(7,941)	-13%	123,016
Environmental protection		836	900	900	110	454	450	3	1%	900
<b>Trading services</b>		1,490,202	1,551,892	1,551,892	157,569	791,299	775,947	15,352	2%	1,551,892
Energy sources		963,125	1,031,152	1,031,152	104,267	523,004	515,576	7,427	1%	1,031,152
Water management		349,874	341,800	341,800	32,955	176,088	170,900	5,188	3%	341,800
Waste water management		104,093	102,527	102,527	12,595	53,687	51,264	2,423	5%	102,527
Waste management		73,110	76,413	76,413	7,751	38,520	38,206	314	1%	76,413
<b>Other</b>		23,062	25,135	25,135	2,572	12,117	12,567	(451)	-4%	25,135
<b>Total Expenditure - Functional</b>	3	2,595,982	2,691,252	2,691,252	282,661	1,330,169	1,345,631	(15,462)	-1%	2,691,252
<b>Surplus/ (Deficit) for the year</b>		(61,545)	242,584	242,584	(14,496)	196,132	121,287	74,845	62%	242,584

**NC091 Sol Plaatje - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December**

Vote Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue by Vote</b>	1									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		503,511	580,455	580,455	99,301	289,894	290,227	(333)	-0.1%	580,455
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		5,432	6,961	6,961	4	2,188	3,481	(1,293)	-37.1%	6,961
Vote 05 - Community Services		124,394	109,495	109,495	9,204	55,873	54,747	1,125	2.1%	109,495
Vote 06 - Financial Services		670,519	683,585	683,585	45,445	425,555	341,793	83,762	24.5%	683,585
Vote 07 - Strategy Econ Development And Planning		6,867	8,015	8,015	601	5,443	4,007	1,436	35.8%	8,015
Vote 08 - Infrastructure And Services		1,223,713	1,545,325	1,545,325	113,610	747,347	772,662	(25,316)	-3.3%	1,545,325
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>	2	<b>2,534,437</b>	<b>2,933,837</b>	<b>2,933,837</b>	<b>268,165</b>	<b>1,526,300</b>	<b>1,466,918</b>	<b>59,382</b>	<b>4.0%</b>	<b>2,933,837</b>
<b>Expenditure by Vote</b>	1									
Vote 01 - Executive & Council		58,395	59,173	59,173	5,332	30,815	29,587	1,228	4.2%	59,173
Vote 02 - Municipal And General		434,595	214,468	376,468	53,864	171,733	188,234	(16,502)	-8.8%	376,468
Vote 03 - Municipal Manager		22,369	26,161	26,161	1,939	16,219	13,081	3,139	24.0%	26,161
Vote 04 - Corporate Services		68,169	81,959	81,959	6,912	36,034	40,980	(4,945)	-12.1%	81,959
Vote 05 - Community Services		299,548	312,712	312,712	31,602	159,771	156,357	3,413	2.2%	312,712
Vote 06 - Financial Services		131,248	237,712	156,155	13,915	72,357	78,078	(5,721)	-7.3%	156,155
Vote 07 - Strategy Econ Development And Planning		57,573	143,730	63,287	5,797	30,426	31,644	(1,218)	-3.8%	63,287
Vote 08 - Infrastructure And Services		1,524,086	1,615,337	1,615,337	163,301	812,813	807,670	5,143	0.6%	1,615,337
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>	2	<b>2,595,982</b>	<b>2,691,252</b>	<b>2,691,252</b>	<b>282,661</b>	<b>1,330,169</b>	<b>1,345,631</b>	<b>(15,462)</b>	<b>-1.1%</b>	<b>2,691,252</b>
<b>Surplus/ (Deficit) for the year</b>	2	<b>(61,545)</b>	<b>242,584</b>	<b>242,584</b>	<b>(14,496)</b>	<b>196,132</b>	<b>121,287</b>	<b>74,845</b>	<b>61.7%</b>	<b>242,584</b>

NC091 Sol Plaatje - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December

Description	Ref	Budget Year 2023/24								
		2022/23 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>Revenue</b>										
<b>Exchange Revenue</b>										
Service charges - Electricity		754,974	1,034,872	1,034,872	63,517	459,939	517,436	(57,497)	-11%	1,034,872
Service charges - Water		271,599	327,114	327,114	24,873	144,640	163,557	(18,917)	-12%	327,114
Service charges - Waste Water Management		89,203	89,858	89,858	8,071	48,083	44,929	3,154	7%	89,858
Service charges - Waste management		66,890	65,412	65,412	6,534	38,157	32,706	5,452	17%	65,412
Sale of Goods and Rendering of Services		13,750	15,579	15,579	1,147	8,896	7,790	1,106	14%	15,579
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		199,982	168,880	168,880	21,669	125,198	84,440	40,758	48%	168,880
Interest from Current and Non Current Assets		8,550	7,000	7,000	502	4,728	3,500	-	-	7,000
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		26,000	26,930	26,930	2,431	14,041	13,465	576	4%	26,930
Licence and permits		1,056	1,200	1,200	32	365	600	(235)	-39%	1,200
Operational Revenue		3,189	3,134	3,134	322	2,321	1,567	754	48%	3,134
<b>Non-Exchange Revenue</b>										
Property rates		610,991	660,893	660,893	44,916	410,589	330,447	80,142	24%	660,893
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		59,462	30,660	30,660	378	15,363	15,330	33	-	30,660
Licence and permits		7,965	6,150	6,150	409	2,992	3,075	(83)	-	6,150
Transfers and subsidies - Operational		264,657	281,921	281,921	80,490	195,438	140,960	54,477	-	281,921
Interest		-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		4,037	-	-	4,425	22,342	-	22,342	#DIV/0!	-
Gains on disposal of Assets		5,891	-	-	-	1,059	-	1,059	-	-
Other Gains		34,705	-	-	-	-	-	-	-	-
Discontinued Operations										
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>2,422,901</b>	<b>2,719,604</b>	<b>2,719,604</b>	<b>259,713</b>	<b>1,494,153</b>	<b>1,359,802</b>	<b>134,351</b>	<b>10%</b>	<b>2,719,604</b>
<b>Expenditure By Type</b>										
Employee related costs		821,306	881,637	881,637	85,279	440,354	440,821	(467)	0%	881,637
Remuneration of councillors		32,224	35,559	35,559	3,027	18,118	17,780	339	2%	35,559
Bulk purchases - electricity		672,362	785,000	785,000	64,527	420,230	392,500	27,730	-	785,000
Inventory consumed		264,698	305,900	305,900	21,124	136,554	152,951	(16,397)	-	305,900
Debt impairment		378,747	317,500	317,500	79,375	158,750	158,750	(0)	0%	317,500
Depreciation and amortisation		71,830	86,650	86,650	-	-	43,325	(43,325)	-100%	86,650
Interest		113,955	19,495	19,495	10,003	10,011	9,747	264	3%	19,495
Contracted services		28,285	48,113	48,113	5,240	24,849	24,057	792	3%	48,113
Transfers and subsidies		2,599	4,560	4,560	20	2,422	2,280	142	6%	4,560
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-
Operational costs		131,090	145,639	145,639	14,066	91,007	72,821	18,186	25%	145,639
Losses on Disposal of Assets		-	-	-	-	-	-	-	-	-
Other Losses		78,885	61,200	61,200	-	27,873	30,600	(2,727)	-	61,200
<b>Total Expenditure</b>		<b>2,595,982</b>	<b>2,691,252</b>	<b>2,691,252</b>	<b>282,661</b>	<b>1,330,169</b>	<b>1,345,631</b>	<b>(15,462)</b>	<b>-1%</b>	<b>2,691,252</b>
<b>Surplus/(Deficit)</b>		<b>(173,081)</b>	<b>28,351</b>	<b>28,351</b>	<b>(22,949)</b>	<b>163,984</b>	<b>14,170</b>	<b>149,814</b>	<b>0</b>	<b>28,351</b>
Transfers and subsidies - capital (monetary allocations)		108,149	214,233	214,233	8,452	32,148	107,116	(74,969)	(0)	214,233
Transfers and subsidies - capital (in-kind)		3,387	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>(61,545)</b>	<b>242,584</b>	<b>242,584</b>	<b>(14,496)</b>	<b>196,132</b>	<b>121,287</b>			<b>242,584</b>
Income Tax		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>(61,545)</b>	<b>242,584</b>	<b>242,584</b>	<b>(14,496)</b>	<b>196,132</b>	<b>121,287</b>			<b>242,584</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>(61,545)</b>	<b>242,584</b>	<b>242,584</b>	<b>(14,496)</b>	<b>196,132</b>	<b>121,287</b>			<b>242,584</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>		<b>(61,545)</b>	<b>242,584</b>	<b>242,584</b>	<b>(14,496)</b>	<b>196,132</b>	<b>121,287</b>			<b>242,584</b>



NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M06 December

Vote Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>Multi-Year expenditure appropriation</b>	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		-	-	-	-	-	-	-	-	-
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	-	-	-	-	-	-	-	-
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		8,996	10,000	4,057	-	-	3,019	(3,019)	-100%	4,057
Vote 08 - Infrastructure And Services		82,240	183,117	189,059	5,174	30,678	93,539	(62,862)	-67%	189,059
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital Multi-year expenditure</b>	4,7	<b>91,236</b>	<b>193,117</b>	<b>193,117</b>	<b>5,174</b>	<b>30,678</b>	<b>96,558</b>	<b>(65,881)</b>	<b>-68%</b>	<b>193,117</b>
<b>Single Year expenditure appropriation</b>	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		14,586	19,500	19,500	701	1,597	9,750	(8,153)	-84%	19,500
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		20,194	36,856	36,856	946	6,668	18,428	(11,760)	-64%	36,856
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
<b>Total Capital single-year expenditure</b>	4	<b>34,780</b>	<b>56,356</b>	<b>56,356</b>	<b>1,648</b>	<b>8,265</b>	<b>28,178</b>	<b>(19,913)</b>	<b>-71%</b>	<b>56,356</b>
<b>Total Capital Expenditure</b>		<b>126,016</b>	<b>249,473</b>	<b>249,473</b>	<b>6,822</b>	<b>38,943</b>	<b>124,737</b>	<b>(85,794)</b>	<b>-69%</b>	<b>249,473</b>
<b>Capital Expenditure - Functional Classification</b>										
<b>Governance and administration</b>		<b>14,586</b>	<b>19,500</b>	<b>19,500</b>	<b>701</b>	<b>1,597</b>	<b>9,750</b>	<b>(8,153)</b>	<b>-84%</b>	<b>19,500</b>
Executive and council		14,586	19,500	19,500	701	1,597	9,750	(8,153)	-84%	19,500
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		<b>44,387</b>	<b>50,000</b>	<b>44,057</b>	<b>1,296</b>	<b>11,171</b>	<b>23,019</b>	<b>(11,848)</b>	<b>-51%</b>	<b>44,057</b>
Planning and development		8,996	10,000	4,057	-	-	3,019	(3,019)	-100%	4,057
Road transport		35,392	40,000	40,000	1,296	11,171	20,000	(8,829)	-44%	40,000
Environmental protection		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		<b>67,042</b>	<b>179,973</b>	<b>185,916</b>	<b>4,824</b>	<b>26,175</b>	<b>91,968</b>	<b>(65,793)</b>	<b>-72%</b>	<b>185,916</b>
Energy sources		36,862	54,026	54,026	2,045	9,197	27,013	(17,816)	-66%	54,026
Water management		9,645	125,947	125,947	2,320	12,750	62,974	(50,224)	-80%	125,947
Waste water management		20,535	-	5,943	459	4,228	1,981	2,247	113%	5,943
Waste management		-	-	-	-	-	-	-	-	-
<b>Other</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional Classification</b>	3	<b>126,016</b>	<b>249,473</b>	<b>249,473</b>	<b>6,822</b>	<b>38,943</b>	<b>124,737</b>	<b>(85,794)</b>	<b>-69%</b>	<b>249,473</b>
<b>Funded by:</b>										
National Government		96,392	214,233	214,233	6,780	33,890	107,117	(73,226)	-68%	214,233
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		<b>96,392</b>	<b>214,233</b>	<b>214,233</b>	<b>6,780</b>	<b>33,890</b>	<b>107,117</b>	<b>(73,226)</b>	<b>-68%</b>	<b>214,233</b>
<b>Borrowing</b>	6	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>		<b>29,624</b>	<b>35,240</b>	<b>35,240</b>	<b>41</b>	<b>5,053</b>	<b>17,620</b>	<b>(12,567)</b>	<b>-71%</b>	<b>35,240</b>
<b>Total Capital Funding</b>		<b>126,016</b>	<b>249,473</b>	<b>249,473</b>	<b>6,822</b>	<b>38,943</b>	<b>124,737</b>	<b>(85,794)</b>	<b>-69%</b>	<b>249,473</b>

**NC091 Sol Plaatje - Table C6 Monthly Budget Statement - Financial Position - M06 December**

Description	Ref	2022/23	Budget Year 2023/24			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
<b>R thousands</b>	1					
<b>ASSETS</b>						
<b>Current assets</b>						
Cash and cash equivalents		109,536	174,327	174,327	190,241	174,327
Trade and other receivables from exchange transactions		1,093,008	734,354	734,354	1,300,004	734,354
Receivables from non-exchange transactions		876,734	2,173,122	2,173,122	918,549	2,173,122
Current portion of non-current receivables		-	-	-	-	-
Inventory		82,694	27,461	27,461	80,024	27,461
VAT		142,434	362,625	362,625	154,808	362,625
Other current assets		1	126	126	116	126
<b>Total current assets</b>		<b>2,304,408</b>	<b>3,472,014</b>	<b>3,472,014</b>	<b>2,643,741</b>	<b>3,472,014</b>
<b>Non current assets</b>						
Investments						
Investment property		212,356	223,856	217,913	213,939	217,913
Property, plant and equipment		2,023,360	2,190,939	2,196,882	2,060,719	2,196,882
Biological assets						
Living and non-living resources						
Heritage assets		12,071	12,071	12,071	12,071	12,071
Intangible assets		17,714	3,492	3,492	17,714	3,492
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	35,716	35,716	-	35,716
Other non-current assets		-	-	-	-	-
<b>Total non current assets</b>		<b>2,265,500</b>	<b>2,466,074</b>	<b>2,466,074</b>	<b>2,304,443</b>	<b>2,466,074</b>
<b>TOTAL ASSETS</b>		<b>4,569,908</b>	<b>5,938,089</b>	<b>5,938,089</b>	<b>4,948,183</b>	<b>5,938,089</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	-	-	-	-
Consumer deposits		45,776	49,391	49,391	47,152	49,391
Trade and other payables from exchange transactions		1,293,730	937,683	937,683	1,339,121	937,683
Trade and other payables from non-exchange transactions		7,233	-	-	81,432	-
Provision		-	-	-	788	-
VAT		111,227	70,327	70,327	175,902	70,327
Other current liabilities		-	94,029	94,029	-	94,029
<b>Total current liabilities</b>		<b>1,457,966</b>	<b>1,151,431</b>	<b>1,151,431</b>	<b>1,644,395</b>	<b>1,151,431</b>
<b>Non current liabilities</b>						
Financial liabilities		159,430	158,166	158,166	152,895	158,166
Provision		257,313	285,658	285,658	257,313	285,658
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	-	-	-	-
<b>Total non current liabilities</b>		<b>416,743</b>	<b>443,824</b>	<b>443,824</b>	<b>410,208</b>	<b>443,824</b>
<b>TOTAL LIABILITIES</b>		<b>1,874,708</b>	<b>1,595,254</b>	<b>1,595,254</b>	<b>2,054,602</b>	<b>1,595,254</b>
<b>NET ASSETS</b>	2	<b>2,695,200</b>	<b>4,342,835</b>	<b>4,342,835</b>	<b>2,893,581</b>	<b>4,342,835</b>
<b>COMMUNITY WEALTH/EQUITY</b>						
Accumulated surplus/(deficit)		2,630,346	4,261,958	4,261,958	2,829,515	4,261,958
Reserves and funds		64,066	80,876	80,876	64,066	80,876
Other		-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	2	<b>2,694,412</b>	<b>4,342,835</b>	<b>4,342,835</b>	<b>2,893,581</b>	<b>4,342,835</b>

NC091 Sol Plaatje - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	Ref	2022/23		Budget Year 2023/24						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>	1									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>										
<b>Receipts</b>										
Property rates		453,721	543,052	543,052	70,862	284,379	271,526	12,853	5%	543,052
Service charges		1,024,096	1,354,795	1,354,795	87,101	552,964	677,398	(124,434)	-18%	1,354,795
Other revenue		724,269	79,844	79,844	85,095	347,259	39,922	307,337	770%	79,844
Transfers and Subsidies - Operational		100,622	281,921	281,921	99,329	221,583	140,961	80,623	57%	281,921
Transfers and Subsidies - Capital		113,738	214,233	214,233	32,000	80,200	107,117	(26,917)	-25%	214,233
Interest		567	-	-	175	2,487	-	2,487	#DIV/0!	-
Dividends										
<b>Payments</b>										
Suppliers and employees		(3,355,326)	(2,215,507)	(2,215,507)	(280,102)	(1,371,569)	(1,107,753)	263,816	-24%	(2,215,507)
Interest		(2,401)	(19,495)	(19,495)	-	2,401	(9,747)	(12,149)	125%	(19,495)
Transfers and Subsidies		-	-	-	-	-	-	-		-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(940,714)</b>	<b>238,844</b>	<b>238,844</b>	<b>94,461</b>	<b>119,704</b>	<b>119,422</b>	<b>(282)</b>	<b>0%</b>	<b>238,844</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>										
<b>Receipts</b>										
Proceeds on disposal of PPE		-	-	-	-	1,059	-	1,059	#DIV/0!	-
Decrease (increase) in non-current receivables		-	35,716	35,716	-	-	17,858	(17,858)	-100%	35,716
Decrease (increase) in non-current investments										
<b>Payments</b>										
Capital assets		(126,016)	(249,473)	(249,473)	(6,822)	(38,943)	(124,737)	(85,794)	69%	(249,473)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(126,016)</b>	<b>(213,757)</b>	<b>(213,757)</b>	<b>(6,822)</b>	<b>(37,883)</b>	<b>(106,878)</b>	<b>(68,995)</b>	<b>65%</b>	<b>(213,757)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>										
<b>Receipts</b>										
Short term loans										
Borrowing long term/refinancing										
Increase (decrease) in consumer deposits		-	-	-	192	1,158	-	1,158	#DIV/0!	-
<b>Payments</b>										
Repayment of borrowing		-	(13,351)	(13,351)	-	-	(6,676)	(6,676)	100%	(13,351)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>(13,351)</b>	<b>(13,351)</b>	<b>192</b>	<b>1,158</b>	<b>(6,676)</b>	<b>(7,834)</b>	<b>117%</b>	<b>(13,351)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(1,066,730)</b>	<b>11,736</b>	<b>11,736</b>	<b>87,831</b>	<b>82,978</b>	<b>5,868</b>			<b>11,736</b>
Cash/cash equivalents at beginning:		197,591	198,307	198,307	102,358	109,536	198,307			109,536
Cash/cash equivalents at month/year end:		(869,139)	210,043	210,043		192,515	204,175			121,272

The BTO made a concerted effort to align the Cash and equivalents of A6 and A7 for the Original budget for 2023/24 financial year, by relooking at the mapping as advised by NT and BCX. However, there are some errors that must be resolved so that the monthly and YTD actuals populate correctly. The Cash and Cash equivalents is also slightly overstated.

