

## Annexure "C1"

### OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE 2023/24 FINANCIAL YEAR AS AT 30 SEPTEMBER 2023

Below is an analysis of the operating revenue and expenditure performance compared to the approved 2023/24 Operating Budget.

Description	Budget Year 2023/24		
	Original Budget	Year TD actual	% Spent
<b>R thousands</b>			
<b>Revenue By Source</b>			
Property rates	2,974,149	3,011,601	101%
Service charges - electricity revenue	5,163,607	1,466,691	28%
Service charges - water revenue	311,829	553,183	177%
Service charges - sanitation revenue	837,553	193,195	23%
Service charges - refuse revenue	2,943,776	73,361	2%
Rental of facilities and equipment	31,021	9,882	32%
Interest earned - external investments	208,088	7,994	4%
Interest earned - outstanding debtors	573,984	295,588	51%
Fines, penalties and forfeits	82,843	7,354	9%
Licences and permits	18,158	5,601	31%
Agency services	3,716	1,067	29%
Transfers and subsidies	1,933,682	607,856	31%
Other revenue	937,771	255,314	27%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>16,020,179</b>	<b>6,488,687</b>	<b>41%</b>
<b>Expenditure By Type</b>			
Employee related costs	4,558,182	892,106	20%
Remuneration of councillors	91,089	23,711	26%
Debt impairment	2,435,537	3,280,250	135%
Depreciation & asset impairment	1,334,327	333,654	25%
Finance charges	128,228	11,694	9%
Bulk purchases - electricity	5,632,329	1,784,875	32%
Inventory consumed	359,733	61,637	17%
Contracted services	1,564,811	158,710	10%
Transfers and subsidies	196,230	3,090	2%
Other expenditure	866,955	211,423	24%
Losses	238,662	-	0%
<b>Total Expenditure</b>	<b>17,406,084</b>	<b>6,761,151</b>	<b>55%</b>

Below is a discussion of the significant revenue and expenditure variations:

The statement of financial performance should not be viewed in isolation from the cash flow statement and the cash flow forecast as discussed in **Annexure C3**.

### Revenue Variations

#### Property Rates

Property rates appears to be in line with the budget projections. Property Rates are raised on 1 July of each financial year as required and is therefore reflected at 101.26%.

Non-exchange Revenue: Property Rates by Usage:	2023/24 Original Budget	2023/24 Actuals	Variance	%
Agricultural Properties	-3,162,940	-3,496,312	333,372	110.54%
Business and Commercial Properties	-944,707,700	-953,242,833	8,535,133	100.90%
Industrial Properties	-284,348,130	-285,942,333	1,594,203	100.56%
Mining Properties	-268,130	-258,777	-9,353	96.51%
Public Benefit Organisations	-2,160,720	-1,475,183	-685,537	68.27%
Public Service Infrastructure Properties	-12,065,060	-577,075	-11,487,985	4.78%
Public Service Purposes Properties	-195,995,600	-133,247,166	-62,748,434	67.98%
Residential Properties	-1,432,385,440	-1,527,268,944	94,883,504	106.62%

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Vacant Land	-99,055,620	-106,092,167	7,036,547	107.10%
<b>Total</b>	<b>-2,974,149,340</b>	<b>-3,011,600,789</b>	<b>37,451,449</b>	<b>101.26%</b>

### Service Charges

It appears that the revenue trends for the Electricity revenue are higher than anticipated in the 2023/24 Operating Budget. However, this is because of the July and August billings that are traditionally the two highest electricity consumption months of the year.

The Water Services reflect a higher revenue trend due to the imposition of punitive water tariffs.

Revenue: Exchange Revenue: Service Charges:	2023/24 Original Budget	2023/24 Actuals	Variance	%
Electricity: Availability Charges	-61,716,930	-15,558,278	-46,158,652	25.21%
Electricity: Connection/Reconnection: Change Circuit Breaker	-1,500	0	-1,500	0.00%
Electricity: Connection/Reconnection: Connections New: Non-government Housing	-3,534,760	-837,703	-2,697,057	23.70%
Electricity: Electricity Sales: Commercial Conventional (3-Phase)	-320,258,740	-64,516,188	-255,742,552	20.15%
Electricity: Electricity Sales: Commercial Prepaid	-71,211,870	0	-71,211,870	0.00%
Electricity: Electricity Sales: Domestic High: Prepaid	-2,084,455,680	-1,071,703,911	-1,012,751,769	51.41%
Electricity: Electricity Sales: Domestic Low: Domestic Indigent	-43,050,220	-5,005,359	-38,044,861	11.63%
Electricity: Electricity Sales: Domestic Low: Prepaid	15,873,890	-2,433,452	18,307,342	-15.33%
Electricity: Electricity Sales: Industrial more than (11 000 Volts) (High Voltage)	-557,302,740	-195,706,490	-361,596,250	35.12%
Electricity: Electricity Sales: Industrial (400 Volts) (Low Voltage)	-178,765,470	-74,739,379	-104,026,091	41.81%
Electricity: Electricity Sales: Time of Use Tariffs	-1,858,911,950	-36,174,834	-1,822,737,116	1.95%
Electricity: Joint Pole Usage	-28,620	-6,216	-22,404	21.72%
Electricity: Meter Compliance Testing	-35,000	-8,579	-26,421	24.51%
Electricity: Meter Reading Fees	-207,230	-888	-206,342	0.43%
Waste Management: Refuse Removal	-295,687,360	-69,282,526	-226,404,834	23.43%
Waste Management: Waste Bins	-16,141,480	-4,078,728	-12,062,752	25.27%
Wastewater Management: Availability Charges	-185,744,080	-50,331,509	-135,412,571	27.10%
Wastewater Management: Connection/Reconnection	-2,170,400	-448,565	-1,721,835	20.67%
Wastewater Management: Higher Level Service	-101,573,760	-34,884,212	-66,689,548	34.34%
Wastewater Management: Industrial Effluent	-48,488,690	-10,971,814	-37,516,876	22.63%
Wastewater Management: Industrial Wastewater	-75,255,990	-13,013,492	-62,242,498	17.29%
Wastewater Management: Sanitation Charges	-424,320,540	-83,545,595	-340,774,945	19.69%
Water: Agricultural and Rural Water Service	-41,000,000	-7,437,338	-33,562,662	18.14%
Water: Availability Charges	-204,100,000	-51,853,601	-152,246,399	25.41%
Water: Connection/Disconnection	-7,120,620	-1,601,502	-5,519,118	22.49%
Water: Industrial Water	-326,066,710	-33,889,190	-292,177,520	10.39%
Water: Sale: Conventional	190,153,620	98,516,316	91,637,304	51.81%
Water: Sale: Flat Rate	-3,025,000	-754,724	-2,270,276	24.95%
Water: Urban Higher-Level Service	-2,552,617,570	-556,162,872	-1,996,454,698	21.79%
<b>Total</b>	<b>-9,256,765,400</b>	<b>-2,286,430,628</b>	<b>-6,970,334,772</b>	<b>24.70%</b>

### Interest Earned – External Investments

The interest earned represents the cash received in respect of investments that have matured during the 2023/24 financial year. Interest earnings are influenced by the extent of the municipality's investment portfolio.

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### Rental of Facilities and Equipment

Rentals of facilities and equipment are lower than anticipated.

<b>Exchange Revenue: Rental from Fixed Assets:</b>	<b>2023/24 Original Budget</b>	<b>2023/24 Actuals</b>	<b>Variance</b>	<b>%</b>
Market Related: Property Plant and Equipment: Ad-hoc rentals: Community Assets	-699,240	-153,001	-546,239	21.88%
Non-market Related: Investment Property: Ad-hoc rentals	-3,676,710	-1,149,340	-2,527,370	31.26%
Non-market Related: Investment Property: Straight-lined Operating	-8,527,150	-2,399,632	-6,127,518	28.14%
Non-market Related: Property Plant and Equipment: Ad-hoc rentals: Community Assets	-11,109,140	-3,922,982	-7,186,158	35.31%
Non-market Related: Property Plant and Equipment: Ad-hoc rentals: Machinery and Equipment	-259,280	-30,762	-228,518	11.86%
Non-market Related: Property Plant and Equipment: Ad-hoc rentals: Solid Waste Infrastructure	-4,993,200	-1,315,436	-3,677,764	26.34%
Non-market Related: Property Plant and Equipment: Straight-lined Operating: Community Assets	-5,030	-1,651	-3,379	32.83%
Non-market Related: Property Plant and Equipment: Straight-lined Operating: Electrical Infrastructure	-15,000	-3,941	-11,059	26.27%
Non-market Related: Property Plant and Equipment: Straight-lined Operating: Machinery and Equipment	-1,800	-999	-801	55.52%
Non-market Related: Property Plant and Equipment: Straight-lined Operating: Other Assets	-1,524,860	-508,189	-1,016,671	33.33%
Non-market Related: Property Plant and Equipment: Sub-lease Payment: Roads Infrastructure	-210,000	-78,651	-131,349	37.45%
<b>Total</b>	<b>-31,021,410</b>	<b>-9,564,584</b>	<b>-21,456,826</b>	<b>30.83%</b>

### Interest Earned: Outstanding Debtors

Interest Earned on Outstanding Debtors is higher than anticipated in the 2023/24 Operating Budget due to escalating Outstanding Debtors.

### Fines

The total fines raised as at 30 September 2023 was only R7.35 million or 8.88% compared to the 2023/24 budget projection of R82.843 million.

<b>Non-exchange Revenue: Fines, Penalties and Forfeits:</b>	<b>2023/24 Original Budget</b>	<b>2023/24 Actuals</b>	<b>Variance</b>	<b>% Spent</b>
Fines: Illegal Connections	-850,000	-332,438	-517,562	39.11%
Fines: Law Enforcement	-20,000	0	-20,000	0.00%
Fines: Overdue Books Fine	-1,263,620	-142,366	-1,121,254	11.27%
Fines: Pound Fees	-225,630	-9,388	-216,242	4.16%
Fines: Traffic: Municipal	-9,494,460	-615,910	-8,878,550	6.49%
Fines: Traffic: Service Provider	-17,909,420	0	-17,909,420	0.00%
Forfeits: Deposits	0	3,382	-3,382	#DIV/0!
Forfeits: Unclaimed Money	0	-1,837,573	1,837,573	#DIV/0!
Penalties: Disconnection Fees	-53,080,180	-4,419,372	-48,660,808	8.33%
<b>Total</b>	<b>-82,843,310</b>	<b>-7,353,664</b>	<b>-75,489,646</b>	<b>8.88%</b>

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### Licences or Permits

The total Licences or Permits revenue collected as at 30 September 2023 was R5.60 million or 30.85% compared to the 2023/24 budget projection of R18.158 million.

Revenue: Exchange Revenue: Licences or Permits:	2023/24 Original Budget	2023/24 Actuals	Variance	% Spent
Boat	-259,100	-86,999	-172,101	33.58%
Fauna and Flora	-300,000	-141,137	-158,863	47.05%
Health Certificates	-501,000	-291,705	-209,295	58.22%
Road and Transport: Drivers Licence Application/Duplicate Drivers Licences	-2,445,900	-641,797	-1,804,103	26.24%
Road and Transport: Drivers Licence Certificate	-8,231,400	-2,767,433	-5,463,967	33.62%
Road and Transport: Learner Licence Application	-2,690,000	-1,117,140	-1,572,860	41.53%
Road and Transport: Learners Certificate	-1,254,180	-108,000	-1,146,180	8.61%
Road and Transport: Operators and Public Drivers Permits	-1,712,550	-289,650	-1,422,901	16.91%
Threatened and Protected Species	-1,000	0	-1,000	0.00%
Trading	-762,000	-157,453	-604,547	20.66%
Non-exchange Revenue: Licences or Permits: Dog	-1,000	0	-1,000	0.00%
<b>Total</b>	<b>-18,158,130</b>	<b>-5,601,314</b>	<b>-12,556,816</b>	<b>30.85%</b>

### Grants and Subsidies received.

It is important to note that R122,906,585 of Council's allocated 2022/23 DORA Grants were not spent as at 30 June 2023. The table below reflects the unspent portions of the respective grants:

Grant Description	2022/23
Public Transport Infrastructure Grant	15,957,033
Public Transport Networks Operations Grant	6,951,599
Neighbourhood Partnership Development Grant	30,592
Neighbourhood Partnership Development Grant	1,615
Urban Settlement Development Grant	29,400,680
Programme and Project Preparation Support Grant (PPPSG)	19,892,820
Drought Relief Grant	763,767
Energy Efficiency and Demand Side Management Grant	192,487
Informal Settlements Upgrading Grant	49,715,992
<b>Unspent Conditional Grants</b>	<b>122,906,585</b>

The table below also reflects the conditional grants and Equitable Share received:

Non-exchange Revenue: Transfers and Subsidies:	2023/24 Original Budget	2023/24 Actuals
Departmental Agencies and Accounts: National Departmental Agencies: Local Government, Water and Related Service SETA	-3,800,000	-1,056,805
Departmental Agencies and Accounts: National Departmental Agencies: Marine Living Resources Fund	-896,340	0
National Governments: Energy Efficiency and Demand Side Management Grant	-1,173,920	0
National Governments: Expanded Public Works Programme Integrated Grant	-8,397,000	-2,099,000
National Governments: Infrastructure Skills Development Grant	-13,750,000	-9,000,000
National Governments: Local Government Financial Management Grant	-1,000,000	-1,000,000
National Governments: Metro Informal Settlements Partnership Grant	-86,278,470	
National Governments: Neighbourhood Development Partnership Grant	-21,265,220	-10,774,378

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Non-exchange Revenue: Transfers and Subsidies:	2023/24 Original Budget	2023/24 Actuals
National Governments: Programme and Project Preparation Support Grant	-20,000,000	-4,530,000
National Governments: Public Transport Network Grant	-161,176,000	
National Governments: Regional Bulk Infrastructure Grant	-62,782,610	-11,270,122
National Governments: Urban Settlement Development Grant	-18,631,650	-3,875,455
National Revenue Fund: Equitable Share	-1,419,053,000	-591,272,000
Provincial Government: Eastern Cape: Capacity Building and Other: Specify	-97,478,270	
Provincial Government: Eastern Cape: Infrastructure: Specify	-18,000,000	
Capital: Monetary Allocations: National Government: Energy Efficiency and Demand Side Management Grant	-7,826,080	-2,000,000
Capital: Monetary Allocations: National Government: Integrated National Electrification Programme Grant	-48,242,900	
Capital: Monetary Allocations: National Government: Metro Informal Settlements Partnership Grant	-263,356,530	-55,165,217
Capital: Monetary Allocations: National Government: Neighbourhood Development Partnership Grant	-8,434,780	-4,273,622
Capital: Monetary Allocations: National Government: Public Transport Network Grant	-185,200,000	-49,131,000
Capital: Monetary Allocations: National Government: Regional Bulk Infrastructure Grant	-285,217,390	-51,199,444
Capital: Monetary Allocations: National Government: Urban Settlements Development Grant	-596,270,350	-124,026,545
<b>Total</b>	<b>-3,328,230,510</b>	<b>-920,673,587</b>

### Fuel Levy

Fuel Levy is defined as a non-exchange other revenue source and was received as follows:

Revenue: Non-exchange Revenue:	2023/24 Original Budget	2023/24 Actuals	Variance	% Spent
Fuel Levy (RSC Replacement Grant)	-783,478,000	-261,159,000	-522,319,000	33.33%
<b>Total</b>	<b>-783,478,000</b>	<b>-261,159,000</b>	<b>-522,319,000</b>	<b>33.33%</b>

### Sale of Goods and Rendering of Services

The variances are reflected in the table below.

Exchange Revenue: Sales of Goods and Rendering of Services:	2023/24 Original Budget	2023/24 Actuals	Variance	% Spent
Academic Services: Formal Training	-1,562,110	-26,838	-1,535,272	1.72%
Advertisements	-2,304,390	-618,008	-1,686,382	26.82%
Building Plan Approval	-13,250,000	-2,285,218	-10,964,782	17.25%
Buyers Card	-32,470	-16,259	-16,211	50.07%
Camping Fees	-40,000	-34,211	-5,789	85.53%
Cemetery and Burial	-11,876,300	-3,041,729	-8,834,571	25.61%
Cleaning and Removal	-105,500	-35,760	-69,740	33.90%
Clearance Certificates	-1,799,170	-413,279	-1,385,891	22.97%
Computer Services	-77,730	-8,476	-69,254	10.90%
Drainage Fees	-60,000	-3,612	-56,388	6.02%
Encroachment Fees	-550,000	-304,281	-245,719	55.32%
Entrance Fees	-14,119,130	-49,599	-14,069,531	0.35%
Escort Fees	-852,600	-10,386	-842,214	1.22%
Fire Services	-55,100	-304,634	249,534	552.87%
Laboratory Services	-1,500,000	-319,334	-1,180,666	21.29%
Legal Fees	-42,972,110	-4,073,161	-38,898,949	9.48%
Meal and Refreshment	-10,000	0	-10,000	0.00%

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<b>Exchange Revenue: Sales of Goods and Rendering of Services:</b>	<b>2023/24 Original Budget</b>	<b>2023/24 Actuals</b>	<b>Variance</b>	<b>% Spent</b>
Parking Fees	-13,010	-261	-12,749	2.01%
Photocopies, Faxes and Telephone charges	-164,640	-23,150	-141,490	14.06%
Removal of Restrictions	-1,450,000	-536,045	-913,955	36.97%
Sale of Goods: Agricultural Products: Nursery Sale of Plants	-100,920	-5,001	-95,919	4.96%
Sale of Goods: Assets < Capitalisation Threshold	0	-5,045	5,045	100.00%
Sale of Goods: Consumables	0	28,950,320	-28,950,320	100.00%
Sale of Goods: Publications: Books	0	-522	522	100.00%
Sale of Goods: Publications: Charts/Posters	-14,000	0	-14,000	0.00%
Sale of Goods: Publications: Prints	-89,710	-15,612	-74,098	17.40%
Sale of Goods: Publications: Tender Documents	-1,718,910	-14,151	-1,704,759	0.82%
Sale of Goods: Sub-division and Consolidation Fees	-3,213,880	0	-3,213,880	0.00%
Scrap, Waste & Other Goods: Recycling of Waste	-8,500,000	-2,195,751	-6,304,249	25.83%
Scrap, Waste & Other Goods: Scrap	-102,400	0	-102,400	0.00%
Transport Fees	-10,830,000	-466,634	-10,363,366	4.31%
Valuation Services	-344,320	-53,631	-290,689	15.58%
Weighbridge Fees	-11,460	-334	-11,126	2.91%
<b>Total</b>	<b>-117,719,860</b>	<b>14,089,399</b>	<b>-131,809,259</b>	<b>-11.97%</b>

### Other Operational Revenue

The variances are reflected in the table below.

<b>Exchange Revenue: Operational Revenue:</b>	<b>2023/24 Original Budget</b>	<b>2023/24 Actuals</b>	<b>Variance</b>	<b>% Spent</b>
Administrative Handling Fees	-210,000	0	-210,000	0.00%
Breakages and Losses Recovered	-2,030	-2,653	623	130.71%
Commission: Transaction Handling Fees	-25,821,990	-4,445,721	-21,376,269	17.22%
Discounts and Early Settlements	-3,965,320	-1,035,592	-2,929,728	26.12%
Incidental Cash Surpluses	-24,780	-1,992	-22,788	8.04%
Inspection Fees: Statutory Services	-4,037,920	-886,956	-3,150,964	21.97%
Insurance Refund	-61,700	-979,282	917,582	1587.17%
Recovery Maintenance	-230,000	0	-230,000	0.00%
Registration Fees: Road and Transport	-197,730	-65,149	-132,581	32.95%
Request for Information: Access to Information Act	-219,230	-45,350	-173,880	20.69%
Request for Information: Accident Reports	-386,660	-23,807	-362,853	6.16%
Request for Information: Duplicate IRP 5 Certificate	-60	0	-60	0.00%
Request for Information: Municipal Information and Statistics	-20,540	0	-20,540	0.00%
Request for Information: Plan Printing and Duplicates	-10,000	-229	-9,771	2.29%
Sale of Property	-28,000	-2,955	-25,045	10.55%
Staff and Councillors Recoveries	-1,357,350	-411,908	-945,442	30.35%
<b>Total</b>	<b>-36,573,310</b>	<b>-7,901,594</b>	<b>-28,671,716</b>	<b>21.60%</b>

### Interest Earned: Outstanding Debtors

Interest Earned on Outstanding Debtors is higher than anticipated in the 2023/24 Operating Budget due to escalating Outstanding Debtors.

<b>Exchange Revenue: Interest, Dividend and Rent on Land:</b>	<b>2023/24 Original Budget</b>	<b>2023/24 Actuals</b>	<b>Variance</b>	<b>% Spent</b>
Interest: Receivables: Electricity	-104,287,600	-296,009,347	191,721,747	283.84%
Interest: Receivables: Housing Land Sales	0	421,800	-421,800	#DIV/0!

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Interest: Receivables: Service Charges	-114,165,070	0	-114,165,070	0.00%
Interest: Receivables: Waste Management	-25,782,590	0	-25,782,590	0.00%
Interest: Receivables: Wastewater Management	-67,914,420	0	-67,914,420	0.00%
Interest: Receivables: Water	-261,834,410	0	-261,834,410	0.00%
<b>Total</b>	<b>-573,984,090</b>	<b>-295,587,547</b>	<b>-278,396,543</b>	<b>51.50%</b>

### Expenditure Variations:

#### Employee Related Costs

The Operating Budget for Employee Related Costs amount to R4.145 billion for the 2023/24 financial year. The expenditure to date amounts to R800.503 million or 19.77% of the budgeted amount.

<b>Expenditure: Employee Related Cost:</b>	<b>2023/24 Original Budget</b>	<b>2023/24 Actuals</b>	<b>Variance</b>	<b>% Spent</b>
<b>Municipal Staff: Post-retirement Benefit:</b>				
Pension: Current Service Cost	16,645,510	0	16,645,510	0.00%
<b>Municipal Staff: Salaries, Wages and Allowances:</b>				
Cellular and Telephone	8,890	1,048	7,842	11.79%
Housing Benefits and Incidental: Essential User	30,592,090	7,213,985	23,378,105	23.58%
Housing Benefits and Incidental: Housing Benefits	16,331,980	3,829,900	12,502,080	23.45%
Non-pensionable	1,249,680	187,731	1,061,949	15.02%
Service-Related Benefits: Acting and Post Related Allowances	0	2,865,828	-2,865,828	#DIV/0!
Service-Related Benefits: Bonus	177,909,280	15,158,380	162,750,900	8.52%
Service-Related Benefits: Entertainment	1,770	0	1,770	0.00%
Service-Related Benefits: Leave Pay	6,515,950	0	6,515,950	0.00%
Service-Related Benefits: Long Service Award	140,488,480	32,016,968	108,471,513	22.79%
Service-Related Benefits: Overtime: Night Shift	20,998,920	3,772,626	17,226,294	17.97%
Service-Related Benefits: Overtime: Non-Structured	274,327,950	62,868,751	211,459,199	22.92%
Service-Related Benefits: Overtime: Shift Additional Remuneration	24,266,050	3,954,442	20,311,608	16.30%
Service-Related Benefits: Overtime: Structured	55,615,100	6,972,972	48,642,128	12.54%
Service-Related Benefits: Scarcity Allowance	21,883,500	4,550,969	17,332,531	20.80%
Service-Related Benefits: Standby Allowance	24,436,620	6,626,548	17,810,072	27.12%
Service-Related Benefits: Uniform/Special/Protective Clothing	5,750	492	5,258	8.56%
Travel or Motor Vehicle	79,744,990	18,889,040	60,855,950	23.69%
Basic Salary and Wages	2,855,552,030	542,914,902	2,312,637,128	19.01%
Bonuses	57,138,800	7,763,803	49,374,997	13.59%
<b>Municipal Staff: Social Contributions:</b>				
Bargaining Council	893,880	199,531	694,349	22.32%
Group Life Insurance	31,972,400	7,766,779	24,205,621	24.29%
Medical	220,747,560	50,879,431	169,868,129	23.05%
Pension	414,332,560	96,175,492	318,157,068	23.21%
Unemployment Insurance	19,144,120	3,632,399	15,511,721	18.97%
<b>Senior Management:</b>				
Chief Financial Officer: Salaries and Allowances: Basic Salary	2,663,450	667,836	1,995,614	25.07%
Chief Financial Officer: Salaries and Allowances: Bonuses	294,730	0	294,730	0.00%
Chief Financial Officer: Social Contributions: Unemployment Insurance	2,690	531	2,159	19.75%
Other Designation: Salaries and Allowances: Basic Salary	20,936,870	3,003,831	17,933,039	14.35%
Other Designation: Salaries and Allowances: Bonuses	2,313,200	0	2,313,200	0.00%
Other Designation: Social Contributions: Unemployment Insurance	17,030	2,657	14,373	15.60%
Municipal Manager (MM): Salaries and Allowances: Basic Salary	0	66,816	-66,816	#DIV/0!
Municipal Manager (MM): Salaries and Allowances: Bonuses	400,000	0	400,000	0.00%
Municipal Manager (MM): Social Contributions: Unemployment Insurance	1,000	531	469	53.14%

## Annexure "C1"

Expenditure: Employee Related Cost:	2023/24 Original Budget	2023/24 Actuals	Variance	% Spent
<b>Total</b>	<b>4,517,432,830</b>	<b>881,984,222</b>	<b>3,635,448,608</b>	<b>19.52%</b>

The variance is due to certain allowances such as Overtime, Acting Allowance and Incentive Bonuses that are paid one month in arrears. Contributions to Post Retirement benefits and Leave Pay provision are only processed as at the close of the financial year as it relies on actuarial reports and the information as applicable as at 30 June of each financial year.

