NELSON MANDELA BAY METROPOLITAN MUNICIPALITY
BUDGET AND TREASURY COMMITTEE

MEMBERS: Councillor K B Ngqisha (Chairperson)

Councillor T F M Blaauw
Councillor L A Booysen
Councillor M J De Andrade
Councillor D A Hayselden
Councillor P L James
Councillor M J Majola
Councillor K A Mani
Councillor X L Notshe
Councillor N E Nqakula
Councillor B S Pegram
Councillor L Peter
Councillor W Senekal
Councillor S Tukani
Councillor P B Vani

A MEETING OF THE BUDGET AND TREASURY COMMITTEE WILL BE HELD IN THE **COUNCIL CHAMBER, CITY HALL, GQEBERHA** ON **THURSDAY, 23 JULY 2026** AT **9:00.**

AGENDA

1. APPLICATIONS FOR LEAVE OF ABSENCE IN TERMS OF PARAGRAPH 4 OF THE CODE OF CONDUCT (SCHEDULE 7 OF THE LG: MUNICIPAL STRUCTURES ACT NO. 117 OF 1998 AS AMENDED)

2. DISCLOSURE OF INTERESTS BY COUNCILLORS IN TERMS OF PARAGRAPH 6 OF THE CODE OF CONDUCT

3. DISCLOSURE OF INTERESTS BY OFFICIALS

4. CONFIRMATION OF MINUTES - (Meeting held 28 April 2026)

5. REPORT BY CHIEF FINANCIAL OFFICER (circulated herewith)

PLEASE BRING TO THE MEETING THE BUDGET AND TREASURY AGENDA AND THE 1ST SUPPLEMENTARY AGENDA DATED 4 JUNE 2026, AS SAME WILL NOT BE REPRODUCED.

pp

Y MATAKANE - DAKUSE (MS)
ACTING EXECUTIVE DIRECTOR :
CORPORATE SERVICES

15 July 2026

REPORT BY CHIEF FINANCIAL OFFICER TO BUDGET AND TREASURY COMMITTEE

INDEX: 23 JULY 2026

NELSON MANDELA BAY MUNICIPALITY

CYCLE NO. 12/2026

REPORT OF THE CHIEF FINANCIAL OFFICER

TO THE
BUDGET AND TREASURY STANDING COMMITTEE

MEETING DATE: 23 JULY 2026

1. PRELIMINARY FINANCIAL REPORT FOR THE PERIOD 01 JULY 2025 TO 30 JUNE 2026 AND THE ASSESSMENT OF THE MUNICIPALITY'S FINANCIAL POSITION AS AT 30 JUNE (2025/26 FINANCIAL YEAR)

1.1 PURPOSE

The purpose of this financial report is to assess the financial performance and financial position of the Municipality and its consequential impact on the implementation of the approved 2025/26 Operating and Capital Budgets. This financial report presents an assessment of the municipality's financial performance and financial position as at 31 May 2026 as required in terms of Section 71 of the Municipal Finance Management Act (MFMA) 56 of 2003. of the Local Government: Municipal Finance Management Act (MFMA), (Act No. 56 of 2003). This financial report also highlights financial risks to the municipality that were identified whilst implementing the Council approved budget, with some of these risks being mentioned in previous reports to the Budget and Treasury Standing Committee.

The Committee must note that as this report contains financial and or performance information obtained or sourced from various role players, it goes without saying that the successful presentation of the required information depends on various stakeholders availing the required information timeously.

I must indicate, for an example, that the Electricity and Water losses disclosed in this report are obtained directly from officials of both Directorates (i.e. Electricity and Energy & Water Services), and in terms of this report the figures indicating both losses are as per the information received from the two Directorates. It is our desire that the information tabled to the Committee is always as updated as far as practically possible.

1.2 LEGISLATIVE REQUIREMENTS

The Municipality is required to assess on an ongoing basis whether it collects sufficient revenue to meet its commitments, such as paying Employees, Councillors, Eskom, Department of Water Affairs, service providers, etc. In accordance with Section 71 of the Municipal Finance Management Act (MFMA) 56 of 2003. of the MFMA, the Accounting Officer is required to submit to the National and Provincial Treasuries a monthly statement on the state of the municipality's budget

1.3 EXECUTIVE SUMMARY

This report provides a balanced and consolidated financial performance overview to assist Council in its oversight role over the financial affairs of the municipality. An analysis of the financial position and performance was undertaken to determine the relative financial strength and liquidity of the Municipality as at 30 June 2026.

To provide a comprehen0/0sive analysis, it was necessary to compare the 2025/26 Operating/ Capital Budgets, the General Ledger and the actual cash inflows and outflows of the Municipality, thereby determining relationships and the associated spending and income trends experienced for the 2025/26 financial year. The aforementioned were complemented by analysing the cash flow position, the investment portfolio, ratios, the operating and capital budget performance for the 2025/26 financial year, in order to facilitate an informed assessment of the relative liquidity and financial position of the Municipality.

1.4 FINANCIAL PERFORMANCE HIGHLIGHTS AS AT 30 June 2026 OF THE 2025/26 FINANCIAL YEAR

The current financial performance highlights are as follows:

1.4.1. Operating revenue amounted to R18,170 billion, whilst operating expenditure amounted to R14,646 billion. It must be noted that R13,210 billion of the operating revenue comprises of Property Rates and Service Charges (i.e., Electricity, Water, Sanitation and Refuse) which represent billed revenue.

The following table summarises revenue raised vs expenditure incurred from 1 July 2025 to 30 June 2026.

TABLE 1: Summary of Revenue Raised vs. Expenditure incurred (1 July 2025 to 30 June 2026)

Description	Budget Year 2025/26		
	Adjusted Budget	Year TD actual	% Achieved
R thousands			
Revenue			
Exchange Revenue			
Service charges - Electricity	6,447,444	6,142,788	95%
Service charges - Water	2,839,121	2,550,617	90%
Service charges - Waste Water Management	915,298	884,960	97%
Service charges - Waste management	365,994	347,425	95%
Sale of Goods and Rendering of Services	126,911	115,594	91%
Agency services	18,176	4,287	24%
Interest		–	–
Interest earned from Receivables	1,106,615	1,474,583	133%
Interest from Current and Non-Current Assets	290,809	231,900	80%
Dividends		–	–
Rent on Land		–	–
Rental from Fixed Assets	44,286	46,599	105%
Licence and permits	22,365	21,726	97%
Special rating levies		–	–
Operational Revenue	29,793	39,369	132%
Non-Exchange Revenue		–	–
Property rates	3,328,813	3,283,770	99%
Surcharges and Taxes		–	–
Fines, penalties and forfeits	134,530	80,028	59%
Licence and permits	1	1	67%
Transfers and subsidies - Operational	2,414,205	1,824,355	76%
Interest	158,695	257,672	162%
Fuel Levy	861,978	861,978	100%
Operational Revenue		–	–
Gains on disposal of Assets	2,379	3,150	132%
Other Gains		–	–
Discontinued Operations		–	–

Description	Budget Year 2025/26		
	Adjusted Budget	Year TD actual	% Achieved
Total Revenue (excluding capital transfers and contributions)	**19,107,414**	**18,170,802**	**95%**
Expenditure By Type			
Employee related costs	4,506,106	4,118,171	91%
Remuneration of councillors	97,870	91,538	94%
Bulk purchases - electricity	7,277,226	7,040,030	97%
Inventory consumed	343,286	269,527	79%
Debt impairment	1,818,084	45	0%
Depreciation and amortisation	1,051,415	1,049,975	100%
Interest	88,760	62,246	70%
Contracted services	1,833,466	992,730	54%
Transfers and subsidies	34,959	164,703	471%
Irrecoverable debts written off	675,027	128,496	19%
Operational costs	961,271	728,697	76%
Losses on Disposal of Assets		–	–
Other Losses	385,921	–	0%
Total Expenditure	**19,073,394**	**14,646,159**	**77%**

1.4.2. Capital spending for 2025/26 as at 30 June 2026 amounts to R1,044 billion or 47.12% of the approved consolidated adjusted capital budget of R2,215 billion.

1.4.3. The conditional grants as indicated in the table below have been received up to 30 June 2026. The table below also reflects the spending on conditional grants and Equitable Share.

TABLE 2: Spending on Grants received from the national / provincial government as at 30 June 2026.

Description	Budget Year 2025/26				
	Adjusted Budget	Year TD actual	Year TD actual	Available to Spend	% Spent
R thousands		RECEIPTS:	PAYMENTS		
RECEIPTS:					
Operating Transfers and Grants					
National Government:	**2,203,286**	**1,687,798**	**1,304,348**	**898,938**	**59.20%**
Local Government Equitable Share	1,637,749	1,397,145	987,708	650,041	60.31%
EPWP Incentive	2,457	2,457	4,356	-1,899	177.29%
Finance Management	1,000	1,000	866	134	86.60%
Infrastructure Skills Development	8,900	8,900	5,773	3,127	64.87%
LGSETA		7,496	1,370	-1,370	0.00%
Urban Settlements Development	103,902	–	181,603	-77,701	174.78%
Public Transport Networks Operations	241,225	178,585	120,672	120,553	50.02%
Neighbourhood Development Partnership	12,800	–	2,000	10,800	15.63%
Urban Development Financing Grant	36,000	22,400	–	36000	0.00%
Regional Bulk Infrastructure	52,338	33,871	–	52,338	0.00%
Energy Efficiency & Demand Side Management	1,339	–	–	1,339	0.00%
Informal Settlements Partnership Grant	105,577	35,944	–	105,577	0.00%
			–	–	0.00%
Provincial Government:	**206,899**	**36,789**	**22,030**	**184,869**	**10.65%**
DRPW (Maintenance of Roads	22,200	7,946	14,885	7,315	67.05%
Marine and Coastal Development	514	–	172	342	33.46%
Housing Title Transfers		74	90	-90	0.00%
Eastern Cape Capacity Building Grant	184,185	9,559	7,037	177,148	3.82%
Libraries		19,210		0	0.00%

Description	Budget Year 2025/26				
	Adjusted Budget	Year TD actual	Year TD actual	Available to Spend	% Spent
Other grant providers:	**43,020**	**–**		**43,020**	**0.00%**
Local Government, Water and Related Service SETA	35,565			35,565	0.00%
Product				0	0.00%
South Africa Revenue Service (SARS)	7,455			7,455	0.00%
Total Operating Transfers and Grants	**2,453,205**	**1,724,587**	**1,326,378**	**1,126,827**	**54.07%**
					0
Capital Transfers and Grants					0.00%
National Government:	**1,388,944**	**1,102,779**	**724,525**	**664,419**	**52.16%**
Public Transport Infrastructure	57,000	–	29,706	27,294	52.12%
Urban Settlements Development	1,304,370	537,841	297,469	1,006,901	22.81%
Neighbourhood Development Partnership				–	
Integrated National Electrification				–	
Integrated City Development				–	
Informal Settlements partnership Grant	21,913	315,810	229,067	-207,154	1045.35%
Flood Relief Grant			78,384	-78,384	0.00%
Energy Efficiency & Demand Side Management	5,661	3,000	–	0	0.00%
Regional Bulk Infrastructure		246,129	69,714	-69,714	0.00%
Flood Response Grant			20,185	-20,185	0.00%
Other grant providers:	**43,000**	**–**	**41,882**	**1,118**	**97.40%**
Private Contributions	43,000	–	41,882	1,118	97.40%
Total Capital Transfers and Grants	**1,431,944**	**1,102,779**	**766,407**	**665,537**	**53.52%**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	**3,885,149**	**2,827,367**	**2,092,785**	**1,792,364**	**53.87%**

1.4.4 As previously reported, the NMBM finalized the raising of an external loan during the 2020/21 financial year, to finance service delivery projects linked to the Water, Sanitation and Electricity services, in the amount of R750 602 100. The external borrowing was taken up in 6 tranches, and the last tranche of R 169,165,620 was taken up on 28 February 2023. As at 30 June 2026, the unspent portion of the External Loan from Nedbank amounted to R1,707,617.39 (Incl VAT).

1.4.5 Overdue debts have increased by R 5,466,034,488 during the 2025/26 financial year. The average collection rate for the 2025/26 financial year to date amounted to 70.1%. The collection rate for the month of June 2026 based on what was billed for May 2026 was 76.59%. As previously reported, the Committee must also note that the introduction of punitive water tariffs necessitated by the drought situation has had a negative impact on the collection rate and has also contributed to the escalation in water debt, hence there has been a report that recommends writing-off a portion of the arrear water debt in the Standing Committee meeting held on the 10th February 2025. As at 30 June 2026, R 12,136,021,435 or 76.59% of the R 15,844,943,741 revenue billed as at 31 May 2026 was received in cash. The budgeted collection rate of 75% required that R11,883,707,806 should have been collected during this period, resulting in an under collection of revenue billed to date amounting to approximately R 252,313,629.

1.4.6 An amount of R 964,801 million is owing to Creditors (Trade and Other Payables excluding Bulk Electricity) of which R 52,630 million is current creditors (within the 30-Day period and not yet payable or due). Creditors consist of Payments, Accruals and Retentions. Below is a table detailing the amounts included in this figure:

TABLE 3: Trade and other payables for the period ending 30 June 2026

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	890,763,205				890,763,205	48
Bulk Water	-				-	
PAYE deductions	-				-	
VAT (output less input)	-				-	
Pensions / Retirement deductions	-				-	
Loan Repayments	-				-	
Trade Creditors	39,293,586	41,276,238	6,708,505	224,395,034	311,673,363	17
Auditor-General	1,721,514	-	-	-	1,721,514	0
Other	11,615,295	676,880	8,504,005	630,610,863	651,407,044	35
Medical Aid Deductions	-	-	-	-	-	
Total	**943,393,600**	**41,953,118**	**15,212,510**	**855,005,897**	**1,855,565,125**	**100**

NMBM's ESKOM Bulk Electricity account is not in arrears as per the attached statement of account for this reporting period and the value indicated in Table SC4 comprises of a reconciling item and monthly accrual entry.

It is important to note that the Non-Current Creditors in the amount of R 912,171million contains Developers Contributions and Other deposits (R84,531 million), Creditors Retention (R178,897 million), Upgrading of New Brighton Library (R2.513 million) and Port Elizabeth Land Restitution Project (R2.129 million) that are not due within 30 days or to be paid back within the 2025/26 financial year. It can be concluded that an amount of R268,070 million is due for payment but has been outstanding for a period of longer than 30 Days from the date of the invoice, due to various reasons. The remaining R644,101 million, outstanding for a period of longer than 30 days, is not yet due for payment.

1.4.7 The municipality's investment portfolio has decreased by R906.818 million (24.06%) since June 2025 from R3.768 billion to R2.861 billion and this could have been because of the (i) number of payments that are processed during the period July to June 2026 as leading up to the conclusion of the prior year annual financial statements (2024/25), (ii) poor debtors' collection rate which also had a material impact on the cash flow position, (iii) delayed transfer of DORA Conditional Grants and (iv) a sign that the municipality may be utilizing the limited reserves to service certain operations, which is not financially sustainable.

1.4.8 The cumulative Water losses for the 2024/25 financial year amounted to 73.741 million kl or 57.62%. Cumulative Water losses for the first 10 months of the 2025/26 financial year amounted to 66,102,932 kl or 58.90%.

The non-revenue electricity losses for the 2024/25 budget year amounts to 26.81% of (932,537,678kWh), or an equivalent of R1.323 billion. The year-to-date total non-revenue electricity losses for the 2025/26 budget year are 28.48% (877,569,902Kwh), or an equivalent of R1,490,823,213 million. The year-to-date Electricity Loss calculation up to 30th June 2026 was not available or received from Electricity and Energy Directorate at the time of finalising this report. Electricity losses for the month ending 31 May 2026 amounts to 29.94% (88,878,134Kwh) or an equivalent of R136,822,357 million.

1.5 ANALYSING THE OVERDUE CONSUMER DEBTORS AS AT 30 June 2026

The analysis below indicates that from 30 June 2025 to 30 June 2026, the overdue debt has increased by **R5,466,034,488** as follows:

TABLE 4: Overdue Consumer Debtors as at 30 June 2026

	OVERDUE AMOUNTS		
Detail	June 2025	June 2026	Difference
Trade and Other Receivables from Exchange Transactions – Water	R 9,316,231,825	R 12,127,979,784	R 2,811,747,959
Trade and Other Receivables from Exchange Transactions – Electricity	R 865,756,793	R 995,108,364	R 129,351,572
Receivables from Non-exchange Transactions - Property Rates	R 1,833,780,746	R 2,261,798,416	R 428,017,669
Receivables from Exchange Transactions - Waste Water Management	R 1,512,178,329	R 1,889,234,823	R 377,056,494
Receivables from Exchange Transactions - Waste Management	R 742,881,536	R 911,099,959	R 168,218,422
Receivables from Exchange Transactions - Property Rental Debtors	R 61,488,193	R 71,980,297	R 10,492,104
Interest on Arrear Debtor Accounts	R 3,822,318,447	R 5,305,267,760	R 1,482,949,314
Other	R 438,674,731	R 496,875,685	R 58,200,954
Total By Income Source	**R 18,593,310,600**	**R 24,059,345,088**	**R 5,466,034,488**
Debtors Age Analysis By Customer Group			
Organs of State	R 207,945,308	R 271,223,397	R 63,278,089
Commercial	R 2,313,305,563	R 2,701,361,813	R 388,056,250
Households	R 16,016,183,523	R 21,020,724,904	R 5,004,541,381
Other NMBM	R 55,876,206	R 66,034,974	R 10,158,768
Total By Customer Group	**R 18,593,310,600**	**R 24,059,345,088**	**R 5,466,034,488**

The following table provides a detailed analysis of the Debtors' Age Analysis per category, for the period ending 30 June 2026: -

Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2026

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-
ebtors Age Analysis By Income Source									
rade and Other Receivables from xchange Transactions - Water	R 426,443,773	R 315,091,304	R 289,895,534	R 322,501,363	R 370,740,981	R 287,484,877	R 2,110,322,139	R 8,431,943,585	**R 12,554,423,557**
rade and Other Receivables from xchange Transactions - Electricity	R 481,648,609	R 110,258,386	R 37,726,131	R 30,273,350	R 30,390,157	R 39,297,103	R 234,731,688	R 512,431,551	**R 1,476,756,973**
eceivables from Non-exchange ransactions - Property Rates	R 276,819,795	R 63,117,629	R 26,154,395	R 15,598,179	R 33,540,551	R 121,013,711	R 426,975,267	R 1,575,398,684	**R 2,538,618,211**
eceivables from Exchange ransactions - Waste Water lanagement	R 116,656,273	R 64,717,102	R 56,054,452	R 50,618,408	R 52,284,211	R 46,380,229	R 227,060,707	R 1,392,119,714	**R 2,005,891,096**
eceivables from Exchange ransactions - Waste Management	R 53,122,678	R 31,442,515	R 19,530,198	R 15,598,277	R 22,088,009	R 16,092,614	R 93,880,454	R 712,467,892	**R 964,222,637**
eceivables from Exchange ransactions - Property Rental ebtors	R 2,460,543	R 2,483,877	R 1,319,268	R 215,840	R 2,078,458	R 1,105,213	R 8,948,247	R 55,829,394	**R 74,440,840**
iterest on Arrear Debtor Accounts	R 161,652,881	R 173,910,349	R 145,095,079	R 119,830,275	R 161,112,414	R 140,359,357	R 838,104,182	R 3,726,856,104	**R 5,466,920,641**
ther	R 16,710,077	R 10,160,874	R 6,723,659	R 5,796,545	R 6,095,438	R 8,495,027	R 39,136,580	R 420,467,562	**R 513,585,762**
Total By Income Source	**R 1,535,514,628**	**R 771,182,036**	**R 582,498,716**	**R 560,432,237**	**R 678,330,219**	**R 660,228,131**	**R 3,979,159,264**	**R 16,827,514,485**	**R 25,594,859,716**
rgans of State	R 27,810,707	R 19,071,113	R 13,130,798	R 9,757,863	R 11,688,848	R 12,558,876	R 58,737,672	R 146,278,227	**R 299,034,104**
ommercial	R 619,650,246	R 170,119,907	R 58,482,378	R 40,713,976	R 68,354,663	R 139,566,012	R 467,459,092	R 1,756,665,785	**R 3,321,012,059**
ouseholds	R 861,015,233	R 579,529,985	R 509,779,580	R 509,240,354	R 597,423,733	R 507,024,469	R 3,449,156,089	R 14,868,570,694	**R 21,881,740,137**
ther NMBM)	R 27,038,442	R 2,461,031	R 1,105,960	R 720,044	R 862,975	R 1,078,774	R 3,806,411	R 55,999,779	**R 93,073,416**
Total By Customer Group	**R 1,535,514,628**	**R 771,182,036**	**R 582,498,716**	**R 560,432,237**	**R 678,330,219**	**R 660,228,131**	**R 3,979,159,264**	**R 16,827,514,485**	**R 25,594,859,716**

It must be noted that the period of 0 to 30 days, represents current accounts and anything greater than 30 days represent arrear accounts. In terms of the above, it can be stated that the arrear debtors' amount to about R24.060 billion (or R25,594 billion – R1.534 billion).

It is important to note that since around May 2024 Budget and Treasury Directorate in conjunction with other service delivery Directorates that include Electricity and Energy have embarked in joint operation (known as Revenue Enhancement Blitz) to attend with mainly businesses that are owing the municipality for services.

1.6 THE FINANCIAL IMPACT OF OVERTIME

The overtime worked for 12 months of the 2025/26 financial year amounted to R350,723,457. The main Directorates responsible for the overspending are the (i) Water Service, (ii) Office of the Municipal Manager, (iii) Safety & Security, (iv) Office of the Executive Mayor, (v) Public Health, (vi) Sanitation Services, (vii) Human Settlements, (viii) Recreational Services and (viv) Budget & Treasury. A total of R46 million has already been virement to Overtime. If the current trend continues, it is projected that the Overtime Adjustment Budget has been overspent by R11 million on the 30th of June 2026.

TABLE 6: Overtime expenditure for the period 1 July to 30 June 2026.

Row Labels	Sum of 2026 Budget	Sum of 2026 Adj Budget	Sum of 2026 Virements	Sum of 2026 Actuals	Sum of Projection
Budget & Treasury	8,860,780	9,233,040	2,493,370	10,084,533	11,577,968
Chief Operating Officer	2,378,030	2,143,030	455,000	1,351,126	2,418,246
Corporate Services	9,143,190	9,501,900	-50,000	7,395,161	8,661,649
Economic Development & Recreational Services	385,900	385,900	37,870	411,320	463,583
Electricity & Energy	69,077,020	67,014,520	2,125,000	59,729,523	65,159,480
Executive Mayor	854,670	1,204,670	260,000	1,090,765	1,189,926
Human Settlements	896,870	3,078,110	1,227,688	1,309,057	1,867,340
I&E Rate & General	10,923,700	10,744,700	-667,000	5,705,887	10,167,604
Municipal Manager	192,950	44,480	230,000	242,669	264,730
Nelson Mandela Metropolitan Municipality				16,895	18,431
Public Health	30,909,110	31,859,580	6,029,000	36,163,862	39,493,776
Safety & Security	125,393,480	131,219,830	17,650,000	129,229,118	141,496,120
Sanitation	32,308,050	38,796,120	3,455,720	33,607,130	40,021,004
Special Projects & Programmes		7,860		37,642	41,064
Sport, Recreation, Arts & Culture	10,716,380	13,868,060	4,565,840	13,975,605	16,907,544
Water Service	37,150,030	42,837,030	8,793,250	50,373,163	55,228,312
Grand Total	**339,190,160**	**361,938,830**	**46,605,738**	**350,723,457**	**394,976,776**

These directorates will have to make a concerted effort to monitor the work programmes of employees in these Directorates.