As per C6, the Cash and cash equivalents is R190,241 million as per the Cash book balance.

## 8. Municipal Debt Relief Monitoring - MFMA Section 71 reporting

Indicated in the table below is the monthly progress in terms of the municipal debt relief monitoring.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - December 2023 Comments
<p><b>6.3 Maintaining the Eskom and Water bulk current account – (current account for the purpose of this exercise means the account for a single month's consumption)</b></p>	<p><b>6.3.1</b> The municipality must monthly pay and maintain its <b>Eskom bulk current account</b> and <b>bulk water current account</b> - Department of Water and Sanitation (DWS), within 30 days of receiving the relevant invoice</p>	<p>Monthly, within 30 days of receiving invoice on or before due date as per the monthly invoice</p>	<p>Proof of payment (which includes, remittance advice, invoice and extract of corresponding bank statement)</p>	<p><b>Compliant</b> The municipality settled the current ESKOM account of R62,348m, excl interest on 28/12/2023. <b>Non-compliant</b> The municipality had insufficient cash and could not settle the current Water account amounting to R17,070m.</p>
	<p><b>6.3.1 (a)</b> At a minimum, pay the monthly debt instalment on 5th of each month as per signed debt agreement with DWS</p>	<p>Monthly, 5th of each month</p>		<p><b>Compliant</b> The municipality settled an amount of R5,523m on the debt repayment arrangement, on Friday, 05/01/2024.</p>
	<p><b>6.3.2</b> Submit the supporting evidence of the bulk Eskom current account payment to the National Treasury, Eskom and DWS, within 1 day of making any such payment</p>	<p>Within 1 day after making payment</p>	<p>Proof of payment and proof of email submission</p>	<p><b>Compliant</b> Email was sent within one day of payment to ESKOM and DWS.</p>
	<p><b>6.3.3</b> Submit the proof of payment to the National Treasury in PDF format via the GoMuni Upload Portal to substantiate that payment was made.</p>	<p>Monthly, within 10 working days after month end</p>	<p>GoMuni Status of Schedule of Revenue Documents Submissions Report</p>	<p><b>Compliant</b> Proof of Payments made in December 2023 was uploaded on GoMuni</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - December 2023 Comments
	<p><b>6.3.4</b> - The amount as per the proof of payment must reconcile to the amount recorded on the financial system as per the mSCOA data string and the section 41(2) MFMA statement of Eskom and DWS</p>	Monthly, within 10 working days after month end	Monthly financial data strings	<p><b>Partially compliant</b> Transactions are captured on the system, however minor accounts for Eskom and DWS are posted to the same bulk control votes. Matter was discussed with our service provider and an additional supplier will have to be registered for ESKOM and DWS. The form was sent to ESKOM and DWS, awaiting completed forms. Erroneous transactions to be journalised.</p>
<p><b>6.6 Electricity and Water Collection</b> <i>(Demonstration through by-laws and budget related policies)</i></p>	<p>6.6.1 Issue monthly billing and allocate payment received from customers in the following priority order: (1) Property Rates (2) Water (3) Waste Water (4) Refuse Removal and (5) Electricity</p>	Monthly	Monthly billing reconciliation / Financial system generated hierarchy allocation report	<p><b>Compliant</b> Priority of order of allocations was correct on the system. This is a once-off correction that the system will apply when payments are made.</p>
	<p><b>6.6.2</b> The municipality is disconnecting electricity services and/or blocking the purchasing of pre-paid electricity of any defaulting consumer/property owner</p>	Monthly	Number of disconnected / blocked meters	<p>The Municipality sent out disconnection notices to Defaulting Customers in December 2023 and will be effecting disconnections in January 2024.</p>
	<p><b>6.6.3</b> The municipality is restricting and/or interrupting the supply of water of any defaulting consumer/property owner</p>	Monthly	Number of restricted / interrupted supply	<p>At this stage the Municipality is only disconnecting/blocking electricity. We are in discussions with the Senior Manager: Water Services Compliance to introduce restrictions in the water supply of Debtors we are struggling to disconnect / block. He has requested that we pause on implementation until such time that the water crisis is managed.</p>

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - December 2023 Comments
	6.6.4 If the defaulting consumer/ property owner is registered as an indigent consumer with the municipality, the monthly supply of electricity and water to that consumer/property owner must be physically restricted to the monthly national basic free electricity and water limits of 50 Kilowatt electricity and 6 Kilolitres water, respectively.	Monthly	No of indigent consumers	Due to the financial constraints currently faced by many of our Indigent Customers (inability to afford services) we have not implemented the limitation of services in this manner.
<b>6.7 Maintain a minimum average quarterly collection of property rates and services charges</b>	6.7.1 The municipality must strictly enforce its credit control and debt management related policies and achieve a minimum of 80 per cent average quarterly collection of property rates and service charges with effect from 01 April 2023 and 85 per cent average quarterly collection with effect from 01 April 2024 during any quarter. Although the norm and standard for collection rate according to MFMA Circular No. 71 indicates a 95 per cent threshold, municipalities under the debt relief support will be exempted for the first two years from adhering to this norm	Monthly (Internal) and Quarterly (Debt Relief)	Collect R10,000 million daily over 22-day period, to achieve an average quarterly collection of 80% (Monthly S71 Revenue Collection Ward Template)	<b>Compliant</b> Monthly S71 Revenue Collection rate per Ward = 102% Quarterly Revenue Collection rate per Ward = 84% Not achieved. Average daily cash collection for December 2023, was R8,167m.
	<p><b>6.7.2</b> If the municipality is unable to achieve the minimum average quarterly collection as per paragraph 6.7.1, has the municipality must demonstrate to the satisfaction of the National Treasury the reasons or that –</p> <p>6.7.2.1 Underperformance directly relates to Eskom Supplied areas</p> <p>6.7.2.2 Physical restriction and/or limit of supply of water is due to Technical Engineering reason(s)</p> <p>6.7.2.3 The municipality has attempted to enter into SLA with Eskom for Eskom Supplied Areas and document reason(s) for failure</p>	Quarterly	Monthly S71 Revenue Collection Ward Template	<b>Compliant</b> Quarterly Revenue Collection rate per Ward = 84%

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - December 2023 Comments
	6.7.3 Install progressively smart prepaid meters in municipal supplied areas (Electricity)	Quarterly	Report on the number of meters installed Annual Target: 8,000 Q1: 1,000 Q2: 2,000 Q3: 3,000 Q4: 2,000 (As per SDBIP)	The Municipal Manager is looking into procuring meters on a different methodology and process.
6.7 Maintain a minimum average quarterly collection of property rates and services charges	6.7.3 Install progressively smart prepaid meters in municipal supplied areas (Water)	Quarterly	Report on the number of meters installed Annual Target: 8,000 Q1: 500 Q2: 3,000 Q3: 2,500 Q4: 2,000 (As per SDBIP)	Awaiting feedback
	6.7.4 All new electricity connections from 2023/24 MTREF must be smart-pre-paid meters	Quarterly	Report on the number of new connections installed with smart prepaid electricity meters	The municipality is considering partaking in transversal tender for Smart Prepaid Metering Solutions to be awarded by National Treasury



MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - December 2023 Comments
6.8 Completeness of the revenue base	6.8.1 The municipality must demonstrate by completing the National Treasury property rates reconciliation tool that the municipality's billing system perfectly aligns to its Council approved General Valuation Roll (GVR) and/ or any subsequent supplementary GVR compiled by the registered municipal valuer and demonstrate the steps taken to correct the variances identified; and	Quarterly	GVR Reconciliation & GoMuni Status of Schedule of Revenue Documents Submissions Report	<b>Compliant</b> GVR reconciliation completed Friday, 12 January 2024
	6.8.2 The municipality must submit its completed billing system, GVR and/ or interim GVR reconciliations required in terms of paragraph 6.8.1 to the National Treasury			<b>Compliant</b> GVR reconciliation submitted on Sunday, 14 January 2024
6.9 Monitor and report on implementation	6.9.1 <b>MFMA section 71 reporting</b> – has the municipal council and senior management team instituted processes to monitor and enforce accountability for the implementation of the municipality's funded budget and Budget Funding Plan where relevant?	Monthly, within 10 working days after month end	Progress report to be included in Monthly S71 Report	<b>Compliant</b> Report included in the monthly S71 report for December 2023
	6.9.2 If progress is slow in terms of paragraph 6.9.1, is the <b>active intervention evident</b> from the narratives supporting the municipality's monthly MFMA section 71 reporting and recorded on the financial system as per the mSCOA data string?			
	6.9.3 <b>Municipalities with financial recovery plans (FRP)</b> – if the municipality has a FRP as envisaged in the prevailing local government legislative framework, it must monthly report its progress in implementing its FRP to the Provincial Executive			
6.10 Provincial Treasury's Certification of municipal compliance	6.10 <b>Provincial Treasury certification of municipal compliance</b> – in terms of section 5 and 74 of the MFMA to performed by the relevant PT			

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - December 2023 Comments
	Executive Management Team (EMT) to review the National Treasury: Local Government Budget Analysis (NT: LGBA) compliance certification for the prior month and take immediate remedial action	Monthly, within 1 days after issue	NT: LGBA Compliance Certification	<b>In progress</b> Municipality is awaiting the compliance certificate issue
6.12 The municipality for the duration of the Municipal Debt Relief (to ensure proper management of resources)	6.12.1 Open a separate investment account to serve as a sub-account	Once-off	Investment account confirmation	<b>Compliant</b> A call deposit account to serve as a sub-account with our primary banker was opened on 13 November 2023.
	6.12.1 must apportion and ring-fence in a sub-account to its primary bank account – (a) all electricity, water and sanitation revenue the municipality collects in any month; and (b) the component of the Local Government Equitable Share (LGES) the municipality earmarked to provide free basic electricity, water and sanitation	Funds to be invested weekly and withdrawn monthly	Investment account and primary bank statement	<b>Finalised</b> Daily process developed to identify amounts received per service. EQS portion to be considered on a monthly basis, once subsidies has been allocated <b>Partially compliant</b> During December 2023, R15m was withdrawn to supplement the payment to ESKOM. The balance of the ESKOM account was paid directly from the Primary bank account. The municipality had insufficient funds to settle the Bulk water account. To date the municipality has a balance of R99 thousand.

MFMA Circular Reference and Focus Areas	Eskom Debt Relief Conditions	Reporting Frequency / Target Dates	Target / Portfolio of Evidence	Reporting period - December 2023 Comments
	6.12.2 must monthly first apply the revenue in the sub-account (required per paragraph 6.12.1) to pay its current Eskom account and then secondly its bulk water current account before it may apply the revenue in the sub-account for any other purpose.	Monthly	Investment account and bank statement and proof of payment aligned to actual receipts	<p><b>Partially compliant</b></p> <p>The municipality applied the available funds to the ESKOM payment. Municipality has a backlog in terms of built-up reserves. Salaries and third party salary payments including commitments to other creditors make this requirement difficult to reach.</p>
	The municipality monthly submit a copy of the bank statement of its ring-fenced bank account to the National Treasury and provincial treasury aligning to its MFMA s.71 statement collected revenue	Monthly, within 10 working days after month end	Bank statement and proof of payment aligned to actual receipts	<p><b>In progress</b></p> <p>To be submitted. Matter to be discussed with NT to ascertain if they will introduce a new upload tab on GoMuni for this purpose.</p>

## PART 2: SUPPORTING DOCUMENTATION

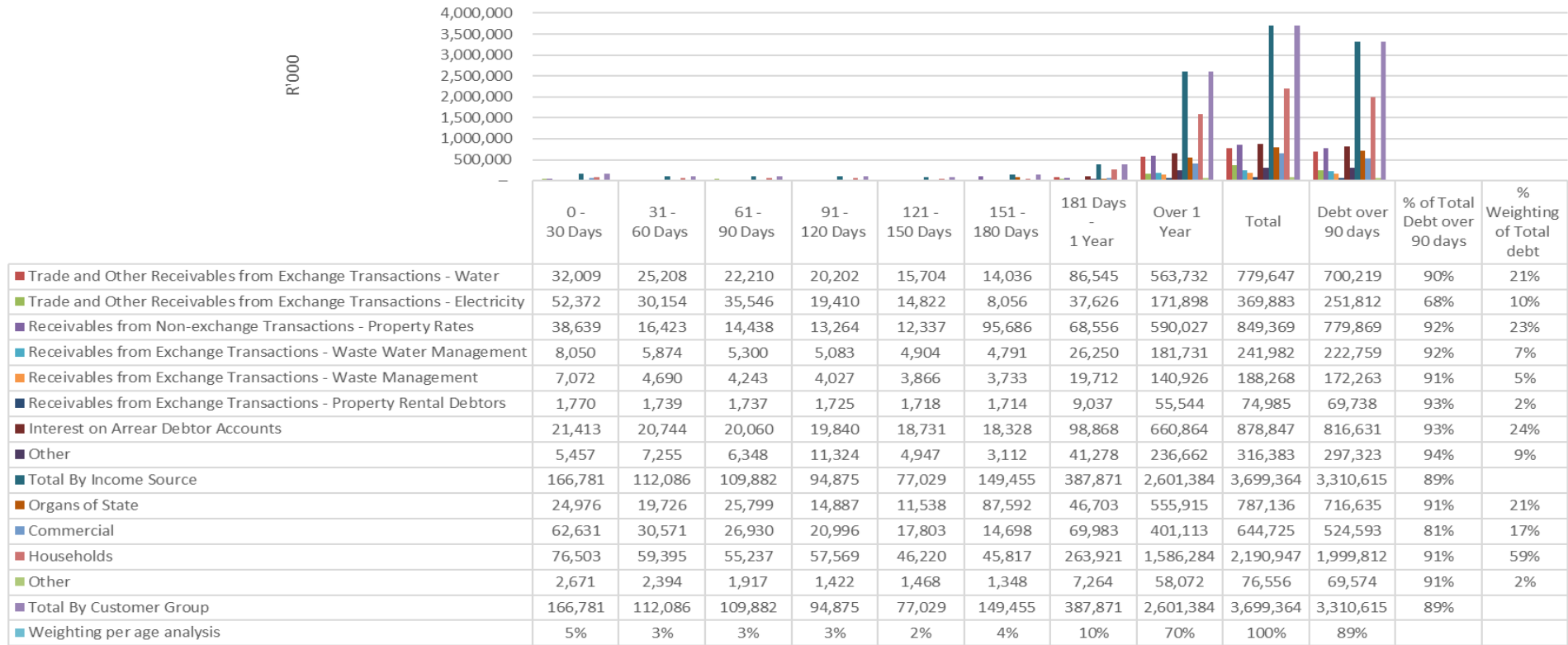
### 9. Debtors' Analysis

NC091 Sol Plaatje - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	NT Code	Budget Year 2023/24										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			
<b>R thousands</b>														
<b>Debtors Age Analysis By Income Source</b>														
Trade and Other Receivables from Exchange Transactions - Water	1200	32,009	25,208	22,210	20,202	15,704	14,036	86,545	563,732	779,647	700,219	-	-	
Trade and Other Receivables from Exchange Transactions - Electricity	1300	52,372	30,154	35,546	19,410	14,822	8,056	37,626	171,898	369,883	251,812	-	-	
Receivables from Non-exchange Transactions - Property Rates	1400	38,639	16,423	14,438	13,264	12,337	95,686	68,556	590,027	849,369	779,869	-	-	
Receivables from Exchange Transactions - Waste Water Management	1500	8,050	5,874	5,300	5,083	4,904	4,791	26,250	181,731	241,982	222,759	-	-	
Receivables from Exchange Transactions - Waste Management	1600	7,072	4,690	4,243	4,027	3,866	3,733	19,712	140,926	188,268	172,263	-	-	
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,770	1,739	1,737	1,725	1,718	1,714	9,037	55,544	74,985	69,738	-	-	
Interest on Arrear Debtor Accounts	1810	21,413	20,744	20,060	19,840	18,731	18,328	98,868	660,864	878,847	816,631	-	-	
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820									-	-	-	-	
Other	1900	5,457	7,255	6,348	11,324	4,947	3,112	41,278	236,662	316,383	297,323	-	-	
<b>Total By Income Source</b>	<b>2000</b>	<b>166,781</b>	<b>112,086</b>	<b>109,882</b>	<b>94,875</b>	<b>77,029</b>	<b>149,455</b>	<b>387,871</b>	<b>2,601,384</b>	<b>3,699,364</b>	<b>3,310,615</b>	<b>-</b>	<b>-</b>	
<b>2022/23 - totals only</b>		#####	91172065	76845872	68134250	69952757	#####	#####	#####	3,190,215	<b>2,876,144</b>	0	0	
<b>Debtors Age Analysis By Customer Group</b>														
Organs of State	2200	24,976	19,726	25,799	14,887	11,538	87,592	46,703	555,915	787,136	716,635	-	-	
Commercial	2300	62,631	30,571	26,930	20,996	17,803	14,698	69,983	401,113	644,725	524,593	-	-	
Households	2400	76,503	59,395	55,237	57,569	46,220	45,817	263,921	1,586,284	2,190,947	1,999,812	-	-	
Other	2500	2,671	2,394	1,917	1,422	1,468	1,348	7,264	58,072	76,556	69,574	-	-	
<b>Total By Customer Group</b>	<b>2600</b>	<b>166,781</b>	<b>112,086</b>	<b>109,882</b>	<b>94,875</b>	<b>77,029</b>	<b>149,455</b>	<b>387,871</b>	<b>2,601,384</b>	<b>3,699,364</b>	<b>3,310,615</b>	<b>-</b>	<b>-</b>	

Table 8: Supporting Table SC3: Aged Debtors

**Chart 6: Debtor's Age Analysis by Income Source and Customer Group as at 31 December 2023**



**Chart 6: Debtor's age analysis by Income Source and Customer Group**

Indicated in Table 8 and Chart 6 above is the total outstanding debt by Income Source and Customer Group including the debt over 90 days, the percentage of total Debt over 90 days and percentage weighting. The total O/S Debt amounts to R3,699,364 billion as at the end of December 2023 with the bulk of SPM debt is aged over 90 days with a total weighting of 89%.

The highest percentage weighting of debt owed by Income Source, in excess of 90 days is attributable to:

- ❖ Receivables from Non-Exchange Transactions – Property Rates at 92%
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 93%
- ❖ Interest on Arrear Debtor Accounts at 93% and Other 94%.

The highest percentage weighting of debt owed by Income Source is attributable to:

- ❖ Receivables from Non-exchange Transactions - Property Rates at 23%
- ❖ Interest on Arrear Debtor Accounts 24%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 21%

Weighting per Customer Group: Organs of state constitutes 21%, Businesses 17%, Households 59% and Other 2.0% of the total outstanding debt.

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. 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 payment culture of consumers needs to improve across all areas. Articulated in the paragraph below under "Revenue Management" is a detailed plan with interventions and improvements.

### **Revenue Management: Activities for the month of November 2023**

We have submitted an item to Council for the approval of a Special Municipal Debt Relief Programme. The programme background is based on the Municipality's Debtors book which is currently sitting at an estimated R 3 647 406 979,89 (R 3,647 billion) of which R3 254 390 456,26 (R3,254 billion) is debt that has aged for more than 90 days. The ageing of debt poses a risk of full recovery and the legitimacy of such debt due to the Prescription Act. The debt levels and current economic conditions indicate that debt write-off is inevitable.

The Municipality appreciates the financial constraints currently faced by its Customers, the current economic challenges they currently face make it difficult for them to meet their financial obligations to the Municipality. This has a negative impact on our collection rate and ultimately hinders the Municipality from achieving its objective when it comes to efficient and effective provision of services. Drastic measures are required to improve the dire financial state of the Municipality.

