

SOL PLAATJE LOCAL MUNICIPALITY



MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT

1 JULY 2024 TO 31 DECEMBER 2024 (MFMA S72)

SECOND QUARTER PERFORMANCE ASSESSMENT

1 OCTOBER 2024 TO 31 DECEMBER 2024 52(D) REPORT (MFMA S52d)

20 JANUARY 2025

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List of Abbreviations and Acronyms used in the MBS

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

MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT FOR THE SIX-MONTH PERIOD ENDING 31 DECEMBER 2024 AND S52(d) PERFORMANCE ASSESSMENT FOR THE SECOND QUARTER ENDING 31 DECEMBER 2024

1. PURPOSE

The purpose of this report is 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 Sections 31 and 33 of the Municipal Budget and Reporting Regulations as per government gazette no.32141 dated 17 April 2009.

The municipality realises, the critical importance of having a minimum 3 month's cash coverage which is a sound directive and required norm from National Treasury. This has been the focus of the municipality for the past few months to ensure that Sol Plaatje Municipality recovers fully to ensure its sustainability and financial viability. Serious actions will have to be taken to realise this target and Council's buy-in be secured, to the turn the municipality around is critically important. The municipality's main goal is to remain positive and committed in stabilising the municipality, improving its cash position and improving on quality service being rendered.

Currently, the total debtor's book is standing at R4,004,740 billion, of which 90% of the debt is owed in excess of 90 days. The total debt by customer group is classified as follows; R842,218 million is owed by government, R672,790 million by business and R2,3367,140 billion by households. 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, and this does not bode well for the municipality's financial position. *There needs to be 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, but consumers must bear in mind 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 municipality is at the tail end of procuring services of debt collection specialists in order to strengthen the current debt collection initiatives. The value of providing quality services, should never be underestimated by the municipality because there is a direct correlation between providing quality services and consumers' willingness to pay.

Tough decisions have to be taken to have a meaningful impact and produce positive results. This action is long overdue, especially in light of the municipality's financial crisis and major threat to its financial viability and sustainability. In order for the municipality to thrive, overall performance must improve, the quality of services rendered must improve, accountability must be enforced which must be complimented by strict consequence management. Serious consideration should be given to the service delivery and financial implications of all decisions taken. Ensure that acts, regulations and policies are adhered to diligently, consistently and fairly. Enhance revenue collection and ensure that operational and capital funds are spent effectively with good value for money. Improving on preventative maintenance and spending funds cost-effectively and efficiently to address service delivery challenges can no longer be delayed, we have noted an increase in emergency maintenance which seems excessive as no competitive bidding is taking as a result of the impact of asset failure on service delivery. We are striving to ensure assets are maintained at desired levels and are being utilised optimally. The spending of funds will have to be prioritised, wastage be curbed, and overall personnel performance and productivity be monitored and improved. Municipal officials should also take all reasonable steps to prevent unauthorised, irregular and fruitless and wasteful

expenditure. Refrain from committing acts of financial misconduct and/or criminal offences as per Chapter 15 of the MFMA.

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

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. BUDGET IMPLEMENTATION

Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 June 2009, regarding the “Local Government: Municipal Finance Management Act 2003 and the Municipal Budget and Reporting Regulations” necessitates those specific financial particulars be reported on and in the format prescribed, hence this report to meet legislative compliance. “The monthly budget statement of a municipality must be in the format specified in Schedule C and include all the required Tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act.” Further, Section 71 of the MFMA requires that, “the accounting officer of a municipality must by no later than **10 working days** after the end of each month submit to the Junor of the municipality, and the relevant national and provincial treasury, a statement in the prescribed format on the state of the municipality's budget reflecting certain particulars for that month and for the financial year up to the end of that month.” For the reporting period ending **31 December 2024**, the ten working day reporting limit expires on **15 January 2024**. The National Treasury will use only the *mSCOA* data strings required for submission as prescribed and all publications will use the data collected from the *mSCOA* data strings” which must be submitted before or on **15 January 2024**, (ten working day limit).

Version 6.8 of *mSCOA* was implemented in July 2024. All submissions of supporting documents and data was done as per the regulation.

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

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

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

3.1 Operating Budget Overview

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

This report summarizes the budget performance for the second quarter of 2024/25 financial year. The Statement of Financial Performance shown in Annexure A, Table C4, is prepared on the prescribed monthly C-schedules, detailing Revenue by source and Expenditure by type. The consolidated summary of the financial performance is indicated in Table 1 and Table 2 below:

Summary Statement of Financial Performance: YTD Budget					
Description R thousand	YTD Budget December 2024	YTD Actual December 2024	Variance Favourable (Unfavourable)	% YTD Actual vs YTD Budget	% Variance Favourable (Unfavourable)
Total Revenue (excluding capital transfers and contributions)	1,479,139	1,588,794	109,655	107.4%	7.4%
Total Revenue (including capital transfers and contributions)	1,765,253	1,846,233	80,980	104.6%	4.6%
Total Operational Expenditure	1,488,248	1,358,389	(129,859)	91.3%	-8.7%

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

As indicated in Table 1 above, as at 31 December 2024, the billed revenue excluding capital grants amounted to R1,588,794 billion which resulted in a fairly satisfactory variance of 7.4% when compared to the YTD Budget of R1,479,139 billion. The billed revenue including capital grants amounted to R1,846,233 billion, resulting in a satisfactory variance of 4.6% when compared to the YTD budget of R1,765,253 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 R1,358,389 billion versus the YTD Budget of R1,488,248 billion, resulting in an unsatisfactory variance of minus 8.7%. 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 2024	Variance Favourable (Unfavourable)	% YTD Actual vs Original Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 41.67%
Total Revenue (excluding capital transfers and contributions)	2,958,278	1,588,794	1,342,271	53.7%	3.7%
Total Revenue (including capital transfers and contributions)	3,530,507	1,846,233	1,552,024	52.3%	2.3%
Total Operational Expenditure	2,928,505	1,358,389	1,114,347	46.4%	-3.6%

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 2024, the Total operational revenue excluding capital grants versus the Original Budget resulted in a satisfactory variance of 3.7%. The Total operational revenue

including capital grants versus the Original Budget resulted in a satisfactory variance of 2.3%. The Total Operational Expenditure resulted in a satisfactory variance of minus 3.6%.

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.

3.2 Capital Budget Overview

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - M06 December										
Capital expenditure	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Original Budget	Original Budget Variance	Original Budget Variance IYM % - 50%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	613,729	120,540	228,689	306,865	74.52%	(78,175)	-25.5%	37.3%	(78,175)	-12.7%
Funded by										
Capital transfers recognised	572,229	118,779	223,681	286,115	78.18%	(62,434)	-21.8%	39.1%	(62,434)	-10.9%
Internally generated funds	41,500	1,761	5,009	20,750	24.1%	(15,741)	-75.9%	12.1%	(15,741)	-37.9%
Weighting Capital transfer recognised	93.2%	98.5%	97.8%	93.2%						
Weighting Internally generated funds	6.8%	1.5%	2.2%	6.8%						

Table 3: High level summary: Capital Budget

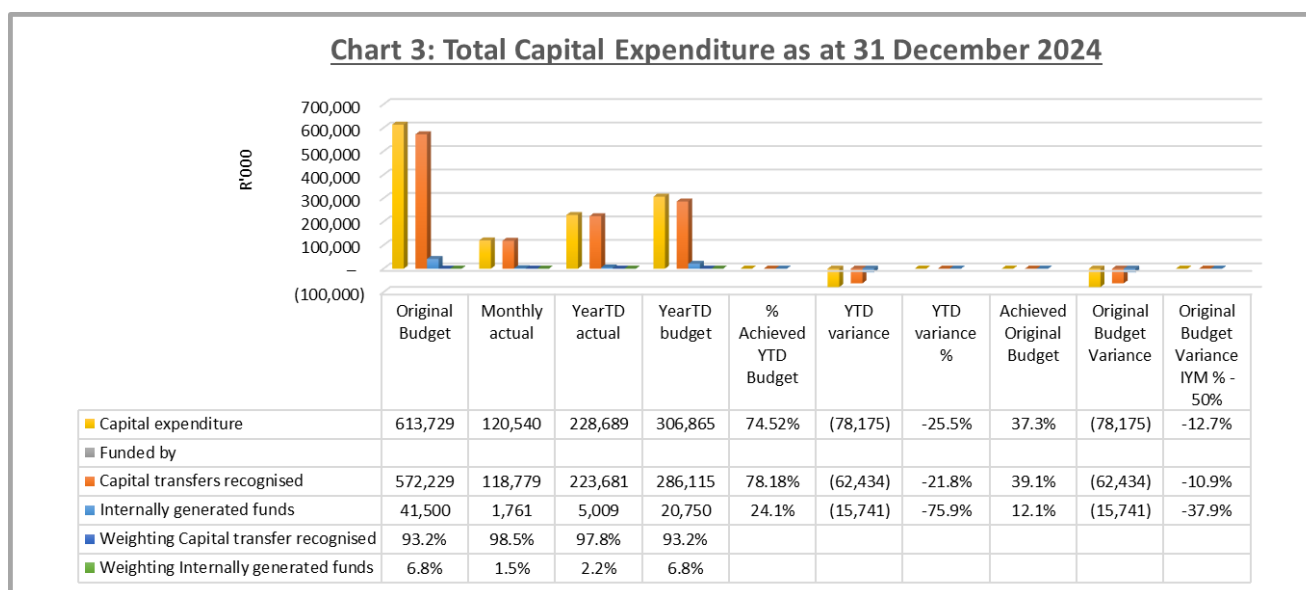


Chart 1: Total Capital Expenditure

As indicated in the Table 3 and Chart 1 above, the YTD Actual on capital expenditure as at end of December 2024 amounted to R228,689 million and 74.52% spent when compared to the YTD budget of R306,865 million and 37.3% spent when compared to the Original Budget of R613,729 million. The total YTD capex is funded from Capital grants R223,681 million (97.8%) and Internally generated funds R5,009 million (2.2%). 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.

4. REVENUE FRAMEWORK

4.1 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 Budget Variance YM % - 50%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Revenue										
Exchange Revenue										
Service charges - Electricity	1,099,199	66,762	482,304	549,600	87.8%	(67,296)	-12.2%	43.9%	(67,296)	-6.1%
Service charges - Water	343,685	30,787	170,212	171,843	99.1%	(1,631)	-0.9%	49.5%	(1,631)	-0.5%
Service charges - Waste Water Management	95,890	9,334	56,464	47,945	117.8%	8,519	17.8%	58.9%	8,519	8.9%
Service charges - Waste management	72,271	7,021	42,473	36,136	117.5%	6,338	17.5%	58.8%	6,338	8.8%
Sale of Goods and Rendering of Services	15,955	643	9,746	7,978	122.2%	1,768	22.2%	61.1%	1,768	11.1%
Agency services	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables	120,030	14,398	80,595	60,015	134.3%	20,580	34.3%	67.1%	20,580	17.1%
Interest from Current and Non Current Assets	9,000	2,494	8,778	4,500	195.1%	4,278	95.1%	97.5%	4,278	47.5%
Dividends	-	-	-	-	-	-	-	-	-	-
Rent on Land	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	27,740	2,653	15,680	13,870	113.0%	1,810	13.0%	56.5%	1,810	6.5%
Licence and permits	1,200	38	342	600	57.0%	(258)	-43.0%	28.5%	(258)	-21.5%
Operational Revenue	3,773	225	1,370	1,887	72.6%	(517)	-27.4%	36.3%	(517)	-13.7%
Non-Exchange Revenue										
Property rates	687,320	50,532	410,684	343,660	119.5%	67,024	19.5%	59.8%	67,024	9.8%
Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	32,143	2,556	17,734	16,071	110.3%	1,662	10.3%	55.2%	1,662	5.2%
Licence and permits	8,000	1,157	4,757	4,000	118.9%	757	18.9%	59.5%	757	9.5%
Transfers and subsidies - Operational	299,271	91,651	213,118	149,635	142.4%	63,482	42.4%	71.2%	63,482	21.2%
Interest	91,900	9,004	51,272	45,950						
Fuel Levy	-	-	-	-						
Operational Revenue	50,900	877	21,846	25,450	85.8%	(3,604)	-14.2%	42.9%	(3,604)	-7.1%
Gains on disposal of Assets	-	-	1,285	-	#DIV/0!	1,285	#DIV/0!	#DIV/0!	1,285	#DIV/0!
Other Gains	-	-	133	-		133			133	
Discontinued Operations	-	-	-	-						
Total Revenue (excluding capital transfers and contributions)	2,958,278	290,132	1,588,794	1,479,139	107.4%	104,333	7.1%	53.7%	109,655	3.7%
Transfers and subsidies - capital	572,229	164,407	257,439	286,114	90.0%	(28,675)	-10.0%	45.0%	(28,675)	-5.0%
Total Revenue (including capital transfers and contributions)	3,530,507	454,539	1,846,233	1,765,253	104.6%	80,980	4.6%	52.3%	80,980	2.3%

Table 4: Table C4 Financial Performance (Revenue)

Comparison against the YTD Budget

Exchange Revenue

- ❖ Service charges - Electricity is showing an unsatisfactory variance of minus 12.2%. This understatement of Service charges Electricity is largely attributable to the non-implementation of the basic and capacity charges for households, which has not been resolved. Service charges Water is satisfactory with a variance of minus 0.9%. It is imperative that the Billing section does a proper investigation to ensure that all properties have functional meters installed and are billed accurately. This can be achieved by considering all properties on the General Valuation Roll. The same applies to all Service charges. Sanitation and Refuse is showing an over-recovery when compared to the YTD budget. This is largely attributable to the exercise of the Property Valuation section, where they did a comparative exercise of the number of properties versus the number of accounts billed for Refuse and Sewerage.
- ❖ Sale of Goods and Rendering of Services is performing satisfactorily with a positive variance of 22.2%. This is attributable to the advance receipts of R3,274 million for building plan approvals that was carried over from the prior financial year.
- ❖ Interest earned from Receivables is showing a positive variance of 34.3% due to the increase in specifically debt over 90 days, high level of debt over 90 days and the higher interest rate, prior to the recent interest repo rate cuts.
- ❖ Interest from Current and Non-current Assets shows a positive variance of 34.3%. Accrued interest of R2,121 million was recognised for the prior financial year. The municipality is improving on its cash and investment management and regularly invest funds not immediately needed for operations. The municipality is also investing capital grants already received, whilst keeping the unspent portion in the investment account. The bulk of the interest earned gets recognised at year-end.
- ❖ Rental from Fixed Assets, is showing a positive variance of 13.0% when compared to the YTD budget. The over-recovery is attributable to the increased billing for municipal flats. The Manager will be engaged to ascertain the root cause for the positive trajectory.
- ❖ Licences and permits are showing a negative variance of 43.0%, as a result of the receipts on Road & Trsp: Operator & Pub Driv Permits being lower than anticipated, 28.52% achievement versus a budget of R1,200 million.
- ❖ Operational Revenue is showing a negative variance of 27.4%, as a result of an under-recovery on Insurance refunds. The municipality had one refund of R82 thousand that was possibly misallocated and must still be further investigated.

Non-Exchange Revenue

- ❖ Property Rates is showing a satisfactory variance of 19.5%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a positive variance of 10.3%, as a result on an over-recovery on Penalties: Disconnection fees which is standing at 81.81% achieved versus a budget of R20,000 million. This will be adjusted upwards during the Adjustment budget.
- ❖ Licence and permits is showing a positive variance of 18.9%, due to possible outstanding payments to the Department of Safety and Liaison.
- ❖ Transfers and subsidies - Operational is showing a satisfactory variance of 42.4%, due to the receipt of the second tranche of the Equitable share during December 2024.

- ❖ Operational Revenue is showing an unsatisfactory variance of minus 14.2%. This is attributed to the Service charges from non-exchange revenue from Electricity as it was established that basic charges was erroneously allocated to availability charges.
- ❖ Gains on disposal of assets, the YTD actual amounts to R1,285 million pertaining to land sales.
- ❖ Other Gains, pertains to gains realised from Stores.
- ❖ Transfers and subsidies - Capital is showing a negative variance of minus 10% when compared to the YTD budget. Capital grants remains lower than anticipated due to poor capital grant expenditure, however the YTD actual does show improvement compared to the prior year for the same period. 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 50.00%, the majority of revenue sources are performing satisfactorily.

Exchange Revenue

- ❖ Service charges when compared to the Original budget is performing satisfactorily.
- ❖ Sale of Goods and Rendering of Services is showing a positive variance of 11.1%. Same factors are applicable as described in the paragraph above.
- ❖ Interest earned from Receivables is showing a positive variance of 17.1%. Same factors are applicable as described in the paragraph above.
- ❖ Interest from Current and Non-current Assets shows a positive variance of 47.5%. Same factors are applicable as described in the paragraph above.
- ❖ Licences and permits are showing an unsatisfactory variance of minus 21.5%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a satisfactory variance of minus 13.7%. Same factors are applicable as described in the paragraph above.

Non-Exchange Revenue

- ❖ Property Rates is showing a positive variance of 9.8%, due to the annual billing on Property rates.
- ❖ Fines, penalties and forfeits is showing a positive variance of 5.2%. Same factors are applicable as described in the paragraph above.
- ❖ Licence and permits is showing a positive variance of 9.5%. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Operational is showing a negative variance of 21.1%. Same factors are applicable as described in the paragraph above.
- ❖ Operational Revenue is showing a negative variance of 7.1%. Same factors are applicable as described in the paragraph above.
- ❖ Gains on disposal of assets shows a movement of R1,285 million. Same factors are applicable as described in the paragraph above.
- ❖ Transfers and subsidies - Capital is showing a satisfactory variance of 5%. Capital grants remains lower than anticipated due to poor capital grant expenditure. However the is an improvement for the period under review. 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 2 below is the weighting of the YTD Actual on billed Revenue per Source as a percentage of total operational revenue as at 31 December 2024. The main contributors of the municipality’s revenue are Service Charges (47.3%), Property Rates (25.8%) and Transfers and subsidies (13.4%). The contribution per Revenue source is distorted, as a result of the annual billing of Property rates and the receipt of the second tranche of the Equitable Share.

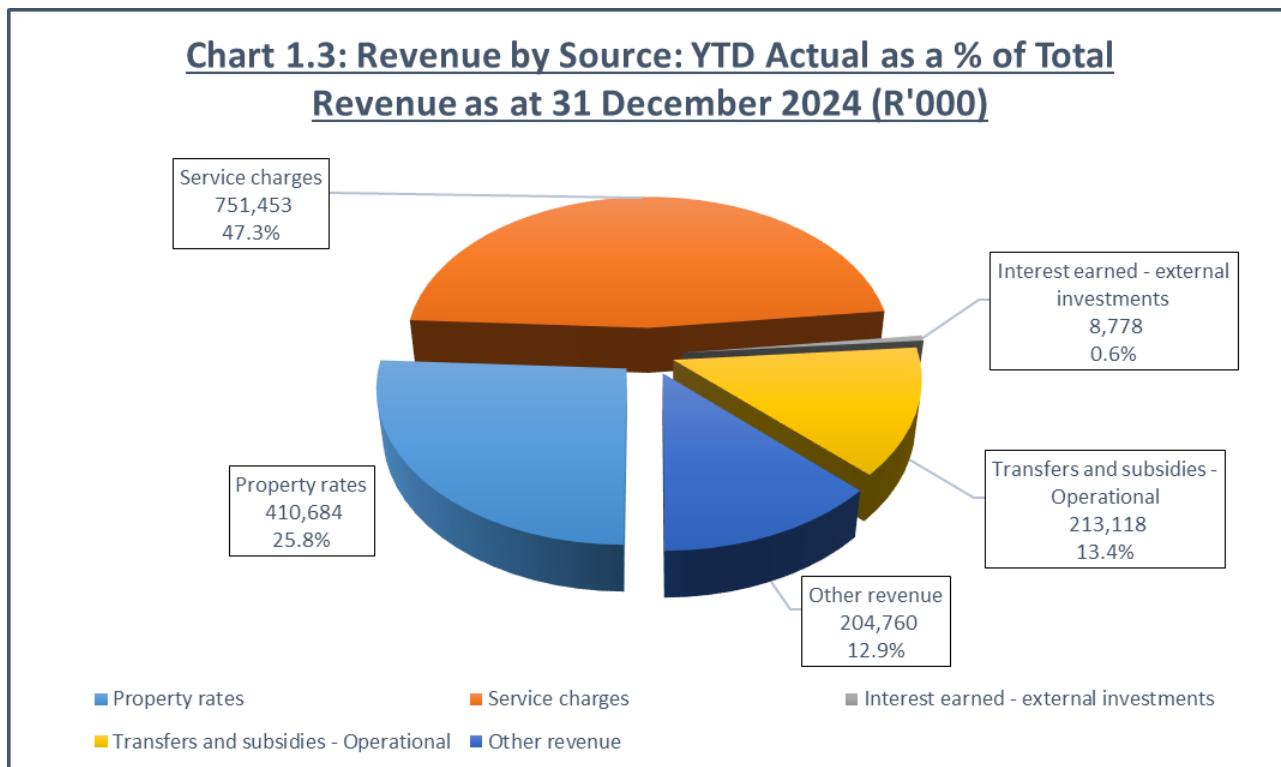


Chart 2: Revenue by Source: YTD Actual as a percentage of Total Revenue

4.2 Revenue by Vote

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

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

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

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

Vote Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 01 - Executive & Council	1	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		549,361	972,401	972,401	269,018	540,133	486,200	53,932	11.1%	972,401
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		5,391	6,161	6,161	632	3,103	3,081	22	0.7%	6,161
Vote 05 - Community Services		134,820	124,361	124,361	11,079	63,788	62,180	1,608	2.6%	124,361
Vote 06 - Financial Services		701,887	710,111	710,111	52,916	427,909	355,055	72,854	20.5%	710,111
Vote 07 - Strategy Econ Development And Planning		26,098	8,368	8,368	283	6,209	4,184	2,025	48.4%	8,368
Vote 08 - Infrastructure And Services		1,666,568	1,709,105	1,709,105	120,611	805,091	854,553	(49,461)	-5.8%	1,709,105
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	3,084,125	3,530,507	3,530,507	454,539	1,846,233	1,765,253	80,980	4.6%	3,530,507
Expenditure by Vote										
Vote 01 - Executive & Council	1	59,615	60,855	60,855	4,376	28,279	30,428	(2,149)	-7.1%	60,855
Vote 02 - Municipal And General		400,410	403,603	403,603	28,239	200,938	201,802	(864)	-0.4%	403,603
Vote 03 - Municipal Manager		24,274	27,854	27,854	2,152	15,437	13,927	1,509	10.8%	27,854
Vote 04 - Corporate Services		71,184	82,140	82,140	6,987	36,739	41,071	(4,331)	-10.5%	82,140
Vote 05 - Community Services		321,918	337,272	337,272	29,245	156,035	168,637	(12,602)	-7.5%	337,272
Vote 06 - Financial Services		134,722	166,217	166,217	13,246	69,425	83,109	(13,684)	-16.5%	166,217
Vote 07 - Strategy Econ Development And Planning		60,672	67,813	67,813	5,508	26,992	33,907	(6,915)	-20.4%	67,813
Vote 08 - Infrastructure And Services		1,724,624	1,782,750	1,782,750	114,483	824,544	915,367	(90,824)	-9.9%	1,782,750
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,797,419	2,928,505	2,928,505	204,236	1,358,389	1,488,248	(129,859)	-8.7%	2,928,505
Surplus/ (Deficit) for the year	2	286,705	602,003	602,003	250,303	487,844	277,005	210,839	76.1%	602,003

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

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

4.3 Revenue By Major Service

4.3.1 Housing

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

Votenummer	Description	Original	YTD Movement	Perc
2840 - HOUSING	SUB TOTAL : OPERATIONAL REVENUE	-1,000.00	-12,098.76	999.99
2840 - HOUSING	SUB TOTAL : RENTAL FROM FIXED ASSETS	-27,500,000.00	-15,555,114.99	56.56
2840 - HOUSING	TOTAL : INCOME	-27,501,000.00	-15,567,213.75	56.60
2840 - HOUSING	SUB TOTAL : EMPLOYEE RELATED COST	22,004,556.00	9,988,907.89	45.39
2840 - HOUSING	SUB TOTAL : CONTRACTED SERVICES	1,210,000.00	-	-
2840 - HOUSING	SUB TOTAL : OPERATIONAL COST	1,318,677.00	31,475.09	2.38
2840 - HOUSING	SUB TOTAL - INVENTORY	3,509,000.00	1,088,345.72	31.01
2840 - HOUSING	TOTAL : EXPENDITURE	28,042,233.00	11,108,728.70	39.61

4.3.2 Electricity

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

Votenummer	Description	Original	YTD Movement	Perc
2880 - ELECTRICITY	SUB TOTAL : SERVICE CHARGES	-1,099,199,207.00	-482,303,676.42	43.87
2880 - ELECTRICITY	SUB TOTAL : INTEREST DIV RENT ON LAND	-19,100,000.00	-10,762,767.23	56.34
2880 - ELECTRICITY	TOTAL : INCOME	-1,164,299,207.00	-511,678,876.81	43.94
2880 - ELECTRICITY	SUB TOTAL : EMPLOYEE RELATED COST	63,371,844.00	29,079,877.24	45.88
2880 - ELECTRICITY	SUB TOTAL : CONTRACTED SERVICES	22,270,000.00	17,726,536.72	79.59
2880 - ELECTRICITY	SUB TOTAL : OPERATIONAL COST	2,853,837.00	929,428.62	32.56
2880 - ELECTRICITY	SUB TOTAL - INVENTORY	51,537,000.00	18,500,385.63	35.89
2880 - ELECTRICITY	SUB TOTAL : BULK PURCHASES	897,300,000.00	388,061,121.07	43.24
2880 - ELECTRICITY	SUB TOTAL - INTEREST DIVID & RENT - LAND	12,518,644.00	6,370,470.19	50.88
2880 - ELECTRICITY	SUB TOTAL : BAD DEBTS WRITTEN OFF			
2880 - ELECTRICITY	SUB TOTAL : DEPRECIATION & AMORTISATION	9,000,000.00	4,500,000.00	50.00
2880 - ELECTRICITY	TOTAL : EXPENDITURE	1,058,851,325.00	465,167,819.47	43.93

4.3.3 Water

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

Votenummer	Description	Original	YTD Movement	Perc
2860 - WATER	SUB TOTAL : SERVICE CHARGES	-343,685,331.00	-170,211,962.52	49.52
2860 - WATER	SUB TOTAL : INTEREST DIV RENT ON LAND	-52,830,000.00	-34,698,097.69	65.67
2860 - WATER	SUB TOTAL : SALES & RENDERING OF SERV	-100,000.00	-	-
2860 - WATER	TOTAL : INCOME	-398,115,331.00	-205,989,687.75	51.74
2860 - WATER	SUB TOTAL : EMPLOYEE RELATED COST	61,180,838.00	27,319,895.55	44.65
2860 - WATER	SUB TOTAL : CONTRACTED SERVICES	2,020,000.00	1,057.39	0.05
2860 - WATER	SUB TOTAL : OPERATIONAL COST	52,391,293.00	21,979,972.21	41.95
2860 - WATER	SUB TOTAL - INVENTORY	121,123,000.00	60,953,579.39	50.32
2860 - WATER	SUB TOTAL - INTEREST DIVID & RENT - LAND	3,242,308.00	1,784,942.53	55.05
2860 - WATER	SUB TOTAL : BAD DEBTS WRITTEN OFF			
2860 - WATER	SUB TOTAL : DEPRECIATION & AMORTISATION	10,000,000.00	5,000,000.00	50.00
2860 - WATER	TOTAL : EXPENDITURE	249,957,439.00	117,039,447.07	46.82

4.3.4 Sewerage

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

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

Votenummer	Description	Original	YTD Movement	Perc
2850 - SEWERAGE	SUB TOTAL : SERVICE CHARGES	-95,889,828.00	-56,464,084.02	58.88
2850 - SEWERAGE	SUB TOTAL : INTEREST DIV RENT ON LAND	-19,000,000.00	-12,692,337.90	66.80
2850 - SEWERAGE	TOTAL : INCOME	-118,289,828.00	-71,438,639.63	60.39
2850 - SEWERAGE	SUB TOTAL : EMPLOYEE RELATED COST	61,107,596.00	31,755,852.63	51.96
2850 - SEWERAGE	SUB TOTAL : CONTRACTED SERVICES	30,000.00	-	-
2850 - SEWERAGE	SUB TOTAL : OPERATIONAL COST	2,385,156.00	659,455.20	27.64
2850 - SEWERAGE	SUB TOTAL - INVENTORY	22,024,000.00	13,722,239.29	62.30
2850 - SEWERAGE	SUB TOTAL - INTEREST DIVID & RENT - LAND	1,808,438.00	931,339.98	51.49
2850 - SEWERAGE	SUB TOTAL : BAD DEBTS WRITTEN OFF	-	-	-
2850 - SEWERAGE	SUB TOTAL : DEPRECIATION & AMORTISATION	15,000,000.00	7,500,000.00	50.00
2850 - SEWERAGE	TOTAL : EXPENDITURE	53,076,674.00	28,905,093.09	54.45

4.3.5 Refuse Removal

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

Service	Description	Original	YTD Movement	Perc
2480-REFUSE	SUB TOTAL : NON - EXCHANGE REVENUE	-	1,554,850.80	-
2480-REFUSE	SUB TOTAL : SERVICE CHARGES	- 72,271,408.00	- 42,473,480.12	58.76
2480-REFUSE	SUB TOTAL : INTEREST DIV RENT ON LAND	- 15,000,000.00	- 9,636,210.61	64.24
2480-REFUSE	SUB TOTAL : SALES & RENDERING OF SERV	- 1,000.00	-	-
2480-REFUSE	TOTAL : INCOME	- 87,272,408.00	- 53,664,541.53	61.49
2480-REFUSE	SUB TOTAL : EMPLOYEE RELATED COST	51,635,860.00	27,084,635.10	52.45
2480-REFUSE	SUB TOTAL : OPERATIONAL COST	2,133,675.00	541,572.69	25.38
2480-REFUSE	SUB TOTAL - INVENTORY	21,500,000.00	5,401,966.34	25.12
2480-REFUSE	SUB TOTAL : DEPRECIATION & AMORTISATION	900,000.00	450,000.00	50.00
2480-REFUSE	TOTAL : EXPENDITURE	76,169,535.00	33,478,174.13	43.95