### Debt Impairment inclusive of Bad Debts and Doubtful Debt Provision

Bad debts are written off upon Council's approval. Doubtful debts written off in the 2023/24 financial year to date. Impairment of Receivables are normally adjusted at financial year-end when the impairment of doubtful debts is concluded.

### Remuneration of Councillors

The table below contains a list of Remuneration of Councillors Items where the actual expenditure is reflected:

Remuneration of Councillors:	2023/24 Original Budget	2023/24 Actuals	Variance	% Spent
Chief Whip: Allowances and Service-Related Benefits: Basic Salary	1,161,050	0	1,161,050	0.00%
Deputy Executive Mayor: Allowances and Service-Related Benefits: Basic Salary	1,232,550	347,519	885,031	28.20%
Deputy Executive Mayor: Allowances and Service-Related Benefits: Cell phone Allowance	49,920	0	49,920	0.00%
Executive Committee: Allowances and Service-Related Benefits: Basic Salary	12,782,510	4,206,558	8,575,952	32.91%
Executive Committee: Allowances and Service-Related Benefits: Cell phone Allowance	8,700	0	8,700	0.00%
Executive Mayor: Allowances and Service-Related Benefits: Basic Salary	1,555,360	429,507	1,125,853	27.61%
Executive Mayor: Allowances and Service-Related Benefits: Cell phone Allowance	41,220	0	41,220	0.00%
Section 79 committee chairperson: Allowances and Service-Related Benefits: Basic Salary	1,205,340	0	1,205,340	0.00%
Speaker: Allowances and Service-Related Benefits: Basic Salary	1,304,210	348,349	955,861	26.71%
Speaker: Allowances and Service-Related Benefits: Cell phone Allowance	5,285,750	1,583,700	3,702,050	29.96%
Speaker: Allowances and Service-Related Benefits: Market Related Non-pensionable Allowance	265,940	56,530	209,410	21.26%
Total for All Other Councillors: Allowances and Service-Related Benefits: Basic Salary	66,192,290	16,738,759	49,453,531	25.29%
Total for All Other Councillors: Allowances and Service-Related Benefits: In-kind Benefits	4,350	0	4,350	0.00%
<b>Total</b>	<b>91,089,190</b>	<b>23,710,922</b>	<b>67,378,268</b>	<b>26.03%</b>

### Finance Charges

The expenditure is influenced by the timing of payments, in accordance with the loan schedules.

### Bulk Purchases

The table indicate financial records as at 30 September 2023 in respect of Bulk Purchases

Bulk Purchases:	2023/24 Original Budget	2023/24 Actuals	Variance	% Spent
Electricity: ESKOM	5,632,329,340	1,784,875,481	3,847,453,859	31.69%
<b>Total</b>	<b>5,632,329,340</b>	<b>1,784,875,481</b>	<b>3,847,453,859</b>	<b>31.69%</b>

## Annexure “C1”

### Electricity losses (Refer to Table below)

Total non-revenue electricity for the 2022/23 financial year was 23.65% (781,072,790Kw) or equivalent to R925.463 million. The year-to-date non-revenue electricity losses for the 2023/24 financial year first quarter ending 30 September 2023 amounts to 22.45% (196,499,614Kw), or an equivalent of R337.446 million. It is evident that the current strategies to address electricity losses are not yielding positive results.

The highest percentage non-revenue electricity losses per month are always incurred during the high season tariff months namely July and August of each year, which significantly affects the value of electricity losses. Electricity losses have increased materially over the last 5 financial years, including the 2023/24 financial year.

The tariff used to calculate the losses are based on the bulk purchase price and excludes distribution and administration costs.

- Electricity losses comprise of both Technical and Non-Technical losses.
- Technical Losses are assumed to be at 6%.
- Technical Losses include electricity system and line losses that are unavoidable.
- Non-Technical losses include theft by way of illegal connections, tampering etc.
- Internal consumption is the use of energy in municipal buildings & street lighting.
- Average purchased price will be finally recalculated annually.

# Annexure "C1"

## 2023/24 Electricity Losses

	Jul (2023)	Aug (*2023)	Sep (*2023)	Total Accum to date-
Total Purchases Energy (kWh)	314,883,981	270,186,734	290,310,382	875,381,097
Total Sales Energy (kWh)	212,989,183	236,142,509	217,342,631	666,474,323
Unbilled Energy (kWh)	101,894,798	34,044,225	72,967,751	208,906,774
Street Light and traffic lights (kWh)	4,135,720	4,135,720	4,135,720	12,407,159
Energy Loss ( kWh )	97,759,078	29,908,505	68,832,031	196,499,614
<b>% Total Losses</b>	<b>31.05%</b>	<b>11.07%</b>	<b>23.71%</b>	<b>22.45%</b>
Technical Losses in units (kWh)	18,893,039	16,211,204	17,418,623	52,522,866
Non-Technical Losses in units (kWh)	78,866,039	13,697,301	51,413,408	143,976,748
Average Purchase Price	1.95	1.95	1.29	0.85
Rand Value - Technical Losses	36,833,533.17	31,572,072.83	22,423,392.06	90,828,998.07
Rand Value - Non Technical Losses	153,755,830.00	26,676,129.79	66,185,657.48	246,617,617.27
<b>Rand Value - Total Losses</b>	<b>190,589,363.17</b>	<b>58,248,202.62</b>	<b>88,609,049.54</b>	<b>337,446,615.34</b>
Technical Losses are calculated at 6%	6%	6%	6%	6%
Actual Non Technical Losses %	25.05%	5.07%	17.71%	16.45%

## 2023/2024 Water Losses

Financial Year	Jul-23	Aug-23	Sep-23	Annual
Volume Treated (kℓ)	0	0	0	0
Revenue Volume (kℓ)	0	0	0	0
Revenue Water (%)	0	0	0	0
NRW volume (kℓ)	0	0	0	0
NRW (%)	0	0	0	0
Real Losses (Mℓ)	0	0	0	0
Real Losses (%)	0	0	0	0
Water Losses (Mℓ)	0	0	0	0
Water Losses (%)	0	0	0	0
ILI	0	0	0	0

## Annexure "C1"

### Water Losses (Refer to Tables above)

The Non-Revenue Water Losses for for the Period 1 July 2023 to 30 September 2023 were not available when this agenda closed.

The Non-Revenue Water losses for the annual period 2022/2023 amounted to 38,766 megalitres or 37.92% in the value of R224.7 million

### Other Materials

The table below contains a list of Other Materials Items where the actual expenditure are reflected:

<b>Inventory Consumed:</b>	<b>2023/24 Original Budget</b>	<b>2023/24 Actuals</b>	<b>Variance</b>	<b>% Spent</b>
Consumables: Standard Rated	128,303,600	20,649,623	107,653,977	16.09%
Consumables: Zero Rated	72,196,520	15,411,890	56,784,630	21.35%
Finished Goods	21,059,940	3,328,737	17,731,203	15.81%
Materials and Supplies	100,178,100	22,246,993	77,931,107	22.21%
Water	37,994,490	0	37,994,490	0.00%
<b>Total</b>	<b>359,732,650</b>	<b>61,637,243</b>	<b>298,095,407</b>	<b>17.13%</b>

### Contracted Services

The table below contains a list of Contracted Services Items where the actual expenditure is reflected.

<b>Contracted Services:</b>	<b>2023/24 Original Budget</b>	<b>2023/24 Actuals</b>	<b>Variance</b>	<b>% Spent</b>
<b>Consultants and Professional Services: Business and Advisory:</b>				
Accounting and Auditing	50,250	0	50,250	0.00%
Audit Committee	1,060,000	353,460	706,540	33.35%
Business and Financial Management	1,833,230	44,065	1,789,165	2.40%
Commissions and Committees	1,531,880	452,920	1,078,960	29.57%
Communications	3,213,880	0	3,213,880	0.00%
Forensic Investigators	4,745,210	0	4,745,210	0.00%
Human Resources	765,000	0	765,000	0.00%
Occupational Health and Safety	298,340	0	298,340	0.00%
Organisational	3,000,000	0	3,000,000	0.00%
Project Management	48,191,900	2,084,021	46,107,879	4.32%
Quality Control	126,000	0	126,000	0.00%
Research and Advisory	12,216,770	642,497	11,574,274	5.26%
<b>Consultants and Professional Services: Infrastructure and Planning:</b>				
Engineering: Civil	12,770,550	2,086,716	10,683,834	16.34%
Engineering: Electrical	18,200,000	2,191	18,197,809	0.01%
Town Planner	2,350,000	0	2,350,000	0.00%
<b>Consultants and Professional Services:</b>				
Laboratory Services: Roads	225,750	12,554	213,196	5.56%
Laboratory Services: Water	1,125,860	0	1,125,860	0.00%
Legal Cost: Collection	42,258,740	4,251,274	38,007,466	10.06%
Legal Cost: Issue of Summons	713,370	0	713,370	0.00%
Legal Cost: Legal Advice and Litigation	64,252,980	12,423,683	51,829,297	19.34%

## Annexure "C1"

Contracted Services:	2023/24 Original Budget	2023/24 Actuals	Variance	% Spent
<b>Contractors:</b>				
Artists and Performers	2,239,520	533,696	1,705,824	23.83%
Audio-visual Services	1,020,550	0	1,020,550	0.00%
Building	94,490,770	13,804,659	80,686,111	14.61%
Catering Services	985,730	277,899	707,831	28.19%
Chipping	15,000	0	15,000	0.00%
Fire Protection	2,360,220	0	2,360,220	0.00%
Gardening Services	6,715,950	1,901,584	4,814,366	28.31%
Gas	1,720,550	230,538	1,490,012	13.40%
Maintenance of Buildings and Facilities	192,893,150	11,954,719	180,938,431	6.20%
Maintenance of Equipment	283,238,640	40,116,542	243,122,098	14.16%
Maintenance of Unspecified Assets	201,000	0	201,000	0.00%
Management of Informal Settlements	5,964,700	89,793	5,874,907	1.51%
Medical Services	57,980	0	57,980	0.00%
Pest Control and Fumigation	1,143,970	74,110	1,069,860	6.48%
Plants, Flowers and Other Decorations	1,543,030	0	1,543,030	0.00%
Prepaid Electricity Vendors	8,790,570	726,168	8,064,402	8.26%
Preservation/Restoration/Dismantling/Cleaning Services	403,050	12,600	390,450	3.13%
Safeguard and Security	6,823,610	425,121	6,398,489	6.23%
Sewerage Services	75,182,040	21,754,057	53,427,983	28.94%
Sports and Recreation	2,045,160	224,645	1,820,515	10.98%
Stage and Sound Crew	427,650	9,800	417,850	2.29%
Tracing Agents and Debt Collectors	704,690	0	704,690	0.00%
Traffic and Street Lights	300,000	0	300,000	0.00%
Transportation	45,303,270	4,694,219	40,609,051	10.36%
<b>Outsourced Services:</b>				
Administrative and Support Staff	300,000	0	300,000	0.00%
Alien Vegetation Control	17,098,120	1,328,794	15,769,326	7.77%
Animal Care	2,204,910	125,743	2,079,167	5.70%
Burial Services	2,351,870	661,313	1,690,557	28.12%
Business and Advisory: Accounting and Auditing	1,713,000	0	1,713,000	0.00%
Business and Advisory: Commissions and Committees	2,000,000	8,832	1,991,168	0.44%
Business and Advisory: Communications	2,270,520	1,521,274	749,246	67.00%
Business and Advisory: Human Resources	95,140	0	95,140	0.00%
Business and Advisory: Project Management	260,473,690	15,941,923	244,531,767	6.12%
Business and Advisory: Qualification Verification	290,040	0	290,040	0.00%
Business and Advisory: Quality Control	2,047,020	316,669	1,730,351	15.47%
Business and Advisory: Research and Advisory	7,841,200	21,100	7,820,100	0.27%
Business and Advisory: Valuer	4,800,000	0	4,800,000	0.00%
Catering Services	280,000	20,570	259,430	7.35%
Cleaning Services	1,915,860	100,826	1,815,034	5.26%
Clearing and Grass Cutting Services	45,264,970	4,157,306	41,107,664	9.18%
Connection/Dis-connection: Electricity	4,322,290	0	4,322,290	0.00%
Connection/Dis-connection: Water	5,010,500	0	5,010,500	0.00%
Drivers Licence Cards	5,984,970	716,688	5,268,282	11.97%
Electrical	44,800,000	4,596,279	40,203,721	10.26%
Hygiene Services	17,817,350	1,626,331	16,191,019	9.13%
Medical Waste Removal	240,120	0	240,120	0.00%
Meter Management	18,387,820	1,345,915	17,041,905	7.32%
Printing Services	5,233,160	14,270	5,218,890	0.27%
Professional Staff	543,000	0	543,000	0.00%
Refuse Removal	53,848,040	4,847	53,843,193	0.01%
Security Services	65,829,020	4,130,865	61,698,155	6.28%
Sewerage Services	2,700,230	0	2,700,230	0.00%

## Annexure "C1"

<b>Contracted Services:</b>	<b>2023/24 Original Budget</b>	<b>2023/24 Actuals</b>	<b>Variance</b>	<b>% Spent</b>
Traffic Management	15,559,720	0	15,559,720	0.00%
Transport Services	554,920	19,150	535,770	3.45%
<b>Total</b>	<b>1,545,277,990</b>	<b>155,842,222</b>	<b>1,389,435,768</b>	<b>10.09%</b>

### Other Expenditure

The table below contains a list of Other Expenditure Items where the actual expenditure is reflected.

<b>Other Expenditure</b>	<b>2023/24 Original Budget</b>	<b>2023/24 Actuals</b>	<b>Variance</b>	<b>% Spent</b>
<b>Operating Leases:</b>				
Computer Equipment	611,140	0	611,140	0.00%
Furniture and Office Equipment	16,468,460	2,068,130	14,400,330	12.56%
Other Assets	31,998,120	1,259,849	30,738,271	3.94%
Transport Assets	5,537,250	3,697,101	1,840,149	66.77%
<b>Cost: Advertising, Publicity and Marketing:</b>				
Auctions	15,000	0	15,000	0.00%
Bursaries (Non-employees)	53,000	0	53,000	0.00%
Corporate and Municipal Activities	8,462,030	542,911	7,919,119	6.42%
Customer/Client Information	300,000	265,216	34,784	88.41%
Gifts and Promotional Items	200,000	0	200,000	0.00%
Municipal Newsletters	255,830	0	255,830	0.00%
Signs	803,800	8,690	795,110	1.08%
Staff Recruitment	1,736,060	24,127	1,711,933	1.39%
Tenders	2,672,800	42,688	2,630,112	1.60%
<b>Operational Cost: Bank Charges, Facility and Card Fees:</b>				
Bank Accounts	7,385,060	875,580	6,509,480	11.86%
Third Parties	2,650	0	2,650	0.00%
<b>Operational Cost: Cleaning Services:</b>				
Car Valet and Washing Services	23,370	0	23,370	0.00%
Laundry Services	147,220	8,499	138,721	5.77%
<b>Operational Cost: Commission:</b>				
Prepaid Electricity	14,580,640	1,423,292	13,157,348	9.76%
Third Party Vendors	5,656,060	-1,055	5,657,115	-0.02%
<b>Operational Cost: Communication:</b>				
Cellular Expenditure	19,907,240	5,400	19,901,840	0.03%
Licences (Radio and Television)	423,700	0	423,700	0.00%
Postage/Stamps/Frinking Machines	3,005,360	195,133	2,810,227	6.49%
Radio and TV Transmissions	47,740	0	47,740	0.00%
Rent Private Bag and Postal Box	5,850	0	5,850	0.00%
SMS Bulk Message Service	1,454,030	0	1,454,030	0.00%
Telemetric Systems	56,590	1,457	55,133	2.58%
Telephone Installation	161,280	0	161,280	0.00%
Telephone, Fax, Telegraph and Telex	16,470,920	1,793,657	14,677,263	10.89%
<b>Operational Cost: Entertainment:</b>				
Senior Management	24,910	0	24,910	0.00%
Total for All Other Councillors	306,000	0	306,000	0.00%
<b>Operational Cost: External Computer Service:</b>				
Data Lines	2,301,480	298,068	2,003,412	12.95%
Information Services	13,057,420	0	13,057,420	0.00%
Internet Charge	2,325,880	293,665	2,032,215	12.63%

## Annexure "C1"

Other Expenditure	2023/24 Original Budget	2023/24 Actuals	Variance	% Spent
Network Extensions	1,121,610	0	1,121,610	0.00%
Remote Server Access	3,138,600	36,099	3,102,501	1.15%
Software Licences	94,417,460	65,049,116	29,368,344	68.90%
Specialised Computer Service	2,594,800	307,063	2,287,737	11.83%
System Adviser	4,965,700	1,253,716	3,711,984	25.25%
System Development	50,285,660	9,000,587	41,285,073	17.90%
Wireless Network	2,724,610	0	2,724,610	0.00%
<b>Operational Cost: Insurance Underwriting:</b>				
Claims paid to Third Parties	3,152,350	107,617	3,044,733	3.41%
Excess Payments	1,100	0	1,100	0.00%
Insurance Brokers Fees	653,650	0	653,650	0.00%
Premiums	21,947,820	19,749,813	2,198,007	89.99%
<b>Operational Cost: Transport Provided as Part of Departmental Activities:</b>				
Events	30,600	0	30,600	0.00%
Municipal Activities	3,710,710	1,035,800	2,674,910	27.91%
<b>Operational Cost: Travel and Subsistence: Domestic:</b>				
Accommodation	1,680,430	87,959	1,592,471	5.23%
Daily Allowance	495,400	150,853	344,547	30.45%
Food and Beverage (Served)	153,190	0	153,190	0.00%
Incidental Cost	95,950	0	95,950	0.00%
Transport with Operator: Other Transport Provider	17,760	0	17,760	0.00%
Transport with Operator: Public Transport: Air Transport	2,179,920	49,916	2,130,004	2.29%
Transport with Operator: Public Transport: Road Transport	183,570	-13,160	196,730	-7.17%
Transport without Operator: Car Rental	1,174,700	33,833	1,140,867	2.88%
Transport without Operator: Own Transport	330,350	0	330,350	0.00%
<b>Operational Cost: Travel and Subsistence: Foreign:</b>				
Accommodation	539,260	56,010	483,250	10.39%
Daily Allowance	525,150	0	525,150	0.00%
Food and Beverage	8,000	0	8,000	0.00%
Incidental Cost	10,000	0	10,000	0.00%
Transport with Operator: Public Transport: Air Transport	895,540	222,434	673,106	24.84%
Transport with Operator: Public Transport: Road Transport	74,500	0	74,500	0.00%
Transport without Operator: Car Rental	10,000	0	10,000	0.00%
<b>Operational Cost: Travel and Subsistence:</b>				
Non-employees	650,850	3,656	647,194	0.56%
<b>Other Operational Cost:</b>				
Uniform and Protective Clothing	15,692,330	3,575,219	12,117,111	22.78%
Vehicle Tracking	1,640,060	0	1,640,060	0.00%
Ward Committees	22,560,000	4,042,660	18,517,340	17.92%
Wet Fuel	6,517,500	0	6,517,500	0.00%
Workmen's Compensation Fund	5,941,720	2,139,915	3,801,805	36.02%
Assets less than the Capitalisation Threshold	33,948,890	1,419,987	32,528,903	4.18%
Bursaries (Employees)	3,040,080	203,263	2,836,817	6.69%
Cash Discount	109,730	0	109,730	0.00%
Cost relating to the Sale of Houses	0	343	-343	#DIV/0!
Courier and Delivery Services	462,860	58,713	404,147	12.68%
Deeds	776,650	39,153	737,497	5.04%
Drivers Licences and Permits	350,470	6,265	344,205	1.79%
External Audit Fees	32,000,000	2,249,177	29,750,823	7.03%
Fines and Penalties: Breach of Contract	0	11,732,067	-11,732,067	#DIV/0!
Firearm Handling Fees	37,130	0	37,130	0.00%
Hire Charges	184,365,680	30,669,742	153,695,938	16.64%
Intercompany/Parent-subsidary Transactions	6,607,950	1,083,858	5,524,092	16.40%

## Annexure "C1"

Other Expenditure	2023/24 Original Budget	2023/24 Actuals	Variance	% Spent
Learnerships and Internships	3,800,000	632,192	3,167,808	16.64%
Levies Paid - Water Resource Management Charges	17,200,000	1,968,064	15,231,936	11.44%
Licences: Motor Vehicle Licence and Registrations	7,861,040	2,078,255	5,782,785	26.44%
Licences: Performing Arts	52,250	0	52,250	0.00%
Management Fee	15,513,050	7,858	15,505,192	0.05%
Municipal Services	80,224,060	19,936,567	60,287,493	24.85%
Office Decorations	14,600	0	14,600	0.00%
Printing, Publications and Books	3,745,580	155,331	3,590,249	4.15%
Professional Bodies, Membership and Subscription	1,115,590	148,246	967,344	13.29%
Registration Fees: Professional and Regulatory Bodies	369,150	1,451	367,699	0.39%
Registration Fees: Seminars, Conferences, Workshops and Events: National	4,336,390	246,100	4,090,290	5.68%
Resettlement Cost	251,000	15,525	235,475	6.19%
Rewards Incentives	3,400,000	835,265	2,564,735	24.57%
Samples and Specimens	190,000	0	190,000	0.00%
Signage	380,750	980	379,770	0.26%
Skills Development Fund Levy	37,565,770	8,475,016	29,090,754	22.56%
Storage of Files (Archiving)	1,523,410	57,430	1,465,980	3.77%
Taking over Contractual Obligations	400,000	0	400,000	0.00%
Travel Agency and Visa's	672,600	36,412	636,188	5.41%
<b>Total</b>	<b>846,892,420</b>	<b>201,748,773</b>	<b>645,143,647</b>	<b>23.82%</b>

### Transfers and Subsidies Paid

The table below contains a list of Transfers and Subsidies Paid Items where the actual expenditure is reflected.

Transfers and Subsidies Paid	2023/24 Original Budget	2023/24 Actuals	Variance	% Spent
<b>Departmental Agencies and Accounts:</b>				
National Departmental Agencies: South Africa Local Government Association (SALGA)	19,894,410	0	19,894,410	0.00%
Provincial Departmental Agencies: Subsidiary Entity	133,542,690	0	133,542,690	0.00%
<b>Households: Other Transfers (Cash):</b>				
Bursaries (Non-Employee)	693,210	0	693,210	0.00%
<b>Allocations: Non-profit institutions:</b>				
Public Schools: Other Educational Institutions: School Support	6,000,000	0	6,000,000	0.00%
Use - It	36,099,500	3,090,000	33,009,500	8.56%
<b>Total</b>	<b>196,229,810</b>	<b>3,090,000</b>	<b>193,139,810</b>	<b>1.57%</b>

### Repairs and Maintenance

The table below contains lists of Repairs and Maintenance Expenditure where the actual expenditure is reflected.