In response to this plight the Municipality, with the approval of Council, will be embarking on a debt rehabilitation initiative in the form of a Debt Relief Programme: effective from 05 December until 28 February 2023.

The intention of the Debt Relief Programme is aimed at encouraging the SPM Customers to pay for their municipal services and to foster a culture of payment amongst the SPM Customers.

The Debt Relief Programme consists of the following options:

1. FULL AND FINAL SETTLEMENT OF ACCOUNT - 50 % SETTLEMENT DISCOUNT (ON ALL MUNICIPAL SERVICES)
2. 3 YEAR PAYMENT PLAN - 30% UPFRONT PAYMENT REQUIRED

All Sol Plaatje Municipality Customers owing the Municipality for a period equal to or over 90 days shall in the first year of the arrangement be entitled to a 50% write-off on all interest charges and 25% on rates: if they make a once off 30% payment towards the settlement of their account as per the Debt Relief Programme.

In the second year of the arrangement the Customer shall be entitled to a 25% write-off on all interest charges and rates, if the Customer paid their account in full on a monthly basis for the whole of the second year.

In the third year of the arrangement the Customer shall be entitled to a further 25% write-off on all interest charges and rates, if the Customer paid their account in full on a monthly basis for the whole of the third year.

Conditions:

- Functional water meter (Municipality will prioritize repairs/replacements of meters per debt relief application)
- Installation of prepaid meter (if not already in place)
- Pay current account in full on a monthly basis during the agreement term
- A down payment of 30% (thirty percent) must be made on the day of application.
- An arrangement agreement must be signed between the Municipality and the Customer.

If tampering is committed at the respective address/erf number linked to the account having the arrangement, at any stage during the 3-year period of the Debt Relief Programme: The Customer shall be disqualified from receiving and further benefits in relation to the arrangement and such arrangement shall become null and void.

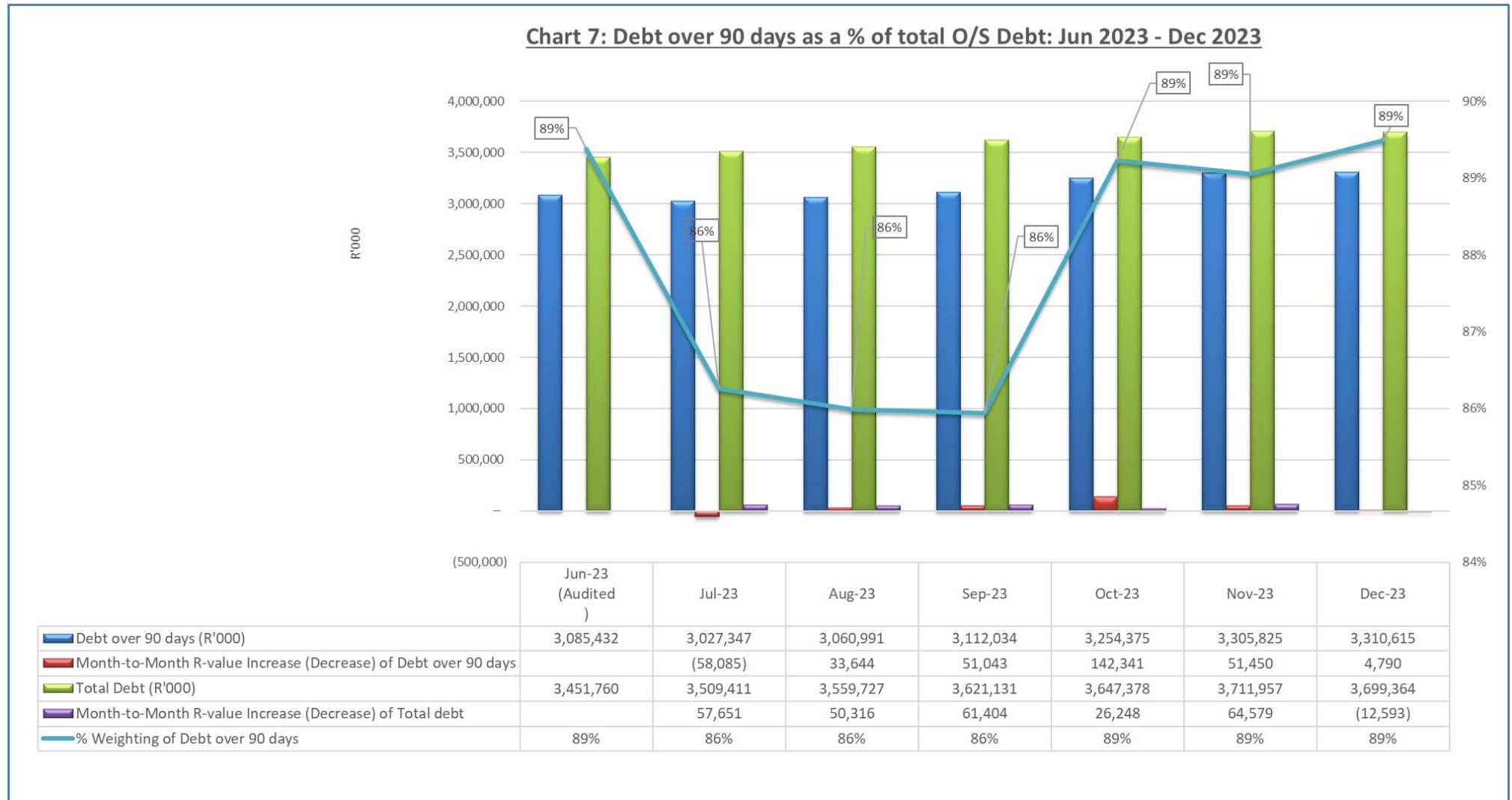
We had a workshop for all Councillors on Wednesday, 01 November 23, the following SPM sections presented: Customer Care/Water & Lights/Billing; Debt Collection; Indigent assistance and Rates. The Councillors were equipped with the necessary information in order to educate and empower our community members in order to bring synergy between SPM and the community it serves. Challenges were raised in relation to the dire financial constraints faced by members of the community, the Municipality committed to assist the less fortunate through the Indigent program and affording them payment arrangements. It was also agreed upon that Councillors will encourage Customers to make payments towards their accounts, instead of striking when the Municipality blocks/disconnects electricity due to non-payment.

There was a request for limited blocking/disconnecting of electricity services this past month due to the water crisis we are currently faced with as SPM. We believe that the Water and Sanitation Section is working very hard in order to resolve this issue, which will allow us to proceed smoothly with our collection initiatives.

We are receiving monthly payments from our Government Customers, which includes a R 40 million payment from the Provincial Department of Public Works. We continue to follow up on payment arrangements across our Customer Groups.

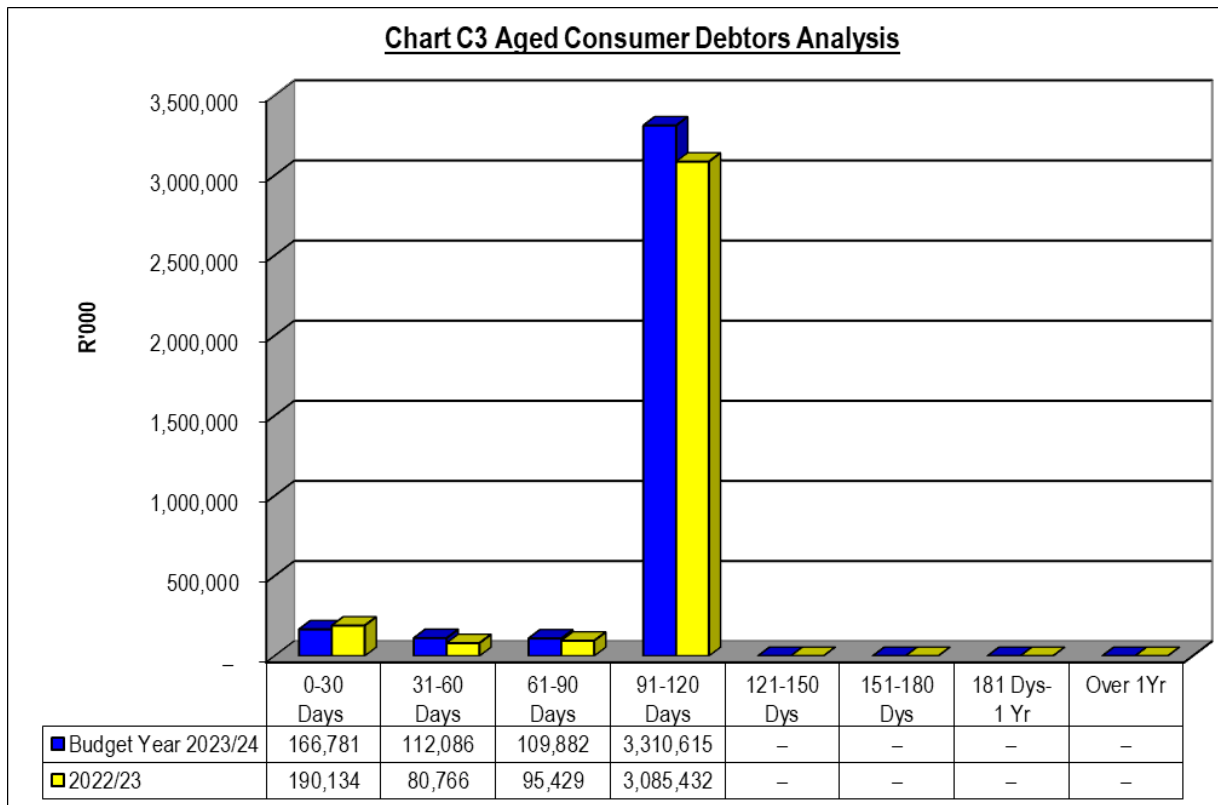


Chart 7 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt which remained constant at 89% for the month under review. Debt over 90 days increased by R4,790 million in respect of the month-to-month comparison. The month-to-month decrease on Total debt amounted to R12,593 million. It is concerning that total debt over 90 days is hovering at an average of 87 percent. During the 2023/24 MTREF Budget Benchmark exercise NT also encouraged the municipality, to explore all avenues to recoup long outstanding debt, to improve on financial liquidity and to improve the collection rate to at least 89% to be realistically funded from a cash perspective.

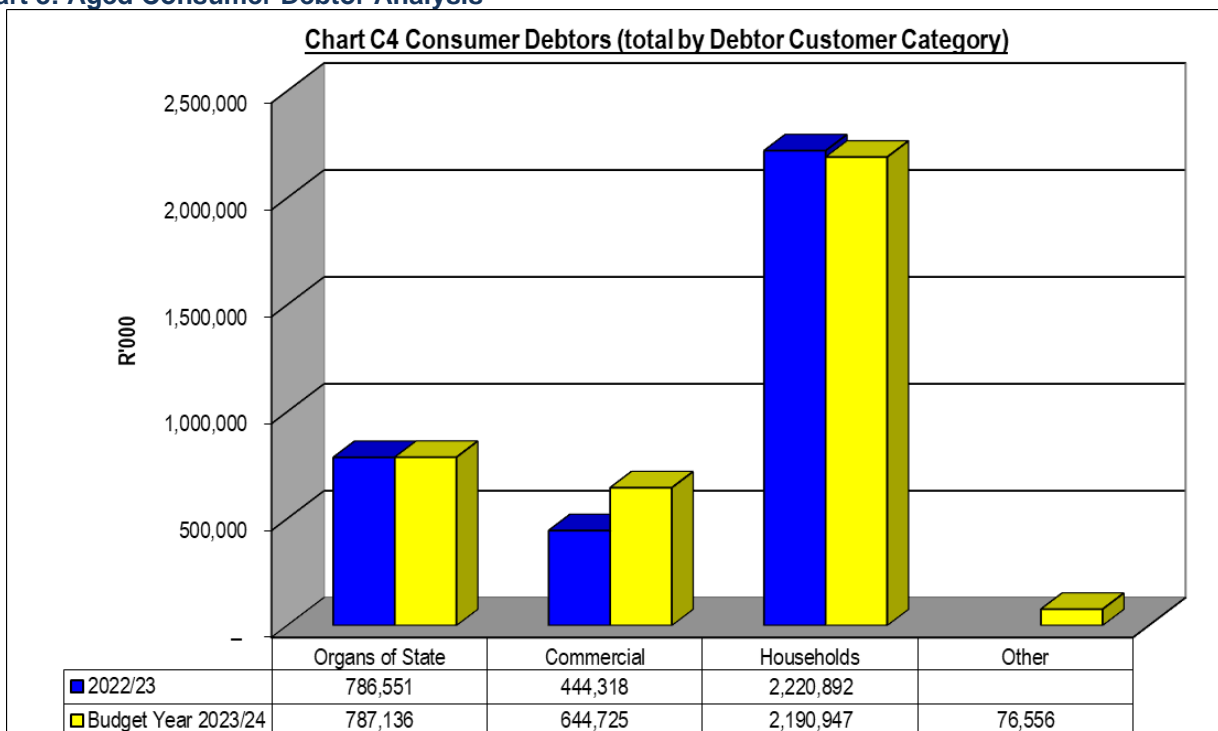


**Chart 7: Debt over 90 days as a percentage of Total O/S Debt**

- There is an error on the C-schedules, supporting schedule SC3 – Aged Debtors for the audited outcome for 2022/23. This error affected Chart C3 Aged Consumer Debtors Analysis. The problem has been resolved by our financial system provider (BCX). However, the totals are for December 2022, this will have to be confirmed with NT, if it is for the same period of the prior year or the audited outcomes that are required. The error on Chart C4 Consumer Debtors (total by Debtor Customer Category) must be communicated to NT as the 2022/23 audited actuals is not aligned to the AFS and is based on an erroneous formula which the municipality is strictly prohibited from fixing manually. The C-schedule for this reason, is completely password protected. The corrected charts are indicated below.



**Chart 8: Aged Consumer Debtor Analysis**



**Chart 9: Consumer Debtors (total by Debtor Customer Category)**

**During the Mid-year Budget Assessment for the 2021/22 financial year and indicated below are the Revenue enhancement strategies that can be implemented to ensure the completeness of Revenue, improve the collection rate, enhance customer relations and reduce losses**

- Disconnection of consumers to be applied consistently and fairly in line with the Credit Control Policy
- Engagements with provincial government to collect outstanding debt.
- Data cleansing of the entire debtor's book
- Data cleansing to positively influence the reachability of consumers and assist tremendously in the electronic distribution of municipal accounts via short messaging services (sms) and e-mail.
- Improve in the accuracy of monthly billing.
- Ensure meters are read consistently and timeously.
- Significantly reduce interim readings and ultimately eliminate interim readings.
- Reduce material billing errors by thoroughly interrogating billing exception reports prior to final billing run.
- Enhance customer relations and consumer satisfaction by improving on the turnaround time when dealing with billing queries.
- Introduce electronic complaints management system/register for account queries.
- Ensure faulty and bypassed electricity meters are replaced.
- Ensure that stuck, leaking, faulty or damaged water meters are replaced.
- Do regular follow-ups on meter replacements.
- Accurately update the system with latest information
- Reduce the turnaround time for installation of replacement or new meters.
- Ensure improved synergy and improved communication between internal department like Town Planning, Infrastructure, GIS and Billing
- Interrogate billing and prepaid electricity reports on a monthly basis and take immediate remedial action to address anomalies or discrepancies.
- Ensure that all billable properties are billed for Property rates and services.
- Ensure that customers are billed at the correct approved tariff by linking each customer to the correct tariff code loaded on the system.
- Reduce Electricity and Water losses.
- Finalise the Riverton reclamation dam to reduce water losses at the Plant by at least 6%
- Introduce automated metering for bulk consumers.
- Electricity Cost of Supply Study was finalised
- Ensure qualifying indigents are registered on the system, immediately upon verification.
- Improve on indigent management in terms of consumption and ensure prepaid electricity meters are installed immediately for all approved indigents.
- Improve on service delivery and personnel performance, to enhance customer's willingness to pay.
- Reduce or curb unnecessary expenditure by diligently applying cost containment measures.
- Prioritisation of spending
- Improve on routine maintenance on particularly revenue generating assets.
- Spend funds effectively with good value for money.

## Revised collection rate

As per Table 9 below, when taking into consideration what was billed in November 2023 and received in December 2023, the monthly collection rate is 95%. It should be noted that receipts are aligned to the billing cycle which is normally from the 26<sup>th</sup> of the prior month to the 25<sup>th</sup> of the current month. The monthly collection rate is satisfactory for the month under review. A payment of R39,990 million was received from Public Works on 30 November 2023 and was allocated during December 2023. The total amount of unallocated receipts from departments and Water and lights accounts of R46,649m remained unallocated at month-end or which was received after the billing run. These allocations will be resolved during January 2023. Indicated in Table 10 below is the revised average collection of 74.6% for the period under review. The average collection rate is distorted, due to the annual billing on Property rates. When taking the annual billing on Property rates into consideration, the average collection rate is 74.9%. The lower collection rate is not an ideal situation and is having a dire impact on the cash flow of the municipality. The current status quo cannot continue, and drastic action will have to be taken to address this critical issue.

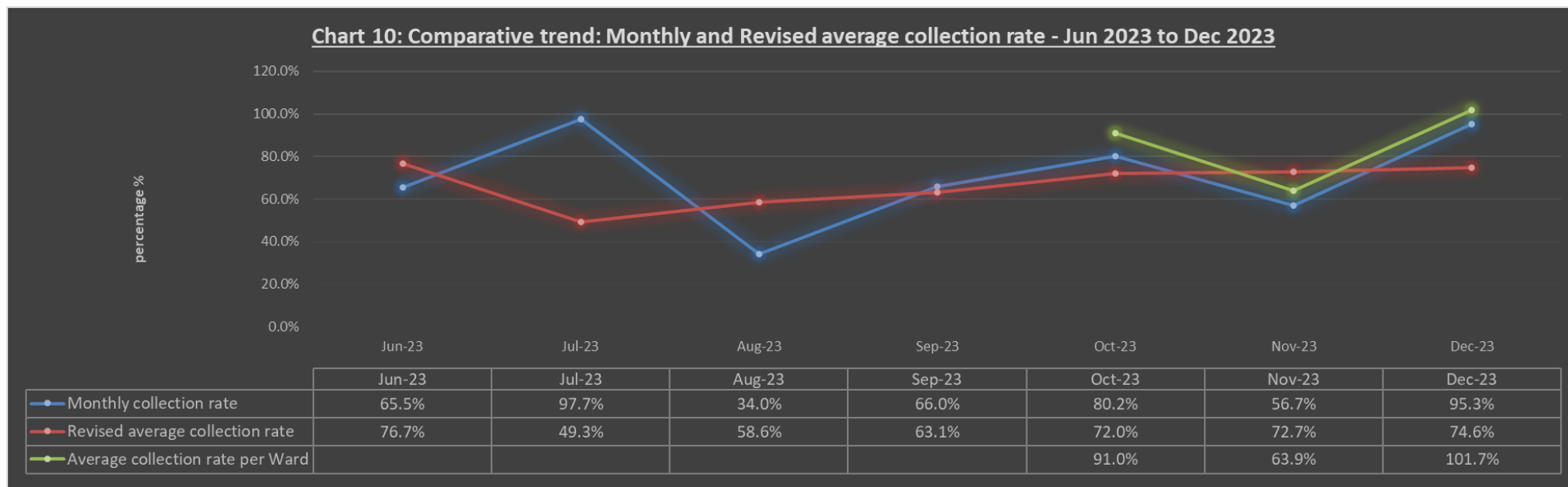
When considering the average collection rate, various factors are taken into account, like the receipts on Prepaid Electricity, unallocated credits, etc. The YTD billing on Property Rates and Service Charges are obtained from the general ledger. Billing on Other is obtained from the BS902 report (Debits Raised Versus Payments). The BS566 report (Payments per Service per Day/Period) includes all monies received from 1 December to 31 December 2023. Unallocated credits are obtained from the cashbook. Government in particular and businesses/households that opt to get billed annually, had until the end of September 2023 to settle their outstanding accounts.