4.4 Debtors Management

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

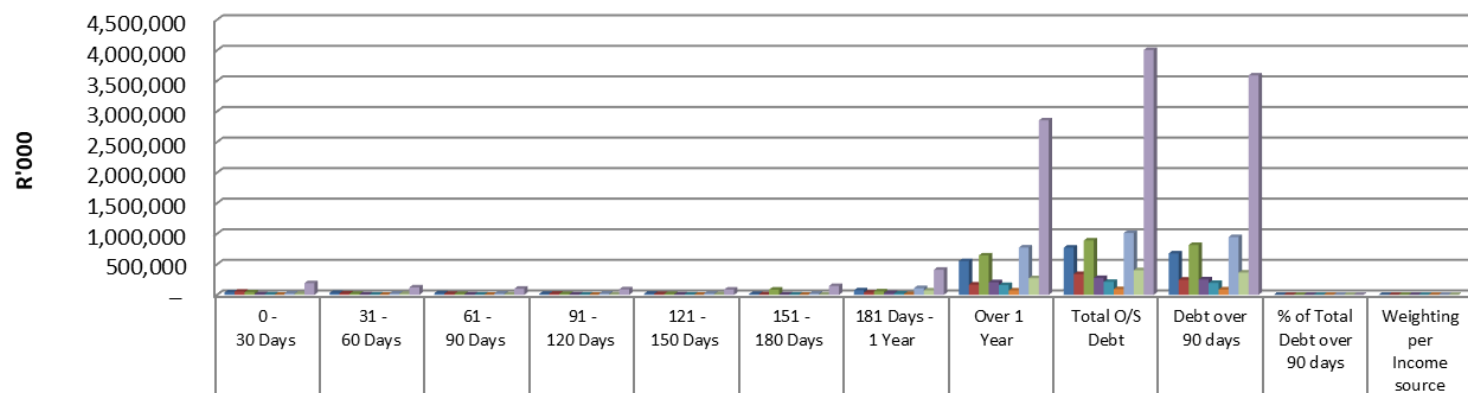
Description	NT Code	Budget Year 2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	39,625	30,859	27,371	16,737	19,403	14,672	77,207	569,693	795,569	697,714	-	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	55,026	23,183	17,110	19,359	14,323	9,627	37,201	169,774	345,604	250,284	-	-
Receivables from Non-exchange Transactions - Property Rates	1400	42,132	17,730	15,301	14,809	13,296	86,741	58,265	682,329	930,603	855,440	-	-
Receivables from Exchange Transactions - Waste Water Management	1500	9,561	7,239	6,453	6,128	6,181	5,969	28,530	212,493	282,554	259,301	-	-
Receivables from Exchange Transactions - Waste Management	1600	7,845	5,546	4,821	4,558	4,565	4,383	21,875	164,707	218,300	200,088	-	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	1,958	2,608	1,767	1,794	1,796	1,801	10,974	73,086	95,785	89,451	-	-
Interest on Arrear Debtor Accounts	1810	23,534	22,074	21,974	21,946	20,637	20,280	114,844	804,231	1,049,521	981,939	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	11,545	13,855	5,382	5,489	6,894	2,211	62,741	178,686	286,804	256,022	-	-
Total By Income Source	2000	191,227	123,095	100,178	90,821	87,097	145,684	411,636	2,855,001	4,004,740	3,590,240	-	-
2023/24 - totals only		166781422	112086318	109881958	94874878	77029367	149454867	387871247	#####	3,699,364	3,310,615	0	0
Debtors Age Analysis By Customer Group													
Organs of State	2200	30,773	22,040	13,396	13,741	9,705	79,324	41,532	631,706	842,218	776,009	-	-
Commercial	2300	68,959	26,137	21,103	20,636	18,230	14,410	70,850	432,466	672,790	556,591	-	-
Households	2400	87,068	72,643	63,686	54,660	57,328	50,174	288,628	1,692,953	2,367,140	2,143,743	-	-
Other	2500	4,427	2,274	1,994	1,785	1,834	1,776	10,626	97,876	122,591	113,896	-	-
Total By Customer Group	2600	191,227	123,095	100,178	90,821	87,097	145,684	411,636	2,855,001	4,004,740	3,590,240	-	-

Table 6: Supporting Table SC3: Aged Debtors

Part 4: Debtor Age Analysis										
	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
R thousands	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	39,085	5.0%	30,414	3.9%	26,821	3.5%	677,847	87.6%	774,168	19.3%
Trade and Other Receivables from Exchange Transactions - Electricity	52,979	15.5%	22,915	6.7%	17,056	5.0%	248,358	72.8%	341,308	8.5%
Receivables from Non-exchange Transactions - Property Rates	41,489	4.7%	17,415	2.0%	14,991	1.7%	816,319	91.7%	890,214	22.2%
Receivables from Exchange Transactions - Waste Water Management	9,413	3.4%	7,094	2.6%	6,307	2.3%	253,001	91.7%	275,815	6.9%
Receivables from Exchange Transactions - Waste Management	7,710	3.6%	5,440	2.6%	4,715	2.2%	195,384	91.6%	213,249	5.3%
Receivables from Exchange Transactions - Property Rental Debtors	1,948	2.0%	2,598	2.7%	1,759	1.9%	88,740	93.4%	95,045	2.4%
Interest on Arrear Debtor Accounts	22,800	2.3%	21,351	2.1%	21,259	2.1%	946,016	93.5%	1,011,426	25.3%
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-	-	-	-	-	-	-	-	-
Other	15,802	3.9%	15,867	3.9%	7,271	1.8%	364,574	90.3%	403,514	10.1%
Total By Income Source	191,227	4.8%	123,095	3.1%	100,178	2.5%	3,590,240	89.6%	4,004,740	100.0%
Debtors Age Analysis By Customer Group										
Organs of State	30,773	3.7%	22,040	2.6%	13,396	1.6%	776,009	92.1%	842,218	21.0%
Commercial	68,959	10.2%	26,137	3.9%	21,103	3.1%	556,591	82.7%	672,790	16.8%
Households	87,068	3.7%	72,643	3.1%	63,686	2.7%	2,143,743	90.6%	2,367,140	59.1%
Other	4,427	3.6%	2,274	1.9%	1,994	1.6%	113,896	92.9%	122,591	3.1%
Total By Customer Group	191,227	4.8%	123,095	3.1%	100,178	2.5%	3,590,240	89.6%	4,004,740	100.0%

Table 7: Part 4: Debtors Age Analysis

Chart 6.1: Debtor's Age Analysis by Income Source as at 31 December 2024



	0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total O/S Debt	Debt over 90 days	% of Total Debt over 90 days	Weighting per Income source
Trade and Other Receivables from Exchange Transactions - Water	39,085	30,414	26,821	16,403	18,996	14,304	74,766	553,378	774,168	677,847	88%	19%
Trade and Other Receivables from Exchange Transactions - Electricity	52,979	22,915	17,056	19,294	14,270	9,580	37,033	168,181	341,308	248,358	73%	9%
Receivables from Non-exchange Transactions - Property Rates	41,489	17,415	14,991	14,503	12,994	86,435	56,583	645,805	890,214	816,319	92%	22%
Receivables from Exchange Transactions - Waste Water Management	9,413	7,094	6,307	5,983	6,036	5,824	27,704	207,454	275,815	253,001	92%	7%
Receivables from Exchange Transactions - Waste Management	7,710	5,440	4,715	4,452	4,459	4,277	21,282	160,913	213,249	195,384	92%	5%
Receivables from Exchange Transactions - Property Rental Debtors	1,948	2,598	1,759	1,786	1,788	1,793	10,911	72,462	95,045	88,740	93%	2%
Interest on Arrear Debtor Accounts	22,800	21,351	21,259	21,228	19,928	19,582	110,822	774,456	1,011,426	946,016	94%	25%
Other	15,802	15,867	7,271	7,172	8,626	3,890	72,535	272,351	403,514	364,574	90%	10%
Total By Income Source	191,227	123,095	100,178	90,821	87,097	145,684	411,636	2,855,001	4,004,740	3,590,240	90%	

Chart 3: Debtor's age analysis by Income Source

Indicated in Table 6 to 7 and Chart 3 above is the total outstanding debt by Income Source, including the debt over 90 days, the percentage of total Debt over 90 days and percentage weighting. The total O/S Debt amounts to R4,004,740 billion as at the end of December 2024 and the bulk of SPM's debt is aged over 90 days with an overall weighting of 90%.

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

- ❖ Interest on Arrear Debtor Accounts at 94%
- ❖ Receivables from Exchange Transactions - Property Rental Debtors at 93%
- ❖ Receivables from Exchange Transactions - Waste Water Management (92%) and Waste Management at 92%.

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

- ❖ Receivables from Non-exchange Transactions - Property Rates at 22%
- ❖ Interest on Arrear Debtor Accounts 25%, and
- ❖ Trade and Other Receivables from Exchange Transactions – Water at 19%

Chart 6.2: Debtor's Age Analysis by Customer Group as at 31 December 2024

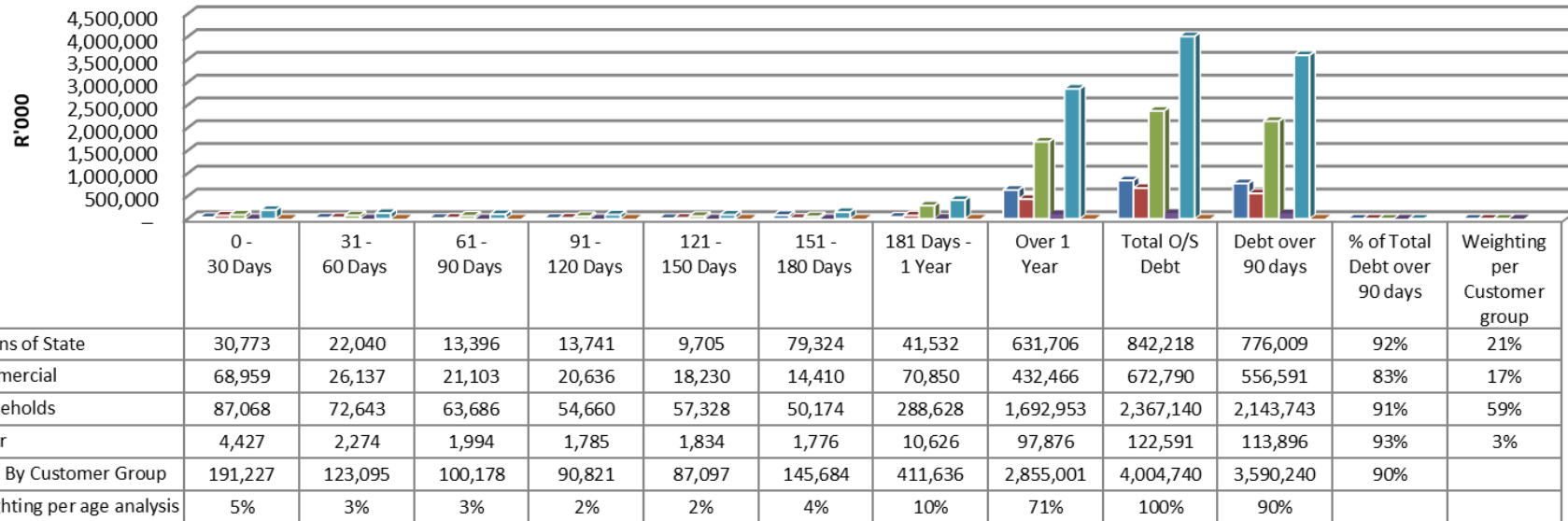


Chart 4: Debtor's Age Analysis by Customer Group

Indicated in Table 7 and Chart 4 above is the total outstanding debt by Customer Group, including the debt over 90 days, the percentage of total Debt over 90 days and percentage weighting.

The percentage weighting of debt owed by Customer Group, over 90 days is:

- ❖ Organs of State at 92%; Commercial at 83%; Households at 91% and Other at 90%.

The percentage weighting of debt owed by Customer Group is attributable to:

- ❖ Organs of state at 21%, total debt outstanding is R842,218 million
- ❖ Businesses at 17%, total debt outstanding is R672,790 million
- ❖ Households at 59%, total debt outstanding is R2,367,140 billion

- ❖ Other at 3%, total debt outstanding is R122,591 million. 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 December 2024

The Municipality is currently rolling out the smart meters project funded by National Treasury through grant funding. This objective of this project is to improve the revenue generated by the Municipality through accurate metering and billing, installation of new meters to deal with the following meter challenges:

- Bypassed meters
- Tampered meters
- Properties where there is no meter
- Ghost vending
- Conventional/Credit meters with debt above R10,000 and billing estimates (interims) due to access challenges.

We had challenges with our Service provider (BCX) for the months of November 2024 and December 2024 with regards to the running of disconnection lists and disconnection notices (14-day Notices). They updated their system and the new functions were not working as required. This had a negative impact on us executing full credit control processes in order to improve our cashflow and collection rate. The issue has since been resolved and we are currently attending to the generating and serving of disconnection notices (14-day Notices) for service through the post office, also sending out smses communicating to Customers that are in arrears, that their electricity will be disconnected due to non-payment of accounts.

We have blocked areas that previously received notices and our Cut Team and the Electricians are attending to the disconnection of Household and Businesses that are not paying their monthly accounts and/or are owing the Municipality a lot of money. We are working through various disputes with companies that have raised disputes on their accounts in order for them to effect payment.

The receipts for Government Departments, Parastatals and schools were R29,323,376.92 for the month of December 2024 as compared to the R51,295,142.70 for the month of November 2024. The previous month's total was more, due to the bulk payment made by the Department of Provincial Public Works. We are expecting a payment of R 21 000 000 million from the Department by 17 January 2024.

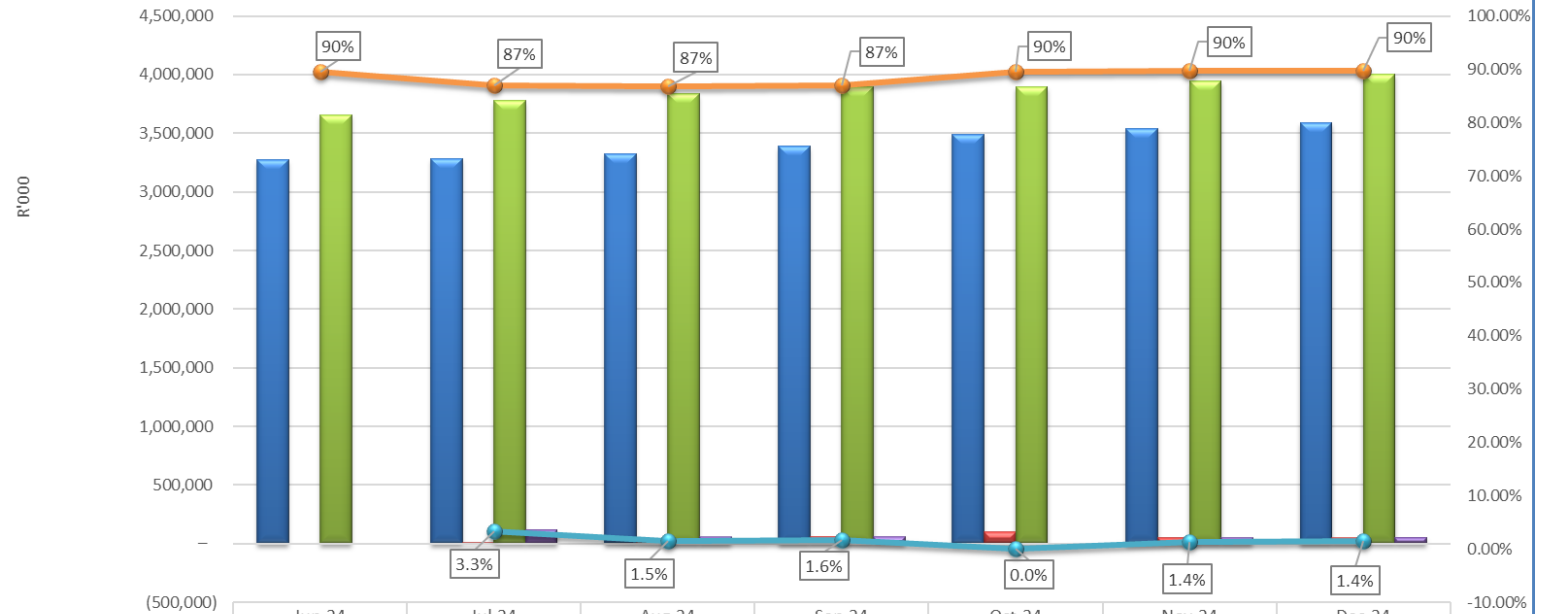
We have started with the disconnection of electricity services of Departments that are owing the Municipality these include the Department of Education and the Department of Health. We expect bulk payments from these Departments within the coming weeks.

GOVERNMENT DEBT	
DEPARTMENTS	RECEIPTS DECEMBER 2024
NATIONAL PUBLIC WORKS	R6,915,869.88
PROVINCIAL PUBLIC WORKS	R512,964.08
DEPARTMENTS OF HEALTH	R1,097,125.11
SOCIAL DEVELOPMENT	R224,245.72
ECONOMIC DEV & TOURISM	R374,469.62
COGHSTA/ HOUSING	R246,250.01
OFFICE OF THE PREMIER	R6,000.00
PROVINCIAL LEGISLATURE	R114,026.97
CORRECTIONAL SERVICE	R2,658,663.77
NATIONAL DEFENCE FORCE	R4,534,764.41
AGRICULTURE	R83,194.66
EDUCATION	R1,284,337.41
SPORTS, ARTS & CULTURE	R98,626.65
TRANSPORT	R275,808.98
DE BEERS	R994,241.05
TELKOM	R740,734.66
TRANSNET	R7,624,092.31
ESKOM	R301,551.21
SAPS	R174,464.48
SCHOOLS	R1,337,754.92
TOTAL	R29,323,376.92

Chart 5 below, depicts the month-on-month summary of Debt over 90 days as a percentage of total O/S Debt remained constant at 90% for the month under review. Debt over 90 days increased by R49,535 million in respect of the month-to-month comparison. The month-to-month increase, on total debt amounted to R55,368 million. It is concerning that total debt over 90 days is hovering at an average of 88 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 % of total O/S Debt: Jun 2024 - Dec 2024



	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Debt over 90 days (R'000)	3,274,028	3,284,572	3,325,130	3,388,081	3,490,343	3,540,705	3,590,240
Month-to-Month R-value Increase (Decrease) of Debt over 90 days		10,544	40,558	62,951	102,262	50,362	49,535
Total Debt (R'000)	3,656,067	3,777,570	3,834,121	3,896,583	3,896,365	3,949,372	4,004,740
Month-to-Month R-value Increase (Decrease) of Total debt		121,504	56,551	62,462	(219)	53,007	55,368
Month-to-Month % Increase (Decrease) on Total Debt		3.3%	1.5%	1.6%	0.0%	1.4%	1.4%
% Weighting of Debt over 90 days	90%	87%	87%	87%	90%	90%	90%

Chart 5: 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 2023/24. 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 2023, 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 2023/24 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.

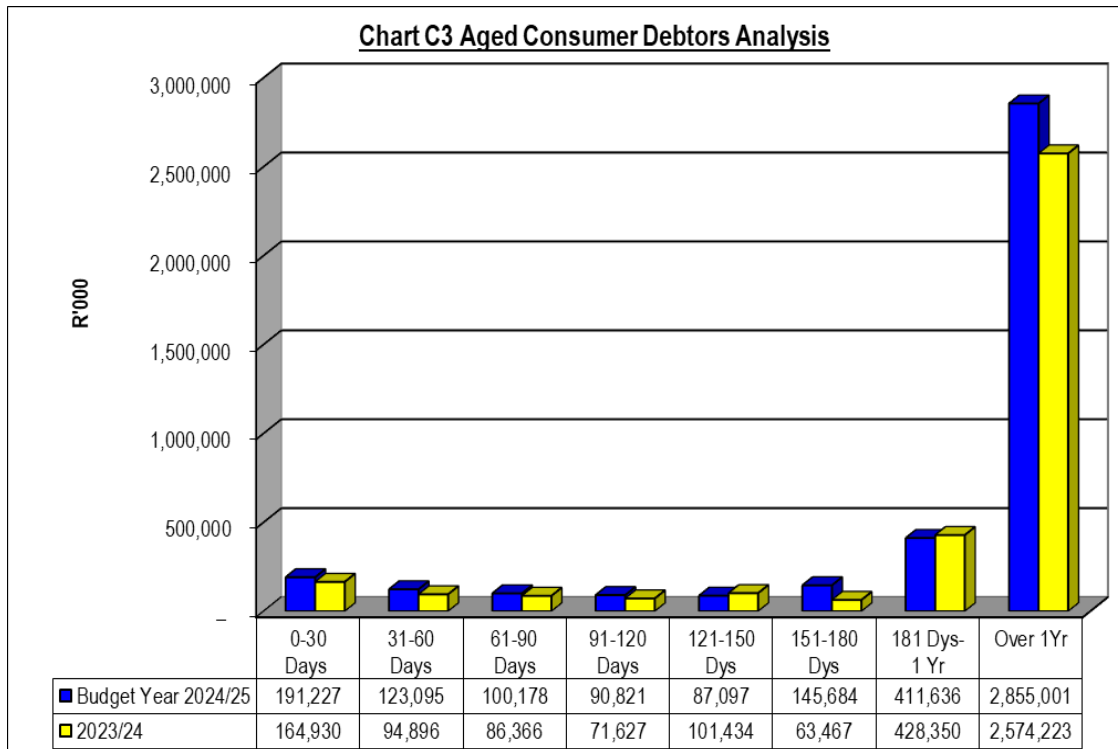


Chart 6: Aged Consumer Debtor Analysis

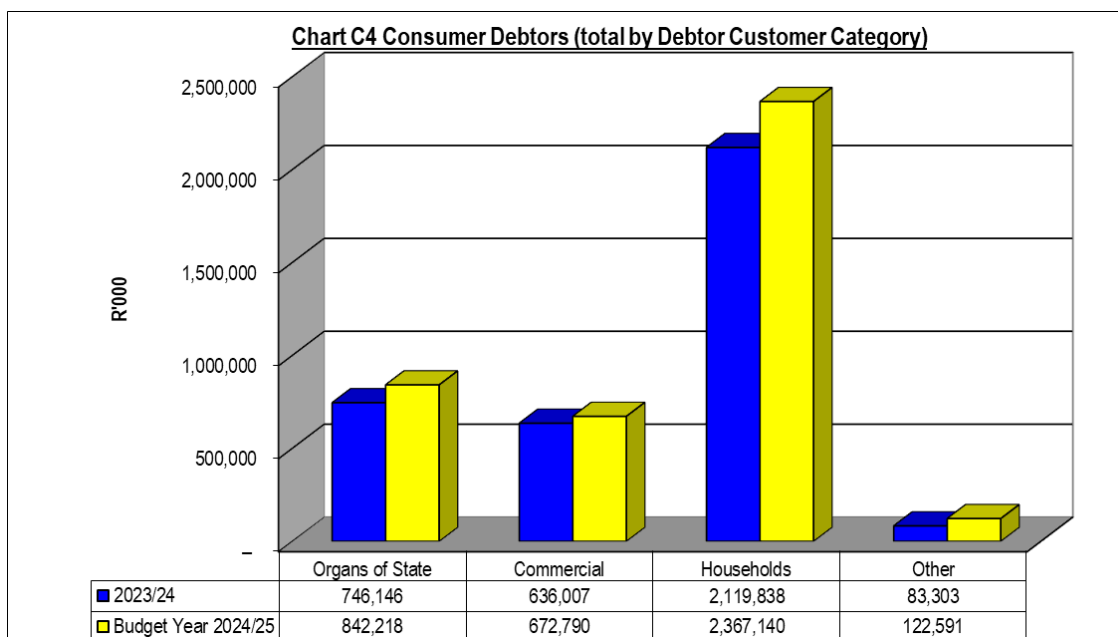


Chart 7: Consumer Debtors (Total by Debtor Customer Category)

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 electronic mail (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 finalized.
- 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 2024 and received in December 2024, the monthly collection rate is 55%, for Property Rates and Service charges only. When including Other billing and receipts, the monthly collection rate is 51%.

It should be noted that receipts are aligned to the billing cycle which is normally from the 26th of the prior month to the 25th of the current month. The monthly collection rate is satisfactory for the month under review. Unallocated receipts amounted to R36,803 million and will be allocated during January 2025. Indicated in Table 10 below is the revised average collection rate of 76%, for Property rates and Service charges only. The average collection rate is showing improvement and is still slightly distorted due to the annual billing on Property rates. When the annual billing is netted off and Other billing is excluded, this results in a collection rate of 81.2%. 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. The collection target as per the Municipal Debt Relief is 85%.

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 2024. Unallocated credits are obtained from the cashbook. Government in particular and businesses/households that opt to get billed annually, have until the end of September 2024 to settle their outstanding accounts.

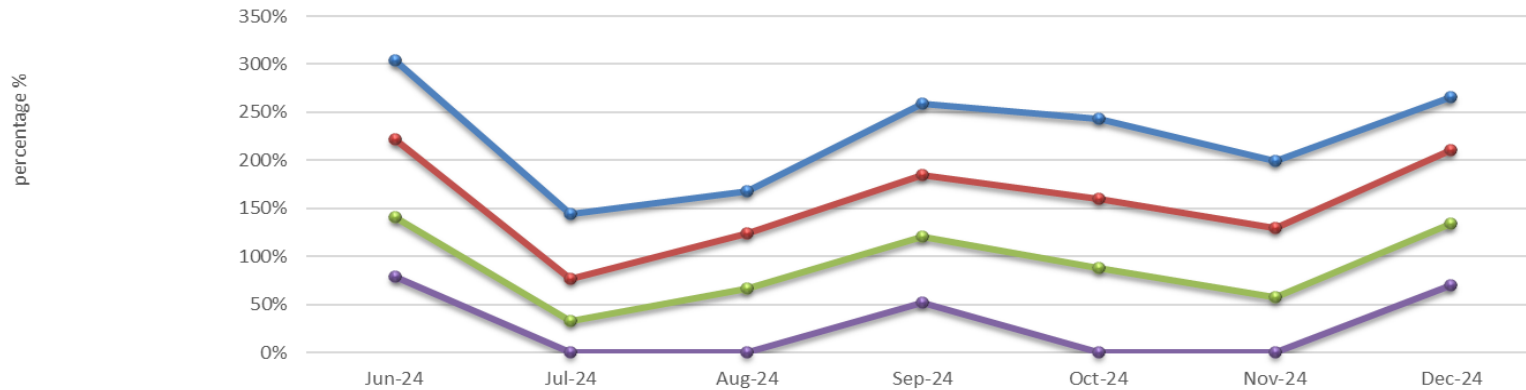
Monthly Collection Rate	Debits (Billed November 2024)	Credits (Received December 2024)	% Collected
PROPERTY RATES	50,502,557	30,545,244	60%
ELECTRICITY	47,318,427	32,790,586	69%
WATER	36,033,814	13,901,218	39%
SEWERAGE	10,195,729	3,732,115	37%
REFUSE	8,111,864	3,331,052	41%
PROPERTY RATES & SERVICES	152,162,392	84,300,214	55%
OTHER	35,592,913	10,555,672	30%
TOTAL	187,755,306	94,855,887	51%

Table 8: Monthly Collection rate

REVENUE BY SOURCE	YTD ACTUAL DECEMBER 2024	YTD RECEIPTS	Rate
PROPERTY RATES	R 410,684,099	R 230,593,497	56.1%
SERVICE CHARGE ELECTRICITY	R 308,387,339	R 308,602,377	100.1%
SERVICE CHARGE ELECTRICITY - PREPAIDS	R 173,916,338	R 173,916,338	100.0%
SERVICE CHARGE WATER	R 170,211,963	R 84,489,616	49.6%
SERVICE CHARGE SANITATION	R 56,464,084	R 25,636,956	45.4%
SERVICE CHARGE REFUSE	R 42,473,480	R 22,616,965	53.2%
UNALLOCATED CREDITS		R 36,802,706	
REVISED AVERAGE COLLECTION RATE - DECEMBER 2024	R 1,162,137,302	R 882,658,454	76.0%
REVISED AVERAGE COLLECTION RATE - DECEMBER 2024	1,162,137,302	882,658,454	76.0%
LESS ANNUAL BILLING ON PROPERTY RATES	-108,333,781	-26,763,475	24.7%
OTHER	R 180,455,381	R 87,417,317	48.4%
REVISED AVERAGE COLLECTION RATE LESS ANNUAL BILLING AND INCLUDING OTHER	R 1,234,258,901.57	R 943,312,296.02	76.4%
REVISED AVERAGE COLLECTION RATE LESS ANNUAL BILLING AND EXCLUDING OTHER	R 1,053,803,521.01	R 855,894,979.06	81.2%

Table 9: Revised Average collection rate

Chart 10: Comparative trend: Monthly and Revised average collection rate - Jun 2024 to December 2024



	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24
Monthly collection rate (Property rates and Services)	83%	67%	44%	74%	83%	69%	55%
Revised average collection rate	80%	44%	58%	65%	72%	72%	76%
Average collection rate per Ward (Monthly)	62%	33%	66%	68%	88%	58%	64%
Average collection rate per Ward (Quarterly) / Oct to Dec	79%	-	-	52%	-	-	70%

Chart 8: Comparative trend: Monthly and Revised average collection rate

Indicated in Chart 8 above, is the comparative trend between the monthly and average collection rate from June 2024 to December 2024. The monthly collection rate (Property rates & Services) for December 2024 is unsatisfactory at 55%. The revised average collection for December 2024, is showing improvement but is still slightly distorted due to the annual billing on Property rates. This is also exacerbated by the receipts on annual billing not being materializing. 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 26th of the previous month to 25th of the current month. The monthly collection rate also excludes Prepaid electricity sales and Other billing. It should be noted the collection rate is based on the receipts versus billing for Property Rates and Service charges only. The lower collection levels are not ideal because on a monthly basis, the municipality is not receiving enough cash to cover its short-term commitments. For the municipal debt relief, the municipality is also expected to report the average collection rate per ward which includes receipts from Property Rates, Services and Interest, but excludes Prepaid Electricity sales.

The monthly collection rate per ward was 64% for the month under review, whilst the average quarterly collection rate is 70% for Oct to Dec 2024. It should be noted that Prepaid electricity sales are excluded from the collection rate per ward. Drastic action will have to be taken, by the municipality implementing its Credit Control Policy. It should be noted that an amount of R36,803 million was unallocated at month-end.

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.”

4.5 Prepaid Electricity

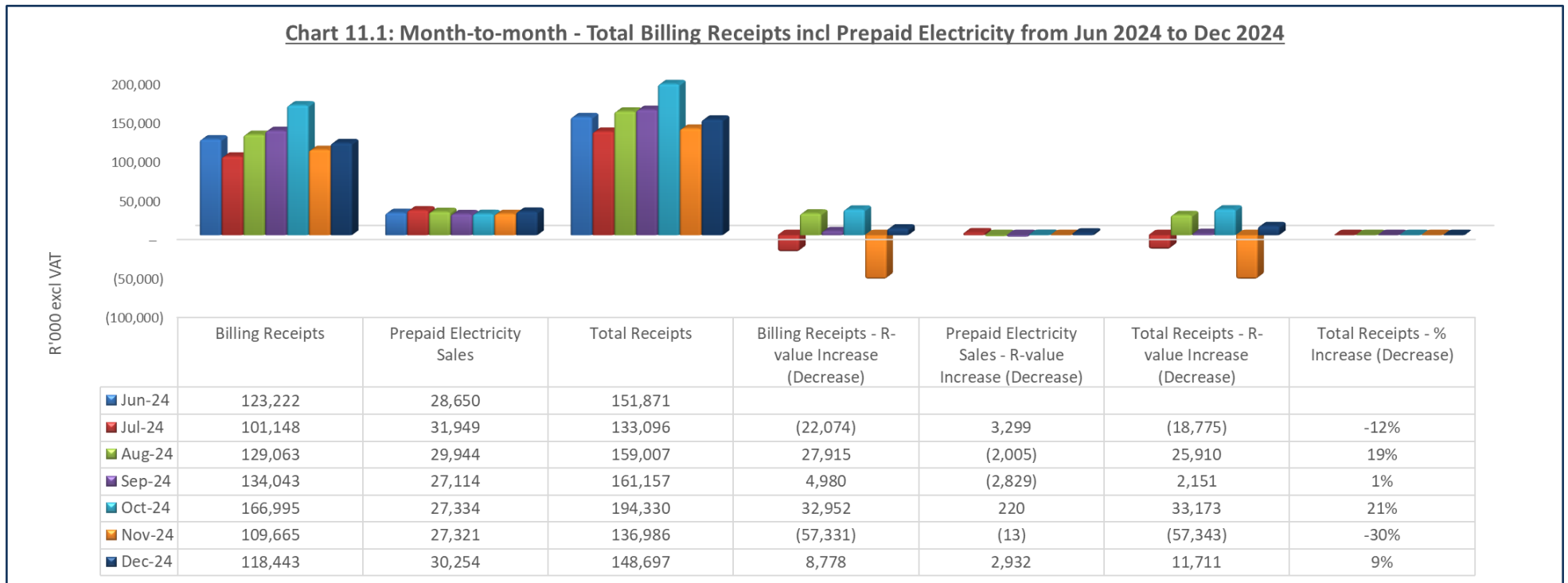


Chart 9.1: Month-to-Month: Total billing receipts incl Prepaid Electricity

As indicated in Chart 9.1 above, the Total Receipts for December amounted to R148,697 million which resulted in an increase of R11,711 million or 9% in respect of the month-to-month comparison. Billing receipts increased by R8,778 million, whilst Prepaid Electricity Sales increased by R2,932 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 R36,803 million. Unallocated receipts are not factored into the actual receipts as per the chart above. All unallocated receipts are investigated, and assistance is sourced from the bank, when the municipality is unable to trace receipts so that it can be allocated accurately.