## Annexure "C1"

### Repairs and Maintenance at mSCOA by Project segment:

Operational Repairs & Maintenance	2023/24 Original Budget	2023/24 Actuals	Variance	% Spent
<b>Infrastructure Projects: Existing: Renewal:</b>				
Sanitation Infrastructure: Reticulation	1,071,750	96,068	975,682	8.96%
Sanitation Infrastructure: Wastewater Treatment Works	2,079,020	533,311	1,545,709	25.65%
Water Supply Infrastructure: Pump Stations	339,420	40,720	298,700	12.00%
Water Supply Infrastructure: Water Treatment Works	22,550	370	22,180	1.64%
<b>Infrastructure Projects: Existing: Upgrading:</b>				
Sanitation Infrastructure: Reticulation	1,005,000	0	1,005,000	0.00%
Water Supply Infrastructure: Dams and Weirs	15,980	934	15,046	5.84%
<b>Maintenance: Infrastructure: Corrective Maintenance: Emergency:</b>				
Electrical Infrastructure: MV Networks: MV Conductors	45,550,000	11,636,637	33,913,363	25.55%
Electrical Infrastructure: MV Substations: MV Substation Equipment	13,400,000	2,481,328	10,918,672	18.52%
Electrical Infrastructure: Power Plants: Control and Instrumentation	5,800,000	25,091	5,774,910	0.43%
Roads Infrastructure: Road Furniture: Road Furniture	2,500,000	0	2,500,000	0.00%
Roads Infrastructure: Road Furniture: Traffic Signs	3,801,110	471,866	3,329,244	12.41%
Roads Infrastructure: Road Structures: Civil Structures	53,200,000	4,326,060	48,873,940	8.13%
Roads Infrastructure: Road Structures: Road Bridges	1,000,000	0	1,000,000	0.00%
Roads Infrastructure: Roads: Land	259,590	0	259,590	0.00%
Roads Infrastructure: Roads: Pavements	37,202,000	3,084,952	34,117,048	8.29%
Sanitation Infrastructure: Pump Station: Civil Structure	42,800	0	42,800	0.00%
Sanitation Infrastructure: Pump Station: Mechanical Equipment	856,000	141,994	714,006	16.59%
Sanitation Infrastructure: Wastewater Treatment: Civil Structure	913,860	0	913,860	0.00%
Sanitation Infrastructure: Wastewater Treatment: Pipe Work	64,294,990	21,627,747	42,667,243	33.64%
Storm water Infrastructure: Attenuation: Civil Structures	200,000	0	200,000	0.00%
Storm water Infrastructure: Drainage Collection: Drainage	201,000	0	201,000	0.00%
Storm water Infrastructure: Storm water Conveyance: Civil Structures	10,520,000	1,371,888	9,148,112	13.04%
Storm water Infrastructure: Storm water Conveyance: Pipe Work	5,000,000	2,142,656	2,857,344	42.85%
Water Supply Infrastructure: Bulk Mains: Pipe Work	15,532,920	3,496,691	12,036,229	22.51%
Water Supply Infrastructure: Dams and Weirs: Civil Structure	100,000	0	100,000	0.00%
Water Supply Infrastructure: Dams and Weirs: Electrical Equipment	1,150,000	760	1,149,240	0.07%
Water Supply Infrastructure: Dams and Weirs: Mechanical Equipment	200,000	0	200,000	0.00%
Water Supply Infrastructure: Distribution: Municipal Service Connections	100,000	12,512	87,488	12.51%
Water Supply Infrastructure: Pump Station: Electrical Equipment	380,000	0	380,000	0.00%
Water Supply Infrastructure: Water Treatment: Mechanical Equipment	1,845,780	14,981	1,830,799	0.81%
<b>Maintenance: Infrastructure: Corrective Maintenance: Planned:</b>				
Electrical Infrastructure: LV Networks: Public Lighting	19,350,000	6,307,151	13,042,849	32.60%
Electrical Infrastructure: MV Networks: MV Conductors	17,250,000	4,595,703	12,654,297	26.64%
Information and Communication Infrastructure: Core Layers: Communication Equipment	1,250,000	0	1,250,000	0.00%
Roads Infrastructure: Roads: Land	100,000	0	100,000	0.00%
Sanitation Infrastructure: Pump Station: Civil Structure	11,630,460	196,732	11,433,728	1.69%
Sanitation Infrastructure: Pump Station: Electrical Equipment	39,600	0	39,600	0.00%
Sanitation Infrastructure: Pump Station: Mechanical Equipment	212,200	8,643	203,557	4.07%
Sanitation Infrastructure: Pump Station: Pipe Work	885,500	9,998	875,502	1.13%
Sanitation Infrastructure: Wastewater Treatment: Buildings	423,130	0	423,130	0.00%
Sanitation Infrastructure: Wastewater Treatment: Pavements	45,580	0	45,580	0.00%
Storm water Infrastructure: Storm water Conveyance: Drainage	506,250	0	506,250	0.00%
Water Supply Infrastructure: Dams and Weirs: Civil Structure	140,000	0	140,000	0.00%
Water Supply Infrastructure: Distribution: Municipal Service Connections	61,602,200	16,256,295	45,345,905	26.39%
Water Supply Infrastructure: Pump Station: Buildings	416,000	0	416,000	0.00%

## Annexure "C1"

Operational Repairs & Maintenance	2023/24 Original Budget	2023/24 Actuals	Variance	% Spent
Water Supply Infrastructure: Pump Station: Electrical Equipment	1,628,260	41,743	1,586,517	2.56%
Water Supply Infrastructure: Pump Station: Mechanical Equipment	40,273,310	10,410,924	29,862,386	25.85%
Water Supply Infrastructure: Reservoirs: Civil Structure	2,374,330	1,499,192	875,138	63.14%
Water Supply Infrastructure: Reservoirs: External Facilities	176,160	0	176,160	0.00%
Water Supply Infrastructure: Reservoirs: Service Connections on Site	21,000	0	21,000	0.00%
Water Supply Infrastructure: Water Treatment: Buildings	787,860	28,189	759,671	3.58%
Water Supply Infrastructure: Water Treatment: Electrical Equipment	1,346,130	151,917	1,194,213	11.29%
Water Supply Infrastructure: Water Treatment: Mechanical Equipment	2,557,290	27,254	2,530,036	1.07%
<b>Maintenance: Infrastructure: Preventative Maintenance: Condition Based:</b>				
Electrical Infrastructure: Power Plants: Control and Instrumentation	1,500,000	0	1,500,000	0.00%
Rail Infrastructure: Rail Furniture	59,600	0	59,600	0.00%
Roads Infrastructure: Capital Spares	500,000	0	500,000	0.00%
Roads Infrastructure: Road Structures: Civil Structures	5,000,000	0	5,000,000	0.00%
Sanitation Infrastructure: Wastewater Treatment: Buildings	580,400	0	580,400	0.00%
Water Supply Infrastructure: Distribution: Pipe Work	52,000	47,242	4,758	90.85%
Water Supply Infrastructure: Water Treatment: Buildings	27,990	1,300	26,690	4.64%
<b>Maintenance: Infrastructure: Preventative Maintenance: Interval Based:</b>				
Rail Infrastructure: Rail Lines: Rail Lines and Ballast	2,250,000	0	2,250,000	0.00%
Roads Infrastructure: Capital Spares	1,800,000	0	1,800,000	0.00%
Roads Infrastructure: Road Structures: Civil Structures	100,000	0	100,000	0.00%
Roads Infrastructure: Roads: Pavements	521,380	0	521,380	0.00%
Sanitation Infrastructure: Pump Station: Civil Structure	227,680	0	227,680	0.00%
Sanitation Infrastructure: Wastewater Treatment: Buildings	910,610	9,343	901,267	1.03%
Sanitation Infrastructure: Wastewater Treatment: Earthworks	95,070	0	95,070	0.00%
Sanitation Infrastructure: Wastewater Treatment: Mechanical Equipment	494,120	0	494,120	0.00%
Water Supply Infrastructure: Dams and Weirs: Mechanical Equipment	2,060	0	2,060	0.00%
<b>Maintenance: Non-Infrastructure: Corrective Maintenance: Emergency: Community Assets: Community Facilities:</b>				
Clinics/Care Centres: Land	50,000	0	50,000	0.00%
Galleries: Buildings	25,910	8,700	17,210	33.58%
Halls: Buildings	1,020,000	154,079	865,921	15.11%
Halls: Electrical Equipment	306,000	37,605	268,395	12.29%
Libraries: Buildings	814,760	47,075	767,685	5.78%
Markets: Buildings	1,880,620	79,745	1,800,875	4.24%
Markets: Electrical Equipment	237,120	6,822	230,298	2.88%
Museums: Buildings	669,910	40,937	628,973	6.11%
Nature Reserves: Buildings	8,960	0	8,960	0.00%
Nature Reserves: Mechanical Equipment	60,890	0	60,890	0.00%
Parks: Buildings	3,319,990	464,529	2,855,461	13.99%
Police: Buildings	135,820	9,580	126,240	7.05%
Public Ablution Facilities: Buildings	685,270	0	685,270	0.00%
Public Open Space: Buildings	269,340	146,391	122,949	54.35%
Public Open Space: Civil Structures	231,650	53,683	177,967	23.17%
Public Open Space: External Facilities	1,404,530	0	1,404,530	0.00%
Public Open Space: Land	805,150	301,026	504,124	37.39%
<b>Maintenance: Non-Infrastructure: Corrective Maintenance: Emergency:</b>				
Community Assets: Sport and Recreation Facilities: Indoor Facilities: Buildings	9,497,840	311,018	9,186,822	3.27%
Community Assets: Sport and Recreation Facilities: Outdoor Facilities: Buildings	518,760	13,600	505,160	2.62%
Computer Equipment	4,252,990	7,514	4,245,476	0.18%

## Annexure "C1"

Operational Repairs & Maintenance	2023/24 Original Budget	2023/24 Actuals	Variance	% Spent
Furniture and Office Equipment	4,178,980	7,798	4,171,182	0.19%
Heritage Assets: Conservation Areas	245,320	0	245,320	0.00%
Machinery and Equipment	56,915,040	2,011,255	54,903,785	3.53%
Other Assets: Housing: Social Housing: Buildings	3,849,640	147,390	3,702,251	3.83%
Other Assets: Operational Buildings: Depots: Buildings	8,066,620	948,881	7,117,739	11.76%
Other Assets: Operational Buildings: Depots: Civil Structures	246,680	18,605	228,075	7.54%
Other Assets: Operational Buildings: Depots: External Facilities	1,250,000	3,536	1,246,465	0.28%
Other Assets: Operational Buildings: Depots: Metalwork's	63,310	0	63,310	0.00%
Other Assets: Operational Buildings: Laboratories: Buildings	381,630	0	381,630	0.00%
Other Assets: Operational Buildings: Municipal Offices: Buildings	44,244,850	2,102,516	42,142,334	4.75%
Other Assets: Operational Buildings: Municipal Offices: Electrical Equipment	177,240	0	177,240	0.00%
Other Assets: Operational Buildings: Municipal Offices: External Facilities	10,000	0	10,000	0.00%
Other Assets: Operational Buildings: Municipal Offices: Land	38,630	0	38,630	0.00%
Other Assets: Operational Buildings: Municipal Offices: Mechanical Equipment	6,146,080	62,580	6,083,500	1.02%
Other Assets: Operational Buildings: Training Centres: Buildings	295,800	0	295,800	0.00%
Other Assets: Operational Buildings: Workshops: Buildings	400,000	0	400,000	0.00%
Transport Assets	3,953,620	437,848	3,515,772	11.07%
<b>Maintenance: Non-infrastructure: Corrective Maintenance: Planned:</b>				
Computer Equipment	1,000,000	26,500	973,500	2.65%
Furniture and Office Equipment	3,140	0	3,140	0.00%
Intangible Assets: Licences and Rights: Computer Software and Applications	32,100	0	32,100	0.00%
Machinery and Equipment	2,099,900	89,804	2,010,096	4.28%
Other Assets: Housing: Staff Housing: Buildings	344,830	0	344,830	0.00%
Other Assets: Operational Buildings: Depots: Buildings	108,820	0	108,820	0.00%
Other Assets: Operational Buildings: Municipal Offices: Buildings	2,052,500	57,542	1,994,958	2.80%
Other Assets: Operational Buildings: Municipal Offices: External Facilities	359,030	22,000	337,030	6.13%
Other Assets: Operational Buildings: Municipal Offices: Land	205,670	0	205,670	0.00%
Transport Assets	47,808,770	5,173,393	42,635,377	10.82%
<b>Maintenance: Non-infrastructure: Preventative Maintenance: Condition Based:</b>				
Community Assets: Community Facilities: Halls: Buildings	530,400	18,076	512,324	3.41%
Heritage Assets: Monuments	392,630	8,666	383,964	2.21%
Machinery and Equipment	2,000	0	2,000	0.00%
Other Assets: Operational Buildings: Municipal Offices: Buildings	1,213,800	0	1,213,800	0.00%
Other Assets: Operational Buildings: Municipal Offices: External Facilities	84,130	0	84,130	0.00%
<b>Maintenance: Non-infrastructure: Preventative Maintenance: Interval Based: Community Assets:</b>				
Community Facilities: Halls: Buildings	5,357,780	407,152	4,950,628	7.60%
Community Facilities: Halls: Electrical Equipment	600,020	1,216	598,804	0.20%
Community Facilities: Libraries: Buildings	1,173,000	14,540	1,158,460	1.24%
Sport and Recreation Facilities: Outdoor Facilities: Buildings	61,260	0	61,260	0.00%
<b>Maintenance: Non-infrastructure: Preventative Maintenance: Interval Based:</b>				
Computer Equipment	248,480	0	248,480	0.00%
Furniture and Office Equipment	338,850	14,240	324,610	4.20%
Intangible Assets: Licences and Rights: Computer Software and Applications	5,403,110	0	5,403,110	0.00%
Intangible Assets: Licences and Rights: Unspecified	19,590	0	19,590	0.00%
Other Assets: Housing: Social Housing: Buildings	110,250	73,500	36,750	66.67%
Other Assets: Operational Buildings: Depots: Buildings	2,040,000	143,252	1,896,748	7.02%
Other Assets: Operational Buildings: Depots: Electrical Equipment	306,000	0	306,000	0.00%
Other Assets: Operational Buildings: Municipal Offices: Buildings	795,000	72,659	722,341	9.14%

## Annexure "C1"

Operational Repairs & Maintenance	2023/24 Original Budget	2023/24 Actuals	Variance	% Spent
Other Assets: Operational Buildings: Municipal Offices: External Facilities	300,000	0	300,000	0.00%
Transport Assets	18,990	0	18,990	0.00%
Non-infrastructure: New: Other Assets: Operational Buildings: Manufacturing Plant	115,670	110	115,560	0.10%
<b>Total</b>	<b>675,504,610</b>	<b>104,643,554</b>	<b>570,861,056</b>	<b>15.49%</b>

### Repairs and Maintenance by Asset Class:

mSCOA Line Description	2023/24 Original Budget	2023/24 Actuals	Variance	% Spent
<b>Community Assets: Community Facilities:</b>	<b>19,587,120</b>	<b>1,791,155</b>	<b>17,795,965</b>	<b>9.14%</b>
Clinics/Care Centres: Land	50,000	0	50,000	0.00%
Galleries: Buildings	25,910	8,700	17,210	33.58%
Halls: Buildings	1,020,000	154,079	865,921	15.11%
Halls: Buildings	530,400	18,076	512,324	3.41%
Halls: Buildings	5,357,780	407,152	4,950,628	7.60%
Halls: Electrical Equipment	306,000	37,605	268,395	12.29%
Halls: Electrical Equipment	600,020	1,216	598,804	0.20%
Libraries: Buildings	814,760	47,075	767,685	5.78%
Libraries: Buildings	1,173,000	14,540	1,158,460	1.24%
Markets: Buildings	1,880,620	79,745	1,800,875	4.24%
Markets: Electrical Equipment	237,120	6,822	230,298	2.88%
Museums: Buildings	669,910	40,937	628,973	6.11%
Nature Reserves: Buildings	8,960	0	8,960	0.00%
Nature Reserves: Mechanical Equipment	60,890	0	60,890	0.00%
Parks: Buildings	3,319,990	464,529	2,855,461	13.99%
Police: Buildings	135,820	9,580	126,240	7.05%
Public Ablution Facilities: Buildings	685,270	0	685,270	0.00%
Public Open Space: Buildings	269,340	146,391	122,949	54.35%
Public Open Space: Civil Structures	231,650	53,683	177,967	23.17%
Public Open Space: External Facilities	1,404,530	0	1,404,530	0.00%
Public Open Space: Land	805,150	301,026	504,124	37.39%
<b>Community Assets: Sport and Recreation Facilities:</b>	<b>10,077,860</b>	<b>324,618</b>	<b>9,753,242</b>	<b>3.22%</b>
Indoor Facilities: Buildings	9,497,840	311,018	9,186,822	3.27%
Outdoor Facilities: Buildings	518,760	13,600	505,160	2.62%
Outdoor Facilities: Buildings	61,260	0	61,260	0.00%
<b>Computer Equipment</b>	<b>5,501,470</b>	<b>34,014</b>	<b>5,467,456</b>	<b>0.62%</b>
Computer Equipment	4,252,990	7,514	4,245,476	0.18%
Computer Equipment	1,000,000	26,500	973,500	2.65%
Computer Equipment	248,480	0	248,480	0.00%
<b>Electrical Infrastructure</b>	<b>102,850,000</b>	<b>25,045,909</b>	<b>77,804,091</b>	<b>24.35%</b>
LV Networks: Public Lighting:	19,350,000	6,307,151	13,042,849	32.60%
MV Networks: MV Conductors:	45,550,000	11,636,637	33,913,363	25.55%
MV Networks: MV Conductors:	17,250,000	4,595,703	12,654,297	26.64%
MV Substations: MV Substation Equipment:	13,400,000	2,481,328	10,918,672	18.52%
Power Plants: Control and Instrumentation:	5,800,000	25,091	5,774,910	0.43%
Power Plants: Control and Instrumentation:	1,500,000	0	1,500,000	0.00%
<b>Furniture and Office Equipment</b>	<b>4,520,970</b>	<b>22,038</b>	<b>4,498,932</b>	<b>0.49%</b>
Furniture and Office Equipment	4,178,980	7,798	4,171,182	0.19%
Furniture and Office Equipment	3,140	0	3,140	0.00%
Furniture and Office Equipment	338,850	14,240	324,610	4.20%

## Annexure "C1"

mSCOA Line Description	2023/24 Original Budget	2023/24 Actuals	Variance	% Spent
<b>Heritage Assets</b>	<b>637,950</b>	<b>8,666</b>	<b>629,284</b>	<b>1.36%</b>
Conservation Areas	245,320	0	245,320	0.00%
Monuments	392,630	8,666	383,964	2.21%
<b>Information and Communication Infrastructure:</b>	<b>1,250,000</b>	<b>0</b>	<b>1,250,000</b>	<b>0.00%</b>
Core Layers: Communication Equipment:	1,250,000	0	1,250,000	0.00%
<b>Intangible Assets: Licences and Rights:</b>	<b>5,454,800</b>	<b>0</b>	<b>5,454,800</b>	<b>0.00%</b>
Computer Software and Applications:	32,100	0	32,100	0.00%
Computer Software and Applications:	5,403,110	0	5,403,110	0.00%
Unspecified:	19,590	0	19,590	0.00%
<b>Machinery and Equipment</b>	<b>59,016,940</b>	<b>2,101,060</b>	<b>56,915,880</b>	<b>3.56%</b>
Machinery and Equipment	56,915,040	2,011,255	54,903,785	3.53%
Machinery and Equipment	2,099,900	89,804	2,010,096	4.28%
Machinery and Equipment	2,000	0	2,000	0.00%
<b>Other Assets:</b>	<b>73,206,180</b>	<b>3,652,570</b>	<b>69,553,610</b>	<b>4.99%</b>
Housing: Social Housing: Buildings	3,849,640	147,390	3,702,251	3.83%
Housing: Social Housing: Buildings	110,250	73,500	36,750	66.67%
Housing: Staff Housing: Buildings	344,830	0	344,830	0.00%
Operational Buildings: Depots: Buildings	8,066,620	948,881	7,117,739	11.76%
Operational Buildings: Depots: Buildings	108,820	0	108,820	0.00%
Operational Buildings: Depots: Buildings	2,040,000	143,252	1,896,748	7.02%
Operational Buildings: Depots: Civil Structures	246,680	18,605	228,075	7.54%
Operational Buildings: Depots: Electrical Equipment	306,000	0	306,000	0.00%
Operational Buildings: Depots: External Facilities	1,250,000	3,536	1,246,465	0.28%
Operational Buildings: Depots: Metalwork's	63,310	0	63,310	0.00%
Operational Buildings: Laboratories: Buildings	381,630	0	381,630	0.00%
Operational Buildings: Manufacturing Plant:	115,670	110	115,560	0.10%
Operational Buildings: Municipal Offices: Buildings	44,244,850	2,102,516	42,142,334	4.75%
Operational Buildings: Municipal Offices: Buildings	2,052,500	57,542	1,994,958	2.80%
Operational Buildings: Municipal Offices: Buildings	1,213,800	0	1,213,800	0.00%
Operational Buildings: Municipal Offices: Buildings	795,000	72,659	722,341	9.14%
Operational Buildings: Municipal Offices: Electrical Equipment	177,240	0	177,240	0.00%
Operational Buildings: Municipal Offices: External Facilities	10,000	0	10,000	0.00%
Operational Buildings: Municipal Offices: External Facilities	359,030	22,000	337,030	6.13%
Operational Buildings: Municipal Offices: External Facilities	84,130	0	84,130	0.00%
Operational Buildings: Municipal Offices: External Facilities	300,000	0	300,000	0.00%
Operational Buildings: Municipal Offices: Land	38,630	0	38,630	0.00%
Operational Buildings: Municipal Offices: Land	205,670	0	205,670	0.00%
Operational Buildings: Municipal Offices: Mechanical Equipment	6,146,080	62,580	6,083,500	1.02%
Operational Buildings: Training Centres: Buildings	295,800	0	295,800	0.00%
Operational Buildings: Workshops: Buildings	400,000	0	400,000	0.00%
<b>Rail Infrastructure</b>	<b>2,309,600</b>	<b>0</b>	<b>2,309,600</b>	<b>0.00%</b>
Rail Furniture	59,600	0	59,600	0.00%
Rail Lines: Rail Lines and Ballast:	2,250,000	0	2,250,000	0.00%
<b>Roads Infrastructure:</b>	<b>105,984,080</b>	<b>7,882,878</b>	<b>98,101,202</b>	<b>7.44%</b>
Capital Spares	500,000	0	500,000	0.00%
Capital Spares	1,800,000	0	1,800,000	0.00%
Road Furniture: Road Furniture:	2,500,000	0	2,500,000	0.00%
Road Furniture: Traffic Signs:	3,801,110	471,866	3,329,244	12.41%
Road Structures: Civil Structures:	53,200,000	4,326,060	48,873,940	8.13%
Road Structures: Civil Structures:	5,000,000	0	5,000,000	0.00%
Road Structures: Civil Structures:	100,000	0	100,000	0.00%
Road Structures: Road Bridges:	1,000,000	0	1,000,000	0.00%
Roads: Land:	259,590	0	259,590	0.00%
Roads: Land:	100,000	0	100,000	0.00%

## Annexure "C1"

mSCOA Line Description	2023/24 Original Budget	2023/24 Actuals	Variance	% Spent
Roads: Pavements:	37,202,000	3,084,952	34,117,048	8.29%
Roads: Pavements:	521,380	0	521,380	0.00%
<b>Sanitation Infrastructure:</b>	<b>85,807,770</b>	<b>22,623,837</b>	<b>63,183,933</b>	<b>26.37%</b>
Pump Station: Civil Structure:	42,800	0	42,800	0.00%
Pump Station: Civil Structure:	11,630,460	196,732	11,433,728	1.69%
Pump Station: Civil Structure:	227,680	0	227,680	0.00%
Pump Station: Electrical Equipment:	39,600	0	39,600	0.00%
Pump Station: Mechanical Equipment:	856,000	141,994	714,006	16.59%
Pump Station: Mechanical Equipment:	212,200	8,643	203,557	4.07%
Pump Station: Pipe Work:	885,500	9,998	875,502	1.13%
Reticulation	1,071,750	96,068	975,682	8.96%
Reticulation	1,005,000	0	1,005,000	0.00%
<b>Wastewater Treatment Works</b>	<b>2,079,020</b>	<b>533,311</b>	<b>1,545,709</b>	<b>25.65%</b>
Wastewater Treatment: Buildings:	423,130	0	423,130	0.00%
Wastewater Treatment: Buildings:	580,400	0	580,400	0.00%
Wastewater Treatment: Buildings:	910,610	9,343	901,267	1.03%
Wastewater Treatment: Civil Structure:	913,860	0	913,860	0.00%
Wastewater Treatment: Earthworks:	95,070	0	95,070	0.00%
Wastewater Treatment: Mechanical Equipment:	494,120	0	494,120	0.00%
Wastewater Treatment: Pavements:	45,580	0	45,580	0.00%
Wastewater Treatment: Pipe Work:	64,294,990	21,627,747	42,667,243	33.64%
<b>Storm water Infrastructure:</b>	<b>16,427,250</b>	<b>3,514,544</b>	<b>12,912,706</b>	<b>21.39%</b>
Attenuation: Civil Structures:	200,000	0	200,000	0.00%
Drainage Collection: Drainage:	201,000	0	201,000	0.00%
Storm water Conveyance: Civil Structures:	10,520,000	1,371,888	9,148,112	13.04%
Storm water Conveyance: Drainage:	506,250	0	506,250	0.00%
Storm water Conveyance: Pipe Work:	5,000,000	2,142,656	2,857,344	42.85%
<b>Transport Assets</b>	<b>51,781,380</b>	<b>5,611,241</b>	<b>46,170,139</b>	<b>10.84%</b>
Transport Assets	3,953,620	437,848	3,515,772	11.07%
Transport Assets	47,808,770	5,173,393	42,635,377	10.82%
Transport Assets	18,990	0	18,990	0.00%
<b>Water Supply Infrastructure:</b>	<b>131,091,240</b>	<b>32,031,024</b>	<b>99,060,216</b>	<b>24.43%</b>
Bulk Mains: Pipe Work:	15,532,920	3,496,691	12,036,229	22.51%
Dams and Weirs	15,980	934	15,046	5.84%
Dams and Weirs: Civil Structure:	100,000	0	100,000	0.00%
Dams and Weirs: Civil Structure:	140,000	0	140,000	0.00%
Dams and Weirs: Electrical Equipment:	1,150,000	760	1,149,240	0.07%
Dams and Weirs: Mechanical Equipment:	200,000	0	200,000	0.00%
Dams and Weirs: Mechanical Equipment:	2,060	0	2,060	0.00%
Distribution: Municipal Service Connections:	100,000	12,512	87,488	12.51%
Distribution: Municipal Service Connections:	61,602,200	16,256,295	45,345,905	26.39%
Distribution: Pipe Work:	52,000	47,242	4,758	90.85%
Pump Station: Buildings:	416,000	0	416,000	0.00%
Pump Station: Electrical Equipment:	380,000	0	380,000	0.00%
Pump Station: Electrical Equipment:	1,628,260	41,743	1,586,517	2.56%
Pump Station: Mechanical Equipment:	40,273,310	10,410,924	29,862,386	25.85%
Pump Stations	339,420	40,720	298,700	12.00%
Reservoirs: Civil Structure:	2,374,330	1,499,192	875,138	63.14%
Reservoirs: External Facilities:	176,160	0	176,160	0.00%
Reservoirs: Service Connections on Site:	21,000	0	21,000	0.00%
Water Treatment Works	22,550	370	22,180	1.64%
Water Treatment: Buildings:	787,860	28,189	759,671	3.58%
Water Treatment: Buildings:	27,990	1,300	26,690	4.64%
Water Treatment: Electrical Equipment:	1,346,130	151,917	1,194,213	11.29%

## Annexure "C1"

mSCOA Line Description	2023/24 Original Budget	2023/24 Actuals	Variance	% Spent
Water Treatment: Mechanical Equipment:	1,845,780	14,981	1,830,799	0.81%
Water Treatment: Mechanical Equipment:	2,557,290	27,254	2,530,036	1.07%
<b>Total</b>	<b>675,504,610</b>	<b>104,643,554</b>	<b>570,861,056</b>	<b>15.49%</b>

Only 15.49% of the repairs and maintenance projects budget had been spent by 30 September 2023.