Monthly Collection Rate	Debits (Billed November 2023)	Credits (Received December 2023)	% Collected
PROPERTY RATES	45,030,213	75,500,714	168%
ELECTRICITY	43,474,929	46,808,381	108%
WATER	28,606,296	12,560,544	44%
SEWERAGE	9,770,998	3,870,749	40%
REFUSE	7,955,097	3,381,608	43%
OTHER	27,477,160	12,614,553	46%
<b>Total</b>	<b>162,314,693</b>	<b>154,736,549</b>	<b>95%</b>

Table 9: Monthly collection rate

REVENUE BY SOURCE	YTD ACTUAL DECEMBER 2023	YTD RECEIPTS	Rate
PROPERTY RATES	R 410,588,861	R 299,336,760	<b>72.9%</b>
SERVICE CHARGE ELECTRICITY	R 302,459,878	R 254,807,151	<b>84.2%</b>
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 157,478,674	R 157,478,674	<b>100.0%</b>
SERVICE CHARGE WATER	R 144,640,333	R 72,964,825	<b>50.4%</b>
SERVICE CHARGE SANITATION	R 48,083,495	R 23,557,028	<b>49.0%</b>
SERVICE CHARGE REFUSE	R 38,157,365	R 19,989,209	<b>52.4%</b>
OTHER	R 161,143,200	R 66,840,206	<b>41.5%</b>
UNALLOCATED CREDITS		R 46,649,174	
<b>REVISED AVERAGE COLLECTION RATE - DECEMBER 2023</b>	<b>R 1,262,551,806</b>	<b>R 941,623,028</b>	<b>74.6%</b>
<b>REVISED AVERAGE COLLECTION RATE - DECEMBER 2023</b>	1,262,551,806.03	941,623,027.60	<b>74.6%</b>
LESS ANNUAL BILLING ON PROPERTY RATES	R -141,456,341.14	-101,667,549.52	<b>71.9%</b>
AVERAGE COLLECTION RATE EXCL ANNUAL BILLING	R 1,121,095,464.89	R 839,955,478.08	<b>74.9%</b>

Table 10: Revised Average collection rate

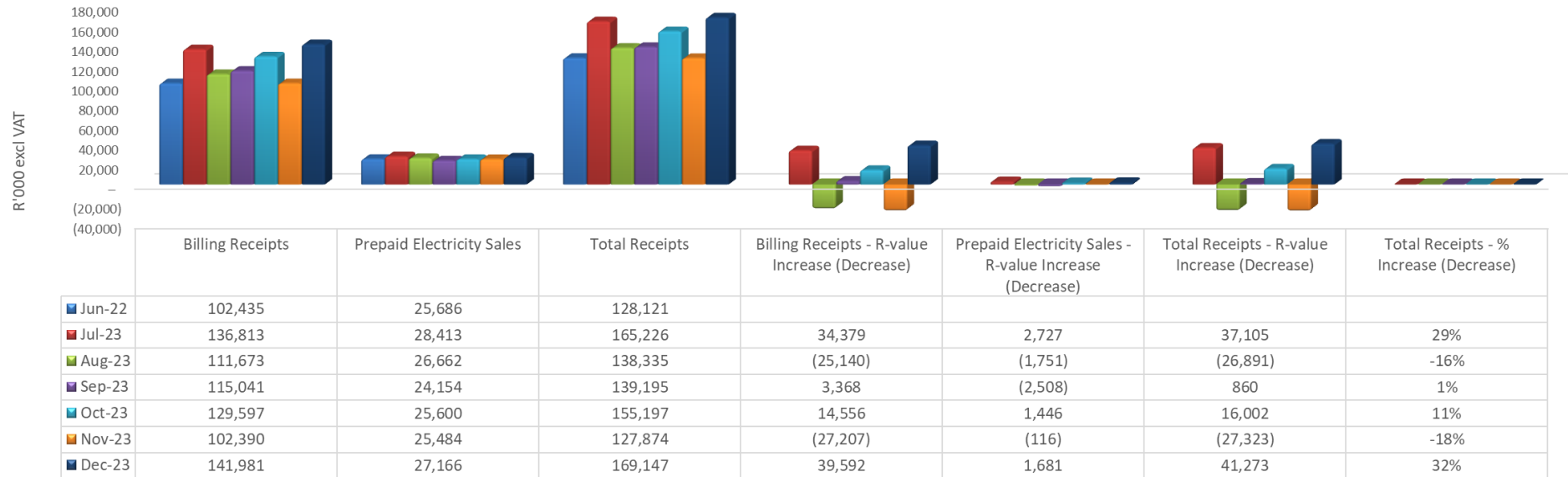


**Chart 10: Comparative trend: Monthly and Revised average collection rate**

Indicated in Chart 10 above, is the comparative trend between the monthly and average collection rate from June 2023 to December 2023. The monthly collection rate for August 2023 and the revised average collection for July 2023, is low due to the annual billing of Property rates. It should be noted that the monthly collection rate takes into account what was billed in the previous month and received in the current month. The receipts are also based on the billing cycle, which will normally be from 26<sup>th</sup> of the previous month to 25<sup>th</sup> of the current month. The monthly collection rate also excludes Prepaid electricity sales. The average collection rate, although distorted is not ideal because on a monthly basis, the municipality is not receiving enough cash to cover its commitments. For the municipal debt relief, the municipality is also expected to report the average collection rate per ward. The collection rate per ward improved to 102%. It should be noted that an amount of R46,649m was unallocated at month-end, which negatively influenced these collection rates.

During the 2023/24 MTREF Benchmark engagement, NT advised that the municipality, “must make an effort to collect long outstanding debtors and strive to push collection rate beyond 89% so that we are able to make a surplus on the cash flow which will enable the municipality to cover all the proposed expenditures including bulk purchases for Eskom and Water Board. As things stand, if you look at the cash flow, it shows that the municipality will collect less revenue than the proposed expenditure, however, the budget on A8 remains funded because of huge outstanding debtors that the municipality is still anticipating to collect, hence our plea for the municipality to collect those long outstanding debtors not written off.”

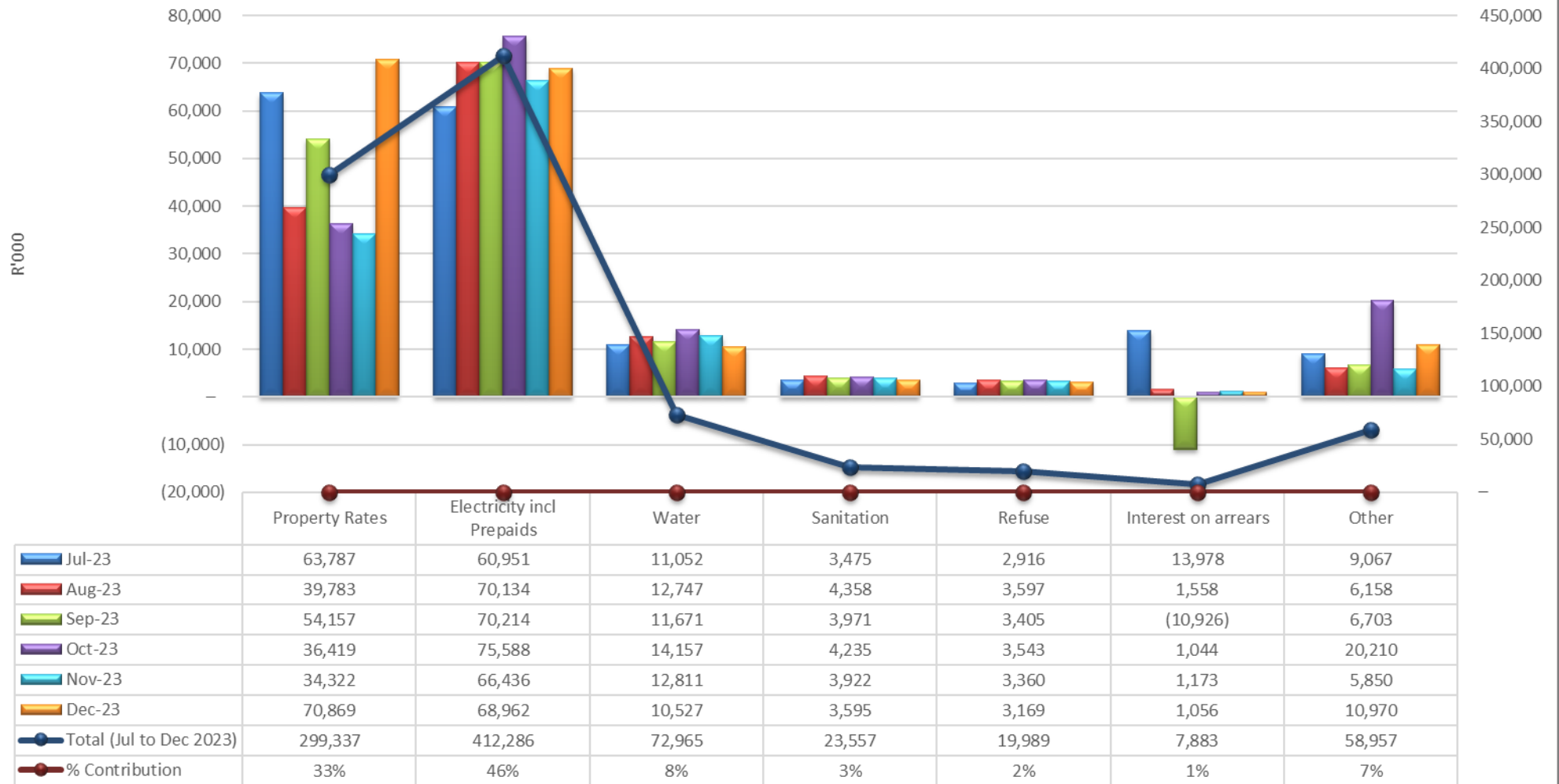
**Chart 11.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity from Jun 2023 to Dec 2023**



**Chart 11.1: Month-to-month - Total Billing Receipts incl Prepaid Electricity**

As indicated in Chart 11.1 above, the Total Receipts amounted to R169,147 million which resulted in an increase of R41,273 million or 32% in respect of the month-to-month comparison. Billing receipts increased by R39,592 million, whilst Prepaid Electricity Sales increased by R1,681 million. The deteriorating situation for the past few months/years does not bode well for the municipality's cash flow because on a monthly basis the municipality does not collect sufficient cash to cover its monthly commitments. Unallocated billing receipts at month end amounted to R46,649 million. Unallocated receipts are not factored into the actual receipts as per the chart above. All unallocated receipts are investigated and assistance from the bank is also requested when the municipality is unable to trace receipts so that it can be allocated timeously and accurately.

**Chart 11.2: Monthly billing receipts per revenue source & % contribution from Jul 2023 - Dec 2023**



**Chart 11.2: Monthly billing receipts per revenue source and % contribution**

Indicated in Chart 11.2 above, is the month-to-month receipts per Revenue source and percentage contribution of receipts per revenue source as at 31 December 2023. Receipts are relatively constant based on the month-to-month comparison. The actual cash collected remains a serious concern and positive results can be achieved, provided that the Credit Control and Debt Collection Policy is strictly, consistently, and fairly applied. Revenue streams that are showing improvement in relation to the monthly comparison, is Property Rates. Electricity and Other, all other revenue streams are showing a decline. Data from the above chart, indicates that Electricity incl Prepays at R412,286 million (46%) is the highest contributor, followed by Property rates at R299,337 million (33%) being received. This illustrates the sensitivity and vulnerability in respect of electricity sales that the municipality is facing. Any

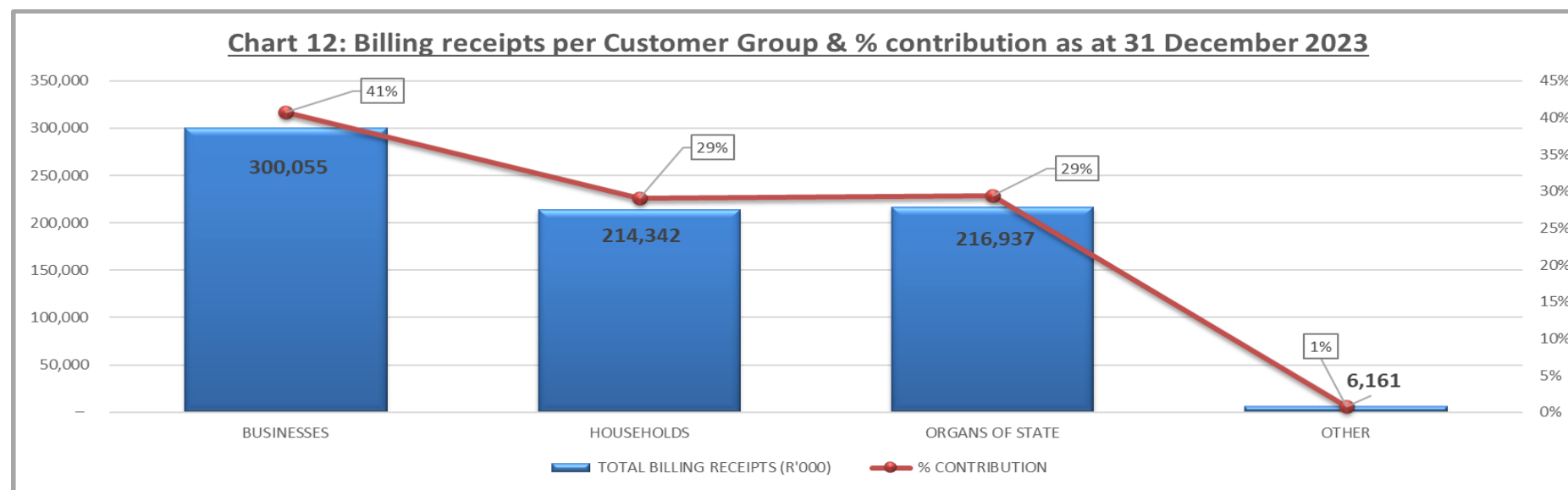


major reductions in this revenue source can severely affect the municipality's financial position and this was clearly demonstrated when the municipality had to abolish the implementation of the basic charge in 2018/19 financial year. Measures should be implemented to ensure that receipts from annual Property rates billing materialises. Receipts from Water constitutes 9% and Other 7% overall.

Receipts from Sanitation and Refuse is extremely low and on average the municipality collects approximately 54% from these revenue sources. The lowest contributor in respect of actual receipts, has always been Interest on arrears. 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, it 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 then negatively influence the collectability of this revenue source, but positively influences the collection of other services.



**Chart 12: Billing receipts per Customer Group**

Indicated in Chart 12 above, is the billing receipts and percentage contribution per major Customer group as at 31 December 2023. The municipality received R300,055 million (41%) from Businesses, Households R214,342 million (29%), Organs of State R216,937 million (29%) and Other R6,161 million (1%).

## 10. Creditors' Analysis

NC091 Sol Plaatje - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 December

Description	NT Code	Budget Year 2023/24									Total	Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year			
<b>Creditors Age Analysis By Customer Type</b>												
Bulk Electricity	0100	64,311	8,232	-	30,823	42,810	59,034	200,790	571,899	977,899	726,899	
Bulk Water	0200	17,070	17,633	-	15,303	-	-	-	77,287	127,293	153,869	
PAYE deductions	0300	12,269	-	-	-	-	-	-	-	12,269	10,885	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	8,355	-	-	-	-	-	-	-	8,355	7,824	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	894	42	-	-	-	-	-	-	936	2,234	
Auditor General	0800	285	-	-	-	-	-	-	-	285	-	
Other	0900	17,660	850	-	-	-	-	-	14,223	32,734	23,032	
<b>Total By Customer Type</b>	<b>1000</b>	<b>120,845</b>	<b>26,758</b>	<b>-</b>	<b>46,126</b>	<b>42,810</b>	<b>59,034</b>	<b>200,790</b>	<b>663,409</b>	<b>1,159,771</b>	<b>924,742</b>	

Table 11: Supporting Table SC4: Aged Creditors

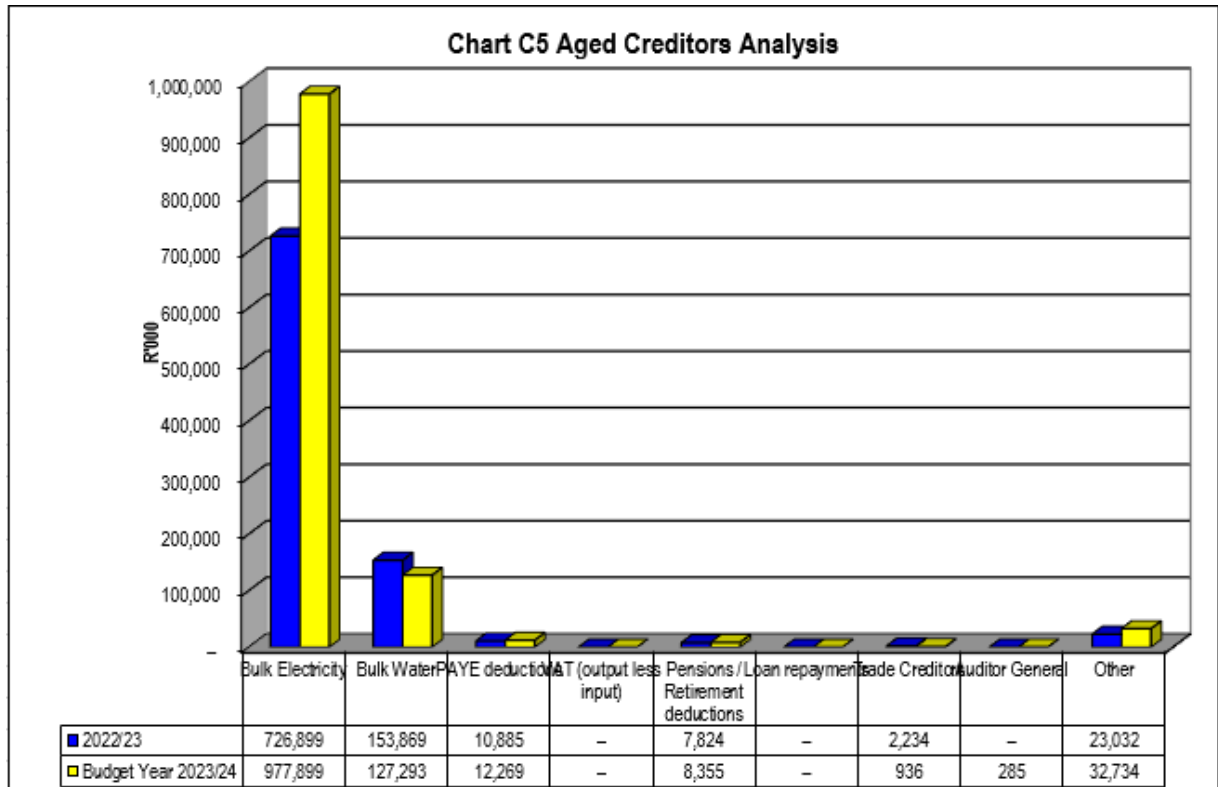


Chart 13: Aged Creditors Analysis

It should be noted that comparative figure for 2022/23 is based on the outstanding creditors as at 31 December 2022 (prior year totals for the same period).