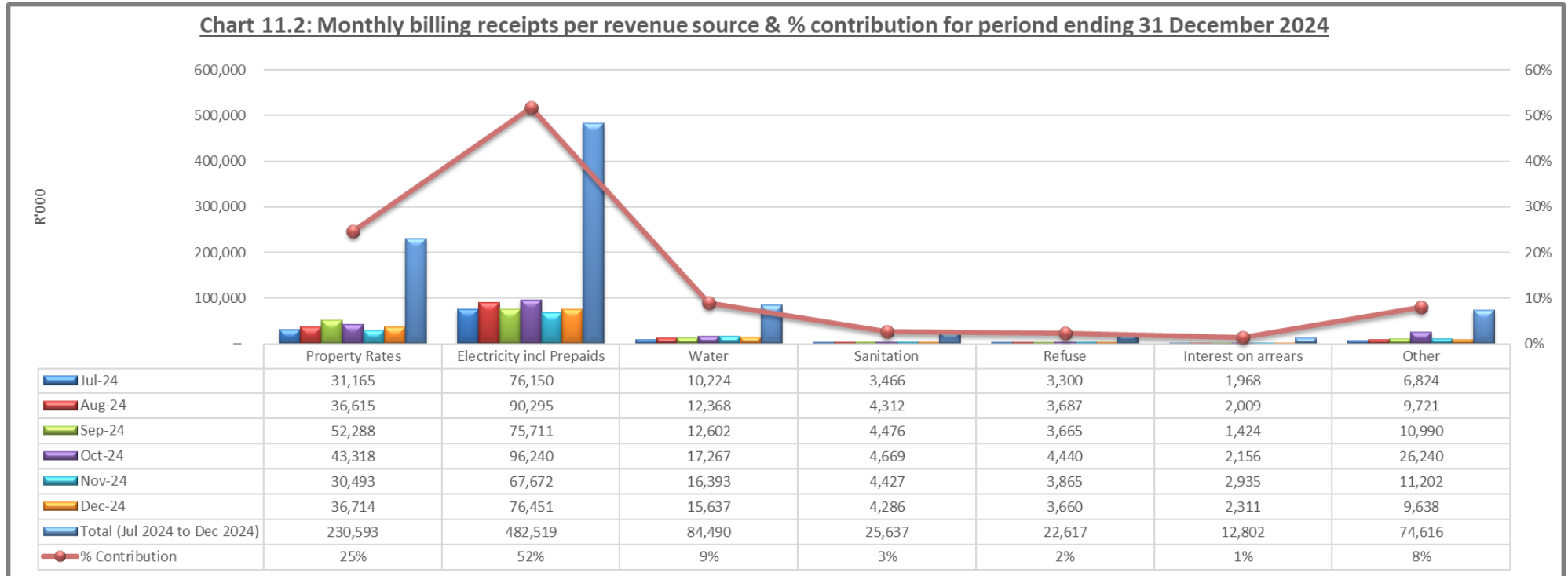


Chart 9.2: Monthly billing receipts per revenue source

Indicated in Chart 9.2 above, is the month-to-month receipts per Revenue source and percentage contribution of receipts per revenue source as at 31 December 2024. 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. Data from the above chart, indicates that Electricity incl Prepays at R482,519 million (52%) is the highest contributor, followed by Property rates at R230,593 million (25%) 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 8% overall.

Receipts from Sanitation and Refuse is extremely low and on average the municipality collects approximately 50% from these revenue sources. The lowest contributor in respect of actual receipts, 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 December 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 December 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.

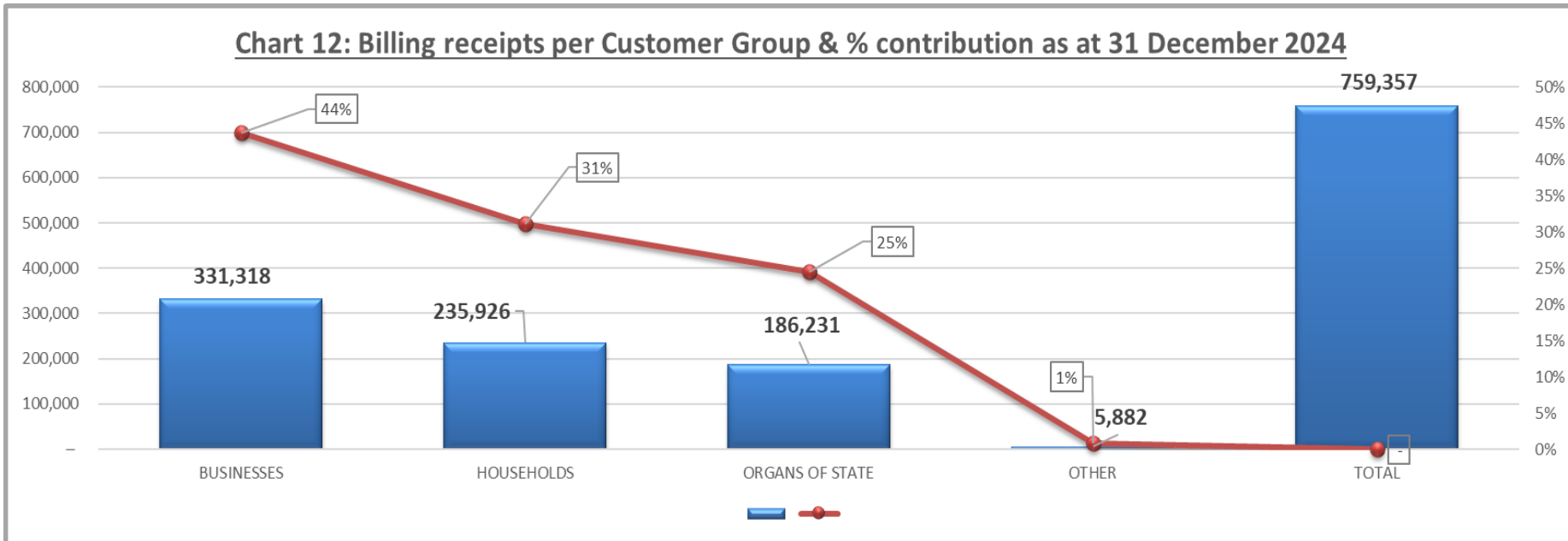


Chart 10: Billing receipts per Customer Group

Indicated in Chart 10 above, is the billing receipts and percentage contribution per major Customer group as at 31 December 2024. The municipality received R331,318 million (44%) from Businesses, Households R235,926 million (31%), Organs of State R186,231 million (25%) and Other R5,882 million (1%).

4.6 Allocation and grant receipts and expenditure

Operational and Capital Grants: Receipts

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

Description	Ref	2023/24		Budget Year 2024/25						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:										
Operating Transfers and Grants										
National Government:		271,713	290,671	290,671	91,468	212,679	145,335	67,343	46.3%	290,671
Energy Efficiency and Demand Side Management Grant		-	-	-	-	-	-	-	-	-
Equitable Share		263,135	282,104	282,104	90,065	207,608	141,052	66,556	47.2%	282,104
Expanded Public Works Programme Integrated Grant		3,102	2,267	2,267	681	2,267	1,133	1,134	100.0%	2,267
Infrastructure Skills Development Grant		3,776	4,500	4,500	627	2,424	2,250	174	7.7%	4,500
Integrated Urban Development Grant		-	-	-	-	-	-	-	-	-
Local Government Financial Management Grant	3	1,700	1,800	1,800	94	380	900	(520)	-57.8%	1,800
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
Provincial Government:		14,787	8,600	8,600	183	439	4,300	(3,861)	-89.8%	8,600
Capacity Building and Other Grants		8,979	8,600	8,600	183	439	4,300	(3,861)	-89.8%	8,600
Infrastructure Grant		5,808	-	-	-	-	-	-	-	-
Other transfers and grants [insert description]		-	-	-	-	-	-	-	-	-
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Other grant providers:		215,206	-	-	-	-	-	-	-	-
ESKOM		210,375	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Higher Education SA (HESA)		-	-	-	-	-	-	-	-	-
Unspecified		4,831	-	-	-	-	-	-	-	-
Total Operating Transfers and Grants	5	501,707	299,271	299,271	91,651	213,118	149,635	63,482	42.4%	299,271
Capital Transfers and Grants										
National Government:		133,753	572,229	572,229	164,407	257,439	286,114	(28,675)	-10.0%	572,229
Energy Efficiency and Demand Side Management Grant		6,000	5,000	5,000	950	2,246	2,500	(254)	-10.2%	5,000
Integrated National Electrification Programme Grant		24,358	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		63,395	75,229	75,229	16,035	33,208	37,614	(4,406)	-11.7%	75,229
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		40,000	492,000	492,000	147,422	221,985	246,000	(24,015)	-9.8%	492,000
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
Infrastructure Grant		-	-	-	-	-	-	-	-	-
District Municipality:		6,437	-	-	-	-	-	-	-	-
Specify (Add grant description)		6,437	-	-	-	-	-	-	-	-
Other grant providers:		18,850	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
European Union		18,850	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	159,040	572,229	572,229	164,407	257,439	286,114	(28,675)	-10.0%	572,229
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	660,747	871,500	871,500	256,058	470,557	435,750	34,807	8.0%	871,500

Table 10: Supporting Table SC6: Transfers and Grant Receipts

Operational grant monies received for the month under review.
Equitable Share – R90,065 million

Capital grant monies received for the month under review.
IUDG – R23,196 million
EEDSM – R2,000 million

There are some mapping errors pertaining to operational and capital grants, in respect of receipts. 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. The figure disclosed in the Statement of Financial Performance is mapped to supporting schedule SC6.

Operational and Capital Grants: Expenditure

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

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		237,196	229,671	229,671	23,226	121,406	114,836	6,570	5.7%	229,671
Equitable Share		228,294	221,104	221,104	22,771	118,383	110,552	7,830	7.1%	221,104
Expanded Public Works Programme Integrated Grant		3,426	2,267	2,267	-	-	1,134	(1,134)	-100.0%	2,267
Infrastructure Skills Development Grant		3,776	4,500	4,500	311	2,108	2,250	(142)	-6.3%	4,500
Integrated Urban Development Grant		-	-	-	98	586	-	586	-	-
Local Government Financial Management Grant		1,700	1,800	1,800	45	330	900	(570)	-63.3%	1,800
Municipal Disaster Relief Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		9,852	8,600	11,087	187	807	5,545	(4,738)	-85.4%	11,087
Capacity Building and Other Grants		7,625	8,600	8,587	72	382	4,295	(3,913)	-91.1%	8,587
Infrastructure Grant		2,227	-	2,500	116	425	1,250	(825)	-66.0%	2,500
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
European Union		-	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		247,048	238,271	240,758	23,413	122,213	120,381	1,832	1.5%	240,758
Capital expenditure of Transfers and Grants										
National Government:		124,283	572,229	572,229	118,779	223,681	286,115	(62,434)	-21.8%	572,229
Energy Efficiency and Demand Side Management Grant		5,999	5,000	5,000	1,042	1,953	2,500	(547)	-21.9%	5,000
Integrated National Electrification Programme Grant		21,181	-	-	-	-	-	-	-	-
Integrated Urban Development Grant		57,349	75,229	75,229	4,624	28,697	37,615	(8,918)	-23.7%	75,229
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Neighbourhood Development Partnership Grant		-	-	-	-	-	-	-	-	-
Regional Bulk Infrastructure Grant		39,754	492,000	492,000	113,113	193,031	246,000	(52,969)	-21.5%	492,000
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	-	-	-	-	-
District Municipality:		6,000	-	-	-	-	-	-	-	-
Specify (Add grant description)		6,000	-	-	-	-	-	-	-	-
Other grant providers:		17,073	-	-	-	-	-	-	-	-
European Union		17,073	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		147,356	572,229	572,229	118,779	223,681	286,115	(62,434)	-21.8%	572,229
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		394,404	810,500	812,987	142,192	345,894	406,495	(60,602)	-14.9%	812,987

Table 11: 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 R15,558 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 Original allocation for the EPWP is R2,267 million. In addition to this, the municipality budgeted R15,000 million for this programme.

Description (R'000)	Original Budget	Adjustment Budget	Monthly Actual	YTD Actual	Commitments	% Spent Original	% Spent Adj Budget
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	75,229	75,229	4,624	28,697	8,086	38.1%	38.1%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	5,000	5,000	1,042	1,953	-	39.1%	39.1%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	492,000	492,000	113,113	193,031	-	39.2%	39.2%
Grand Total	572,229	572,229	118,779	223,681	8,086	39.1%	39.1%

Table 12: Summary of Expenditure per Grant

As indicated in Table 12 above, the YTD grant expenditure amounts to R223,681 million or 39.1% spent against the Original capital grant allocation of R572,229 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 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 negatively influences the delay in grant expenditure.

Rollover Grants: Expenditure

The rollover request for the 2023/24 financial year was submitted to National Treasury. The rollover request was not approved by National Treasury. Indicated below is an extract of the reasons for the rejection.

“Your request to roll over the unspent amount of **R3.9 million** into the 2023/24 financial year by your municipality is not approved in terms of 21(2) of the 2023 Division of Revenue Act, (Act No. 5 of 2023) (DoRA), as amended by the Division of Revenue Amendment Act, (Act No. 24 of 2023) (DoRAA). The rejection is with respect to the Infrastructure Skills Development Grant (ISDG) (R1.2 million) and the Integrated National Electrification Programme (Municipal) Grant (R2.7 million) (INEP).

The National Treasury in assessing your roll over request used the criteria set out in Circular No. 128 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 reason:

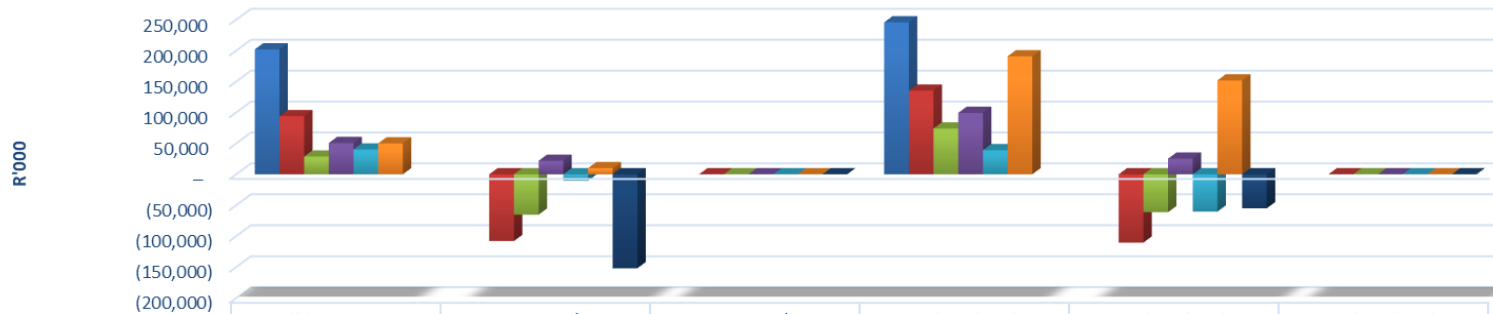
- Non submission of supporting documents as outlined in Circular No.128, i.e. copies of appointment letters of service providers and/ or tender documents for both ISDG and INEP. “

Table 13: Supporting Table SC7(2) - Expenditure against approved rollovers

Table 13 is not required.

4.7 Cash flows

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



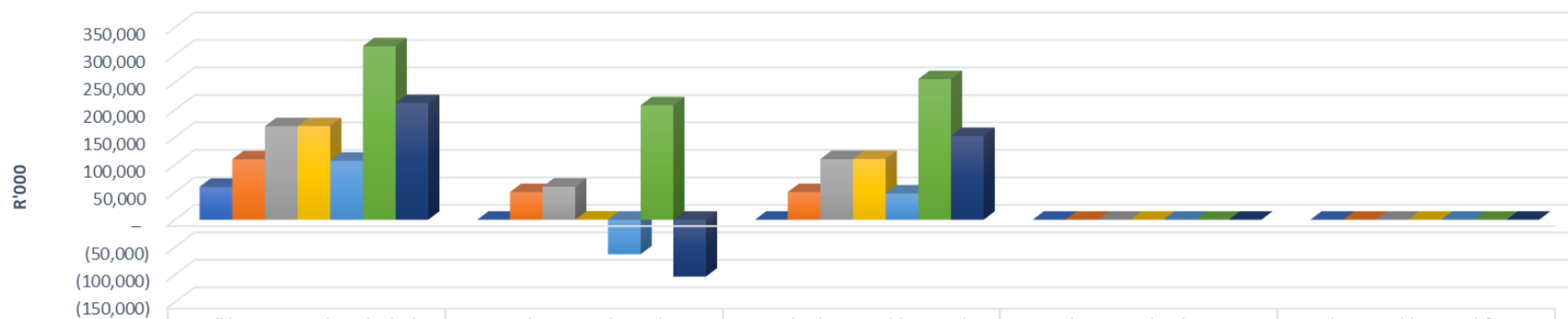
	Call investment deposits at year-end	Investments / Year-on-year R-Value Increase (Decrease)	Investments / Year-on-year % Increase/(Decrease)	Cash and cash equivalents at year-end	Cash and cash equivalents / Year-on-year R-Value Increase/(Decrease)	Cash and cash equivalents / Year-on-year % Increase/(Decrease)
■ 30 June 2017	201,916			245,735		
■ 30 June 2018	93,978	(107,938)	-53%	135,240	(110,495)	-45%
■ 30 June 2019	28,701	(65,278)	-69%	74,019	(61,221)	-45%
■ 30 June 2020	50,594	21,893	76%	99,307	25,287	34%
■ 30 June 2021	40,099	(10,495)	-21%	39,010	(60,297)	-61%
■ 30 June 2022	49,975	9,876	25%	190,783	151,773	389%
■ Total Increase (Decrease) - 2017 to 2022		(151,940)	-75%		(54,953)	-22%

Chart 10: 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 41.67% from 2021 to 2022. The total investment remained the same from 2022 to 2023 and increased to R9,709 million or 19% in 2024. From 2018 to 2024, the total investments decreased by R34,294 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 August 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 14: Call investment deposits incl interest for the period ending 31 December

2024



	Call investment deposits incl interest at month end	Month-to-Month R-Value increase (decrease)	R-Value increase (decrease) from previous years' balance	Month-to-month % increase (decrease)	% increase (decrease) from previous years' balance
■ Jun-24	59,684	–	–	–	–
■ Jul-24	109,852	50,167	50,167	84.1%	84.1%
■ Aug-24	170,030	60,178	110,346	54.8%	184.9%
■ Sep-24	170,192	162	110,507	0.1%	185.2%
■ Oct-24	107,365	(62,827)	47,680	-36.9%	79.9%
■ Nov-24	315,497	208,133	255,813	193.9%	428.6%
■ Dec-24	212,066	(103,431)	152,381	-32.8%	255.3%

Chart 11: Call investments deposits at month-end

As indicated in the Chart 11 above from November to December 2024 investments incl interest decreased by R103,431 or 32.8%, in respect of the month-to-month comparison. Investments increased by R152,381 million or 255.3% when compared to the previous years' balance of R59,684 million. The significant increase relates to RBIG funds that were received and immediately invested. 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, 2023/24 and 2024/25 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.

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.

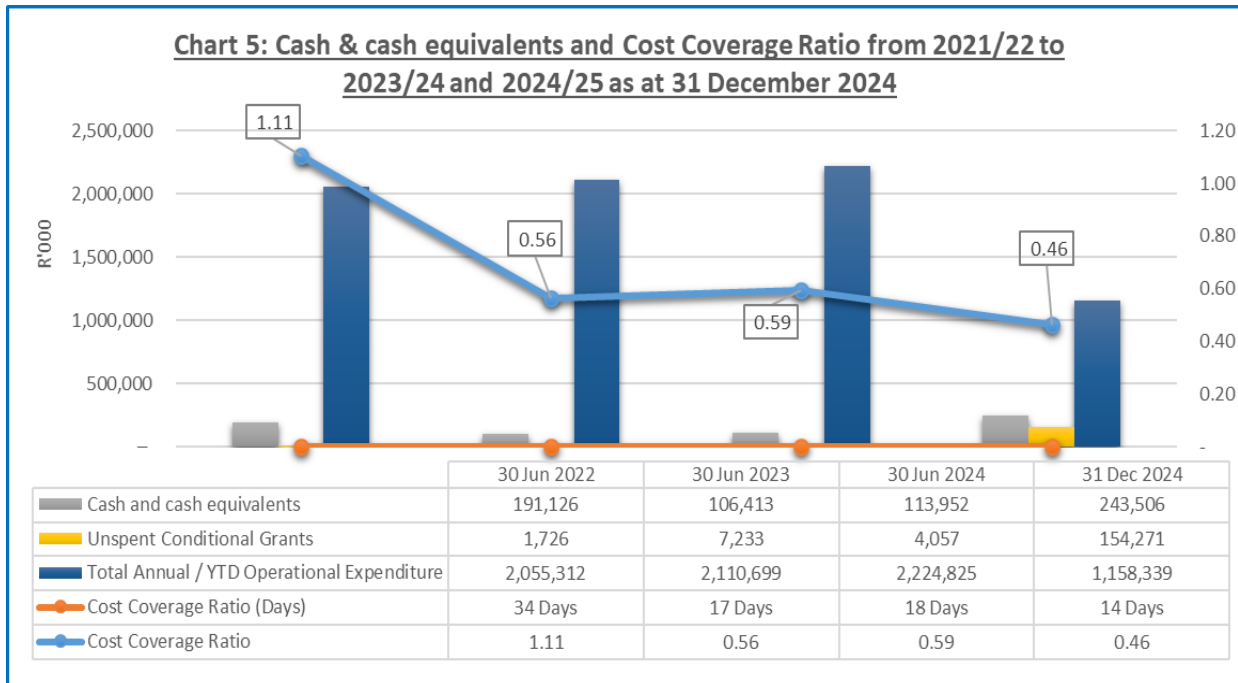


Chart 12: Cash & cash equivalents and Cost Coverage Ratio

Indicated in Chart 12 above, is the Cost coverage ratio, number of days coverage and the Cash and cash equivalents for the period. The required NT norm is 3 months Cost coverage. The audited outcome for the year ended 30 June 2022 is (1.11; 34 days; R191,126m). There was a marginal improvement for the year ended 30 June 2023 (0.56; 17 days; R106,413m), 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 pre-audit outcome for the year ended 30 June 2024 is (0.59; 18 days; R113,952m). The Cost coverage ratio as at 31 December 2024 is calculated at (0.27; 8 days; R345,762m). The cash and cash equivalents increased significantly as a result of receipts on conditional grants that was invested.

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 over the last few years. 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 managed to settle all invoices for the 2022/23 and 2023/24 financial year in full. The municipality also fared well whilst on the debt relief programme in complying to the settlement of the current Eskom account and running into trouble with the settling of the accounts for the high months. This is further exacerbated by the fact that the actual receipts for the high months is far below the actual bill.

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.

5. EXPENDITURE FRAMEWORK

5.1 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 Budget Variance IYM % - 50%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Expenditure By Type										
Employee related costs	950,863	83,510	425,260	475,433	89.4%	(50,174)	-10.6%	44.7%	(50,172)	-5.3%
Remuneration of councillors	37,077	2,369	16,348	18,538	88.2%	(2,190)	-11.8%	44.1%	(2,190)	-5.9%
Bulk purchases - electricity	897,300	24,505	388,061	472,641	82.1%	(84,580)	-17.9%	43.2%	(60,589)	-6.8%
Inventory consumed	319,605	34,167	148,817	159,804	93.1%	(10,987)	-6.9%	46.6%	(10,986)	-3.4%
Debt impairment	355,246	-	177,623	177,623	100.0%	(0)	0.0%	50.0%	-	0.0%
Depreciation and amortisation	89,700	22,425	44,850	44,850	100.0%	(0)	0.0%	50.0%	-	0.0%
Interest	17,774	9,180	9,181	8,887	103.3%	294	3.3%	51.7%	294	1.7%
Contracted services	40,731	2,255	26,584	20,366	130.5%	6,219	30.5%	65.3%	6,219	15.3%
Transfers and subsidies	3,660	-	634	1,830	34.6%	(1,196)	-65.4%	17.3%	(1,196)	-32.7%
Irrecoverable debts written off	-	-	1	-		1			1	
Operational costs	151,549	10,815	82,994	75,776	109.5%	7,218	9.5%	54.8%	7,219	4.8%
Losses on Disposal of Assets	-	-	-	-		-			-	
Other Losses	65,000	15,009	38,036	32,500	117.0%	5,536	17.0%	58.5%	5,536	8.5%
Total Expenditure	2,928,505	204,236	1,358,389	1,488,248	91.3%	(129,859)	-8.7%	46.4%	(105,863)	-3.6%

Table 14: Table C4 Financial Performance (Expenditure)

Comparison against YTD Budget

As indicated in the Table 4 above, as at 31 December 2024 current YTD expenditure shows an unsatisfactory variance of minus 8.7%. The YTD actual amounted to R1,358,389 billion against the YTD Budget of R1,488,248 million.

- ❖ Employee related costs show an unsatisfactory variance of minus 10.6%, due to Post-retirement benefit obligations that are not factored in and will only be finalised as part of year-end procedures. There is a moratorium on the filling of non-critical vacancies and the sale of leave has been suspended.
- ❖ Remuneration of councillors is showing an unsatisfactory variance of minus 11.8%. The gazette for the upper limits of political office bearers has not been issued for the current year.
- ❖ Bulk purchases – Electricity is showing a negative variance of minus 17.9%, due to the December 2024 invoice not being authorised on the system. It will be processed during January 2025. The Payment section did not timesously authorised the balance of the November 2024 invoice, as a result of short staffing during the festive season.
- ❖ The expenditure on Inventory consumed is showing an unsatisfactory variance of minus 6.9%. 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 crisis's 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 2024 (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 41.67%
≡ VOTE 1 - COUNCILLORS AND ADMIN	202,000	202,000	-	42,856	21.22%	21.22%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	85,000	85,000	-	42,856	50.42%	50.42%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	115,000	115,000	-	-	0.00%	0.00%	UNSATISFACTORY
≡ VOTE 2 - MUNICIPAL AND GENERAL	22,997,000	22,997,000	2,680,550	16,154,583	70.25%	70.25%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	520,000	520,000	16,027	128,356	24.68%	24.68%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	400,000	400,000	4,172	92,000	23.00%	23.00%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	22,077,000	22,077,000	2,660,351	15,934,228	72.18%	72.18%	OVERSPENT
≡ VOTE 3 - MUNICIPAL MANAGER	117,000	117,000	-	55,628	47.54%	47.54%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	99,000	107,000	-	53,628	54.17%	50.12%	SATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,000	10,000	-	2,000	11.11%	20.00%	UNSATISFACTORY
≡ VOTE 4 - CORPORATE SERVICES	10,568,000	10,568,000	91,527	927,655	8.78%	8.78%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	902,000	886,000	24,315	256,340	28.42%	28.93%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	272,000	277,000	9,413	156,738	57.62%	56.58%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	530,000	530,000	14,984	184,226	34.76%	34.76%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	8,864,000	8,875,000	42,816	330,352	3.73%	3.72%	UNSATISFACTORY
≡ VOTE 5 - COMMUNITY SERVICES	35,714,500	35,714,500	929,475	9,434,284	26.42%	26.42%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	986,500	1,016,500	57,274	310,594	31.48%	30.56%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	54,000	54,000	-	758	1.40%	1.40%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	222,000	222,000	43,911	125,747	56.64%	56.64%	OVERSPENT
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,087,000	1,157,000	63,474	465,143	42.79%	40.20%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,976,000	8,976,000	282,162	2,786,267	31.04%	31.04%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	826,000	826,000	7,179	132,100	15.99%	15.99%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,563,000	23,463,000	475,474	5,613,674	23.82%	23.93%	UNSATISFACTORY
≡ VOTE 6 - FINANCIAL SERVICES	2,368,000	2,368,000	9,963	939,512	39.68%	39.68%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,320,000	1,300,000	2,768	632,806	47.94%	48.68%	SATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	175,000	175,000	3,032	72,413	41.38%	41.38%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	198,000	198,000	2,090	67,989	34.34%	34.34%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	675,000	695,000	2,074	166,304	24.64%	23.93%	UNSATISFACTORY
≡ VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT	6,381,000	6,381,000	523,333	1,354,256	21.22%	21.22%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	419,000	414,000	9,837	106,536	25.43%	25.73%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	61,000	64,000	-	16,052	26.31%	25.08%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	418,000	418,000	7,430	124,685	29.83%	29.83%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	8,000	8,000	-	2,214	27.68%	27.68%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	5,475,000	5,477,000	506,066	1,104,768	20.18%	20.17%	UNSATISFACTORY
≡ VOTE 8 - INFRASTRUCTURE SERVICES	241,257,705	241,257,705	29,932,280	119,907,822	49.70%	49.70%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	645,000	647,000	6,634	224,072	34.74%	34.63%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	2,000	2,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	24,172,000	24,172,000	732,768	8,048,794	33.30%	33.30%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	762,000	774,000	8,730	346,884	45.52%	44.82%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,930,000	8,930,000	343,893	3,782,888	42.36%	42.36%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	860,000	600,000	7,940	95,184	11.07%	15.86%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	140,886,705	141,132,705	11,983,693	62,454,327	44.33%	44.25%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	65,000,000	65,000,000	16,848,622	44,955,673	69.16%	69.16%	OVERSPENT
Grand Total	319,605,205	319,605,205	34,167,129	148,816,597	46.56%	46.56%	SATISFACTORY

Table 14.1 R&M Expenditure per Directorate per Inventory Type

R&M Expenditure per Service per Inventory Type as at 31 December 2024 (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 41.67%
2480 - REFUSE	21,500,000	21,500,000	516,603	5,401,966	25.13%	25.13%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	90,000	90,000	-	12,003	13.34%	13.34%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	210,000	210,000	1,623	9,677	4.61%	4.61%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	6,000,000	6,000,000	252,402	2,260,820	37.68%	37.68%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	500,000	500,000	-	372	0.07%	0.07%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	14,700,000	14,700,000	262,578	3,119,095	21.22%	21.22%	UNSATISFACTORY
2830 - ROADS	46,747,000	46,747,000	6,869,102	25,383,123	54.30%	54.30%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	55,000	55,000	-	9,240	16.80%	16.80%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	58,000	58,000	747	9,205	15.87%	15.87%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	46,634,000	46,634,000	6,868,355	25,364,678	54.39%	54.39%	SATISFACTORY
2840 - HOUSING	3,509,000	3,509,000	59,478	1,088,346	31.02%	31.02%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	89,000	89,000	-	52,865	59.40%	59.40%	OVERSPENT
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	145,000	145,000	-	91,662	63.22%	63.22%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	160,000	160,000	2,522	53,985	33.74%	33.74%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	3,114,000	3,114,000	56,956	889,834	28.58%	28.58%	UNSATISFACTORY
2850 - SEWERAGE	22,024,000	22,024,000	1,445,309	13,722,239	62.31%	62.31%	OVERSPENT
2320601 (INV-CONSUMABLE-SR/STATIONERY)	30,000	32,000	870	20,691	68.97%	64.66%	OVERSPENT
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	170,000	170,000	-	8,334	4.90%	4.90%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	259,000	259,000	3,436	43,584	16.83%	16.83%	UNSATISFACTORY
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,400,000	2,400,000	94,439	952,676	39.69%	39.69%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	400,000	150,000	-	9,787	2.45%	6.52%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,765,000	19,013,000	1,346,564	12,687,167	67.61%	66.73%	OVERSPENT
2860 - WATER	121,123,000	121,123,000	18,626,772	60,953,579	50.32%	50.32%	SATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	77,000	77,000	-	46,177	59.97%	59.97%	OVERSPENT
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	24,002,000	24,002,000	732,768	8,040,460	33.50%	33.50%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	110,000	122,000	-	87,838	79.85%	72.00%	OVERSPENT
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	2,300,000	2,300,000	76,267	902,875	39.26%	39.26%	UNSATISFACTORY
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	460,000	450,000	7,940	85,397	18.56%	18.98%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	29,174,000	29,172,000	961,175	6,835,159	23.43%	23.43%	UNSATISFACTORY
2326600 (INVENTORY - WATER)	65,000,000	65,000,000	16,848,622	44,955,673	69.16%	69.16%	OVERSPENT
2880 - ELECTRICITY	51,537,000	51,527,000	2,590,833	18,500,386	35.90%	35.90%	UNSATISFACTORY
2320601 (INV-CONSUMABLE-SR/STATIONERY)	210,000	210,000	5,186	40,352	19.22%	19.22%	UNSATISFACTORY
2320602 (INV-CONSUMABLE-SR/FIRST AID)	1,000	1,000	-	-	0.00%	0.00%	UNSATISFACTORY
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	76,000	76,000	2,060	24,381	32.08%	32.08%	UNSATISFACTORY
2323600 (INVENTORY - MATERIALS & SUPPLIES)	51,250,000	51,240,000	2,583,587	18,435,652	35.97%	35.98%	UNSATISFACTORY
Grand Total	266,440,000	266,430,000	30,108,097	125,049,639	46.93%	46.94%	SATISFACTORY

Table 14.2: R&M Expenditure per Service per Inventory Type

- ❖ Debt impairment will be provided for on a quarterly basis. The journal for the second quarter was processed on the financial system during November 2024. The journal for the third quarter will be processed before the end of March 2024.
- ❖ Depreciation was projected for on a straight-line basis and a quarterly journal will be processed to account for prorata depreciation. The journal for the second quarter was processed during December 2024. The municipality engaged our service provider to make use of the available Asset module (AM) on the financial system. Implementation of the AM is underway.
- ❖ Interest is showing a satisfactory variance of 3.3%. Interest on External borrowing is paid bi-annually and the first instalment for the current financial year is was settled before the 31 December 2024. There is also minimal movement pertaining to minor interest on overdue accounts. This was addressed with a virement but will be factored into the Adjustment budget. The total interest charges on overdue accounts on the Eskom bulk account, for the current financial year amounts to R8,833 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. Eskom confirmed that this interest will not be reversed and is payable by the municipality as a result of payment arrangement that was loaded on their system. The budget will be corrected during the Adjustments budget.
- ❖ Expenditure on Contracted services is showing an unsatisfactory variance of 30.5%. As a result of increased legal fees incurred and erroneous allocation under Contr: Prepaid Electricity Vendors which will be journalised and addressed during the Adjustment budget.
- ❖ Transfers and subsidies showing negative variance of minus 65.4%. Due to cash constraints the municipality will be paying the allocation of R2,500 million, due to the SPCA over four instalments, as and when sufficient cash is available. The first instalment of R625 thousand was settled during October 2024.