TABLE 7: Historic Overtime expenditure trends from 2017/18 to 2024/25

Directorate	2017/2018 Actuals	2018/2019 Actuals	2019/2020 Actuals	2020/2021 Actuals	2021/2022 Actuals	2022/2023 Actuals	2023/2024 Actuals	2024/2025 Actuals
Infrastructure & Engineering R&G	4,317,024	6,247,465	5,349,645	7,781,651	8,054,250	9,693,501	10,354,960	6,355,367
Human Settlements	430,116	942,996	734,493	522,384	550,583	831,766	1,194,328	2,602,911
Public Health	20,781,046	27,247,273	24,848,033	30,955,479	37,847,153	37,213,127	40,924,662	39,153,350
Sport, Rec, Arts & Culture	6,207,957	9,206,181	7,858,502	4,700,056	8,458,916	10,601,282	14,414,429	16,980,072
Safety & Security	45,617,891	76,720,540	112,333,008	128,459,967	108,843,218	107,835,094	186,680,177	201,641,664
Economic Dev, Tourism & Agri	568,589	640,741	802,378	668,259	472,287	675,650	1,362,733	443,153
Corporate Services	5,113,737	6,815,851	5,112,714	3,857,871	6,400,590	7,674,515	7,487,691	7,530,754
Budget & Treasury	7,913,218	9,404,412	7,576,136	4,514,354	6,249,574	6,949,565	7,364,097	9,586,458
Executive Mayor	435,847	307,970	420,580	358,220	544,583	412,059	893,557	1,113,589
Sanitation	16,154,418	19,237,423	24,073,918	26,278,028	29,265,055	36,340,236	42,469,074	42,315,290
Water	21,441,984	29,397,881	37,399,119	44,233,144	44,413,757	46,907,391	52,749,968	53,859,164

Directorate	2017/2018 Actuals	2018/2019 Actuals	2019/2020 Actuals	2020/2021 Actuals	2021/2022 Actuals	2022/2023 Actuals	2023/2024 Actuals	2024/2025 Actuals
Municipal Manager	183,014	237,847	279,305	173,723	197,671	157,383	204,246	295,131
Electricity & Energy	25,209,115	35,465,323	41,720,359	50,381,141	56,910,684	80,896,565	94,860,714	79,947,555
Chief Operating Officer	252,894	677,398	386,227	1,515,504	903,439	1,225,940	1,201,055	1,525,182
Spec Project and Programmes	97,673	230,027	119,170	14,705	33,309	43,225	66,091	46,727
Grand Total	**154,724,523**	**222,779,330**	**269,013,587**	**304,414,486**	**309,145,069**	**347,457,300**	**462,227,782**	**463,396,367**
Percentage Increase		**43.98%**	**20.75%**	**13.16%**	**1.55%**	**12.39%**	**33.03%**	**0.25%**

As indicated previously there was a reduction in actual overtime payments from 2017 to 2018 which was the direct result of a new Overtime Policy that was implemented at the time for a period of 2 months only, and subsequenltywithdrawn as a result of a moratorium placed by Council on the implementation of that policy. As reported in the previous financial year/s, considering the extent of overspending, the conclusion of the outstanding Overtime Policy in line with the relevant legislation, by the Corporate Services and Human Resources Standing Committee is long overdue. The fact that there is no guiding policy dealing with this matter, poses a significant financial risk for the institution, as previously also raised during the budget assessments and or mid-term financial reviews by National Treasury.

1.7 VARIOUS FINANCIAL RATIOS

The following financial ratios are monitored on an ongoing basis:

TABLE 8: Various ratios vs. targeted ratios for the 2025/26 financial year

Ratio	Actual 2016/17	Actual 2017/18	Actual 2018/19	Actual 2019/20	Actual 2020/21	Restate 2021/22	Audit 2022/23	Audit 2023/24	June 2024/25	June 2026	Targets
Current Ratio	1.63:1	1.73:1	1.85:1	2.12:1	2.14:1	2.14:1	2.41:1	2.31:1	2.17:1	1.66:1	2.20:1
Liquidity Ratio	0.70:1	0.92:1	1.05:1	1.01:1	1.19:1	1.29:1	1.27:1	1.22:1	1.10:1	0.79:1	1.15:1
Average Debtors' Collection Rate	94.3%	93.1%	94.7%	83.4%	85.5%	76.16%	63.31%	75.62%	71.07%	70.06%	75.00%
Creditors' payment Rate (i.e., 30 Days on Receipt of Invoice)	33 days	43 days	44 days	50 days	59 days	72 days	59 days	61 days	46 days	43 days	30 days
Cost Coverage (excluding unspent conditional grants)	2.20 months	3.18 months	3.64 months	4.00 months	4.84 months	5.24 months	5.24 months	4.08 months	2.54 months	1.66 Months	2.76 months
Debt servicing costs to Operating Revenue Ratio	2.78%	2.40%	2.17%	1.96%	1.91%	2.33%	1.97%	1.92%	1.68%	0.99%	1.36%

1.7.1. Collection Rate as recorded above:

It must be noted that the original budgeted collection rate for the 2025/26 financial year was set at 75.00%. The average collection rate for the 2025/26 financial year to date amounted to 70.64%. The collection rate for the month of June 2026 based on what was billed for 2026 was 76.59%. A lot is required to be done to improve this situation. As National Treasury advised during the latest Mid Term visit the city also require embarking on benchmark exercises with best performing cities to learn from best practices.

1.7.2. Creditor's Payment Rate

The creditors payment up to 30th June 2026 was not available or received at the time of finalising this report therefore it still reflects figures from May. The main factors influencing the May 2026 payment days are the following:

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 following three months is as follows:

March 2026 – 52 days
April 2026 – 34 days
May 2026 – 29.16 days

The results above indicate that the Creditors' payment days were not met by the NMBM for the period March 2026 - April 2026 and have been met for May 2026.

It remains the responsibility of each Directorate to ensure that Invoices are received and processed relating to service delivery within their Directorate.

During May 2026 the number of days to process documentation increased significantly for the following Directorates:

Directorate	**No. of Days (MAY)**
Infrastructure & Engineering: Rate & General	259.10
Chief Operating Officer	145.27
Recreational & Cultural Services	137.96
Sanitation	121.16
Water Services	116.11

The above results for the **Municipal Manager** Directorate are attributed to late payments that were made to supplier GRAY MOODLIAR INC. which were approved in excess of 100 days from the Date of Receipt of invoice. The late payment reason recorded by the Directorate is "AWAITED BUDGET".

The above results for the **Chief Operating Officer** Directorate are attributed to late payments that were made to supplier W LANGSON AND ASSOCIATES INC which were approved in excess of 60 days from the Date of Receipt of invoice. The late payment reason recorded by the Directorate is "RECEIVED FOR PROCESSING IN FEBRUARY 2026".

The above results for the **Sanitation** Directorate are attributed to late payments that were made to supplier GAP MANAGEMENT which were approved in excess of 400 days from the Date of Receipt of invoice The late payment reason recorded by the Directorate is "NO FUNDS".

The above results for the **Recreational & Cultural** Directorate are attributed to late

payments that were made to supplier SIYAYA KHAYA Construction which were approved

in excess of 400 days from the Date of Receipt of invoice. The late payment reason

recorded by the Directorate is "Delays in contractor amending the invoice ".

2 DETAILED REPORTS ATTACHED TO THIS REPORTS ATTACHED AS ANNEXURES TO THIS REPORT

To comply with "Schedule C" of the Municipal Budget and Reporting Regulations (No. 32141 dated 17 April 2009) the following detailed schedules for the period ending 30 June 2026 are attached:

Annexure "A1" – Operating Revenue and Expenditure Performance: This Annexure illustrates the Operating Performance position for the reporting period. It answers the question of how the revenue as at the end of the reporting month compares to the expenditure for the same period.

Annexure "A2" – Capital Budget Performance: This Annexure gives the position of the Capital Budget for the reporting period. In total about 47.12 % of the Consolidated Capital Budget of R2.215 billion has been incurred as at the end of June 2026. Some of the reasons that may have resulted in this position are disclosed elsewhere in this report.

Annexure "A2(i)" – Capital Expenditure Report. This Annexure show the detail of all Capital Projects per Directorate indicating the Budget, any amendments, expenditure up to 30 June 2026 as well as the funding source for each project.

Annexure "A3" – Projected Cash Flow Statement: This Annexure illustrates the inflows and outflows of Cash for the period ending 30 June 2026.

Annexure "A4" – Consolidated Budget Tables (incl. MBDA figures): This Annexure illustrates the financial position of NMBM for the reporting period including the financial records of the municipal entity.

Annexure "A5" – Analysis of Municipality's Balance Sheet: This Annexure details the balance sheet items including:

i. Outstanding Consumer Debtors
ii. Overview of Creditors position
iii. Investment portfolio
iv. Grants' receipts and Expenditure
v. Councillor & Officials allowances & benefits.
vi. Key performance Indicators

Annexure "A6" – MBDA's Monthly Report & Budget Tables: This Annexure contains the tables for the MBDA (municipal entity) for the reporting period.

RECOMMENDATION

a) That the Budget & Treasury Standing Committee **NOTES** the Municipality's consolidated (including the Entity) financial report as at 30 June 2026 Budget statement, prepared in line with Sections 71 of the Municipal Finance Management Act (MFMA) 56 of 2003. of the MFMA.

2.1 OTHER REPORTS

2.1.1 BANK RECONCILLIATIONS

Annexure "B" reflects the reconciliation of Council's Main Bank Account as at 30th June 2026. Council operates one primary bank account and several dedicated subsidiary accounts, all of which are reconciled with the main bank account. In terms of the internal B&T set target for completing the subsidiary bank reconciliation, the target is 20 days and 35 days for the main account. The receipting office balances the cash receipted to the cash banked daily, which assists in the timeous completion of bank reconciliations.

2.1.2 CAPITAL SPENDING – B&T DIRECTORATE

The attached **Annexure "C"** indicates the status of the various capital projects in the Budget and Treasury directorate for the 2025/26 financial year as of 30th June 2026. This annexure is extracted directly from the Municipality's Accounting System.

2.1.4 GENERAL VALUATION: DATE OF VALUATION AND DESIGNATION OF MUNICIPAL VALUER

PURPOSE

The purpose of this report is for the Council to determine the date of valuation in terms of section 31 of the Municipal Property Rates Act (MPRA) No 6 of 2004 and designate a Municipal Valuer in terms of section 33 of the Municipal Property Amendment Rates Act No. 29 of 2014 (MPRA).

BACKGROUND

In terms of Section 32(1)(b) of the Local Government: Municipal Property Amendment Rates Act, No.29 of 2014, a municipality must conduct valuations on a regular basis.

It is to be noted that Section 32(1)(b) of the MPRA reads as follows:-

"remains valid for that financial year or for one or more subsequent financial years as the municipality may decide, but in total not for more than:-

(i) four financial years in respect of a metropolitan municipality;"

The current Valuation Roll was implemented on 1 July 2022 and valid for four (4) years in line with Section 32(1)(b) of MPRA. Subsequently, the MEC of Corporate Governance and Traditional Affairs (CoGTA) was requested to grant the extension of the 2022 General Valuation until 30 June 2027. On the 04th of February 2025, the MEC of CoGTA granted the extension of the validity of the 2022 General Valuation Roll by one (1) year to 30 June 2027 in terms of section 32(2)(b) of the MPRA.

Date of Valuation

Section 31 of the MPRA states that *"For the purposes of a General Valuation, a municipality **must** determine a date that may not be more than twelve (12) months before the start of the financial year in which the valuation roll is to be first implemented".*
It is proposed that the NMBM adopt 1 July 2026 as the "valuation date" of the next General Valuation.

Designation of a Municipal Valuer

Notably, Section 33(1) of the MPRA states:

*"A municipality **must**, before the date of valuation, designate a person as municipal valuer. A municipality may designate either one of its officials or a person in private practice as its municipal valuer."*

The MPRA is also prescriptive regarding the qualifications of the municipal valuer:

In terms of section 39 (1) of the MPRA: -

"A municipal valuer-

(a) must be a person registered as a professional valuer or professional associated valuer in terms of the Property Valuers Profession Act, 2000 (Act No. 47 of 2000); and
(b) may not be a councillor"

It is therefore, recommended that Ms Mornette Bothma, Acting Chief Valuer in the Budget and Treasury Directorate, be designated in terms of section 33 of the MPRA as the Municipal Valuer for the next General Valuation Roll.

RECOMMENDATION

It is **recommended** to Council:

(a) That the date of valuation for the 2027 General Valuation is 1 July 2026.

(b) That the date of implementation of the 2027 General Valuation Roll is 1 July 2027.

(c) That the Acting Chief Valuer, Ms Mornette Bothma, is designated as the Municipal Valuer for the 2027 General Valuation and Supplementary Valuations.
(d) That the people listed in ***"Annexure A"*** (as attached) are designated as Assistant Municipal Valuers and Data Collectors for the 2027 General Valuation.

(e) That the 2027 General Valuation Roll certification date is 31 January 2027.

ANNEXURE A

Name and Surname	Designation	Status
Mornette Bothma	Municipal Valuer	Professional Valuer
Riana Lobar	Assistant Municipal Valuer	Professional Valuer
John Dingaan	Assistant Municipal Valuer	Professional Valuer
Lusanda Bacela	Assistant Municipal Valuer	Professional Associated Valuer
Charles Share	Assistant Municipal Valuer	Professional Valuer
Pieter Oosthuizen	Assistant Municipal Valuer	Professional Valuer
Stephen Alberts	Assistant Municipal Valuer	Professional Valuer
Le-Shaun Ferreira	Assistant Municipal Valuer	Professional Valuer
Gerald Mojapelo	Assistant Municipal Valuer	Professional Associated Valuer
Phumla Mtiki	Assistant Municipal Valuer	Professional Associated Valuer
Thandi Sokapase	Assistant Municipal Valuer	Professional Associated Valuer
Vuyo Qumana	Data Collector	Candidate Valuer
Lelethu Nqweniso	Data Collector	Candidate Valuer
Xolelwa Nquva	Data Collector	Candidate Valuer
Darren Jaftha	Data Collector	Candidate Valuer
Vuyo Jara	Data Collector	Senior Clerk
Swelihle Mqatazana	Data Collector	Senior Clerk

2.2 QUARTERLY REPORTS

2.2.1 QUARTERLY REPORTING ON BANK ACCOUNT WITHDRAWALS NOT IN TERMS OF AN APPROVED BUDGET

Purpose

The purpose of this report is to report on withdrawals from the municipal bank accounts which are not in terms of an approved budget, as required in terms of Section 11 of the Municipal Finance Management Act (MFMA).

Comments

The withdrawals from the municipal bank account which must be reported on a quarterly basis are those stipulated in Section 11(b) to (j) of the MFMA.

Attached as Annexure " " is the reports as required in terms of Section 11 of the Municipal Finance Management Act for the quarter ending 30 June 2026.

RECOMMENDATION

That Council note the Withdrawals from the municipal bank accounts reports in terms of Section 11 (b) to (j) of the MFMA, for the quarter ending 30 June 2026.

2.2.2 ITEM TO THE BUDGET AND TREASURY STANDING COMMITTEE: 2025/26 FOURTH QUARTER REPORT ON THE OVERSIGHT ROLE OVER THE IMPLEMENTATION OF THE SUPPLY CHAIN MANAGEMENT POLICY IN TERMS OF SECTION 6 OF THE SUPPLY CHAIN MANAGEMENT POLICY (SCM)

PURPOSE

This report provides the Standing Committee with the SCM operations during the fourth quarter financial year 2025 / 2026 but only for the month of **(i.e. 1st April to 30th June 2026)** for the oversight role the Committee should perform over the implementation of Supply Chain Management within the institution.

BACKGROUND

Section 6(1) to (5) of the Supply Chain Management Policy of the NMBM states inter-alia the following: -

"(1) A *Councillor* cannot in terms of Section 117 of the *Municipal Finance Management Act* be a member of a bid committee or any other committee evaluating or approving tenders, quotations, contracts or other bids, nor attend any such meeting as an observer.

*(2) The Council **must** maintain oversight over the implementation of the Policy to ensure that the Accounting Officer implements all Supply Chain Management activities in accordance therewith.*

*(3) For the purposes of such oversight, the Accounting Officer **must** –*

(a) within 30 days of the end of each financial year, submit a report on the implementation of this policy to the Council through its Executive Mayor;
(b) within 20 days of the end of each financial year the municipal entity is required to submit a report on the implementation of the Supply Chain Management policy to the Board of Directors, who must then submit it to the Accounting Officer of the NMBM for submission to Council in terms of subparagraph (a).
(c) whenever there are serious and material problems in the implementation of the Policy,
(d) immediately submit a report thereon to the Council through its Executive Mayor.

(4) The Accounting Officer must, within 10 days of the end of each quarter, submit a report on the implementation of this Policy to the Executive Mayor.
(5) The aforesaid reports must be made public in accordance with Section 21A of the Municipal Systems Act".

In addressing the above this report will cover certain activities of the Supply Chain Management (SCM) environment for the fourth quarter **(i.e. 1st April to 30th June)** of the 2025/26 financial year. If there are certain shortcomings identified by the Budget and Treasury Standing

Committee, the acting Chief Financial Officer will be at liberty to obtain such additional information.

The report is formulated based on various Tables as discussed further under the Paragraph below.

DISCUSSION

BID COMMITTEE OPERATIONS FOR THE FOR THE PERIOD 01 April – 30 June 2026

The City Manager (as an Accounting Officer) is mandated by the SCM Regulations and the Council's Supply Chain Management Policy to establish Bid Committees (i.e. Bid Specification Committee, Bid Evaluation Committee and Bid Adjudication Committee) to assist in the implementation of the Supply Chain Management Policy.

These Committees are established by the City Manager by identifying suitable qualified employees across the institution to assist in this process, and where there are training interventions required, such training needs are addressed through various methods which may include approaching National Treasury for assistance, amongst others.

Attached as Annexure "F1" to this report is the Table summarising the operations of each Bid Committee during the third quarter of the 2025/26 financial year (i.e. from 01 April to 30 June 2026).

AWARDED CONTRACTS REGISTER FOR THE PERIOD 01 April – 30 June 2026

Attached as Annexure "F2" to this report is the Register of Contracts awarded during the period 01 April – 30 June 2026.

REGISTER OF CONTRACTS AS AT 30 JUNE 2026 EXPIRING IN THE NEXT SIX MONTHS

Attached as Annexure "F3" to this report is the Register of Contracts as at 30 June 2026 expiring in the next six months. The aim of this Register is to alert various Directorates or Role-players so that they can commence with their procurement processes.

DEVIATIONS REGISTER FOR THE PERIOD ENDING 30 JUNE 2026

Attached as Annexure "F4" to this report is the Deviations Register as at 30 June 2026 for all deviations approved in line with Section 36 of the Supply Chain Management Policy. Section 36(1) of the Supply Chain Management Policy inter-alia states the following: -

The *Accounting Officer* may -

- *dispense with the official procurement processes established by this Policy and procure any required goods, work and/or services through any convenient process, which may include direct negotiations, but only -*

  (i) in an emergency;

  (ii) if such goods, work and/or services are produced or available from a single provider only;
  (iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
  (iv) acquisition of animals for zoos and/or nature and game reserves; or
  (iv) in any other exceptional case where it is impractical or impossible to follow the official procurement processes; and

  (a) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties that are purely of a technical nature".

CONTRACTS AWAITING FINALISATION (OUTSTANDING CONTRACTS) AS AT 30 JUNE 2026

Attached as Annexure "F5" to this report is the register of contracts awaiting finalisation due to various reasons, as commented in the document, as at 30 June 2026. If these contracts were attended to or finalised in the 2025/26 financial year the number of contracts awarded during the financial year could have improved.

APPEALS AUTHORITY COMMITTEE'S REGISTER AS AT 30 JUNE 2026

Attached as Annexure "F6" to this report is the register of all matters attended to or outstanding in the Appeals Authority Committee. An Appeals Authority Committee has been established to deal with tender appeals or objections independently and its members are employees of Council, appointed by the City Manager and who are not involved in the SCM processes at any stage. Their report on the objection / appeal becomes final and can only be reversed in a Court of Law.

ATTACHMENTS TO THE ITEM

Attached to this item are the following: -

(i) Annexure "F1" – Table summarising the operations of each Bid Committee during the period 01 April 2026 – 30 June 2026
(ii) Annexure "F2" – Register of Contracts awarded as at 30 June 2026
(iii) Annexure "F3" - Register of Contracts as at 30 June 2026 expiring in the next six months
(iv) Annexure "F4" – Deviations Register as at 30 June 2026
(v) Annexure "F5" – Contracts Awaiting Finalisation (outstanding Contracts) as at 30 June 2026
(vi) Annexure "F6" – Appeals Authority Committee's Register as at 30 June 2026 (Matters outstanding as at 30 June 2026)

1. RECOMMENDATIONS

(a) That the Budget and Treasury Standing Committee ***NOTES*** the report on the implementation of the Supply Chain Management Policy during the fourth quarter of the ***2025/26*** financial year (i.e. 01 April – 30 June 2026).

3. WRITE-OFF IN RESPECT OF IRRECOVERABLE ARREAR DEBTS

3.1 WRITE-OFF IN RESPECT OF ARREARS AMOUNTS REFLECTED ON ACCOUNTS OF POOR HOUSEHOLDS PRIOR TO THE HOUSEHOLDS QUALIFYING FOR ASSISTANCE TO THE POOR SUBSIDY

Purpose

The purpose of this report is to indicate the exact amount written off for the month of June 2026, in accordance with paragraph (b) of the Executive Mayor's resolution taken on 4 February 2004:

Background

The Executive Mayor on 4 February 2004 resolved (Min. No. 138/2004):

"(a) that the following categories of arrear debts reflected on the accounts of poor households are written off against the provision for Doubtful Debts:

(i) All arrear amounts that were transferred and are reflected in suspense accounts;
(ii) Accumulated interest, service charges and other debts raised and not paid for, subsequent to the date on which the household registered as poor or indigent; including tampering charges, related interest, and the estimated value of illegal consumption, but excluding

rental and instalments raised in terms of the State Financed Letting and Selling Schemes; (See also paragraph (a)(iv)).
(iii) All arrear debts of poor households in respect of which arrangements were made to settle these arrears at R10 per month have been concluded (excluding rental and instalments).
(iv) Letting and Selling Scheme Rentals, Selling Scheme instalments and other service charges linked to these schemes, where these debts of the poor households exceed the PHDB subsidy of R7 500, inclusive of transfer costs, subject to the conclusion of the necessary transfer procedures, in terms of the Executive Mayor's resolution of 26 November 2003.

(b) That arrears that could be classified under (a)(i) to (a)(iv) above on accounts of households currently not registered as poor, who may become eligible for assistance under the Assistance to the Poor Scheme in future, be written off against the provision for Doubtful Debts.

(c) That the write-off of the categories of arrear debts referred to under (a)(i) to (a)(iv) and (b) above, be approved in principle only and that details of the individual accounts per category service and applicable votes be submitted to the Budget and Treasury Committee for approval in terms of Section 29 of Council's Customer Care and Revenue Management By-law."

Paragraph (a) of the above resolution was implemented and R212.4 million (i.e. Capital of R196.4 million and VAT of R16.0 million) was written-off.

The amounts written-off relating to the various debt categories as per paragraph (b) of the Executive Mayor's resolution are as follows:

April 2026

DEBT CATEGORY	CAPITAL	VAT	TOTAL	VOTE NUMBER
Electricity	R 687,328.53	R 103,099.27	R 790,427.80	03330153
Sanitation	R 2,320,670.31	R 348,100.54	R 2,668,770.85	04440153
Water	R 12,141,817.42	R 1,821,272.61	R 13,963,090.03	04730153
Refuse	R 1,456,475.34	R 218,471.30	R 1,674,946.64	13180153
General Rates/ Service Charges	R 3,617,398.76	R 0.00	R 3,617,398.76	06250153
Sundries	R 484,734.58	R 69,736.64	R 554,471.22	06250153
Interest	R 5,780,444.37	R 0.00	R 5,780,444.37	06250153
TOTAL	**R 26,488,869.31**	**R 2,560,680.36**	**R 29,049,549.67**	

May 2026

DEBT CATEGORY	CAPITAL	VAT	TOTAL	VOTE NUMBER
Electricity	R 589,695.31	R 88,454.29	R 678,149.60	03330153
Sanitation	R 3,912,222.54	R 586,833.37	R 4,499,055.91	04440153
Water	R 13,797,406.67	R 2,069,611.00	R 15,867,017.67	04730153
Refuse	R 2,378,137.45	R 356,720.61	R 2,734,858.06	13180153
General Rates/ Service Charges	R 5,907,139.41	R 0.00	R 5,907,139.41	06250153
Sundries	R 905,387.93	R 129,741.64	R 1,035,129.57	06250153

DEBT CATEGORY	CAPITAL	VAT	TOTAL	VOTE NUMBER
Interest	R 6,490,663.23	R 0.00	R 6,490,663.23	06250153
TOTAL	**R 33,980,652.54**	**R 3,231,360.91**	**R 37,212,013.45**	

June 2026

DEBT CATEGORY	CAPITAL	VAT	TOTAL	VOTE NUMBER
Electricity	R 182,444.78	R 27,366.71	R 209,811.49	03330153
Sanitation	-R 179,638.31	-R 26,945.74	-R 206,584.05	04440153
Water	-R 638,701.38	-R 95,805.20	-R 734,506.58	04730153
Refuse	R 180,134.23	R 27,020.13	R 207,154.36	13180153
General Rates/ Service Charges	R 584,974.88	R 0.00	R 584,974.88	06250153
Sundries	-R 27,300.13	-R 3,277.34	-R 30,577.47	06250153
Interest	-R 155,120.59	R 0.00	-R 155,120.59	06250153
TOTAL	**-R 53,206.52**	**-R 71,641.44**	**-R 124,847.96**	

A schedule indicating the number of accounts and amounts written-off by Ward is attached as **Annexure "D"**

The arrears of additional poor households will be written off, in accordance with the policy, as and when they qualify for assistance. Such write-offs will be reported to the Budget and Treasury Committee when they occur.