**Bulk Electricity** – As at the 31 December 2023, the outstanding debt owed to ESKOM amounted to R977,899 million. The current agreement with ESKOM is that the municipality must settle its monthly current account. No formal payment agreement with ESKOM was concluded for the 2022/23 financial year. The municipality initiated the process to conclude a debt agreement for 2023/24 financial year, for the debt that accumulated after March 2023 based on the debt relief approval. This proposal was submitted to ESKOM for approval.

**Bulk Water** – As at the 31 December 2023, the outstanding debt owed to DWS is R127,293 million. A payment agreement with DWS for the 2022/23 financial year has been concluded and the municipality is participating in the Incentive scheme that the Department is providing to municipalities. All invoices for 2022/23 financial year were settled in full.

**PAYE and Pension** statutory deductions are paid over monthly to the relevant institutions on or before seventh of the new month.

**VAT** – after the monthly VAT reconciliation, we claimed an amount of R14,085 million from SARS.

**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).

**Auditor General** – the current account due to the AGSA is R285 thousand.

**Other creditors** – includes Sundry creditors which were unpaid as at 31 December 2023 of which the biggest contributor is other third party salary payments amounting to R17,660 million which was paid by 7 December 2023.

## 11. Investment portfolio analysis

The market value of the investment portfolio has been utilized and for the period ending 31 December 2023, the value of total investments made was R164,855 million including interest. Investment top-ups for the month under review amounted to R48,850 million, while an amount of R15,879 was partially or prematurely withdrawn. The disclosure of interest has to be discussed with NT so that the municipality can align interest received to the data strings, whilst NT must provide guidance of the YTD accrued interest that are not yet reflected in the books. This exercise is normally performed during year-end procedures. Please note that the investments are committed and/or held for the following reasons:

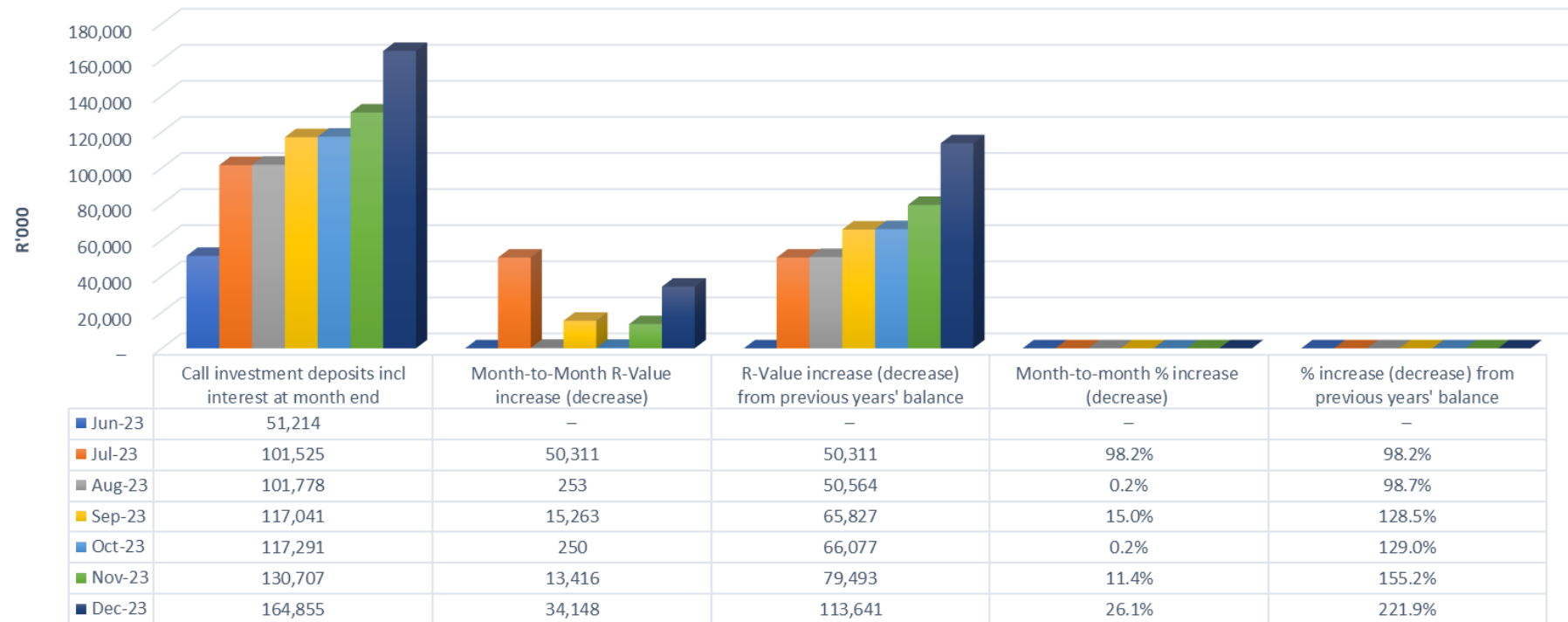
Purpose	R'000
A fixed deposit that was invested and ceded to Development Bank of South Africa representing the equivalent of one instalment of the long-term loan.	21,269
A fixed deposit that was made as a security to the Self-Insurance Workman Compensation reserve as required by the Department of Labour - Compensation Commissioner.	7,787
Capital grant receipts that was invested for the current year.	95,950
The investment account set aside for ESKOM and DWS.	99
Own funds invested	39,750
<b>Total</b>	<b>164,855</b>

### NC091 Sol Plaatje - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

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 <sup>a</sup>	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial /	Investment Top Up	Closing Balance
		Yrs/Months										Premature Withdrawal (4)		
<b>R thousands</b>														
<b>Municipality</b>														
First National Bank 62776321293		6 months	Call a/c	No	Variable	5.2	0			5,535	37	(73)	-	5,500
Investec 1400093272500		6 months	Call a/c	No	Variable	5.35	0			600	4	(4)	-	600
Standard Bank 04846627-014		6 months	Call a/c	No	Variable	5.5	0			5,000	37	(37)	-	5,000
Absa Bank 92 7195 3033		6 months	Call a/c	No	Variable	4.3	0			5,599	34	(34)	-	5,599
Absa Bank - 9382218821		Monthly	Call a/c	No	Fixed	8.90%	0	n/a		30,015	453	(453)	48,850	78,865
Standard Bank 048466271-089		6 months	Call a/c	No	Variable	6.9	0			15,040	60	(15,000)	-	99
Nedbank 9002324052		6 months	Call a/c	Yes	Variable	5.25	0		2019/06/06	5,102	35	-	-	5,136
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	7.40%	0		2023/06/28	7,732	55	-	-	7,787
Standard Bank - 048466271-087		48 hours	Notice	No	Variable	8.80%	0		2023/08/31	35,000	278	(278)	-	35,000
Standard Bank 048466271-086		12 months	Notice	No	Fixed	9.03%	0		2023/11/10	(0)	-	-	-	(0)
Standard Bank 048466271-088		12 months	Notice	No	Fixed	970.00%	0		2024/11/10	21,084	184	-	-	21,269
<b>Municipality sub-total</b>										<b>130,707</b>		<b>(15,879)</b>	<b>48,850</b>	<b>164,855</b>

Table 12: Supporting Table SC5: Investment portfolio

**Chart 14: Call investment deposits incl interest for the period ending 31 December 2023**



**Chart 14: Call investment deposits at month-end**

As indicated in the Chart 5 above from November to December 2023 investments incl interest increased by R34,148 or 26.1%, in respect of the month-to-month comparison. Investments increased by R113,641 million or 221.9% when compared to the previous years' balance of R51,214 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, in December and June of each year. 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.

## 12. Allocation and grant receipts and expenditure

### Operational and Capital Grants: Receipts

NC091 Sol Plaatje - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>RECEIPTS:</b>	1,2									
<b>Operating Transfers and Grants</b>										
<b>National Government:</b>		248,673	273,621	273,621	80,490	195,438	136,810	58,627	42.9%	273,621
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		239,158	263,135	263,135	80,479	190,119	131,567	58,552	44.5%	263,135
Expanded Public Works Programme Integrated Grant		3,959	3,286	3,286	-	3,286	1,643	1,643	100.0%	3,286
Infrastructure Skills Development Grant		3,856	5,500	5,500	-	1,923	2,750	(827)	-30.1%	5,500
Local Government Financial Management Grant		1,700	1,700	1,700	11	110	850	(740)	-87.1%	1,700
Municipal Disaster Relief Grant	3	-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		15,984	8,300	8,300	-	-	4,150	(4,150)	-100.0%	8,300
Capacity Building and Other Grants		9,684	8,300	8,300	-	-	4,150	(4,150)	-100.0%	8,300
Infrastructure Grant		6,300	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Higher Education SA (HESA)		-	-	-	-	-	-	-	-	-
<b>Total Operating Transfers and Grants</b>	5	264,657	281,921	281,921	80,490	195,438	140,960	54,477	38.6%	281,921
<b>Capital Transfers and Grants</b>										
<b>National Government:</b>		108,149	214,233	214,233	8,452	32,148	107,116	(74,969)	-70.0%	214,233
Energy Efficiency and Demand Side Management Grant		4,000	4,000	4,000	(32)	4,000	2,000	2,000	100.0%	4,000
Integrated National Electrification Programme Grant		24,400	48,026	48,026	600	3,635	24,013	(20,378)	-84.9%	48,026
Integrated Urban Development Grant		70,390	74,207	74,207	-	16,629	37,103	(20,475)	-55.2%	74,207
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	2,000	2,000	-	-	1,000	(1,000)	-100.0%	2,000
Regional Bulk Infrastructure Grant		-	86,000	86,000	7,884	7,884	43,000	(35,116)	-81.7%	86,000
Water Services Infrastructure Grant		9,359	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		3,387	-	-	-	-	-	-	-	-
Infrastructure Grant		3,387	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
<b>Total Capital Transfers and Grants</b>	5	111,536	214,233	214,233	8,452	32,148	107,116	(74,969)	-70.0%	214,233
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	5	376,193	496,154	496,154	88,942	227,585	248,077	(20,492)	-8.3%	496,154

Table 13: Supporting Table SC6: Transfers and grant receipts

Operational grant monies received for the month under review.

Equitable Share – R80,479 million

Capital grant monies received for the month under review.

IUDG – R30,000 million

EEDSM – R2,000 million

European Union R18,850 million

There are some mapping errors pertaining to operational and capital grants. This was brought under attention of our financial system vendor and the matter is being investigated to find a solution. Capital grants specifically is allocated to the Statement of Financial Position as receipts and is not mapped to the C-schedule. However, on a monthly basis journals are processed to recognize capital grant receipts in the Statement of Financial Performance, once all conditions of the grant have been met.

## Operational and Capital Grants: Expenditure

NC091 Sol Plaatje - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

Description	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>										
<b>EXPENDITURE</b>										
<b>Operating expenditure of Transfers and Grants</b>										
<b>National Government:</b>		123,170	141,242	221,116	38,474	109,362	110,743	(1,380)	-1.2%	221,116
Equitable Share		112,671	130,756	210,619	38,312	108,007	105,497	2,510	2.4%	210,619
Expanded Public Works Programme Integrated Grant		4,943	3,286	3,287	40	152	1,643	(1,491)	-90.7%	3,287
Infrastructure Skills Development Grant		3,856	5,500	5,500	101	1,106	2,750	(1,644)	-59.8%	5,500
Local Government Financial Management Grant		1,700	1,700	1,710	21	97	853	(755)	-88.6%	1,710
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		11,438	8,300	10,120	198	2,099	5,057	(2,958)	-58.5%	10,120
Capacity Building and Other Grants		8,500	8,300	8,320	143	443	4,157	(3,713)	-89.3%	8,320
Infrastructure Grant		2,938	-	1,800	55	1,655	900	755	83.9%	1,800
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>		134,609	149,542	231,236	38,672	111,461	115,799	(4,338)	-3.7%	231,236
<b>Capital expenditure of Transfers and Grants</b>										
<b>National Government:</b>		96,392	214,233	214,233	6,780	33,890	107,117	(73,226)	-68.4%	214,233
Energy Efficiency and Demand Side Management Grant		4,000	4,000	4,000	-	3,943	2,000	1,943	97.2%	4,000
Integrated National Electrification Programme Grant		22,829	48,026	48,026	2,045	5,080	24,013	(18,933)	-78.8%	48,026
Integrated Urban Development Grant		61,424	74,207	74,207	2,443	16,983	37,104	(20,121)	-54.2%	74,207
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	2,000	2,000	-	-	1,000	(1,000)	-100.0%	2,000
Regional Bulk Infrastructure Grant		-	86,000	86,000	2,292	7,884	43,000	(35,116)	-81.7%	86,000
Water Services Infrastructure Grant		8,138	-	-	-	-	-	-	-	-
<b>Provincial Government:</b>		-	-	-	-	-	-	-	-	-
<b>District Municipality:</b>		-	-	-	-	-	-	-	-	-
Specify (Add grant description)		-	-	-	-	-	-	-	-	-
<b>Other grant providers:</b>		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>		96,392	214,233	214,233	6,780	33,890	107,117	(73,226)	-68.4%	214,233
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>		231,000	363,775	445,469	45,452	145,351	222,916	(77,565)	-34.8%	445,469

Table 14: 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 R13,365 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 R3,286 million. In addition to this, the municipality budgeted R15,000 million for this programme.

Description (R'000)	Original Budget	Prelim Adjustment Budget	Monthly Actual	YTD Actual	Commitments	% Spent Original	% Spent Adj Budget
INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)	48,026	48,026	2,045	5,080	119	10.6%	10.6%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	74,207	74,207	2,443	16,983	9,989	22.9%	22.9%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	4,000	4,000	-	3,943	-	98.6%	98.6%
NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT)	2,000	2,000	-	-	-	0.0%	0.0%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	86,000	86,000	2,292	7,884	5,625	9.2%	9.2%
<b>Grand Total</b>	<b>214,233</b>	<b>214,233</b>	<b>6,780</b>	<b>33,890</b>	<b>15,734</b>	<b>15.8%</b>	<b>15.8%</b>

Table 15: Summary of expenditure per grant

As indicated in Table 15 above, the YTD grant expenditure amounts to R33,890 million or 15.8% spent against the Original capital grant allocation of R214,233 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 remains concerning that YTD capital expenditure is so low. 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. Capex also excludes Commitments. Please refer to Section 4.3 in the Executive Summary which highlights some of the factors that

**Sol Plaatje: S52(d) Second Quarter Assessment and S72 Mid-year Budget & Performance Assessment**

negatively influences the delay in grant expenditure.

### **Rollover Grants: Expenditure**

The rollover request for the 2022/23 financial year was declined as per the letter received from National Treasury. Below is an extract of the rollover letter.

“Your request to roll over the unspent amount of **R7.2 million** into the 2023/24 financial year by your municipality is not approved in terms of 21(2) of the 2022 Division of Revenue Amendment Act, (Act No. 15 of 2022) (DoRAA). The rejection is with respect to the Infrastructure Skills Development Grant (R1.6 million) (ISDG) and Water Services Infrastructure Grant (R5.6 million) (WSIG).

The National Treasury in assessing your roll over request used the criteria set out in Circular No. 123 of the Municipal Finance Management Act, 2003 (Act No.56 of 2003) as a guide for the consideration of the roll over submission by your municipality.

The decision to reject your roll over request is based on the following reasons:

- The municipality did not submit supporting documents for the ISDG as outlined in the circular, i.e., copies of appointment letters of contractors and tender documents; and
- With regards to WSIG, the contractor left site as per your letter.

Your municipality is reminded that the Municipal Council does not have the legal authority to decide on the use of Conditional Grant transfers from National Government outside of the legal framework set out in the annual Division of Revenue Act and its various gazettes.”

[Table 16: Supporting Table SC7\(2\) - Expenditure against approved rollovers](#)

Table 16 is not populated because the municipality’s rollover request was declined.



### 13. Councillor and board member allowances and employee benefits

NC091 Sol Plaatje - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	Ref	2022/23	Budget Year 2023/24							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
<b>Councillors (Political Office Bearers plus Other)</b>										
Basic Salaries and Wages										
Pension and UIF Contributions		882	-	-	89	555	-	555	#DIV/0!	-
Medical Aid Contributions		425	-	-	40	236	-	236	#DIV/0!	-
Motor Vehicle Allowance										
Cellphone Allowance		3,040	2,938	2,938	258	1,469	1,469	0	0%	2,938
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		27,876	32,621	32,621	2,640	15,857	16,311	(453)	-3%	32,621
<b>Sub Total - Councillors</b>		<b>32,224</b>	<b>35,559</b>	<b>35,559</b>	<b>3,027</b>	<b>18,118</b>	<b>17,780</b>	<b>339</b>	<b>2%</b>	<b>35,559</b>
<b>% increase</b>	4		<b>10.3%</b>	<b>10.3%</b>						<b>10.3%</b>
<b>Senior Managers of the Municipality</b>										
Basic Salaries and Wages		6,702	8,158	8,158	342	2,683	4,079	(1,396)	-34%	8,158
Pension and UIF Contributions		969	1,558	1,558	32	243	779	(536)	-69%	1,558
Medical Aid Contributions		233	215	215	14	108	108	1	1%	215
Overtime										
Performance Bonus										
Motor Vehicle Allowance		1,534	1,985	1,985	86	550	993	(442)	-45%	1,985
Cellphone Allowance		132	202	202	8	50	101	(50)	-50%	202
Housing Allowances		28	26	26	2	12	13	(1)	-8%	26
Other benefits and allowances										
Payments in lieu of leave										
Long service awards		44	46	46	1	7	23	(16)	-70%	46
Post-retirement benefit obligations	2									
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
<b>Sub Total - Senior Managers of Municipality</b>		<b>9,643</b>	<b>12,190</b>	<b>12,190</b>	<b>484</b>	<b>3,654</b>	<b>6,095</b>	<b>(2,441)</b>	<b>-40%</b>	<b>12,190</b>
<b>% increase</b>	4		<b>26.4%</b>	<b>26.4%</b>						<b>26.4%</b>
<b>Other Municipal Staff</b>										
Basic Salaries and Wages		433,826	475,973	467,027	39,137	229,331	233,643	(4,313)	-2%	467,027
Pension and UIF Contributions		79,050	91,654	91,654	7,031	42,116	45,828	(3,711)	-8%	91,654
Medical Aid Contributions		50,925	59,955	59,955	5,405	32,528	29,978	2,550	9%	59,955
Overtime		69,383	47,280	47,280	7,885	40,777	23,640	17,137	72%	47,280
Performance Bonus		30,249	36,505	36,505	15,181	21,958	18,252	3,706	20%	36,505
Motor Vehicle Allowance		42,089	50,649	50,649	3,731	21,738	25,324	(3,587)	-14%	50,649
Cellphone Allowance		1,456	2,054	2,054	151	823	1,027	(204)	-20%	2,054
Housing Allowances		2,737	2,866	2,866	238	1,439	1,433	6	0%	2,866
Other benefits and allowances		20,261	19,589	28,536	2,697	22,805	14,138	8,667	61%	28,536
Payments in lieu of leave		14,403	15,000	15,000	516	7,479	7,500	(21)	0%	15,000
Long service awards		27,890	26,922	26,922	2,823	15,704	13,461	2,243	17%	26,922
Post-retirement benefit obligations	2	39,393	41,000	41,000	-	-	20,500	(20,500)	-100%	41,000
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
<b>Sub Total - Other Municipal Staff</b>		<b>811,663</b>	<b>869,447</b>	<b>869,447</b>	<b>84,794</b>	<b>436,699</b>	<b>434,725</b>	<b>1,974</b>	<b>0%</b>	<b>869,447</b>
<b>% increase</b>	4		<b>7.1%</b>	<b>7.1%</b>						<b>7.1%</b>
<b>Total Parent Municipality</b>		<b>853,530</b>	<b>917,196</b>	<b>917,196</b>	<b>88,306</b>	<b>458,472</b>	<b>458,600</b>	<b>(129)</b>	<b>0%</b>	<b>917,196</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		<b>853,530</b>	<b>917,196</b>	<b>917,196</b>	<b>88,306</b>	<b>458,472</b>	<b>458,600</b>	<b>(129)</b>	<b>0%</b>	<b>917,196</b>
<b>% increase</b>	4		<b>7.5%</b>	<b>7.5%</b>						<b>7.5%</b>
<b>TOTAL MANAGERS AND STAFF</b>		<b>821,306</b>	<b>881,637</b>	<b>881,637</b>	<b>85,279</b>	<b>440,354</b>	<b>440,821</b>	<b>(467)</b>	<b>0%</b>	<b>881,637</b>

Table 17: Supporting Table SC8: Councillor and staff benefits

As depicted in Table 17 above, Employee related costs is satisfactory and showing a variance of close to 0%. Post-retirement benefit obligations will be finalized as part of year-end procedures. It should be noted that the disclosure under Performance bonus, is the annual bonuses or 13<sup>th</sup> cheques that is budgeted for and paid out to employees. This is not subject to any performance appraisal. Individuals do act on positions from time to time, but all such acting allowances forms part of basic salary line item. Councillors Remuneration is showing a satisfactory variance of 2% when compared to the YTD Budget. The gazette on the Determination of Upper limits of salaries, allowances and benefits of different members of municipal councils was issued and implemented accordingly.