## Annexure "C2"

### CAPITAL BUDGET PERFORMANCE AT 30 SEPTEMBER 2023

Below is an analysis of the capital expenditure compared to the approved 2023/24 Capital Budget.

- The performance on expenditure for capital projects by Directorate is reflected in Annexure A2i.
- Only 3.88% of the Capital Budget was spent as at 30 September 2023. This largely represents two months' expenditure.

The impact of the Capital Budget on the Municipality's cash flow position is discussed in **Annexure C3** of this report.

Vote Description	Budget Year 2023/24						
	Original Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>						%	
<b>Multi-Year expenditure appropriation</b>							
Vote 1 - Budget & Treasury	19,451	-	-	4,863	(4,863)	-100%	19,451
Vote 2 - Public Health	24,159	-	-	6,040	(6,040)	-100%	24,159
Vote 3 - Human Settlements	130,225	6,828	6,828	32,556	(25,728)	-79%	130,225
Vote 4 - Economic Development, Tourism & Agriculture	2,500	2,635	5,932	625	5,307	849%	2,500
Vote 5 - Corporate Services	5,950	523	523	1,488	(964)	-65%	5,950
Vote 6 - Infrastructure & Engineering Unit - Rate & General	529,215	5,004	14,696	132,304	(117,608)	-89%	529,215
Vote 7 - Metro Water Service	436,623	9,597	28,130	109,156	(81,025)	-74%	436,623
Vote 8 - Sanitation - Metro	123,412	1,814	2,119	30,853	(28,734)	-93%	123,412
Vote 9 - Electricity & Energy	277,546	9,816	14,282	69,386	(55,104)	-79%	277,546
Vote 10 - Executive & Council	-	-	-	-	-	-	-
Vote 11 - Safety & Security	11,650	9	1,194	2,913	(1,718)	-59%	11,650
Vote 12 - Mandela Bay Stadium	-	-	-	-	-	-	-
Vote 13 - Special Projects and Programmes	-	-	-	-	-	-	-
Vote 14 - Recreational & Cultural Services	29,856	-	(0)	7,464	(7,464)	-100%	29,856
<b>Total Capital Multi-year expenditure</b>	<b>1,590,586</b>	<b>36,228</b>	<b>73,704</b>	<b>397,647</b>	<b>(323,942)</b>	<b>-81%</b>	<b>1,590,586</b>
<b>Single Year expenditure appropriation</b>							
Vote 1 - Budget & Treasury	2,452	101	101	613	(512)	-83%	2,452
Vote 2 - Public Health	55,063	46	46	13,766	(13,720)	-100%	55,063
Vote 3 - Human Settlements	20,127	-	-	5,032	(5,032)	-100%	20,127
Vote 4 - Economic Development, Tourism & Agriculture	510	-	-	128	(128)	-100%	510
Vote 5 - Corporate Services	31,515	-	-	7,879	(7,879)	-100%	31,515
Vote 6 - Infrastructure & Engineering Unit - Rate & General	83,000	934	934	20,750	(19,816)	-95%	83,000
Vote 7 - Metro Water Service	30,215	-	5	7,554	(7,548)	-100%	30,215
Vote 8 - Sanitation - Metro	18,793	-	-	4,698	(4,698)	-100%	18,793
Vote 9 - Electricity & Energy	38,265	-	339	9,566	(9,228)	-96%	38,265
Vote 10 - Executive & Council	-	-	-	-	-	-	-
Vote 11 - Safety & Security	49,300	95	232	12,325	(12,093)	-98%	49,300
Vote 12 - Mandela Bay Stadium	-	-	-	-	-	-	-
Vote 13 - Special Projects and Programmes	-	-	-	-	-	-	-
Vote 14 - Recreational & Cultural Services	21,724	-	-	5,431	(5,431)	-100%	21,724
<b>Total Capital single-year expenditure</b>	<b>350,964</b>	<b>1,176</b>	<b>1,657</b>	<b>87,741</b>	<b>(86,084)</b>	<b>-98%</b>	<b>350,964</b>
<b>Total Capital Expenditure</b>	<b>1,941,550</b>	<b>37,403</b>	<b>75,361</b>	<b>485,388</b>	<b>(410,027)</b>	<b>-84%</b>	<b>1,941,550</b>
<b>Capital Expenditure - Functional Classification</b>							
<b>Governance and administration</b>	<b>243,158</b>	<b>893</b>	<b>2,212</b>	<b>60,789</b>	<b>(58,577)</b>	<b>-96%</b>	<b>243,158</b>
Executive and council							
Finance and administration	243,158	893	2,212	60,789	(58,577)	-96%	243,158
Internal audit							

## Annexure "C2"

Vote Description	Budget Year 2023/24						
	Original Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance %	Full Year Forecast
<b>R thousands</b>							
<b>Community and public safety</b>	<b>128,758</b>	<b>-</b>	<b>9</b>	<b>32,189</b>	<b>(32,181)</b>	<b>-100%</b>	<b>128,758</b>
Community and social services	40,230		(0)	10,058	(10,058)	-100%	40,230
Sport and recreation	51,739			12,935	(12,935)	-100%	51,739
Public safety	30,422		9	7,606	(7,597)	-100%	30,422
Housing	4,417			1,104	(1,104)	-100%	4,417
Health	1,950			488	(488)	-100%	1,950
<b>Economic and environmental services</b>	<b>520,557</b>	<b>10,357</b>	<b>20,654</b>	<b>130,139</b>	<b>(109,486)</b>	<b>-84%</b>	<b>520,557</b>
Planning and development		2,635	3,296	-	3,296	#DIV/0!	
Road transport	520,557	7,722	17,357	130,139	(112,782)	-87%	520,557
Environmental protection				-	-		
<b>Trading services</b>	<b>1,049,078</b>	<b>26,154</b>	<b>49,851</b>	<b>262,269</b>	<b>(212,418)</b>	<b>-81%</b>	<b>1,049,078</b>
Energy sources	315,211	9,816	14,621	78,803	(64,182)	-81%	315,211
Water management	481,371	10,549	29,082	120,343	(91,261)	-76%	481,371
Wastewater management	247,496	5,788	6,148	61,874	(55,726)	-90%	247,496
Waste management	5,000			1,250	(1,250)	-100%	5,000
<i>Other</i>				-	-		
<b>Total Capital Expenditure - Functional Classification</b>	<b>1,941,550</b>	<b>37,403</b>	<b>72,725</b>	<b>485,388</b>	<b>(412,662)</b>	<b>-85%</b>	<b>1,941,550</b>
<b>Funded by:</b>							
National Government	1,307,960	23,512	42,898	326,990	(284,092)	-87%	1,307,960
Provincial Government				-	-		
District Municipality				-	-		
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	40,000	1,149	3,547	10,000	(6,453)	-65%	40,000
<b>Transfers recognised - capital</b>	<b>1,347,960</b>	<b>24,661</b>	<b>46,445</b>	<b>336,990</b>	<b>(290,545)</b>	<b>-86%</b>	<b>1,347,960</b>
<b>Borrowing</b>	<b>76,338</b>	<b>3,084</b>	<b>4,344</b>	<b>19,085</b>	<b>(14,740)</b>	<b>-77%</b>	<b>76,338</b>
<b>Internally generated funds</b>	<b>517,253</b>	<b>9,658</b>	<b>24,572</b>	<b>129,313</b>	<b>(104,741)</b>	<b>-81%</b>	<b>517,253</b>
<b>Total Capital Funding</b>	<b>1,941,550</b>	<b>37,403</b>	<b>75,361</b>	<b>485,388</b>	<b>(410,027)</b>	<b>-84%</b>	<b>1,941,550</b>

## Annexure "C3"

### PROJECTED CASH FLOW STATEMENT FOR THE 2023/24 FINANCIAL YEAR

#### Projected Cash Flow Statement as at 30 September 2023

The purpose of the cash flow statement is to compare the cash inflows (receipts) with the cash outflows (payments), to ascertain the adequacy of the cash inflows to cover the cash outflows.

**Table C7 Consolidated Monthly Budget Statement - Cash Flow – M03 September 2023**

Description	Budget Year 2023/24					
	Original Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance %
<b>R thousands</b>						
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Property rates	5,503,910	241,013	686,434	1,375,978	(689,544)	-50%
Service charges	10,874,226	476,175	1,356,206	2,718,556	(1,362,350)	-50%
Other revenue	37,436	353,188	925,231	9,359	915,872	9786%
Transfers and Subsidies - Operational	1,098,227	570,931	663,108	274,557	388,551	142%
Transfers and Subsidies - Capital	-	21,126	305,886	-	305,886	
Interest	-	63,250	212,964	-	212,964	
Dividends			-	-	-	
<b>Payments</b>						
Suppliers and employees	(13,301,423)	(1,272,426)	(4,216,137)	(3,325,356)	890,781	-27%
Finance charges			(35,690)	-	35,690	
Transfers and Grants			-	-	-	
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>4,212,376</b>	<b>453,257</b>	<b>(101,997)</b>	<b>1,053,094</b>	<b>1,155,091</b>	<b>110%</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds on disposal of PPE			-		-	
Decrease (increase) in non-current receivables	(57,858)		-	(14,464)	14,464	-100%
Decrease (increase) in non-current investments			-		-	
<b>Payments</b>						
Capital assets		(58,103)	(334,602)		334,602	
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(57,858)</b>	<b>(58,103)</b>	<b>(334,602)</b>	<b>(14,464)</b>	<b>320,138</b>	<b>-2213%</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Short term loans	-		-		-	
Borrowing long term/refinancing			-		-	
Increase (decrease) in consumer deposits			-		-	
<b>Payments</b>						
Repayment of borrowing			(75,115)		75,115	#DIV/0!
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>(75,115)</b>	<b>-</b>	<b>75,115</b>	<b>#DIV/0!</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>4,154,518</b>	<b>395,154</b>	<b>(511,715)</b>	<b>1,038,629</b>		
Cash/cash equivalents at beginning:			4,792,418			
Cash/cash equivalents at month/year end:	4,154,518		4,280,703	1,038,629		

The significant variances are discussed below:

- Receipts: Ratepayer and Other and Payments: Suppliers and Employees
  - Electricity Revenue appears to be lower than anticipated.

## Annexure “C3”

- The variances are mainly affected by VAT claimed back from SARS and VAT paid over to SARS.

### Interest Earned

- The growth in interest earned from investments is due to the Reserve Bank increasing the interest rates.

### Government Grants

- Variances due to the timing and amounts of grants to be transferred was not available at the time the budget was concluded.
- As at 30 September 2023 Unspent Conditional Grants were at approximately R498 million and Unspent Borrowing was at R111 million contributing to a higher investment portfolio attracting interest earned on investments during the first quarter of the 2023/24 financial year. However, once capital expenditure had been incurred against both funding sources or when unspent grants are required to be paid back to National Treasury the Cash and Cash equivalents balances will decrease accordingly.

### External Borrowing, Finance Charges and Capital Payments

- Spending/payments in respect of External Borrowing, Finance Charges are in line with the 2023/24 Budget.

## ANALYSIS OF THE MUNICIPALITY'S BALANCE SHEET

In this section the Municipality's Debtors, Creditors and Investments will be analysed. These components have a significant impact on the Municipality's financial position.

### 1. DEBTORS AGE ANALYSIS & ANNUAL DEBTORS COLLECTION RATE POSITION AS AT 30 SEPTEMBER 2023

#### 1.1. Overview of Outstanding Consumer Debtors (Inclusive of VAT)

Below is an analysis of the outstanding consumer debtors as at 30 September 2023 compared to the position as at 30 June 2023.

#### Debtors' Age Analysis (Inclusive of VAT) as at end of 30 June 2023

Detail	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-
<b>Debtors Age Analysis by Income Source</b>									
Trade and Other Receivables from Exchange Transactions - Water	R 579,962,627	R 433,284,681	R 1,264,559,826	R 375,745,014	R 601,617,049	R 468,623,272	R 2,013,175,164	R 2,979,128,027	R 8,716,095,660
Trade and Other Receivables from Exchange Transactions - Electricity	R 342,050,268	R 81,380,320	R 32,222,572	R 21,061,634	R 22,569,385	R 16,141,811	R 69,881,482	R 410,373,196	R 995,680,668
Receivables from Non-exchange Transactions - Property Rates	R 230,458,157	R 19,444,744	R 34,168,022	R 12,552,566	R 39,957,900	R 93,467,879	R 283,482,360	R 852,466,808	R 1,585,996,436
Receivables from Exchange Transactions - Wastewater Management	R 124,701,918	R 56,682,784	R 46,420,113	R 37,726,520	R 37,750,128	R 28,226,808	R 158,923,345	R 798,058,767	R 1,288,490,383
Receivables from Exchange Transactions - Waste Management	R 46,813,408	R 16,675,606	R 21,548,753	R 13,498,445	R 19,141,543	R 14,262,793	R 84,976,801	R 491,105,095	R 708,022,444
Receivables from Exchange Transactions - Property Rental Debtors	R 2,602,332	R 323,610	R 1,089,719	R 173,640	R 962,522	R 534,777	R 3,277,032	R 33,816,473	R 42,780,105
Interest on Arrear Debtor Accounts	R 132,703,573	R 88,989,586	R 103,555,420	R 72,573,736	R 92,212,598	R 69,880,500	R 298,759,968	R 1,221,394,913	R 2,080,070,294
Other	R 23,171,505	R 6,140,351	R 4,768,418	R 4,853,025	R 4,623,930	R 3,099,856	R 27,672,738	R 348,771,872	R 423,101,694
<b>Total By Income Source</b>	<b>R 1,482,463,788</b>	<b>R 702,921,682</b>	<b>R 1,508,332,843</b>	<b>R 538,184,580</b>	<b>R 818,835,055</b>	<b>R 694,237,695</b>	<b>R 2,940,148,890</b>	<b>R 7,135,115,151</b>	<b>R 15,820,239,684</b>
Organs of State	R 41,721,884	R 15,008,152	R 15,314,732	R 8,066,456	R 9,486,224	R 3,415,213	R 32,957,128	R 96,378,353	R 222,348,142
Commercial	R 485,445,479	R 103,989,433	R 72,634,667	R 35,300,400	R 66,942,130	R 71,460,652	R 212,608,447	R 1,131,021,045	R 2,179,402,253
Households	R 948,441,940	R 583,310,091	R 1,419,632,777	R 494,178,297	R 741,000,413	R 618,317,134	R 2,689,294,530	R 5,872,315,018	R 13,366,480,200
Other NMBM)	R 6,854,485	R 614,006	R 750,667	R 639,427	R 1,406,288	R 1,044,696	R 5,288,785	R 35,400,735	R 51,999,089
<b>Total By Customer Group</b>	<b>R 1,482,463,788</b>	<b>R 702,921,682</b>	<b>R 1,508,332,843</b>	<b>R 538,184,580</b>	<b>R 818,835,055</b>	<b>R 694,237,695</b>	<b>R 2,940,148,890</b>	<b>R 7,135,115,151</b>	<b>R 15,820,239,684</b>

#### Debtors' Age Analysis (Inclusive of VAT) as at end of 30 September 2023

Detail	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-
<b>Debtors Age Analysis by Income Source</b>									
Trade and Other Receivables from Exchange Transactions - Water	R 532,121,598	R 334,861,561	R 307,358,399	R 245,628,641	R 236,404,306	R 393,062,799	R 1,785,562,350	R 2,743,416,715	R 6,578,416,389
Trade and Other Receivables from Exchange Transactions - Electricity	R 526,677,304	R 119,627,289	R 49,970,063	R 24,964,931	R 19,498,893	R 15,563,033	R 72,083,552	R 398,619,701	R 1,227,004,776
Receivables from Non-exchange Transactions - Property Rates	R 2,568,988,839	R 56,458,651	R 37,100,493	R 11,849,368	R 6,380,430	R 16,942,040	R 271,564,281	R 867,082,634	R 3,836,168,736
Receivables from Exchange Transactions - Waste Water Management	R 110,452,301	R 53,641,183	R 46,443,307	R 35,954,240	R 31,926,091	R 28,043,519	R 132,351,356	R 684,039,528	R 1,122,851,525
Receivables from Exchange Transactions - Waste Management	R 47,128,381	R 15,158,304	R 14,783,570	R 12,241,552	R 9,026,997	R 13,388,776	R 62,440,081	R 407,491,328	R 581,658,989
Receivables from Exchange Transactions - Property Rental Debtors	R 3,546,954	R 754,076	R 640,900	R 582,008	R 304,904	R 994,449	R 3,003,571	R 35,062,191	R 44,889,053
Interest on Arrear Debtor Accounts	R 116,448,445	R 89,921,765	R 85,360,722	R 76,812,254	R 58,989,917	R 81,911,674	R 310,743,634	R 1,192,676,249	R 2,012,964,860
Other	R 15,522,209	R 4,915,244	R 5,829,984	R 5,180,353	R 4,019,819	R 3,302,740	R 20,567,620	R 325,234,591	R 384,572,580
<b>Total By Income Source</b>	<b>R 3,920,886,031</b>	<b>R 675,338,083</b>	<b>R 547,487,438</b>	<b>R 413,013,347</b>	<b>R 368,551,357</b>	<b>R 553,209,030</b>	<b>R 2,658,316,445</b>	<b>R 6,853,622,937</b>	<b>R 15,788,424,668</b>
Organs of State	R 214,301,386	R 28,393,234	R 20,112,082	R 18,174,929	R 4,734,834	R 12,322,406	R 25,585,602	R 106,422,268	R 430,046,741
Commercial	R 1,819,859,494	R 150,087,976	R 78,439,255	R 46,686,362	R 32,844,218	R 46,096,674	R 231,835,947	R 1,130,707,844	R 3,338,357,570
Households	R 2,081,197,995	R 496,175,715	R 448,213,571	R 346,264,722	R 328,723,897	R 493,922,377	R 2,395,106,189	R 5,378,758,157	R 11,988,362,623
Other NMBM)	R 5,527,156	R 681,158	R 722,530	R 1,887,334	R 448,408	R 867,573	R 5,788,707	R 37,734,868	R 53,657,734
<b>Total By Customer Group</b>	<b>R 3,920,886,031</b>	<b>R 675,338,083</b>	<b>R 547,487,438</b>	<b>R 413,013,347</b>	<b>R 368,551,357</b>	<b>R 553,209,030</b>	<b>R 2,658,316,445</b>	<b>R 6,853,622,937</b>	<b>R 15,788,424,668</b>

The above-mentioned analysis indicates that from 30 June 2023 – 30 Sept 2023, the overdue debts have decreased by R2,470,237,259 as follows mainly due to Bad Debt write-offs of R2,339,751,399.76 that were processed during the first quarter of the 2024 financial year in terms of the amended Assistance to the Poor Policy:

## Annexure "C5"

Detail	OVERDUE AMOUNTS		
	June 2023	Sept 2023	Difference
Trade and Other Receivables from Exchange Transactions – Water	R 8,136,133,033	R 6,046,294,771	-R 2,089,838,262
Trade and Other Receivables from Exchange Transactions – Electricity	R 653,630,400	R 700,327,472	R 46,697,072
Receivables from Non-exchange Transactions - Property Rates	R 1,335,540,279	R 1,267,177,897	-R 68,362,382
Receivables from Exchange Transactions - Waste Water Management	R 1,163,788,465	R 1,012,399,224	-R 151,389,241
Receivables from Exchange Transactions - Waste Management	R 661,209,036	R 534,530,608	-R 126,678,428
Receivables from Exchange Transactions - Property Rental Debtors	R 40,177,773	R 41,342,099	R 1,164,326
Interest on Arrear Debtor Accounts	R 1,947,366,721	R 1,896,416,215	-R 50,950,506
Other	R 399,930,189	R 369,050,351	-R 30,879,838
<b>Total By Income Source</b>	<b>R 14,337,775,896</b>	<b>R 11,867,538,637</b>	<b>R -2,470,237,259</b>
<b>Debtors Age Analysis by Customer Group</b>			
Organs of State	R 180,626,258	R 215,745,355	R 35,119,097
Commercial	R 1,693,956,774	R 1,716,498,076	R 22,541,302
Households	R 12,418,048,260	R 9,887,164,628	-R 2,530,883,632
Other NMBM	R 45,144,604	R 48,130,578	R 2,985,974
<b>Total By Customer Group</b>	<b>R 14,337,775,896</b>	<b>R 11,867,538,637</b>	<b>R -2,470,237,259</b>

The credit control policy is being implemented to its fullest extent except for the component dealing with the sale in execution of both movable and immovable assets.