With the write-off of **R 66136715.16 for April-June 2026** the write offs of the previous financial years have been included for comparison purposes.

PERIOD	CAPITAL	VAT	TOTAL
Section (a) of the Mayoral Resolution: February 2004	**R 196,446,842.69**	**R 16,038,186.57**	**R 212,485,029.26**
Section (b) of the Mayoral Resolution: - March 2004 – June 2014	**R 800,476,336.96**	**R 67,159,230.86**	**R 867,635,567.82**
Section (b) of the Mayoral Resolution: July 2014 – June 2015	**R 47,290,190.07**	**R4,177,614.69**	**R51,467,804.76**
Total for 2015/2016 (July 2015 to June 2016)	**R 36,433,157.18**	**R 3,285,414.60**	**R 39,718,571.78**
Total for 2016/2017 (July 2016 to June 2017)	**R 429,161,048.51**	**R 39,190,453.06**	**R 468,351,501.57**
Total for 2017/2018 (July 2017 to June 2018)	**R 32,273,234.02**	**R 3,128,872.28**	**R 35,402,106.30**
Total for 2018/2019 (July 2018 to June 2019)	**R 31,225,655.12**	**R 3,062,579.24**	**R 34,288,234.36**
Total for 2019/2020 (July 2019 to June 2020)	**R 81,835,695.13**	**R 7,781,381.46**	**R 89,617,076.59**
Total for 2020/2021 (July 2020 to June 2021)	**R 202,612,331.81**	**R 20,433,553.52**	**R 223,045,885.33**
Total for 2021/2022 (July 2021 to June 2022)	**R 150,120,791.95**	**R 15,542,811.04**	**R 165,663,602.99**
Total for 2022/2023 (July 2022 to June 2023)	**R 330,828,500.42**	**R 39,531,548.59**	**R 370,360,049.01**
Total for 2023/2024 (July 2023 to June 2024)	**R 2,349,092,565.03**	**R 295,202,027.58**	**R 2,644,294,592.61**
Total for 2024/2025 (July 2024 to June 2025)	**R 214,030,515.44**	**R 21,922,312.10**	**R 235,952,827.54**
Grand Total in respect of Section (a) & (b) of the Mayor Resolution February 2004 – June 2025	**R 4,901,826,864.33**	**R 536,455,985.59**	**R 5,438,282,849.92**
Written off in current Financial Year			
Jul-25	R 14,630,775.80	R 1,425,741.26	R 16,056,517.06
Aug-25	R 20,713,098.58	R 1,992,652.48	R 22,705,751.06
Sep-25	R 6,232,252.93	R 595,572.07	R 6,827,825.00
Oct-25	R 15,608,284.61	R 1,502,936.67	R 17,111,221.28
Nov-25	R 388,281.79	-R 12,525.96	R 375,755.83
Dec-25	R 19,804,621.67	R 1,950,905.41	R 21,755,527.08
Jan-26	R 53,429.34	R 7,010.60	R 60,439.94
Feb-26	R 39,148,962.61	R 3,740,194.79	R 42,889,157.40
Mar-26	R 12,447,616.06	R 1,409,711.42	R 13,857,327.48
Apr-26	R 26,488,869.31	R 2,560,680.36	R 29,049,549.67

PERIOD	CAPITAL	VAT	TOTAL
May-26	R 33,980,652.54	R 3,231,360.91	R 37,212,013.45
Jun-26	-R 53,206.52	-R 71,641.44	-R 124,847.96
Sub Total 2025/2026	**R 189,443,638.72**	**R 18,332,598.57**	**R 207,776,237.29**
Grand Total: -	**R 5,091,270,503.05**	**R 554,788,584.16**	**R 5,646,059,087.21**

RECOMMENDATION:

The amount of **- R124,847.96 for June 2026** households that qualify for assistance in terms of the amended Assistance to the Poor Policy, be written off as irrecoverable against the provision for doubtful debts in terms of Section 29 of the Council's Customer Care and Revenue Management By-law.

3.2 WRITE-OFF IN RESPECT OF ARREARS AMOUNTS IN EXCESS OF NINETY (90) DAYS REFLECTED ON ACCOUNTS OF POOR HOUSEHOLDS QUALIFYING FOR ASSISTANCE TO THE POOR SUBSIDY

Purpose

The purpose of this report is to indicate the exact amount written off for the month of June 2026 in accordance with section (a)(iii), (j), (k) and (l) of the Executive Mayor's resolution taken on 3 September 2008 (Min. No. 95/2008).

Background

The Executive Mayor on 3 September 2008 resolved in paragraphs (a)(iii), (j), (k) and (l) as follows (Min. No. 95/2008):

(a) The Assistance to the Poor Subsidy Policy be amended to include the following:
(i) ....
(ii) ....
(iii) Existing legal costs and call-fees on ATTP accounts, with the exception of tampering charges, are written-off.

(j) That debts in excess of ninety (90) days at the end of each month for ATTP account holders be written-off as "Irrecoverable" against the Provision for Bad Debt Vote number, with the exception of "Tampering Charges" raised after the initial registration and ATTP subsidy granted.

(k) That the first write-off takes place at the end of the month that the Executive Mayor approves this recommendation and that the actual amount written-off is forwarded to the Budget and Treasury Committee for approval. (l) That thereafter, at the end of each month after the first write-off, all amounts accrued in excess of ninety (90) days in that month be written-off and that this amount be forwarded to the Budget and Treasury Committee for approval.
Paragraphs (a)(iii), (j) and (k) of the Executive Mayor's resolution were implemented as at 30 September 2008 and an amount of R130,511,809.30 was written-off.
Paragraph (l) of the Executive Mayor's resolution was implemented from October 2008.
The amounts written-off for the various debt categories are as follows:

April 2026

DEBT CATEGORY	CAPITAL	VAT	TOTAL	VOTE NUMBER
Electricity	R 2,955.69	R 443.35	R 3,399.04	03330153
Sanitation	R 2,029,109.39	R 304,366.40	R 2,333,475.79	04440153
Water	R 9,653,160.60	R 1,447,974.08	R 11,101,134.68	04730153
Refuse	R 443,771.94	R 66,565.79	R 510,337.73	13180153
General Rates/ Service Charges	R 1,302,309.69	R 0.00	R 1,302,309.69	06250153
Sundries	R 239,837.74	R 35,500.59	R 275,338.33	06250153
Interest	R 1,662,483.71	R 0.00	R 1,662,483.71	06250153
TOTAL	**R 15,333,628.76**	**R 1,854,850.21**	**R 17,188,478.97**	

May 2026

DEBT CATEGORY	CAPITAL	VAT	TOTAL	VOTE NUMBER
Electricity	R 78.68	R 11.80	R 90.48	03330153
Sanitation	R 2,576,146.46	R 386,421.96	R 2,962,568.42	04440153
Water	R 10,985,069.16	R 1,647,760.37	R 12,632,829.53	04730153
Refuse	R 579,295.99	R 86,894.39	R 666,190.38	13180153
General Rates/ Service Charges	R 1,473,758.93	R 0.00	R 1,473,758.93	06250153
Sundries	R 280,742.69	R 41,318.72	R 322,061.41	06250153
Interest	R 2,013,053.30	R 0.00	R 2,013,053.30	06250153
TOTAL	**R 17,908,145.21**	**R 2,162,407.24**	**R 20,070,552.45**	

June 2026

DEBT CATEGORY	CAPITAL	VAT	TOTAL	VOTE NUMBER
Electricity	-R 14,641.79	-R 2,196.26	-R 16,838.05	03330153
Sanitation	R 1,141,061.90	R 171,159.28	R 1,312,221.18	04440153
Water	R 4,905,052.61	R 735,757.89	R 5,640,810.50	04730153
Refuse	-R 20,386.79	-R 3,058.01	-R 23,444.80	13180153
General Rates/ Service Charges	-R 23,823.57	R 0.00	-R 23,823.57	06250153
Sundries	R 143,677.24	R 19,428.18	R 163,105.42	06250153
Interest	R 447,019.16	R 0.00	R 447,019.16	06250153
TOTAL	**R 6,577,958.76**	**R 921,091.08**	**R 7,499,049.84**	

A schedule indicating the number of accounts and amounts written-off by Ward's is attached as **Annexure "D"**

With the write-off of **R 44,758,081.26 for April-June 2026**, the write offs of the previous financial years have been included for comparison purposes

PERIOD	CAPITAL	VAT	TOTAL
Paragraphs (a)(iii), (j) and (k) of the Executive Mayor's - September 2008	R 116,027,185.88	R 14,484,623.42	R 130,511,809.30
Total for October 2008 to June 2014	R 339,827,217.99	R 40,280,782.85	R 380,108,000.84
Total for July 2014 to June 2015:	R 97,644,607.19	R 10,674,551.72	R 108,319,158.91
Total for 2015/2016 (July 2015 to June 2016)	R 90,758,098.45	R 10,211,901.07	R 100,969,999.52
Total for 2016/2017 (July 2016 to June 2017)	R 130,374,723.69	R 15,080,772.58	R 145,455,496.27
Total for 2017/2018 (July 2017 to June 2018)	R 144,943,968.99	R 17,995,588.94	R 162,939,557.93
Total for 2018/2019 (July 2018 to June 2019)	R 121,007,026.18	R 14,735,686.08	R 135,742,712.26
Total for 2019/2020 (July 2019 to June 2020)	R 147,282,936.91	R 16,852,718.25	R 164,135,655.16
Total for 2020/2021 (July 2020 to June 2021)	R 179,795,495.74	R 20,716,680.97	R 200,512,176.71
Total for 2021/2022 (July 2021 to June 2022)	R 176,573,266.42	R 22,292,704.08	R 198,865,970.50
Total for 2022/2023 (July 2022 to June 2023)	R 308,240,938.81	R 41,551,619.12	R 349,792,557.93
Total for 2023/2024 (July 2023 to June 2024)	R 191,906,592.00	R 24,558,253.06	R 216,464,845.06
Total for 2024/2025 (July 2024 to June 2025)	R 194,887,892.67	R 460,911,213.05	R 218,466,014.72
Grand Total: Sections (a)(iii), (j) and (k) & (l) of the Mayor Resolution from September 2008 - June 25	R 2,063,102,062.84	R 688,079,280.64	R 2,313,848,252.48
Written off in current Financial Year			
Jul-25	R 12,672,649.58	R 1,497,730.24	R 14,170,379.82
Aug-25	R 17,979,632.05	R 2,105,304.73	R 20,084,936.78
Sep-25	R 15,614,107.29	R 1,430,228.44	R 17,044,335.73
Oct-25	R 14,372,643.28	R 1,771,280.15	R 16,143,923.43
Nov-25	R 4,155,037.10	R 536,853.15	R 4,691,890.25
Dec-25	R 15,431,332.47	R 1,798,782.94	R 17,230,115.41
Jan-26	R 7,161,512.13	R 1,023,450.58	R 8,184,962.71
Feb-26	R 17,925,408.51	R 1,891,382.02	R 19,816,790.53
Mar-26	R 9,112,520.34	R 1,182,129.70	R 10,294,650.04
Apr-26	R 15,333,628.76	R 1,854,850.21	R 17,188,478.97
May-26	R 17,908,145.21	R 2,162,407.24	R 20,070,552.45
Jun-26	R 6,577,958.76	R 921,091.08	R 7,499,049.84
Sub-Total for 2025/26	**R 154,244,575.48**	**R 18,175,490.48**	**R 172,420,065.96**

PERIOD	CAPITAL	VAT	TOTAL
Grand Total: -	R 2,217,346,638.32	R 706,254,771.12	R 2,486,268,318.44

The details of the individual accounts per service category and the applicable votes are held in electronic format at the offices of the Budget and Treasury Directorate for audit purposes together with the schedule of the number of accounts and amount written off by Ward.

IT IS RECOMMENDED: That the amount of **R 7,499,049.84 for June 2026** be written off as irrecoverable in terms of paragraphs (a)(iii), (j), (k) and (l) of the Executive Mayor's resolution pertaining to the amended ATTP policy dated 3 September 2008.

4 ADDITIONAL REPORTS

4.1 THE STATE OF AFFAIRS IN RESPECT OF THE ASSISTANCE TO THE POOR (ATTP) SUBSIDY OFFERED BY THE NMBM TO INDIGENT CUSTOMERS

PURPOSE

During the Council meeting dated 21st June 2022, Council inter-alia resolved as follows when dealing with the approval of the 2022/23 to 2024/25 Budget: -

"(i) That the Chief Financial Officer submit a report to the Council within 30 days on the challenges experienced with the ATTP verification process and a review of the current ATTP Policy".

The purpose of this report is first and foremost to address the above Council resolution as well as the following:

- Highlight the current verification process relied upon to enable indigent customers to qualify for the subsidy.
- Indicate the challenges normally encountered by both the NMBM and its indigent customers in respect of the application/qualification value chain.
- Provide a comparative analysis between the NMBM indigent subsidy dispensation and methods utilized by other metropolitan municipalities regarding the indigent scheme offering.
- Demonstrate commitments attached to the equitable share funding and its limitations preventing the municipality from catering for all the various communities seeking to be subsidised by the institution in respect of water, electricity, rates, and sewerage.
- To explore possible ATTP Policy modifications.

BACKGROUND

The ATTP subsidy is offered by the municipality to indigent customers, who, owing to their constricted economic status, are unable to pay for monthly rates and services billed by the municipality. Understanding that the financial status of each ATTP recipient has a potential to change from time to time, customers are allocated ATTP over a three (3) year period. As such, this necessitates a review of the ATTP allocated to a household by requiring customers to re-apply before the end of the 3-year cycle for the municipality to determine if the subsidy recipient still meets the qualification requirements as outlined in the relevant policy. To ascertain that ATTP beneficiaries re-apply before the expiry of the 3-year cycle the Budget and Treasury Directorate has assumed the following responsibilities:

- Two months prior to the end of the three (3) years two separate letters are forwarded to the address of the beneficiary as a reminder to re-apply for ATTP.
- SMS reminders are forwarded to the cell phone number provided by the customer at the time of the application.
- A list of all ATTP beneficiaries whose subsidy is due to terminate is e-mailed to the relevant Ward Councillor advising the Councillor to interact with the respective households and remind them to re-apply for ATTP benefits, where possible.

Experience has shown that most ATTP beneficiaries do not re-apply for the scheme at the end of the three (3) years. Notably, some customers normally react and re-apply once the subsidy benefits have been cancelled by the municipality. This evidentially creates a bottleneck in the

ATTP office which admittingly does not have sufficient staff resources to cater for the demand at times. The current ATTP staff allocation is summarized as follows:

ALLOCATION	NUMBER OF STAFF
Manager	1
Supervisors	2
ETB counter	4
Cleary Park counter	2
Korsten counter	1
Uitenhage counter	4
Kwanobuhle counter	2
Full time shop-steward	1
Admin: data capturing	5
Verification	17
TOTAL	**39**

DISCUSSION

It is a glaring fact that the number of ATTP beneficiaries has been declining over the past number of years. The following table seeks to demonstrate a sequential outline of different events and factors which have led to the current situation.

Financial Year	Total ATTP Accounts	Comment
2015/2016	88 776	Only new applications were verified at the time owing to insufficient staff resources against the existing backlog.
2016/2017	112 419	Based on a Council Resolution automatic ATTP approved for properties with a property value of R100 000.00 and less. This Council resolution was since rescinded by Council resulting from the fact that National Treasury demanded its reversal due to, amongst others, financial implications to the city.
2017/2018	101 258	Beneficiaries who qualified automatically based on property value were verified in line with income criteria. As a result, almost 75% of the new beneficiaries were subsequently disqualified as they did not meet the standard ATTP Policy requirements of the NMBM.
2018/2019	85 779	Based on audit findings the database reduced as some beneficiaries were found to be deceased. Executors/ families were advised to re-apply for ATTP benefits by means of a hand-delivered letter. A significant number of the affected executors did not re-apply and ATTP benefits were subsequently stopped by the municipality.
2019/2020	61 545	Based on audit findings it was revealed that accountholders did not re-apply for ATTP benefits after the expiry of the initial 3 years as stipulated by the policy of the municipality. The NMBM forwarded letters to the relevant households reminding them to re-apply for ATTP. A considerable number of the affected accountholders did not re-apply for ATTP benefits, and some only reacted once the subsidy was terminated.
2020/2021	62 871	The requirement to re-apply for ATTP benefits following the initial 3-year cycle has remained in place. Notably, the response from the public has been noticeably poor and hence the database has not significantly improved.
2021/2022	43 042	The requirement to re-apply for ATTP benefits following the initial 3-year cycle has remained in place. Notably, the response from the public has been noticeably poor and hence the database has not significantly improved. The NMBM has no other option but to stop ATTP benefits where there is no re-application from the relevant accountholder.

Existing ATTP Database/Beneficiaries

The following table depicts the current ATTP beneficiaries and quite evidently the database has been reducing due to beneficiaries who are not re-applying or qualifying for the subsidy after the initial three (3) years has expired.

Activity	May 2022	June 2022	July 2022
Existing ATTP beneficiaries	49 729	47 637	43 042
*Applications received	1 219	1 897	2 463
Verified	1 880	1 806	1 662
Approved	1 294	1 216	1 536
**Manually disqualified	628	1 208	708
Re-application disqualification	2 354	2 477	5 633
Total disqualified	2 982	3 685	6 341

Note: *An application received does not mean a complete application as more supporting information may be required.

**Customers are manually disqualified when they do not re-apply for the subsidy at the end of the three (3) year cycle. In addition to this, when customers are approved to qualify for ATTP they are informed that they need to re-apply every three (3) years.

Subsidy based on Property Value

It is noted that certain suggestions have been made to allocate ATTP subsidy automatically based on the property value. Council should be reminded that when this approach was implemented in 2015/16, subsequent verifications revealed that approximately 75% of those who were allocated ATTP subsidy based on this method did not meet the policy-based criteria. More importantly, as outlined in the table herein this approach, which was rescinded on the instruction of National Treasury, is not affordable due to the current equitable share funding commitments of the NMBM. A more detailed discussion in this regard is found under the heading Budget and Treasury Comments.

The projected financial implications of allocating ATTP subsidy based on property value are provided in the subsequent tables:

Free Basic Services Based on Property Value					
Monthly Subsidy	Property Value **R0 - R100 000**	Property Value **R0 - R130 000**	Property Value **R0 - R150 000**	Property Value **R0 - R200 000**	Property Value **R0 - R250 000**
Number of Accounts	21 378	43 718	54 629	74 930	94 31
Monthly Subsidy	16 084 607	33 812 024	42 724 624	60 021 658	77 480 50
Annual Subsidy	**R193 015 281**	**R405 744 296**	**R512 695 490**	**R720 259 891**	**R929 766 10**

Note: The above figures include free basic services in respect of water, electricity, rates, sewerage, and refuse.

It must be noted that what also makes the aforementioned figures to be higher is the fact that the NMBM's ATTP subsidisation is not within the National Policy as the subsidy recipients are allocated 8 kl of water instead of 6 kl and 75 kW instead of 50 kW. As indicated in the below table when considering the national policy requirements there will be a difference in the projected financial implications.

Based on the above another option is for the NMBM to consider reducing the quantity of the subsidised ATTP benefit per each household to be in line with National Treasury guidelines. In view of this scenario, the cost to allocate ATTP benefits according to property value is outlined in the subsequent table:

Free Basic Services Based on Property Value					
Monthly Subsidy	Property Value **R0 - R100 000**	Property Value **R0 - R130 000**	Property Value **R0 - R150 000**	Property Value **R0 - R200 000**	Property Value **R0 - R250 000**
Number of Accounts	21 378	43 718	54 629	74 930	94 310
Monthly Subsidy	14 012 531	29 574 630	37 429 674	52 759 020	68 339 453
Annual Subsidy	**R168 150 369**	**R354 895 562**	**R449 156 091**	**R633 108 246**	**R820 073 434**

Electricity reduced from: **75 kW** to **50 kW**
Water reduced from: **8 kl** to **6 kl**
Sewerage reduced from: **11 kl** to **9 kl**

In respect of the above figures, the following should be noted:

Nature of Subsidy	**Free Basic Services Subsidised by the NMBM**	**Free Basic Services Subsidised/Recommended by National Treasury**
Electricity	75 kW	50 kW
Water	8 kl	6 kl

Experiences from another Metropolitan Municipality

The NMBM should take heed of lessons and experiences derived from other metropolitan municipalities. In this regard, the recent community protests in Ekurhuleni Metropolitan Municipality (Thembisa) are a case in point. According to the Sunday Times (page 7), dated 27 August 2022:

"The Ekurhuleni Municipality, at the centre of violent protests this week, has for years been providing a limited amount of free electricity and water to all households, including those that can afford to pay. This was cut last month after the National Treasury's intervention and was one of the issues that ignited the protests in Thembisa this week. Residents went on a rampage, demanding that the metro reversed its decision to scrap the 100 kW of free electricity and 6 kl of free water a month from 1 July 2022. Malijeng Ngqaleni, Deputy Director-General for intergovernmental relations said the city was advised to review the indigent policy to ensure that the services were provided to indigent households only. Ngqaleni of National Treasury confirmed to the Sunday Times that Ekurhuleni was using its own revenue sources to provide free basic services to all households, including those who can afford it. Clearly the city could not afford these subsidies."

Proposed Policy Amendments

The existing ATTP Policy reads as follows:

"6.1 The combined or joint gross household income of all occupants or dependants in a single household which receives services from the municipality does not exceed two time the government pension grant."

Experience has shown that several aspirant ATTP applicants are disqualified due to the NMBM considering the **income of all occupants and dependants** when an application is processed. It is now apparent that some of the occupants and dependants do not financially contribute towards the sustainability of a particular household. This leaves the burden of paying for municipal services to the accountholder who may not be financially able to do so. To mitigate this real challenge, it is proposed that the relevant ATTP Policy clause be amended as follows:

"6.1 Where the joint income of the accountholder and spouse or partner does not exceed two (2) state pensions per month, such household shall be deemed to be indigent."

Indigent Scheme in other Municipalities

A comparative analysis between the NMBM and other metropolitan municipalities is attached as **"Annexure ....".**

It is not entirely practical to compare the Indigent Subsidy across municipalities. In the first instance, the equitable share as a source of funding indigent benefits across municipalities is not the same. In addition to this, based on the financial position and revenue base of each municipality, it follows therefore that Indigent Policy decisions are made in accordance with specific local economic circumstances.

BUDGET AND TREASURY COMMENTS

As stated in this report the funding for the subsidisation of the ATTP Scheme is sourced from the Equitable Share allocated through National Treasury, in terms of Section 214 of the Constitution of the Republic of South Africa. As this funding is availed through the National Treasury in line with the Constitution of RSA, it is for that reason that the national policy determining the limitations for indigent subsidisation for water and electricity was set at 6kl for Water and 50 kW for electricity.

Also, it is important for Council to be aware that the annual Equitable Share allocation availed to various municipalities, in line with Section 214 of the Constitution of the Republic of South Africa, is based on pre-determined criteria (or formula) as set out by national government hence the allocations differ from one municipality to the next.

The following table gives an illustration of what is availed from the national fiscus for all the eight metropolitan municipalities as publicised by National Treasury: -

METROPOLITAN MUNICIPALITY	2022/23	% Allocation per Metro vs. Total Allocation	2023/24	% Allocation per Metro vs. Total Allocation	2024/25	% Allocation per Metro vs. Total Allocation
Nelson Mandela Metro	1,288,228,000	5.1	1,389,940,000	5.0	1,499,327,000	4.9
Buffalo City	1 045 448 000	4.1	1 118 513 000	4.0	1 196 538 000	3.9
Mangaung	938 383 000	3.7	1 016 375 000	3.7	1 101 022 000	3.6
Ekurhuleni	4 606 943 000	18.1	5 049 907 000	18.2	5 539 300 000	18.2
Joburg	6 279 400 000	24.7	6 908 453 000	24.9	7 605 792 000	25.0
Tshwane	3 551 250 000	14.0	3 911 639 000	14.1	4 311 587 000	14.2
eThekwini	4 057 189 000	16.0	4 405 068 000	15.9	4 784 326 000	15.7
Cape Town	3 656 394 000	14.4	3 983 337 000	14.3	4 341 849 000	14.3
TOTAL EQUITABLE SHARE	**25,423,235 000**	**100**	**27,783,232 000**	**100**	**30,379,741 000**	**100**

As can be seen from the above table NMBM receives only about 5% of the total Equitable Share allocation, per financial year, ranging from R1.3bln, R1.4bln and R1.5bln for the financial years

2022/23, 2023/24 and 2024/25, respectively. The total allocated E-Share to the eight metropolitan municipalities is ranging from R25.4bln, R27.8bln and R30.4bln for the same financial years.