- ❖ Operational cost is showing an unsatisfactory variance of 9.5% 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 R20,614 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 pro-rata split is done manually between Property rates and service charges, excluding Electricity Revenue because the system cannot handle the automated split per Revenue source.
 - The YTD actual on OC: Professional Bodies M/Ship & Subs is R5,715 for predominantly annual SALGA membership fees. Partial payments have been made to SALGA amounting to R5,708 million, against a total invoice amount of R8,782 million.
- ❖ Other Losses is showing a negative variance of 17.0%. 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 the actual costs incurred is then split between Water inventory and Water losses and journalised from the Balance sheet to the Income Statement A corrective journal for the actuals, for December 2024 for the recognition of Water inventory and losses must still be processed on the system. The variance is attributed to the interface of water consumption (transacted against Water Inventory) from the billing module. The overstatement will be corrected with the journal for the month of December 2024. The billing for bulk water is spread over 9 months of the year from July to end of March of each year. The servitude (free water) allocation commences on the 1 of April of each year. The actual extraction volumes are slightly higher than anticipated.

Operating Expenditure by Type: Comparison against Original Budget

Indicated in Table 14 above, is the YTD actual compared to the Original Budget. The ideal In-Year-Monitoring percentage as at the end of December 2024 is 50.0%. The total operational expenditure against the Original budget is 46.4% spent, resulting in a satisfactory variance of minus 3.6%.

- ❖ Employee related costs show a satisfactory variance of minus 5.7%. Same factors are applicable as explained above.
- ❖ Remuneration of councillors is showing a satisfactory variance of minus 5.9%. Same factors are applicable as explained above.
- ❖ Bulk purchases – Electricity is showing an unsatisfactory variance of minus 6.8%. Same factors are applicable as explained above.
- ❖ The expenditure on Inventory consumed is showing a satisfactory variance of minus 3.4%. Same factors are applicable as explained above.
- ❖ Debt impairment is showing a satisfactory variance of 0%. Debt impairment will be provided for on a quarterly basis and the journal for the second quarter was processed during November 2024.
- ❖ Depreciation was projected for on a straight-line basis and will be provided for, on a quarterly basis. This will be effected via a journal which is not the ideal best practice. Depreciation should be automated and calculated and integrating on a monthly basis from the Asset Management Module. Implementation of the AM is underway.
- ❖ Interest is showing an satisfactory variance of minus 1.7%. Same factors are applicable as explained above.
- ❖ Expenditure on Contracted services is unsatisfactory at 15.3%, when compared to the Original budget. Same factors are applicable as explained above.
- ❖ Transfers and subsidies show an unsatisfactory variance of minus 32.7%. Same factors are applicable as explained above.

- ❖ Operational cost is showing a satisfactory variance of 4.8%. Same factors are applicable as explained above.
- ❖ Other Losses is showing an unsatisfactory variance of 8.5%. Same factors are applicable as explained above.

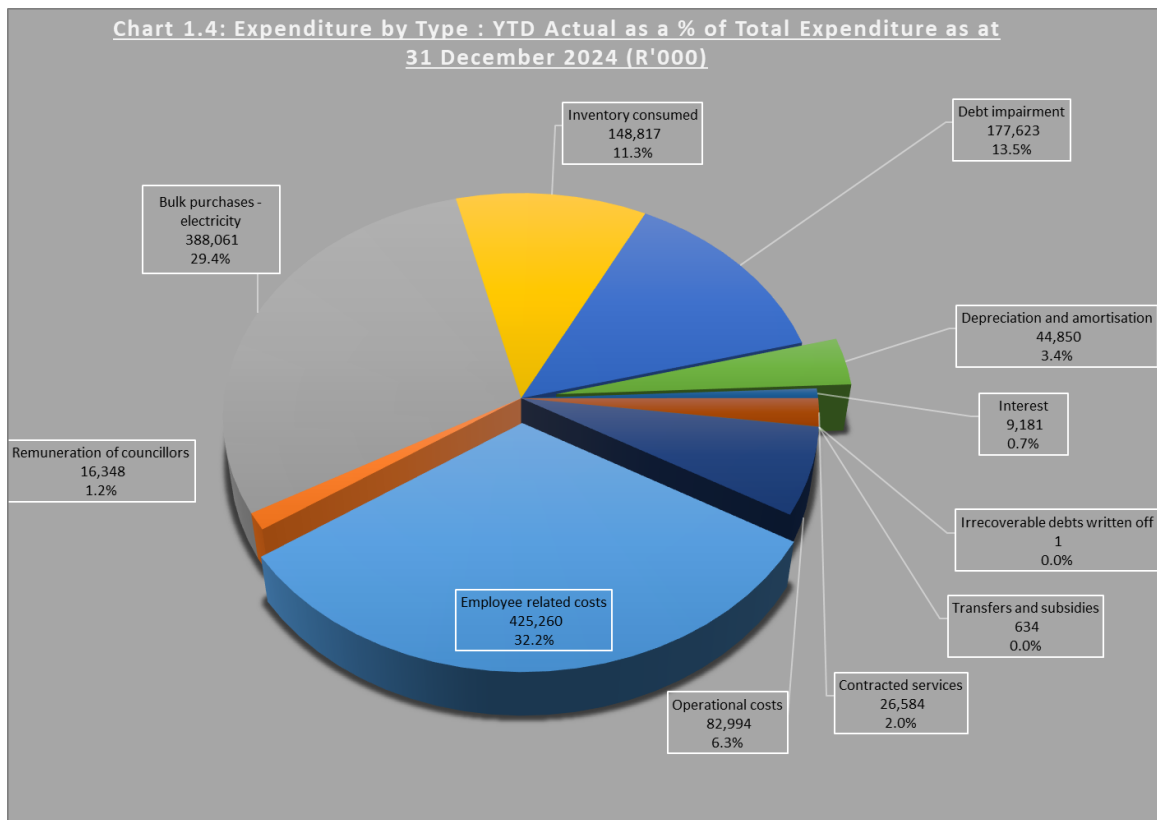


Chart 13: Expenditure by Type: YTD Actual as a percentage of Total Expenditure

Also indicated in Chart 13 above is the weighting of the YTD Actual on Expenditure by Type as a percentage of total operational expenditure as at 31 December 2024. The main cost drivers of the municipality are Employee Related Costs (32.2%), Bulk Purchases – Electricity (29.4%), Debt Impairment (13.5%) and Inventory consumed (11.3%).

It should be noted that the weighting per Expenditure type is 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 will be provided for on a quarterly basis. The journal for the second quarter was processed during December 2024.
- ❖ Bulk purchases electricity, the December 2024 Eskom account amounting to R71,859 million which includes VAT and interest, is not yet authorised on the system and will be processed during January 2024. The unpaid balance of the November 2024 was not timeously authorised on the system.
- ❖ Debt impairment is provided for on a quarterly. The journal for the second quarter was processed during November 2024.

Interest on the long-term borrowing is paid bi-annually in December and June of each year

5.2 Expenditure By Vote

The vote structure of the municipality is represented by various directorates. Expenditure for the quarter ended 31 December 2024 is represented as per the table below:

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

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 01 - Executive & Council	1	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		549,361	972,401	972,401	269,018	540,133	486,200	53,932	11.1%	972,401
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		5,391	6,161	6,161	632	3,103	3,081	22	0.7%	6,161
Vote 05 - Community Services		134,820	124,361	124,361	11,079	63,788	62,180	1,608	2.6%	124,361
Vote 06 - Financial Services		701,887	710,111	710,111	52,916	427,909	355,055	72,854	20.5%	710,111
Vote 07 - Strategy Econ Development And Planning		26,098	8,368	8,368	283	6,209	4,184	2,025	48.4%	8,368
Vote 08 - Infrastructure And Services		1,666,568	1,709,105	1,709,105	120,611	805,091	854,553	(49,461)	-5.8%	1,709,105
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	3,084,125	3,530,507	3,530,507	454,539	1,846,233	1,765,253	80,980	4.6%	3,530,507
Expenditure by Vote										
Vote 01 - Executive & Council	1	59,615	60,855	60,855	4,376	28,279	30,428	(2,149)	-7.1%	60,855
Vote 02 - Municipal And General		400,410	403,603	403,603	28,239	200,938	201,802	(864)	-0.4%	403,603
Vote 03 - Municipal Manager		24,274	27,854	27,854	2,152	15,437	13,927	1,509	10.8%	27,854
Vote 04 - Corporate Services		71,184	82,140	82,140	6,987	36,739	41,071	(4,331)	-10.5%	82,140
Vote 05 - Community Services		321,918	337,272	337,272	29,245	156,035	168,637	(12,602)	-7.5%	337,272
Vote 06 - Financial Services		134,722	166,217	166,217	13,246	69,425	83,109	(13,684)	-16.5%	166,217
Vote 07 - Strategy Econ Development And Planning		60,672	67,813	67,813	5,508	26,992	33,907	(6,915)	-20.4%	67,813
Vote 08 - Infrastructure And Services		1,724,624	1,782,750	1,782,750	114,483	824,544	915,367	(90,824)	-9.9%	1,782,750
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,797,419	2,928,505	2,928,505	204,236	1,358,389	1,488,248	(129,859)	-8.7%	2,928,505
Surplus/ (Deficit) for the year	2	286,705	602,003	602,003	250,303	487,844	277,005	210,839	76.1%	602,003

Table 15: Table C3 Monthly budget statement - Financial Performance (Expenditure by Vote)

5.3

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	2023/24			Budget Year 2024/25					
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands		A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages										
Pension and UIF Contributions		1,065	-	-	57	488	-	488	#DIV/0!	-
Medical Aid Contributions		536	-	-	46	320	-	320	#DIV/0!	-
Motor Vehicle Allowance										
Cellphone Allowance		2,997	3,055	3,055	256	1,501	1,528	(27)	-2%	3,055
Housing Allowances										
Other benefits and allowances		29,271	34,021	34,021	2,010	14,040	17,011	(2,971)	-17%	34,021
Sub Total - Councillors		33,869	37,077	37,077	2,369	16,348	18,538	(2,190)	-12%	37,077
% increase	4		9.5%	9.5%						9.5%
Senior Managers of the Municipality										
Basic Salaries and Wages		4,942	8,791	8,791	353	2,473	4,396	(1,922)	-44%	8,791
Pension and UIF Contributions		433	1,316	1,316	33	211	658	(447)	-68%	1,316
Medical Aid Contributions		192	117	117	16	93	59	34	58%	117
Overtime										
Performance Bonus										
Motor Vehicle Allowance		1,065	2,005	2,005	87	521	1,003	(482)	-48%	2,005
Cellphone Allowance		101	198	198	8	50	99	(49)	-49%	198
Housing Allowances		22	9	9	2	11	5	6	128%	9
Other benefits and allowances										
Payments in lieu of leave										
Long service awards		14	15	15	1	7	7	(0)	-3%	15
Post-retirement benefit obligations	2									
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Senior Managers of Municipality		6,769	12,452	12,452	500	3,366	6,226	(2,860)	-46%	12,452
% increase	4		84.0%	84.0%						84.0%
Other Municipal Staff										
Basic Salaries and Wages		460,448	509,499	507,037	38,618	232,866	253,845	(20,979)	-8%	507,037
Pension and UIF Contributions		83,850	96,851	96,851	7,007	42,288	48,426	(6,138)	-13%	96,851
Medical Aid Contributions		54,500	63,693	63,693	5,549	31,059	31,847	(787)	-2%	63,693
Overtime		90,602	53,982	53,982	6,094	31,730	26,991	4,739	18%	53,982
Performance Bonus		30,591	38,317	38,317	15,702	22,462	19,159	3,304	17%	38,317
Motor Vehicle Allowance		43,767	51,151	51,151	3,409	21,194	25,576	(4,382)	-17%	51,151
Cellphone Allowance		1,631	1,551	1,551	135	826	776	50	6%	1,551
Housing Allowances		2,856	2,887	2,887	226	1,356	1,444	(88)	-6%	2,887
Other benefits and allowances		38,029	26,598	29,060	2,560	16,181	14,204	1,977	14%	29,060
Payments in lieu of leave		7,128	20,000	20,000	144	2,610	10,000	(7,390)	-74%	20,000
Long service awards		30,958	29,981	29,981	2,883	15,610	14,991	619	4%	29,981
Post-retirement benefit obligations	2	43,162	43,900	43,900	685	3,712	21,950	(18,238)	-83%	43,900
Entertainment										
Scarcity										
Acting and post related allowance										
In kind benefits										
Sub Total - Other Municipal Staff		887,522	938,410	938,410	83,011	421,894	469,207	(47,313)	-10%	938,410
% increase	4		5.7%	5.7%						5.7%
Total Parent Municipality		928,160	987,939	987,939	85,880	441,608	493,972	(52,363)	-11%	987,939

Table 16: Supporting Table SC8 : Councillor and Staff Benefits

As depicted in Table 16 above, Employee related costs is satisfactory and showing a variance of minus 11%. There is currently a moratorium on the filling of non-critical vacancies and on the sale of leave. 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 13th 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 the basic salary line item. Councillors Remuneration is showing an unsatisfactory variance of minus 12% 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 is not yet issued.

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 are not effective and the desired outcome to remain within budget, was not achieved for 2023/24 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 historic contract appointments and continuous appointment of contract workers is negatively affecting the salary expenditure and hampering the municipality's ability to fill vacancies as contract workers are being funded by budgeted vacancies. The moratorium placed on recruitment should curb this going forward. 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 since been revised to 40 hours, hopefully this will have a positive impact on 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 17 below, is the YTD Overtime expenditure per line item and also per Directorate as at end of December 2024.

Description per line item (Amount in Rand)	Sum of Original Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original
MS: OVERTIME - NON STRUCTURED	33,762,000	4,663,116	23,529,398	70%
MS: OVERTIME - STRUCTURED	8,785,180	279,110	2,085,879	24%
Overtime as at 30 December 2024	42,547,180	4,942,227	25,615,277	60%

Directorate (Amount in Rand)	Sum of Original Budget	Sum of Monthly Actual	Sum of YTD Actual	Sum of % Spent Original
20-EXECUTIVE AND COUNCIL	330,000	10,629	237,343	72%
21-MUNICIPAL AND GENERAL	-	-	-	
22-MUNICIPAL MANAGER	-	2,558	2,558	
23-CORPORATE SERVICES	1,937,000	372,041	1,951,682	101%
24-COMMUNITY SERVICES	17,190,180	1,736,090	8,218,950	48%
26-FINANCIAL SERVICES	1,021,000	253,732	1,963,286	192%
27-STRATEGY, ECONOMIC DEVELOPMENT & PLANNING	877,000	153,956	688,575	79%
28-INFRASTRUCTURE SERVICES	21,192,000	2,413,220	12,552,883	59%
Overtime as at 30 December 2024	42,547,180	4,942,227	25,615,277	60%

Table 17: Current YTD Overtime expenditure excl Night Shift Allowance

Overtime was previously capped at 30 hours across most units within the municipality and this has been re-instated and curbed to 40 hours across all sections. The YTD Overtime expenditure is 60% spent versus the Original budget, resulting in a unsatisfactory variance of 10.2% for the period under review, when compared to the ideal IYM percentage of 50.00%. This an early warning that the Overtime control implemented is probably not as effective and should be applied more stringently.

Chart 14.1: Overtime Actual vs Budget - 2017/18 to 2024/25

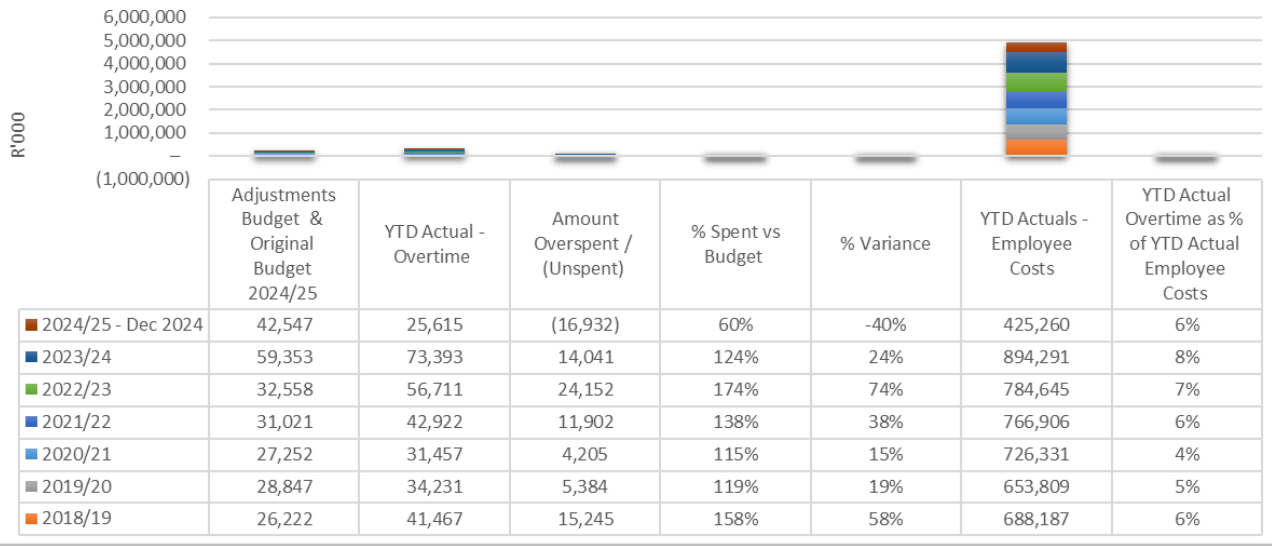


Chart 14.1: Overtime Actual Vs Budget

Indicated in Chart 14.1, is the actual Overtime versus Budget from 2018/19 to 2024/25 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 August 2018 to December 2024. There has been a substantial decrease in Overtime expenditure from 2018/19 to 2020/21. As reiterated, as a result of the lack in controls measures to curb Overtime, the YTD actual for 2023/24 financial year was R73,393 million. A 40-hour cap on Overtime has been instituted across all sections for 2024/25 financial year.

Chart 14.2: Monthly and Annual Overtime Comparison - Jul 2018 to Dec 2024

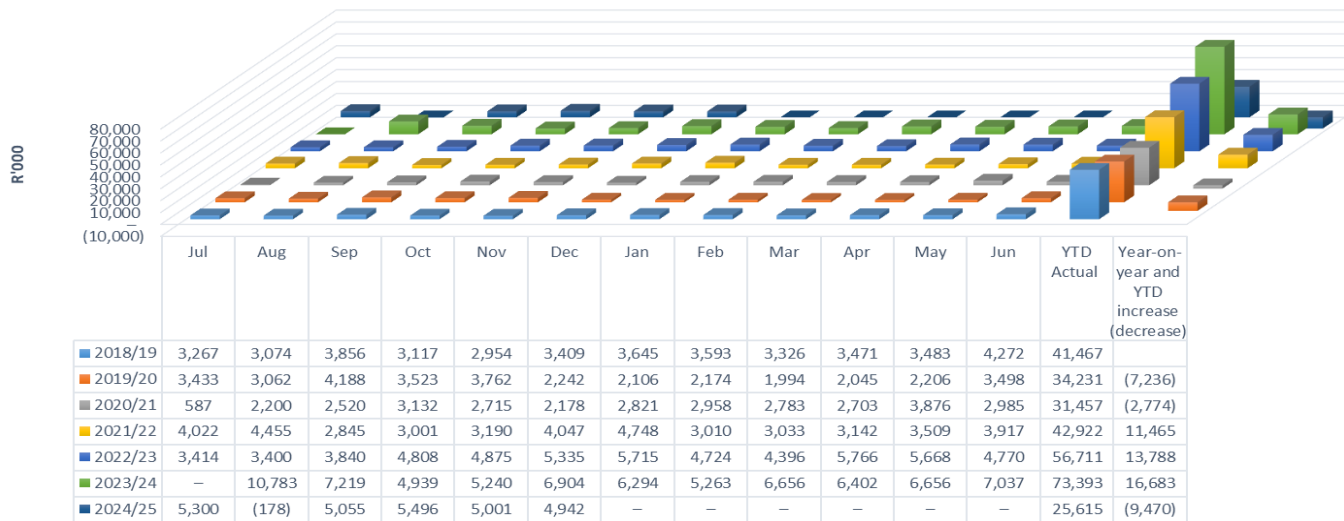


Chart 14.2: Monthly and Annual Overtime Comparison

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.

Bulk Purchases: Electricity, Water inventory and Water losses

Indicated in Table 18.1 below, is the YTD expenditure on Bulk Purchases: Electricity. When compared to the IYM percentage of 50% as at end of December 2024, Bulk Purchases Electricity is showing a satisfactory variance minus of 6.755%. This is a result of the balance on the November 2024 account not being timeously authorised on the system. The invoice for December 2024 will be captured during January 2025.

Description	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 50%
BULK PURCHASES: ELECTRICITY	897,300,000	24,505,064	388,061,121	43.25%	-6.75%
Total	897,300,000	24,505,064	388,061,121	43.25%	-6.75%

Table 18.1: Summary of YTD Bulk Electricity Expenditure

- ❖ Indicated in Table 18.2 below, is the Water inventory and Water losses which is showing a variance minus of 13.7%, when compared to the ideal percentage of 41.67%. The invoice for November and December 2024 must still be captured on the system. During the Original budget for 2021/22 and advised by NT, Bulk purchases Water was split between Water Inventory and Water losses in the Statement of Financial Performance aligned to GRAP 12. A corrective journal for the actuals, for December 2024 for the recognition of Water inventory and losses must still be processed on the system. The variance is attributed to the interface of water consumption (transacted against Water Inventory) from the billing module. This overstatement will be corrected with the journal for the month of December 2024. The billing for bulk water is spread over 9 months of the year from July to end of March of each year. The servitude (free water) allocation commences on the 1 of April of each year. The actual extraction volumes are slightly higher than anticipated.

Description	Adjustments Budget	Monthly Actual	YTD Actual	% Spent Adjustments Budget	% Variance Favourable (Unfavourable) Ideal IYM % - 50%
INVENTORY - WATER	65,000,000	16,848,622	44,955,673	69.16%	19.16%
NON-REVENUE WATER LOSSES	65,000,000	15,008,948	37,902,454	58.31%	8.31%
Total	130,000,000	31,857,570	82,858,127	63.7%	13.7%

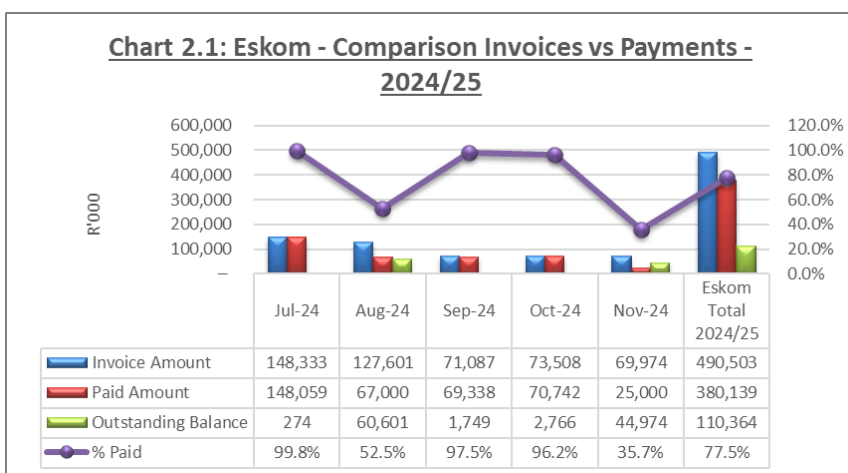
Table 18.2: Summary of YTD Bulk Water Expenditure

Outstanding debt: ESKOM

ESKOM - Outstanding debt (R'000)	Sum of Invoice amount	Sum of Bulk Payments (2023/24 & 2024/25)	Sum of Interest written-off	Sum of Outstanding Balance	Sum of Arrear Debt	Sum of Interest Charges 2024/25
2021/22	523,811	-		523,811	523,811	-
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	-
2022/23	389,602	103,242	(37,482)	248,878	248,878	-
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)	-	-	-
2023/24	975,208	819,809	(69,632)	85,767	85,767	-
Jul-23	131,032	110,162	(8,736)	12,134	12,134	-
Aug-23	123,594	70,000	(10,784)	42,810	42,810	-
Sep-23	71,421	30,000	(10,598)	30,823	30,823	-
Oct-23	76,317	62,679	(13,638)	-	-	-
Nov-23	70,580	62,348	(8,232)	0	0	-
Dec-23	64,311	61,246	(3,065)	-	-	-
Jan-24	65,735	63,044	(2,691)	-	-	-
Feb-24	64,371	62,479	(1,893)	-	-	-
Mar-24	66,311	62,973	(3,338)	-	-	-
Apr-24	61,436	59,697	(1,739)	-	-	-
May-24	66,327	63,149	(3,178)	-	-	-
Jun-24	113,772	112,033	(1,739)	-	-	-
2024/25	562,361	380,139	-	182,223	110,364	8,833
Jul-24	148,333	148,059	-	274	274	274
Aug-24	127,601	67,000	-	60,601	60,601	155
Sep-24	71,087	69,338	-	1,749	1,749	1,749
Oct-24	73,508	70,742	-	2,766	2,766	2,766
Nov-24	69,974	25,000	-	44,974	44,974	2,160
Dec-24	71,859	-	-	71,859	-	1,730
Grand Total ESKOM	2,450,982	1,303,189	(107,114)	1,040,678	968,819	8,833

Table 19.1: Summary of Outstanding ESKOM Debt

Indicated in Table 19.1 above, is the total outstanding debt owed to ESKOM amounting to R1,040,678 billion. It should be noted that R107,114 million interest charges were reversed, for interest charges from March 2023 to June 2024, as part of the municipal debt relief programme. This is a huge cost saving for the municipality and a substantial reduction in the municipality’s Fruitless and Wasteful expenditure disclosure. The accounting treatment of this was done on the system until January 2024. Interest reversed on the Eskom invoice for November 2024, for the period February to June 2024 must still be effected on the system. The total arrear debt amounts to R968,819 million summarized as follow 2021/22 (R523,811m); 2022/23 (R248,878m); 2023/24 (R85,767m) and 2024/25 (R110,364m). The total interest charges on overdue accounts for the current financial year amounted to R8,833 million which must be disclosed as Fruitless and Wasteful Expenditure for the year under review. Eskom confirmed that this interest will not be reversed and is payable by the municipality as a result of payment arrangement that was loaded on their system. The budget will be corrected during the Adjustments budget.



Indicated in Chart 2.1 is the comparison of Eskom invoices vs payments for the 2024/25 financial year. The YTD actual until November 2024 show that 77.5% of invoices were settled, based on invoices raised of R490,503 million vs payments of R380,139 million. Invoices for July, Sep and October 2024 is only the interest that remains unpaid. August 2024 is 52.5% and November 2024 is 35.7% paid. The total outstanding balance amounts to R110,364 million.