### Growth in Debt by category

The following table further provides the Committee with the history of how the arrear debt situation has escalated from July 2017 up to date:

Outstanding Debtors by Category					
Month	Category				Total
	Government	Business	Household	NMBM	
Jul-17	131,605,461	948,819,329	1,498,914,440	18,866,863	2,598,206,093
Aug-17	104,633,792	952,594,059	1,561,708,130	13,877,297	2,632,813,278
Sep-17	111,750,722	739,558,610	1,568,778,756	14,095,837	2,434,183,925
Oct-17	179,672,102	906,897,383	1,763,941,360	14,472,532	2,864,983,377
Nov-17	127,932,749	888,213,821	1,805,477,552	14,986,214	2,836,610,336
Dec-17	134,972,713	913,685,465	1,879,858,438	18,109,773	2,946,626,389
Jan-18	134,134,638	975,421,884	1,977,500,540	14,795,257	3,101,852,319
Feb-18	105,343,973	893,996,624	1,987,125,644	14,980,713	3,001,446,954
Mar-18	109,231,097	1,036,621,747	2,022,574,714	15,946,568	3,184,374,126
Apr-18	109,626,926	1,039,180,221	2,094,728,530	15,742,771	3,259,278,448
May-18	112,735,842	1,053,595,707	2,105,708,816	16,901,890	3,288,942,255
Jun-18	102,939,284	1,035,331,542	2,108,261,598	17,624,231	3,264,156,655
Jul-18	99,708,290	1,049,275,412	2,113,075,158	16,332,077	3,278,390,937
Aug-18	103,554,527	1,066,307,271	2,162,454,892	16,527,891	3,348,844,581
Sep-18	94,561,804	979,168,582	2,280,929,826	20,170,905	3,374,831,117
Oct-18	164,982,480	993,875,094	2,350,424,434	21,538,214	3,530,820,222
Nov-18	116,018,020	987,991,661	2,371,146,994	21,013,996	3,496,170,671
Dec-18	113,652,702	1,023,496,281	2,454,062,638	22,896,183	3,614,107,804
Jan-19	115,131,644	1,044,563,530	2,548,552,149	23,798,153	3,732,045,476
Feb-19	110,516,104	992,773,520	2,551,914,535	24,053,840	3,679,257,999
Mar-19	122,275,466	1,040,446,996	2,629,763,511	27,671,454	3,820,157,427
Apr-19	119,176,147	1,024,408,324	2,645,586,093	30,585,500	3,819,756,064
May-19	104,537,696	999,611,086	2,676,167,109	29,507,234	3,809,823,125
Jun-19	91,038,489	989,505,419	2,702,507,784	30,001,743	3,813,053,435
Jul-19	85,564,615	1,142,778,505	2,653,304,020	32,088,668	3,913,735,808
Aug-19	90,373,388	1,149,814,821	2,703,970,584	31,759,862	3,975,918,655
Sep-19	109,368,442	1,178,190,411	2,364,651,705	33,842,941	3,686,053,499
Oct-19	151,413,880	1,193,345,083	2,433,626,335	26,910,325	3,805,295,623
Nov-19	113,090,936	1,198,838,764	2,504,504,602	26,241,036	3,842,675,338
Dec-19	130,945,358	1,258,698,481	2,634,641,368	32,546,934	4,056,832,141
Jan-20	135,178,726	1,293,896,794	2,780,370,815	31,468,179	4,240,914,514
Feb-20	126,380,147	1,269,003,363	2,836,445,913	28,645,808	4,260,475,231
Mar-20	138,997,054	1,337,089,989	2,920,985,491	38,497,040	4,435,569,574
Apr-20	181,347,872	1,520,914,374	3,080,706,601	54,029,438	4,836,998,285
May-20	217,075,706	1,397,620,326	3,200,372,813	63,806,044	4,878,874,889

## Annexure "C5"

Outstanding Debtors by Category					
Month	Category				Total
	Government	Business	Household	NMBM	
Jun-20	226,436,994	1,504,983,613	3,254,120,628	30,423,021	5,015,964,256
Jul-20	176,399,253	1,473,562,003	3,311,069,732	30,578,375	4,991,609,363
Aug-20	178,700,904	1,518,494,930	3,391,965,425	33,202,062	5,122,363,321
Sep-20	177,913,838	1,514,531,406	3,460,129,495	35,876,824	5,188,451,563
Oct-20	180,838,124	1,585,419,568	3,609,290,419	30,348,519	5,405,896,630
Nov-20	199,820,603	1,570,647,648	3,886,751,212	43,555,953	5,700,775,416
Dec-20	207,370,797	1,604,414,662	3,930,727,030	35,623,793	5,778,136,282
Jan-21	201,207,009	1,599,260,902	4,070,002,886	31,756,091	5,902,226,888
Feb-21	202,847,103	1,551,589,618	4,120,115,720	37,884,321	5,912,436,762
Mar-21	198,750,607	1,579,442,827	4,248,102,288	32,492,235	6,058,787,957
Apr-21	201,827,172	1,608,128,527	4,333,259,122	33,258,939	6,176,473,760
May-21	151,384,533	1,648,118,675	4,431,481,988	33,565,247	6,264,550,443
Jun-21	139,326,575	1,582,792,153	4,488,806,232	37,628,117	6,248,553,077
Jul-21	164,531,984	1,650,649,855	4,642,038,574	40,205,793	6,497,426,206
Aug-21	152,655,812	1,696,234,145	4,847,662,045	56,852,499	6,753,404,501
Sep-21	154,560,053	1,703,479,311	5,113,737,194	35,130,687	7,006,907,245
Oct-21	177,656,262	1,802,561,606	5,461,557,379	36,729,127	7,478,504,374
Nov-21	207,095,304	1,828,372,065	5,785,896,888	37,354,462	7,858,718,719
Dec-21	223,874,721	1,784,577,155	6,040,058,139	40,020,922	8,088,530,937
Jan-22	237,008,342	1,901,393,994	6,320,662,619	45,053,874	8,504,118,829
Feb-22	198,555,915	1,845,283,283	6,553,678,171	41,994,914	8,693,512,283
Mar-22	219,906,424	1,901,929,313	6,745,447,544	38,838,083	8,906,121,364
Apr-22	230,404,967	1,827,933,684	6,942,836,405	39,878,537	9,041,053,593
May-22	104,831,777	1,432,153,667	6,381,720,942	29,470,399	7,948,176,785
Jun-22	150,887,128	1,816,207,856	7,242,667,376	41,306,707	9,251,069,067
Jul-22	138,071,594	1,808,368,730	7,418,890,959	46,068,829	9,411,400,112
Aug-22	151,120,798	1,816,655,770	7,685,015,131	42,592,857	9,695,384,556
Sep-22	148,963,028	1,777,666,427	8,141,070,821	43,360,378	10,111,060,654
Oct-22	169,097,100	1,862,433,940	8,690,261,192	39,216,030	10,761,008,262
Nov-22	175,395,539	1,854,190,450	9,251,754,703	38,691,566	11,320,032,258
Dec-22	174,209,778	1,905,344,288	9,928,689,845	39,909,204	12,048,153,115
Jan-23	174,827,696	1,996,042,621	10,648,762,048	40,748,002	12,860,380,367
Feb-23	176,856,024	1,937,809,593	11,156,534,665	42,318,764	13,313,519,046
Mar-23	217,843,623	1,997,766,080	10,761,831,590	43,100,182	13,020,541,475
Apr-23	205,466,554	1,977,511,175	10,911,698,951	43,626,887	13,138,303,567
May-23	183,660,173	1,715,095,892	12,193,828,288	44,494,833	14,137,079,186
Jun-23	180,626,258	1,693,956,774	12,418,048,260	45,144,604	14,337,775,896
Jul-23	201,939,518	1,686,747,320	10,546,100,402	47,048,250	12,481,835,490
Aug-23	214,260,250	1,782,258,524	9,705,918,697	47,880,223	11,750,317,694
Sep-23	215,745,355	1,716,498,076	9,887,164,628	48,130,578	11,867,538,637

### 1.2. Annual Debtors Collection Rate

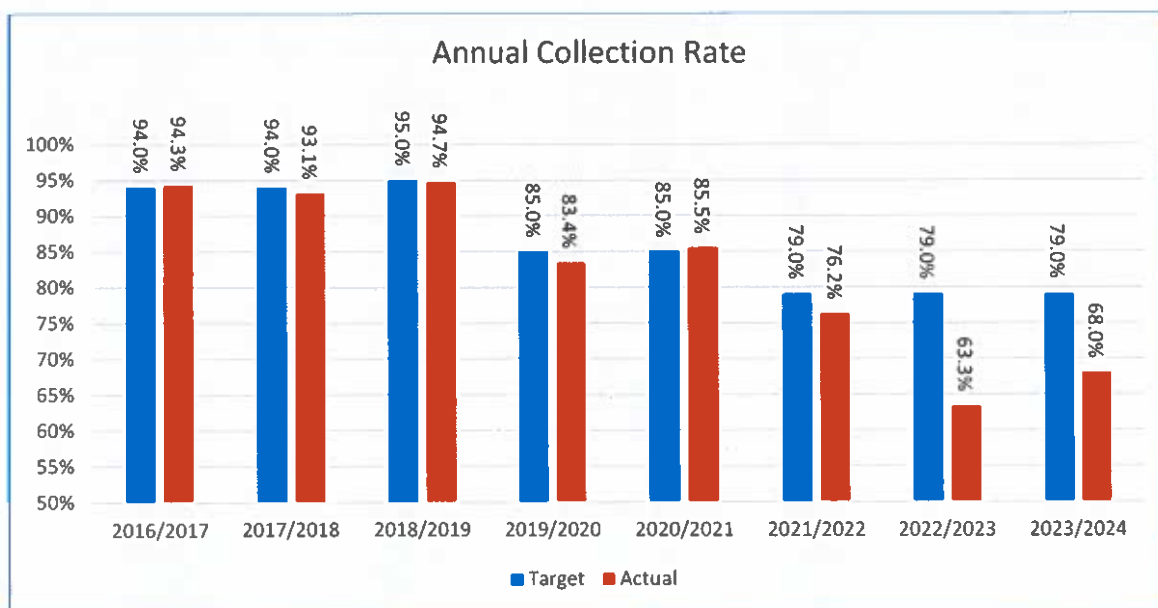
This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services. The ratio is 80% as per the 2023/24 Budget. However, a collection rate of 100% or more is required to decrease the provision for doubtful debts so that more funds are released for service delivery.

The ratio to determine the percentage collection rate is as follows:

$$\frac{\text{Total Payments Received in respect of Accounts rendered during Financial year}}{\text{Total Value of Accounts Rendered during Financial year.}} \times 100 = \text{Percentage Collection Rate}$$

The average collection rate for the 2022/23 financial year was 63.31%. However, the average collection rate for the 2023/24 financial year to date is 68%, whilst the collection rate for revenue raised in August 2023 collected in the month ending 30 September 2023 amounts to 65.60%.

## Annexure "C5"



### 1.3 Other Debtors

The bridge financing of the Housing function is at a level of R195,425,026 million as at 30 September 2023. It is critical that the current level of R195.43 million be managed downwards. Despite efforts from Budget & Treasury to try to arrange meetings with officials from the PDoHS, the NMBM Human Settlements Directorate and Budget and Treasury in order to address problem areas, no meetings are currently being held as NMBM Human Settlements officials appear not to be complying with province requests for sufficient substantive information.

### 2. Overview of Creditors position

Below is an analysis of the status of the major creditors:

**Supporting Table SC4 Monthly Budget Statement - aged creditors – M03 September 2023**

Detail	0 – 30 Days	31-60 days	61 – 90 days	Above 91 days	Total	%
	R '000	R '000	R '000	R '000	R '000	
Bulk Electricity	525,893,344.21	-	-	-	525,893,344.21	16.90
Bulk Water	-	18,300,032.66	-	-	18,300,032.66	0.60
PAYE deductions	54,382,815.40	-	-	-	54,382,815.40	1.75
VAT (output less input)	86,319,947.22	-	-	-	86,319,947.22	2.77
Pensions / Retirement deductions	47,986,303.65	-	-	-	47,986,303.65	1.54
Loan Repayments	-	-	-	-	-	-
Trade Creditors	991,559,944.46	1,114,983.34	237,796,933.32	1,143,914,094.89	2,374,385,955.91	76.31
Auditor-General	4,021,530.50	111,021.81	-	-	4,132,552.31	0.13
Other	-	-	-	-	-	-
<b>Total</b>	<b>1,710,163,885.44</b>	<b>19,526,037.81</b>	<b>237,796,933.22</b>	<b>1,143,914,094.89</b>	<b>3,111,400,951.36</b>	<b>100</b>

The above amounts represent invoices still to be paid by the NMBM and MBDA. Creditors' payments for the NMBM approximate **53 days**, based on the date of invoice. The target for payment days is recorded at 30 days from receiving the relevant invoice from service provider to the payment date. The **53 days** excludes delayed payments as a result of irregular expenditure.

The target for payment days is recorded at 30 days from receiving the relevant invoice from service provider to the payment date.

## Annexure "C5"

A monthly report is submitted to Management Team on the outcome of the creditors' payment process. Executive Directors are held responsible for outcomes in the following two areas: -

- Adhering to the 19 days allocated to Directorates for processing of all payments – this currently forms part of the Executive Directors' scorecards; and
- Reporting on and being held accountable for irregular expenditure – this is dealt with through the MPAC sub-committee for irregular, fruitless & wasteful and unauthorised expenditure.
- The Vat value was not available at the time of the report.

### 2.1 Payment of Service Providers

Section 65(2)(e) of the MFMA states that "all monies owing by the Municipality be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure".

To ensure efficient administration all reporting in relation to payment is based on using the invoice date as the baseline and not the date of receipt of the invoice. An average number of days to make payment from the date of invoice have been calculated at 35 days, by allowing 5 days for postal travel of the invoice from supplier to the municipality.

For performance measuring purpose the 35 days has been split as follows:

- Phase 1 – The Directorate has 19 days to process from date of invoice: and
- Phase 2 – Creditors, Accountants & Cash Management have 16 days to finalise the payment process.

It must be noted that the date of receipt is inserted in the payments program by the directorate who is capturing the invoice. This date is subjective as it relies on the directorate to be honest when capturing the date, the invoice document was physically received by the municipality.

This reporting standard is being applied due to the fact that:

- Service Providers give discount based on the invoice date, irrespective of the invoice receipt date.
- Performance of the NMBM in relation to payment is determined by the Service Provider from the date of the invoice.
- Recording of the invoice receipt date may be subjective, impractical to manage and difficult to prove.

### DATE OF INVOICE vs DATE OF DIRECTORATE APPROVAL

**Table 1: Reflects the number of Days taken by Directorates to process documentation for payment from Date of Invoice**

DIRECTORATE	July 2023	Total No of Invoices	August 2023	Total No of Invoices	September 2023	Total No of Invoices
Budget & Treasury	14.49	877	10.74	867	8.86	826
Chief Operating Officer	55.39	238	66.44	191	56.57	156
Corporate Services	68.55	6981	32.86	3467	22.87	220
Economic Development, Tourism & Agriculture	22.06	35	29.74	31	44.18	33
Electricity & Energy	39.5	432	62.78	220	55.12	166
Human Settlements	32.9	174	13.48	147	13.33	125
Infrastructure & Engineering: Rate & General	58.13	1150	55.84	912	72.77	850
Water Services	42.25	150	34.65	117	18.73	91
Municipal Manager	11.58	12	58.71	35	4.86	29
Office of the Executive Mayor	75.97	34	33.86	43	30.45	42
Public Health	37.73	454	63.15	373	17.12	393
Recreational & Cultural Services	21.81	190	25.84	129	17.37	98
Safety & Security	23.87	308	21.71	282	16.63	187
Sanitation	35.41	233	35.96	159	29.93	152
<b>Average for all Directorates</b>	<b>56.87</b>		<b>35.83</b>		<b>34</b>	

## Annexure "C5"

An analysis of **Table 1** illustrates the following:

During September 2023 the number of days to process documentation has increased significantly from August for the following Directorates:

Directorate	No. of Days (September)
Economic Development, Tourism & Agriculture	44.18
Infrastructure & Engineering: Rate & General	72.77

The September 2023 payment day's results of the Economic Development, Tourism & Agriculture Directorate are attributed to late payments that were made to suppliers Seda Construction Incubator, which were paid in excess of 100 days, respectively, from the Date of Invoice. The late payment reason recorded by the Directorate is "Delay due to finalisation of the SLA".

The September 2023 payment day's results of the Infrastructure & Engineering: Rate & General Directorate are attributed to late payments that were made to suppliers ALGOA PLANT HIRE, which were paid in excess of 100 days, respectively, from the Date of Invoice. The late payment reason recorded by the Directorate is "CAPTURED LATE INVOICE "

### **DATE OF RECEIPT OF INVOICE vs DATE OF DIRECTORATE APPROVAL**

**Table 2** below illustrates by Directorate the number of days taken to process documentation from the date of Receipt of invoice:

DIRECTORATE	July 2023	Total No of Invoices	August 2023	Total No of Invoices	September 2023	Total No of Invoices
Budget & Treasury	4.13	877	3.06	867	3.76	826
Chief Operating Officer	8.29	238	23.45	191	14.83	156
Corporate Services	54.87	6981	27	3467	9.3	220
Economic Development, Tourism & Agriculture	6.51	35	12.32	31	30.64	33
Electricity & Energy	15.15	432	31.77	220	38.19	166
Human Settlements	11.76	174	6.78	147	7.25	125
Infrastructure & Engineering: Rate & General	18.39	1150	22.92	912	15.34	850
Water Services	27.66	150	17.25	117	7.66	91
Municipal Manager	4.33	12	37.46	35	3.93	29
Office of the Executive Mayor	72.97	34	25.88	43	28.43	42
Public Health	17.35	454	35.99	373	10.93	393
Recreational & Cultural Services	7.42	190	15.33	129	9.59	98
Safety & Security	17.44	308	10.92	282	7.72	187
Sanitation	18.32	233	26.08	159	13.63	152
<b>Average for all Directorates</b>	<b>39.42</b>		<b>22.53</b>		<b>11.74</b>	

The Directorates performance cumulatively has improved for the month of September 2023 when compared to August 2023 as per **Table 2**.

The recording of the Invoice received Date is performed by each respective Directorate and is subjective as Suppliers often dispute that there has been any delay for submitting Invoices to the NMBM. When Suppliers initiate punitive action for late payment, such as legal action; penalty interest; revoking the NMBM's credit facility, etc. the date of the Invoice becomes relevant and not the date that it was received.

The analysis of the Average Number of Days between the **Invoice Date** and the **Date of Receipt of Invoice** per Directorate indicates the following for September 2023:

Directorate	No. of Days (September)
Budget & Treasury	10.37
Chief Operating Officer	44.31
Corporate Services	18.59
Economic Development, Tourism & Agriculture	15.48
Electricity & Energy	20.69
Human Settlements	8.54
Infrastructure & Engineering: Rate & General	65.96

## Annexure "C5"

Directorate	No. of Days (September)
Water Services	14.68
Municipal Manager	1.48
Office of the Executive Mayor	2.29
Public Health	9.62
Recreational & Cultural Services	9.5
Safety & Security	14.1
Sanitation	18.68

The above information indicates that there is a significant delay between the Supplier's Invoice date and the date that it is received at the NMBM. This is evident for the following Directorates where it has taken in excess of 30 Days for the Invoices to be received:

- Chief Operating Officer 44.31
- Infrastructure & Engineering: Rate & General 65.69

All Directorates who encounter delays in receiving Invoices from Suppliers should address this with the respective Supplier(s) as the resultant late payments may be attributed to the NMBM and punitive action against the NMBM may be initiated by the Supplier(s).

The overall number of days taken to process documentation for payment has improved for September 2023 when compared to August 2023.

**Table 3: Reflects the Average number of Days taken by the NMBM to pay Service Providers from the date that the EFT is available for release.**

Month	Number of Days taken by Accountant to sign off documentation	Number of Days taken by Creditors to process & final Sign Off of EFT	Delay in release of EFT's	Total No. of days from date Directorate approves. invoice
July	8	4	0	12
August	6	6	1	13
September	10	7	2	19

Table 3 above reflects the Phase 2 process payment cycle where the target has been set at **16 days**. The target for this phase of processing has been met for the months of July 2023 and August 2023 and has not been met for the month of September. If we combine Phase 1 and Phase 2 in the payment process, then the number of days taken to pay creditors from date of invoice is as follows against the target of 35 days.

July 2023 – 68.87 days  
 August 2023 – 48.83 days  
 September 2023 – 53 days

The National Treasury target has been set at 30 days from the date when the invoice has been received. By using the receipt date of the invoice, as recorded by the Directorate, the number of days taken to pay creditors during the quarter is as follows:

July 2023 – 52 days  
 August 2023 – 35 days  
 September 2023 – 26 days

The results above indicate that the Creditors' payment days were not met for the months of July 2023 and August 2023 and were met for the month of September. It remains the responsibility of each Directorate to ensure that Invoices are received and processed relating to service delivery within their Directorate.

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Directorate	Total No. Of Invoices (September 2023)	No. of Invoices paid <u>within 30</u> Days of Receipt	Efficiency Rate (%), calculated as No. of Invoices paid within 30 days of Receipt /Total No. of Invoices*100
Budget & Treasury	826	781	94.55
Chief Operating Officer	156	99	63.46
Corporate Services	220	183	83.18
Economic Development, Tourism & Agriculture	33	29	87.88
Electricity & Energy	166	95	57.23
Human Settlements	125	101	80.80
Infrastructure & Engineering: Rate & General	850	588	69.18
Water Services	91	83	91.21
Municipal Manager	29	26	89.66
Office of the Executive Mayor	42	30	71.43
Public Health	393	327	83.21
Recreational & Cultural Services	98	81	82.65
Safety & Security	187	141	75.40
Sanitation	152	79	51.97

## Annexure "C5"

### 3. Investment Portfolio as at 30 September 2023

Below is an analysis of the Investment Portfolio as at 30 September 2023: -

Financial Institution	ABSA		FNB		Investec		Nedbank		Standard Bank		Startlib		ABSA		MBDA		Santam		NIMBM	
	Term Deposit	Call Deposit	Term Deposit	Call Deposit	Call Deposit	Term Deposit	Call Deposit	Term Deposit	Call Deposit	Term Deposit	Call Deposit	Call Deposit	Term Deposit	Current Account	Investments	Shares	Investments	Shares	Total	Total
Type of Investment																				
Value of Investment: 30Jun23	620,000,000	5,310,000	1,155,000,000	169,693,179	1,030,000,000	50,500,000	50,500,000	1,546,700,000	259,657	1,191,700,000	259,657	259,657	4,577,462,836	171,275,467	4,577,462,836	66,291,417	2,387,624	4,817,417,344	4,817,417,344	
Value of Investment: 30Sep23	430,000,000	7,676,969	1,030,000,000	173,137,985	350,000,000	440,500,000	440,500,000	1,191,700,000	0	1,191,700,000	0	0	3,623,274,611	622,009,432	3,623,274,611	33,031,740	2,387,624	4,280,703,406	4,280,703,406	
(Decrease) / Increase in Investments	-190,000,000	2,366,969	-125,000,000	3,444,806	-680,000,000	390,000,000	390,000,000	-355,000,000	0	-355,000,000	0	0	-954,188,225	450,733,964	-954,188,225	-33,259,677	0	-536,713,938	-536,713,938	
% Exposure of Institution	10.05%	0.18%	24.06%	4.04%	8.18%	10.29%	10.29%	27.84%	0.01%	27.84%	0.01%	0.01%	84.64%	14.53%	84.64%	0.77%	0.06%	100.00%	100.00%	
Actual Interest earned to date	17,813,542	-87,355	-7,144,678	-3,444,806	-3,024,586	-673,380	-4,260,083	-3,867	-825,213	-4,260,083	-3,867	-3,867	-6,566,438	-582,820	-6,566,438	-582,820	-7,994,470	-7,994,470		

## Annexure "C5"

There is a decrease in the investment portfolio since 30 June 2022 amounting to R536.714 million.

The following analysis indicates the extent to which the investments are committed:

<b><u>Cash backed Reserves</u></b>	<b>R'000</b>
Bank Balances and Cash	624,431
Short-term Investment Deposits	3,653,885
Short-term Investments	<u>2,387</u>
	4,280,703
<b><u>Application of Cash</u></b>	
Unspent Conditional Grants	498,296
Statutory Funds – COID	61,868
Self-Insurance Fund	213,614
Outstanding Creditors Liability	3,111,400
Internally Generated Funding	492,681
Provision for Land Fill Sites	491,042
Provision for Rehab of Swartkops river	109,731
Brookes Bequest	25,269
Current Provisions	199,423
Consumer Deposits	155,225
Unspent Borrowing	<u>111,340</u>
<b>Total Commitments</b>	<b><u>5,469,889</u></b>
<b><u>Cash and Cash Equivalents less than Commitments</u></b>	<b><u>1,189,186</u></b>

The Cash and Cash Equivalents fell short of Commitments by an amount of R 1,189 billion.

The following financial strategies are being implemented to address this situation:

- Optimisation of all revenue streams.
- Increasing collection rates above the targeted percentage utilising the credit control policy of Council.
- Disposal of serviced land in order to boost the depleted Capital Replacement Reserve.
- Implementation of Cost Containment Policy.

#### 4. Allocation and Grant receipts and expenditure for the 2023/24 financial year

##### Monthly Budget Statement - Transfers and Grants - Receipts and Expenditure – September 2023

Description	Budget Year 2023/24		
	Original Budget	Year TD actual	Year TD actual
R thousands			
<b>RECEIPTS:</b>		<b>RECEIPTS:</b>	<b>PAYMENTS</b>
<b>Operating Transfers and Grants</b>			
<b>National Government:</b>	<b>1,693,310</b>	<b>632,433</b>	<b>608,218</b>
Local Government Equitable Share	1,419,053	591,272	591,272
EPWP Incentive	8,397	2,099	216
Finance Management	1,000	1,000	155
Infrastructure Skills Development	13,750	9,000	3,082
LGSETA	3,800	1,057	311
Integrated Cities Development	20,000		
Urban Settlements Development	15,124	3,146	
Public Transport Networks Operations	161,176	22,862	13,183
Neighbourhood Development Partnership	20,000		
Programme and Project Support Grant	20,000		
Informal Settlements Partnership Grant	11,010	1,998	
<b>Provincial Government:</b>	<b>116,375</b>	<b>30,675</b>	<b>12</b>
Sport and Recreation	15,870		
DRPW (Maintenance of Roads)	18,000		

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Description	Budget Year 2023/24		
	Original Budget	Year TD actual	Year TD actual
<b>R thousands</b>			
<b>RECEIPTS:</b>		<b>RECEIPTS:</b>	<b>PAYMENTS</b>
Marine and Coastal Development	896	12	12
Human Settlements Development	81,608	30,663	
<b>Other grant providers:</b>	<b>124,168</b>	<b>-</b>	<b>-</b>
SARS	124,168		
<b>Total Operating Transfers and Grants</b>	<b>1,933,852</b>	<b>663,108</b>	<b>608,230</b>
<b>Capital Transfers and Grants</b>			
<b>National Government:</b>	<b>1,530,143</b>	<b>305,886</b>	<b>48,061</b>
Public Transport Infrastructure	185,200	26,269	7,000
Urban Settlements Development	599,778	124,756	37,486
Neighbourhood Development Partnership	29,700	19,578	
Informal Settlements partnership Grant	338,625	61,442	3,575
Drought Relief Grant	19,840	-	-
Energy Efficiency & Demand Side Management	9,000	2,000	-
Regional Bulk Infrastructure	348,000	71,840	
<b>Other grant providers:</b>	<b>-</b>	<b>-</b>	<b>3,547</b>
Private Contributions			3,547
<b>Total Capital Transfers and Grants</b>	<b>1,530,143</b>	<b>305,886</b>	<b>51,608</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>3,463,996</b>	<b>968,993</b>	<b>659,838</b>

### **DORA Operating Grants:**

#### **Expanded Public Works Programme (EPWP)**

This grant is to incentivise municipalities to expand work creation efforts through the use of labour-intensive delivery.

DORA Allocation:	R 8,397,000
Amount of Grant Received	R 2,099,000
Expenditure to date:	R 215,680
<b>Unspent as at 30 September 2023</b>	<b>R 8,181,320</b>

As at 30 September 2023, 2.57% of the DORA allocation was spent.

#### **Infrastructure Skills Development**

This grant is to strengthen capacity of local government, to effectively and efficiently deliver quality infrastructure, by increasing the pool of skills.