As the Equitable Share is an unconditional grant aimed primarily at financing / funding the ATTP Scheme, part of the same grant is utilised to finance / fund other operations within the municipality, some of which are permanent costs to the institution that require a permanent funding source.

The following table illustrates how the Equitable Share is utilised on a financial year basis for the 2022/23 MTREF period: -

SERVICE TYPE	2022/2023 BUDGET	2023/2024 BUDGET	2024/2025 BUDGET
FREE BASIC SERVICES			
Property Rates (ATTP)	103,275,040	109,397,930	115,961,830
Electricity	55,860,480	63,864,630	73,036,580
Water	136,000,000	144,840,000	154,254,600
Sanitation	195,000,000	207,675,000	221,173,880
Refuse	143,878,660	143,878,660	143,878,660
TOTAL (ATTP)	**634,014,180**	**669,656,220**	**708,305,550**
OTHER ALLOCATIONS			
Budget and Treasury ATTP Office	24,690,000	25,751,220	27,412,920
Water Leaks	28,646,890	30,508,930	32,492,010
Sanitation (Hiring of Chemical Toilets funded from Equitable Share Allocation)	19,569,380	20,841,390	22,196,090
Safety and Security (Operational Costs to run the service)	581,307,550	643,182,240	708,920,430
TOTAL (OTHER ALLOCATION)	**654,213,820**	**720,283,780**	**791,021,450**
TOTAL ALLOCATION	**1,288,228,000**	**1,389,940,000**	**1,499,327,000**

The above table demonstrates the utilisation of the Equitable Share, per financial year, and as can be seen from the above about 45.1%, 46.3% and 47.3%, from 2022/23, 2023/24 and 2024/25, respectively, is dedicated at funding the operational costs to operate the Safety and Security Directorate, ranging from **R581.3m**, **R643.2m** and **R708.9m** for the same financial years.

The above picture does not give too much room to manoeuvre with the policy as whatever amendments or changes that are recommended must remain within the limits of an approved budget, failing which the budget may result to a risk of being unfunded or unsustainable going forward. Additionally, as alluded to in the report, as soon as the Council experiences affordability challenges upon amendments to the Policy the rescission of the Council's decision may result to community unrests as recently experienced at the Ekurhuleni Metropolitan Municipality.

Based on our previous experience when the Council amended the ATTP qualifying criteria, to be based on property values, it would be better for Council to consider if this approach is followed to keep the scheme to be within the National Policy for Electricity subsidy to be limited at **50 kW** and Water subsidy be limited at **6 kl**, per month, based on the value of the property of between **R0 to R130 000**. In terms of the estimated calculations if this approach is followed the amount to be incurred for funding ATTP recipients will be within the budget.

It is believed that this approach, if approved, will eliminate the administrative burden that goes with implementing or managing this scheme and enable concentrating on other critical cases where there are economic hardships within families.

As this will be amendment to the existing policy its review will have to follow the proper consultative processes which must include approaching National Treasury for the support of the formula and avoid previous years' experience.

Lastly, if this approach is considered and approved by Council it will be proper to consider its implementation effective from **1 July 2023** (or at the beginning of the 2023/24 financial year) as that would have to be budgeted for accordingly in the Council approved budget.

General Points

- The Budget and Treasury Directorate to review and enhance the Outreach Programme to inform communities about the ATTP programme.
- Ward Councillors to fulfil a much more prominent role to assist deserving households to receive ATTP benefits.
- The Budget and Treasury Directorate to embark on a door-to-door education drive by employing EPWP candidates from relevant wards. These field workers will educate customers on the ATTP Policy stipulations and requirements and invite customers to apply or re-apply for subsidy benefits.
- Another undesirable reality the NMBM should consider is the fact that some households have tampered with electricity and as such they find no incentive to re-apply for ATTP benefits.
- It is the contention of the Budget and Treasury Directorate that there is no longer a troubling and sizeable backlog of community members awaiting an extended period to have their ATTP applications to be approved. Based on available statistics, the turnaround time for qualifying ATTP applicants to be approved has substantially reduced to 30 days.
- Where there are delays in having an ATTP application approved, it is at the moment usually because not all the necessary and required application information is supplied to the NMBM and hence in the majority of instances the applicant is provided with a new date to supply the required information.
- The NMBM has established a working relationship with the Office of the Auditor-General South Africa (AGSA) and hence the functionality to utilize a desktop verification/assessment process has enabled a visible improvement in the turnaround time to approve ATTP applications.
- Where the desktop verification unfairly disadvantages the applicant, an affidavit from the Police is permissible to approve the application. The directorate further conducts physical verification primarily in instances where the desktop exercise produces questionable results which may unfairly disadvantage the applicant.
- Site visits of the top 122 arrear ATTP households were undertaken on 28 July 2022 in order to establish why the accountholders are not responding to the re-application

requests and it was found that only 38% of the households qualify for the subsidy as per the below table:

Total Accounts verified	Qualified	Occupied by Tenants	Electricity Tampering	Applicant not at home during verification
122	46	52	23	24

CONCLUSION

It is the opinion of the Budget and Treasury Directorate that following the issues highlighted by the Auditor-General where certain accountholders did not re-apply for ATTP benefits, the initial "system shock" and/or "disruption" has passed. The crucial aspect that needs to occur going forward is for those customers who genuinely qualify for the subsidy to apply/re-apply for free basic services.

RECOMMENDATION

It is recommended that:

(a) Council considers and approves an amendment of the Assistance to the Poor / Indigent Policy for the qualification criteria to be based on the value of property, in terms of Council's General Valuation Roll to be from **R0 to R130 000**.

(b) The recommended approval be subject to (i) following public participation process for the 2023/24 budgeting process and (ii) consulting with National Treasury for the approval of the qualifying criteria.

(c) That based on approval of recommendation (a) and (b) above, the qualification criteria be amended with effect from **1 July 2023** (or 2023/24 financial year).

(d) The requirement in terms of Clause 6.1 of the ATTP Policy demanding the inclusion of **income of all occupants and dependants** to determine the total household income should be repealed as it excludes a number of possible beneficiaries from qualifying for the subsidy.

(e) Subject to approval of recommendation (d) above, Clause 6.1 of the ATTP Policy be amended with effect from **1 July 2023** (or 2023/24 financial year) to read as follows:

"6.1 Where the joint income of the accountholder and spouse or partner does not exceed two (2) state pensions per month, such household shall be deemed to be indigent."

FOR APPROVAL

4.2 UPDATE ON ATTP DATE BASE AND REQUEST TO INCREASE THE AUTOMATIC PROPERTY VALUE QUALIFICATION

Purpose

To report on the current Assistance to the Poor (ATTP) database and failure of the EPWP door-to-door project in targeted communities, and to propose an increase in the ATTP automatic property evaluation threshold from R130,000 to updated market value ranges, thereby expanding the beneficiary database, assisting more poor households and addressing debt write-off of irrecoverable debt.

Background

Currently 64,006 accounts are receiving subsidy benefits on the ATTP database. EPWP field workers were deployed between April and September 2025 in the following areas: Motherwell, Helenvale, Kwanobuhle, Uitenhage, Wells Estate, and Bethelsdorp (see specific wards below). Workers were selected from within these communities to leverage local trust and language proficiency (Xitsonga, English, Afrikaans). No increase in the database was achieved through this project.

It must be noted that the primary function of the EPWP field workers was not to complete ATTP applications onsite, but rather to conduct questionnaires and assess whether households were still compliant and eligible to continue receiving ATTP benefits. The responsibility remained with the account holders to visit their nearest Customer Care centre with all the required supporting documentation to formally apply or re-apply for benefits as the field worker cannot make copies of the supporting documentation in the field to finalise an application. Many residents were, however, reluctant to engage with field workers or further in the application process due to illegal electricity connections and non-payment of electricity services. In addition, had field workers attempted to complete full ATTP applications in the field, most households did not have the necessary supporting documentation available to enable proper assessment and processing of applications.

Wards Targeted During EPWP Outreach Project

During April to September 2025 the following wards were specifically selected due to the high number of households failing to re-apply after subsidy benefits had expired ('re-application default' cases).

Ward	Area	Councillor Informed
Ward 23	Motherwell	Councillor Meyekiso
Ward 32	Helenvale	Councillor Hermanus
Ward 35	Bethelsdorp	Councillor Moodley
Ward 44	Kwanobuhle	Councillor Ndamse
Ward 48	Uitenhage	Councillor Van de Linde
Ward 60	Wells Estate	Councillor Mafana

Discussion

The following challenges were encountered during the EPWP door-to-door project:

- Eligibility issues: Many households visited were rental properties, with tenants not qualifying for ATTP benefits.
- Illegal electricity connections: This discouraged residents from engaging with field workers and from visiting Customer Care Offices to regularize their accounts.
- Safety concerns: Community unrest and gang-related activity severely limited effective outreach operations.
- Low completion rate: Only 30% of targeted visits were completed, while approximately 74% of households assessed were found to be ineligible.
- Documentation gaps: Residents generally do not possess the required supporting documents needed to process applications onsite.
- Re-application defaults: A significant number of households had allowed existing ATTP benefits to expire without re-applying.
- The fieldwork project had to be cancelled after two (2) months due to various safety incidents which placed the lives of field workers at risk.
- The resent request to employ 160 field workers to assist with ATTP promotion in the community for a period of six (6) months is commendable as a job creation effort, but

unfortunately too costly at an estimated budget cost of R4 million whilst previous projects of this nature proved to be unsuccessful.

- The Infrastructure and Engineering Directorate: Water is utilizing four (4) permanent staff members to attend to work distribution and time sheets of their 160 water ambassadors.
- The ATTP Section also does not have the resources to manage such a project when all resources are currently attending to capturing, verification and authorization of applications.
- No office space or furniture is also available to employ additional resources to manage the project.

5Outcomes

- The EPWP project achieved limited success, with only 30% of targeted visits completed.
- Most households assessed were found to be ineligible under the current qualifying threshold.
- Safety concerns and lack of supporting documentation significantly limit the effectiveness of field operations.

How to increase the ATTP database

A revised property value threshold is necessary to align with current market conditions and expand indigent support coverage. On 13 October 2022, Council approved that properties with a value of R130,000 and below would automatically receive subsidies on their accounts. An additional 26,187 accounts were included in the ATTP database due to this approval, increasing the total database to 70,428 accounts. Since 2022, this automatic approval threshold has not been increased due to insufficient budget allocations. The database has subsequently decreased to 62,288, with only 34,669 accounts currently qualifying under the existing threshold and criteria, excluding those disqualified due to property value increases. The capped property value of R130,000 is now outdated and excludes a substantial portion of indigent households due to increased property market values. Increasing the threshold will allow more qualifying households to automatically receive assistance, thereby expanding the ATTP database and improving service delivery. This adjustment will also have a direct impact on total debt write-offs, which must be considered within Council's financial planning processes.

Recommendations

- Increase the ATTP auto property evaluation threshold from R130,000 to updated property value ranges as reflected below.
- Adopt structured outreach programs through Ward Councillors and Ward Committees utilizing weekend registration drives with laptops and photocopying facilities to process applications onsite.
- Review and adjust budget allocations to accommodate the expanded automatic subsidy threshold and associated debt write-offs

Proposed ATTP Auto Property Evaluation Thresholds and Debt Write-Off

Below is a table indicating the municipal arrears linked to each property value category as of May 2026.

Property Value Range	R130 001 - 150 000	R130 001 - 175 000	R130 001 - 200 000	R130 001 - 250 000	R130 001 - 300 000
Additional Total Properties to be added to the ATTP database	8,952	19,362	28,381	43,198	58,977
Total debt owing on above accounts	R1,528,886,194.15	R2,954,812,437.96	R4,299,385,897.16	R6,499,540,976.26	R8,988,876,466.89

4.3 TRACING TOOL

PURPOSE

The purpose of this item is to provide clarity on the implementation of the tracing tool, the information it has yielded, its impact on the ATTP database, and reasons for the observed decline.

BACKGROUND

On 8 January 2026, the Assistance to Poor section secured the services of the Consumer Profile Bureau to vet customer eligibility for free basic services (indigent services). Prior to this, verification processes were lengthy and prone to inaccuracies.

DISCUSSION

The Consumer Profile Bureau verification system has provided a more comprehensive assessment of applicants' financial circumstances and has highlighted key reasons why a significant number of applicants do not qualify for Assistance to the Poor (ATTP) benefits.

The system provides officials with access to information relating to applicants' credit profiles, including the number of active credit facilities held, the repayment status of these accounts, and whether such accounts are maintained in good standing. In many instances, applicants declare that their only source of income is a SASSA pension or social grant; however, the credit profile reflects multiple active credit accounts that are being serviced regularly. Where the value of these financial commitments exceeds the income declared by the applicant, it raises concerns regarding the completeness and accuracy of the income information provided during the application process. As a result, such applications may be disqualified due to non-disclosure of additional income sources or financial resources.

Furthermore, the verification process has revealed instances where applicants own more than one immovable property. Ownership of multiple properties is contrary to the eligibility requirements contained within the ATTP Policy, which is intended to aid qualifying indigent households. Applicants identified as owning additional properties therefore do not meet the qualifying criteria and are subsequently excluded from receiving benefits.

These verification measures have strengthened the integrity of the ATTP assessment process and ensure that municipal assistance is directed to residents who genuinely meet the policy requirements and demonstrate financial need.

BENEFITS OF USING TRACING TOOL

- The tracing tool revealed that many customers were dishonest about their income and financial situation, often claiming only SASSA pensions while failing to declare other income.
- The tool identified active credit accounts in good standing, frequently exceeding the R4800 threshold required to qualify for ATTP.
- It enabled removal of deceased indigents from the database, addressing Auditor General findings. A total of 1,423 deceased beneficiaries were identified, with credits reversed to their date of death.
- Beneficiaries were notified to reapply if still deemed indigent.
- The tool provided CIPCs, identified registered business owners, and government employees, ensuring a cleaner and more accurate database.
- Assessment turnaround time improved from up to 60 days to immediate results, reducing risks associated with onsite verifications.

CONCLUSION

The tracing tool has significantly improved the integrity of the ATTP database, corrected audit findings, and enhanced efficiency. However, the decline in the ATTP database is primarily due to correct financial status information obtain via the mentioned tracing tool, tampering and illegal electricity connections.

RECOMMENDATION

- Continue utilizing the tracing tool to maintain a clean and accurate ATTP (Indigent) database.
- Intensify monitoring and enforcement against illegal electricity connections.

4.4 UPDATE ON THE IMPLEMENTATION OF THE 2024/25 AUDIT ACTION PLANS RELATING TO THE TWENTY (20) SIGNIFICANT FINDINGS RESPONDING TO THE AUDIT OUTCOMES FROM THE AUDITOR GENERAL SOUTH AFRICA (AGSA)

Purpose

The purpose of this item is to appraise the (i) Operation Clean Audit Steering, (ii) Audit Committee and (iii) Budget and Treasury Standing Committee on actions taken thus far in dealing with the issues raised by the AGSA relating to the significant audit findings to minimise or stop their re-occurrence.

Background

We will be aware that the office of the Auditor General South Africa issued the municipality with a qualified Audit Report for the 2024/25 financial year. The Audit Report was issued in late 2025 and tabled in Council in its meeting held at end January 2026.

The report that was tabled in Council in its meeting at the end of January 2026 also included the action plans that would be implemented to improve the status quo. The intention of this item is aimed at appraising the (i) Operation Clean Audit Steering, (ii) Audit Committee and (iii) Budget and Treasury Standing Committee on actions taken thus far more especially as it relates to addressing the twenty (20) significant findings due to their impact in the audit report.

The Acting City Manager mandated the CFO and the Section 154 team members to form a Sub-Committee that will continuously assess, monitor, and action the AG's recommendation and report the status and risks to the Operation Clean Audit Steering Committee amongst other things.

The Acting City Manager's instruction has been operationalised, there is a team that includes the (i) Chief financial officer, (ii) Section 154 team member, (iii) Accounting Technical Expert who is also CA(SA) in terms of his qualifications, and (iii) Annual Financial Statements' Deputy Director that deals with the financial statements and the audit matters. There is also a suggestion that as the COO's office deals with the non-financial information the acting COO and relevant colleague also form part of the Sub-Committee. The Supply Chain Management office is suggested to be represented by the Senior Director as there are various cross-cutting issues that affect SCM.

The Sub-Committee has already set or met two times to assess the progress of implementing the Audit Action Plans. The Sub-Committee resolved to have standing weekly meetings (every Friday morning) that deals specifically with AGSA audit matters, specifically the matters that affect the audit opinion.

The Sub Committee has also noted that there is an urgent need to establish a team that deals with Material Irregularities (MI's). This will be appropriate if this team works & reports directly to the acting City Manager due to the fact that MI's are issued to the Accounting Officer in terms of the AGSA's operations.

Discuss

The Auditor General South Africa (AGSA) raised and issued more than 200 audit findings in the 2024/2025 audit that ranges between matters that affected the Audit Opinion, significant matters and other matters. Due to the timing of the annual financial statements *(due for submission at the end of August 2026)* and the AGSA audit, it was recommended that the subcommittee should focus on the significant audit findings. The team has commenced with the request from the Operation Clean Audit Steering Committee, and a status report has been prepared in this regard. ***(Refer to Annexure "K" as attached).***

The Annual Financial Statements audit matters are being addressed, and the status is available in this regard. The Sub-Committee recommends that there is a need to have a dedicated individual who is responsible for collecting non-financial data, assessing the completeness, accuracy and validity of the data from various Directorates prior submission to the AGSA preferable from the office of the Chief Operating Officer. The above recommendation will assist the COO's office by also providing the OPCA with reports on the progress made in addressing the findings that relate to the audit of performance information. The report produced ***(and which is attached)*** only addresses financial related issues.

The Sub-Committee also discussed the appointment of consulting firms' request from the Operation Clean Audit to assist with the audit turnaround plan, using the deviation route. The concern with the deviation is the fact that when they are resulting from "poor planning" they will be interpreted by the AGSA as poor planning, necessitating the implementation of Section 32 & Section 171 of the MFMA. To circumvent this concern, the Chief Financial Officer is busy drafting a specification document being assisted by the accounting technical expert and this will be shared with the Acting City Manager once finalised.

The other important action that the Sub Committee will be taking into cognisance is that the Audit Action Plans that are developed or processed in the National Treasury portal requires timely actioning by various role-players. In the forthcoming report the Sub Committee will be detailing the status of the updating and approvals of the Audit Action Plans and detail areas that may not have been actioned.

Risk Assessment

The risks identified by the Sub Committee include inter-alia the following: -

- There is still a lack of understanding as it relates to the meaning of Work-in-Progress and lack of cooperation when calling for information from the Project Managers (e.g. Electricity and Energy). Some Project Managers understand Work-in-Progress as meaning or being equated to the spending of a budget, instead of the progress as it relates to the **Creation of An Asset**.

- The critical importance of the coordination of the non-financial related information which also requires various role-players that include respective Directorates and the coordinating office (i.e. COO's office). We must note that ***inaccurate***, ***incomplete*** and ***invalid*** non-financial data could result to disclaimer or adverse audit opinion from the AGSA.
- If the ***multiple-deviation*** route for appointment of service providers is followed, it could lead to an increase in the Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFW-E) register which places the NMBM in a precarious position. Deviations that may be resulting from poor planning are automatically interpreted as irregular expenditure by the Auditor General South Africa (AGSA) thereby ballooning the UIFW-E Register.

- The way the Material Irregularities (MI's) are attended to currently requires a better coordination with the direct reporting to the acting / City Manager. It may be necessary to develop a separate Sub-Committee to concentrate on the MI's with proper reporting.

- The updating of the Audit Action Plans in the National Treasury portal requires another attention. The report on this area will be availed in the next reporting period to keep the Committee abreast.

Annexures to the report

***(Annexure "K"):* AGSA progress report**

IT IS RECOMMENDED:

It is recommended that:

(a) The Committee notes actions taken thus far to deal with the audit outcomes (2024/25).

(b) The Committee notes the risks identified in the process of achieving the improved audit outcomes.

JACKSON NGCELWANE
CHIEF FINANCIAL OFFICER

ANNEXURES

Annexure “A1”

OVERVIEW OF OPERATING REVENUE AND EXPENDITURE PERFORMANCE FOR THE 2025/26 FINANCIAL YEAR AS AT 30th JUNE 2026

Below is an analysis of the operating revenue and expenditure performance compared to the approved 2025/26 Original Operating Budget.

Description	Adjusted Budget	Year TD actual	% Achieved
R thousands			
Revenue			
Exchange Revenue			
Service charges - Electricity	6,447,444	6,142,788	95.27%
Service charges - Water	2,839,121	2,550,617	89.84%
Service charges - Waste Water Management	915,298	884,960	96.69%
Service charges - Waste management	365,994	347,425	94.93%
Sale of Goods and Rendering of Services	126,911	115,594	91.08%
Agency services	18,176	4,287	23.59%
Interest		–	
Interest earned from Receivables	1,106,615	1,474,583	133.25%
Interest from Current and Non-Current Assets	290,809	231,900	79.74%
Rental from Fixed Assets	44,286	46,599	105.22%
Licence and permits	22,365	21,726	97.14%
Special rating levies		–	
Operational Revenue	29,793	39,369	132.14%
Non-Exchange Revenue		–	
Property rates	3,328,813	3,283,770	98.65%
Surcharges and Taxes		–	
Fines, penalties and forfeits	134,530	80,028	59.49%
Licence and permits	1	–	0.00%
Transfers and subsidies - Operational	2,414,205	1,824,355	75.57%
Interest	158,695	257,672	162.37%
Fuel Levy	861,978	861,978	100.00%
Gains on disposal of Assets	2,379	3,150	132.41%
Total Revenue (excluding capital transfers and contributions)	**19,107,414**	**18,170,801**	**95.10%**
Expenditure By Type			
Employee related costs	4,506,106	4,118,171	91.39%
Remuneration of councillors	97,870	91,538	93.53%

Public

Annexure "A1"

Description	Adjusted Budget	Year TD actual	% Achieved
Bulk purchases - electricity	7,277,226	7,040,030	96.74%
Inventory consumed	343,286	269,527	78.51%
Debt impairment	1,818,084	0	0.00%
Depreciation and amortisation	1,051,415	1,049,975	99.86%
Interest	88,760	62,246	70.13%
Contracted services	1,833,466	992,730	54.14%
Transfers and subsidies	34,959	164,703	471.13%
Irrecoverable debts written off	675,027	128,496	19.04%
Operational costs	961,271	728,697	75.81%
Other Losses	385,921	-	
Total Expenditure	**19,073,394**	**14,646,158**	**76.79%**

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 A3.**

Revenue Variations

Property Rates

Property rates raised constitutes 98.65% of the approved budget.

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Non-exchange Revenue: Property Rates	**- 3,328,813,210**	**-3,283,770,159**	**45,043,051**	**98.65%**
Agricultural Properties	- 3,487,150		3,487,150	0.00%
Business and Commercial Properties	- 1,041,540,250		1,041,540,250	0.00%
Industrial Properties	- 313,493,820		313,493,820	0.00%
Mining Properties	- 295,620		295,620	0.00%
Public Benefit Organisations	- 2,382,200		2,382,200	0.00%
Public Service Infrastructure Properties	- 13,301,740		13,301,740	0.00%
Public Service Purposes Properties	- 216,085,150		216,085,150	0.00%
Residential Properties		161,801	161,801	0.00%
Residential Properties	1,107,750		-1,107,750	0.00%

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Residential Properties		-3,412,445,640	-3,412,445,640	0.00%
Residential Properties	- 1,669,895,810		1,669,895,810	0.00%
Residential Properties	168,548,350	136,403,391	-32,144,959	80.93%
Residential Properties	47,928,860		-47,928,860	0.00%
Residential Properties	- 168,548,350		168,548,350	0.00%
Residential Sectional Title Garages	- 3,228,030	-2,944,070	283,960	91.20%
Residential Sectional Title Garages	- 318,460	-291,846	26,614	91.64%
Residential Sectional Title Garages	- 4,612,760	-4,653,796	-41,036	100.89%
Vacant Land	- 109,208,830		109,208,830	0.00%

The Property Rates will steadily decrease monthly due to the cost of ATTP that is regarded as revenue foregone.

Service Charges

It appears that the trends for Water, Sanitation (Wastewater) and Refuse (Waste) Services reflect lower than anticipated revenue trends.