Chart 15.1: Eskom – Comparison Invoices vs Payments

Outstanding debt: DWS

DWs - Outstanding debt (R'00)	Sum of Invoice amount	Sum of Bulk Payments (2023/24 & 2024/25)	Sum of Outstanding Balance	Sum of Arrear Debt
2021/22	126,431	71,775	54,656	54,656
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	14,523	–	–
Dec-21	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
2023/24	150,526	150,526	–	–
Jul-23	15,303	15,303	–	–
Aug-23	13,588	13,588	–	–
Sep-23	18,332	18,332	–	–
Oct-23	17,633	17,633	–	–
Nov-23	17,070	17,070	–	–
Dec-23	13,333	13,333	–	–
Jan-24	13,333	13,333	–	–
Feb-24	36,046	36,046	–	–
Mar-24	5,194	5,194	–	–
Jun-24	694	694	–	–
2024/25	104,083	53,394	50,689	35,008
Jul-24	17,724	17,724	–	–
Aug-24	16,698	16,698	–	–
Sep-24	18,973	18,973	–	–
Oct-24	17,504	–	17,504	17,504
Nov-24	17,504	–	17,504	17,504
Dec-24	15,681	–	15,681	–
Grand Total	381,041	275,695	105,345	89,665

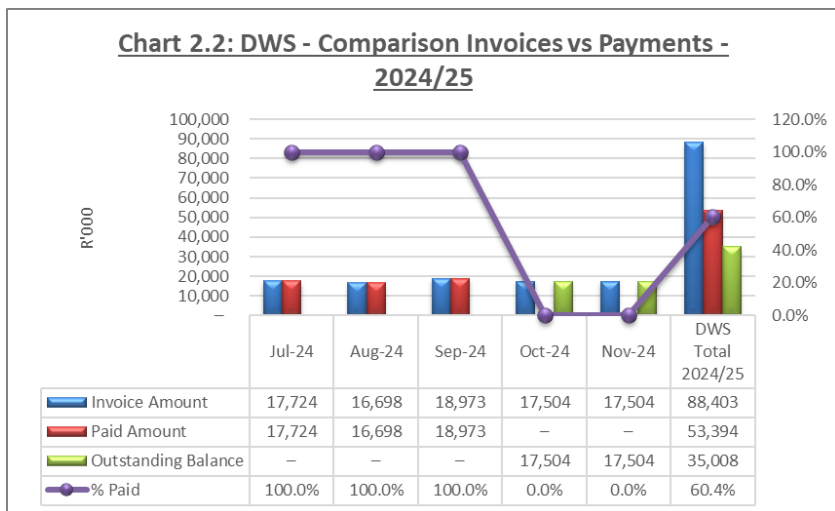
Table 19.2: Summary of outstanding DWS Debt

Indicated in Table 19.2 above, is the total outstanding debt owed to DWS which amounts to R105,345 million. The total debt also has to be concurred with the Department. The total arrear debt amounts to R89,665 million which pertains to outstanding invoices for 2021/22 (R54,656m) and 2024/25 (R35,008m). The balance for 2021/22 includes interest of R14,704 million which must still be written off by the Department, once all the arrear debt has been settled. All the invoices for the 2022/23 and the 2023/24 financial year, has been settled in full. For 2024/25 financial year the total debt outstanding is R50,689 million. The municipality defaulted on the October and November 2024 account and the current account for December 2024, is payable on or before 30 January 2024.

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 and 2023/24 financial year has since been settled in full.

- Settling the monthly debt instalment (municipality complied but defaulted for current year from July to January 2025, due to insufficient cash available from operations. The other major reason why the municipality defaulted, was to prioritise the payment of outstanding invoices for 2023/24 financial year. This has yielded positive results because there are no outstanding invoices for 2023/24 financial year. For the 2023/24 financial year an average of R17m was paid to the Department. The municipality also managed to keep the 2024/25 account current but defaulted on the October and November 2024 invoice and incurred accumulative arrear debt for the current year of R35,008 million. A major cause of concern is the fact that the municipality is in arrears with R39,953 million on the debt repayment plan.
- 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.



Indicated in Chart 15.2 is the comparison of DWS invoices vs payments for the 2024/25 financial year. The YTD actual until November 2024 show that 60.4% of invoices were settled, based on invoices raised of R88,403 million vs payments of R53,394 million. Invoices for July to Sep 2024 were settled in full, whilst Oct to Nov 2024 remains unpaid. The total outstanding balance amounts to R35,008 million

Chart 15.2: DWS – Comparison Invoices vs Payments

Chart 2.3: Monthly Bulk Payments: DWS & ESKOM: 2023/24 and 2024/25

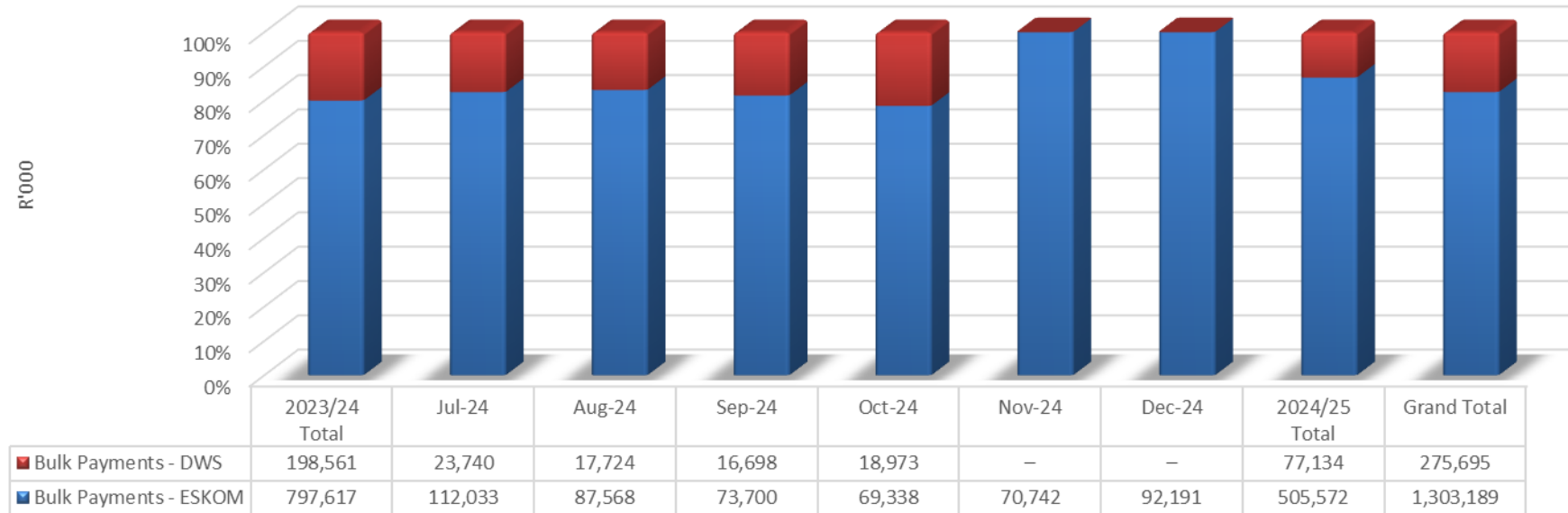


Chart 15.3: Monthly payments to DWS & ESKOM

Indicated in Chart 15.3 above, are the monthly payments made to DWS and ESKOM for 2023/24 and 2024/25 financial year as at 31 December 2024.

DWS The municipality had insufficient cash to settle the current account for November 2024 amounting to R17,504 million. Payments for 2023/24 amounts to R198,561 million, whilst payments for 2024/25 amounts to R77,134 million. The total payments amount to R275,695 million. The municipality has shown significant improvement over the last two financial years and the current year in terms of payments to DWS, with the average amount paid per month amounting to approximately R17 million for 2023/24 financial year. We could not settle the instalment of R6m on the debt agreement with DWS for the month of December 2024, due to the insufficient cash available. Debt instalment was due and payable on or before the 5th of January 2025.

ESKOM The municipality settled an amount of R67,191 million on 11 December 2024 and R25,000 million on 30 December 2024, on the current account for November 2024 amounting to R69,974 million. The amounts paid excludes interest charges of R2,160 million. The municipality had insufficient cash available from operations to settle the payment arrangement of R6,700 million. The total payments made for the 2023/24 financial year amounts to R797,617 million and for 2024/25 financial year the payments amount to R505,572 million, resulting in the total payments for both periods amounting to R1,303,189 billion. The municipality has been improving on payments made to Eskom from October 2023 account to June 2024. The high months remains a major concern. The municipality made partial payments on the July and August 2024 accounts and also partially settled the November 2024 account.

FIN YEAR PER PAYMENT DATE	AMOUNT IN R
2023/24	R 797,617,409.52
20230801	R 103,241,512.23
20230830	R 61,000,000.00
20230928	R 35,000,000.00
20230929	R 35,000,000.00
20231031	R 30,000,000.00
20231130	R 62,678,528.38
20231220	R 2,262,000.00
20231228	R 62,347,938.72
20240130	R 48,000,000.00
20240209	R 13,246,492.61
20240219	R 6,700,000.00
20240228	R 45,000,000.00
20240304	R 18,043,546.82
20240319	R 6,700,000.00
20240328	R 62,478,598.42
20240426	R 62,972,969.32
20240524	R 13,400,000.00
20240528	R 59,696,947.69
20240621	R 6,700,000.00
20240625	R 63,148,875.33
2024/25	R 505,571,848.75
20240730	R 112,033,130.69
20240828	R 32,868,260.60
20240829	R 54,700,000.00
20240930	R 73,700,000.00
20241030	R 69,337,712.24
20241128	R 40,741,905.79
20241129	R 30,000,000.00
20241211	R 67,190,839.43
20241230	R 25,000,000.00
Grand Total ESKOM	R 1,303,189,258.27

FIN YEAR PER PAYMENT DATE	AMOUNT IN R
2023/24	R 198,561,294.26
20230712	R 15,794,682.80
20230804	R 15,074,754.70
20230914	R 6,000,000.00
20231003	R 13,588,064.81
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
20240105	R 5,522,530.48
20240130	R 13,332,894.88
20240212	R 6,000,000.00
20240301	R 13,332,894.88
20240412	R 21,303,350.74
20240429	R 5,194,304.19
20240514	R 11,069,915.81
20240626	R 18,107,773.22
2024/25	R 77,134,049.64
20240717	R 23,739,570.29
20240830	R 17,723,612.70
20240930	R 16,698,048.53
20241031	R 18,972,818.12
Grand Total DWS	R 275,695,343.90

Table 19.3 Summary of payments per date

Indicated in Table 19.3 above, are the payments to ESKOM and DWS per financial year and per payment date, which corresponds to Chart 15.3 above, with the disclosure being per financial period.

Monthly and YTD comparison of debt owed to Eskom and DWS

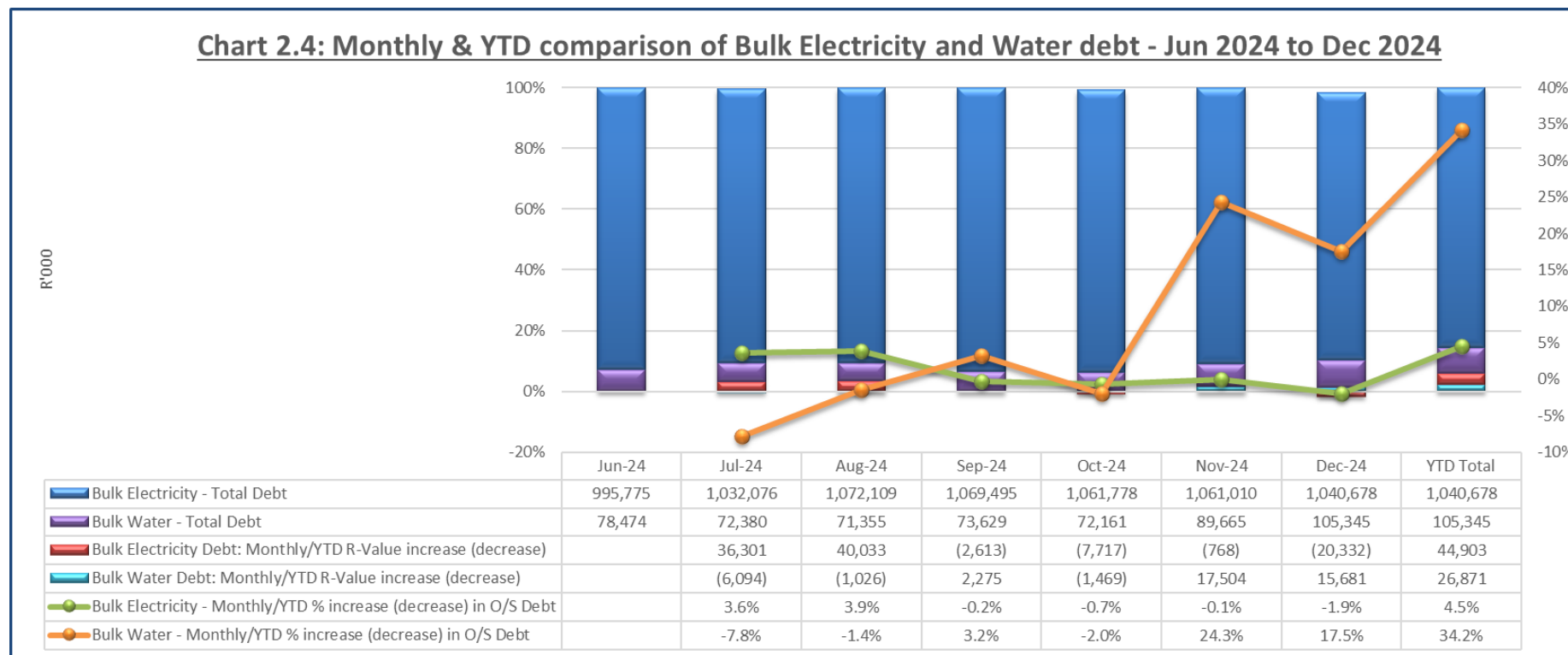


Chart 15.4: Monthly & YTD Chart Comparison – Bulk Electricity & Water Debt

Indicated in Chart 15.4 above, is the monthly and YTD comparison of Bulk electricity and Water debt.

Indicated in Chart 2.4 above, is the monthly and YTD comparison of Bulk electricity and Water debt.

ESKOM - From November to December 2024, debt owed to ESKOM decreased by R20,332 million or minus 1.9%, from R1,061,010 billion to R1,040,678 billion. When comparing the total outstanding debt to June 2024, the outstanding debt increased by R44,903 million or 4.5%, from R995,775 million to R1,040,678 billion.

The total amount that was subject to the payment arrangement was R163,062 million for debt that accrued after March 2023. As articulated in Table 6.4 below, to date the municipality settled an amount of R49,162 million on the payment arrangement, resulting in the total current balance outstanding of R113,900 million.

DWS - From November to December 2024, debt owed to DWS increased by R15,681 million or 17.5%, from R89,665 million to R105,345 million. When comparing the total outstanding debt to June 2024, the outstanding debt increased by R26,871 million or 34.2% from R78,474 million to R105,345 million. The municipality has made significant strides in reducing the debt owed to DWS. As articulated in Table 6.5 below, the total debt amounted to R174,076 million, whilst the municipality settled an amount of R119,420 million resulting in an outstanding balance of R54,656 million. An amount of R14,704 million for interest incurred must still be written-off, resulting in a net outstanding balance of R39,953 million on the payment arrangement. The municipality managed to reduce the total debt by R71,775 million for the 2023/24 financial year.

Indicated in the tables below is a reconciliation of the Eskom payment arrangement and DWS debt agreement.

ESKOM Amount subject to Payment arrangement Instalment of R6,700 million							R 163,062,000	
Period	Settlement Date	ELE No	Payment date	Invoice no	Monthly Instalment / Amount paid	Progressive Payments	Outstanding Balance	% Paid
	2024/01/02	77064505	2023/12/20	544917625256 - Jul 2023	R 2,262,000.00	R 2,262,000.00	R 160,800,000.00	1.39%
1	2024/02/15	77065112	2024/02/20	544917625256 - Jul 2023	R 6,700,000.00	R 8,962,000.00	R 154,100,000.00	5.50%
2	2024/03/15	77065709	2024/03/19	544917625256 - Jul 2023	R 6,700,000.00	R 15,662,000.00	R 147,400,000.00	9.60%
3	2024/04/15						R 163,062,000.00	0.00%
4	2024/05/15	77066657	2024/05/24	544917625256 - Jul 2023	R 13,400,000.00	R 29,062,000.00	R 134,000,000.00	17.82%
5	2024/06/15	77067062	2024/06/21	544917625256 - Jul 2023	R 6,700,000.00	R 35,762,000.00	R 127,300,000.00	21.93%
6	2024/07/31						R 163,062,000.00	0.00%
7	2024/08/31	77068429	2024/08/29	544917625256 - Jul 2023	R 6,700,000.00	R 42,462,000.00	R 120,600,000.00	26.04%
8	2024/09/30	77068766	2024/09/30	544917625256 - Jul 2023	R 6,700,000.00	R 49,162,000.00	R 113,900,000.00	30.15%
9	2024/10/31						R 163,062,000.00	0.00%
10	2024/11/30						R 163,062,000.00	0.00%
11	2024/12/31						R 163,062,000.00	0.00%

Table 19.4 Reconciliation Eskom Payment Arrangement

Debt agreement (Instalment R5,957,537.18)	Invoice amount	Arrear Debt	10 % Down Payment	Amount paid	Balance O/S on Debt Agreement
INTEREST CHARGES - APR TO JUN 2022	R 6,191,399.16	R 6,191,399.16			R 6,191,399.16
AUG 2021 BULK ACCOUNT	R 15,074,754.70	R 15,074,754.70		R 15,074,754.70	-
SEP 2021 BULK ACCOUNT	R 15,794,682.80	R 15,794,682.80		R 15,794,682.80	-
OCT 2021 BULK ACCOUNT	R 15,275,086.61	R 15,275,086.61		R 15,275,086.61	R -
NOV 2021 BULK ACCOUNT	R 14,522,530.48	R 14,522,530.48		R 14,522,530.48	R -
DEC 2021 BULK ACCOUNT	R 11,107,773.22	R 11,107,773.22		R 11,107,773.22	R -
JAN 2022 BULK ACCOUNT	R 17,098,078.18	R 17,098,078.18		R -	R 17,098,078.18
FEB 2022 BULK ACCOUNT	R 16,436,776.66	R 16,436,776.66		R -	R 16,436,776.66
MAR 2022 BULK ACCOUNT	R 14,930,212.48	R 14,930,212.48		R -	R 14,930,212.48
JUL 2022 BULK ACCOUNT	R 13,793,141.72	R 13,793,141.72		R 13,793,141.72	-
AUG 2022 BULK ACCOUNT	R 17,460,136.80	R 17,460,136.80		R 17,460,136.80	-
SEP 2022 BULK ACCOUNT	R 16,309,287.82		16,309,287.82	R 16,309,287.82	-
WRM LEVIES SEP 2022	R 82,471.24		82,471.24	R 82,471.24	-
Total Debt as per SPM	R 174,076,331.87	R 157,684,572.81	R 16,391,759.06	R 119,419,865.39	R 54,656,466.48
INTEREST CHARGES - APR TO JUN 2022	-R 6,191,399.16				-R 6,191,399.16
INTEREST PAID	-R 8,512,281.30				-R 8,512,281.30
TOTAL INTEREST CHARGES	-R 14,703,680.46				-R 14,703,680.46
NET OUTSTANDING	R 159,372,651.41			R 119,419,865.39	R 39,952,786.02

Table 19.5: Reconciliation DWS Debt Agreement

5.4 Aged Creditors

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

Description	NT Code	Budget Year 2024/25									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
R thousands											
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	71,859	44,974	2,766	1,749	60,601	274	-	858,455	1,040,678	977,899
Bulk Water	0200	15,681	17,504	17,504	-	-	-	-	54,656	105,345	116,993
PAYE deductions	0300	11,305	-	-	-	-	-	-	-	11,305	12,269
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	8,283	-	-	-	-	-	-	-	8,283	8,355
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	12,462	9,855	802	34	0	-	-	-	23,154	936
Auditor General	0800	477	-	-	-	-	-	-	-	477	285
Other	0900	11,165	668	-	-	-	-	-	10,548	22,382	32,734
Medical Aid deductions		8,030	-	-	-	-	-	-	-	8,030	-
Total By Customer Type	1000	139,262	73,001	21,072	1,784	60,601	274	-	923,660	1,219,654	1,149,470

Table 20.1 : Support Table S4: Aged Creditors

Part 5: Creditor Age Analysis										
R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Creditor Age Analysis										
Bulk Electricity	71,859	6.9%	44,974	4.3%	2,766	3%	921,079	88.5%	1,040,678	85.3%
Bulk Water	15,681	14.9%	17,504	16.6%	17,504	16.6%	54,656	51.9%	105,345	8.6%
PAYE deductions	11,305	100.0%	-	-	-	-	-	-	11,305	.9%
VAT (output less input)	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	8,283	100.0%	-	-	-	-	-	-	8,283	.7%
Loan repayments	-	-	-	-	-	-	-	-	-	-
Trade Creditors	12,462	53.8%	9,855	42.6%	802	3.5%	34	.1%	23,154	1.9%
Auditor-General	477	100.0%	-	-	-	-	-	-	477	-
Other	11,165	49.9%	668	3.0%	-	-	10,548	47.1%	22,382	1.8%
Medical Aid deductions	8,030	100.0%	-	-	-	-	-	-	8,030	.7%
Total	139,262	11.4%	73,001	6.0%	21,072	1.7%	986,319	80.9%	1,219,654	100.0%

Table 20.2: Part 5: Creditors Age Analysis

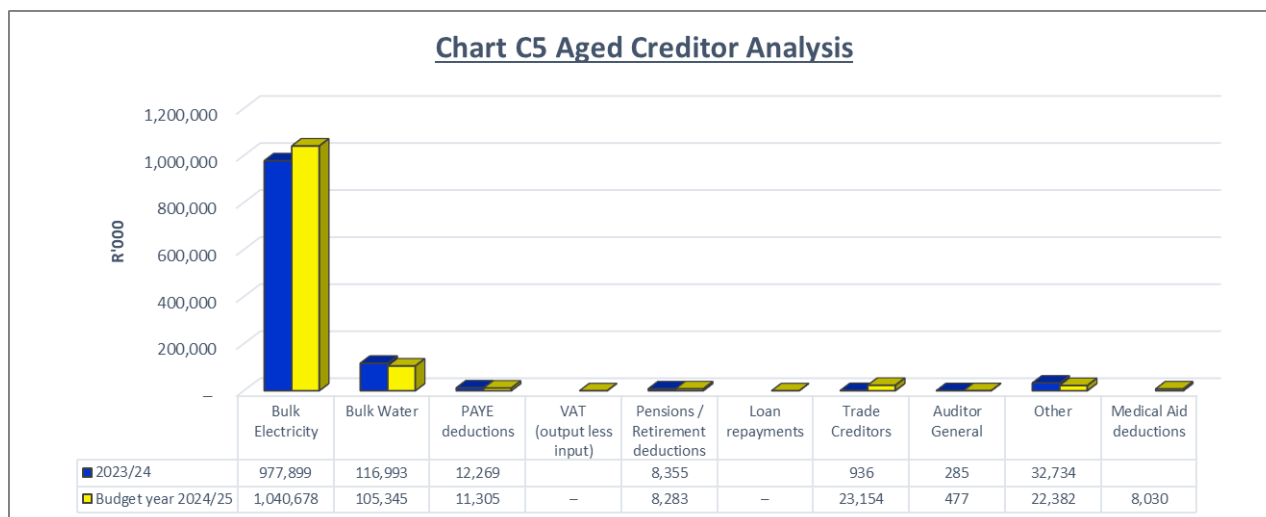


Chart 16: Aged Creditors Analysis

It should be noted that comparative figure for 2023/24 in Table 20.1 and Chart 16 is based on the outstanding creditors as at 31 December 2023 (prior year totals for the same period). Articulated in Table 20.2 above, is the age creditors analysis, which is standing at R1,219,654 billion owed to creditors. The analysis show that 11.4% of creditors is owed between 0 to 30 days, whilst 80.9% of creditors is owed over 90 days. Bulk Electricity is the largest creditor at 85.3%. Statutory payments for PAYE, Pensions/Retirement and Medical Aid deductions was settled on or before 7 January 2025, as legislated.

Bulk Electricity – As at the 31 December 2024, the outstanding debt owed to Eskom amounted to R1,041,678 billion. According to the December 2024 Eskom invoice, the outstanding balance is R924,516 million, as a result of the Payment Arrangement (PA) that was loaded on the municipality’s account. Balance on the PA is R107,200 million.

Bulk Water – As at the 31 December 2024, the outstanding debt owed to DWS amounted R105,345 million. A payment agreement with DWS for the 2022/23 financial year was concluded for a period of 24 months and the municipality is participating in the Incentive scheme that the Department is providing to municipalities. All invoices for 2022/23 and 2023/24 financial year were settled in full. The total outstanding debt must be concurred with the Department.

PAYE and Pension statutory deductions are paid over monthly to the relevant institutions on or before 7 January 2025.

VAT – after the monthly VAT reconciliation, we paid an amount of R3,844 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 R477 thousand.

Other creditors – includes Sundry creditors which were unpaid as at 31 December 2024.

Medical Aid deductions – an amount of R8,030 million for medical aid contributions was payable on or before 7 January 2025.

5.5 Repairs And Maintenance

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

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

R&M Expenditure per Directorate per Inventory type as at 31 December 2024 (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
VOTE 1 - COUNCILLORS AND ADMIN	202,000	202,000	-	42,856	21.22%	21.22%
2320601 (INV-CONSUMABLE-SR/STATIONERY)	85,000	85,000	-	42,856	50.42%	50.42%
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	2,000	2,000	-	-	0.00%	0.00%
2323600 (INVENTORY - MATERIALS & SUPPLIES)	115,000	115,000	-	-	0.00%	0.00%
VOTE 2 - MUNICIPAL AND GENERAL	22,997,000	22,997,000	2,680,550	16,154,583	70.25%	70.25%
2320601 (INV-CONSUMABLE-SR/STATIONERY)	520,000	520,000	16,027	128,356	24.68%	24.68%
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	400,000	400,000	4,172	92,000	23.00%	23.00%
2323600 (INVENTORY - MATERIALS & SUPPLIES)	22,077,000	22,077,000	2,660,351	15,934,228	72.18%	72.18%
VOTE 3 - MUNICIPAL MANAGER	117,000	117,000	-	55,628	47.54%	47.54%
2320601 (INV-CONSUMABLE-SR/STATIONERY)	99,000	107,000	-	53,628	54.17%	50.12%
2323600 (INVENTORY - MATERIALS & SUPPLIES)	18,000	10,000	-	2,000	11.11%	20.00%
VOTE 4 - CORPORATE SERVICES	10,568,000	10,568,000	91,527	927,655	8.78%	8.78%
2320601 (INV-CONSUMABLE-SR/STATIONERY)	902,000	886,000	24,315	256,340	28.42%	28.93%
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	272,000	277,000	9,413	156,738	57.62%	56.58%
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	530,000	530,000	14,984	184,226	34.76%	34.76%
2323600 (INVENTORY - MATERIALS & SUPPLIES)	8,864,000	8,875,000	42,816	330,352	3.73%	3.72%
VOTE 5 - COMMUNITY SERVICES	35,714,500	35,714,500	929,475	9,434,284	26.42%	26.42%
2320601 (INV-CONSUMABLE-SR/STATIONERY)	986,500	1,016,500	57,274	310,594	31.48%	30.56%
2320602 (INV-CONSUMABLE-SR/FIRST AID)	54,000	54,000	-	758	1.40%	1.40%
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	222,000	222,000	43,911	125,747	56.64%	56.64%
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	1,087,000	1,157,000	63,474	465,143	42.79%	40.20%
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,976,000	8,976,000	282,162	2,786,267	31.04%	31.04%
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	826,000	826,000	7,179	132,100	15.99%	15.99%
2323600 (INVENTORY - MATERIALS & SUPPLIES)	23,563,000	23,463,000	475,474	5,613,674	23.82%	23.93%
VOTE 6 - FINANCIAL SERVICES	2,368,000	2,368,000	9,963	939,512	39.68%	39.68%
2320601 (INV-CONSUMABLE-SR/STATIONERY)	1,320,000	1,300,000	2,768	632,806	47.94%	48.68%
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	175,000	175,000	3,032	72,413	41.38%	41.38%
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	198,000	198,000	2,090	67,989	34.34%	34.34%
2323600 (INVENTORY - MATERIALS & SUPPLIES)	675,000	695,000	2,074	166,304	24.64%	23.93%
VOTE 7 - STRATEGY & ECONOMIC DEVELOPMENT	6,381,000	6,381,000	523,333	1,354,256	21.22%	21.22%
2320601 (INV-CONSUMABLE-SR/STATIONERY)	419,000	414,000	9,837	106,536	25.43%	25.73%
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	61,000	64,000	-	16,052	26.31%	25.08%
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	418,000	418,000	7,430	124,685	29.83%	29.83%
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	8,000	8,000	-	2,214	27.68%	27.68%
2323600 (INVENTORY - MATERIALS & SUPPLIES)	5,475,000	5,477,000	506,066	1,104,768	20.18%	20.17%
VOTE 8 - INFRASTRUCTURE SERVICES	241,257,705	241,257,705	29,932,280	119,907,822	49.70%	49.70%
2320601 (INV-CONSUMABLE-SR/STATIONERY)	645,000	647,000	6,634	224,072	34.74%	34.63%
2320602 (INV-CONSUMABLE-SR/FIRST AID)	2,000	2,000	-	-	0.00%	0.00%
2320603 (INV-CONSUMABLE-SR/PUR CHEMICALS)	24,172,000	24,172,000	732,768	8,048,794	33.30%	33.30%
2320604 (INV-CONSUMABLE-SR/CLEAN MATERIALS)	762,000	774,000	8,730	346,884	45.52%	44.82%
2320611 (INV-CONSUMABLE-ZR/FUEL FLEET)	8,930,000	8,930,000	343,893	3,782,888	42.36%	42.36%
2320612 (INV-CONSUMABLE-ZR/FUEL NON FLEET)	860,000	600,000	7,940	95,184	11.07%	15.86%
2323600 (INVENTORY - MATERIALS & SUPPLIES)	140,886,705	141,132,705	11,983,693	62,454,327	44.33%	44.25%
2326600 (INVENTORY - WATER)	65,000,000	65,000,000	16,848,622	44,955,673	69.16%	69.16%
Grand Total	319,605,205	319,605,205	34,167,129	148,816,597	46.56%	46.56%

6. CAPITAL PROGRAMME PERFORMANCE

NC091 Sol Plaatje - Table C5 Monthly Budget Statement - Capital Expenditure - M06 December										
Capital expenditure	Original Budget	Monthly actual	YearTD actual	YearTD budget	% Achieved YTD Budget	YTD variance	YTD variance %	Achieved Original Budget	Original Budget Variance	Original Budget Variance IYM % - 50%
	R'000	R'000	R'000	R'000	%	R'000	%	%	R'000	%
Capital expenditure	613,729	120,540	228,689	306,865	74.52%	(78,175)	-25.5%	37.3%	(78,175)	-12.7%
Funded by										
Capital transfers recognised	572,229	118,779	223,681	286,115	78.18%	(62,434)	-21.8%	39.1%	(62,434)	-10.9%
Internally generated funds	41,500	1,761	5,009	20,750	24.1%	(15,741)	-75.9%	12.1%	(15,741)	-37.9%
Weighting Capital transfer recognised	93.2%	98.5%	97.8%	93.2%						
Weighting Internally generated funds	6.8%	1.5%	2.2%	6.8%						

Table 21: High level summary: Capital Expenditure

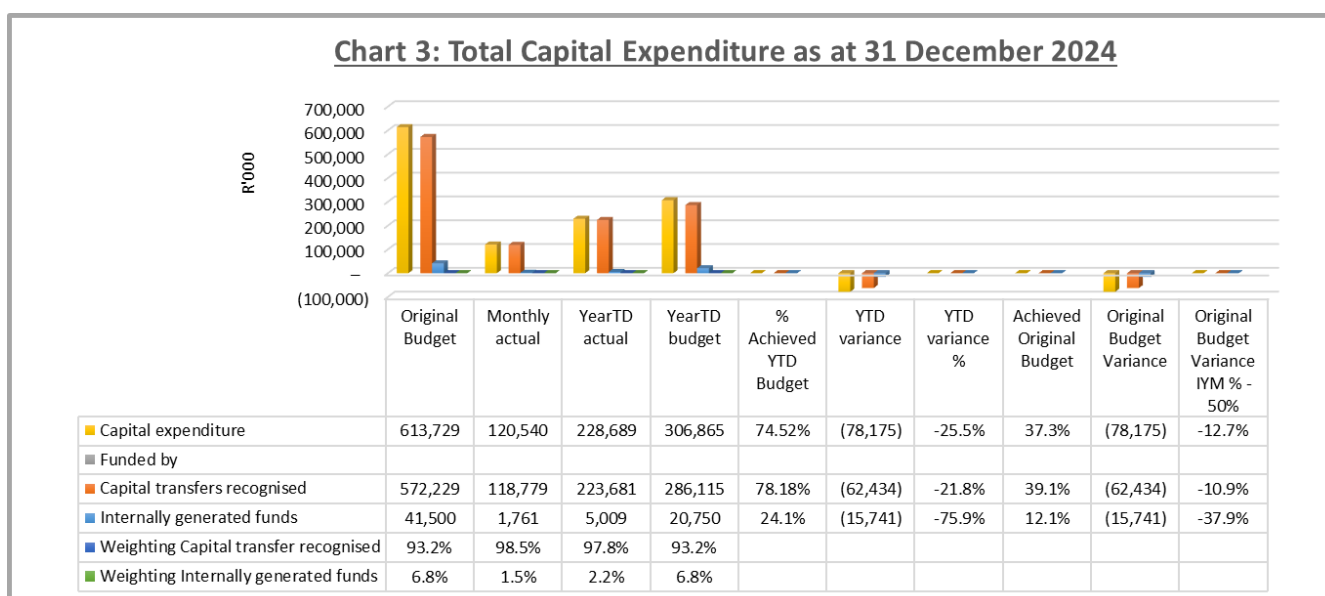


Chart 17: Total Capital expenditure

As indicated in the Table 21 and Chart 17 above, the YTD Actual on capital expenditure as at end of December 2024 amounted to R228,689 million and 74.52% spent when compared to the YTD budget of R306,865 million and 37.3% spent when compared to the Original Budget of R613,729 million. The total YTD capex is funded from Capital grants R223,681 million (97.8%) and Internally generated funds R5,009 million (2.2%). 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.