DORA Allocation:	R 13,750,000
Amount of Grant Received	R 9,000,000
Expenditure to date:	R 3,082,026
<b>Unspent as at 30 September 2023:</b>	<b>R 10,667,974</b>

As at 30 September 2023, 22.41% of the DORA allocation was spent.

#### **Finance Management Grant**

This grant is to promote and support reforms in financial management by building capacity in municipalities to implement the Municipal Finance Management Act (MFMA).

DORA Allocation:	R 1,000,000
Amount of Grant Received	R 1,000,000
Expenditure to date:	R 154,896
<b>Unspent as at 30 September 2023:</b>	<b>R 845,104</b>

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As at 30 September 2023, 15.49% of the DORA allocation was spent.

### **Programme and Project Preparation Support Grant**

This grant is to support metropolitan municipalities to develop a pipeline of investment ready capital programmes and projects through establishing and institutionalising an effective and efficient system of programme and project preparation.

DORA Allocation:	R 20,000,000
Amount of Grant Received	R Nil
Expenditure to date:	R Nil
<b>Unspent as at 30 September 2023:</b>	<b>R 20,000,000</b>

As at 30 September 2023, 0% of the DORA allocation was spent.

### **Urban Settlements Development Grant – Portion allocated for operational expenditure.**

This grant is to assist metropolitan municipalities to improve urban land production to the benefit of poor households, to improve spatial integration and densities by supplementing the budgets of metropolitan municipalities.

DORA Allocation:	R 17,669,000
Amount of Grant Received	R Nil
Expenditure to date:	R Nil
<b>Unspent as at 30 September 2023:</b>	<b>R 17,669,000</b>

As at 30 September 2023, 0% of the DORA allocation was spent.

### **Public Transport Networks Operations – Portion allocated for operational expenditure.**

This grant is to provide supplementary operational funding to municipalities.

DORA Allocation:	R 15,123,530
Amount of Grant Received	R 3,145,753
Expenditure to date:	R Nil
<b>Unspent as at 30 September 2023:</b>	<b>R 15,123,530</b>

As at 30 September 2023, 0% of the DORA allocation was spent.

### **Informal Settlements Partnership Grant – Portion allocated for operational expenditure.**

In 2020/21, this new grant was introduced to fund Operating Expenditure relating to the upgrade of informal settlements through partnerships between communities and metros.

DORA Allocation:	R 11,010,000
Amount of Grant Received	R 1,997,724
Expenditure to date:	R Nil
<b>Unspent as at 30 September 2023:</b>	<b>R 11,010,000</b>

As at 30 September 2023, 0% of the DORA allocation was spent.

### **Capital Grants (DORA)**

#### **Urban Settlements Development Grant**

This grant is to assist metropolitan municipalities to improve urban land production to the benefit of poor households, to improve spatial integration and densities by supplementing the budgets of metropolitan municipalities.

DORA Allocation:	R 599,778,470
Amount of Grant Received	R 124,756,247
Expenditure to date:	R 37,485,751
<b>Unspent as at 30 September 2023:</b>	<b>R 562,292,719</b>

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As at 30 September 2023, 6.25% of the DORA allocation was spent.

### Public Transport Infrastructure Grant

This grant is to provide for accelerated planning, construction and improvement of public and non-motorised transport infrastructure.

DORA Allocation:	R 185,200,000
Amount of Grant Received	R 26,269,318
Expenditure to date:	R 7,000,439
<b>Unspent as at 30 September 2023:</b>	<b>R 178,199,561</b>

As at 30 September 2023, 3.78% of the DORA allocations was spent.

### Neighbourhood Development Partnership

This grant is to support and facilitate the planning and development of neighbourhood development programmes and projects that provide catalytic infrastructure to leverage third party public and private sector development towards improving the quality of life of residents in targeted underserved neighbourhoods.

DORA Allocation:	R 29,700,000
Amount of Grant Received:	R 19,587,000
Expenditure to date:	R Nil
<b>Unspent as at 30 September 2023:</b>	<b>R 29,700,000</b>

As at 30 September 2023, 0% of the DORA allocation was spent.

### Informal Settlements Partnership Grant – Portion allocated for capital expenditure.

In 2020/21, this new grant was introduced to fund Capital Expenditure relating to the upgrade of informal settlements through partnerships between communities and metros.

DORA Allocation:	R 338,625,000
Amount of Grant Received	R 61,442,276
Expenditure to date:	R 3,575,112
<b>Unspent as at 30 September 2023:</b>	<b>R 335,049,888</b>

As at 30 September 2023, 1.06% of the DORA allocation was spent.

### Energy Efficiency & Demand Management Grant

DORA Allocation:	R 9,000,000
Amount of Grant Received	R 2,000,000
Expenditure to date:	R Nil
<b>Unspent as at 30 September 2023:</b>	<b>R 9,000,000</b>

As at 30 September 2023, 0% of the DORA allocation was spent.

### Regional Bulk Infrastructure Grant

DORA Allocation:	R 348,000,000
Amount of Grant Received	R 71,840,000
Expenditure to date:	R Nil
<b>Unspent as at 30 September 2023:</b>	<b>R 348,000,000</b>

As at 30 September 2023, 0% of the DORA allocation was spent.

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### Drought Relief Grant

DORA Allocation:	R 19,840,000
Amount of Grant Received	R Nil
Expenditure to date:	R Nil
<b>Unspent as at 30 September 2023:</b>	<b>R 19,840,000</b>

As at 30 September 2023, 0% of the DORA allocation was spent.

### 5. Councillor and Board members' allowances and employee benefits

Below is an analysis of Councillor, Board members' allowances and employee benefits:

#### Supporting Table SC8 Monthly Budget Statement - Councillor and staff benefits – M03 September 2023

Summary of Employee and Councillor remuneration	Budget Year 2023/24					
	Original Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance %
<b>R thousands</b>						
<b>Councillors (Political Office Bearers plus Other)</b>						
Basic Salaries and Wages	85,433	9,654	22,071	21,358	712	3%
Cell phone Allowance	5,386	764	1,584	1,346	237	18%
Other benefits and allowances	270	39	57	68	(11)	-16%
<b>Sub Total - Councillors</b>	<b>91,089</b>	<b>10,458</b>	<b>23,711</b>	<b>22,772</b>	<b>939</b>	<b>4%</b>
<b>% increase</b>						
<b>Senior Managers of the Municipality</b>						
Basic Salaries and Wages	23,600	1,586	3,738	5,900	(2,162)	-37%
Pension and UIF Contributions	21	1	4	5	(1)	-28%
Performance Bonus	3,008	-	-	752	(752)	-100%
<b>Sub Total - Senior Managers of Municipality</b>	<b>26,629</b>	<b>1,588</b>	<b>3,742</b>	<b>6,657</b>	<b>(2,915)</b>	<b>-44%</b>
<b>% increase</b>						
<b>Other Municipal Staff</b>						
Basic Salaries and Wages	2,855,552	182,767	542,915	713,888	(170,973)	-24%
Pension and UIF Contributions	433,477	33,240	99,808	108,369	(8,561)	-8%
Medical Aid Contributions	220,748	16,923	50,879	55,187	(4,307)	-8%
Overtime	375,208	38,642	77,569	93,802	(16,233)	-17%
Performance Bonus	235,048	9,935	22,922	58,762	(35,840)	-61%
Motor Vehicle Allowance	79,745	6,589	18,889	19,936	(1,047)	-5%
Cell phone Allowance	9	0	1	2	(1)	-53%
Housing Allowances	46,924	3,690	11,044	11,731	(687)	-6%
Other benefits and allowances	80,444	10,306	22,199	20,111	2,088	10%
Payments in lieu of leave	6,516	-	-	1,629	(1,629)	-100%
Long service awards	140,488	10,708	32,017	35,122	(3,105)	-9%
Post-retirement benefit obligations	16,646	-	-	4,161	(4,161)	-100%
<b>Sub Total - Other Municipal Staff</b>	<b>4,490,804</b>	<b>312,800</b>	<b>878,243</b>	<b>1,122,701</b>	<b>(244,458)</b>	<b>-22%</b>
<b>% increase</b>						
<b>Total Parent Municipality</b>	<b>4,608,522</b>	<b>324,845</b>	<b>905,696</b>	<b>1,152,131</b>	<b>(246,435)</b>	<b>-21%</b>
<b>Board Members of Entities</b>						
Basic Salaries and Wages	1,300	-	-	325	(325)	-100%
Board Fees	-	120	324	-	324	#DIV/0!
<b>Sub Total - Board Members of Entities</b>	<b>1,300</b>	<b>120</b>	<b>324</b>	<b>325</b>	<b>(2)</b>	<b>0%</b>
<b>% increase</b>						
<b>Senior Managers of Entities</b>						
Basic Salaries and Wages	14,492	1,211	3,888	3,623	265	7%
Pension and UIF Contributions	145	112	359	36	323	892%
Medical Aid Contributions	485	64	207	121	85	70%
Performance Bonus	-	8	25	-	25	#DIV/0!
Motor Vehicle Allowance	1,585	-	693	396	297	75%
Cell phone Allowance	-	314	314	-	314	#DIV/0!
Other benefits and allowances	1,390	9	32	348	(316)	-91%

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Summary of Employee and Councillor remuneration	Budget Year 2023/24					
	Original Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance %
<b>R thousands</b>						
<b>Sub Total - Senior Managers of Entities</b>	18,097	1,718	5,519	4,524	994	22%
<b>% increase</b>						
<b>Other Staff of Entities</b>						
Basic Salaries and Wages	18,163	1,093	3,509	4,541	(1,032)	-23%
Pension and UIF Contributions	2,705	106	339	676	(337)	-50%
Medical Aid Contributions	1,031	115	369	258	112	43%
Overtime	208		-	52	(52)	-100%
Other benefits and allowances		19	61	-	61	#DIV/0!
<b>Sub Total - Other Staff of Entities</b>	22,107	1,333	4,279	5,527	(1,248)	-23%
<b>% increase</b>						
<b>Total Municipal Entities</b>	41,504	3,170	10,121	10,376	(255)	-2%
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	4,650,026	328,016	915,817	1,162,507	(246,690)	-21%
<b>% increase</b>						
<b>TOTAL MANAGERS AND STAFF</b>	4,557,637	317,558	892,106	1,139,409	(247,627)	-22%

### 6. Key performance indicators

The table below reflects the key performance indicators as per the 2023/24 Budget and the associated performance to date.

#### Supporting Table SC2 Monthly Budget Statement - performance indicators – M03 September 2023

Description of financial indicator	Basis of calculation	Budget Year 2023/24	
		Original Budget	Year TD actual
<b>Borrowing Management</b>			
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	1.55%	1.28%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	11.78%	16.53%
<b>Safety of Capital</b>			
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	32.14%	16.63%
Gearing	Long Term Borrowing/ Funds & Reserves	5.51%	5.05%
<b>Liquidity</b>			
Current Ratio	Current assets/current liabilities	1.75:1	3.18:1
Liquidity Ratio	Monetary Assets/Current Liabilities	0.87:1	1.54:1
<b>Revenue Management</b>			
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/ Last 12 Mths Billing	79%	68.00%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	22.98%	68.54%
<b>Creditors Management</b>			
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))	100.0%	79%
<b>Other Indicators</b>			
Employee costs	Employee costs/Total Revenue - capital revenue	28.96%	14.11%
Repairs & Maintenance	R&M/Total Revenue - capital revenue	4.19%	1.60%
Interest & Depreciation	I&D/Total Revenue - capital revenue	9.11%	5.32%
<b>IDP regulation financial viability indicators</b>			
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within budget year)	52.65 times	67.74 times
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	37.53%	43.63%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	3.97 months	3.07 months

The above table is discussed in detail below.

**6.1 Borrowing Management**

**6.1.1 Borrowing to Asset Ratio**

This ratio assesses to what extent there are adequate assets to cover the amount of outstanding long-term borrowing (refer figure 1).

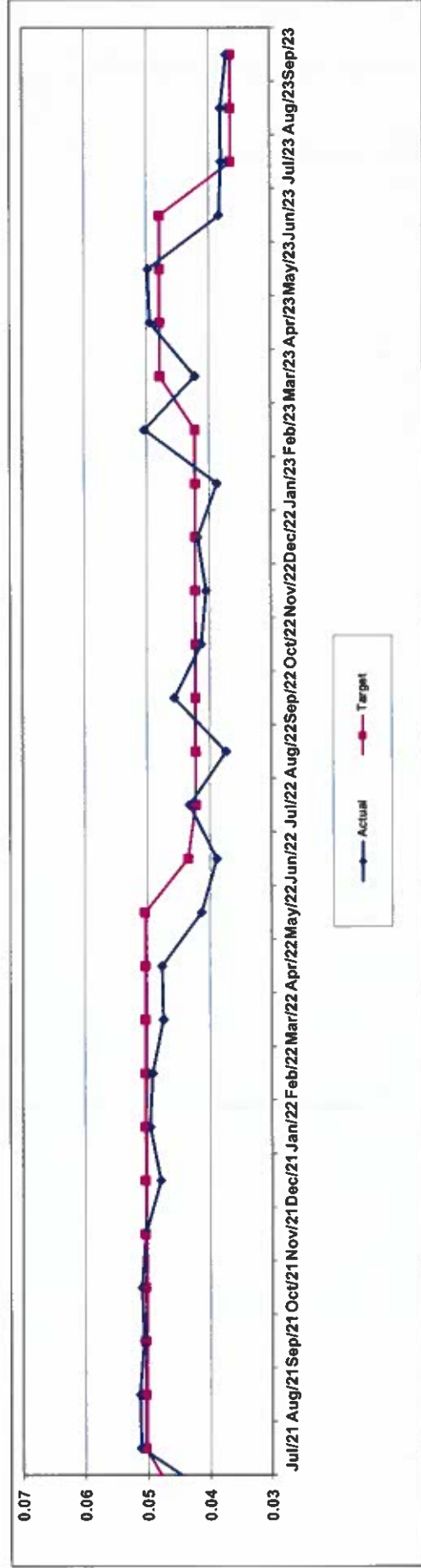
The ratio is determined as follows:

$$\text{Long-Term Borrowing} / \text{Total Assets}$$

The risk that the Municipality might not be able to settle its long-term borrowing becomes greater if this ratio is high. The Municipality must therefore exercise due caution, so that its assets are not overburdened by raising excessive borrowing. The careful and judicious management of borrowing is considered very critical, to ensure the Municipality's continued financial viability.

As at the end of September 2023, the borrowing to asset ratio was at 0.0370:1, compared to the 2023/24 budget target of 0.0364:1. A ratio of 0.0364:1 as reflected in the 2023/24 approved budget appears to be appropriate for the Municipality from a financial affordability and sustainability perspective. External borrowing should only be utilised for the creation of economic assets that will generate future revenue streams for the Municipality.

Figure 1: Borrowing to Asset Ratio



**6.1.2 Capital Charges to Operating Expenditure**

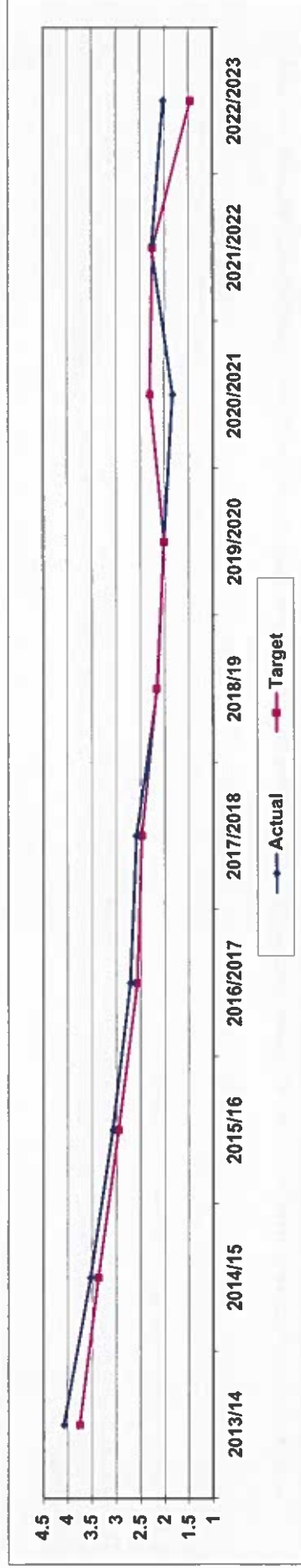
This ratio indicates the proportion of capital charges (interest and principal paid on borrowing) to actual operating expenditure to date. The ratio also provides an assurance that the proportion of capital charges to total annual operating expenditure is financially prudent. (Refer figure 2).

The ratio is determined as follows:

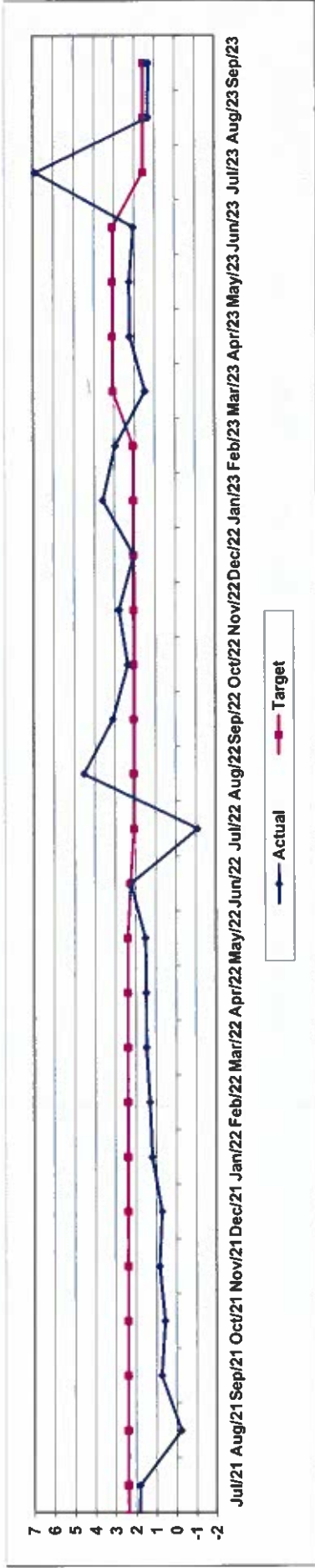
$$\text{Capital Charges} / \text{Total Operating Expenditure to date}$$

The ratio indicates that 1.28% of the Adjustments Operating Budget was utilised for capital charges, compared to the 2023/24 budget target of 1.55%. Capital charges (Debt servicing costs) are paid at specific intervals. The ratio as at 30 September 2023 will decrease as operating expenditure are processed during the remainder of the 2022/23 financial year.

Figure 2: Capital Charges to Annual Operating Expenditure



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### 6.1.3 Borrowed funding of capital expenditure

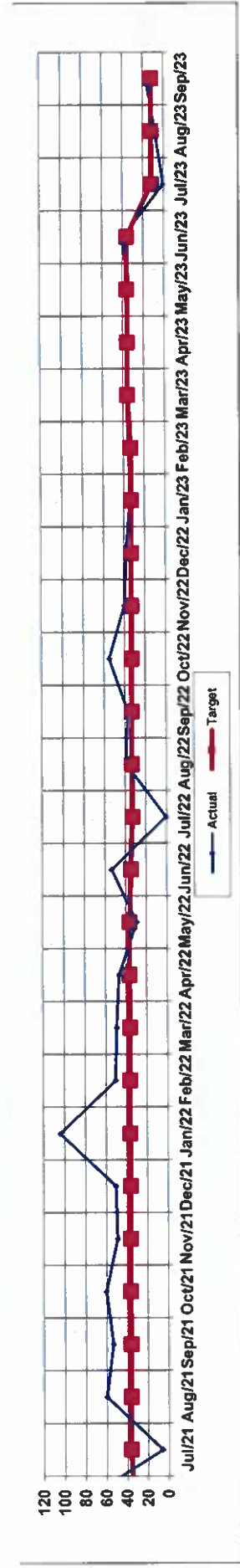
This ratio indicates the proportion of borrowed funding to actual capital expenditure to date (excluding transfers and grants). The ratio also indicates the extent of capital expenditure being financed from borrowed funding compared to own and other funding sources, excluding transfers and grant-funded expenditure (refer figure 3).

The ratio is determined as follows:

**Capital expenditure funded from Borrowings / Total Capital Expenditure to date (excluding transfers and grants)**

The ratio was at 0.17:1 compared to the adjustments budget target of 0.12:1 as per the 2023/24 Budget.

Figure 3: Borrowed funding of Capital Expenditure



**6.1.4 Debt Servicing Costs to Operating Revenue Ratio**

This ratio indicates the proportion of debt servicing costs (interest and principal paid on borrowing) to actual operating revenue to date. (Refer figure 4).

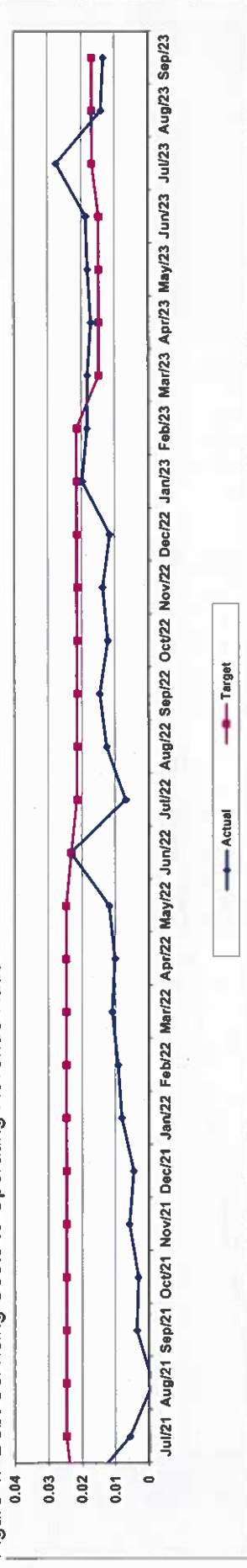
The ratio is determined as follows:

**Debt Servicing Costs/ Operating Revenue**

The risk that the Municipality might not be able to settle its annual long-term borrowing commitments becomes greater if this ratio is high. The Municipality must therefore exercise due caution, so that its operating revenues are not overburdened by the level of borrowing. The careful and judicious management of borrowing is considered very critical, to ensure the Municipality's continued financial viability.

As at the end of September 2023, the debt servicing costs to operating revenue ratio was at 0.0134:1, compared to the 2023/24 budget target of 0.0167:1. A ratio of 0.03:1 appears to be the maximum borrowing level for the Municipality from a financial affordability and sustainability perspective. The ratio indicates that the Municipality is positioned to take on limited external borrowing over the short to medium term.

Figure 4: Debt Servicing Costs to Operating Revenue Ratio



**2. Safety of Capital**

**6.2.1 Gearing Ratio**

The gearing ratio assesses the percentage of capital employed that is financed by long-term borrowing (refer figure 5).

The ratio is determined as follows:

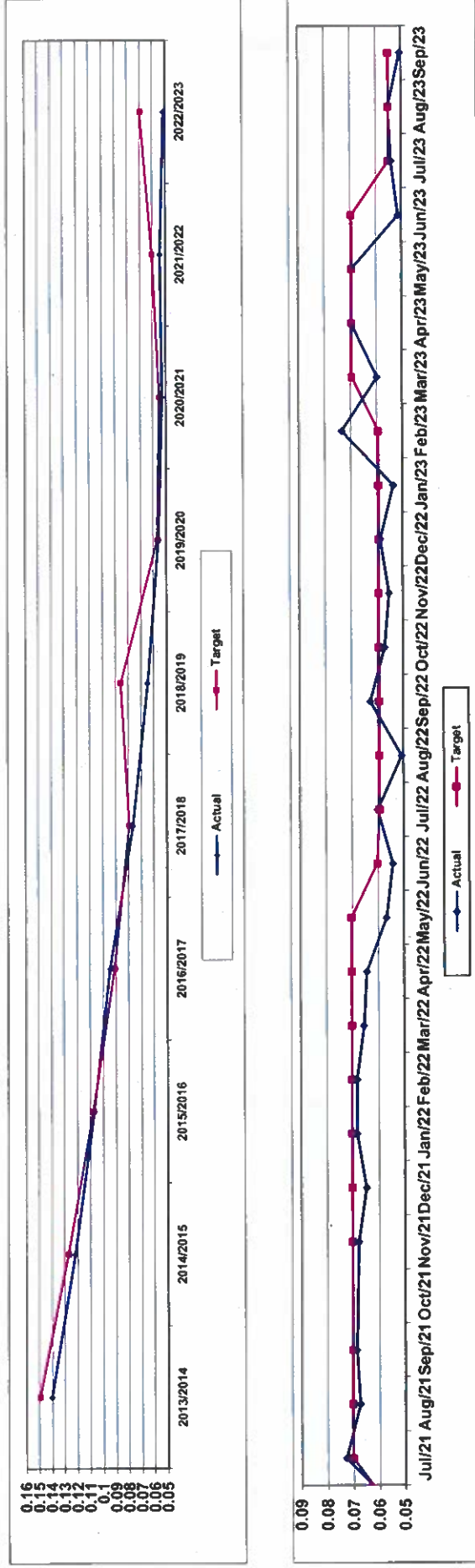
**Long Term Borrowing / Funds & Reserves (Equity)**

## Annexure "C5"

The higher the gearing ratio, the higher the dependence will be on borrowings. The lower the gearing ratio, the higher will be the dependence on the Municipality's funds and reserves.