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Exchange Revenue Service Charges Electricity	**- 6,447,444,490**	**-1,224,338,214**	**5,223,106,276**	**18.99%**
Availability Charges	- 73,068,380	-126,159,858	-53,091,478	172.66%
Connection/Reconnection Connections New Non-Government Housing	- 4,901,250	- 5,281,040.92	-379,791	107.75%
Electricity Distribution Revenue for Services Network Charges		-76,725	-76,725	0.00%
Electricity Sales Commercial Conventional (3-Phase)	- 231,298,380	-37,739,227	193,559,153	16.32%
Electricity Sales Commercial Prepaid	- 77,186,000		77,186,000	0.00%
Electricity Sales Domestic High Prepaid	- 1,586,793,980	-372,084,152	1,214,709,828	23.45%
Electricity Sales Domestic Low Domestic Indigent	- 38,129,340		38,129,340	0.00%
Electricity Sales Domestic Low Prepaid	- 145,678,400	-197,916,889	-52,238,489	135.86%
Electricity Sales Industrial more than (11 000 Volts) (High Voltage)	- 22,684,250	-26,968,991	-4,284,741	118.89%
Electricity Sales Industrial (400 Volts) (Low Voltage)	- 548,814,790	-453,976,476	94,838,314	82.72%
Electricity Sales Time of Use Tariffs	- 3,718,610,030	-3,920,977	3,714,689,053	0.11%
Joint Pole Usage	- 28,040		28,040	0.00%
Meter Compliance Testing	- 241,320	-206,041	35,279	85.38%
Meter Reading Fees	- 10,330	-7,837	2,493	75.87%
Exchange Revenue Service Charges Water	**- 2,839,121,070**	**-2,550,617,119**	**288,503,951**	**89.84%**
Agricultural and Rural Water Service	- 44,793,940	-40,743,106	4,050,834	90.96%

Annexure “A1”

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Availability Charges	- 246,529,130	-249,354,675	-2,825,545	101.15%
Connection/Disconnection	- 7,147,420	-7,071,349	76,071	98.94%
Industrial Water	- 233,932,270	-282,909,573	-48,977,303	120.94%
Sale Conventional	191,065,250	206,274,738	15,209,488	107.96%
Sale Flat Rate	- 3,293,240	-3,250,784	42,456	98.71%
Urban Higher-Level Service	- 2,494,490,320	-2,173,562,370	320,927,950	87.13%
Exchange Revenue Service Charges Wastewater Management	**- 915,297,830**	**-884,960,141**	**30,337,689**	**96.69%**
Availability Charges	- 251,912,130	-242,658,082	9,254,048	96.33%
Connection/Reconnection	- 2,363,080	-2,844,853	-481,773	120.39%
Higher Level Service	- 126,753,010	-122,684,825	4,068,185	96.79%
Industrial Effluent	- 46,309,150	-44,347,948	1,961,202	95.76%
Industrial Wastewater	- 44,991,880	-47,797,328	-2,805,448	106.24%
Sanitation Charges	- 442,968,580	-424,627,105	18,341,475	95.86%
Exchange Revenue Service Charges Waste Management	**- 365,994,450**	**-347,425,246**	**18,569,204**	**94.93%**
Refuse Removal	- 347,898,930	-329,877,119	18,021,811	94.82%
Waste Bins	- 18,095,520	-17,548,127	547,393	96.97%

Interest Earned – External Investments

The interest earned represents the cash received in respect of investments that have matured during the 2025/26 financial year. Interest earnings are influenced by the extent of the municipality's investment portfolio.

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Exchange Revenue / Interest earned from Current and Non-Current Assets	**-290,808,690**	**-229,248,996**	**61,559,694**	**78.83%**
Short Term Investments and Call Accounts	-290,808,690	-229,248,996	61,559,694	78.83%

Rental of Facilities and Equipment:

Rentals of facilities and equipment are higher than anticipated in the 2025/26 Budget. It is however important that all the Metro's asset management structures ensure that all possible rentals be raised/ billed and that rental agreements are maintained at market related prices.

Annexure "A1"

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Exchange Revenue: Rental from Fixed Assets	**- 44,286,470**	**-44,947,443**	**-660,973**	**101.49%**
Market Related: Property Plant and Equipment: Ad-hoc rentals: Community Assets	- 542,700	-416,842	125,858	76.81%
Non-market Related: Investment Property: Ad-hoc rentals	- 5,127,170	-4,633,053	494,117	90.36%
Non-market Related: Investment Property: Straight-lined Operating	- 13,233,840	-13,351,325	-117,485	100.89%
Non-market Related: Property Plant and Equipment: Ad-hoc rentals: Community Assets	- 13,586,890	-13,653,220	-66,330	100.49%
Non-market Related: Property Plant and Equipment: Ad-hoc rentals: Furniture and Office Equipment	- 6,000	-4,986	1,014	83.10%
Non-market Related: Property Plant and Equipment: Ad-hoc rentals: Machinery and Equipment	- 188,580	-241,204	-52,624	127.91%
Non-market Related: Property Plant and Equipment: Ad-hoc rentals: Other Assets	- 2,500,000	-3,166,696	-666,696	126.67%
Non-market Related: Property Plant and Equipment: Ad-hoc rentals: Solid Waste Infrastructure	- 6,303,820	-5,063,870	1,239,950	80.33%
Non-market Related: Property Plant and Equipment: Straight-lined Operating: Community Assets	- 12,520	-11,025	1,495	88.06%
Non-market Related: Property Plant and Equipment: Straight-lined Operating: Electrical Infrastructure	- 16,520	-2,515,763	-2,499,243	15228.59%
Non-market Related: Property Plant and Equipment: Straight-lined Operating: Machinery and Equipment		-1,123	-1,123	0.00%
Non-market Related: Property Plant and Equipment: Straight-lined Operating: Other Assets	- 2,448,430	-1,500,584	947,846	61.29%
Non-market Related: Property Plant and Equipment: Sub-lease Payment: Roads Infrastructure	- 320,000	-387,752	-67,752	121.17%

Interest Earned: Outstanding Debtors

Interest Earned on Outstanding Debtors is higher than anticipated in the 2025/26 Operating Budget due to escalating Outstanding Debtors.

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Exchange Revenue: Interest, Dividend and Rent on Land	**- 1,106,615,350**	**-1,474,087,999**	**-367,472,649**	**133.21%**
Interest: Receivables: Electricity	- 93,279,110	-247,354,185	-154,075,075	265.18%
Interest: Receivables: Housing Land Sales		-10,413	-10,413	0.00%
Interest: Receivables: Waste Management	- 83,359,430	-79,909,144	3,450,286	95.86%
Interest: Receivables: Wastewater Management	- 171,490,960	-163,841,034	7,649,926	95.54%
Interest: Receivables: Water	- 758,485,850	-982,973,223	-224,487,373	129.60%
Non-exchange Revenue: Interest	**- 158,694,720**	**-257,671,780**	**-98,977,060**	**162.37%**
Receivables: Property Rates	- 158,694,720	-257,671,780	-98,977,060	162.37%

Annexure “A1”

Fines

The total fines raised as at 30th June 2026 was R80.028 million or 60.51%, compared to the 2025/26 Adjusted Budget of R132.257 million.

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Non-exchange Revenue: Fines, Penalties and Forfeits: Fines	**- 132,257,350**	**-80,028,052**	**52,229,298**	**60.51%**
Illegal Connections	- 2,272,180	-1,618,021	654,159	71.21%
Law Enforcement	- 3,000	0	3,000	0.00%
Overdue Books Fine	- 73,400	-70,208	3,192	95.65%
Pound Fees	- 461,800	-87,844	373,956	19.02%
Traffic: Municipal	- 25,000,000	-7,633,673	17,366,327	30.53%
Traffic: Service Provider	- 72,011,000	-53,442,377	18,568,623	74.21%
Forfeits: Unclaimed Money		-4,455,506	-4,455,506	0.00%
Penalties: Disconnection Fees	- 34,708,150	-12,720,423	21,987,727	36.65%

Licences or Permits

The total Licences or Permits revenue collected as at 30th June 2026 was R21.726 million or 98.70% compared to the 2025/26 Adjustment Budget of R22.013 million.

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Exchange Revenue: Licences or Permits	**- 22,013,180**	**-21,726,055**	**287,125**	**98.70%**
Boat	- 351,500	-261,071	90,429	66.90%
Fauna and Flora	- 350,000	-373,705	-23,705	106.77%
Health Certificates	- 728,850	-1,159,601	-430,751	122.92%
Road and Transport: Drivers Licence Application/Duplicate Drivers Licences	- 2,688,910	-2,410,269	278,641	81.90%
Road and Transport: Drivers Licence Certificate	- 9,993,740	-10,017,240	-23,500	91.11%
Road and Transport: Learner Licence Application	- 4,109,830	-5,174,110	-1,064,280	115.27%
Road and Transport: Learners Certificate	- 1,378,790	-426,167	952,623	28.37%
Road and Transport: Operators and Public Drivers Permits	- 1,882,700	-1,238,404	644,296	59.98%
Trading	- 880,360	-665,488	214,872	67.88%
Non-exchange Revenue: Licences or Permits	**- 1,050**	**-708**	**342**	**67.41%**
Dog	- 1,050	-708	342	67.41%

Annexure "A1"

Grants and Subsidies received.

The table below reflects the unspent portions of the respective grants:

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Non-exchange Revenue: Transfers and Subsidies	**- 2,414,204,530**	**-1,824,354,532**	**589,849,998**	**75.57%**
Departmental Agencies and Accounts: National Departmental Agencies: Local Government, Water and Related Service SETA	- 35,564,710	-6,040,271	29,524,439	16.98%
Departmental Agencies and Accounts: National Departmental Agencies: Marine Living Resources Fund	- 513,800	-17,191	496,609	3.35%
Departmental Agencies and Accounts: National Departmental Agencies: South Africa Revenue Service (SARS)	- 7,455,140	0	7,455,140	0.00%
National Governments: Energy Efficiency and Demand Side Management Grant	- 1,339,130	-367,632	971,498	27.45%
National Governments: Expanded Public Works Programme Integrated Grant	- 2,457,000	-4,356,090	-1,899,090	177.29%
National Governments: Infrastructure Skills Development Grant	- 8,900,000	-6,716,396	2,183,604	75.47%
National Governments: Integrated Urban Development Grant		0	0	0.00%
National Governments: Local Government Financial Management Grant	- 1,000,000	-865,988	134,012	86.60%
National Governments: Metro Informal Settlements Partnership Grant	- 86,576,540	-27,690,864	58,885,676	31.98%
National Governments: Neighbourhood Development Partnership Grant	- 12,800,000	0	12,800,000	0.00%
National Governments: Programme and Project Preparation Support Grant	- 16,000,000	-2,828,948	13,171,052	17.68%
National Governments: Public Transport Network Grant	- 241,225,000	-51,557,629	189,667,371	21.37%
National Governments: Regional Bulk Infrastructure Grant	- 52,337,660	0	52,337,660	0.00%
National Governments: Urban Settlement Development Grant	- 103,901,800	-7,988,740	95,913,060	7.69%
National Revenue Fund: Equitable Share	- 1,637,749,000	-1,637,748,678	322	100.00%
Provincial Government: Eastern Cape: Capacity Building and Other: Specify (Add grant description)	- 184,184,750	-72,231,241	111,953,509	39.22%
Provincial Government: Eastern Cape: Infrastructure: Specify (Add grant description)	- 22,200,000	-5,944,862	16,255,138	26.78%

Fuel Levy

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

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Non-Exchange Revenue / Fuel Levy	**-861,978,000**	**-861,978,000**	0	**100%**
Fuel Levy (RSC Replacement Grant)	-861,978,000	-861,978,000	0	100%

Sale of Goods and Rendering of Services

The variances are reflected in the table below.

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Exchange Revenue: Sales of Goods and Rendering of Services	**-126,911,450**	**-115,593,884**	**11,317,566**	**91.08%**
Academic Services: Formal Training	-1,835,310	-1,239,788	595,522	67.55%
Advertisements	-2,529,200	-3,869,477	-1,340,277	152.99%
Building Plan Approval	-10,400,000	-10,976,523	-576,523	105.54%
Buyers Card	-81,500	-31,755	49,745	38.96%
Camping Fees	-10,000	0	10,000	0.00%
Cemetery and Burial	-12,271,890	-9,145,216	3,126,674	74.52%
Cleaning and Removal	-151,700	-193,544	-41,844	127.58%
Clearance Certificates	-1,977,930	-1,523,005	454,925	77.00%
Computer Services	-76,000	-49,960	26,040	65.74%
Drainage Fees	-168,930	-819,092	-650,162	484.87%
Encroachment Fees	-460,000	-346,921	113,079	75.42%
Entrance Fees	-18,771,130	-9,796,833	8,974,297	52.19%
Escort Fees	-3,000,000	-3,714,587	-714,587	123.82%
Fire Services	-117,000	-630,097	-513,097	538.54%
Laboratory Services	-390,800	-455,524	-64,724	116.56%
Legal Fees	-48,741,530	-49,782,186	-1,040,656	102.14%
Parking Fees	-39,310	-72,031	-32,721	183.24%
Photocopies, Faxes and Telephone charges	-58,400	-46,488	11,912	79.60%
Removal of Restrictions	-2,400,000	-2,880,795	-480,795	120.03%
Sale of Goods: Agricultural Products: Nursery Sale of Plants	-15,300	-17,605	-2,305	115.07%
Sale of Goods: Assets < Capitalisation Threshold	-192,100	-285,895	-93,795	148.83%
Sale of Goods: Publications: Books		-347.84	-348	0.00%
Sale of Goods: Publications: Charts/Posters	-6,900	-7245.22	-345	105.00%
Sale of Goods: Publications: Prints	-160,330	-113,048	47,282	70.51%
Sale of Goods: Publications: Tender Documents	-1,897,320	-1,342,576	554,744	70.76%
Sale of Goods: Sub-division and Consolidation Fees	-2,033,190		2,033,190	0.00%
Scrap, Waste & Other Goods: Recycling of Waste	-7,444,130	-10,824,794	-3,380,664	145.41%
Scrap, Waste & Other Goods: Scrap	-492,050	-820,360	-328,310	166.72%
Transport Fees	-10,798,350	-6,545,969	4,252,381	60.62%

Annexure "A1"

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Valuation Services	-378,540	-62,223	316,317	16.44%
Weighbridge Fees	-12,610	0	12,610	0.00%

Other Operational Revenue

The variances are reflected in the table below.

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Exchange Revenue: Operational Revenue	**- 29,791,810**	**-32,459,429**	**-2,667,619**	**108.95%**
Administrative Handling Fees	- 1,200	-89,173	-87,973	7431.08%
Breakages and Losses Recovered	- 10,000	-6,548	3,452	65.48%
Commission: Transaction Handling Fees	- 14,000,000	-9,445,407	4,554,593	67.47%
Discounts and Early Settlements	- 6,503,560	-8,051,617	-1,548,057	123.80%
Incidental Cash Surpluses	- 29,840	-219,898	-190,058	736.92%
Inspection Fees: Statutory Services	- 3,600,000	-4,671,644	-1,071,644	129.77%
Insurance Refund	- 1,235,870	-2,815,612	-1,579,742	227.82%
Merchandising, Jobbing and Contracts	- 2,000,000	0	2,000,000	0.00%
Recovery Maintenance	- 209,370	-124,812	84,558	59.61%
Registration Fees: Road and Transport	- 217,380	-113,886	103,494	52.39%
Request for Information: Access to Information Act	- 113,060	-165,906	-52,846	146.74%
Request for Information: Accident Reports	- 425,090	-238,951	186,139	56.21%
Request for Information: Duplicate IRP 5 Certificate		-250	-250	0.00%
Request for Information: Municipal Information and Statistics	- 15,500		15,500	0.00%
Request for Information: Plan Printing and Duplicates	- 100	-38.98	61	38.98%
Sale of Property	- 20,000	-4,548,009	-4,528,009	22740.05%
Staff and Councillors Recoveries	- 1,410,840	-1,967,676	-556,836	139.47%

Expenditure Variations:

Employee Related Costs

Annexure "A1"

The Operating Adjusted Budget for Employee Related Costs amount to R4.506 billion for the 2025/26 financial year. The expenditure to date amounts to R4,069 million or 90.30% of the budgeted amount.

Description	2025/26 Adjustment Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Employee Related Cost	**4,506,105,630**	**4,069,128,007**	**-436,977,623**	**90.30%**
Board Members of Entities			-	
Designation: Salaries and Allowances: Basic Salary	1,300,000	0	-1,300,000	0.00%
Municipal Staff				
Post-retirement Benefit				
Post-retirement Benefit: Pension: Current Service Cost	14,833,730	0	-14,833,730	0.00%
Salaries, Wages and Allowances				
Allowances: Cellular and Telephone	1,580	1,572	-8	99.49%
Allowances: Housing Benefits and Incidental: Essential User	30,188,040	29,294,708	-893,332	97.04%
Allowances: Housing Benefits and Incidental: Housing Benefits	16,552,560	16,343,259	-209,301	98.74%
Allowances: Non-pensionable	956,080	931,622	-24,458	97.44%
Allowances: Service-Related Benefits: Acting and Post Related Allowances	20,718,630	20,497,195	-221,435	98.93%
Allowances: Service-Related Benefits: Bonus	206,699,530	191,734,123	-14,965,407	92.76%
Allowances: Service-Related Benefits: Leave Pay	8,291,090	0	-8,291,090	0.00%
Allowances: Service-Related Benefits: Long Service Award: Current Service Cost	141,408,120	131,984,357	-9,423,763	93.34%
Allowances: Service-Related Benefits: Overtime: Night Shift	23,872,510	20,120,611	-3,751,899	84.28%
Allowances: Service-Related Benefits: Overtime: Non-Structured	308,030,720	307,146,317	-884,403	99.71%
Allowances: Service-Related Benefits: Overtime: Shift Additional Remuneration	27,419,360	24,198,690	-3,220,670	88.25%
Allowances: Service-Related Benefits: Overtime: Structured	53,908,110	43,560,245	-10,347,865	80.80%
Allowances: Service-Related Benefits: Scarcity Allowance	2,746,950	2,742,871	-4,079	99.85%
Allowances: Service-Related Benefits: Standby Allowance	43,202,760	40,214,519	-2,988,241	93.08%
Allowances: Service-Related Benefits: Uniform/Special/Protective Clothing	1,990	1,969	-21	98.95%
Allowances: Travel or Motor Vehicle	93,420,780	88,457,865	-4,962,915	94.69%
Basic Salary and Wages	2,707,567,340	2,385,586,030	-321,981,310	88.11%
Bonuses	52,751,530	46,699,639	-6,051,891	88.53%
Social Contributions				
Bargaining Council	886,480	874,728	-11,752	98.67%
Group Life Insurance	35,320,110	35,888,475	568,365	101.61%
Medical	229,338,060	234,977,253	5,639,193	102.46%
Pension	428,848,970	421,224,803	-7,624,167	98.22%

Description	2025/26 Adjustment Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Unemployment Insurance	13,128,020	14,076,052	948,032	107.22%
Senior Management: Chief Financial Officer				
Salaries and Allowances: Basic Salary	6,830,180	2,288,468	-4,541,712	33.51%
Salaries and Allowances: Bonuses	185,010		-185,010	0.00%
Social Contributions: Unemployment Insurance	3,160	354.24	-2,806	11.21%
Senior Management: Designation: Salaries and Allowances				
Salaries and Allowances: Allowance: Cellular and Telephone	33,220		-33,220	0.00%
Salaries and Allowances: Basic Salary	34,248,130	8,093,290	-26,154,840	23.63%
Salaries and Allowances: Bonuses	984,610		-984,610	0.00%
Social Contributions: Medical	1,120,120		-1,120,120	0.00%
Social Contributions: Unemployment Insurance	17,400	5,491	-11,909	31.56%
Senior Management: Municipal Manager (MM)				
Salaries and Allowances: Basic Salary	1,290,210	2,181,377	891,167	169.07%
Salaries and Allowances: Bonuses				
Social Contributions: Unemployment Insurance	540	2,125	1,585	393.60%

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.

The overtime paid for the period July 2025 – June 2026 amounted to R350,706,562. The main Directorates responsible for the overspending are the Sport, Recreation, Arts & Culture, Economic Development, Tourism & Agriculture, Water Service and Municipal Manager and Public Health, Special Projects and Budget & Treasury Directorates.

Description	2025/26 Adjusted Budget	2025/26 Actuals	% Achieved
Budget & Treasury	9,233,040	10,084,533	109.22%
Chief Operating Officer	2,143,030	1,351,126	63.05%
Corporate Services	9,501,900	7,395,161	77.83%
Economic Development & Recreational Services	385,900	411,320	106.59%
Electricity & Energy	67,014,520	59,729,523	89.13%

Annexure "A1"

Description	2025/26 Adjusted Budget	2025/26 Actuals	% Achieved
Executive Mayor	1,204,670	1,090,765	90.54%
Human Settlements	3,078,110	1,309,057	42.53%
I&E Rate & General	10,744,700	5,705,887	53.10%
Municipal Manager	44,480	242,669	545.57%
Nelson Mandela Metropolitan Municipality		0	0.00%
Public Health	31,859,580	36,163,862	113.51%
Safety & Security	131,219,830	129,229,118	98.48%
Sanitation	38,796,120	33,607,130	86.62%
Special Projects & Programmes	7,860	37,642	478.91%
Sport, Recreation, Arts & Culture	13,868,060	13,975,605	100.78%
Water Service	42,837,030	50,373,163	117.59%
Grand Total	**361,938,830**	**350,706,562**	**96.90%**

These directorates will have to make a concerted effort to monitor the work programmes of employees in these Directorates.

The table below reflects Actual Overtime Payments for the past 8 years.

Directorate	2017/2018 Actuals	2018/2019 Actuals	2019/2020 Actuals	2020/2021 Actuals	2021/2022 Actuals	2022/2023 Actuals	2023/2024 Actuals	2024/2025 Actuals
Infrastructure & Engineering R&G	4,317,024	6,247,465	5,349,645	7,781,651	8,054,250	9,693,501	10,354,960	6,355,367
Human Settlements	430,116	942,996	734,493	522,384	550,583	831,766	1,194,328	2,602,911
Public Health	20,781,046	27,247,273	24,848,033	30,955,479	37,847,153	37,213,127	40,924,662	39,153,350
Sport, Rec, Arts & Culture	6,207,957	9,206,181	7,858,502	4,700,056	8,458,916	10,601,282	14,414,429	16,980,072
Safety & Security	45,617,891	76,720,540	112,333,008	128,459,967	108,843,218	107,835,094	186,680,177	201,641,664
Economic Dev, Tourism & Agri	568,589	640,741	802,378	668,259	472,287	675,650	1,362,733	443,153
Corporate Services	5,113,737	6,815,851	5,112,714	3,857,871	6,400,590	7,674,515	7,487,691	7,530,754
Budget & Treasury	7,913,218	9,404,412	7,576,136	4,514,354	6,249,574	6,949,565	7,364,097	9,586,458
Executive Mayor	435,847	307,970	420,580	358,220	544,583	412,059	893,557	1,113,589
Sanitation	16,154,418	19,237,423	24,073,918	26,278,028	29,265,055	36,340,236	42,469,074	42,315,290
Water	21,441,984	29,397,881	37,399,119	44,233,144	44,413,757	46,907,391	52,749,968	53,859,164
Municipal Manager	183,014	237,847	279,305	173,723	197,671	157,383	204,246	295,131

Annexure “A1”

Directorate	2017/2018 Actuals	2018/2019 Actuals	2019/2020 Actuals	2020/2021 Actuals	2021/2022 Actuals	2022/2023 Actuals	2023/2024 Actuals	2024/2025 Actuals
Electricity & Energy	25,209,115	35,465,323	41,720,359	50,381,141	56,910,684	80,896,565	94,860,714	79,947,555
Chief Operating Officer	252,894	677,398	386,227	1,515,504	903,439	1,225,940	1,201,055	1,525,182
Spec Project and Programmes	97,673	230,027	119,170	14,705	33,309	43,225	66,091	46,727
Grand Total	**154,724,523**	**222,779,330**	**269,013,587**	**304,414,486**	**309,145,069**	**347,457,300**	**462,227,782**	**463,396,367**
Percentage Increase		**43.98%**	**20.75%**	**13.16%**	**1.55%**	**12.39%**	**33.03%**	**0.25%**

As indicated previously the reduction in actual overtime payments from 2017 to 2018 is the direct result of a new overtime policy that was implemented at the time for a period of 2 months only; and subsequenlty withdrawn as a result of a moratorium placed by Council on the implementation of that policy.

As reported in the previous financial year/s, considering the extent of overspending, the conclusion of the outstanding Overtime Policy in line with the relevant legislation, by the Corporate Services and Human Resources Standing Committee is long overdue. The fact that there is no guiding policy dealing with this matter, poses a significant risk for the institution.

The Committee should note that the latest draft Overtime Policy is currently with the Policy & Research Review Unit under the COO's office as administratively required before other processes are followed. As soon as the draft Overtime Policy is concluded by the Policy & Research Review Unit under the COO's office it will be taken through the Council structures. One of the critical aims of the Policy is to set the payment of Overtime to the National threshold as determined, annually, by the Minister of Employment & Labour as well as the Collective Agreement on Conditions of Service as they are binding documents that the Municipality must comply with.