Management needs to do more to address the issues on Overtime which is higher than the ideal IYM percentage. For reporting purposes on Overtime, the municipality is only concentrating on (Overtime Structured and Non-structured). However, as per NT mapping Night-shift allowance and Payments - Shift Add Remuneration is also mapped to Overtime.

The Overtime controls is no longer as effective and the desired outcome to remain within budget, was not achieved for 2022/23 financial year. The same trend is transpiring for the current year. Overtime can be monitored by implementing more stringent control measures. The municipality should also ensure that critical positions to compliment capacity on the ground is expedited and filled with qualified personnel. 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 were limited to 30 hours per month within most departments, but this control has been abolished, negatively contributing to the overall Overtime expenditure. The Overtime policy was developed and approved by Council. There are some challenges with the implementation, especially pertaining to time-off in lieu of Overtime remuneration.

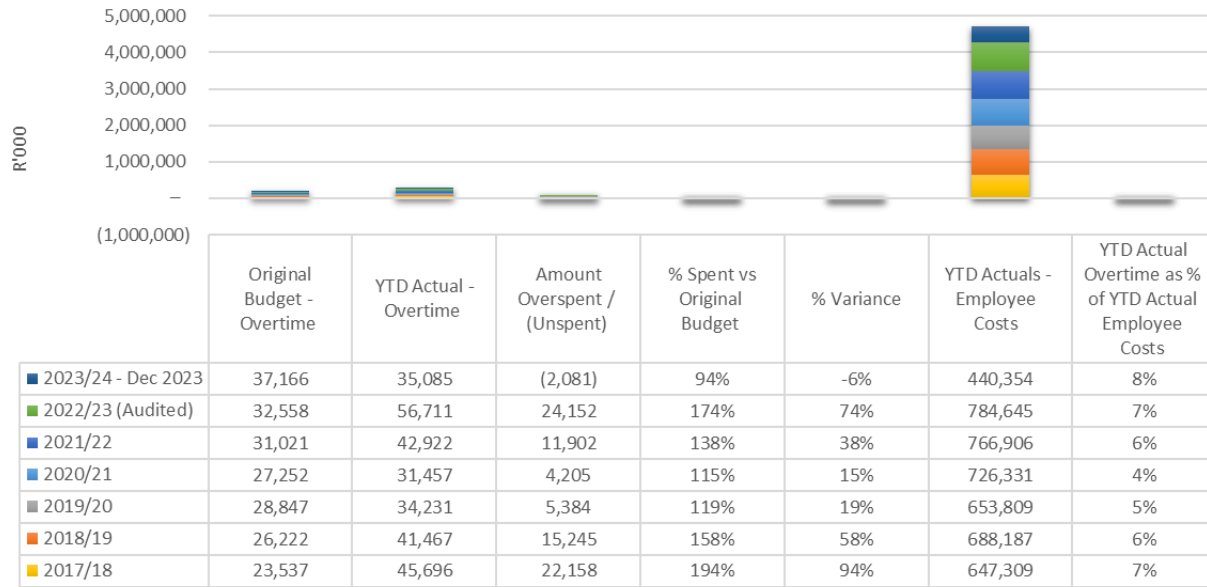
And indicated in Table 21 below, is the YTD Overtime expenditure per line item and also per Directorate as at end of December 2023.

Description per line item (Amount in Rand)	Sum of Original Budget	Sum of Monthly Actual	Sum of YTD Actual	% Spent Original Budget	Original Variance IYM % - 50%
MS: OVERTIME - NON STRUCTURED	28,662,000	6,794,090	33,928,934	118.4%	68.4%
MS: OVERTIME - STRUCTURED	8,504,033	110,352	1,156,250	13.6%	-36.4%
<b>Overtime as at 31 December 2023</b>	<b>37,166,033</b>	<b>6,904,442</b>	<b>35,085,184</b>	<b>94.4%</b>	<b>44.4%</b>
Directorate (Amount in Rand)	Sum of Original Budget	Sum of Monthly Actual	Sum of YTD Actual	% Spent Original Budget	Original Variance IYM % - 50%
20-EXECUTIVE AND COUNCIL	282,000	104,676	368,207	130.6%	80.6%
21-MUNICIPAL AND GENERAL	-	-	-	-	-50.0%
22-MUNICIPAL MANAGER	-	6,062	22,633		
23-CORPORATE SERVICES	1,870,000	316,050	1,987,762	106.3%	56.3%
24-COMMUNITY SERVICES	14,740,033	1,704,806	9,540,970	64.7%	14.7%
26-FINANCIAL SERVICES	521,000	221,715	1,285,768	246.8%	196.8%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	747,000	192,395	787,432	105.4%	55.4%
28-INFRASTRUCTURE SERVICES	19,006,000	4,358,738	21,092,413	111.0%	61.0%
<b>Overtime as at 31 December 2023</b>	<b>37,166,033</b>	<b>6,904,442</b>	<b>35,085,184</b>	<b>94.4%</b>	<b>44.4%</b>

Table 18: Current YTD Overtime expenditure excl Night-shift allowance

Overtime was capped at 30 hours across most units within the municipality, but this has since been abolished. The YTD Overtime expenditure is 94.4% spent versus the budget, resulting in a negative variance of 44.4% for the period under review, when compared to the ideal IYM percentage of 50.00%.

**Chart 14.1: Overtime Actual vs Budget - 2017/18 to 2023/24**

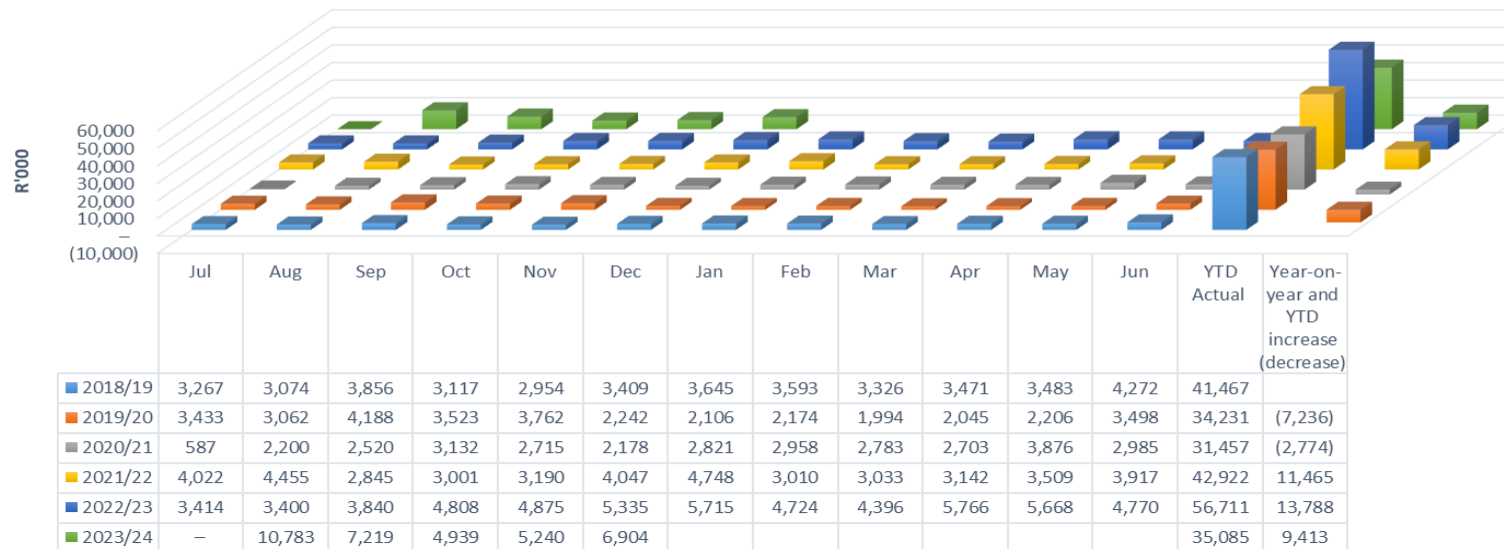


Indicated in Chart 14.1, is the actual Overtime versus Budget from 2017/18 to 2023/24 financial year, disclosing the percentage spent and the amount overspent/unspent per financial year. The chart also articulates the actual Overtime as a percentage of Total Employee costs for the same period.

Indicated in Chart 14.2 is the monthly and annual Overtime comparison from July 2018 to December 2023. There has been a substantial decrease in Overtime expenditure from 2018/19 to 2020/21. As reiterated, controls to curb Overtime is no longer as effective and the YTD actual for 2022/23 financial year was R56,711 million. Serious remedial action will have to be implemented to reduce Overtime expenditure.

**Chart 14.1: Overtime Actual vs Budget**

**Chart 14.2: Monthly and Annual Overtime Comparison - Jul 2018 to Dec 2023**



**Chart 14.2: Monthly and Annual Overtime Comparison**

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.

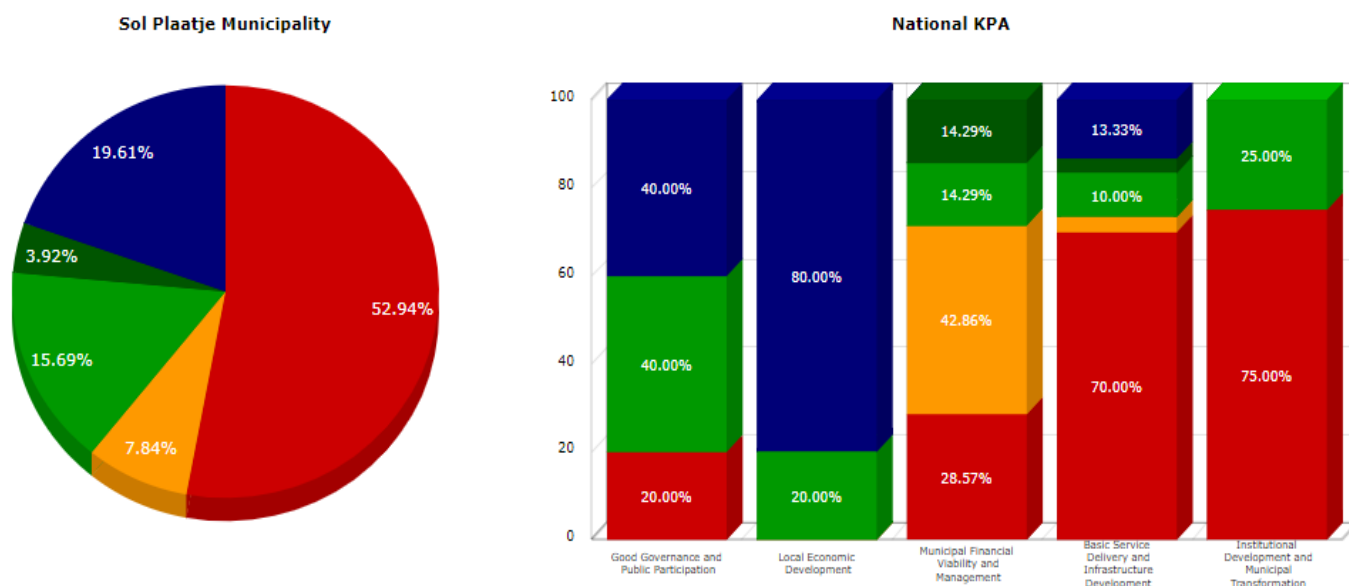
Listed below are the challenges with regard to Overtime which was identified during the 2012/13 MTREF

- 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

## 14. Material variances to the service delivery and budget implementation plan

Material variances pertaining to financial performance are primarily addressed in the Executive summary under Sections 5.1 to 5.4. As at mid-year various SDBIP targets as per the quarterly performance report have not been achieved.

Hereunder is a summary of the performance of the municipality for the first six months of the 2023/24 financial year:

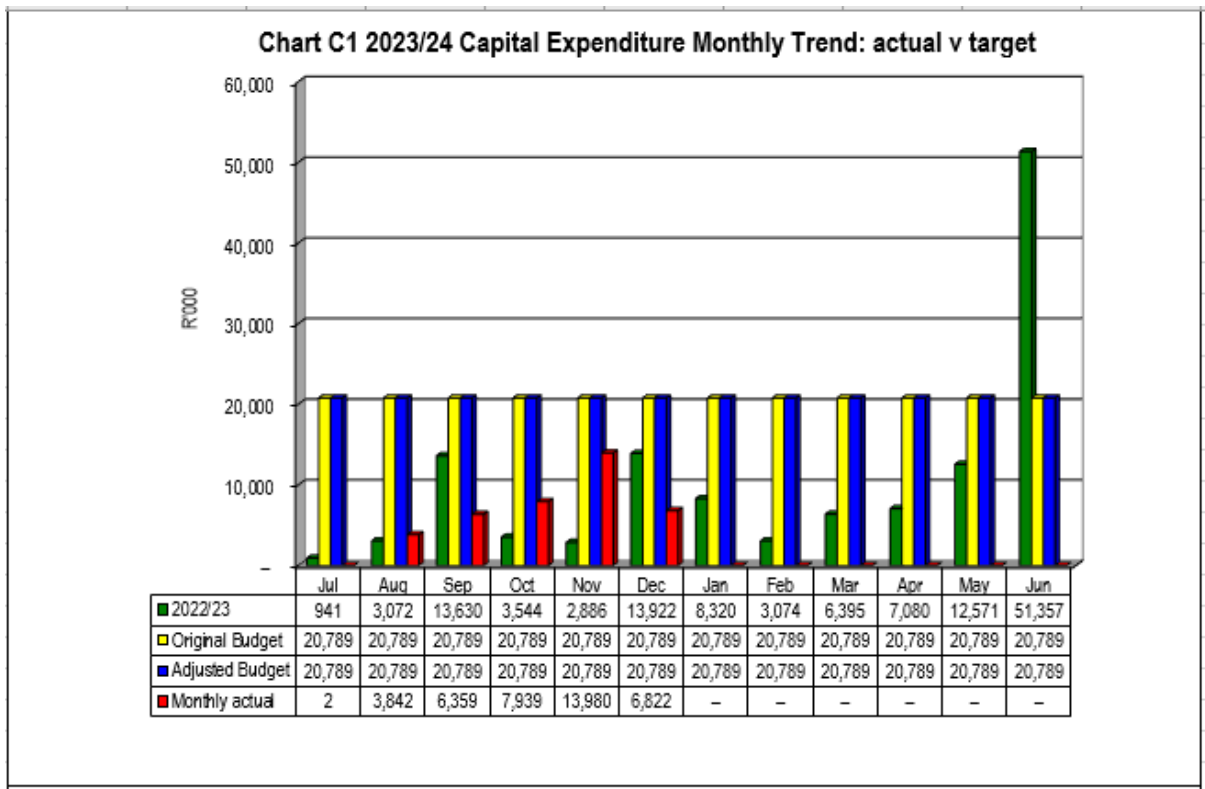


	Sol Plaatje Municipality	National KPA				
		Good Governance and Public Participation	Local Economic Development	Municipal Financial Viability and Management	Basic Service Delivery and Infrastructure Development	Institutional Development and Municipal Transformation
<b>Not Met</b>	<b>27 (52.94%)</b>	1 (20.00%)	-	2 (28.57%)	21 (70.00%)	3 (75.00%)
<b>Almost Met</b>	<b>4 (7.84%)</b>	-	-	3 (42.86%)	1 (3.33%)	-
<b>Met</b>	<b>8 (15.69%)</b>	2 (40.00%)	1 (20.00%)	1 (14.29%)	3 (10.00%)	1 (25.00%)
<b>Well Met</b>	<b>2 (3.92%)</b>	-	-	1 (14.29%)	1 (3.33%)	-
<b>Extremely Well Met</b>	<b>10 (19.61%)</b>	2 (40.00%)	4 (80.00%)	-	4 (13.33%)	-
<b>Total:</b>	<b>51*</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>30</b>	<b>4</b>
	<b>100%</b>	<b>9.80%</b>	<b>9.80%</b>	<b>13.73%</b>	<b>58.82%</b>	<b>7.84%</b>

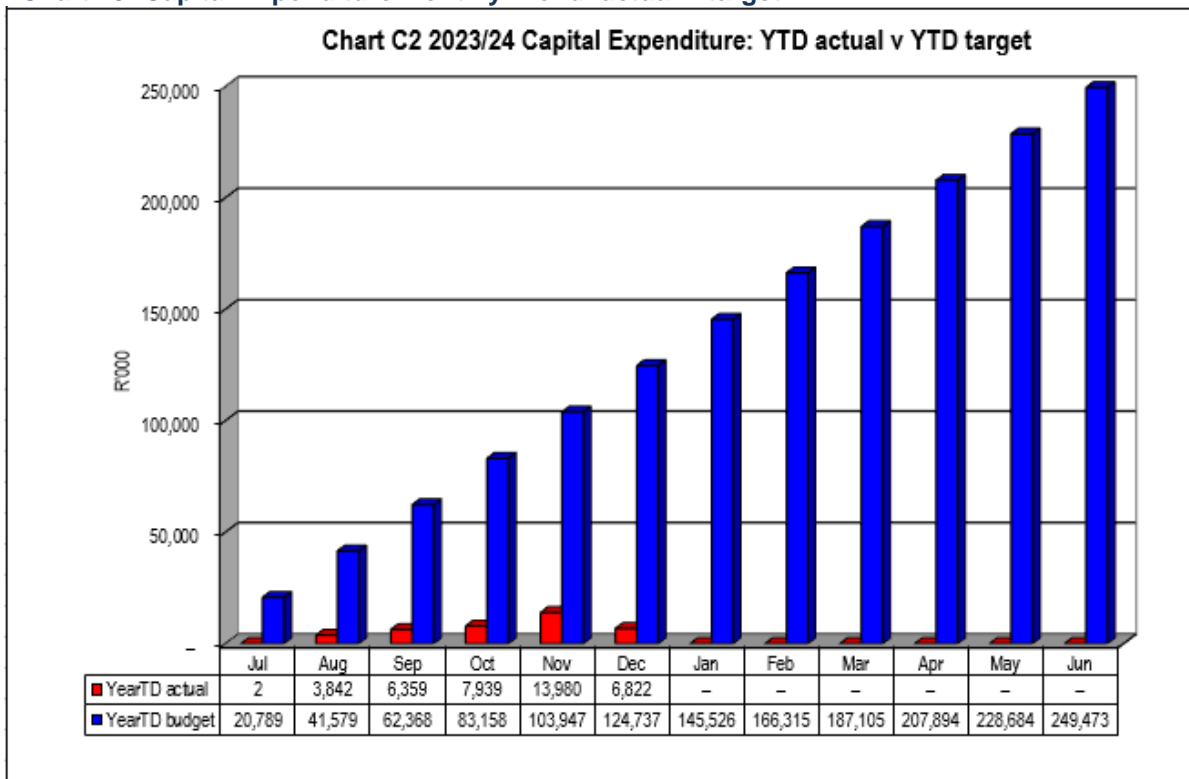
\* Excludes 22 KPIs which had no targets/actuals for the period selected.