The gearing ratio as at the end of September 2023 was 0.0505:1, compared to the 2023/24 budget target of 0.0551:1.

Figure 5: Gearing Ratio



### 6.3 Liquidity

#### 6.3.1 Current Ratio

The current ratio assesses a Municipality's ability to meet its short-term commitments (refer figure 6).

The ratio is determined as follows:

**Current assets / Current liabilities**

## Annexure "C5"

The different components of current assets and current liabilities are reflected below:

Current Assets	R	%
Cash & investments	4,280,703,407	48.51%
Consumer Debtors	3,915,358,875	44.37%
Other Debtors	411,323,982	4.66%
Current portion of long-term receivables		0.00%
Inventory	216,561,015	2.45%
<b>Total</b>	<b>8,823,947,278</b>	<b>100.00%</b>
Current Liabilities	R	%
Borrowing	192,379,000	6.92%
Consumer Deposits	155,225,724	5.59%
Trade and other payables	2,225,470,282	80.08%
Provisions	206,010,234	7.41%
<b>Total</b>	<b>2,779,085,239</b>	<b>100.00%</b>
<b>Current Ratio</b>	<b>3.18:1</b>	

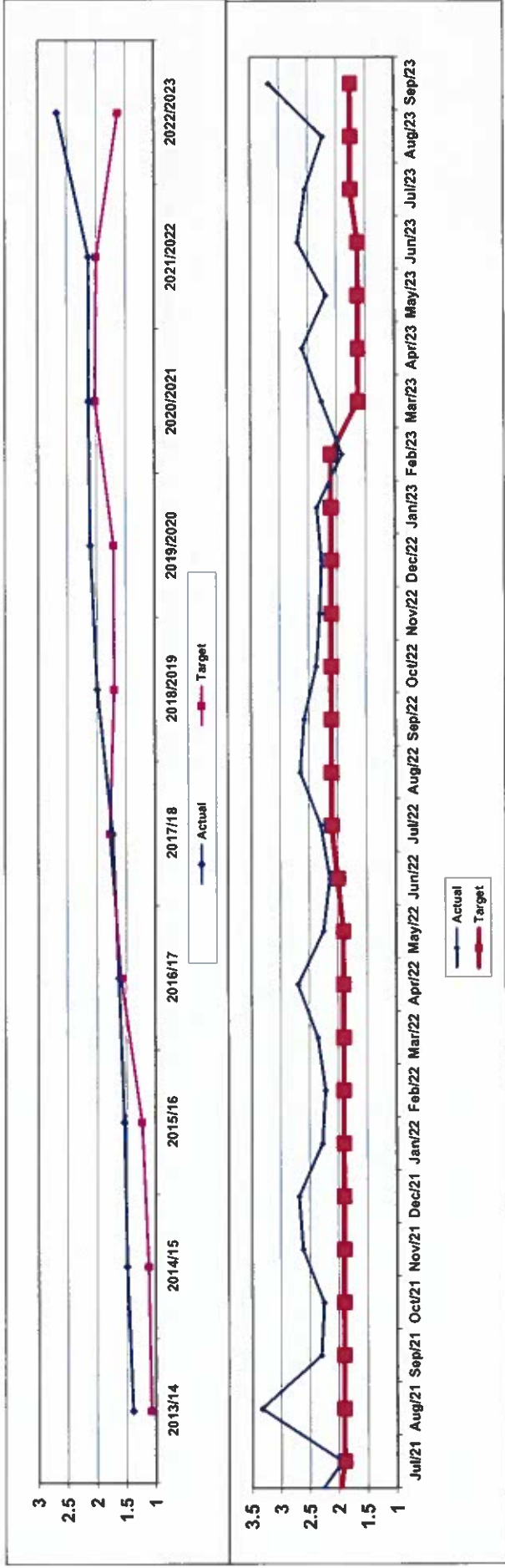
It is to be noted that cash and investments, consumer & other debtors and inventory comprise 48.51%, 49.03% and 2.45% respectively of total current assets. Trade and other payables constitute 80.08% of total current liabilities (refer to Sections 1.8.3, 1.8.1 and 1.8.2 of this report for a further discussion on investments, debtors and creditors).

A favourable ratio would ensure that the Municipality is able to settle its short-term commitments to its creditors. In this regard, it is important that the Municipality ensure the relative liquidity of its current assets. Non-liquid assets, such as long outstanding debtors, could negatively affect liquidity, possibly resulting in a situation where current assets are not liquid enough to cover current liabilities. The ratio as of 30 September 2023 was 3.18:1.

The current ratio is of utmost importance to measure the financial liquidity and sustainability of the Municipality. Although the 2023/24 budget target is 1.76:1, it does not imply that it is a satisfactory target. It is important that a ratio of at least 2:1 be achieved for medium and long-term financial sustainability.

Figure 6: Current Ratio

**Annexure "C5"**



**6.3.2 Liquidity Ratio**

The liquidity ratio assesses a Municipality's ability to meet its short-term commitments from Monetary Assets (refer figure 7).

The ratio is determined as follows:

$$\text{Monetary assets} / \text{Current liabilities}$$

The different components of monetary assets and current liabilities are reflected below.

	R	%
<b>Monetary Assets</b>		
Cash & investments	4,280,703,407	100.00%
<b>Total</b>	<b>4,280,703,407</b>	<b>100.00%</b>

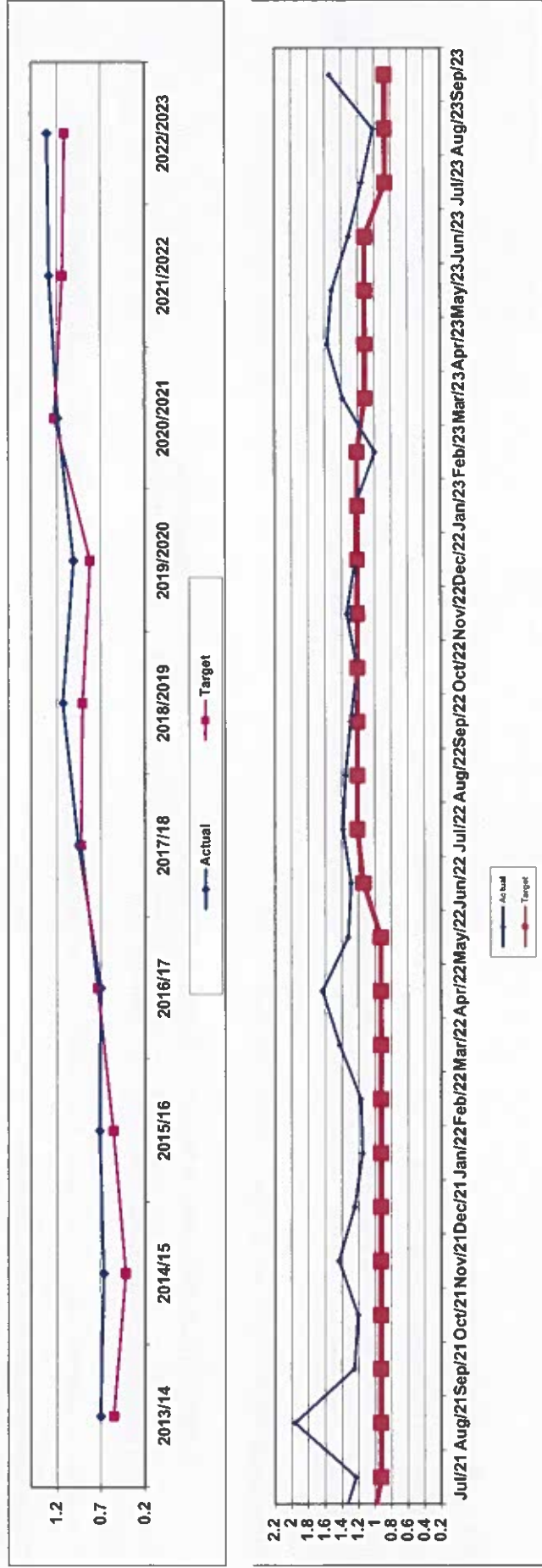
## Annexure "C5"

Current Liabilities	R	%
Borrowing	192,379,000	6.92%
Consumer Deposits	155,225,724	5.59%
Trade and other payables	2,225,470,282	80.08%
Provisions	206,010,234	7.41%
<b>Total</b>	<b>2,779,085,239</b>	<b>100.00%</b>
<b>Current Ratio</b>	<b>1.54:1</b>	

A favourable ratio would ensure that the Municipality is able to settle its short-term commitments from monetary assets. The liquidity ratio as at 30 September 2023 is 1.54:1.

The liquidity ratio is of utmost importance to measure the financial liquidity and sustainability of the Municipality. The 2023/24 budget target of 0.87:1 is not a satisfactory target. It is important that a ratio of at least 1:1 be achieved for medium and long-term financial sustainability.

Figure 7: Liquidity Ratio



**6.4 Revenue Management**

**6.4.1 Annual Debtors Collection Rate**

This ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services. The ratio is 80% as per the 2023/24 Budget. However, a collection rate of 100% or more is required to decrease the provision for doubtful debts so that more funds are released for service delivery.

The ratio to determine the percentage collection rate is as follows:

$$\frac{\text{Total Payments Received in respect of Billing this Financial year}}{\text{Total Value of Accounts Rendered this Financial year}} \times 100 = \text{Percentage Collection Rate}$$

The average collection rate for the period July 2023 to September 2023 is 68.00%. The collection rate for September 2023 amounted to 65.60%.

Figure 8: Annual Debtors Collection Rate

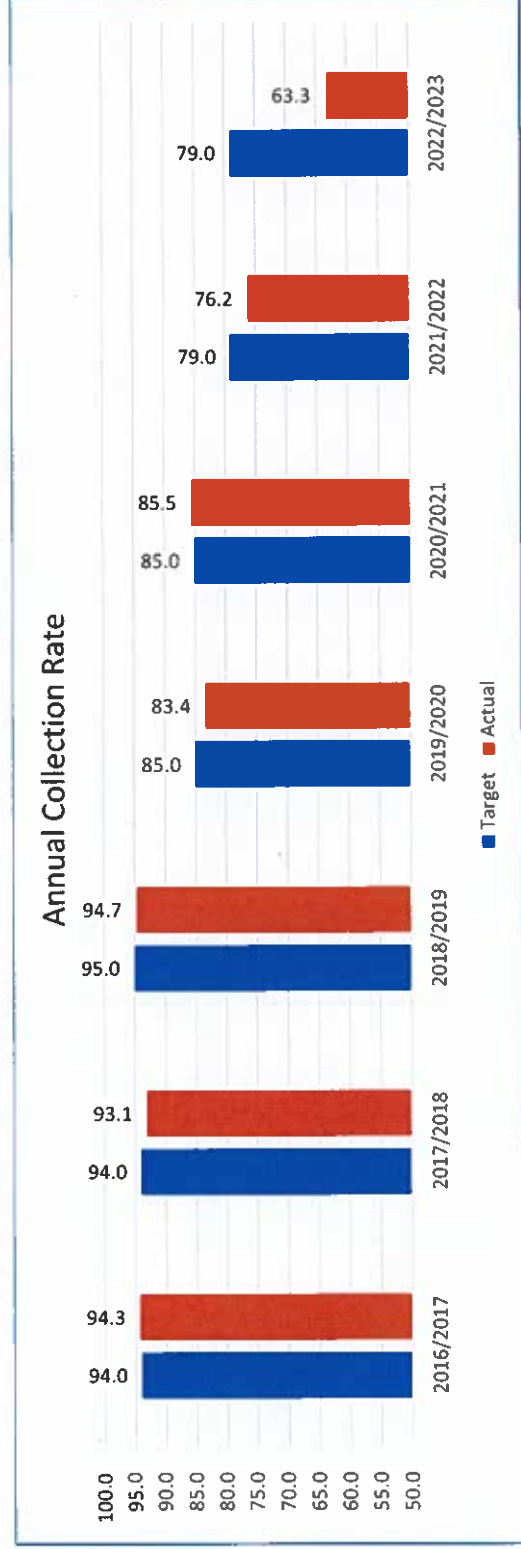
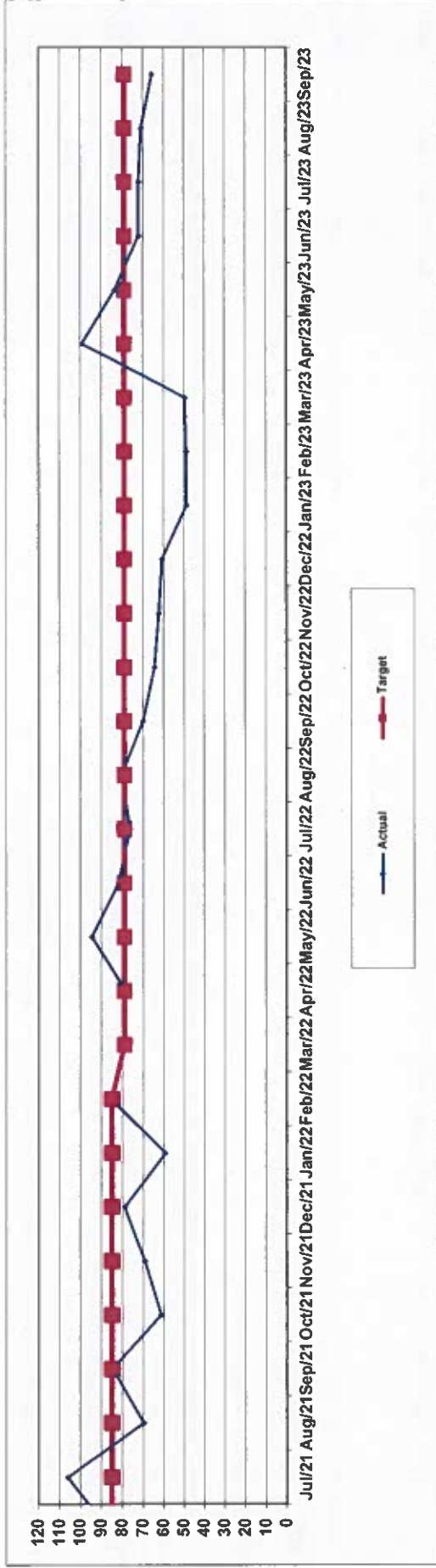


Figure 9: Monthly Debtors Collection Rate



**6.4.2 Outstanding Debtors to Annual Operating Revenue**

This ratio focuses on the amount owed by outstanding debtors as a percentage of the annualised operating revenue.

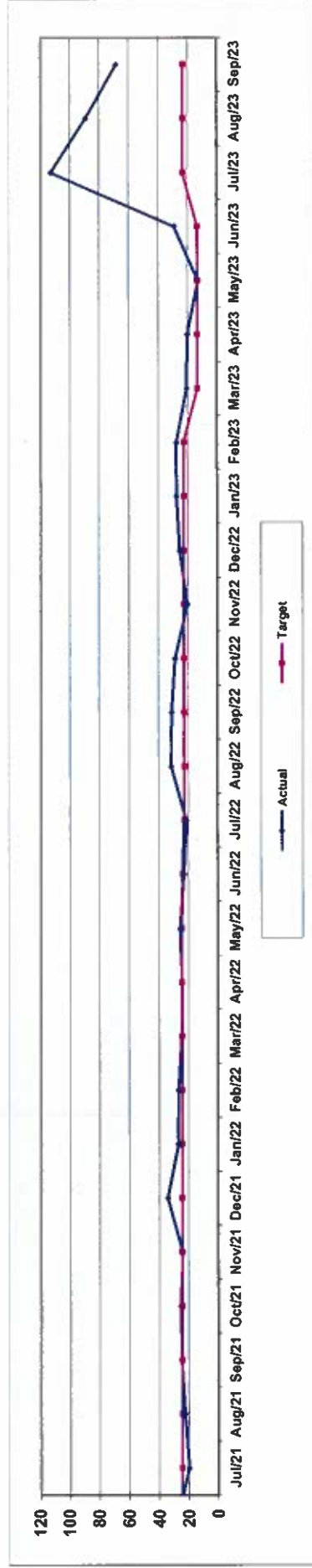
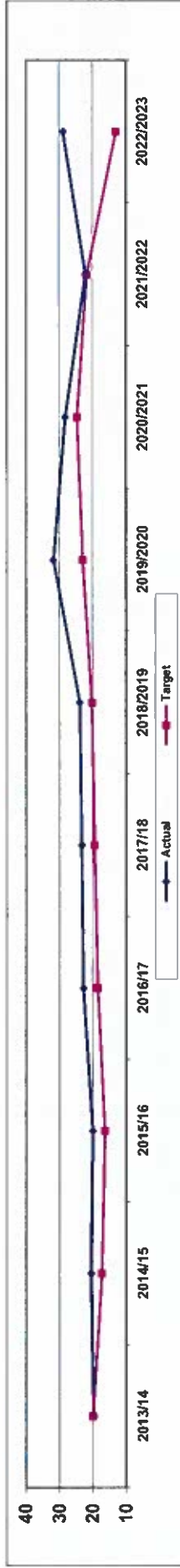
The ratio is determined as follows:

$$\text{Outstanding Debtors} / \text{Annualised Operating Revenue}$$

The ratio at the end of September 2023 was 68.54% compared to the 2023/24 budget target of 22.98%.

A Revenue Enhancement Strategy to improve revenue collection has been drafted and is being reviewed. This strategy is monitored by the CFO monthly and reported to the Budget and Treasury Standing Committee on a quarterly basis. Amongst others, the decline in the current economic climate has had a negative impact on this ratio.

Figure 9: Outstanding Debtors to Annual Operating Revenue



6.5 Creditor Management

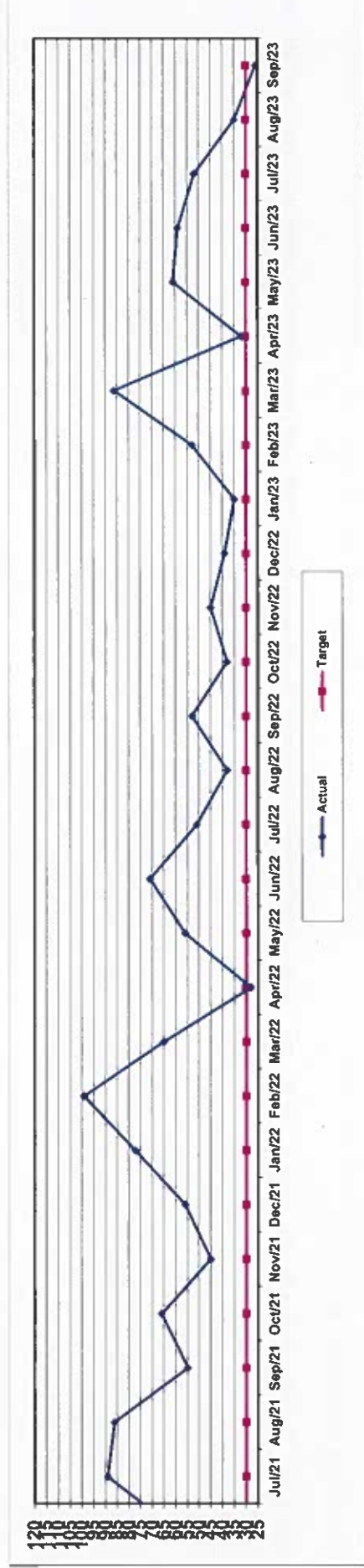
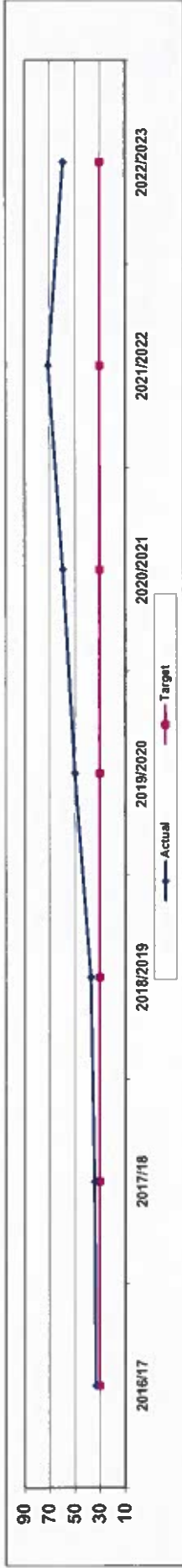
6.5.1 Creditors Turnover (days)

This ratio reflects the number of days that it takes on average to pay the Municipality's suppliers. Section 65 (2) (e) of the MFMA states that all money owing by the Municipality must be paid within 30 days of receiving the relevant invoice or statement (refer figure 10).

The ratio is determined from the date of receipt of the invoice until the date of payment. The ratio as at 30 June 2023 amounted to 59 days (also refer to Section 1.8.2 of this report.)

Figure 10: Creditors Turnover (days) (From date of Invoice Received)

# Annexure "C5"



## 6.6 Financial Viability and Sustainability

### 6.6.1 Operating Surplus

The ratio indicates the extent to which revenues cover operational expenses only or are also available for capital funding or debt repayments.

The ratio is determined as follows:

$$\frac{\text{Operating Result or Net Results (Excluding Capital Items)}}{\text{Total Operating Revenue (Excluding Capital Items)}} \times 100$$

The ratio as at 30 September 2023 amounted to -4.20%.

## Annexure "C5"

Operating Surplus Ratio	2019/20 2nd Adjustments Budget	2020/21 Operating Budget	2020/21 Adjustments Budget	2021/22 Operating Budget	2021/22 Adjusted Operating Budget	2021/22 Restated AFS	2022/23 Operating Budget	2023 Adjustments Budget	2022/23 Pre-audit AFS	2023/24 Operating Budget	September 2023
Operating surplus/(deficit)	980,374,999	1,224,804,268	1,086,670,839	406,057,160	405,472,073	211,894,375	231,752,790	925,191,000	2,870,515,256	217,286,000	-226,019,317
Less: Transfers recognised Capital	1,124,719,714	977,009,786	711,898,872	851,761,620	829,683,490	832,928,582	785,685,640	1,008,853,570	1,478,761,187	1,347,960,000	46,444,734
Total	-144,344,715	247,794,483	374,771,968	-445,704,460	-424,211,417	-621,034,207	-553,932,850	-83,662,570	1,391,754,069	-1,130,674,000	-272,464,051
Total Operating Revenue	11,509,629,367	11,939,658,863	12,222,925,790	12,835,447,880	13,895,014,910	13,700,048,766	14,846,440,730	16,345,994,090	17,082,114,842	16,055,280,000	6,488,887,243
Ratio	-1.25	2.08	3.07	-3.47	-3.05	-4.53	-3.73	-0.51	8.15	-7.04	-4.20

### 6.6.2 Cost coverage

The ratio indicates the extent to which the available cash and investments are adequate to cover monthly payments (refer figure 11).

The ratio is determined as follows:

**Cash and Cash Equivalents – Unspent Conditional Grants – Overdraft – Unspent External Loan + Short Term Investments /Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provisions for Bad Debts, Impairment and Loss on the disposal of Assets):**

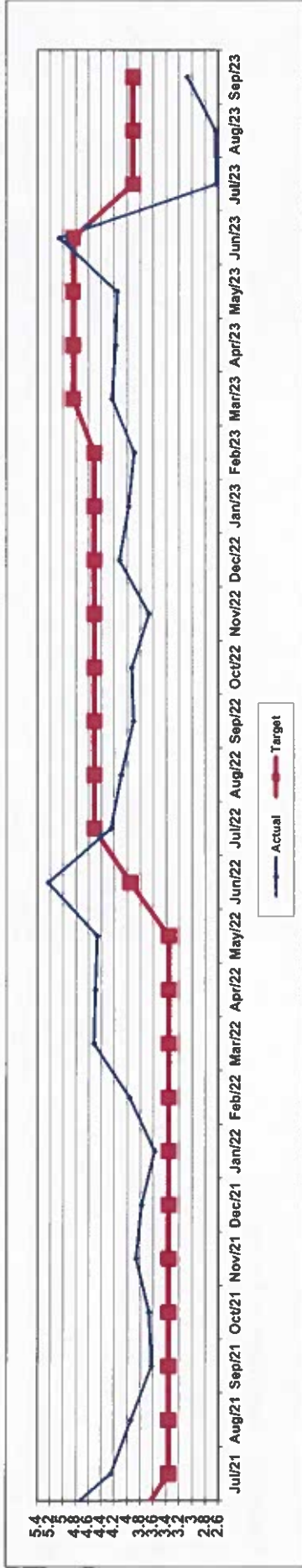
$$\frac{R4,280,703,407 - R498,295,851 - R111,340,627}{R1,193,681,500} = 3.07 \text{ months (92.26 days)}$$

The cost coverage ratio of 3.07 months. The monthly average projected budget operating payments for the period July 2023 to June 2024 was used as a basis for the calculation. The 2023/24 budget target is 3.90 months.

National Treasury has indicated that the cost coverage of 3 months should be the target.

Figure 11: Cost Coverage (months)

## Annexure "C5"



### 6.6.3 Net Financial Liabilities

This ratio indicates the extent to which total liabilities, from which current assets are subtracted, can be serviced from operating revenues.

The ratio is determined as follows:

$$\frac{\text{Total Liabilities} - \text{Current Assets}}{\text{Total Operating Revenue (Excluding Capital Items)}} \times 100$$

The ratio as at 30 September 2023 amounts to -18.83%.