Debt Impairment inclusive of Bad Debts and Doubtful Debt Provision

Bad debts are written off upon Council's approval. Impairment of Receivables are normally adjusted at financial year-end when the impairment of doubtful debts is concluded.

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Expenditure: Irrecoverable Debts Written Off	**674,943,990**	**128,495,539**	**-546,448,451**	**19.04%**
Exchange: Electricity	8,400,000	3,386,796	-5,013,204	40.32%
Exchange: Non-Specific Accounts	12,000,000	165,739,151	153,739,151	1381.16%
Exchange: Waste Management	41,747,880	10,773,774	-30,974,106	25.81%

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Exchange: Wastewater Management	92,898,270	22,562,982	-70,335,288	24.29%
Exchange: Water	431,838,620	-132,264,498	-564,103,118	-30.63%
Non-exchange: Property Rates	88,059,220	58,297,334	-29,761,886	66.20%

Remuneration of Councillors

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

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Expenditure: Remuneration of Councillors	**97,870,470**	**91,538,130**	**-6,332,340**	**93.53%**
Chief Whip: Allowances and Service-Related Benefits: Basic Salary	1,255,800	1,669,314	413,514	132.93%
Deputy Executive Mayor/Deputy Mayor: Allowances and Service-Related Benefits: Basic Salary	1,333,130	1,363,819	30,689	102.30%
Executive Committee/Mayoral Committee: Allowances and Service-Related Benefits: Basic Salary	12,949,400	12,428,873	-520,527	95.98%
Executive Mayor/Mayor: Allowances and Service-Related Benefits: Basic Salary	1,682,280	1,688,699	6,419	100.38%
Section 79 committee chairperson: Allowances and Service-Related Benefits: Basic Salary	2,283,870	2,470,242	186,372	108.16%
Speaker: Allowances and Service-Related Benefits: Basic Salary	1,405,930	1,363,819	-42,111	97.00%
Total for All Other Councillors: Allowances and Service-Related Benefits: Basic Salary	71,301,560	65,292,428	-6,009,132	91.57%
Total for All Other Councillors: Allowances and Service-Related Benefits: Cell phone Allowance	5,658,500	5,260,936	-397,564	92.97%

Finance Charges

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

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Expenditure: Interest, Dividends and Rent on Land	**88,760,300**	**62,246,258**	**-26,514,042**	**70.13%**
Borrowings: Annuity Loans	88,754,900	62,246,258	-26,514,042	70.13%
Deposits		-	-	0.00%
Overdue Accounts	5,400	-	-5,400	0.00%

Bulk Purchases

The table below indicates financial transactions as at 30 June 2026, in respect of Bulk Purchases.

Description	2025/26 Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Expenditure / Bulk purchases – electricity	**7,277,226,000**	**7,040,029,919**	**-237,196,080.32**	**96.74%**
Electricity: ESKOM	7,277,226,000	7,040,029,919	-237,196,080.32	96.74%

The extent of actual electricity losses has a significant impact on the Bulk electricity purchases. **The average electricity losses to 30 June 2025 were at 26.81% or R1.323 billion. The electricity service is already running at a significant loss by only taking the primary costs into consideration. The electricity service deficit is effectively being funded from Property Rates.**

Electricity losses (Refer to Table below)

The non-revenue electricity losses for the 2024/25 budget year amounts to 26.81% (932,537,678kWh), or an equivalent of R1.323 billion. The year-to-date total non-revenue electricity losses for the 2025/26 budget year are 28.48% (877,569,902Kwh), or an equivalent of R1,490,823,213 million. The year-to-date Electricity Loss calculation up to 30th June 2026 was not available or received from Electricity and Energy Directorate at the time of finalising this report. Electricity losses for the month ending 31 May 2026 amounts to 29.94% (88,878,134Kwh) or an equivalent of R136,822,357 million. It is evident that the current strategies to address electricity losses are not yielding the desired 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 6 financial years, including the 2025/26 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 8%.
- 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 “A1”

2025/26 Electricity Losses

Item		July (2025)	Aug (2025)	Sep (2025)	Oct (2025)	Nov (2025)	Dec (2025)	Jan(2026)	Feb (2026)	Mar (2026)	Apr (2026)	May(2026)	Accum Total
		kWh	kWh	kWh	kWh	kWh	kWh	kWh	kWh	kWh	kWh	kWh	
1	**Energy Charge from Eskom Account Transaction Summary**												
	Standard	129,034,237	127,003,090	127,562,887	111,105,481	123,608,599	91,910,188	102,734,267	121,715,454	107 272,738	109,655,618	116,353,557	**1,267,956,11**
	Peak	52,220,168	52,451,684	54,379,245	46,613,449	52,999,298	37,357,731	41,619,632	51,854,238	44,305,435	43,719,619	48,442,752	**525,963,25**
	Off Peak	124,354,360	136,594,634	124,535,310	123,593,960	117,332,754	114,085,296	122,957,529	116,534,699	116,240,894	129,068,296	123,216,154	**1,348,513,88**
	Total Energy Charge	**305,608,765**	**316,049,408**	**306,477,442**	**281,312,890**	**293,940,651**	**243,353,215**	**267,311,428**	**290,104,391**	**267,819,067**	**282,443,533**	**288,012,463**	**3,142,433,25**
	Power X Green Energy	715,973	1,349,568	1,591,168	2,218,767	1,591,689	2,067,602	1,938,642	1,436,482	1,001,531	1,766,994.20	1,589,765.50	**17,268,18**
	Total Energy Charge	**312,237,221**	**312,194,564**	**286,801,073**	**277,268,912**	**280,807,082**	**238,023,401**	**256,075,976**	**290,493,512**	**252,920,745**	**277,894,414**	**296,862,262**	**3,081,579,16**
2	**Energy Sales from NMBM Customers**												
	Prepaid - Domestic & Business	32,266,340	31,958,214	29,636,111	29,993,085	28,255,259	29,141,866	27,302,381	26,507,524	28,595,602	27,622,382	29,733,102	**321,011,86**
	Prepaid - Free Basic Electricity	2,415,505	2,370,907	1,951,628	2,146,024	1,937,126	2,012,494	1,972,845	2,055,399	1,878,665	1,892,361	1,985,938	**22,618,89**
	Credit - Domestic (Incl. Free Basic Elec)	13,249,437	13,406,457	11,979,275	12,831,169	10,981,720	10,410,885	11,174,222	10,990,948	11,752,052	12,225,154	13,379,126	**132,380,44**
	Credit - Small Businesses	1,485,150	1,107,564	1,393,726	1,314,993	1,292,201	1,275,379	1,314,719	1,397,954	1,328,066	1,598,038	1,423,515	**14,931,30**
	Credit - Medium Businesses	42,371,824	8,253,671	26,807,905	28,451,658	27,249,994	23,938,958	27,478,381	28,867,140	31,570,199	26,847,244	28,995,092	**300,832,06**
	Credit - Large Businesses	136,692,192	124,024,927	116,378,151	129,446,785	124,143,746	100,404,358	122,527,344	118,949,484	135,604,069	122,912,735	127,394,572	**1,358,478,36**
	Electricity Unmetered Supply	0	0	0		0	0	0					
	Unmetered Municipal Buildings	0	0	0		0	0	0					
	Streetlights and Traffic Lights	5,712,011	4,528,043	4,703,670	5,104,593	4,846,501	4,179,599	4,794,247	4,719,211	5,268,216	4,827,448	5,072,784	**53,756,32**
	Energy Sales (Pre Street Lights Sales)	228,480,448	181,121,739	188,146,796	204,183,714	193,860,045	167,183,940	191,769,892	188,768,450	210,728,653	193,097,915	202,911,344	**2,150,252,93**
	Total Energy Sales (Incl. Street Lights)	234,192,459	185,649,783	192,850,466	209,288,307	198,706,546	171,363,539	196,564,140	193,487,661	215,996,869	197,925,362	207,984,128	**2,204,009,26**
3	Unbilled Energy *(Energy Charge less Energy Sales)*	**78,044,762**	**126,544,782**	**93,950,607**	**67,980,605**	**82,100,536**	**66,659,862**	**59,511,836**	**97,005,851**	**36,923,876**	**79,969,052**	**88,878,134**	**877,569,90**
4	**Energy Loss**	**78,044,762**	**126,544,782**	**93,950,607**	**67,980,605**	**82,100,536**	**66,659,862**	**59,511,836**	**97,005,851**	**36,923,876**	**79,969,052**	**88,878,134**	**877,569,90**

108

Annexure "A1"

Item		July (2025)	Aug (2025)	Sep (2025)	Oct (2025)	Nov (2025)	Dec (2025)	Jan(2026)	Feb (2026)	Mar (2026)	Apr (2026)	May(2026)	Accum Total
	Technical Energy Losses	24,978,978	24,975,565	22,944,086	22,181,513	22,464,567	19,041,872	20,486,078	23,239,481	20,233,660	22,231,553	23,748,981	**246,526,33**
	Non-Technical Energy Loss	53,065,785	101,569,216	71,006,521	45,799,092	59,635,969	47,617,990	39,025,758	73,766,370	16,690,216	57,737,499	65,129,153	**631,043,56**
5	*% Total Losses (Energy Loss divided by Total Energy Charge)*	25.00%	40.53%	32.76%	24.52%	29.24%	28.01%	23.24%	33.39%	14.60%	28.78%	29.94%	**28.48**
6	*% Non-Technical Losses*	17.00%	32.53%	24.76%	16.52%	21.24%	20.01%	15.24%	25.39%	6.60%	20.78%	21.94%	**20.48**
7	*% Technical Losses*	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	**8.00**
8	Average Purchase Price	2.16	2.32	1.60	1.53	1.54	1.47	1.50	1.54	1.53	1.47	1.54	
9	**Rand Value - Technical Losses**	53,967,061	57,887,737	36,655,542	33,858,993	34,643,934	28,057,328	30,818,994	35,733,794	28,863,247	35,038,761	46,656,424	**422,181,81**
10	**Rand Value - Non-Technical Losses**	114,648,585	235,414,576	113,440,235	69,910,070	91,968,148	70,162,932	58,709,851	113,425,608	27,477,270	82,778,190	90,165,934	**1,068,101,39**
11	**Rand Value - Total Losses**	**168,615,646**	**293,302,313**	**150,095,776**	**103,769,063**	**126,612,082**	**98,220,260**	**89,528,845**	**149,159,401**	**56,340,517**	**117,816,951**	**136,822,357**	**1,490,283,21**
	Total Electricity Losses	25.00%	40.53%	32.76%	24.52%	29.24%	28.01%	23.24%	33.39%	14.60%	28.78%	29.94%	**28.48**
	Non-Tech Electricity Losses	17.00%	32.53%	24.76%	16.52%	21.24%	20.01%	15.24%	25.39%	6.60%	20.78%	21.94%	**20.48**
	Technical Electricity Losses	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	**8**
	Technical Electricity Losses Apportionment	32.01%	19.74%	24.42%	32.63%	27.36%	28.57%	34.42%	23.96%	54.80%	27.80%	26.72%	**28.09**
	Non-Technical Electricity Losses Apportionment	67.99%	80.26%	75.58%	67.37%	72.64%	71.43%	65.58%	76.04%	45.20%	72.20%	73.28%	**71.91**
	Technical Losses Rand Value	53,967,061.07	57,887,736.97	36,655,541.58	33,858,992.88	34,643,933.92	28,057,328.26	30,818,993.75	35,733,793.60	28,863,247.04	35,038,761.29	46,656,423.89	**422,181,814.2**
	Non-Technical Losses Rand Value	114,648,584.78	235,414,576.32	113,440,234.86	69,910,070.02	91,968,147.95	70,162,931.76	58,709,851.46	113,425,607.53	27,477,270.31	82,778,189.92	90,165,933.57	**1,068,101,398.4**
	Total Electricity Losses	**168,615,645.86**	**293,302,313.30**	**150,095,776.44**	**103,769,062.90**	**126,612,081.87**	**98,220,260.02**	**89,528,845.21**	**149,159,401.13**	**56,340,517.36**	**117,816,951.21**	**136,822,357.46**	**1,490,283,212.7**

Annexure “A1”

2025/2026 Water Losses

Financial Year	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26	Apr-26	Annual
Volume Treated (kℓ)	11,208,682	11,157,074	10,894,426	11,278,578	11,242,367	11,848,716	11,456,477	10,378,068	11,548,715	10,978,140	**111,991,243**
Revenue Volume (kℓ)	4,473,833	4,473,833	4,314,712	4,190,001	4,205,447	4,383,859	4,765,073	5,436,220	4,608,614	4,312,818	**45,164,410**
Revenue Water (%)	**39.9%**	**40.1%**	**39.6%**	**37.2%**	**37.4%**	**37.0%**	**41.6%**	**52.4%**	**39.9%**	**39.3%**	**40.4%**
NRW volume (kℓ)	6,010,948	6,683,241	6,579,714	7,088,577	7,036,920	7,464,857	6,691,404	4,941,848	6,940,101	6,665,322	**66,102,932**
NRW (%)	**53.6%**	**59.9%**	**60.4%**	**62.8%**	**62.6%**	**63.0%**	**58.4%**	**47.6%**	**60.1%**	**60.7%**	**58.9%**
Real Losses (kℓ)	3,938,318	4,416,381	4,346,606	4,702,444	4,666,282	4,961,507	4,417,925	3,191,054	4,593,190	4,406,199	**43,639,904**
Real Losses (%)	**35.1%**	**39.6%**	**39.9%**	**41.7%**	**41.5%**	**41.9%**	**38.6%**	**30.7%**	**39.8%**	**40.1%**	**38.9%**
Water Losses (kℓ)	5,546,927	6,220,255	6,121,980	6,623,160	6,572,228	6,988,038	6,222,430	4,494,442	6,469,282	6,205,914	**61,464,654**
Water Losses (%)	**49%**	**56%**	**56%**	**59%**	**58%**	**59%**	**54%**	**43%**	**56%**	**57%**	**54.8%**
ILI	11.53	12.92	12.72	13.78	13.69	14.53	12.93	9.33	13.43	12.90	**12.77**

Water Losses (Refer to Tables above)

The cumulative Water losses for the 2024/25 financial year amounted to 73.741 million kl or 57.62%. The Cumulative Water losses for the first 10 months of the 2025/26 financial year amounted to 66,102,932 kl or 58.90%.

It is evident that the current strategies implemented to address water losses are not yielding positive results. Water losses have increased materially over the last 7 financial years, including the 2025/26 financial year.

Other Materials

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

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Expenditure: Inventory Consumed	**343,286,190**	**269,526,908**	**-73,759,282**	**78.51%**
Consumables: Standard Rated	135,072,320	94,725,274	-135,072,320	70.13%
Consumables: Zero Rated	73,525,920	72,710,747	-73,525,920	98.89%
Finished Goods	32,243,430	15,549,594	-32,243,430	48.23%
Materials and Supplies	102,444,520	86,541,293	-102,444,520	84.48%

Annexure "A1"

Water bulk purchases are paid against the Statement of Financial Position – Inventory. The portion that represents Revenue Water consumed is required to be transacted against Other Materials.

Contracted Services

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

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Expenditure: Contracted Services	**1,813,466,370**	**973,471,921**	**-839,994,449**	**53.68%**
Consultants and Professional Services				
Business and Advisory: Accounting and Auditing	2,052,780	0	-2,052,780	0.00%
Business and Advisory: Audit Committee	1,165,320	665,223	-500,097	57.08%
Business and Advisory: Business and Financial Management	327,610	156,079	-171,531	47.64%
Business and Advisory: Commissions and Committees	1,242,370	449,384	-792,986	36.17%
Business and Advisory: Communications	2,033,190	0	-2,033,190	0.00%
Business and Advisory: Forensic Investigators	6,632,350	1,101,880	-5,530,470	16.61%
Business and Advisory: Human Resources	500,000	0	-500,000	0.00%
Business and Advisory: Occupational Health and Safety	2,844,670	263,398	-2,581,273	9.26%
Business and Advisory: Organisational	1,685,400	0	-1,685,400	0.00%
Business and Advisory: Project Management	69,390,810	23,225,595	-46,165,215	33.47%
Business and Advisory: Research and Advisory	10,306,920	1,657,264	-8,649,656	16.08%
Business and Advisory: Valuer and Assessors	61,964,800		-61,964,800	0.00%
Infrastructure and Planning: Architectural	613,000	282,500	-330,500	46.08%
Infrastructure and Planning: Engineering: Civil	17,092,560	3,277,917	-13,814,643	19.18%
Infrastructure and Planning: Engineering: Electrical	219,870	0	-219,870	0.00%
Infrastructure and Planning: Engineering: Structural	1,500,000	-87,815	-1,587,815	-5.85%
Infrastructure and Planning: Geodetic, Control and Surveys	951,310	293,445.10	0	100.00%
Infrastructure and Planning: Town Planner	6,736,130	1,399,349	-5,336,781	20.77%
Laboratory Services: Medical	120,000	-58,482	-178,482	-48.73%
Laboratory Services: Roads	280,000	215,170	-64,830	76.85%
Laboratory Services: Water	1,379,350	172,650	-1,206,700	12.52%
Legal Cost: Collection	47,272,320	48,483,210	1,210,890	102.56%
Legal Cost: Issue of Summons	784,250	0	-784,250	0.00%
Legal Cost: Legal Advice and Litigation	128,505,380	90,447,118	-38,058,262	70.38%
Contractors			0	#DIV/0!

Annexure "A1"

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Artists and Performers	1,775,000	100,278	-1,674,722	5.65%
Audio-visual Services	1,050,000	674,080	-375,920	64.20%
Building	160,814,750	53,137,708	-107,677,042	33.04%
Catering Services	1,819,230	1,354,205	-465,025	74.44%
Event Promoters	49,400		-49,400	0.00%
Fire Protection	1,787,900	408,220	-1,379,680	22.83%
Gardening Services	7,765,320	6,008,083	-1,757,237	77.37%
Gas	2,225,050	1,993,645	-231,405	89.60%
Maintenance of Buildings and Facilities	157,169,140	36,452,006	-120,717,134	23.19%
Maintenance of Equipment	296,766,600	192,814,372	-103,952,228	64.97%
Maintenance of Unspecified Assets	25,000		-25,000	0.00%
Management of Informal Settlements	11,315,220	9,912,896	-1,402,324	87.61%
Medical Services	37,000	0	-37,000	0.00%
Pest Control and Fumigation	1,339,260	627,262	-711,998	46.84%
Plants, Flowers and Other Decorations	12,140		-12,140	0.00%
Prepaid Electricity Vendors	8,533,050	3,611,714	-4,921,336	42.33%
Preservation/Restoration/Dismantling/Cleaning Services	158,960	165.22	-158,795	0.10%
Safeguard and Security	13,159,900	6,799,749	-6,360,151	51.67%
Sewerage Services	170,485,520	113,679,463	-56,806,057	66.68%
Sports and Recreation	10,470	0	-10,470	0.00%
Stage and Sound Crew	1,277,230	115,376	-1,161,854	9.03%
Tracing Agents and Debt Collectors	715,810	286,939	-428,871	40.09%
Traffic and Street Lights	150,000		-150,000	0.00%
Transportation	37,885,920	23,813,875	-14,072,045	62.86%
Outsourced Services			0	#DIV/0!
Administrative and Support Staff	2,485,000	249.96	-2,484,750	0.01%
Alien Vegetation Control	13,012,340	1,501,317	-11,511,023	11.54%
Animal Care	2,392,570	1,477,399	-915,171	61.75%
Burial Services	2,764,590	1,468,624	-1,295,966	53.12%
Business and Advisory: Accounting and Auditing	861,800	0	-861,800	0.00%
Business and Advisory: Commissions and Committees	943,290	267,570	-675,720	28.37%
Business and Advisory: Communications	3,009,940	2,553,183	-456,757	84.83%
Business and Advisory: Human Resources	106,180	0	-106,180	0.00%
Business and Advisory: Project Management	283,217,740	142,116,272	-141,101,468	50.18%

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Business and Advisory: Qualification Verification	1,607,550	6,345	-1,601,205	0.39%
Business and Advisory: Quality Control	2,324,170	1,533,203	-790,967	65.97%
Business and Advisory: Research and Advisory	1,169,350	162,219	-1,007,132	13.87%
Business and Advisory: Valuer	3,441,000	0	-3,441,000	0.00%
Catering Services	150,000	54,498	-95,502	36.33%
Cleaning Services	1,916,410	616,551	-1,299,859	32.17%
Clearing and Grass Cutting Services	47,089,420	20,374,916	-26,714,504	43.27%
Connection/Dis-connection: Electricity	51,720		-51,720	0.00%
Connection/Dis-connection: Water	320,300		-320,300	0.00%
Drivers Licence Cards	6,579,600	3,168,690	-3,410,910	48.16%
Electrical	44,325,470	31,195,290	-13,130,180	70.38%
Fire Services	10,000	0	-10,000	0.00%
Hygiene Services	31,539,930	45,543,262	14,003,332	144.40%
Medical Waste Removal	347,750	184,172	-163,578	52.96%
Meter Management	20,193,710	11,536,123	-8,657,587	57.13%
Printing Services	5,752,170	4,276,129	-1,476,041	74.34%
Professional Staff	837,000		-837,000	0.00%
Refuse Removal	5,785,550	246,198	-5,539,352	4.26%
Security Services	90,517,290	71,203,659	-19,313,631	78.66%
Sewerage Services	2,375,540	468,121	-1,907,419	19.71%
Traffic Management	15,860,730	9,659,658	-6,201,072	60.90%
Transport Services	550,000	124,353	-425,647	22.61%

Other Expenditure

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

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Expenditure: Operational Cost	**961,270,960**	**636,919,345**	**-324,351,615**	**66.26%**
Operating Leases				
Computer Equipment	258,450	66,355	-192,095	25.67%
Furniture and Office Equipment	17,031,900	8,317,418	-8,714,482	48.83%
Other Assets	33,423,290	12,278,027	-21,145,263	36.73%

Annexure "A1"

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Operational Cost				
Advertising, Publicity and Marketing: Auctions	15,920	1,935	-13,985	12.16%
Advertising, Publicity and Marketing: Corporate and Municipal Activities	11,709,150	9,804,546	-1,904,604	83.73%
Advertising, Publicity and Marketing: Customer/Client Information	739,070	132,859	-606,211	17.98%
Advertising, Publicity and Marketing: Gifts and Promotional Items	263,180	112,160	-151,020	42.62%
Advertising, Publicity and Marketing: Municipal Newsletters	179,000	91,906	-87,095	51.34%
Advertising, Publicity and Marketing: Signs	265,100	0	-265,100	0.00%
Advertising, Publicity and Marketing: Staff Recruitment	1,936,200	145,992	-1,790,208	7.54%
Advertising, Publicity and Marketing: Tenders	3,220,960	528,853	-2,692,107	16.42%
Assets less than the Capitalisation Threshold	15,533,840	5,325,293	-10,208,547	34.28%
Bank Charges, Facility and Card Fees: Bank Accounts	7,078,550	6,284,348	-794,202	88.78%
Bank Charges, Facility and Card Fees: Third Parties	2,730	0	-2,730	0.00%
Bursaries (Employees)	3,357,620	1,431,478	-1,926,142	42.63%
Cash Discount	116,410	0	-116,410	0.00%
Cleaning Services: Car Valet and Washing Services	14,020	1,013	-13,007	7.23%
Cleaning Services: Laundry Services	193,560	47,820	-145,740	24.71%
Commission: Prepaid Electricity	8,400,000	6,030,306	-2,369,694	71.79%
Commission: Third Party Vendors	6,273,470	3,375,827	-2,897,643	53.81%
Communication: Cellular Expenditure	26,136,860	14,643,204	-11,493,656	56.03%
Communication: Licences (Radio and Television)	507,440	4,608	-502,832	0.91%
Communication: Postage/Stamps/Franking Machines	930,010	161,567	-768,443	17.37%
Communication: Radio and TV Transmissions	8,780	0	-8,780	0.00%
Communication: Rent Private Bag and Postal Box	6,220	3,045	-3,175	48.95%
Communication: SMS Bulk Message Service	1,659,690	2,195,360	535,670	132.28%
Communication: Telemetric Systems	43,610	0	-43,610	0.00%
Communication: Telephone Installation	250,820	0	-250,820	0.00%
Communication: Telephone, Fax, Telegraph and Telex	17,550,330	4,367,952	-13,182,378	24.89%
Cost relating to the Sale of Houses		1,363	1,363	#DIV/0!
Courier and Delivery Services	486,790	228,719	-258,071	46.99%
Deeds	484,140	51,468	-432,672	10.63%
Drivers Licences and Permits	321,540	22,075	-299,465	6.87%
Entertainment: Senior Management	202,000	21,488	-180,512	10.64%
Entertainment: Total for All Other Councillors	300,000	376,409	76,409	125.47%
External Audit Fees	33,830,350	33,939,472	109,122	100.32%