## 15. Capital programme performance

Please refer to notes on Capital Expenditure in the Executive Summary. Section 4.3.



**Chart 15: Capital Expenditure Monthly Trend: actual v target**



**Chart 16: Capital Expenditure: YTD actual vs YTD target**

Projects per funding source (R'000)	Sum of Original Budget	Sum of Prelim Adjustment Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of Commitment	Sum of % Original Budget	Sum of % Prelim Adj Budget
<b>INEP (INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT)</b>	<b>48,026</b>	<b>48,026</b>	<b>2,045</b>	<b>5,080</b>	<b>119</b>	<b>10.58%</b>	<b>10.58%</b>
ASHNURN/COLVILLE UPGRADES	1,500	1,500	-	-	-	0.00%	0.00%
ELECTRIFIC LERATO PARK LINK SERV NETWORK	7,900	7,900	-	-	-	0.00%	0.00%
ELECTRIFICATION LETABO PARK	12,680	12,680	1,445	4,480	-	35.33%	35.33%
ELECTRIFICATION WITDAM -138	900	900	-	-	-	0.00%	0.00%
RONALD'S VLEI SWITCH HOUSE NO.1	1,500	1,500	600	600	119	40.01%	40.01%
UPGRADE HADISON PARK 66/11 KV SUBSTATION	23,546	23,546	-	-	-	0.00%	0.00%
<b>INTERNALLY GENERATED FUNDS</b>	<b>35,240</b>	<b>35,240</b>	<b>41</b>	<b>5,053</b>	<b>9,204</b>	<b>14.34%</b>	<b>14.34%</b>
ACQ-COMPUTER EQUIPMENT REPLACEMENT	4,500	4,500	13	13	133	0.30%	0.30%
ACQ-FLEET REPLACEMENT	5,000	5,000	-	-	3,948	0.00%	0.00%
ACQ-FURNITURE AND OFFICE EQUIP REPLACEM	3,000	3,000	-	-	-	0.00%	0.00%
CAPITAL SPARES-ACQ-PREPAID METERS	2,000	2,000	-	174	-	8.69%	8.69%
DSITRBUTION-ACQ-WAT METER REPLACEME	2,000	2,000	-	-	-	0.00%	0.00%
EMERGENCY LEAK REPAIR ON 6 MAJOR LEAKS	169	169	-	-	-	0.00%	0.00%
EMERGENCY METER INSTALLATIONS (PHASE 1)	6,225	6,225	-	3,850	-	61.84%	61.84%
MR LEAK AND SLEAK DATA SYSTEM	880	880	-	-	-	0.00%	0.00%
NEW WTP MAJOR REFURBISH&AND BUILD WORKS	1,306	1,306	-	-	-	0.00%	0.00%
NEW WTW FILTER REFURBISH&BACKWASH SYSTEM	502	502	-	-	-	0.00%	0.00%
OLD WTP MAJOR REFURBISH AND BUILD WORKS	468	468	-	-	-	0.00%	0.00%
PIPE CONDITION ASSES AND CATHOD PROTECT	1,849	1,849	28	122	-	6.58%	6.58%
SMARTBALL LEAK DETECTION	5,848	5,848	-	725	5,123	12.40%	12.40%
WEST BYPASS LEAK REPAIRS AND REFURBISH	293	293	-	-	-	0.00%	0.00%
WSDP DEVELOPMENT	1,200	1,200	-	169	-	14.09%	14.09%
<b>IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)</b>	<b>74,207</b>	<b>74,207</b>	<b>2,443</b>	<b>16,983</b>	<b>9,989</b>	<b>22.89%</b>	<b>22.89%</b>
P-CIER RDS ROADS	20,000	20,000	391	2,539	2,926	12.70%	12.70%
PHDA PLANNING & SURVEYING	10,000	4,057	-	-	-	0.00%	0.00%
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	5,000	5,000	688	1,584	19	31.67%	31.67%
UPGRADE GRAVEL ROADS WARDS VARIOUS	20,000	20,000	905	8,632	5,329	43.16%	43.16%
WATER PIPES REFURB PROG VARIOUS WARDS	19,207	19,207	-	-	-	0.00%	0.00%
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	-	5,943	459	4,228	1,715	#DIV/0!	71.15%
<b>EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)</b>	<b>4,000</b>	<b>4,000</b>	<b>-</b>	<b>3,943</b>	<b>-</b>	<b>98.58%</b>	<b>98.58%</b>
EEDSM PROJECTS	4,000	4,000	-	3,943	-	98.58%	98.58%
<b>NDPG (NEIGHBOURHOOD DEVELOPMENT PARTNERSHIP GRANT)</b>	<b>2,000</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>	<b>0.00%</b>
ACQ STORMWAT PROJ-STORWAT CHANNEL GALASH	2,000	2,000	-	-	-	0.00%	0.00%
<b>RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)</b>	<b>86,000</b>	<b>86,000</b>	<b>2,292</b>	<b>7,884</b>	<b>5,625</b>	<b>9.17%</b>	<b>9.17%</b>
EAST BYPASS REPLACE OF CORRODE10KM LINE	5,069	5,069	-	-	-	0.00%	0.00%
EASTERN BYPASS REPAIR COATING AND REFURB	2,820	2,820	-	-	-	0.00%	0.00%
KBY BULK METERS & PRESSURE MANAGEMENT	767	767	-	467	-	60.86%	60.86%
KBY NETWORK LEAK DETECTION & REPAIR PH 1	4,532	4,532	63	63	-	1.39%	1.39%
KBY NETWORK LEAK DETECTION & REPAIR PH 2	4,843	4,843	-	-	-	0.00%	0.00%
NEW WTP CLHORINE & DOSING WORKS UPGRADE	10,628	10,628	391	1,149	-	10.81%	10.81%
NEWTOWN RESERVOIR EMERGENCY LEAK REPAIRS	4,725	4,725	-	-	-	0.00%	0.00%
OLD WTP CLHORINE & DOSING WORKS UPGRADE	16,598	16,598	385	1,803	-	10.86%	10.86%
POWER; ABSTRACTION & PUMPSTATION REPAIRS	9,487	9,487	470	470	-	4.95%	4.95%
PROJECT MANAGEMENT	3,230	3,230	665	2,609	-	80.78%	80.78%
RITCHIE SUBZONE SMART METER INSTALL	107	107	-	-	-	0.00%	0.00%
RIVERTON TO MIDSTATION BULK PIPELINE REP	3,741	3,741	-	-	-	0.00%	0.00%
SMARTBALL SURVEY PRIORITY LEAK REPAIRS	12,955	12,955	318	1,029	-	7.94%	7.94%
WEST BYPASS REPLACE OF CORRODED SECTION	579	579	-	-	-	0.00%	0.00%
WTW OHS & SECURITY MANAGEMENT	5,920	5,920	-	294	5,625	4.97%	4.97%
<b>Grand Total</b>	<b>249,473</b>	<b>249,473</b>	<b>6,822</b>	<b>38,943</b>	<b>24,938</b>	<b>15.61%</b>	<b>15.61%</b>

Table 19: Detailed capital expenditure report

Indicated in Table 19 above, is a list of projects with the applicable funding source compared to the Original budget and preliminary adjustments budget. The total capex is normally slow during the start of the financial year. However, capital expenditure is extremely poor compared to prior years for the same period. Urgent intervention from management is required to remedy the situation. The actual monthly expenditure for December 2023 amounted to R6,822 million. The total YTD Capex amounts to R38,943 million. Please note that Commitments amounting to R24,938 million is excluded from the YTD movement. Capital expenditure is also exclusive of VAT. Overall spending on grants is extremely low. The percentage expenditure on IUDG (22.89%) and EEDSM is 98.58%, whilst INEP is 10.58% spent, RBIG 9.17% spend and NDPG is showing zero percent spent. Spending on Internally generated funds is also 14.34% spent. Implementation of projects normally delayed due to the finalization of procurement processes. Payment certificates are settled once work is completed. Capex for the first quarter is normally slow for this reason, in that commencement of procurement processes is not aligned to the budget approval and specifications are not done early so that it can be advertised timeously.



## **16. Other supporting documents**

There is no additional information or supporting documentation for December 2023.

## **17. Conclusion**

This report meets the MFMA requirement in respect of Section 52(d) and Section 72 and the Municipal Budget and Reporting Regulations. ‘

### **Communication**

In compliance to legislative requirements, this document is provided to all stakeholders by placing it on the Sol Plaatje municipal website: [www.solplaatje.org.za](http://www.solplaatje.org.za)

## **18. Annexures**

Annexure A: Top Layer SDBIP Quarterly Performance Report: 1 July to 31 December 2023

## Quality Certificate

I, BS Matlala, the Municipal Manager of Sol Plaatje Local 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 period ended **31 December 2023 which is also the end of Quarter 2 period** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: **Mr. BS Matlala**

Municipal Manager of **Sol Plaatje Local Municipality (NC091)**

Signature: 

Date: 22/01/2024

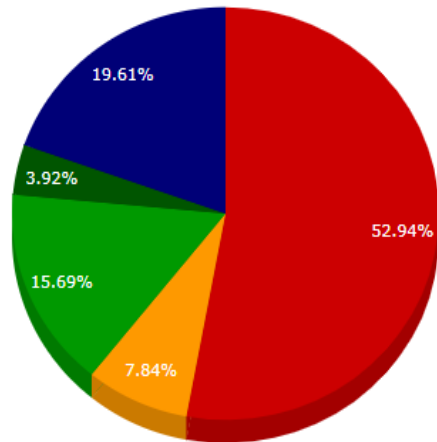
# **ANNEXURE A**

## **QUARTERLY SDBIP PERFORMANCE REPORT**

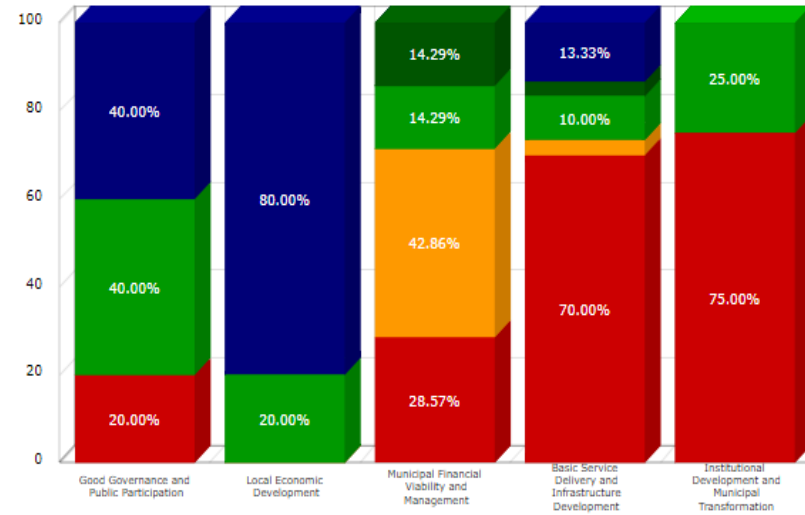
**FINANCIAL YEAR 2023/2024**

**1 JULY TO 31 DECEMBER 2023**

Sol Plaatje Municipality



National KPA



	Sol Plaatje Municipality	National KPA				
		Good Governance and Public Participation	Local Economic Development	Municipal Financial Viability and Management	Basic Service Delivery and Infrastructure Development	Institutional Development and Municipal Transformation
<span style="color: red;">■</span> Not Met	27 (52.94%)	1 (20.00%)	-	2 (28.57%)	21 (70.00%)	3 (75.00%)
<span style="color: orange;">■</span> Almost Met	4 (7.84%)	-	-	3 (42.86%)	1 (3.33%)	-
<span style="color: green;">■</span> Met	8 (15.69%)	2 (40.00%)	1 (20.00%)	1 (14.29%)	3 (10.00%)	1 (25.00%)
<span style="color: darkgreen;">■</span> Well Met	2 (3.92%)	-	-	1 (14.29%)	1 (3.33%)	-
<span style="color: blue;">■</span> Extremely Well Met	10 (19.61%)	2 (40.00%)	4 (80.00%)	-	4 (13.33%)	-
<b>Total:</b>	<b>51*</b>	<b>5</b>	<b>5</b>	<b>7</b>	<b>30</b>	<b>4</b>
	<b>100%</b>	<b>9.80%</b>	<b>9.80%</b>	<b>13.73%</b>	<b>58.82%</b>	<b>7.84%</b>

\* Excludes 22 KPIs which had no targets/actuals for the period selected.

## Basic Service Delivery and Infrastructure Development

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2023)			Quarter 2 (October to December 2023)			Overall Performance for July to December 2023					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
					TL11	Improved Service Delivery	The percentage of the municipal capital budget actually spent on capital projects by 30 June (Total actual amount spent on capital projects/Total amount budgeted for capital projects) X100	% of Capital budget spent by 30 June {Actual amount spent on capital projects /Total amount budgeted for capital projects} X100}	90%	15%	4.10%	R	45%	15.60%	R	45%
TL12	Improved Service Delivery	The percentage of the total municipal operational budget spent by 30 June ((Actual amount spent on total operational budget/Total operational budget) X100)	% of the total municipal operational budget spent by 30 June	90%	25%	21.30%	O	50%	49.40%	O	50%	49.40%	O	Expenditure satisfactory.	Spending monitored on a monthly basis	MonthlyBudgetStatement-September2023replacement.pdf (September 2023) Expenditure2ndQuarter.xlsx (December 2023)
TL13	Improved Service Delivery	Number of reading outreach programmes conducted at all libraries	Number of outreach programmes held	60	15	31	B	15	20	G2	30	51	B	N/A	N/A	JulAug23Outreach.pdf (July 2023)  KPLHPOUTREACHDISPLAYSAug23.xlsx; SDBIPJulAug23Outreach.pdf (August 2023) CENTRALSERVICE SOUTREACHANDDISPLAYSSEPT2023

## Basic Service Delivery and Infrastructure Development

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2023)			Quarter 2 (October to December 2023)			Overall Performance for July to December 2023						
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment	
TL14	Improved Service Delivery	Limit unaccounted for electricity to less than 15% by 30 June {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased} Ã- 100}	% unaccounted for electricity by 30 June	15%	25%	22.87%	B	20%	23.96%	R	20%	23.96%	R	Electricity Losses for October 2023 = 28.64%. The monthly target were not reached, however the average losses = 24.21 Electricity Losses for November 2023 = 25.17%. Average	By passed prepaid meters to be replaced. Credit meters to be read on a monthly basis to avoid interim accounts.	ElectricitylossesSep.xlsx ElectricitylossesDec23.xlsx	

### Basic Service Delivery and Infrastructure Development

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2023)			Quarter 2 (October to December 2023)			Overall Performance for July to December 2023					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
<b>TL15</b>	Improved Service Delivery	Number of households in Lethabo Park to be connected to the electricity network	Number of households to be connected to the electricity network	634	100	0	R	300	0	R	400	0	R	The project was delayed due to the late procurement process. No connections have been made as yet. The project was awarded in September 2023 and official site handover was on the 19 September 2023.	The contractor is on site and connections are expected to start in the 3rd Quarter.	Lethabopark.pdf (September 2023)
<b>TL16</b>	Improved Service Delivery	Review of the WSDP	1 Adopted WSDP	1	0	0	N/A	1	0	R	1	0	R	The draft Water Service Development Plan (WSDP) is completed.	The draft Water Service Development Plan (WSDP) will be tabled to the Utility Services Committee and subsequently to Council.	Draft WSDP

## Basic Service Delivery and Infrastructure Development

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2023)			Quarter 2 (October to December 2023)			Overall Performance for July to December 2023					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
					TL17	Improved Service Delivery	% progress on the completion of the technical assessment of the bulk water supply pipeline	% Progress as per the annual project plan	100%	0%	0%	N/A	100%	100%	G	100%
TL18	Improved Service Delivery	% progress on the replacement of sand filters at the Riverton water treatment works	% Progress as per the annual project plan	100%	25%	25%	G	50%	25%	R	50%	25%	R	Conceptual design completed for new and Old treatment plant. Procurement of contractor underway for Old Plant Filters (objection period)	Procurement processes to be expedited. Project will commence after completion of the procurement process.	Tender evaluation report.
TL19	Improved Service Delivery	% progress on the repair of leakages at the Newton reservoirs	% Progress as per the annual project plan	100%	15%	0%	R	35%	15%	R	35%	15%	R	Conceptual design completed. Documentation for procurement of contractor being prepared	Submission of tender document to Bid Specification Committee by end January 2024 in order to expedite the process.	Concept design report
TL20	Improved Service Delivery	% Progress on the completion of the emergency water meter installation and procurement of a water quality monitoring hardware	% Progress as per annual project plan	100%	25%	15%	R	50%	0%	R	50%	15%	R	Procurement of contractor underway (Objection period). Tender Adjudication completed	Award process to be completed by end January 2024	Tender evaluation report.