Chart C1 2024/25 Capital Expenditure Monthly Trend: actual v target

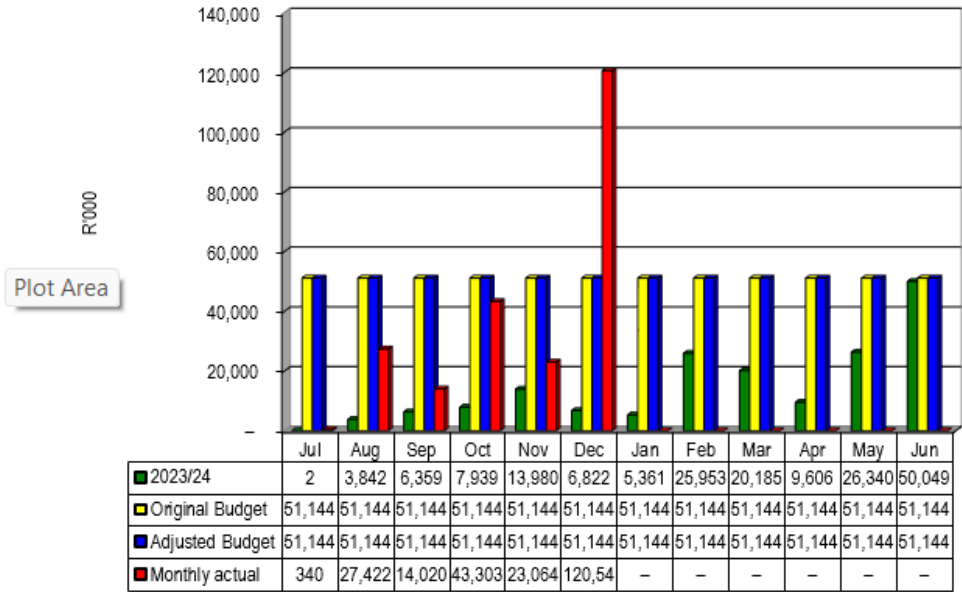


Chart 18: Capital Expenditure Monthly Trend: Actual vs Target

Chart C2 2024/25 Capital Expenditure: YTD actual v YTD target

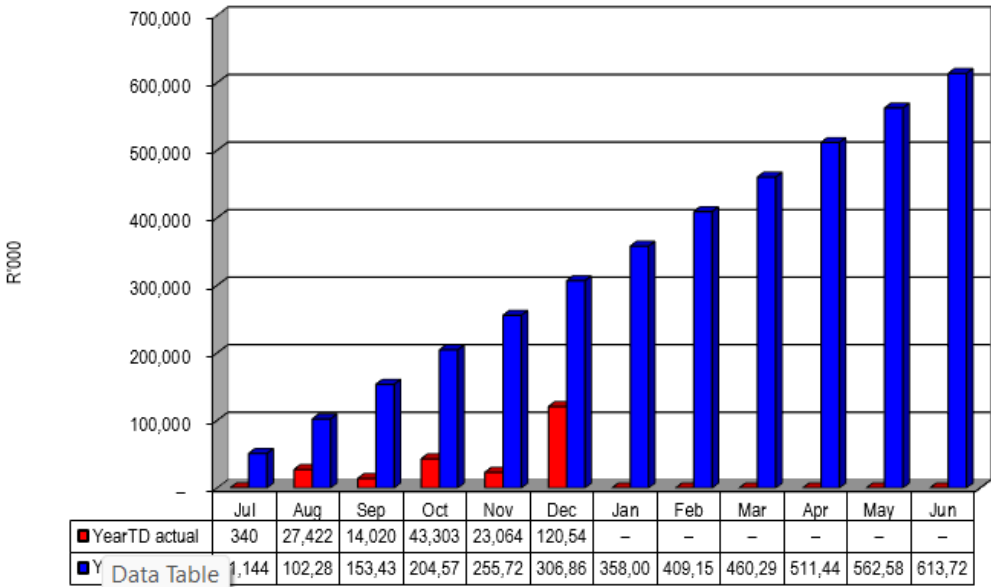


Chart 19: Capital Expenditure YTD Actual v YTD Target

6.1 Capital Expenditure By Project

Indicated in Table 22 below, is a list of projects with the applicable funding source compared to the Original budget. Capital expenditure for December 2024 has improved but still requires constant monitoring from management to improve the final outcome. The actual monthly expenditure for December 2024 amounted to R120,540 million. The total YTD Capex amounts to R228,689 million. Please note that Commitments amounting to R9,383 million is excluded from the YTD actual. Capital expenditure is also exclusive of VAT. Spending on grants needs improvement. The percentage expenditure per funding source IUDG (38.15%), EEDSM (39.06%), RBIG (39.23%). Spending on Internally generated funds is also 12.03% spent. Implementation of projects is 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.

Projects per funding source (R'000)	Original Bud	Adjusted Bud	Monthly Actuals	YTD Actuals	Commitments	Original Bud	Adjusted Bud
INTERNALLY GENERATED FUNDS	41,500	41,500	1,761	5,009	1,298	12.07%	12.07%
ACQ-COMPUTER EQUIPMENT REPLACEMENT	4,500	4,500	60	166	512	3.69%	3.69%
ACQ-FLEET REPLACEMENT	3,000	3,000	-	-	-	0.00%	0.00%
ACQ-FURNITURE AND OFFICE EQUIP REPLACEM	500	500	-	145	-	28.90%	28.90%
CAPITAL SPARES-ACQ-PREPAID METERS	1,000	1,000	-	-	-	0.00%	0.00%
DSITRBUTION-ACQ-WAT METER REPLACEMENT	500	500	-	-	-	0.00%	0.00%
EMERGENCY LEAK REPAIR ON 6 MAJOR LEAKS	-	3,559	-	-	-	-	-
EMERGENCY METER INSTALLATIONS (PHASE 1)	20,466	-	-	-	-	0.00%	-
MR LEAK AND SLEAK DATA SYSTEM	484	1,484	25	191	-	39.40%	12.86%
NEW WTP MAJOR REFURBISH&AND BUILD WORKS	811	-	-	-	-	0.00%	-
PHDA PLANNING & SURVEYING	2,000	2,000	-	-	-	0.00%	0.00%
PIPE CONDITION ASSESS AND CATHOD PROTECT	479	2,177	-	373	-	77.82%	17.14%
RITCHIE SUBZONE SMART METER INSTALL	1,417	1,417	-	-	-	0.00%	0.00%
SMARTBALL SURVEY PRIORITY LEAK REPAIRS	-	13,964	1,067	3,525	-	-	25.25%
TOWNSHIP ESTABLISHMENT VARIOUS WARDS	2,000	2,000	364	364	532	18.19%	18.19%
RUFURBISHMENT OF THE VINTAGE TRAM	1,500	1,500	246	246	-	16.38%	16.38%
PLANNING & DEVELOPMENT	1,500	1,500	-	-	253	0.00%	0.00%
RITCHIE PRIORITY LEAK DETECT & REPAIRS	1,342	-	-	-	-	0.00%	-
WASTE WATER RE-USE	-	2,400	-	-	-	-	0.00%
IUDG (INTEGRATED URBAN DEVELOPMENT GRANT)	75,229	75,229	4,624	28,697	8,086	38.15%	38.15%
P-CIER RDS ROADS	17,500	17,500	2,826	16,576	924	94.72%	94.72%
PROJECT MANAGEMENT	2,349	2,759	117	249	91	10.59%	9.01%
UPGRADE GRAVEL ROADS WARDS VARIOUS	17,500	9,000	1,562	4,794	2,217	27.40%	53.27%
LERATOPARK SEWER UPGRAD DOWNSTREAM INFRA	3,500	3,500	-	-	-	-	-
SPECIALISED FLEET REPLACEMENT	5,000	5,000	-	3,102	-	62.04%	62.04%
P-CNIN COM F FIRE/AMBUL	1,500	-	-	-	-	0.00%	-
UPGRADING OF SWIMMING POOLS	6,000	-	-	-	-	0.00%	-
ABLUTIONS KENILWORTH&PHUTANANG CEMETERY	2,000	2,000	-	26	246	1.29%	1.29%
FENCING OF FRANK RORO CRICKET FIELD	2,210	2,210	21	1,490	-	67.41%	67.41%
REFURBISHMENT OF HALLS	5,000	5,000	-	525	-	10.50%	10.50%
LINING OF STORMWATER CHANNELS WARD 16	7,670	7,260	99	336	579	4.38%	4.63%
CONSTRUCTION OLD SINK TOILETS	5,000	5,000	-	261	-	5.22%	5.22%
FLEET REPLACEMENT	-	6,000	-	1,339	4,029	-	22.32%
CONSTR OF SEWER P/LINE IN PHOMOLONG W15	-	10,000	-	-	-	-	0.00%
EEDSM (ENERGY EFFICIENCY AND DEMAND SIDE MANAGEMENT GRANT)	5,000	5,000	1,042	1,953	-	39.06%	39.06%
STREET LIGHTS REPLACE 125W MV with 36W L	5,000	5,000	1,042	1,953	-	39.06%	39.06%
RBIG (REGIONAL BULK INFRASTRUCTURE GRANT)	492,000	492,000	113,113	193,031	-	39.23%	39.23%
EAST BYPASS REPLACE OF CORRODE10KM LINE	15,126	-	-	-	-	0.00%	-
EASTERN BYPASS REPAIR COATING AND REFURB	11,521	-	-	-	-	0.00%	-
EMERGENCY METER INSTALLATIONS (PHASE 1)	-	20,466	2,450	12,974	-	-	63.39%
KBY BULK METERS & PRESSURE MANAGEMENT	17,026	19,153	2,786	8,789	-	51.62%	45.89%
KBY NETWORK LEAK DETECTION & REPAIR PH 1	20,483	11,483	100	1,089	-	5.32%	9.48%
KBY NETWORK LEAK DETECTION & REPAIR PH 2	29,346	19,346	145	2,795	-	9.53%	14.45%
NEW WTP CLHORINE & DOSING WORKS UPGRADE	27,630	22,630	2,324	9,732	-	35.22%	43.00%
NEW WTP MAJOR REFURBISH&AND BUILD WORKS	-	7,811	-	322	-	-	4.13%
NEW WTW FILTER REFURBISH&BACKWASH SYSTEM	39,640	35,640	559	7,665	-	-	21.51%
NEWTOWN RESERVOIR EMERGENCY LEAK REPAIRS	7,531	13,531	489	1,237	-	16.43%	9.14%
OLD WTP CLHORINE & DOSING WORKS UPGRADE	83,369	68,369	2,111	13,141	-	15.76%	19.22%
OLD WTP MAJOR REFURBISH AND BUILD WORKS	16,173	3,407	298	1,208	-	7.47%	35.47%
POWER; ABSTRACTION & PUMPSTATION REPAIRS	37,378	35,520	3,788	14,790	-	39.57%	41.64%
RIVERTON TO MIDSTATION BULK PIPELINE REP	27,828	16,828	1,825	9,161	-	32.92%	-
SMARTBALL SURVEY PRIORITY LEAK REPAIRS	18,290	-	-	-	-	0.00%	-
WEST BYPASS LEAK REPAIRS AND REFURBISH	10,574	-	-	-	-	0.00%	-
WEST BYPASS REPLACE OF CORRODED SECTION	5,368	-	-	-	-	0.00%	-
WTW OHS & SECURITY MANAGEMENT	9,230	14,453	-	651	-	7.05%	4.50%
RITCHIE WTW UPGRADE AND BULK PIPELINE	48,296	16,296	2,870	5,932	-	-	36.40%
RITCHIE PRIORITY LEAK DETECT & REPAIRS	-	6,601	670	755	-	-	11.43%
SEC3 1200NEW STEEL MIDSTATION-NEWTON RES	67,191	23,689	2,830	12,924	-	19.24%	54.56%
BULK 1200 ND STEEL PIPELINE MAT: MBSC1/6	-	142,000	89,607	89,607	-	-	63.10%
NEWTON RESERVOIR COMPLEX OHS & SECURITY	-	14,777	260	260	-	-	1.76%
Grand Total	613,729	613,729	120,540	228,689	9,383	37.26%	37.26%

Table 22: Detailed Capital Expenditure

6.2 Capital Expenditure By Vote

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

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

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

Vote Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		-	1,500	-	-	-	375	(375)	-100%	-
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	5,000	5,000	-	525	2,500	(1,975)	-79%	5,000
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		24,020	2,000	2,000	-	-	1,000	(1,000)	-100%	2,000
Vote 08 - Infrastructure And Services		105,329	533,450	568,199	119,708	220,475	275,412	(54,937)	-20%	568,199
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	129,348	541,950	575,199	119,708	221,000	279,287	(58,287)	-21%	575,199
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		12,646	23,000	23,000	424	5,141	11,500	(6,359)	-55%	23,000
Vote 03 - Municipal Manager		-	2,349	2,759	117	249	1,277	(1,028)	-81%	2,759
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	2,210	2,210	21	1,490	1,105	385	35%	2,210
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		-	3,000	3,000	246	246	1,500	(1,254)	-84%	3,000
Vote 08 - Infrastructure And Services		34,444	41,220	7,561	25	564	12,195	(11,631)	-95%	7,561
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	47,089	71,779	38,530	831	7,689	27,577	(19,888)	-72%	38,530
Total Capital Expenditure		176,438	613,729	613,729	120,540	228,689	306,865	(78,175)	-25%	613,729
Capital Expenditure - Functional Classification										
Governance and administration		12,646	24,500	23,000	424	5,141	11,875	(6,734)	-57%	23,000
Executive and council		12,646	24,500	23,000	424	5,141	11,875	(6,734)	-57%	23,000
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	7,210	7,210	21	2,015	3,605	(1,590)	-44%	7,210
Community and social services		-	5,000	5,000	-	525	2,500	(1,975)	-79%	5,000
Sport and recreation		-	2,210	2,210	21	1,490	1,105	385	35%	2,210
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		69,228	48,519	40,019	4,604	21,955	22,135	(180)	-1%	40,019
Planning and development		24,020	5,849	6,259	117	249	3,027	(2,778)	-92%	6,259
Road transport		45,208	42,670	33,760	4,487	21,706	19,107	2,598	14%	33,760
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		94,564	532,000	542,000	115,246	199,334	268,500	(69,167)	-26%	542,000
Energy sources		27,354	6,000	6,000	1,042	1,953	3,000	(1,047)	-35%	6,000
Water management		62,534	517,500	517,500	114,204	197,120	258,750	(61,630)	-24%	517,500
Waste water management		4,676	8,500	18,500	-	261	6,750	(6,489)	-96%	18,500
Waste management		-	-	-	-	-	-	-	-	-
Other		-	1,500	1,500	246	246	750	(504)	-67%	1,500
Total Capital Expenditure - Functional Classification	3	176,438	613,729	613,729	120,540	228,689	306,865	(78,175)	-25%	613,729
Funded by:										
National Government		124,283	572,229	572,229	118,779	223,681	286,115	(62,434)	-22%	572,229
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		6,000	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educ Institutions)		17,073	-	-	-	-	-	-	-	-
Transfers recognised - capital		147,356	572,229	572,229	118,779	223,681	286,115	(62,434)	-22%	572,229
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		29,082	41,500	41,500	1,761	5,009	20,750	(15,741)	-76%	41,500
Total Capital Funding		176,438	613,729	613,729	120,540	228,689	306,865	(78,175)	-25%	613,729

Table 23: Supporting Table C5 -Capital Expenditure by Vote

7. INVESTMENT PORTFOLIO ANALYSIS

The market value of the investment portfolio has been utilized and for the period ending 31 December 2024, the value of total investments made was R212,066 million. Partially or prematurely withdrawn investments amounted to R129,808 million. The investment top-up was R24,569 million. The current status quo does not bode well for the municipality and we are running into major trouble in terms of meeting commitments to pay salaries, Eskom and DWS and even other creditors. 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:

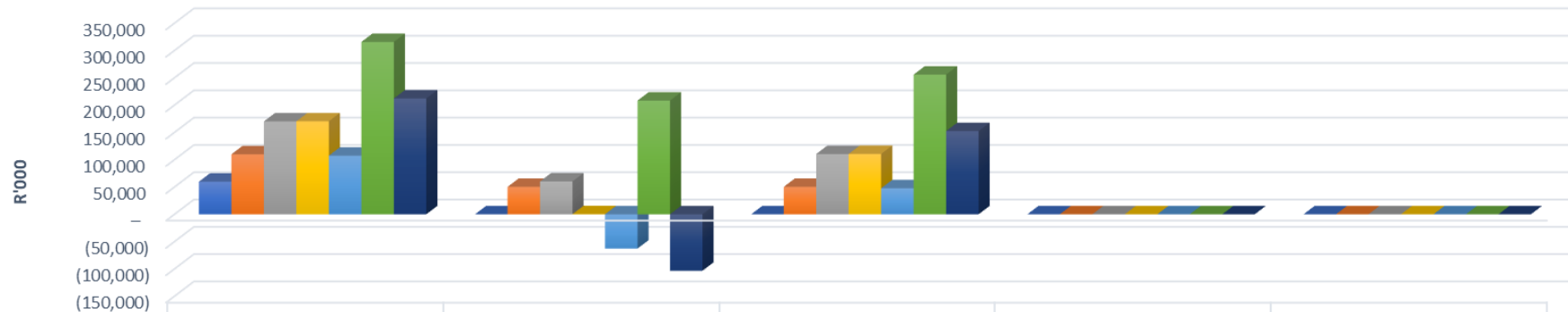
Purpose	R'000
• A fixed deposit that was invested and ceded to Development Bank of South Africa representing the equivalent of one instalment of the long-term loan.	21,096
• A fixed deposit that was made as a security to the Self-Insurance Workman Compensation reserve as required by the Department of Labour - Compensation Commissioner.	7,401
• Unspent Capital grant receipts that was invested for the current year.	183,569
• Own funds invested - Ring-fenced Eskom income	–
Total	212,066

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 %	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
		Yrs/Months												
R thousands														
Municipality														
Standard Bank 048466271-089		6 months	Call a/c	No	Variable	6.9	0			0	–	(0)	–	–
Standard Bank 04 846 6271- 090		48 hours	Notice	No	Fixed	8.85%	0	n/a		–	–	–	–	–
Standard Bank - 04 846 6271-092		6 months	Notice	No	Fixed	892.00%	0	n/a		282,000	1,718	(129,718)	24,569	178,569
Absa Bank 20-6295-4443		12 months	Notice	Yes	Fixed	9.71%	0		2023/06/28	7,401	54	(54)	–	7,401
Standard Bank - 04 846 6271-091		Monthly	Notice	No	Fixed	890.00%	0	n/a	2024/06/30	5,000	36	(36)	–	5,000
Standard Bank 048466271-088		12 months	Notice	No	Fixed	970.00%	0		2024/11/10	–	–	–	–	–
Standard Bank - 048466271-093		12 months	Fixed	No	Fixed	887.00%	0		2025/11/10	21,096	–	–	–	21,096
Municipality sub-total										315,497	1,808	(129,808)	24,569	212,066

Table 24: Supporting Table SC5: Investment portfolio

Chart 14: Call investment deposits incl interest for the period ending 31 December 2024



	Call investment deposits incl interest at month end	Month-to-Month R-Value increase (decrease)	R-Value increase (decrease) from previous years' balance	Month-to-month % increase (decrease)	% increase (decrease) from previous years' balance
■ Jun-24	59,684	–	–	–	–
■ Jul-24	109,852	50,167	50,167	84.1%	84.1%
■ Aug-24	170,030	60,178	110,346	54.8%	184.9%
■ Sep-24	170,192	162	110,507	0.1%	185.2%
■ Oct-24	107,365	(62,827)	47,680	-36.9%	79.9%
■ Nov-24	315,497	208,133	255,813	193.9%	428.6%
■ Dec-24	212,066	(103,431)	152,381	-32.8%	255.3%

Chart 20: Call investment deposits at month-end

As indicated in the Chart 20 above from November to December 2024 investments incl interest decreased by R103,431 or 32.8%, in respect of the month-to-month comparison. Investments increased by R152,381 million or 255.3% when compared to the previous years' balance of R59,684 million. The significant increase relates to RBIG funds that were received and immediately invested. 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, 2023/24 and 2024/25 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.

8. FINANCIAL MANAGEMENT AND REPORTING

MFMA Section 52 (d) to require that the Executive Mayor reports on the financial state of affairs of the municipality. As such, financial ratios have been used to analyse the municipality's performance as at 31 December 2024. The municipality has used the financial ratios as published in MFMA Circular that are aimed at replacing those that were promulgated in the Performance Regulations of 2001. The following is a summary of the outcomes of the analysis.

Financial Position

8.1 Assets Management

1. FINANCIAL POSITION						
A. Asset Management/Utilisation						
						Sep-24
1	Capital Expenditure to Total Expenditure	Total Capital Expenditure / Total Expenditure (Total Operating expenditure + Capital expenditure) x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In-Year reports, IDP and AR	10% - 20%		17%
					Total Operating Expenditure	1,358,389
					Taxation Expense	-
					Total Capital Expenditure	228,689
2	Impairment of Property, Plant and Equipment, Investment Property and Intangible assets (Carrying Value)	Property, Plant and Equipment + Investment Property + Intangible Assets Impairment/(Total Property, Plant and Equipment + Investment Property + Intangible Assets) x 100	Statement of Financial Position, Notes to the AFS and AR	0%		0%
					PPE, Investment Property and Intangible Impairment	
					PPE at carrying value	2,298,052
					Investment property at carrying value	201,480
					Intangible Assets at carrying value	13,214
3	Repairs and Maintenance as a % of Property, Plant and Equipment and Investment Property (Carrying Value)	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	Statement of Financial Position, Statement of Financial Performance, IDP, Budgets and In-Year Reports	8%		4%
					Total Repairs and Maintenance Expenditure	103,861
					PPE at carrying value	2,298,052
					Investment Property at Carrying value	201,480

8.2 Debtors Management

B. Debtors Management						
						TOTAL DEBTORS
1	Collection Rate	(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget , In-Year Reports, IDP and AR	95%		69%
					Gross Debtors closing balance	4,004,740
					Gross Debtors opening balance	3,656,067
					Bad debts written Off	23,856
					Billed Revenue	1,183,984
2	Bad Debts Written-off as % of Provision for Bad Debt	Bad Debts Written-off/Provision for Bad debts x 100	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	100%		1.6%
					Consumer Debtors Bad debts written off	23,856
					Consumer Debtors Current bad debt Provision	1,499,980
3	Net Debtors Days	((Gross Debtors - Bad debt Provision)/ Actual Billed Revenue)) x 365	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget and AR	30 days		644 days
					Gross debtors (90+ days)	3,590,240
					Bad debts Provision	1,499,980
					Billed Revenue	1,183,984

8.3 Liquidity Management

C. Liquidity Management						
1	Cash / Cost Coverage Ratio (Excl. Unspent Conditional Grants)	((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Statement of Financial Position, Statement of Financial Performance, Notes to the AFS, Budget, In year Reports and AR	1 - 3 Months	0.24 Month	
					Cash and cash equivalents	243,506
					Unspent Conditional Grants	154,271
					Overdraft	-
					Total Annual Operational Expenditure	1,135,916
2	Current Ratio	Current Assets / Current Liabilities	Statement of Financial Position, Budget, IDP and AR	1.5 - 2:1	2.94	
					Current Assets	3,081,038
					Current Liabilities	1,049,353

8.4 Liability Management

D. Liability Management						
1	Capital Cost (Interest Paid and Redemption) as a % of Total Operating Expenditure	Capital Cost (Interest Paid and Redemption) / Total Operating Expenditure x 100	Statement of Financial Position, Statement of Cash Flows, Statement of Financial Performance, Budget, IDP, In-Year Reports and AR	6% - 8%	1.20%	
					Interest Paid	9,180
					Redemption	7,101
					Total Operating Expenditure	1,358,389
2	Debt (Total Borrowings) / Revenue	(Overdraft + Current Finance Lease Obligation + Non current Finance Lease Obligation + Short Term Borrowings + Long term borrowing) / (Total Operating Revenue - Operational Conditional Grants) x 100	Statement of Financial Position, Statement of Financial Performance, Budget, IDP and AR	45%	58%	
					Total Debt	800,974
					Total Operating Revenue	1,588,794
					Operational Conditional Grants	213,118

8.5 Sustainability

E. Sustainability						
1	Level of Cash Backed Reserves (Net Assets - Accumulated Surplus)	(Cash and Cash Equivalents - Bank overdraft + Short Term Investment + Long Term Investment - Unspent grants) / (Net Assets - Accumulated Surplus - Non Controlling Interest Share Premium - Share Capital - Fair Value Adjustment - Revaluation Reserve) x 100	Statement Financial Position, Budget and AR	100%	31%	
					Cash and cash Equivalents	243,506
					Bank Overdraft	-
					Short Term Investment	-
					Long Term Investment	-
					Unspent Grants	7,233
					Net Assets	3,470,677
					Share Premium	-
					Share Capital	-
					Revaluation Reserve	74,804
					Fair Value Adjustment Reserve	-
					Accumulated Surplus	2,638,090

Financial Performance

8.6 Efficiency

A. Efficiency						
1	Net Operating Surplus Margin	(Total Operating Revenue - Total Operating Expenditure)/Total Operating Revenue	Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Asset	= or > 0%	15%	
					Total Operating Revenue	1,588,794
					Depreciation - Revalued Portion <i>(Only populate if depreciation line item in the Statement of Financial Performance is based on the revalued asset value)</i>	
					Total Operating Expenditure	1,358,389
					Taxation Expense	-
2	Net Surplus /Deficit Electricity	Total Electricity Revenue less Total Electricity Expenditure/Total Electricity Revenue x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	0% - 15%	1.2%	
					Total Electricity Revenue	511,679
					Total Electricity Expenditure	505,668
3	Net Surplus /Deficit Water	Total Water Revenue less Total Water Expenditure/Total Water Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%	10%	
					Total Water Revenue	205,990
					Total Water Expenditure	184,942
4	Net Surplus /Deficit Refuse	Total Refuse Revenue less Total Refuse Expenditure/Total Refuse Revenue x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= or > 0%	27%	
					Total Refuse Revenue	53,665
					Total Refuse Expenditure	38,978
5	Net Surplus /Deficit Sanitation and Waste Water	Total Sanitation and Waste Water Revenue less Total Sanitation and Waste Water Expenditure/Total Sanitation and Waste Water Revenue x 100	Statement of Financial Performance, Notes to AFS, Budget, IDP, In-Year reports and AR	= or > 0%	12%	
					Total Sanitation and Water Waste Revenue	71,439
					Total Sanitation and Water Waste Expenditure	62,859

8.7 Distribution Losses

B. Distribution Losses						
1	Electricity Distribution Losses (Percentage)	(Number of Electricity Units Purchased and/or Generated - Number of units sold) / Number of Electricity Units Purchased and/or generated) x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	7% - 10%	26.40%	
					Number of units purchased and/or generated	237,129
					Number of units sold	174,537
2	Water Distribution Losses (Percentage)	(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified x 100	Annual Report, Audit Report and Notes to Annual Financial Statements	15% - 30%	65.56%	
					Number of kilolitres purchased and/or purified	18,938
					Number of kilolitres sold	6,523

8.8 Revenue Management

C. Revenue Management						
1	Growth in Number of Active Consumer Accounts	(Period under review's number of Active Debtor Accounts - previous period's number of Active Debtor Accounts)/ previous number of Active Debtor Accounts x 100	Debtors System	None	#DIV/0!	
					Number of Active Debtors Accounts (Previous)	
					Number of Active Debtors Accounts (Current)	
2	Revenue Growth (%)	(Period under review's Total Revenue - previous period's Total Revenue)/ previous period's Total Revenue) x 100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	= CPI	-85%	
					CPI	5.4%
					Total Revenue (Previous)	2,400,777
					Total Revenue (Current)	348,172
3	Revenue Growth (%) - Excluding capital grants	(Period under review's Total Revenue Excluding capital grants - previous period's Total Revenue excluding capital grants)/ previous period's Total Revenue excluding capital grants) x 100	Statement of Financial Performance, Notes to AFS , Budget, IDP, In-Year reports and AR	= CPI	-74%	
					CPI	5.4%
					Total Revenue Exl.Capital (Previous)	656,442
					Total Revenue Exl.Capital (Current)	170,548

8.9 Expenditure Management

D. Expenditure Management						
1	Creditors Payment Period (Trade Creditors)	Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	Statement of Financial Performance, Notes to AFS, Budget, In-Year reports and AR	30 days		509 days
					Trade Creditors	1,219,654
					Contracted Services	26,584
					Repairs and Maintenance	103,861
					General expenses	127,949
					Bulk Purchases	388,061
Capital Credit Purchases (<i>Capital Credit Purchases refers to additions of Investment Property and Property, Plant and Equipment</i>)	228,689					
2	Irregular, Fruitless and Wasteful and Unauthorised Expenditure / Total Operating Expenditure	(Irregular, Fruitless and Wasteful and Unauthorised Expenditure) / Total Operating Expenditure x100	Statement Financial Performance, Notes to Annual Financial Statements and AR	0%		0%
					Irregular, Fruitless and Wasteful and Unauthorised Expenditure	
					Total Operating Expenditure	1,358,389
					Taxation Expense	-
3	Remuneration as % of Total Operating Expenditure	Remuneration (Employee Related Costs and Councillors' Remuneration) / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	25% - 40%		32.51%
					Employee/personnel related cost	425,260
					Councillors Remuneration	16,348
					Total Operating Expenditure	1,358,389
					Taxation Expense	-
4	Contracted Services % of Total Operating Expenditure	Contracted Services / Total Operating Expenditure x100	Statement of Financial Performance, Budget, IDP, In-Year reports and AR	2% - 5%		2%
					Contracted Services	26,584
					Total Operating Expenditure	1,358,389
					Taxation Expense	-

8.10 Grant Dependency

E. Grant Dependency						
1	Own funded Capital Expenditure (Internally generated funds + Borrowings) to Total Capital Expenditure	Own funded Capital Expenditure (Internally generated funds + Borrowings) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information), Budget, IDP, In-Year reports and AR	None		2%
					Internally generated funds	5,009
					Borrowings	-
					Total Capital Expenditure	228,689
2	Own funded Capital Expenditure (Internally Generated Funds) to Total Capital Expenditure	Own funded Capital Expenditure (Internally Generated Funds) / Total Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, Notes to the Annual Financial Statements (Statement of Comparative and Actual Information) Budget, IDP, In-Year reports and AR	None		2%
					Internally generated funds	5,009
					Total Capital Expenditure	228,689
3	Own Source Revenue to Total Operating Revenue(Including Agency Revenue)	Own Source Revenue (Total revenue - Government grants and Subsidies - Public Contributions and Donations)/ Total Operating Revenue (including agency services) x 100	Statement Financial Performance, Budget, IDP, In-Year reports and AR	None		103%
					Total Revenue	1,846,233
					Government grant and subsidies	213,118
					Public contributions and Donations	-
					Capital Grants	257,439

8.11 Budget Implementation

3. BUDGET IMPLEMENTATION						
1	Capital Expenditure Budget Implementation Indicator	Actual capital Expenditure / Budget Capital Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, In-Year reports and AR	95% - 100%		37%
					Actual Capital Expenditure	228,689
					Budget Capital Expenditure	613,729
2	Operating Expenditure Budget Implementation Indicator	Actual Operating Expenditure / Budgeted Operating Expenditure x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		46.39%
					Actual Operating Expenditure	1,358,389
					Budget Operating Expenditure	2,928,505
3	Operating Revenue Budget Implementation Indicator	Actual Operating Revenue / Budget Operating Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		52.29%
					Actual Operating Revenue	1,846,233
					Budget Operating Revenue	3,530,507
4	Service Charges and Property Rates Revenue Budget Implementation Indicator	Actual Service Charges and Property Rates Revenue / Budget Service Charges and Property Rates Revenue x 100	Statement of Financial Position, Budget, AFS Appendices, IDP, In-Year reports and AR	95% - 100%		50%
					Actual Service Charges and Property Rates Revenue	1,183,984
					Budget Service Charges and Property Rates Revenue	2,349,265

9. ANNUAL FINANCIAL STATEMENTS AND AUDIT OUTCOMES FOR FY 2023/24

The municipality was able to submit the Annual Financial Statements (AFS) and Annual Report (AR) on predetermined objectives to the Office of the Auditor General by the legislative dead line of 31 August 2024. Based on the audit report received on the 30th of November 2024. The municipality received a qualified audit opinion with findings for the year ended 30 June 2024 on both the AFS and AR as shown below. Material non-compliance matters were raised during the audit process. Audit outcomes of the prior three financial years, are indicated in the chart below. The audit outcomes have remained stagnant over the past years.