Annexure "A1"

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
External Computer Service: Data Lines	2,456,950	73,963	-2,382,987	3.01%
External Computer Service: Information Services	4,953,100	142,030	-4,811,070	2.87%
External Computer Service: Internet Charge	2,854,690	611,306	-2,243,384	21.41%
External Computer Service: Network Extensions	2,588,870	750,855	-1,838,015	29.00%
External Computer Service: Remote Server Access	133,190	0	-133,190	0.00%
External Computer Service: Software Licences	83,743,600	59,666,284	-24,077,316	71.25%
External Computer Service: Specialised Computer Service	5,122,240	1,767,902	-3,354,338	34.51%
External Computer Service: System Development	46,468,330	-1,331,695	-47,800,025	-2.87%
External Computer Service: Wireless Network	9,910,740	5,901,615	-4,009,125	59.55%
Firearm Handling Fees	10,280	0	-10,280	0.00%
Hire Charges	248,718,100	195,706,334	-53,011,766	78.69%
Insurance Underwriting: Claims paid to Third Parties	1,895,670	113,845	-1,781,825	6.01%
Insurance Underwriting: Excess Payments	54,140	0	-54,140	0.00%
Insurance Underwriting: Insurance Brokers Fees	468,960	193,887	-275,073	41.34%
Insurance Underwriting: Premiums	31,769,770	27,388,681	-4,381,089	86.21%
Intercompany/Parent-subsidiary Transactions	8,159,250	7,414,815	-744,435	90.88%
Land Alienation Costs	400,000	0	-400,000	0.00%
Learnerships and Internships	35,564,710	7,796,355	-27,768,355	21.92%
Levies Paid - Water Resource Management Charges	14,419,170	8,541,400	-5,877,770	59.24%
Licences: Motor Vehicle Licence and Registrations	8,190,670	6,264,933	-1,925,737	76.49%
Licences: Performing Arts	1,000	0	-1,000	0.00%
Management Fee	7,636,370	9,264,459	1,628,089	121.32%
Municipal Services	96,390,210	84,694,846	-11,695,364	87.87%
Printing, Publications and Books	3,199,930	386,676	-2,813,254	12.08%
Professional Bodies, Membership and Subscription	28,088,750	26,591,265	-1,497,486	94.67%
Registration Fees: Professional and Regulatory Bodies	360,160	93,723	-266,437	26.02%
Registration Fees: Seminars, Conferences, Workshops and Events: National	4,534,180	2,282,647	-2,251,533	50.34%
Resettlement Cost	382,670	68,189	-314,481	17.82%
Rewards Incentives	2,000,000	1,376,618	-623,382	68.83%
Samples and Specimens	309,960	33,000	-276,960	10.65%
Servitudes and Land Surveys		0	0	0.00%
Signage	640,790	114,709	-526,081	17.90%
Skills Development Fund Levy	37,117,510	35,840,289	-1,277,221	96.56%
Small Differences Tolerances		698.67	699	0.00%

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Storage of Files (Archiving)	940,230	532,556	-407,674	56.64%
System Access and Information Fees	12,500	407.56	-12,092	3.26%
Taking over Contractual Obligations	580,000	0	-580,000	0.00%
Transport Provided as Part of Departmental Activities: Events	1,500	62,100	60,600	4140.00%
Transport Provided as Part of Departmental Activities: Municipal Activities	1,616,250	1,457,706	-158,544	90.19%
Travel Agency and Visa's	1,828,460	214,082	-1,614,378	11.71%
Travel and Subsistence: Domestic: Accommodation	4,968,330	1,799,463	-3,168,867	36.22%
Travel and Subsistence: Domestic: Daily Allowance	844,930	346,271	-498,659	40.98%
Travel and Subsistence: Domestic: Food and Beverage (Served)	196,420	67.34	-196,353	0.03%
Travel and Subsistence: Domestic: Incidental Cost	142,330	272.79	-142,057	0.19%
Travel and Subsistence: Domestic: Transport with Operator: Other Transport Provider	2,800	0	-2,800	0.00%
Travel and Subsistence: Domestic: Transport with Operator: Public Transport: Air Transport	4,124,800	757,410	-3,367,390	18.36%
Travel and Subsistence: Domestic: Transport with Operator: Public Transport: Railway Transport	30,000	0	-30,000	0.00%
Travel and Subsistence: Domestic: Transport with Operator: Public Transport: Road Transport	280,280	31,779	-248,501	11.34%
Travel and Subsistence: Domestic: Transport without Operator: Car Rental	2,246,720	397,858	-1,848,862	17.71%
Travel and Subsistence: Domestic: Transport without Operator: Own Transport	422,900	126,524	-296,376	29.92%
Travel and Subsistence: Foreign: Accommodation	402,030	65,388	-336,642	16.26%
Travel and Subsistence: Foreign: Daily Allowance	315,850	85,322	-230,528	27.01%
Travel and Subsistence: Foreign: Incidental Cost	7,420	0	-7,420	0.00%
Travel and Subsistence: Foreign: Transport with Operator: Public Transport: Air Transport	599,000	142,527	-456,473	23.79%
Travel and Subsistence: Foreign: Transport with Operator: Public Transport: Road Transport	51,780	1,400	-50,380	2.70%
Travel and Subsistence: Non-employees	871,760	65,415	-806,345	7.50%
Uniform and Protective Clothing	18,847,890	8,810,228	-10,037,662	46.74%
Vehicle Tracking	4,000,000	1,558,604	-2,441,396	38.97%
Ward Committees	27,000,000	18,796,507	-8,203,493	69.62%
Wet Fuel	2,899,420	0	-2,899,420	0.00%
Workmen's Compensation Fund	6,762,400	9,924,963	3,162,563	146.77%

Transfers and Subsidies Paid

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

Annexure "A1"

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Expenditure: Transfers and Subsidies	**186,902,110**	**164,703,450**	**-22,198,660**	**88.12%**
Departmental Agencies and Accounts: Provincial Departmental Agencies: Northern Cape Economic Development Agency	1,134,000	0	-1,134,000	0.00%
Departmental Agencies and Accounts: National Departmental Agencies: South Africa Local Government Association (SALGA)		0	0	0.00%
Departmental Agencies and Accounts: Provincial Departmental Agencies: Subsidiary Entity	144,426,430	146,376,210	1,949,780	101.35%
Households: Other Transfers (Cash): Bursaries (Non-Employee)	600,000	57,352	-542,648	9.56%
Non-profit institutions: Public Schools: Other Educational Institutions: School Support	1,747,500	0	-1,747,500	0.00%
Non-profit institutions: Sporting Bodies - Rent	1,134,000	0	-1,134,000	0.00%
Non-profit institutions: Tourism	205,000	0	-205,000	0.00%
Non-profit institutions: Use - It	36,655,180	18,269,888	-18,385,292	49.84%
Private Enterprises: Subsidies to Financial Private Enterprise	1,000,000	0	-1,000,000	0.00%

Repairs and Maintenance

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

Repairs and Maintenance at mSCOA by Project segment:

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Infrastructure: Corrective Maintenance: Emergency				
Electrical Infrastructure: MV Networks: MV Conductors	51,195,310	45,581,672	-5,613,638	89.03%
Electrical Infrastructure: MV Substations: MV Substation Equipment	21,525,500	13,695,423	-7,830,078	63.62%
Electrical Infrastructure: Power Plants: Control and Instrumentation	2,040,630	284,612	-1,756,018	13.95%
Roads Infrastructure: Road Furniture: Road Furniture	1,500,000	176,965	-1,323,035	11.80%
Roads Infrastructure: Road Furniture: Traffic Signs	4,200,000	2,623,599	-1,576,401	62.47%
Roads Infrastructure: Road Structures: Civil Structures	39,206,480	11,055,787	-28,150,693	28.20%
Roads Infrastructure: Road Structures: Road Bridges	301,540	0	-301,540	0.00%
Roads Infrastructure: Roads: Land	8,153,120	-354,250	-8,507,370	-4.34%
Roads Infrastructure: Roads: Pavements	21,700,000	12,737,256	-8,962,744	58.70%
Sanitation Infrastructure: Pump Station: Civil Structure		0	0	0.00%
Sanitation Infrastructure: Pump Station: Mechanical Equipment	330,000	163,129	-166,871	49.43%
Sanitation Infrastructure: Wastewater Treatment: Civil Structure	983,840	75,366	-908,474	7.66%
Sanitation Infrastructure: Wastewater Treatment: Pipe Work	153,170,920	105,810,563	-47,360,357	69.08%
Storm water Infrastructure: Attenuation: Civil Structures		0	0	0.00%!

Annexure "A1"

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Storm water Infrastructure: Storm water Conveyance: Civil Structures	7,174,000	4,262,757	-2,911,243	59.42%
Storm water Infrastructure: Storm water Conveyance: Pipe Work	6,554,630	3,112,063	-3,442,567	47.48%
Water Supply Infrastructure: Bulk Mains: Pipe Work	31,290,730	23,416,250	-7,874,480	74.83%
Water Supply Infrastructure: Dams and Weirs: Electrical Equipment	1,800,000	992	-1,799,008	0.06%
Water Supply Infrastructure: Dams and Weirs: Mechanical Equipment	350,000	0	-350,000	0.00%
Water Supply Infrastructure: Distribution: Municipal Service Connections	160,000	2,339	-157,661	1.46%
Water Supply Infrastructure: Pump Station: Electrical Equipment	180,000	0	-180,000	0.00%
Water Supply Infrastructure: Water Treatment: Mechanical Equipment	606,080	0	-606,080	0.00%
Infrastructure: Corrective Maintenance: Planned				
Electrical Infrastructure: LV Networks: Public Lighting	18,933,590	17,173,708	-1,759,882	90.70%
Electrical Infrastructure: MV Networks: MV Conductors	25,433,510	20,093,219	-5,340,291	79.00%
Information and Communication Infrastructure: Core Layers: Communication Equipment	500,000	1,230	-498,770	0.25%
Sanitation Infrastructure: Pump Station: Civil Structure	16,875,000	8,134,066	-8,740,934	48.20%
Sanitation Infrastructure: Pump Station: Electrical Equipment		0	0	0.00%
Sanitation Infrastructure: Pump Station: Mechanical Equipment	8,000	6,126	-1,874	76.58%
Sanitation Infrastructure: Pump Station: Pipe Work	318,420	0	-318,420	0.00%
Sanitation Infrastructure: Wastewater Treatment: Buildings	507,890	0	-507,890	0.00%
Sanitation Infrastructure: Wastewater Treatment: Pavements	8,310	0	-8,310	0.00%
Storm water Infrastructure: Storm water Conveyance: Drainage	364,100		-364,100	0.00%
Water Supply Infrastructure: Dams and Weirs: Civil Structure	311,000		-311,000	0.00%
Water Supply Infrastructure: Distribution: Municipal Service Connections	61,948,740	58,653,658	-3,295,082	94.68%
Water Supply Infrastructure: Pump Station: Buildings	151,270	685.46	-150,585	0.45%
Water Supply Infrastructure: Pump Station: Electrical Equipment	1,896,880	153,803	-1,743,077	8.11%
Water Supply Infrastructure: Pump Station: Mechanical Equipment	56,657,800	54,487,465	-2,170,335	96.17%
Water Supply Infrastructure: Reservoirs: Civil Structure	2,800,000	14,955	-2,785,045	0.53%
Water Supply Infrastructure: Reservoirs: External Facilities	224,500	8,608	-215,892	3.83%
Water Supply Infrastructure: Reservoirs: Service Connections on Site	50,000	0	-50,000	0.00%
Water Supply Infrastructure: Water Treatment: Buildings	813,590	105,395	-708,195	12.95%
Water Supply Infrastructure: Water Treatment: Electrical Equipment	1,051,610	91,933	-959,677	8.74%
Water Supply Infrastructure: Water Treatment: Mechanical Equipment	2,553,350	192,482	-2,360,868	7.54%
Infrastructure: Preventative Maintenance: Condition Based			0	0.00%
Electrical Infrastructure: Power Plants: Control and Instrumentation	268,570	0	-268,570	0.00%
Rail Infrastructure: Rail Furniture	66,340	0	-66,340	0.00%
Roads Infrastructure: Road Structures: Civil Structures	1,000,000	0	-1,000,000	0.00%

Annexure “A1”

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Sanitation Infrastructure: Wastewater Treatment: Buildings	50,000	0	-50,000	0.00%
Water Supply Infrastructure: Distribution: Pipe Work	60,640	0	-60,640	0.00%
Water Supply Infrastructure: Water Treatment: Buildings	173,730	6,500	-167,230	3.74%
Infrastructure: Preventative Maintenance: Interval Based				
Electrical Infrastructure: HV Substations: Service Connections on Site		20,040	20,040	0.00%
Rail Infrastructure: Rail Lines: Rail Lines and Ballast	1,042,500	0	-1,042,500	0.00%
Roads Infrastructure: Roads: Pavements		0	0	0.00%
Sanitation Infrastructure: Pump Station: Civil Structure		0	0	0.00%
Sanitation Infrastructure: Wastewater Treatment: Buildings	1,023,050	38,806	-984,245	3.79%
Sanitation Infrastructure: Wastewater Treatment: Earthworks	270	0	-270	0.00%
Sanitation Infrastructure: Wastewater Treatment: Mechanical Equipment	39,250	0	-39,250	0.00%
Water Supply Infrastructure: Dams and Weirs: Mechanical Equipment	3,000	2,822	-178	94.07%
Non-infrastructure: Corrective Maintenance: Emergency				
Community Assets: Community Facilities: Clinics/Care Centres: Land	55,650	29,440	-26,210	52.90%
Community Assets: Community Facilities: Galleries: Buildings	30,000	0	-30,000	0.00%
Community Assets: Community Facilities: Halls: Buildings	200,000	260,117	60,117	130.06%
Community Assets: Community Facilities: Halls: Electrical Equipment	1,110,000	169,342	-940,658	15.26%
Community Assets: Community Facilities: Libraries: Buildings	557,500	130,954	-426,546	23.49%
Community Assets: Community Facilities: Markets: Buildings	550,000	85,850	-464,150	15.61%
Community Assets: Community Facilities: Markets: Electrical Equipment	30,000	3,900	-26,100	13.00%
Community Assets: Community Facilities: Museums: Buildings	862,540	74,293	-788,247	8.61%
Community Assets: Community Facilities: Nature Reserves: Mechanical Equipment	42,580	0	-42,580	0.00%
Community Assets: Community Facilities: Parks: Buildings	2,825,560	1,157,318	-1,668,242	40.96%
Community Assets: Community Facilities: Police: Buildings	151,170	0	-151,170	0.00%
Community Assets: Community Facilities: Public Ablution Facilities: Buildings	762,730	174,980	-587,750	22.94%
Community Assets: Community Facilities: Public Open Space: Buildings	308,110	0	-308,110	0.00%
Community Assets: Community Facilities: Public Open Space: Civil Structures	257,830	357,970	100,140	138.84%
Community Assets: Community Facilities: Public Open Space: External Facilities	530,190	1,520,726	990,536	286.83%
Community Assets: Community Facilities: Public Open Space: Land	991,860	45,284	-946,576	4.57%
Community Assets: Sport and Recreation Facilities: Indoor Facilities: Buildings	8,356,540	1,951,479	-6,405,061	23.35%
Community Assets: Sport and Recreation Facilities: Outdoor Facilities: Buildings	476,860	196,164	-280,696	41.14%
Computer Equipment	5,364,050	2,859,708	-2,504,342	53.31%
Furniture and Office Equipment	2,615,230	316,812	-2,298,418	12.11%
Heritage Assets: Conservation Areas	73,700	0	-73,700	0.00%

Annexure "A1"

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Machinery and Equipment	39,452,310	16,685,434	-22,766,876	42.29%
Other Assets: Housing: Social Housing: Buildings	7,101,000	681,089	-6,419,911	9.59%
Other Assets: Operational Buildings: Depots: Buildings	5,116,090	455,044	-4,661,046	8.89%
Other Assets: Operational Buildings: Depots: Civil Structures	514,730	262,710	-252,020	51.04%
Other Assets: Operational Buildings: Depots: External Facilities	735,610	0	-735,610	0.00%
Other Assets: Operational Buildings: Depots: Metalwork's	120,080	55400	-64,680	46.14%
Other Assets: Operational Buildings: Laboratories: Buildings	400,720	299,608	-101,112	74.77%
Other Assets: Operational Buildings: Municipal Offices: Buildings	29,253,760	8,009,360	-21,244,400	27.38%
Other Assets: Operational Buildings: Municipal Offices: Electrical Equipment	110,000	584,718	474,718	531.56%
Other Assets: Operational Buildings: Municipal Offices: Land	26,900	0	-26,900	0.00%
Other Assets: Operational Buildings: Municipal Offices: Mechanical Equipment	2,708,600	535,767	-2,172,833	19.78%
Other Assets: Operational Buildings: Training Centres: Buildings	100,000	8,676	-91,324	8.68%
Other Assets: Operational Buildings: Workshops: Buildings	200,000	256,825	56,825	128.41%
Transport Assets	4,483,520	2,390,086	-2,093,434	53.31%
Non-infrastructure: Corrective Maintenance: Planned				
Community Assets: Community Facilities: Fire/Ambulance Stations: Buildings		-40,529	-40,529	0.00%
Computer Equipment	224,320	6,957	-217,364	3.10%
Furniture and Office Equipment	3,480	0	-3,480	0.00%
Intangible Assets: Licences and Rights: Computer Software and Applications	51,540	0	-51,540	0.00%
Machinery and Equipment	816,920	64,732	-752,188	7.92%
Other Assets: Housing: Staff Housing: Buildings	195,000	13,610	-181,390	6.98%
Other Assets: Operational Buildings: Depots: Buildings	950,060	294,173	-655,887	30.96%
Other Assets: Operational Buildings: Municipal Offices: Buildings	1,389,530	221,949	-1,167,581	15.97%
Other Assets: Operational Buildings: Municipal Offices: External Facilities	542,790	36,130	-506,660	6.66%
Other Assets: Operational Buildings: Municipal Offices: Land	114,040	0	-114,040	0.00%
Transport Assets	37,680,580	23,693,641	-13,986,939	62.88%
Maintenance: Non-infrastructure: Preventative Maintenance				
Community Assets: Community Facilities: Halls: Buildings	10,000	0	-10,000	0.00%
Heritage Assets: Monuments	150,000	121,813	-28,187	81.21%
Machinery and Equipment	1,100	0	-1,100	0.00%
Other Assets: Operational Buildings: Municipal Offices: Buildings	513,800	181,000	-332,800	35.23%
Other Assets: Operational Buildings: Municipal Offices: External Facilities	118,170	3,000	-115,170	2.54%
Non-infrastructure: Preventative Maintenance: Interval Based				
Community Assets: Community Facilities: Halls: Buildings	7,427,500	1,794,629	-5,632,871	24.16%

Annexure "A1"

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Community Assets: Community Facilities: Halls: Electrical Equipment	100,000	332,139	232,139	332.14%
Community Assets: Community Facilities: Halls: Land	300,000	0	-300,000	0.00%
Community Assets: Community Facilities: Libraries: Buildings	1,645,780	422,890	-1,222,890	25.70%
Community Assets: Sport and Recreation Facilities: Outdoor Facilities: Buildings	30,000	325.3	-29,675	1.08%
Computer Equipment	250,000	0	-250,000	0.00%
Furniture and Office Equipment	283,790	1,533	-282,257	0.54%
Intangible Assets: Licences and Rights: Computer Software and Applications	6,124,480	5,083,886	-1,040,594	83.01%
Other Assets: Operational Buildings: Depots: Buildings	4,148,070	1,017,254	-3,130,816	24.52%
Other Assets: Operational Buildings: Depots: Electrical Equipment	800,000	115,991	-684,009	14.50%
Other Assets: Operational Buildings: Municipal Offices: Buildings	707,930	28,121	-679,809	3.97%
Other Assets: Operational Buildings: Municipal Offices: External Facilities	333,900	0	-333,900	0.00%
Grand Total	**728,945,890**	**454,782,320**	**-274,163,570**	**62.39%**

Repairs and Maintenance by Asset Class:

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Community and Social Services				
Core Function: Animal Care and Diseases	155,110	21,422	-133,688	13.81%
Core Function: Cemeteries, Funeral Parlours and Crematoriums	1,357,620	1,090,320	-267,300	80.31%
Core Function: Community Halls and Facilities	29,706,830	7,914,394	-21,792,436	26.64%
Non-core Function: Disaster Management	392,170	40,972	-351,198	10.45%
Non-core Function: Libraries and Archives	1,108,280	142,454	-965,826	12.85%
Non-core Function: Museums and Art Galleries	1,142,040	74,558	-1,067,482	6.53%
Energy Sources				
Core Function: Electricity	131,178,790	98,339,517	-32,839,273	74.97%
Core Function: Street Lighting and Signal Systems	4,200,000	2,623,599	-1,576,401	62.47%
Non-core Function: Electricity	400,000	0	-400,000	0.00%
Environmental Protection				
Core Function: Biodiversity and Landscape	822,080	85,403	-736,677	10.39%
Non-core Function: Nature Conservation		0	0	0.00%
Executive and Council				
Core Function: Mayor and Council	146,510	1,550	-144,960	1.06%
Core Function: Municipal Manager, Town Secretary and Chief Executive	31,630	0	-31,630	0.00%

Annexure "A1"

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Finance and Administration				
Core Function: Administrative and Corporate Support	873,900	555,851	-318,049	63.61%
Core Function: Asset Management	33,760	0	-33,760	0.00%
Core Function: Finance	3,785,870	50,669	-3,735,201	1.34%
Core Function: Fleet Management	23,700,000	18,227,745	-5,472,255	76.91%
Core Function: Human Resources	268,500	27,274	-241,226	10.16%
Core Function: Information Technology	417,000	1,064	-415,936	0.26%
Core Function: Legal Services	21,800	0	-21,800	0.00%
Core Function: Marketing, Customer Relations, Publicity and Media Co-ordination	3,670	0	-3,670	0.00%
Core Function: Security Services	485,960	-315,214	-801,174	-64.86%
Core Function: Supply Chain Management	415,450	110,151	-305,299	26.51%
Core Function: Valuation Service	84,520	0	-84,520	0.00%
Health				
Core Function: Health Services	2,148,310	70,385	-2,077,925	3.28%
Core Function: Laboratory Services	3,900,720	1,766,259	-2,134,461	45.28%
Housing				
Non-core Function: Housing	10,006,380	1,247,840	-8,758,540	12.47%
Non-core Function: Informal Settlements	1,050,000	41,390	-1,008,610	3.94%
Internal Audit				
Core Function: Governance Function	113,140	8,702	-104,438	7.69%
Other				
Core Function: Licensing and Regulation	491,470	152,778	-338,692	31.09%
Core Function: Markets	1,472,060	110,671	-1,361,389	7.52%
Core Function: Tourism	15,000	0	-15,000	0.00%
Planning and Development				
Core Function: Corporate Wide Strategic Planning (IDPs, LEDs)	5,847,470	5,083,886	-763,584	86.94%
Core Function: Economic Development/Planning	18,000	1,652	-16,348	9.18%
Core Function: Project Management Unit	108,780	1,010	-107,770	0.93%
Core Function: Town Planning, Building Regulations and Enforcement, and City Engineer	1,147,240	171,971	-975,269	14.99%
Public Safety				
Core Function: Cleansing	15,750	0	-15,750	0.00%
Core Function: Fire Fighting and Protection	6,177,280	3,092,013	-3,085,267	50.05%
Core Function: Police Forces, Traffic and Street Parking Control	5,382,110	1,466,719	-3,915,391	27.25%
Road Transport				
Core Function: Roads	78,284,150	31,445,524	-46,838,626	40.17%

Annexure “A1”

Description	2025/26 Adjusted Budget	2025/26 Actuals	2025/26 Variance	% Achieved
Non-core Function: Public Transport	18,440,420	4,402,484	-14,037,936	23.87%
Sport and Recreation				
Core Function: Beaches and Jetties	1,688,000	195,525	-1,492,475	11.58%
Core Function: Community Parks (including Nurseries)	2,568,680	713,963	-1,854,717	27.79%
Core Function: Recreational Facilities	7,509,750	2,131,297	-5,378,453	28.38%
Core Function: Sports Grounds and Stadiums	7,771,760	8,448,882	677,122	108.71%
Waste Management				
Core Function: Solid Waste Disposal (Landfill Sites)	1,441,170	137,153	-1,304,017	9.52%
Core Function: Solid Waste Removal	432,880	0	-432,880	0.00%
Core Function: Street Cleaning	674,350	20,823	-653,527	3.09%
Waste Water Management				
Core Function: Public Toilets	1,407,570	188,876	-1,218,694	13.42%
Core Function: Sewerage	176,672,960	116,583,607	-60,089,353	65.99%
Core Function: Wastewater Treatment	15,558,250	3,163,607	-12,394,643	20.33%
Water Management				
Core Function: Water Distribution	156,032,300	136,924,316	-19,107,984	87.75%
Core Function: Water Storage	4,675,420	135,755	-4,539,665	2.90%
Core Function: Water Treatment	17,163,030	8,083,504	-9,079,526	47.10%
Grand Total	**728,945,890**	**454,782,320**	**-274,163,570**	**62.39%**

Annexure “A1”

120

Annexure "A2"

CAPITAL BUDGET PERFORMANCE AT 30 June 2026

Below is an analysis of the capital expenditure compared to the approved 2025/26 Capital Budget.