## Basic Service Delivery and Infrastructure Development

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2023)			Quarter 2 (October to December 2023)			Overall Performance for July to December 2023					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL21	Improved Service Delivery	% Progress on the completion of the Emergency Bulk leak repairs and Corrosion Protection	% progress as per annual project plan	100%	15%	10%	R	35%	5%	R	35%	15%	R	Bulk Leak Repair Tender in procurement of contractor stage (Objection period). Corrosion Protection in concept stage	Corrosion protection moved for a later start due to budget cuts by National Treasury	Tender Evaluation Report and revised DORA Allocation
TL22	Improved Service Delivery	% progress on the upgrade of the power supply and refurbishment of the abstraction pump station (Old and New Plant - Riverton)	% Progress as per annual project plan	100%	25%	0%	R	50%	15%	R	50%	15%	R	Project is at tender advertisement stage, with bids closing in the 25th of January 2024. Project running behind schedule due to late commencement of procurement process	Tender process to be expedited in order to achieve the set target.	Tender advert
TL23	Improved Service Delivery	% Progress on the completion of the Kimberley network leak detection and repairs	% Progress as per annual project plan	50%	15%	0%	R	25%	0%	R	25%	0%	R	Project has been put on hold for the financial year 2023/24 due to budget cuts by National Treasury	Project to be rolled over to the next financial year of 2024/25.	Revised DORA allocation
TL24	Improved Service Delivery	% Progress on the replacement of the Eastern and Western Bypass water	% Progress as per the annual project plan	50%	15%	0%	R	25%	0%	R	25%	0%	R	Project has been put on hold for the financial year 2023/24 due to budget cuts by	Project to be rolled over to the next financial year of 2024/25.	Revised DORA allocation

## Basic Service Delivery and Infrastructure Development

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2023)			Quarter 2 (October to December 2023)			Overall Performance for July to December 2023					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
							pipeline (Sections 2 & 3)									
TL25	Improved Service Delivery	% replacement of internal water pipes in Main Rd, Reservoir Rd, Dalham Rd, Carrington Rd, Central Rd and Broadway	Percentage replacement of internal water pipes	100%	10%	0%	R	25%	0%	R	25%	0%	R	The replacement of the water pipeline has not started yet and the project is at the procurement stage for procuring the pipe materials. The appointments for the supply and delivery of material will be made in February 2024.	The replacement of the pipes will commence in the third quarter of the financial year. The project will be completed before the end of the financial year. The project will be implemented internally to expedite the projects and to reduce the timeframe required for procuring the Contractors	Water replacement program
TL26	Improved Service Delivery	Completion of a substation for Lerato park link services	% completion	50%	10%	0%	R	25%	25%	G	25%	25%	G	N/A	N/A	Progress report
TL27	Improved Service Delivery	Construction of a Ring Main Unit (RMU) in Colville	% completion of construction	100%	15%	0%	R	30%	10%	R	30%	10%	R	The project is at is at procurement stage. The tender was advertize in December 2023	A technical report will be compiled for Bid Evaluation Committee (BEC) aafter the	Tender advert

## Basic Service Delivery and Infrastructure Development

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2023)			Quarter 2 (October to December 2023)			Overall Performance for July to December 2023					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
												R			R	
TL28	Improved Service Delivery	Construction of a 11 KV line in Ronald?'s Vlei	% completion of construction	100%	15%	5%	R	30%	30%	G	30%	30%	G	N/A	N/A	ConstructionofMVandLVNetwork-Procurementplan.doc (September 2023)  ConstructionofMVandLVNetwork-Procurementplan.doc; Ronaldsvlei-TechnicalReport.doc; PriceComparison-Ronaldsvlei.xlsx (November 2023) Award.pdf; ConstructionofMVandLVNetwork-Procurementplan.doc; SpecificationsamdPr incingSchedule.doc x; Ronaldsvlei-TechnicalReport.doc (December 2023)
TL29	Improved Service Delivery	Upgrade of the Hadison park substation	% upgrade	50%	10%	0%	R	25%	0%	R	25%	0%	R	The funding for this project was reduced during the National Treasury budget cuts, as a result only the switchgear for the Hadison Park	Scope of work to be reviewed at mid-year. The procurement and installation of the transformer will be rolled over to	N/A

## Basic Service Delivery and Infrastructure Development

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2023)			Quarter 2 (October to December 2023)			Overall Performance for July to December 2023					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
														Sub station will be procured for this financial year.	the next financial year.	
TL30	Improved Service Delivery	Limit unaccounted for water (Non-Revenue Water) to less than 40% annually {(Number of Kilotres Water Purified - Number of kilolitres Water Sold) / Number of kilolitre's Water Purified x 100}	% unaccounted for water (Non-Revenue Water) annually	40%	55%	67%	R	50%	64%	R	50%	64%	R	Shortage of stock for water meters and delays on capital projects.	Projects to improve water losses reduction are currently implemented, and results (actual savings/reduction of losses) will be observed in Q4.	WATERLOSSES2023-24.xlsx (September 2023) Water losses Dec 23.docx
TL33	Improved Service Delivery	Number of square metres of roads to be patched	Square metres of road to be patched	150 000	0	22 000	B	75 000	0	R	75 000	22 000	R	Plant hire contract awarded late.	Supply Chain process to be expedited.	resealseptember.jpg (September 2023)
TL34	Improved Service Delivery	Distance of kilometres of residential roads upgraded from gravel to a paved surface (Finch, Weaver, Seeduif, Parakiet, Chrysentheum, Azalea Roads, Baracuda 22nd	Number of kilometres paved	5	1	0.71	R	1.50	1.15	O	2.50	1.86	R	Project slightly behind schedule. Plant hire contract awarded late.	Supply Chain process to be expedited.	ASeptembermonthly report.xls (September 2023) 2024011807285941 1.pdf (December 2023)

## Basic Service Delivery and Infrastructure Development

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2023)			Quarter 2 (October to December 2023)			Overall Performance for July to December 2023					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
							Str, Zenzeleni, Otto, Jerry Mathoma, Tlhabanelo, Soapberry, Sesing Streets, Street with no name)									
TL36	Improved Service Delivery	Upgrade water infrastructure (replace 8000 water meters)	Number of water meters replaced by 30 June	8 000	500	0	R	3 000	1 800	R	3 500	1 800	R	The meter replacement is under implementation, however, the mid-year target has not been met. Due to a late start of the program. There was a delay on purchasing additional water meters due to the expired tender.	The war-on-leak program will be resuscitated to accelerate the replacement of the water meter box and meet the targets. The procurement of the water meter box is under evaluation and the appointment will be made in February 2024	Water meter box replacement list
TL37	Improved Service Delivery	Upgrade electricity infrastructure (replace 8000 prepaid electricity meters)	Number of electricity meters replaced by 30 June	8 000	1 000	0	R	2 000	0	R	3 000	0	R	No meters currently.		MEMOCANCELLATIONOFTENDERSSIGNED.PDF MEMOBIDSINFCEE 02072023.docm (December 2023)

## Basic Service Delivery and Infrastructure Development

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2023)			Quarter 2 (October to December 2023)			Overall Performance for July to December 2023					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
					TL39	Improved Service Delivery	Plan and conduct road blocks	Number of roadblocks conducted	8	2	6	B	2	2	B	5
TL41	Improved Service Delivery	Plan and conduct stop and check points to improve road safety	Number of stop and check points conducted	6 000	1 500	3 634	B	1 500	937	R	3 000	6 854	B	N/A	N/A	StopChecks.pdf (July 2023) StopChecks.pdf (August 2023) StopChecks.pdf (September 2023) StopChecks005.pdf (October 2023) StopcheckNov.pdf (November 2023) StopChecks.pdf
TL42	Improved Service Delivery	Conduct monthly inspections of food premises	Number of Inspections	1 800	450	732	B	450	642	G2	900	1 374	B	N/A	N/A	July2023.docx (July 2023) August2023.docx (August 2023) September2023.docx (September 2023) October2023.docx (October 2023) November2023.docx (November 2023) AnnexureDecember 2023.docx (December 2023)
TL43	Improved Service Delivery	Conduct monthly inspections of non-food premises to ensure compliance to legislation	Number of Inspections	1 200	300	383	G2	300	299	O	600	682	G2	N/A	N/A	July2023.docx (July 2023) August2023.docx (August 2023) September2023.docx (September 2023) October2023.docx (October 2023) AnnexureDecember

## Basic Service Delivery and Infrastructure Development

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2023)			Quarter 2 (October to December 2023)			Overall Performance for July to December 2023					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
																2023.docx (December 2023)
TL44	Improved Service Delivery	Number of water samples collected and tested	Number of water samples collected and tested	960	240	93	R	240	213	O	480	306	R	Due to electrical breakdowns laboratory could not provide a service. Majority of EHP's on leave during festive season	All staff returned monthly programme as planned to be followed	September2023.docx (September 2023) October2023.docx (October 2023) November2023.docx (November 2023) AnnexureDecember 2023.docx (December 2023)
TL73	Improved Service Delivery	% Progress on the upgrade of the security at the Riverton water treatment works	% Progress as per the annual project plan	100%	15%	0%	R	35%	15%	R	35%	15%	R	Conceptual design completed. Project has been put on hold for the financial year 2023/24 due to budget cuts by National Treasury	Project to be rolled over to the next financial year of 2024/25.	Conceptual design report

### Summary of Results: Access to Basic Services and Infrastructure Development

N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	5
R	KPI Not Met	0% <= Actual/Target <= 74.999%	21
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	1
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	4
	<b>Total KPIs:</b>		<b>35</b>

## Municipal Financial Viability and Management

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2023)			Quarter 2 (October to December 2023)			Overall Performance for July to December 2023					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL53	Establishment of healthy financial management	Number of indigent households earning less than R4 500 provided with free basic services (water, electricity, refuse and sanitation)	Number of indigent households provided with free basic services (water, electricity, refuse and sanitation)	11 800	11 800	11 811	G 2	11 800	11 739	O	11 800	11 739	O	The challenge we are facing with existing indigents is verification. We have pending applications, where we are still waiting for Clients to provide us with the required information. We are following up with Clients in order to obtain the required information.	The contract term for the verification service provider expired, we will be going out on tender for verification in January 2024. We will also be obtaining new applicants through the verification project.	TL53Indigent.xlsx (September 2023) INDIGENTREPORT - DECEMBER2023....
TL55	Establishment of healthy financial management	Maintain the current ratio of 2:1 against current assets of the municipality by 30 June (Current Assets / Current Liabilities)	Current ratio	02:01	02:01	1.80:1	O	02:01	1.61:1	O	02:01	1.61:1	O	Addressing billing challenges in order to increase revenue.	Increased collection efforts in order to settle long outstanding Creditors.	FinancialPosition202309.xlsx (September 2023) C6-FinPos.xlsx (December 2023)



## Municipal Financial Viability and Management

TL57	Establishment of healthy financial management	Financial viability measured in terms of the available cash to cover fixed operating expenditure {Cost coverage ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Cost coverage ratio by 30 June				R			R	01:01	0.70:1	R	Unsatisfactory performance due to cashflow problems.	100% implementation of Credit Control Policy.	Costcoverageratio.xlsx (September 2023) Costcoverageratio.xlsx (December 2023)
TL58	Establishment of healthy financial management	Number of planned BSC meetings conducted to process bids	Number of meetings conducted	24	6	9	B	6	8	G2	12	17	G2	N/A	N/A	July2023.pdf (July 2023) August2023.pdf (August 2023) september2023.pdf (September 2023) BSCOctober2023.pdf (October 2023) BSCNovember2023.pdf (November 2023) Advertisingofbidsoverfestiveseason2023-2024.pdf (December 2023)

## Municipal Financial Viability and Management

TL59	Establishment of healthy financial management	95% collection rate and ensure payment based on correct account (receipts/billingx100)	95% collection rate achieved	95%	95%	66%	R	95%	95%	G	95%	80.50%	O	The 1st Quarter collection rate was low due to the annual billing of property rates.	The situation has since improved in the second quarter where a 95% collections rate was achieved.	S71ReportCollectionRate202309.pdf (September 2023) COLLECTIONRATE 2023-12DEC2023.xlsx (December 2023)
TL64	Establishment of healthy financial management	% Submission of financial, non-financial mSCOA data strings and documents on the Go Muni web-based application by the set deadlines provided by National Treasury. (All reports to be uploaded within 10 working days after the month-end)	% of reports loaded on the Go Muni application	100%	100%	100%	G	100%	100%	G	100%	100%	G	N/A	N/A	OReportingM04.xlsx (November 2023) OReportingM05.xlsx (December 2023)

### Summary of Results: Municipal Financial Viability and Management

N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	5
R	KPI Not Met	0% <= Actual/Target <= 74.999%	1
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	2
G	KPI Met	Actual meets Target (Actual/Target = 100%)	1
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	1
B	KPI Extremely Well Met	150.000% <= Actual/Target	0
<b>Total KPIs:</b>			<b>10</b>

## Local Economic Development

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2023)			Quarter 2 (October to December 2023)			Overall Performance for July to December 2023					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
					TL1	Economic growth through promoting Sol Plaatje Municipality as an economic hub	Create full-time equivalents through EPWP initiatives by 30 June	Number of full-time equivalents created by 30 June	553	100	197	B	160	215	G2	260
TL5	Economic growth through promoting Sol Plaatje Municipality as an economic hub	Number of processed building plans received before 1 July	Number of building plans processed	200	50	57	G2	50	43	O	100	100	G	N/A	N/A	BuildingPlansbacklog1stQ.pdf FY23-24Backlog.xlsx; MonthlyBacklogApprovals.xlsx
TL6	Economic growth through promoting Sol Plaatje Municipality as an economic hub	Ensuring a response time of 11 weeks for building plans submissions received in the current financial year for buildings / architectural buildings less than 500m2	Average response time in weeks to process building plans	11	11	7	B	11	8	B	11	7.50	B	N/A	N/A	BuildingplansapprovedMidyear.pdf TPProcessedApplications23-24FY.xlsx

## Local Economic Development

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2023)			Quarter 2 (October to December 2023)			Overall Performance for July to December 2023					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
		(number of plans received / divided by number of weeks to process)														
TL7	Economic growth through promoting Sol Plaatje Municipality as an economic hub	Ensuring a response time of 11 weeks for building plans submissions received in the current financial year for buildings / architectural buildings greater than 500m2 (number of plans received / divided by number of weeks to process)	Average response time in weeks to process building plans	11	11	0	B	11	7	B	11	3.50	B	N/A	N/A	BuildingplansapprovedMidyear.pdf ProcessedApplications23-24FY.Pxlsx

## Local Economic Development

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2023)			Quarter 2 (October to December 2023)			Overall Performance for July to December 2023					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL8	Economic growth through promoting Sol Plaatje Municipality as an economic hub	Number of SMMEs supported through the implementation of the business incubation development programme	Number of SMMEs supported	10	3	137	B	3	21	B	6	158	B	N/A	N/A	[D484] Manager: LED: GSVProgressUpdateReport31OCT2023.pdf (October 2023) [D484] Manager: LED: 2GSVRENTALPAYMENTHISTORY2023merged.pdf (November 2023) [D484] Manager: LED: GSVProgressUpdateReport31DECEMBER2023.pdf (December 2023)

### Summary of Results: Local Economic Development

N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	5
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%)	1
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	0
B	KPI Extremely Well Met	150.000% <= Actual/Target	4
	<b>Total KPIs:</b>		<b>10</b>

## Institutional Development and Municipal Transformation

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2023)			Quarter 2 (October to December 2023)			Overall Performance for July to December 2023					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL65	Improved Institutional Management	Ensure that the actual spending on employee related costs does not exceed 33% of the total expenditure (employee related costs and councillors remuneration/total operating expenditure x100	Employee cost as a percentage of total operating cost	33%	33%	37.10%	R	33%	34.47%	R	33%	34.47%	R	Actual spending unsatisfactory.	Employee costs must be monitored monthly, compliance and adherence to recruitment policies and regulations	MonthlyBudget Statement-September2023 replacement.pdf (September 2023) Employeecosts 2ndQuarter.doc x.

## Institutional Development and Municipal Transformation

TL68	Improved Institutional Management	Review organogram to be aligned with strategy and comply with R890 by 30 June 2024	Organogram reviewed by 30 June 2024	1	0	0	N/A	1	0	R	1	0	R	Engagements with Lekoko Consulting has taken place online with two of the 6 Directorates. Two will take place on Monday 11 Dec 2023. Verification will be done in January 2024 with all the directorates. Challenges happen with persons joining online and taking ownership of the process.	Keep driving the engagements.	20220909InterviewingTemplateforSituationalAnalysis-Municipalities002.docx; DCOG-ChecklistforPilotin gSessionsSolPlaa tjeCorporateSupportServices.docx; SPLMOrganogramme-draft32023.docx; OrganogrammeREPORT.docx (December 2023)
TL69	Improved Institutional Management	Document and distribute standard operating procedures to every municipal directorate by 30 June 2024	Standard Operating Procedures documented and provided to municipal directorates by 30 June 2024	1	0	0	N/A	1	1	G	1	1	G	N/A	N/A	Standard operating proceduresCS07092020.docx

## Institutional Development and Municipal Transformation

TL71	Improved Institutional Management	Develop, submit and publicise the performance agreements of the MM and managers reporting directly to the MM (the number of performance agreements is dependant on the filled positions)	Number of performance agreements signed, submitted and publicised	6	6	3	R	0	0	N/A	6	3	R	Performance agreements for the MM, ED: SEDP and ED: Community Services completed	Post of CFO, ED: Corporate Services and ED: Services and Infrastructure is vacant, will be done once posts are filled	EDCommunityServices202324.pdf; EDSEDP202324.pdf; PerformanceAgreementMunicipalManager.pdf (September 2023)

### Summary of Results: Institutional Development and Municipal Transformation

N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	4
R	KPI Not Met	0% <= Actual/Target <= 74.999%	3
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%	0
B	KPI Extremely Well Met	150.000% <= Actual/Target	0
	<b>Total KPIs:</b>		<b>8</b>



## Good Governance and Public Participation

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2023)			Quarter 2 (October to December 2023)			Overall Performance for July to December 2023					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL46	Good, clean and transparent governance and public participation	Develop a Risk Based Audit Plan and submit to the audit committee for consideration by 30 June	Risk Based Audit Plan developed and submitted to the audit committee by 30 June	1	1	1	G	0	0	N/A	1	1	G	N/A	N/A	4.3SolPlaatjeMunicipality\APlan202324Approved24April2023.docx
TL47	Good, clean and transparent governance and public participation	Report quarterly on the progress of risk mitigation to the MM and EMT	Quarterly reports on strategic risk register	4	1	1	G	1	1	G	2	2	G	N/A	N/A	ReportAuditCom31July2023.docx ReportAuditCom30October2023.docx

## Good Governance and Public Participation

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2023)			Quarter 2 (October to December 2023)			Overall Performance for July to December 2023					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
					TL48	Good, clean and transparent governance and public participation	Number of audits conducted as per the internal audit plan	Number of internal audits conducted	10	3	5	B	2	3	B	5
TL49	Good, clean and transparent governance and public participation	Number of audit committee meetings conducted annually	Number of audit committee meetings conducted	4	1	2	B	1	2	B	2	4	B	N/A	N/A	[ 1.Agenda31July2023.doc; 1.Agenda28August2023.doc 1.Agenda30October2023.doc; 1.Agenda.doc

## Good Governance and Public Participation

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2023)			Quarter 2 (October to December 2023)			Overall Performance for July to December 2023					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL52	Good, clean and transparent governance and public participation	To disseminate on a monthly basis the electronic municipal newsletter through social media platforms	Monthly distribution	12	3	0	R	3	0	R	6	0	R	No newsletters were produced in the first and second quarter due to capacity challenges in the unit.	The Communications manager has since been appointed. Urgent attention will be directed towards production and dissemination of information to rate payers and the public	No POE necessary as no actual progress was reported.

### Summary of Results: Good Governance and Public Participation

N/A	KPI Not Yet Applicable	KPIs with no targets or actuals in the selected period.	3
R	KPI Not Met	0% <= Actual/Target <= 74.999%	1
O	KPI Almost Met	75.000% <= Actual/Target <= 99.999%	0
G	KPI Met	Actual meets Target (Actual/Target = 100%)	2
G2	KPI Well Met	100.001% <= Actual/Target <= 149.999%	0
B	KPI Extremely Well Met	150.000% <= Actual/Target	2
<b>Total KPIs:</b>			<b>8</b>