Outcome area	Movement	2023-24	2022-23	2021-22
Financial statements	▶	Material findings	Material findings	Material findings
Annual performance report				
Improved service delivery	▶	Material findings	Material findings	Disclaimed
Compliance with legislation				
Annual financial statements, performance reports and annual reports	▶	Material findings	Material findings	Material findings
Procurement and contract management	▶	Material findings	Material findings	Material findings
Expenditure management	▶	Material findings	Material findings	Material findings
Utilisation of conditional grants	▶	Unqualified / No material findings	Unqualified / No material findings	Unqualified / No material findings
Consequence management	▶	Material findings	Material findings	Material findings
Strategic planning and performance management	▲	Unqualified / No material findings	Material findings	Material findings
Revenue management	▶	Material findings	Material findings	Material findings
Asset management	▶	Material findings	Material findings	Material findings
Human resource management	▲	Unqualified / No material findings	Material findings	Not audited

Unqualified / No material findings	Qualified	Adverse	Disclaimed	Material findings	Not audited
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▲	Improvement	▼	Regression	▶	Unchanged
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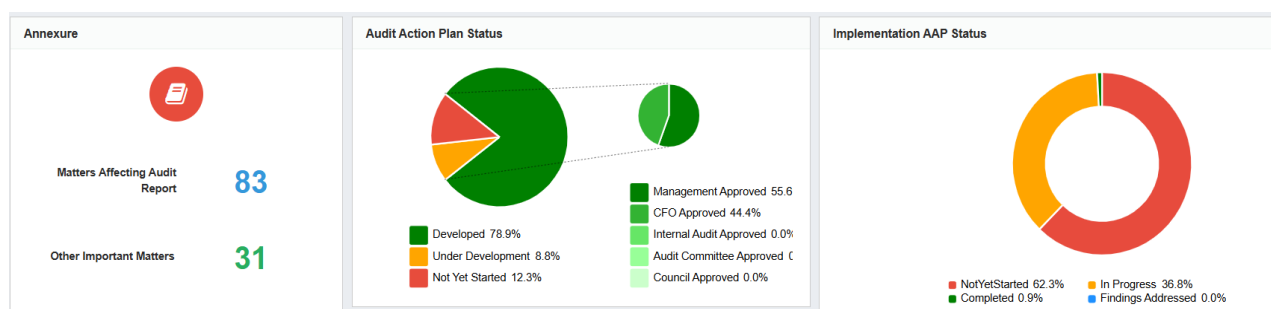
Articulated in the table below, is the basis for the qualified opinion for the year ended 30 June 2024 in comparison to the year ended 30 June 2023.

Auditor-General Report on Financial Performance 2022/23	
Audit Report Status:	Qualified Audit Opinion
Audit Findings	
Non-Compliance Issues	
Basis for qualified opinion	
Property, Plant and Equipment	
Service charges	
Trade Receivables from exchange transactions	
Investment	
Inventory	
Loss/ write-down of inventory	
Material losses – electricity	
Revenue from exchange transactions	
Emphasis of matter paragraphs	
None	

Auditor-General Report on Financial Performance 2023/24	
Audit Report Status:	Qualified Audit Opinion
Audit Findings	114
Non-Compliance Issues	
Basis for qualified opinion	
Property, Plant and Equipment	
Service charges	
Investments Property	
Trade Receivables from exchange transactions	
Material Losses - Electricity	
Emphasis of matter paragraphs	
Restatement of corresponding figures	
Material losses - Water	

Audit Action Plan

The Audit Action Plan for the 2023/24 financial year is in the processes of being finalized. The section heads have developed the actions which have been reviewed by the CFO. They still have to go through a process of being reviewed by Internal Audit before finalization.



As indicated in the table above, as at 21 January 2025, 12.3 percent of the findings have not been started; 8.8 percent is under development and 79.1 percent has been developed. In terms of

implementation status, 62 percent has not been started, 36.2 percent is in progress and 0.9 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.

10. ADJUSTMENT BUDGET PROPOSALS

The Budget and Treasury Office is awaiting proposals from managers with the due date set for 31 January 2025. Based on the mid-year results the following will be evaluated, and realistic forecasts will be made.

Operational Revenue

Service charges overall is performing satisfactorily, while Service charges Waste Water and Waste Management is showing an over-recovery and the budget will be adjusted upwards. Interest earned from Receivables will be adjusted upwards, due to increase in outstanding debtors and low payment levels. This is technically a non-cash item as actual receipts are not materialising and should ideally not be accounted for in the cash flow projections. Interest from Current and Non-Current Assets will also be adjusted upwards, due to improved cash and investment management. Once the adjusted DoRA is available, amendments to grants will be made accordingly. Funds for O&M was allocated by Frances Baard District Municipality to the tune of R2,500 million, the operational budget will be adjusted accordingly to account for this.

Operational expenditure

The budget for Interest on overdue accounts will be adjusted upwards to make provision for the interest charges on the Eskom bulk account and other minor accounts. Interest on overdue accounts must be disclosed as Fruitless and Wasteful expenditure. Contracted services must be adjusted upwards for costs incurred for the company that has been assisting the municipality with revenue enhancement. Major adjustments will have to be made to the repairs and maintenance budget for Sewerage and Water as these budgets are already under severe strain and are facing insurmountable challenges in terms of service delivery. However, these adjustments will put severe pressure on the municipality's cash flow, which might result in an unfunded Adjustments budget which will have serious repercussions for the municipality.

Proposed Capital Expenditure Adjustments

Dora Adjustments have not been finalised, however there are no expected reductions as the Capital Grants performed well, with most grant expenditure over 45% as required by the Division of Revenue Bill.

Reclassification on IUDG to move Project Management from Capital to Operational Budget, as IUDG have approved the 5% top slice for PMU section operational and employee cost.

However, on the CRR (Internally Generated Funds) we will have a possible upward adjustment, as funding is needed to complete Carters ridge Pump Station Project as well as the Kamfers Dam Sewer Project.

CRR funding is subjected to the availability of cash.

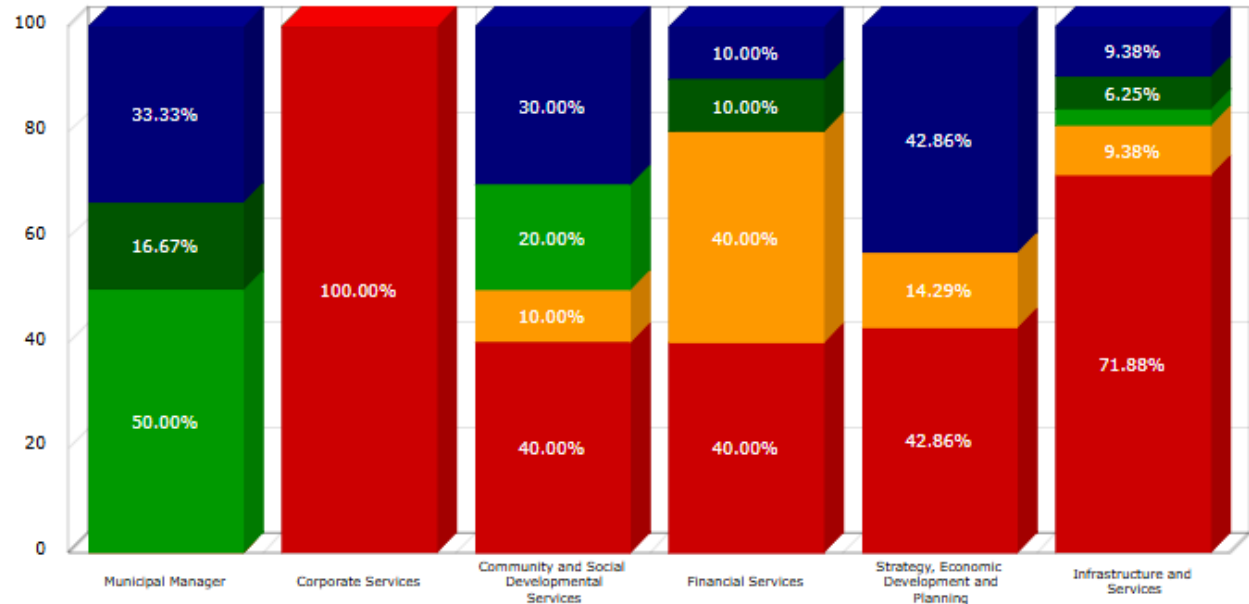
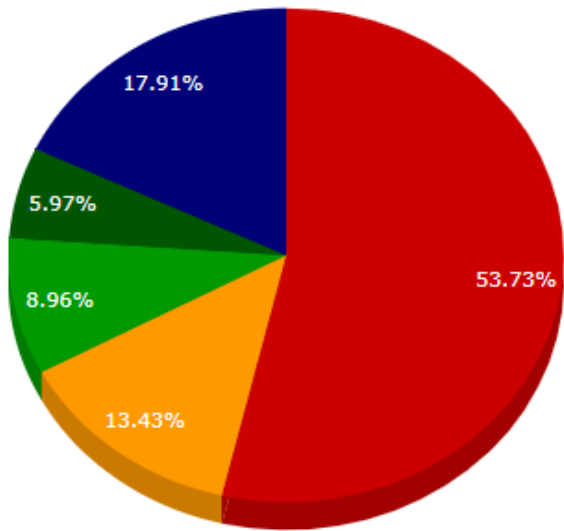
Changes are imminent as The Municipality in the process to finalise capex adjustments, the due date is 31 January 2025.

2ND QUARTER/MID-YEAR SDBIP PERFORMANCE REPORT

FINANCIAL YEAR 2024/2025

1 JULY TO 30 DECEMBER 2024

11. TOP LAYER SDBIP SECOND QUARTER/MID-YEAR PERFORMANCE REPORT: 1 JULY TO 30 DECEMBER 2024



	Sol Plaatje Municipality	Responsible Directorate						
		Executive and Council	Municipal Manager	Corporate Services	Community and Social Developmental Services	Financial Services	Strategy, Economic Development and Planning	Infrastructure and Services
Not Met	36 (53.73%)	-	-	2 (100.00%)	4 (40.00%)	4 (40.00%)	3 (42.86%)	23 (71.88%)
Almost Met	9 (13.43%)	-	-	-	1 (10.00%)	4 (40.00%)	1 (14.29%)	3 (9.38%)
Met	6 (8.96%)	-	3 (50.00%)	-	2 (20.00%)	-	-	1 (3.13%)
Well Met	4 (5.97%)	-	1 (16.67%)	-	-	1 (10.00%)	-	2 (6.25%)
Extremely Well Met	12 (17.91%)	-	2 (33.33%)	-	3 (30.00%)	1 (10.00%)	3 (42.86%)	3 (9.38%)
Did Not Occur	-	-	-	-	-	-	-	-
Total:	67*	-	6	2	10	10	7	32
	100%	-	8.96%	2.99%	14.93%	14.93%	10.45%	47.76%

* Excludes 28 KPIs which had no targets/actuals for the period selected.

11.1 INFRASTRUCTURE AND SERVICES

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL11	Improved Service Delivery	Limit unaccounted for electricity to less than 25% by 30 June {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased} x 100}	% unaccounted for electricity by 30 June	25%	30%	26.74%	B	28%	26.27%	B	28%	26.40%	B	N/A	N/A	
TL12	Improved Service Delivery	Limit unaccounted for water (Non-Revenue Water) to less than 40% annually {(Number of Kilolitres Water Purified - Number of kilolitres	% unaccounted for water (Non-Revenue Water) annually	40%	55%	58%	R	50%	66.56%	R	50%	66.56%	R	Contractor has been appointed.	Construction of 37 km pipeline from Riverton to Newton. Replacement of water leaking meters	

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
		Water Sold) / Number of kilolitres Water Purified x 100}														
TL13	Improved Service Delivery	99% water quality level achieved as per SANS 241 annually	% water quality level achieved as per SANS 241 criteria annually	99%	99%	90.40%	O	99%	95%	O	99%	95%	O	Report submitted	Water and Sanitation: Final report to be submitted at end January 2025.	
TL14	Improved Service Delivery	80% waste water effluent quality level achieved as per National Effluent Quality Standards annually	% waste water effluent quality level achieved as per National Effluent Quality Standards, annually	80%	80%	75.80%	O	80%	30%	R	80%	30%	R	Water and Sanitation: Development of a Green Drop Improvement Plan.	Water and Sanitation: At procurement stage contractor to be awarded in February 2025.	
TL15	Improved Service Delivery	Number of square meters of roads to be resealed by 30 June 2025	Square metres of road to be resealed	90 000	0	0	N/A	30 000	90 000	B	30 000	90 000	B	Roads & Storm water: Project completed		: TL15ResealDec24.pdf TL15ResealroadsDec24.docx
TL16	Improved Service Delivery	Distance of kilometres of residential roads upgraded from gravel to a paved surface by 30 June 2025	Number of kilometres paved	5	1	0	R	1.5	1.5	G	2.5	1.4	R	Progress behind schedule due to late appointment of service providers for supply of materials.	Roads & Storm water: Appointments were concluded late last year, no more delays are anticipated.	TL16Gravelroadspaving.pdf

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL54	Improved Service Delivery	% Completion for the installation of electrical and mechanical components in Lerato Park Sewer pump Station as per the project plan by 30 June 2025	Percentage completion as per project plan	100%	50%	0%	R	0%	0%	N/A	50%	0%	R	The Legal Department is in the process of completing the termination of the current service provider's contract.	The project team is finalizing the Bill of Quantities (BoQ) for the remaining work. Once completed, the BoQ will be advertised through a closed tender process, selecting from the pool of pre-approved contractors.	
TL60	Improved Service Delivery	Percentage progress on the assessment of the pipe condition and cathodic protection by 30 June 2025	% Progress as per the annual project plan	100%	0%	0%	N/A	75%	75%	G	75%	75%	G	N/A	N/A	TL60E1PSP1.pdf
TL61	Improved Service Delivery	% Progress on the refurbishment of the filters and backwash system for the new Waste Water Treatment Works (WWTW), Phase 2	% Progress as per the annual project plan	100%	25%	25%	G	50%	0%	R	50%	25%	R	Delays experienced with advertisement due to need for budget adjustment/re-alignment.	Council has since approved the budget re-alignment. Project is currently at concept and viability stage.	[TL61MWTWSC2T echnicalReport.pdf

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL62	Improved Service Delivery	% progress on the upgrade of the power supply and refurbishment of the abstraction pump station (Old and New Plant - Riverton) Ph 2 by 30 June 2025	% Progress as per annual project plan	100%	25%	25%	G	50%	57.5%	G2	50%	57.5	G2	N/A	N/A	: TL62ProgressReport.pdf
TL63	Improved Service Delivery	% Completion on the design work for Phase 1 of the Kimberley network leak detection and repair by 30 June 2025	% Progress as per annual project plan	100%	50%	25%	R	75%	0%	R	75%	25%	R	Delays experienced with advertisement due to need for budget adjustment/re-alignment.	Council has since approved the budget re-alignment. Project is currently at concept and viability stage.	TL63MKRP1ATechnicalReport.pdf
TL64	Improved Service Delivery	% Completion of the Kimberley network leak detection and repair (Phase 2) by 30 June 2025	% Progress as per annual project plan	100%	50%	25%	R	75%	0%	R	75%	25%	R	Delays experienced with advertisement due to need for budget adjustment/re-alignment.	Council has since approved the budget re-alignment. Project is currently at concept and viability stage.	: TL64BFi0123MKRP1B.pdf
TL65	Improved Service Delivery	% Progress on the major refurbishment and building works for the	% Progress as per annual project plan	100%	25%	0%	R	50%	0%	R	50%	0%	R	Delays experienced with advertisement due to need for budget	Council has since approved the budget re-alignment. Project is currently at concept and viability stage.	

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
		Old Water Treatment Plant by 30 June 2025												adjustment/re-alignment.		
TL66	Improved Service Delivery	% Progress on the major refurbishment and building works for the New Water Treatment Plant by 30 June 2025	% Progress as per annual project plan	100%	25%	0%	R	50%	0%	R	50%	0%	R	Delays experienced with advertisement due to need for budget adjustment/re-alignment.	Council has since approved the budget re-alignment. Project is currently at concept and viability stage.	
TL67	Improved Service Delivery	Percentage progress for the upgrading of storm water channels in various areas of Sol Plaatje municipal area by 30 June 2025	Percentage progress on upgrading of storm water channels	100%	25%	0%	R	50%	13.40%	R	50%	13.40%	R	Only site preparations were completed. Still awaiting appointment of the service provider for ready mix concrete.	Project to be completed following the appointment of a service provider. Project to be completed in the 4th Quarter.	TL67Stormwater.pdf

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL68	Improved Service Delivery	Percentage completion on the defects for the Homevale Fire Station by 30 June 2025	Percentage progress on the completion of the defects	100%	0%	0%	N/A	50%	0%	R	50%	0%	R	The structural and geotechnical review has been completed, and the recommendations for addressing the identified defects have been submitted to the municipality.	The implementation of these recommendations has been put on hold as the project team has been advised to pursue the contractor's performance guarantee to cover the costs of implementing the defect corrections. The legal process for claiming the performance guarantee is still underway.	
TL69	Improved Service Delivery	Percentage completion of the number of old sink toilets to be reconstructed by 30 June 2025	Percentage completion on number of old sink toilets reconstructed	100%	25%	23.33%	O	50%	0%	R	50%	23.33%	R	Project could not continue as the process to appoint a pool of contractors was not concluded.	The process to appoint a pool of contractors has been finalized. Service providers have been requested for pricing (BOQ) and will be closing on the 2nd of January 2025.	
TL80	Improved Service Delivery	% Progress on the upgrade of the old Water Treatment Plant (WTP) chlorine and dosing works (Phase 2) by 30 June 2025	% Progress as per annual project plan	100%	0%	0%	N/A	75%	56%	R	75%	56%	R	Pproject is running behind schedule due to late appointment of service provider.	Service Provider has been appointed and construction is currently underway.	L80PROGRESSREP ORT.pdf

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL81	Improved Service Delivery	% Progress on the upgrade of the new Water Treatment Plant (WTP) chlorine and dosing works (Phase 2) by 30 June 2025	% Progress as per annual project plan	100%	0%	0%	N/A	75%	61%	O	75%	61%	O	Project is running behind schedule due to late appointment of service provider.	Service Provider has been appointed and construction is currently underway	: TL81ProgressReport.pdf
TL82	Improved Service Delivery	% Progress on the installation of bulk water meters and pressure regulating valves Ph 2) by 30 June 2025	% Progress as per annual project plan	100%	0%	0%	N/A	75%	82.50%	G2	75%	82.50%	G2	N/A	N/A	TL82ProgressReport.pdf
TL83	Improved Service Delivery	% Progress on the repairs of the detected leaks on the bulk water pipeline at Ritchie by 30 June 2025	% Progress as per annual project plan	100%	25%	15%	R	50%	20%	R	50%	20%	R	Tender document has been submitted to SCM	Await approval of procurement plan.	
TL84	Improved Service Delivery	% Progress on the SMART meter installation for Ritchie subzone by 30 June 2025	% Progress as per annual project plan	100%	25%	0%	R	50%	0%	R	50%	0%	R	Delays experienced with advertisement due to need for budget adjustment/re-alignment.	Council has since approved the budget re-alignment. Project is currently at concept and viability stage.	

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL85	Improved Service Delivery	Percentage completion on the leak repairs and refurbishment of the west by-pass bulk water pipe line by 30 June 2025	% Progress as per annual project plan	100%	25%	0%	R	50%	0%	R	50%	0%	R	Delays experienced with advertisement due to need for budget adjustment/re-alignment.	Council has since approved the budget re-alignment. Project is currently at concept and viability stage.	
TL86	Improved Service Delivery	Percentage progress on the repair of the bulk pipeline from Riverton to Mid station (Section 2) by 30 June 2025	% Progress as per annual project plan	100%	25%	25%	G	50%	25%	R	50%	25%	R	Preliminary Design Report has been submitted	Detail Design report to be approved.	
TL87	Improved Service Delivery	Percentage progress on the repair, coating and refurbishment of eastern by-pass bulk water pipe line (Section 2) by 30 June 2025	% Progress as per annual project plan	100%	25%	0%	R	50%	0%	R	50%	0%	R	Tender evaluation process is underway. Delays experienced with advertisement due to need for budget adjustment/re-alignment.	Council has since approved the budget re-alignment. Project is at concept and viability stage.	
TL88	Improved Service Delivery	Percentage progress on the replacement of the	% Progress as per annual project plan	100%	25%	0%	R	50%	0%	R	50%	0%	R	Tender evaluation process is underway. Delays experienced with advertisement	Council has since approved the budget re-alignment. The project is at concept and viability stage.	

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
		corroded 10 km east by-pass bulk water pipe line (Section 2) by 30 June 2025												due to need for budget adjustment/re-alignment.		
TL89	Improved Service Delivery	Percentage progress on the replacement of the corroded section of the west by-pass bulk water pipe line (Section 2) by 30 June 2025	% Progress as per annual project plan	100%	25%	0%	R	50%	0%	R	50%	0%	R	Tender evaluation process is underway. Delays experienced with advertisement due to need for budget adjustment/re-alignment.	Infrastructure and Services: Council has since approved the budget re-alignment. The project is at concept and viability stage.	
TL90	Improved Service Delivery	Percentage progress on the installation of the 1200 mm new steel bulk water pipe line from Mid station to Newton Reservoir (Section 3) by 30 June 2025	% Progress as per annual project plan	100%	25%	0%	R	50%	25%	R	50%	25%	R	Delay in the procurement processes.	Preliminary design report has been submitted. Detail Design report to be approved.	

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL91	Improved Service Delivery	% progress on the repair of emergency leakages at the Newton reservoir by 30 June 2025	% Progress as per the annual project plan	100%	15%	25%	B	35%	0%	R	35%	25%	R	Delay in procurement processes.	Preliminary design report has been submitted. Detail design report to be approved.	TL91E1SC5TechnicalReport.pdf
TL92	Improved Service Delivery	% Progress on the completion of the emergency water meter installation and procurement of a water quality monitoring hardware by 30 June 2025	% Progress as per annual project plan	100%	25%	50%	B	50%	87%	B	50%	87%	B	N/A	N/A	: TL92ProgressReport.pdf (
TL93	Improved Service Delivery	% Progress on the upgrade of the security at the Riverton water treatment works by 30 June 2025	% Progress as per the annual project plan	100%	15%	25%	B	35%	0%	R	35%	25%	R	Delay in the procurement processes.	Preliminary design report has been submitted. Detail design report to be approved.	TL93BF10123MKRP1B.pdf

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL94	Improved Service Delivery	% Completion on the repairs of Smart ball survey priority leaks by 30 June 2025	% Progress as per the annual project plan	100%	75%	75%	G	100%	83%	O	100%	83%	O	Due to the construction break in December the project was delayed.	Construction has resumed and the process will be expedited.	TL94E1SC4ProgressReport.pdf

11.2 FINANCIAL SERVICES

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL8	Establishment of healthy financial management	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%	6.80%	R	45%	37.30%	O	45%	37.30%	O	Spending on capital is low as some projects are still in the tender process. the amount excludes vat.	Tender meetings should be held regularly to speed up the process on capital spending.	GrantReconciliation202425.xlsx
TL9	Establishment of healthy financial management	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%	22.70%	O	50%	46.40%	O	50%	46.40%	O	Satisfactory.	:Satisfactory.	OpexDecember2024Q2.xlsx
TL35	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	2.10:1	2.10:1	1.71:1	O	2.10:1	2.93:1	G2	2.10:1	2.93:1	G2	Satisfactory	Satisfactory.	2ndquarterCurrentRatio.pdf

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL37	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	01:01	01:01	0.45:1	R	01:01	0.46:1	R	01:01	0.46:1	R	Unsatisfactory.	Full implementation of the Cost Containment and Credit Control Policy.	[ostcoverageratioDecember 2024Q2.xlsx (
TL38	Establishment of healthy financial management	Number of planned BSC meetings conducted to process bids	Number of meetings conducted	24	6	5	O	6	6	G	12	11	O	There were no items to be advertised in July 2024, the majority of the tenders were advertised in June 2024 in preparation to start the new financial year.	N/A	BSCjuly-September2024.pdf

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL39	Establishment of healthy financial management	95% collection rate and ensure payment based on correct account (receipts/ billingx100)	95% collection rate achieved	95%	95%	65.70%	R	95%	76%	O	95%	70.85%	R	Collection rate is not at a desired level, due to lower payment levels.	Collection rate must be improved as a matter of urgency. Thus, strict enforcement of credit control policy. Disconnecting and/or blocking of all consumer groups. Engagements with government departments are done on a regular basis. New smart prepaid meter initiatives will also be of assistance.	COLLECTIONRATE2024-12DECEMBER2024.xlsx
TL44	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%	95%	O	100%	100%	G	100%	97.50%	O	Certain departments did not submit the required documents to be uploaded on Go Muni.	Line Managers to be requested to submit documents to be uploaded within set time frame.	DataStringSubmissionM06.xlsx; BMIMNC091.xlsx

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL45	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%	30.84%	B	33%	32.51%	B	33%	32.51%	B	N/A	N/A	
TL50	Establishment of healthy financial management	Reduce Trade Creditors Payment Period to 300 days by 30 June (Trade Creditors Outstanding / Credit Purchases (Operating and Capital) x 365	Creditors Payment Period (Trade Creditors)	300	300	1 163	R	300	509	R	300	509	R	Not compliant with s65 of MFMA. as a result of bulk purchase electricity & water services board. This is exacerbated by the severe cash flow position.	Collection rate must be improved as a matter of urgency. Thus, strict enforcement of credit control policy. Disconnecting and/or blocking of all consumer groups. Engagements with government departments are done on a regular basis. New smart prepaid meter initiatives will also be of assistance. Continued compliance	Qtr22024-25MANAGEMENTREPORTRA TIOSDec2024.xlsx (

11.3 STRATEGY, ECONOMIC DEVELOPMENT AND PLANNING

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL3	Economic growth through promoting Sol Plaatje Municipality as an economic hub	Number of processed building plans received before 1 July 2024	Number of building plans processed	200	50	42	O	50	47	O	100	89	O	The processed number of building plan received before the 1 July 2024 was 47 and the target as per the SDBIP is 50.	Additional human capacity will be acquired to assist with the processing of the backlog.	FY24-25Backlog.xlsx
TL4	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 2024/25 financial year for buildings / architectural buildings less than 500m2 (number of plans received / divided by number of weeks to process	Average response time in weeks to process building plans	11	11	5	B	11	8	B	11	6.5	B	N/A	N/A	CopyofKPIProcessedApplications24-25FY.xlsx
TL5	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 2024/25 financial year for buildings / architectural buildings greater than 500m2 (number of	Average response time in weeks to process building plans	11	11	2	B	11	3	B	11	2.5	B	N/A	N/A	CopyofKPIProcessedApplications24-25FY.xlsx

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
		plans received / divided by number of weeks to process														
TL6	Economic growth through promoting Sol Plaatje Municipality as an economic hub	Number of SMMEs supported through the implementation of the business incubation developmental programme	Number of developmental programmes provided to SMMEs	10	3	0	R	3	0	R	6	0	R	The Business Management Systems Workshop was organized as part of an ongoing effort to enhance the operational efficiency of businesses through the adoption of effective management systems. The incubation development programme has been suspended as the current occupants at the SMME Village have completed the incubation programme. There has not been a new intake for the programme. Currently there	KPI to be reviewed and replaced at mid-term by a KPI that is aligned to the support provided to SMMEs by SPLM.	BusinessManagementSystemWorkshopReport11October2024.pdf

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
														has been multiple training and workshops at the SMME Village, for Quarter 1, about 25 SMMEs have been capacitated.		
TL55	Economic growth through promoting Sol Plaatje Municipality as an economic hub	Number of marketing and promotion of tourist attractions conducted annually	Number of programmes conducted	4	1	1	G	1	1	G	2	2	G	N/A	N/A	MissTeenposter2024.pdf
TL56	Economic growth through promoting Sol Plaatje Municipality as an economic hub	Number of tourist signage upgraded by 30 June 2025	Number of signs upgraded	10	0	0	N/A	10	0	R	10	0	R	Due to budget constraints the project has been put on hold.	Proposal to request additional funding during Adjustment Budget.	Brownboardsinspectionreport November2024.pdf
TL57	Economic growth through promoting Sol Plaatje	Percentage completion for the upgrading of the tram by 30 June 2025	% Completion as the annual project plan	100%	0%	0%	N/A	100%	0%	R	100%	0%	R	The technical assessment report has been submitted	To conduct repairs to the tram	

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
	Municipality as an economic hub															

11.4 CORPORATE SERVICES

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance for July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL32	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	1	R	3	0	R	6	1	R	Unable to access graphic design services.	Appointment of a contractor on a permanent basis (in house)	
TL49	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			

11.5 COMMUNITY AND SOCIAL DEVELOPMENT SERVICES

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance for July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL10	Improved Service Delivery	Number of reading outreach programmes conducted at all libraries	Number of outreach programmes held	60	15	21	G2	15	30	B	30	51	B			StatsNovember2024KPL.xlsx; StatsOktober20242.xlsx; OUTREACHGALOKTTODES24.pdf; LibrariesOutreachRegisterOktToDes2024Final.xlsx
TL20	Improved Service Delivery	Plan and conduct road blocks	Number of roadblocks conducted	8	2	5	B	2	4	B	4	9	B			Roadblocks.pdf (October 2024) Roadblocks.pdf (November 2024)
TL21	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	3 038	B	1 500	2 318	B	3 000	5 356	B			StopChecks.pdf StopChecks.pdf StopChecks.pdf