Net Financial Liabilities Ratio	2019/20 2nd Adjustments budget	2020/21 Operating budget	2020/21 Adjustments Budget	2021/22 Operating Budget	2021/22 Adjusted Operating Budget	2021/22 Restated AFS	2022/23 Operating Budget	2022/23 Adjustments Budget	2022/23 Pre-audit AFS	2023/24 Operating Budget	September 2023
Total Liabilities	7,037,026,501	7,294,045,405	7,521,362,193	7,225,915,005	7,273,572,291	7,537,589,711	7,872,618,041	8,378,025,000	7,485,627,919	11,434,968,000	7,602,111,399
Less: Current Assets	5,421,068,883	5,455,686,919	6,288,466,533	6,320,549,421	7,047,421,892	7,924,465,307	7,866,463,151	7,145,112,000	9,800,216,716	9,680,062,000	8,823,947,278
Total	1,615,957,618	1,838,358,486	1,232,895,659	905,365,584	226,150,400	-386,875,596	6,154,890	1,232,913,000	-2,314,588,797	1,754,906,000	-
Operating Revenue excl. recognised Capital	11,509,629,367	11,939,658,863	12,222,925,790	12,835,447,880	13,895,014,910	13,700,048,766	14,846,440,730	16,345,994,090	17,082,114,842	16,055,280,000	6,488,687,243
Ratio	14.04	15.40	10.09	7.05	1.63	-2.82	0.04	7.54	-13.55	10.93	-18.83

## Annexure "C5"

### 6.6.4 Asset Sustainability

This ratio indicates the extent to which the infrastructure (non-financial) assets managed by the Municipality are being replaced as they reach the end of their useful lives

The ratio is determined as follows:

$$\frac{\text{Capital Expenditure in Replacement of Assets (Renewals)}}{\text{Depreciation Expenditure}} \times 100$$

The ratio as of 30 September 2023 amounts to 31.17%.

Asset Sustainability Ratio	2019/20 2nd Adjustments Budget	2020/21 Operating budget	2020/21 Adjustments Budget	2021/22 Operating Budget	2021/22 Adjusted Operating Budget	2021/22 Restated AFS	2022/23 Operating Budget	2022/23 Adjustments Budget	2022/23 Pre-audit AFS	2023/24 Operating Budget	September 2023
Capital renewals	235,822,048	303,828,967	302,258,967	266,314,170	295,886,967	757,052,074	331,751,310	319,751,000	555,920,846	354,464,000	246,278,627
Depreciation	739,657,047	740,575,415	740,575,415	1,033,770,465	1,039,206,040	1,001,987,866	1,295,759,160	1,294,092,330	993,760,191	1,334,327,000	790,027,091
<b>Ratio</b>	<b>31.88</b>	<b>41.03</b>	<b>40.81</b>	<b>25.76</b>	<b>28.47</b>	<b>75.56</b>	<b>25.60</b>	<b>24.71</b>	<b>55.94</b>	<b>26.57</b>	<b>31.17</b>

The ratio indicates that capital renewals, as compared to depreciation is higher than anticipated in the 2023/24 Budget.

### 6.6.5 Asset Preservation

This ratio indicates the extent to which repairs and maintenance expenditure is incurred in relation to the useful lives of the assets

The ratio is determined as follows:

$$\frac{\text{Operating Expenditure on Repairs & Maintenance + Capital Expenditure on Renewals}}{\text{Depreciation Expenditure}} \times 100$$

The ratio as of 30 June 2023 amounts to 74.16%.

Asset Preservation Ratio	2019/20 2nd Adjustments Budget	2020/21 Operating Budget	2020/21 Adjustments Budget	2021/22 Operating Budget	2021/22 Adjusted Operating Budget	2021/22 Restated AFS	2022/23 Operating Budget	2022/23 Adjustments Budget	2022/23 Pre-audit AFS	2023/24 Operating Budget	September 2023
Operating Repairs and maintenance	454,913,720	477,612,894	464,474,380	497,619,120	494,040,490	381,773,007	594,068,360	578,635,000	419,908,727	672,327,000	339,579,532
Capital renewals	235,822,048	303,828,967	302,258,967	266,314,170	295,886,967	757,052,074	331,751,310	319,751,000	555,920,846	354,464,000	246,278,627
<b>Total</b>	<b>690,735,768</b>	<b>781,441,861</b>	<b>766,733,347</b>	<b>763,933,290</b>	<b>786,927,457</b>	<b>1,138,825,081</b>	<b>925,819,670</b>	<b>898,386,000</b>	<b>975,829,574</b>	<b>1,026,791,000</b>	<b>585,858,159</b>
Depreciation	739,657,047	740,575,415	740,575,415	1,033,770,465	1,039,206,040	1,001,987,866	1,295,759,160	1,294,092,330	993,760,191	1,334,327,000	790,027,091
<b>Ratio</b>	<b>93.39</b>	<b>105.52</b>	<b>103.53</b>	<b>73.90</b>	<b>75.72</b>	<b>113.66</b>	<b>71.45</b>	<b>69.42</b>	<b>98.20</b>	<b>76.95</b>	<b>74.16</b>

## Annexure "C5"

The ratio is lower than anticipated in the 2023/24 Budget.

### 6.7 Other Indicators

#### 6.7.1 Employee costs as a percentage of Total Operating Income

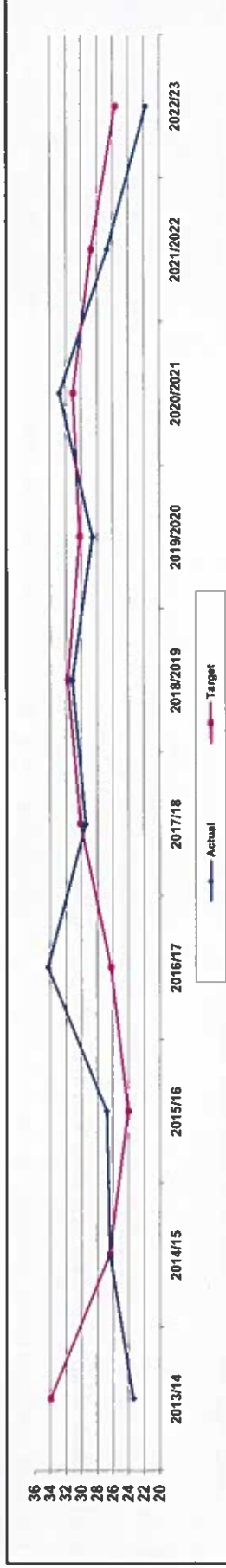
This ratio assesses the extent to which the Municipality's Operating Revenue is consumed by costs associated with the employment of human resources (refer figure 12).

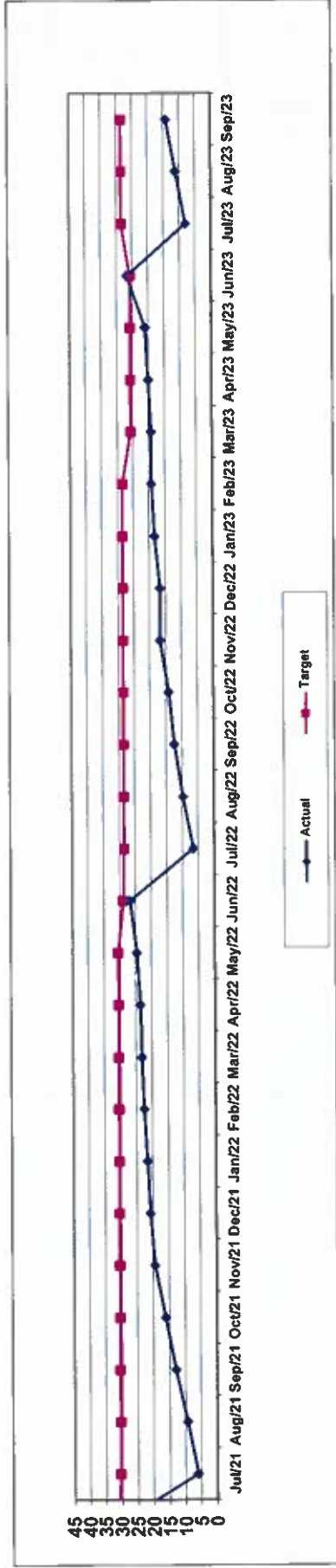
The ratio is determined as follows:

#### Employee Costs to Date / Total Operating Revenue to Date

The target has been set at 25.67% for the financial year. As of 30 September 2023, the actual personnel costs constituted 14.11% of the total operating income.

Figure 12: Personnel Cost as a % of Total Revenue





**6.7.2 Repairs and Maintenance as a % of Total Operating Revenue**

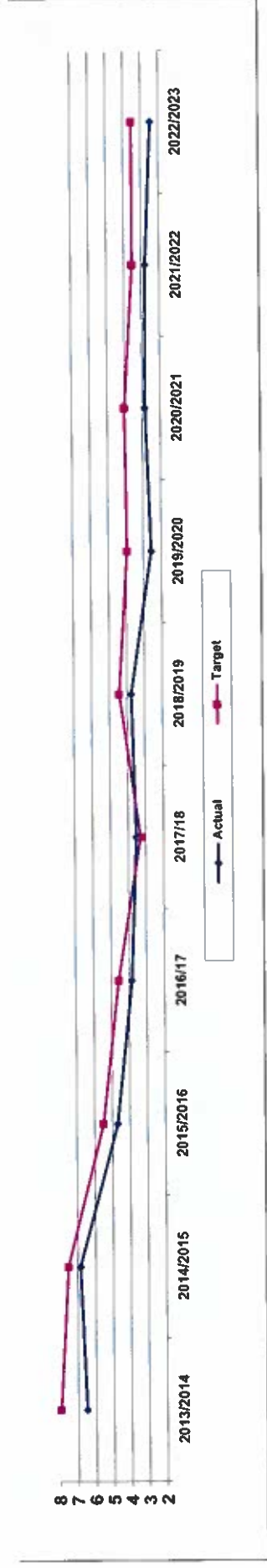
This ratio assesses the extent to which the Municipality's Operating Revenue is consumed by costs associated with the repairs and maintenance of its assets (refer figure 13).

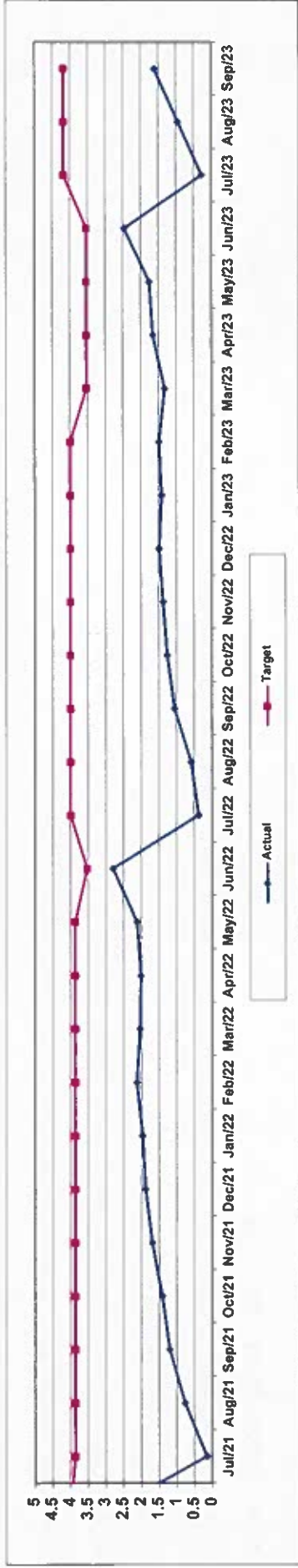
The ratio is determined as follows:

$$\text{Repairs and Maintenance expenditure to date} / \text{Total Operating Income to date}$$

The actual expenditure of 1.60% is below the 2023/24 budget target of 4.19%. Repairs and Maintenance of assets are undertaken on an on-going basis.

Figure 13: Repairs and Maintenance as a % of Total Operating Income





**6.7.3 Repairs and Maintenance as a % of the book value of Property, Plant and Equipment (PPE)**

This ratio assesses the level of repairs and maintenance expenditure incurred, compared to the book value of PPE (refer figure 14).

The ratio is determined as follows:

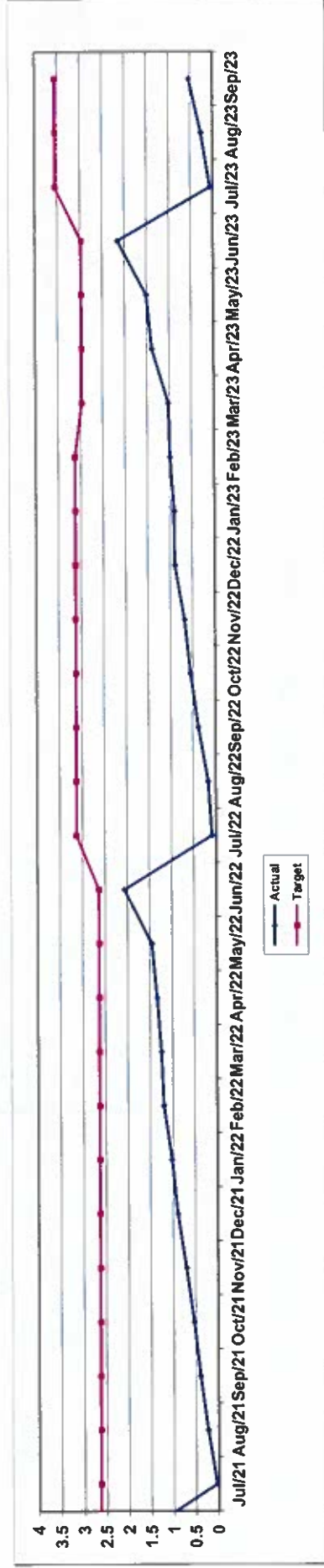
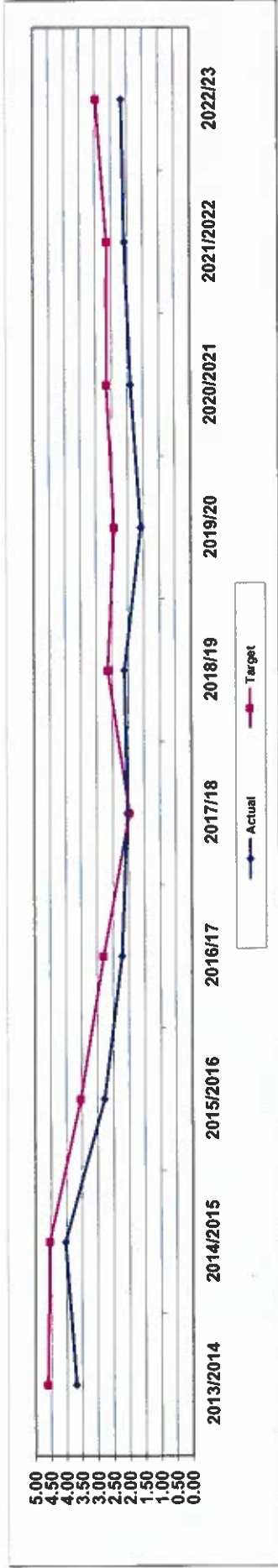
**Repairs and maintenance expenditure to date / Book value of PPE to date**

The repairs and maintenance expenditure incurred to date constitutes 0.53% of the book value of PPE, as at the end of September 2023, compared to the 2023/24 budget target of 3.56%. This indicates a relatively low level of repairs and maintenance expenditure, considering that significant backlogs currently exist. The expenditure levels are anticipated to increase in future, as the maintenance backlogs have now been determined.

It should be noted that new assets would not have an immediate effect on the repairs and maintenance component, as they do not generally deteriorate within the first few years.

Figure 14: Repairs and Maintenance as a % of the book value of (PPE)

# Annexure "C5"



## 6.7.4 Capital Budget Spending

This ratio assesses the level of actual capital spending compared to the budgeted capital expenditure (refer figure 15).

The ratio is determined as follows:

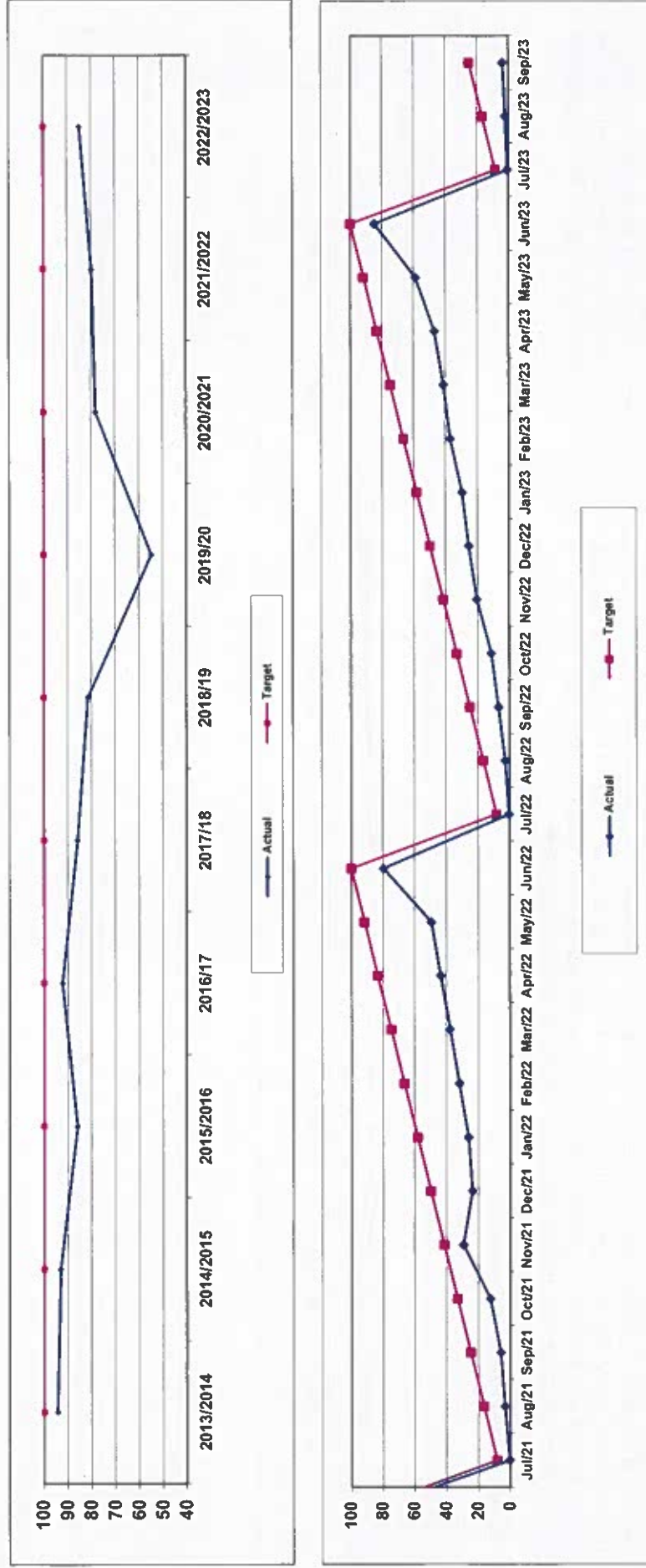
$$\text{Actual Capital spending to date} / \text{Approved Capital Budget}$$

The actual spending as at the end of September 2023 amounted to 3.64%.

The Budget Performance Monitoring Forum meets every two months, as opposed to previously meeting on a quarterly basis. The Executive Directors present their capital budgets at the Forum meetings by project, with detailed explanations in the event of under/overspending.

Monthly one-on-one sessions are held with Directorates, to identify problem areas early on in the process. These meetings are attended by the Chairperson of the Budget and Treasury Committee, the Portfolio Councillor and the Executive Director of the Directorate concerned and representatives from the Budget and Treasury Directorate.

Figure 15: Capital Budget Spending



6.7.5 Own Revenue Generation

This ratio measures the extent to which the Municipality has control over its revenue sources, i.e. what percentage of its revenue is generated locally. The higher the ratio, the less reliant a Municipality is on Provincial and National Government to support its operations (refer figure 16).

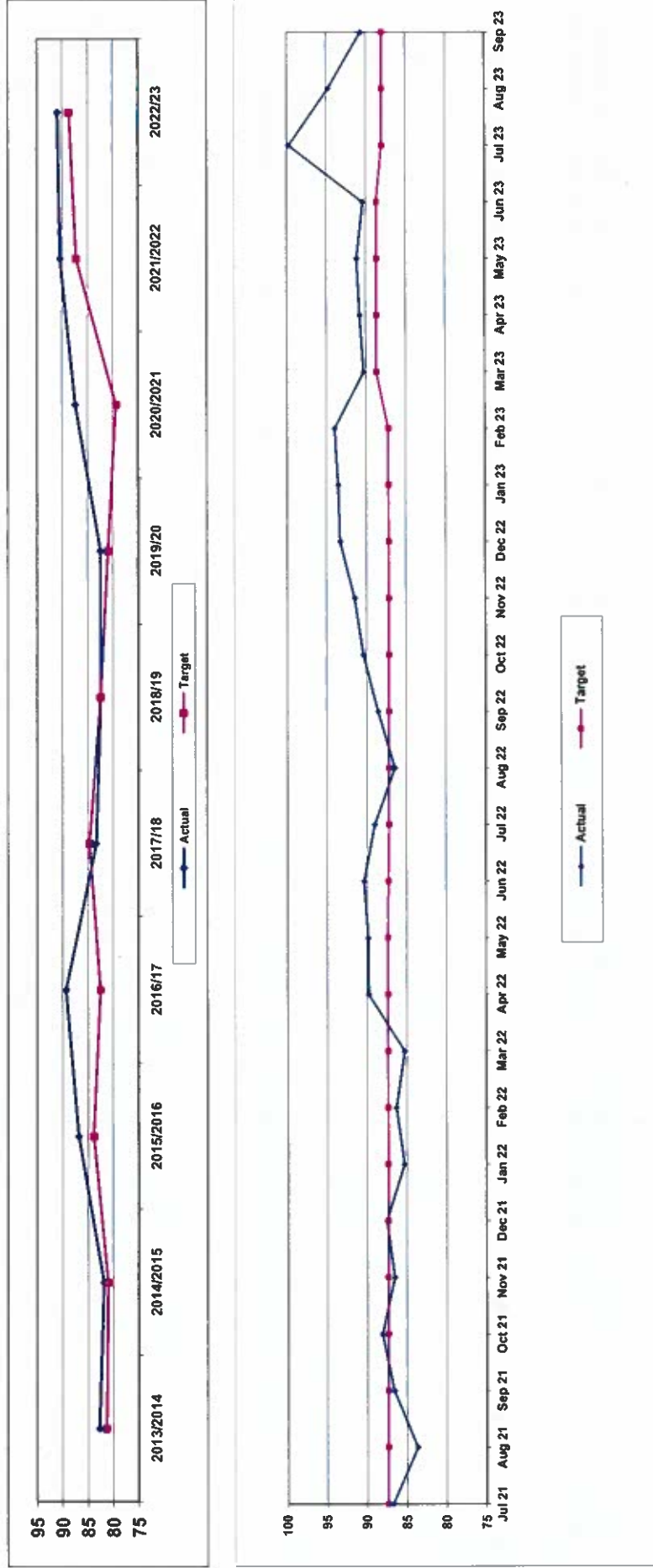
# Annexure "C5"

The ratio is determined as follows:

## Own Revenue Sources / Total Operating Income (includes operating grants)

As at the end of September 2023, the Municipality's own revenue sources constituted 90.63% of its total Operating Income compared to the 2023/24 budget target of 87.96%. The Municipality is thus not fully reliant on the finances received from Provincial and National Government to support its day-to-day operations. The equitable share, for example greatly assists the Municipality to cover the ATTP subsidies. Although the Municipality would like to become sufficient by not having to rely on Government support via Grants and Subsidies it has become very clear that without increased Government funding the Municipality will not be able to meet its service delivery mandate from its limited revenue base.

Figure 16: Own Revenue Generation



**6.7.6 Reducing Electricity and Water Losses**

**6.7.6.1 Electricity Losses**

This ratio indicates the percentage of electricity losses incurred in relation to the number of electricity units purchased

The ratio is determined as follows:

$$\frac{\text{Electricity units purchased} - \text{Electricity units sold}}{\text{Electricity units purchased}} \times 100$$

Total non-revenue electricity losses for the 2022/23 budget year was 23.65% (781,072,790Kw) or equivalent to R925.463 million up from R822.887 million or 22.66% for the 2021/22 financial year. The year-to-date non-revenue electricity losses for the 2023/24 budget year first quarter ending 30 September 2023 amounts to 22.45% (196,499,614Kw), or an equivalent of R337.446 million. It is evident that the current strategies to address electricity losses are not yielding positive results).

**6.7.6.2 Water Losses**

This ratio indicates the percentage of water losses incurred in relation to the number of water units purchased

The ratio is determined as follows:

$$\frac{\text{Water units purchased} - \text{Water units sold}}{\text{Water units purchased}} \times 100$$

The Non-Revenue Water Losses for the Period 1 July 2023 to 30 September 2023 were not available when this agenda closed.

The Non-Revenue Water losses for the annual period 2022/2023 amounted to 38,766 megalitres or 37.92% in the value of R224.7 million.