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance for July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL22	Improved Service Delivery	Conduct monthly inspections of food premises	Number of Inspections	4 200	1 050	1 034	O	1 050	909	O	2 100	1 943	O	The target was not reached due to capacity challenges as per the norms and standards of the Health Act. The requirement is 28 Environmental Health Practitioners but currently only 5 active EHPs	:Request target to be adjusted accordingly, too high and not realistic.	Octobersummaryreprt.xlsx (Novembersummaryreport.xlsx Decembersummaryreport.xlsx
TL23	Improved Service Delivery	Conduct monthly inspections of non-food premises to ensure compliance to legislation	Number of Inspections	4 200	1 050	309	R	1 050	97	R	2 100	406	R	The target was not reached due to capacity challenges as per the norms and standards of the Health Act. The requirement is 28 Environmental Health Practitioners but currently only 5 EHPs are active. Focus was more on	Focus was on food premises inspections (November 2024) A request for the appointment of more EHP's and Interns	Octobersummaryreport.xlsx Decembersummaryreport.xlsx

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance for July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
														Tuckshop applications.		
TL24	Improved Service Delivery	Number of water samples collected and tested	Number of water samples collected and tested	800	200	153	O	200	118	R	400	271	R	No water samples (November 2024) Shortage of Staff Homevale Laboratory closed early in December 2024	Homevale Laboratory had problem with the supplying of bottles and testing of water samples during November 2024 Target for water sampling to be adjusted.	[Octobersummaryreport.xlsx Decembersummaryreport.xlsx
TL70	Improved Service Delivery	Percentage completion of the fencing of Frank Roro cricket field	% Completion	100%	25%	90%	B	100%	100%	G	100%	100%	G			Oct2024siteinspection.pdf; Screenshot20241107181025Gallery.jpg; Screenshot20241107181040Gallery.jpg; Screenshot20241107181106Gallery.jpg

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance for July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL71	Improved Service Delivery	% Refurbishment of community halls (Floors/Collville & Social Centres) by 30 June 2025	Percentage progress on the refurbishment of community halls	100%	25%	22%	O	50%	22%	R	50%	22%	R	Awaiting confirmation from IUDG The project came to a halt due to the delay in the appointment of pool of contractors.	The pool of contractors have been appointed. Project to resume in February 2025.	
TL72	Improved Service Delivery	Percentage progress on the upgrading and building of ablution blocks at Kenilworth and Phutanang Cemeteries by 30 June 2025	Percentage progress aas per project plan	100%	25%	25%	G	50%	0%	R	50%	25%	R	The project was delayed due to the objection on the procurement process.	The objection period will expire on the 27th of January 2025 and the appointment will be concluded thereafter. Project is expected to be completed by March of 2025.	
TL73	Improved Service Delivery	Number of swimming pools (Karen Muir, Roodepan, Florianville and Galeshewe) to be upgraded	Number of pools upgraded as per the project plan	4	1	0	R	1	2	B	2	2	G			

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)			Quarter 2 (October to December 2024)			Overall Performance for July to December 2024					
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
		by 30 June 2025														

11.6 MUNICIPAL MANAGER

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)		Quarter 2 (October to December 2024)			Overall Performance for July to December 2024						
					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 2025	Number of full-time equivalents created by 30 June	553	100	240	B	160	311	B	260	551	B	N/A	N/A	EPWPFTEReport.xlsx
TL27	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	MID-TERMFRAUDRISKSREGISTER2024.xlsx; ICTRevisedRiskRegister2024.xlsx; CopyofSTRATEGYREVISEDRIKSSOLPLAATJE.xlsx
TL28	Good, clean and transparent governance and public participation	Number of audits conducted as per the internal audit plan	Number of internal audits conducted	20	5	6	G2	5	5	G	10	11	G2	N/A	N/A	DraftreportforSaaSbackupsV01bAS2d.docx; DraftreportforSystemFunctionsandPermissionsV02a.docx; PMS1stQuarterDraftReport2024.25.docx; SolPlaatjeInternalAuditDraftReportExecutiveSummary.docx.pdf ; SolPlaatjeInternalAuditDraftReport.docx)

REF	Strategic Objective	KPI Name	Unit of Measurement	Original Annual Target	Quarter 1 (July to September 2024)		Quarter 2 (October to December 2024)			Overall Performance for July to December 2024						
					Target	Actual	R	Target	Actual	R	Target	Actual	R	Performance Comment	Corrective Measures	POE Attachment
TL29	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.Agenda26November2024Final.doc; 1.Agenda28October2024.doc
TL58	Improved Service Delivery	Number of project management meetings held	Number of meetings held	10	3	3	G	2	2	G	5	5	G	N/A	N/A	ProjectProgressMeetingRegisterandMinutesNo.4.pdf; ProjectProgressMeetingRegisterandMinutesNo3.pdf (D
TL59	Improved Service Delivery	Number of monthly reports tabled at the Executive Management Team meetings by 30 June 2025	Number of reports submitted	12	3	3	G	3	3	G	6	6	G	N/A	N/A	CapitalProjectsProgressReportDecember2024.xlsx; CapitalProjectsProgressReportNovember2024.xlsx; CapitalProjectsProgressOctober2024.xlsx

12. MUNICIPAL MANAGER'S QUALITY CERTIFICATION

Quality Certificate

I, **SB Matlala**, the Municipal Manager of Sol Plaatje Municipality, hereby certify that -

(mark as appropriate)

the monthly budget statement

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

mid-year budget and performance assessment

For the quarter ended **31 December 2024** has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Print name: Mr SB MATLALA

Municipal Manager of Sol Plaatje Local Municipality (NC091)

SIGNATURE: 

DATE: 23 / 01 / 2025

13. CONCLUSION

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

Communication

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

14. ANNEXURE A: C-SCHEDULES

Prescribed Tables in terms of Municipal Budget and Reporting Regulations GG 32141 of 17 April 2009

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

Description	2023/24			Budget Year 2024/25					
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	656,442	687,320	687,320	50,532	410,684	343,660	67,024	20%	687,320
Service charges	1,331,093	1,611,046	1,611,046	113,903	751,453	805,523	(54,070)	-7%	1,611,046
Investment revenue	16,116	9,000	9,000	2,494	8,778	4,500	4,278	95%	9,000
Transfers and subsidies - Operational	501,707	299,271	299,271	91,651	213,118	149,635	63,482	0	299,271
Other own revenue	419,726	351,642	351,642	31,551	204,760	175,821	28,940	16%	-
Total Revenue (excluding capital transfers and contributions)	2,925,084	2,958,278	2,958,278	290,132	1,588,794	1,479,139	109,655	7%	2,958,278
Employee costs	894,291	950,863	950,863	83,510	425,260	475,433	(50,174)	-11%	950,863
Remuneration of Councilors	33,869	37,077	37,077	2,369	16,348	18,538	(2,190)	-12%	37,077
Depreciation and amortisation	76,441	89,700	89,700	22,425	44,850	44,850	(0)	-0%	89,700
Interest	122,651	17,774	17,774	9,180	9,181	8,887	294	3%	17,774
Inventory consumed and bulk purchases	1,057,341	1,216,905	1,216,905	58,672	536,878	632,445	(95,567)	-15%	1,216,905
Transfers and subsidies	2,526	3,660	3,660	-	634	1,830	(1,196)	-65%	3,660
Other expenditure	610,300	612,526	612,526	28,079	325,238	306,265	18,973	6%	612,526
Total Expenditure	2,797,419	2,928,505	2,928,505	204,236	1,358,389	1,488,248	(129,859)	-9%	2,928,505
Surplus/(Deficit)	127,665	29,774	29,774	85,896	230,405	(9,109)	239,514	-2629%	29,774
Transfers and subsidies - capital (monetary allocations)	159,040	572,229	572,229	164,407	257,439	286,114	##	-10%	572,229
Transfers and subsidies - capital (in-kind)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	286,705	602,003	602,003	250,303	487,844	277,005	210,839	76%	602,003
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	286,705	602,003	602,003	250,303	487,844	277,005	210,839	76%	602,003
Capital expenditure & funds sources									
Capital expenditure	176,438	613,729	613,729	120,540	228,689	306,865	(78,175)	-25%	613,729
Capital transfers recognised	147,356	572,229	572,229	118,779	223,681	286,115	(62,434)	-22%	572,229
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	29,082	41,500	41,500	1,761	5,009	20,750	(15,741)	-76%	41,500
Total sources of capital funds	176,438	613,729	613,729	120,540	228,689	306,865	(78,175)	-25%	613,729
Financial position									
Total current assets	2,664,713	2,491,688	2,491,688	-	3,081,038	-	-	-	2,491,688
Total non current assets	2,360,035	2,874,231	2,874,231	-	2,543,875	-	-	-	2,874,231
Total current liabilities	929,932	1,523,552	1,523,552	-	1,049,353	-	-	-	1,523,552
Total non current liabilities	1,111,983	410,208	410,208	-	1,104,882	-	-	-	410,208
Community wealth/Equity	2,982,833	3,432,159	3,432,159	-	3,470,677	-	-	-	3,432,159
Cash flows									
Net cash from (used) operating	137,865	598,846	598,846	26,038	386,130	299,423	(86,707)	-29%	598,846
Net cash from (used) investing	(157,215)	(613,729)	(613,729)	(120,540)	(227,404)	(306,865)	(79,460)	26%	(613,729)
Net cash from (used) financing	(1,569)	(12,788)	(12,788)	5	82	(6,394)	(6,476)	101%	(12,788)
Cash/cash equivalents at the month/year end	(130,455)	(128,487)	(128,487)	272,534	272,534	(114,652)	(387,187)	338%	86,056
Debtors & creditors analysis									
	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	191,227	123,095	100,178	90,821	87,097	145,684	411,636	2,855,001	4,004,740
Creditors Age Analysis									
Total Creditors	139,638	73,001	21,072	1,784	60,601	274	-	923,660	1,220,030

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

Description	Ref	2023/24		Budget Year 2024/25						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		1,257,109	1,689,473	1,689,473	322,618	971,475	844,737	126,738	15%	1,689,473
Executive and council		549,361	972,401	972,401	269,018	540,133	486,200	53,932	11%	972,401
Finance and administration		707,747	717,072	717,072	53,600	431,342	358,536	72,806	20%	717,072
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		48,267	42,989	42,989	3,242	19,102	21,495	(2,392)	-11%	42,989
Community and social services		12,642	12,138	12,138	437	2,164	6,069	(3,905)	-64%	12,138
Sport and recreation		2,639	2,720	2,720	152	901	1,360	(459)	-34%	2,720
Public safety		276	540	540	20	470	270	200	74%	540
Housing		28,843	27,501	27,501	2,633	15,567	13,750	1,817	13%	27,501
Health		3,867	90	90	-	-	45	(45)	-100%	90
Economic and environmental services		37,710	18,976	18,976	642	7,068	9,488	(2,420)	-26%	18,976
Planning and development		22,952	5,956	5,956	222	5,291	2,978	2,313	78%	5,956
Road transport		14,758	13,020	13,020	420	1,777	6,510	(4,733)	-73%	13,020
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		1,730,934	1,767,977	1,767,977	126,812	842,772	883,988	(41,217)	-5%	1,767,977
Energy sources		1,163,247	1,164,299	1,164,299	68,961	511,679	582,150	(70,471)	-12%	1,164,299
Water management		352,402	398,115	398,115	37,091	205,990	199,058	6,932	3%	398,115
Waste water management		121,173	118,290	118,290	11,855	71,439	59,145	12,294	21%	118,290
Waste management		94,112	87,272	87,272	8,904	53,665	43,636	10,028	23%	87,272
Other	4	10,104	11,092	11,092	1,225	5,816	5,546	270	5%	11,092
Total Revenue - Functional	2	3,084,125	3,530,507	3,530,507	454,539	1,846,233	1,765,253	80,980	5%	3,530,507
Expenditure - Functional										
Governance and administration		734,453	755,594	755,594	59,148	368,885	377,799	(8,915)	-2%	755,594
Executive and council		472,647	477,043	477,043	33,641	238,298	238,522	(223)	0%	477,043
Finance and administration		256,237	271,754	271,754	25,080	128,168	135,879	(7,711)	-6%	271,754
Internal audit		5,569	6,797	6,797	427	2,418	3,399	(980)	-29%	6,797
Community and public safety		201,954	207,313	207,313	18,409	95,194	103,658	(8,463)	-8%	207,313
Community and social services		48,586	49,027	49,027	4,726	23,095	24,514	(1,419)	-6%	49,027
Sport and recreation		66,863	63,043	63,043	6,001	30,898	31,522	(624)	-2%	63,043
Public safety		44,135	45,933	45,933	3,884	20,423	22,967	(2,544)	-11%	45,933
Housing		21,956	28,042	28,042	2,027	11,109	14,021	(2,913)	-21%	28,042
Health		20,412	21,267	21,267	1,771	9,669	10,634	(965)	-9%	21,267
Economic and environmental services		170,731	183,093	183,093	19,477	89,413	91,547	(2,134)	-2%	183,093
Planning and development		46,192	55,644	55,644	4,292	24,181	27,823	(3,642)	-13%	55,644
Road transport		123,669	126,551	126,551	15,070	64,761	63,276	1,485	2%	126,551
Environmental protection		870	898	898	114	472	449	23	5%	898
Trading services		1,666,267	1,753,665	1,753,665	104,335	792,447	900,825	(108,378)	-12%	1,753,665
Energy sources		1,101,328	1,151,651	1,151,651	43,251	505,668	599,817	(94,149)	-16%	1,151,651
Water management		363,718	395,412	395,412	43,031	184,942	197,706	(12,764)	-6%	395,412
Waste water management		122,085	119,433	119,433	12,244	62,859	59,717	3,142	5%	119,433
Waste management		79,136	87,170	87,170	5,810	38,978	43,585	(4,607)	-11%	87,170
Other		24,014	28,839	28,839	2,866	12,450	14,420	(1,970)	-14%	28,839
Total Expenditure - Functional	3	2,797,419	2,928,505	2,928,505	204,236	1,358,389	1,488,248	(129,860)	-9%	2,928,505
Surplus/ (Deficit) for the year		286,705	602,003	602,003	250,303	487,844	277,005	210,839	0.7611392	602,003

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

Vote Description	Ref	2023/24		Budget Year 2024/25						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 01 - Executive & Council	1	-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		549,361	972,401	972,401	269,018	540,133	486,200	53,932	11.1%	972,401
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		5,391	6,161	6,161	632	3,103	3,081	22	0.7%	6,161
Vote 05 - Community Services		134,820	124,361	124,361	11,079	63,788	62,180	1,608	2.6%	124,361
Vote 06 - Financial Services		701,887	710,111	710,111	52,916	427,909	355,055	72,854	20.5%	710,111
Vote 07 - Strategy Econ Development And Planning		26,098	8,368	8,368	283	6,209	4,184	2,025	48.4%	8,368
Vote 08 - Infrastructure And Services		1,666,568	1,709,105	1,709,105	120,611	805,091	854,553	(49,461)	-5.8%	1,709,105
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	3,084,125	3,530,507	3,530,507	454,539	1,846,233	1,765,253	80,980	4.6%	3,530,507
Expenditure by Vote										
Vote 01 - Executive & Council	1	59,615	60,855	60,855	4,376	28,279	30,428	(2,149)	-7.1%	60,855
Vote 02 - Municipal And General		400,410	403,603	403,603	28,239	200,938	201,802	(864)	-0.4%	403,603
Vote 03 - Municipal Manager		24,274	27,854	27,854	2,152	15,437	13,927	1,509	10.8%	27,854
Vote 04 - Corporate Services		71,184	82,140	82,140	6,987	36,739	41,071	(4,331)	-10.5%	82,140
Vote 05 - Community Services		321,918	337,272	337,272	29,245	156,035	168,637	(12,602)	-7.5%	337,272
Vote 06 - Financial Services		134,722	166,217	166,217	13,246	69,425	83,109	(13,684)	-16.5%	166,217
Vote 07 - Strategy Econ Development And Planning		60,672	67,813	67,813	5,508	26,992	33,907	(6,915)	-20.4%	67,813
Vote 08 - Infrastructure And Services		1,724,624	1,782,750	1,782,750	114,483	824,544	915,367	(90,824)	-9.9%	1,782,750
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	2,797,419	2,928,505	2,928,505	204,236	1,358,389	1,488,248	(129,859)	-8.7%	2,928,505
Surplus/ (Deficit) for the year	2	286,705	602,003	602,003	250,303	487,844	277,005	210,839	76.1%	602,003

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

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity		886,092	1,099,199	1,099,199	66,762	482,304	549,600	(67,296)	-12%	1,099,199
Service charges - Water		276,094	343,685	343,685	30,787	170,212	171,843	(1,631)	-1%	343,685
Service charges - Waste Water Management		93,794	95,890	95,890	9,334	56,464	47,945	8,519	18%	95,890
Service charges - Waste management		75,114	72,271	72,271	7,021	42,473	36,136	6,338	18%	72,271
Sale of Goods and Rendering of Services		15,100	15,955	15,955	643	9,746	7,978	1,768	22%	15,955
Agency services		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Interest earned from Receivables		258,041	120,030	120,030	14,398	80,595	60,015	20,580	34%	120,030
Interest from Current and Non Current Assets		16,116	9,000	9,000	2,494	8,778	4,500	4,278	95%	9,000
Dividends		-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		28,851	27,740	27,740	2,653	15,680	13,870	1,810	13%	27,740
Licence and permits		670	1,200	1,200	38	342	600	(258)	-43%	1,200
Operational Revenue		3,202	3,773	3,773	225	1,370	1,887	(517)	-27%	3,773
Non-Exchange Revenue										
Property rates		656,442	687,320	687,320	50,532	410,684	343,660	67,024	20%	687,320
Surcharges and Taxes		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		56,767	32,143	32,143	2,556	17,734	16,071	1,662	10%	32,143
Licence and permits		6,500	8,000	8,000	1,157	4,757	4,000	757	19%	8,000
Transfers and subsidies - Operational		501,707	299,271	299,271	91,651	213,118	149,635	63,482	42%	299,271
Interest		-	91,900	91,900	9,004	51,272	45,950	5,322	12%	91,900
Fuel Levy		-	-	-	-	-	-	-	-	-
Operational Revenue		49,299	50,900	50,900	877	21,846	25,450	(3,604)	-14%	50,900
Gains on disposal of Assets		17,071	-	-	-	1,285	-	1,285	#DIV/0!	-
Other Gains		(15,774)	-	-	-	133	-	133	#DIV/0!	-
Discontinued Operations										
Total Revenue (excluding capital transfers and contributions)		2,925,084	2,958,278	2,958,278	290,132	1,588,794	1,479,139	109,655	7%	2,958,278
Expenditure By Type										
Employee related costs		894,291	950,863	950,863	83,510	425,260	475,433	(50,174)	-11%	950,863
Remuneration of councillors		33,869	37,077	37,077	2,369	16,348	18,538	(2,190)	-12%	37,077
Bulk purchases - electricity		787,457	897,300	897,300	24,505	388,061	472,641	(84,580)	-18%	897,300
Inventory consumed		269,884	319,605	319,605	34,167	148,817	159,804	(10,987)	-7%	319,605
Debt impairment		333,146	355,246	355,246	-	177,623	177,623	(0)	0%	355,246
Depreciation and amortisation		76,441	89,700	89,700	22,425	44,850	44,850	(0)	0%	89,700
Interest		122,651	17,774	17,774	9,180	9,181	8,887	294	3%	17,774
Contracted services		45,090	40,731	40,731	2,255	26,584	20,366	6,219	31%	40,731
Transfers and subsidies		2,526	3,660	3,660	-	634	1,830	(1,196)	-65%	3,660
Irrecoverable debts written off		-	-	-	-	1	-	1	#DIV/0!	-
Operational costs		142,363	151,549	151,549	10,815	82,994	75,776	7,218	10%	151,549
Losses on Disposal of Assets		1,022	-	-	-	-	-	-	-	-
Other Losses		88,679	65,000	65,000	15,009	38,036	32,500	5,536	17%	65,000
Total Expenditure		2,797,419	2,928,505	2,928,505	204,236	1,358,389	1,488,248	(129,859)	-9%	2,928,505
Surplus/(Deficit)		127,665	29,774	29,774	85,896	230,405	(9,109)	239,514	(0)	29,774
Transfers and subsidies - capital (monetary allocations)		159,040	572,229	572,229	164,407	257,439	286,114	(28,675)	(0)	572,229
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		286,705	602,003	602,003	250,303	487,844	277,005	210,839	0	602,003
Income Tax		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		286,705	602,003	602,003	250,303	487,844	277,005	210,839	0	602,003
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		286,705	602,003	602,003	250,303	487,844	277,005	210,839	0	602,003
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		286,705	602,003	602,003	250,303	487,844	277,005	210,839	0	602,003

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

Vote Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		-	1,500	-	-	-	375	(375)	-100%	-
Vote 03 - Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	5,000	5,000	-	525	2,500	(1,975)	-79%	5,000
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		24,020	2,000	2,000	-	-	1,000	(1,000)	-100%	2,000
Vote 08 - Infrastructure And Services		105,329	533,450	568,199	119,708	220,475	275,412	(54,937)	-20%	568,199
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	129,348	541,950	575,199	119,708	221,000	279,287	(58,287)	-21%	575,199
Single Year expenditure appropriation	2									
Vote 01 - Executive & Council		-	-	-	-	-	-	-	-	-
Vote 02 - Municipal And General		12,646	23,000	23,000	424	5,141	11,500	(6,359)	-55%	23,000
Vote 03 - Municipal Manager		-	2,349	2,759	117	249	1,277	(1,028)	-81%	2,759
Vote 04 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 05 - Community Services		-	2,210	2,210	21	1,490	1,105	385	35%	2,210
Vote 06 - Financial Services		-	-	-	-	-	-	-	-	-
Vote 07 - Strategy Econ Development And Planning		-	3,000	3,000	246	246	1,500	(1,254)	-84%	3,000
Vote 08 - Infrastructure And Services		34,444	41,220	7,561	25	564	12,195	(11,631)	-95%	7,561
Vote 09 -		-	-	-	-	-	-	-	-	-
Vote 10 -		-	-	-	-	-	-	-	-	-
Vote 11 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 - Other		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	47,089	71,779	38,530	831	7,689	27,577	(19,888)	-72%	38,530
Total Capital Expenditure		176,438	613,729	613,729	120,540	228,689	306,865	(78,175)	-25%	613,729
Capital Expenditure - Functional Classification										
Governance and administration		12,646	24,500	23,000	424	5,141	11,875	(6,734)	-57%	23,000
Executive and council		12,646	24,500	23,000	424	5,141	11,875	(6,734)	-57%	23,000
Finance and administration		-	-	-	-	-	-	-	-	-
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	7,210	7,210	21	2,015	3,605	(1,590)	-44%	7,210
Community and social services		-	5,000	5,000	-	525	2,500	(1,975)	-79%	5,000
Sport and recreation		-	2,210	2,210	21	1,490	1,105	385	35%	2,210
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		69,228	48,519	40,019	4,604	21,955	22,135	(180)	-1%	40,019
Planning and development		24,020	5,849	6,259	117	249	3,027	(2,778)	-92%	6,259
Road transport		45,208	42,670	33,760	4,487	21,706	19,107	2,598	14%	33,760
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		94,564	532,000	542,000	115,246	199,334	268,500	(69,167)	-26%	542,000
Energy sources		27,354	6,000	6,000	1,042	1,953	3,000	(1,047)	-35%	6,000
Water management		62,534	517,500	517,500	114,204	197,120	258,750	(61,630)	-24%	517,500
Waste water management		4,676	8,500	18,500	-	261	6,750	(6,489)	-96%	18,500
Waste management		-	-	-	-	-	-	-	-	-
Other		-	1,500	1,500	246	246	750	(504)	-67%	1,500
Total Capital Expenditure - Functional Classification	3	176,438	613,729	613,729	120,540	228,689	306,865	(78,175)	-25%	613,729
Funded by:										
National Government		124,283	572,229	572,229	118,779	223,681	286,115	(62,434)	-22%	572,229
Provincial Government		-	-	-	-	-	-	-	-	-
District Municipality		6,000	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat/ Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatbns, Higher Educ Institutions)		17,073	-	-	-	-	-	-	-	-
Transfers recognised - capital		147,356	572,229	572,229	118,779	223,681	286,115	(62,434)	-22%	572,229
Borrowing	6	-	-	-	-	-	-	-	-	-
Internally generated funds		29,082	41,500	41,500	1,761	5,009	20,750	(15,741)	-76%	41,500
Total Capital Funding		176,438	613,729	613,729	120,540	228,689	306,865	(78,175)	-25%	613,729

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

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		113,726	73,147	73,147	243,506	73,147
Trade and other receivables from exchange transactions		1,422,525	1,274,325	1,274,325	1,570,533	1,274,325
Receivables from non-exchange transactions		860,075	927,844	927,844	978,324	927,844
Current portion of non-current receivables		-	-	-	-	-
Inventory		112,013	60,701	60,701	95,103	60,701
VAT		155,736	155,542	155,542	192,833	155,542
Other current assets		638	129	129	739	129
Total current assets		2,664,713	2,491,688	2,491,688	3,081,038	2,491,688
Non current assets						
Investments						
Investment property		201,266	221,645	221,645	201,480	221,645
Property, plant and equipment		2,100,106	2,625,801	2,625,801	2,285,736	2,625,801
Biological assets						
Living and non-living resources						
Heritage assets		12,071	13,571	13,571	12,317	13,571
Intangible assets		46,592	13,214	13,214	44,342	13,214
Trade and other receivables from exchange transactions		-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-
Other non-current assets		-	-	-	-	-
Total non current assets		2,360,035	2,874,231	2,874,231	2,543,875	2,874,231
TOTAL ASSETS		5,024,748	5,365,919	5,365,919	5,624,913	5,365,919
LIABILITIES						
Current liabilities						
Bank overdraft		-	-	-	-	-
Financial liabilities		-	(14,788)	(14,788)	-	(14,788)
Consumer deposits		48,699	49,570	49,570	49,892	49,570
Trade and other payables from exchange transactions		642,151	1,286,802	1,286,802	536,956	1,286,802
Trade and other payables from non-exchange transactions		4,057	-	-	160,158	-
Provision		788	788	788	788	788
VAT		234,236	201,179	201,179	301,559	201,179
Other current liabilities		-	-	-	-	-
Total current liabilities		929,932	1,523,552	1,523,552	1,049,353	1,523,552
Non current liabilities						
Financial liabilities		808,076	152,895	152,895	800,974	152,895
Provision		303,908	257,313	257,313	303,908	257,313
Long term portion of trade payables		-	-	-	-	-
Other non-current liabilities		-	-	-	-	-
Total non current liabilities		1,111,983	410,208	410,208	1,104,882	410,208
TOTAL LIABILITIES		2,041,915	1,933,760	1,933,760	2,154,235	1,933,760
NET ASSETS	2	2,982,833	3,432,159	3,432,159	3,470,677	3,432,159
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		2,908,029	3,368,093	3,368,093	3,395,873	3,368,093
Reserves and funds		74,804	64,066	64,066	74,804	64,066
Other		-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	2,982,833	3,432,159	3,432,159	3,470,677	3,432,159

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

Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		507,798	676,122	676,122	36,714	228,353	338,061	(109,707)	-32%	676,122
Service charges		1,185,680	1,513,446	1,513,446	92,429	635,378	756,723	(121,345)	-16%	1,513,446
Other revenue		605,571	92,337	92,337	30,313	689,996	46,168	643,828	1395%	92,337
Transfers and Subsidies - Operational		306,662	299,271	299,271	90,065	217,694	149,636	68,058	45%	299,271
Transfers and Subsidies - Capital		142,936	572,229	572,229	25,196	408,964	286,115	122,850	43%	572,229
Interest		3,927	9,000	9,000	2,962	15,968	4,500	11,468	255%	9,000
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(2,614,989)	(2,545,784)	(2,545,784)	(251,641)	(1,812,344)	(1,272,892)	539,452	-42%	(2,545,784)
Interest		281	(17,774)	(17,774)	-	2,121	(8,887)	(11,008)	124%	(17,774)
Transfers and Subsidies		-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		137,865	598,846	598,846	26,038	386,130	299,423	(86,707)	-29%	598,846
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		19,223	-	-	-	1,285	-	1,285	#DIV/0!	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(176,438)	(613,729)	(613,729)	(120,540)	(228,689)	(306,865)	(78,175)	25%	(613,729)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(157,215)	(613,729)	(613,729)	(120,540)	(227,404)	(306,865)	(79,460)	26%	(613,729)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		(1,569)	2,000	2,000	5	82	1,000	(918)	-92%	2,000
Payments										
Repayment of borrowing		-	(14,788)	(14,788)	-	-	(7,394)	(7,394)	100%	(14,788)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1,569)	(12,788)	(12,788)	5	82	(6,394)	(6,476)	101%	(12,788)
NET INCREASE/ (DECREASE) IN CASH HELD										
Cash/cash equivalents at beginning:		(109,536)	(100,817)	(100,817)	367,031	113,726	(100,817)			113,726
Cash/cash equivalents at month/year end:		(130,455)	(128,487)	(128,487)	272,534	272,534	(114,652)			86,056

The BTO made a concerted effort to align the Cash and equivalents of A6 and A7 for the Original budget for 2024/25 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 on C7 is slightly overstated. **As per C6, the Cash and cash equivalents is R243,506 million as per the Cash book balance.**

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

Description	Ref	2021/22	Budget Year 2022/23							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates		438,882	533,499	533,499	30,102	216,663	266,750	(50,086)	-19%	533,499
Service charges		1,146,393	1,093,079	1,093,079	76,826	542,048	546,540	(4,491)	-1%	1,093,079
Other revenue		288,367	403,395	403,395	26,683	494,829	201,697	293,132	145%	403,395
Transfers and Subsidies - Operational		31,741	18,959	18,959	4,450	9,780	9,480	300	3%	18,959
Transfers and Subsidies - Capital		100,630	134,338	134,338	22,000	63,530	67,169	(3,639)	-5%	134,338
Interest		-	6,000	6,000	-	-	3,000	(3,000)	-100%	6,000
Dividends		-	-	-	-	-	-	-	-	-
Payments										
Suppliers and employees		(2,589,329)	(2,039,050)	(2,039,050)	(403,547)	(629,846)	(1,019,525)	(389,679)	38%	(2,039,050)
Finance charges		(1,039)	(38,960)	(38,960)	-	-	(19,480)	(19,480)	100%	(38,960)
Transfers and Grants		-	(4,460)	(4,460)	-	-	(2,230)	(2,230)	100%	(4,460)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(584,356)	106,800	106,800	(243,487)	697,005	53,400	(643,605)	-1205%	106,800
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	35,716	-	-	-	17,858	(17,858)	-100%	35,716
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-
Payments										
Capital assets		(127,081)	(190,043)	(190,043)	(13,922)	(37,995)	(95,022)	(57,026)	60%	(190,043)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(127,081)	(154,327)	(190,043)	(13,922)	(37,995)	(77,163)	(39,168)	51%	(154,327)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-
Payments										
Repayment of borrowing		-	(9,390)	(9,390)	-	-	(4,695)	(4,695)	100%	(9,390)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	(9,390)	(9,390)	-	-	(4,695)	(4,695)	100%	(9,390)
NET INCREASE/ (DECREASE) IN CASH HELD		(711,437)	(56,917)	(92,633)	(257,409)	659,010	(28,458)			(56,917)
Cash/cash equivalents at beginning:		43,007	172,922	172,922	(162,135)	203,306	172,922			203,306
Cash/cash equivalents at month/year end:		(668,430)	116,006	80,289		862,316	144,464			146,389

System error to be resolved so that Original budget, monthly and YTD actuals populate correctly. The Cash and Cash equivalents is also severely overstated. Serious intervention is required to correct these discrepancies and to this end training was provided by NT to provide guidance on how to disclose the cash flow actuals. The BTO will endeavor to address all issues raised by NT in terms of the correct mapping of the cash flow, however we need the assistance of our service provider.

As per C6, the Cash and cash equivalents is R41,171 million as per the Cash book balance.