Vote Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Multi-Year expenditure appropriation									
Vote 1 - Budget & Treasury	–	6,270	6,120	–	–	6,120	(6,120)	-100%	6,120
Vote 2 - Public Health	10,334	92,663	15,250	318	6,158	15,250	(9,092)	-60%	15,250
Vote 3 - Human Settlements	107,754	2,421	131,891	15,194	57,894	131,891	(73,997)	-56%	131,891
Vote 4 - Economic Development, Tourism & Agriculture	–	809	103,540	2,072	30,004	103,540	(73,536)	-71%	103,540
Vote 5 - Corporate Services	–	30,376	7,969	37	2,719	7,969	(5,250)	-66%	7,969
Vote 6 - Infrastructure & Engineering Unit - Rate & General	359,666	83,012	440,397	24,129	308,284	440,397	(132,113)	-30%	440,397
Vote 7 - Metro Water Service	286,984	31,696	504,248	8,775	113,020	504,248	(391,228)	-78%	504,248
Vote 8 - Sanitation - Metro	95,950	32,665	178,999	18,821	63,297	178,999	(115,702)	-65%	178,999
Vote 9 - Electricity & Energy	167,496	14,336	249,238	25,621	174,676	249,238	(74,562)	-30%	249,238
Vote 10 - Executive & Council	22,245	–	–	–	–	–	–		–
Vote 11 - Safety & Security	1,910	47,752	21,150	–	4,704	21,150	(16,446)	-78%	21,150
Vote 12 - Mandela Bay Stadium	–	5,150	6,850	–	–	6,850	(6,850)	-100%	6,850
Vote 13 - Special Projects and Programmes	–	–	–	–	–	–	–		–
Vote 14 - Recreational & Cultural Services	5,790	67,934	23,021	1,870	11,878	23,021	(11,143)	-48%	23,021
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	**1,058,131**	**415,084**	**1,688,674**	**96,838**	**772,635**	**1,688,674**	**(916,038)**	**-54%**	**1,688,674**
Single Year expenditure appropriation									
Vote 1 - Budget & Treasury	2,034	23,000	10,080	238	2,996	10,080	(7,084)	-70%	10,080
Vote 2 - Public Health	84,980	14,800	129,813	4,315	71,072	129,813	(58,741)	-45%	129,813
Vote 3 - Human Settlements	3,753	179,914	2,421	400	781	2,421	(1,640)	-68%	2,421
Vote 4 - Economic Development, Tourism & Agriculture	4,692	8,000	1,829	285	645	1,829	(1,183)	-65%	1,829
Vote 5 - Corporate Services	16,980	5,924	30,321	1,430	11,786	30,321	(18,535)	-61%	30,321
Vote 6 - Infrastructure & Engineering Unit - Rate & General	73,621	465,049	162,905	10,665	83,149	162,905	(79,756)	-49%	162,905
Vote 7 - Metro Water Service	23,797	517,148	47,640	2,071	19,609	47,640	(28,031)	-59%	47,640
Vote 8 - Sanitation - Metro	13,339	195,999	11,100	451	9,039	11,100	(2,061)	-19%	11,100

Annexure "A2"

Vote Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Vote 9 - Electricity & Energy	19,835	199,287	30,931	262	33,530	30,931	2,599	8%	30,931
Vote 10 - Executive & Council	–	–	–	–	–	–	–		–
Vote 11 - Safety & Security	5,037	24,600	51,202	4,158	16,074	51,202	(35,128)	-69%	51,202
Vote 12 - Mandela Bay Stadium	–	6,850	5,150	–	–	5,150	(5,150)	-100%	5,150
Vote 13 - Special Projects and Programmes	–	–	–	–	–	–	–		–
Vote 14 - Recreational & Cultural Services	19,616	35,630	43,162	4,141	22,538	43,162	(20,625)	-48%	43,162
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–		–
Total Capital single-year expenditure	267,682	1,676,202	526,553	28,418	271,218	526,553	(255,334)	-48%	526,553
Total Capital Expenditure	**1,325,813**	**2,091,286**	**2,215,226**	**125,256**	**1,043,854**	**2,215,226**	**(1,171,373)**	**-53%**	**2,215,226**
Capital Expenditure - Functional Classification									
Governance and administration	**73,836**	**270,443**	**218,716**	**11,273**	**64,308**	**218,716**	(154,408)	-71%	**218,716**
Executive and council							–		
Finance and administration	73,836	270,443	218,716	11,273	64,308	218,716	(154,408)	-71%	218,716
Internal audit							–		
Community and public safety	**98,759**	**199,467**	**181,579**	**13,222**	**91,276**	**181,579**	(90,304)	-50%	**181,579**
Community and social services	28,652	73,580	42,273	7,533	26,640	42,273	(15,632)	-37%	42,273
Sport and recreation	46,444	77,340	89,430	5,551	41,925	89,430	(47,506)	-53%	89,430
Public safety	23,204	46,647	47,976	137	22,013	47,976	(25,963)	-54%	47,976
Housing	260	600	600		598	600	(2)	0%	600
Health	199	1,300	1,300		99	1,300	(1,201)	-92%	1,300
Economic and environmental services	**466,376**	**490,593**	**588,670**	**29,535**	**369,102**	**588,670**	(219,568)	-37%	**588,670**
Planning and development	22,245		100,040	1,313	27,678	100,040	(72,362)	-72%	100,040
Road transport	444,130	489,593	487,880	28,222	340,777	487,880	(147,103)	-30%	487,880
Environmental protection	–	1,000	750		647	750	(103)	-14%	750
Trading services	**686,842**	**1,122,783**	**1,222,761**	**70,468**	**516,842**	**1,222,761**	(705,919)	-58%	**1,222,761**
Energy sources	183,659	205,123	272,519	25,523	206,135	272,519	(66,384)	-24%	272,519
Water management	312,352	554,787	563,330	22,528	146,733	563,330	(416,597)	-74%	563,330
Waste water management	159,354	324,873	314,642	22,417	124,977	314,642	(189,665)	-60%	314,642
Waste management	31,477	38,000	72,270		38,997	72,270	(33,273)	-46%	72,270
Other	–	8,000	3,500	759	2,326	3,500	(1,174)	-34%	3,500
Total Capital Expenditure - Functional Classification	**1,325,813**	**2,091,286**	**2,215,226**	**125,256**	**1,043,854**	**2,215,226**	**(1,171,373)**	**-53%**	**2,215,226**

Annexure "A2"

Vote Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Funded by:									
National Government	1,029,744	1,325,029	1,367,640	87,359	638,832	1,367,640	(728,808)	-53%	1,367,640
Provincial Government						–	–		–
District Municipality					–	–	–		–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	20,302	43,000	53,500	5,398	41,882	53,500	(11,618)	-22%	53,500
Transfers recognised - capital	**1,050,046**	**1,368,029**	**1,421,140**	**92,757**	**680,714**	**1,421,140**	**(740,426)**	**-52%**	**1,421,140**
Borrowing	43,414	60,500	60,500		–	60,500	(60,500)	-100%	60,500
Internally generated funds	232,354	662,757	733,587	32,499	363,140	733,587	(370,447)	-50%	733,587
Total Capital Funding	**1,325,813**	**2,091,286**	**2,215,226**	**125,256**	**1,043,854**	**2,215,226**	**(1,171,373)**	**-53%**	**2,215,226**

- The performance on expenditure for capital projects by Directorate is reflected in Annexure A2i.
- Only 47% of the Capital Adjusted Budget was spend as of 30 June 2026. This largely represents two months' expenditure as supplier invoices are paid 30 days from the date of the invoice.

The impact of the Capital Budget on the Municipality's cash flow position is discussed in **Annexure A3** of this report.

Annexure "A2(i)"

CAPITAL EXPENDITURE REPORT FOR THE PERIOD 1 JULY 2025 – 30TH JUNE 2026

CAPITAL EXPENDITURE BY DIRECTORATE FOR 2025/26 1 JULY 2025 - 30 JUNE 2026										
Directorate	Project	Project Title	2025/26 Original Budget	2025/26 Adjustments Budget	Virements	Budget Amendments	2025/26 Budget	Expenditure	Source Code	Finance Source
Budget & Treasury	20182605	Construction of new offices at Supply Chain Management	18,100,000	4,500,000			4,500,000		901	CRR
Budget & Treasury	20182612	B&T Office Renovations - ETB	300,000	300,000			300,000		901	CRR
Budget & Treasury	20230299	Purchase & installation of Water Tanks:Customer Care Centres	300,000	300,000			300,000		901	CRR
Budget & Treasury	20240240	Purchase of Filing Cabinets for Customer Care Archiving	2,000,000	2,000,000			2,000,000		901	CRR
Budget & Treasury	20240242	Upgrading of NMBM Legacy System - mSCOA	3,000,000	1,620,000			1,620,000		901	CRR
Budget & Treasury	20250085	Emergency Security Measures at Harrower Road Cable Yard - Enclosing Perimeter	-	2,429,660			2,429,660	1,943,469	901	CRR
Budget & Treasury	20250335	Installation of CCTV Equipment : Creditors Section	200,000	200,000			200,000		901	CCR
Budget & Treasury	20250336	Installation of Alarm system - Creditors Section	250,000	250,000			250,000		901	CRR
Budget & Treasury	20250337	Replacement of Old Laptop and Desktops : Creditors Section	350,000	350,000			350,000	241,657	901	CCR
Budget & Treasury	20250338	Office Furniture - Budget & Treasury	420,000	1,000,000			1,000,000	18,763	901	CRR
Budget & Treasury	20250339	Burglar Proofing - Creditors Section	100,000	100,000			100,000		901	CCR
Budget & Treasury	20250392	Purchase of new forklift - SCM	650,000	650,000			650,000	649,889	901	CRR
Budget & Treasury	20260083	Purchase of Computer Equipment	-	800,000			800,000	90,607	901	CRR
Budget & Treasury	20200262	Replacement of Old Laptops and Desktop PC's	400,000	400,000			400,000		959	Levies
Budget & Treasury	20220171	Acquisition of Motor Vehicle for Customer Care	750,000	750,000			750,000		959	Levies
Budget & Treasury	20230296	Replacement of Revenue Sub-Directorate Computer Equipment	200,000	200,000			200,000		959	Levies
Budget & Treasury	20230300	Replacement of Air-Conditioning Units:Customer Care Centres	150,000	150,000			150,000		959	Levies
Budget & Treasury	20250088	Replacement of Handheld Devices - Meter Reading	200,000	200,000			200,000		959	Levies
Corporate Services	20220112	Purchase of Computer Equipment	1,000,000	1,089,540			1,089,540	796,005	901	CRR
Corporate Services	20230181	Purchase of ICT infrastructure and equipment		110,000			110,000		901	CRR
Corporate Services	20240157	Installation of New Lifts: Lillian Diedericks Building	4,400,000	4,400,000			4,400,000		901	CRR
Corporate Services	20240159	Installation of New Lifts: Mfanasekhaya Gqobose Building	2,250,000	2,250,000			2,250,000		901	CRR
Corporate Services	20250227	Cuyler Depot - Fencing			190,000		190,000		901	CRR
Corporate Services	20250231	Jeff Masemola Hall - Fencing of Hall and Caretakers Cottage	-	140,000			140,000		901	CRR
Corporate Services	20250280	Construction of Ward 8 Councillor Office	1,900,000	1,900,000			1,900,000		901	CRR
Corporate Services	20250377	Corporate Services - Purchase of Furniture	200,000	200,000			200,000		901	CRR

Annexure "A2(i)"

Directorate	Project	Project Title	2025/26 Original Budget	2025/26 Adjustments Budget	Virements	Budget Amendments	2025/26 Budget	Expenditure	Source Code	Finance Source
CAPITAL EXPENDITURE BY DIRECTORATE FOR 2025/26										
1 JULY 2025 - 30 JUNE 2026										
Corporate Services	20250391	Upgrade of Jeff Masemola Hall	1,000,000	750,000	- 190,000		560,000	559,166	901	CRR
Corporate Services	20190264	Air Conditioning of Municipal Buildings	1,400,000	1,000,000	750,000		1,750,000	686,660	959	Levies
Corporate Services	20220112	Purchase of Computer Equipment			266,000		266,000	216,000	959	Levies
Corporate Services	20230053	Woolboard Council Chamber: Recording system and microphones	850,000	850,000			850,000		959	Levies
Corporate Services	20230181	Purchase of ICT infrastructure and equipment	13,000,000	13,000,000	- 216,000		12,784,000	8,410,438	959	Levies
Corporate Services	20230184	Purchase Of Tools And Equipment	100,000	500,000	- 199,325		300,675	213,916	959	Levies
Corporate Services	20250039	Upgrade to Fidelity Building	800,000	800,000	- 113,120		686,880		959	Levies
Corporate Services	20250050	Installation of alarm systems at ward councillors offices	200,000	200,000		- 200,000	-		959	Levies
Corporate Services	20250053	Booysens Park Hall: Installation of anti-climb fence	300,000	300,000	110,000		410,000		959	Levies
Corporate Services	20250056	Walmer Town Hall: Installation of Anti-Climb Fence	400,000	400,000		- 400,000	-		959	Levies
Corporate Services	20250059	Despatch Depot: Installation of Anti-Climb Fence	800,000	800,000	- 750,000		50,000		959	Levies
Corporate Services	20250226	Installation of Wireless,Networking and High Masts	2,000,000	2,000,000			2,000,000	1,955,074	959	Levies
Corporate Services	20250227	Cuyler Depot - Fencing	500,000	500,000	260,000		760,000		959	Levies
Corporate Services	20250228	Purchase of Kitchen Equipment at Uitenhage Community Halls	100,000	105,000			105,000	103,784	959	Levies
Corporate Services	20250231	Jeff Masemola Hall - Fencing of Hall and Caretakers Cottage	364,000	364,000	100,000		464,000		959	Levies
Corporate Services	20250254	Ward 54 Office: Temporary Office Container, kitchen & ablutions	450,000	475,000	298,556		773,556		959	Levies
Corporate Services	20250257	Alarm and security installations at NMBM Corporate Buildings	1,200,000	1,200,000	- 107,164		1,092,836	97,502	959	Levies
Corporate Services	20250260	Feather Market Centre - Upgrading of Ablution Facilities	300,000	300,000		- 300,000	-		959	Levies
Corporate Services	20250263	KwaNobuhle Depot - Upgrade to Facilities	200,000	200,000	- 100,000		100,000	98,470	959	Levies
Corporate Services	20250268	City Hall Auditorium - Installation of standby water pump.	40,000	40,000	- 38,000		2,000		959	Levies
Corporate Services	20250269	City Hall Auditorium - Installation of overhead projector	90,000	90,000			90,000	59,397	959	Levies
Corporate Services	20250271	Purchase of Furniture for Halls & Conference centres	400,000	400,000	- 23,387		376,613	301,130	959	Levies
Corporate Services	20250277	Purchase of furniture for Facilities Management Offices and kitchen - 4th Floor Lillian Diedericks	200,000	200,000	- 57,690		142,310	27,270	959	Levies
Corporate Services	20250278	Purchase of new PA System at Nangoza Jebe Hall	50,000	50,000		- 50,000	-		959	Levies
Corporate Services	20250279	Purchase of Furniture for Skills Development office	200,000	200,000			200,000	166,301	959	Levies
Corporate Services	20250282	Upgrade of Corporate HR Office - 16th Floor Lillian Diedericks Building	350,000	350,000			350,000	17,316	959	Levies
Corporate Services	20250296	City Hall - Installation of Water treatment auto dosing system for the Aircon Chiller Plant (Open sy	102,000	68,740			68,740	68,711	959	Levies

Annexure "A2(i)"

CAPITAL EXPENDITURE BY DIRECTORATE FOR 2025/26 1 JULY 2025 - 30 JUNE 2026										
Directorate	Project	Project Title	2025/26 Original Budget	2025/26 Adjustments Budget	Virements	Budget Amendments	2025/26 Budget	Expenditure	Source Code	Finance Source
Corporate Services	20250298	Fidelity Building - Installation of Water treatment auto dosing system for the Aircon Chiller Plant	102,000	102,000			102,000	96,404	959	Levies
Corporate Services	20250303	Noninzi Luzipho - Installation of Water treatment auto dosing system for the Aircon Chiller Plant (C	46,000	62,630			62,630		959	Levies
Corporate Services	20250305	Mfanasekhaya Gqobose Building - Installation of Water treatment auto dosing system for the Aircon Ch	46,000	62,630			62,630		959	Levies
Corporate Services	20250308	Cecil Kapi Hall - Installation of Aluminium windows and Anti-Climb Fence	80,000	80,000	- 17,680		62,320	59,202	959	Levies
Corporate Services	20250312	Motherwell NU 2 Hall - Replacement of Roof	25,000				-		959	Levies
Corporate Services	20250313	Matthew Goniwe Hall - Installation of New Gate Motor and construction of a ramp	35,000	38,090			38,090		959	Levies
Corporate Services	20250316	Limba Hall - Purchase of water tanks with purification system	20,000	11,909			11,909	11,909	959	Levies
Corporate Services	20250318	Bethelsdorp Community Hall - Ablution Upgrade	150,000	150,000		- 150,000	-		959	Levies
Corporate Services	20250319	Chatty Community Hall - Ablution Upgrade	100,000	100,000		- 100,000	-		959	Levies
Corporate Services	20250320	Booysen Park Hall - Ablution Upgrade	100,000	100,000		- 100,000	-		959	Levies
Corporate Services	20250321	Gail Road Depot: Installation of anti-climb fence	600,000	600,000		- 600,000	-		959	Levies
Corporate Services	20250322	Malabar Community Hall - Upgrade to ablution facilities	150,000	150,000		- 150,000	-		959	Levies
Corporate Services	20250323	Burchell Drive Depot - Installation of security measures	200,000	200,000		- 200,000	-		959	Levies
Corporate Services	20250324	Harrower RD Depot - Purchase of Boardroom furniture	150,000	150,000	- 11,680		138,320	138,317	959	Levies
Corporate Services	20250325	Harrower RD Depot - Purchase of Overhead projector with screen Facilities	50,000	50,000	- 7,550		42,450	42,445	959	Levies
Corporate Services	20250328	Lillian Diedericks - Upgrade to all floorways	500,000	-			-		959	Levies
Corporate Services	20250329	Mfanasekhaya Gqobose Building - Replacement of rollershutter doors at Main Entrance and Banking Hall	200,000	200,000			200,000		959	Levies
Corporate Services	20250330	Lillian Diedericks - Replace roller shutter door at Minus 1 Entrance	200,000	200,000	- 142,960		57,040	57,033	959	Levies
Corporate Services	20250334	Algoa House Upgrade	300,000	300,000			300,000		959	Levies
Corporate Services	20250377	Corporate Services - Purchase of Furniture		500,000			500,000	256,452	959	Levies
EDTA	20240239	EDTA: Coldrooms and Banana Ripening Facilities at Market	8,000,000	3,500,000			3,500,000	2,326,418	901	CRR
EDTA	20250389	EDTA: Procurement of Computers, Computer equipment and Laptops.	200,000	400,000			400,000	250,130	901	CRR
EDTA	20260074	EDTA: Upgrade of Donkin Network Connectivity	-	200,000			200,000	19,080	901	CRR
EDTA	20260076	EDTA: Purchase of Office Furniture and Equipment	-	620,000			620,000		901	CRR

Annexure "A2(i)"

CAPITAL EXPENDITURE BY DIRECTORATE FOR 2025/26 1 JULY 2025 - 30 JUNE 2026										
Directorate	Project	Project Title	2025/26 Original Budget	2025/26 Adjustments Budget	Virements	Budget Amendments	2025/26 Budget	Expenditure	Source Code	Finance Source
EDTA	20250300	Development of Food Garden:Walmer Airport Valley	173,910	173,910	- 83,958		89,952	89,952	972	ISUPG
EDTA	20250304	Development of Food Garden: Bayland	434,780	434,780	83,958		518,738	331,484	972	ISUPG
Electricity	20250374	E&E - Replacement of Laptops and Computer equipments	75,000	75,000			75,000	24,840	901	CRR
Electricity	20250375	E&E - Purchase of Office Furniture and Equipment	100,000	100,000			100,000		901	CRR
Electricity	20200207	Reinforcement of Electricity Network - Coega IDZ	25,000,000	22,500,000			22,500,000	17,637,207	923	PUBLIC CONTRIBUTIONS
Electricity	20200209	Public Contribution - Private Township Development	5,000,000	8,000,000	- 1,000,000		7,000,000	5,282,250	923	PUBLIC CONTRIBUTIONS
Electricity	20200339	E&E Miscellaneous Mains and Substations	13,000,000	23,000,000	1,000,000		24,000,000	18,954,693	923	PUBLIC CONTRIBUTIONS
Electricity	20150028	Refurbishment of Power Transformers	6,000,000	14,445,000			14,445,000	10,945,926	951	USDG
Electricity	20200188	E&E-Electrification of State Subsidised Houses	15,000,000	6,555,000			6,555,000	5,445,133	951	USDG
Electricity	20200338	E&E - Public Lighting	10,178,250	10,178,250			10,178,250	8,511,492	951	USDG
Electricity	20210092	Public Lighting - Retro fit	10,000,000	10,000,000			10,000,000	7,824,396	951	USDG
Electricity	20260039	Increase in Electrical Capacity at Kelvin Jones WWTW	-	1,200,000			1,200,000	262,089	951	USDG
Electricity	20260042	Mv-Line Refurbishment for Driftsands WWTW Restoration of Power Supply	-	3,000,000			3,000,000	2,998,681	951	USDG
Electricity	20070209	Substation Fibre Optic Backbone	2,000,000	345,000	525,000		870,000		959	LEVIES
Electricity	20150028	Refurbishment of Power Transformers	2,500,000	-			-	-	959	LEVIES
Electricity	20170045	Distribution Substation Building Refurbishment Programme	1,000,000	10,060			10,060	10,051	959	LEVIES
Electricity	20182549	Upgrade of Commercial Meters - Remote Metering	2,000,000	2,000,000			2,000,000	1,429,139	959	LEVIES
Electricity	20182550	Smart Pre-Payment Meters	2,000,000	2,000,000			2,000,000	1,999,771	959	LEVIES
Electricity	20200105	Low Voltage Reticulation Improvement	500,000	500,000			500,000	81,521	959	LEVIES
Electricity	20200106	Electricity Buildings Improvements	1,000,000	450,000		- 450,000	-		959	LEVIES
Electricity	20200113	Reinforcement of Electricity Network- North	1,000,000	3,500,000	- 120,000		3,380,000	2,057,339	959	LEVIES
Electricity	20200115	Reinforcement of Electricity Network- Wells Estate	3,000,000	2,500,000	- 161,157	- 1,500,000	838,843	520,471	959	LEVIES
Electricity	20200117	Reinforcement of Electricity Network- Korsten	700,000	-			-		959	LEVIES
Electricity	20200119	Reinforcement of Electricity Network- Newton Park	500,000	-			-		959	LEVIES
Electricity	20200120	Reinforcement of Electricity Network- Uitenhage	2,000,000	2,000,000	- 500,000		1,500,000	1,173,158	959	LEVIES
Electricity	20200123	Reinforcement of Electricity Network- Mount Road	1,270,000	1,270,000	- 65,000		1,205,000	1,203,762	959	LEVIES
Electricity	20200125	Reinforcement of Electricity Network- Despatch	1,000,000	200,000	- 198,000		2,000	-	959	LEVIES
Electricity	20200126	Reinforcement of Electricity Network- South	1,000,000	1,000,000	- 42,000		958,000	957,337	959	LEVIES

Annexure "A2(i)"

CAPITAL EXPENDITURE BY DIRECTORATE FOR 2025/26										
1 JULY 2025 - 30 JUNE 2026										
Directorate	Project	Project Title	2025/26 Original Budget	2025/26 Adjustments Budget	Virements	Budget Amendments	2025/26 Budget	Expenditure	Source Code	Finance Source
Electricity	20200128	Reinforcement of Electricity Network- Western	500,000	500,000	- 100,000	- 400,000	-		959	LEVIES
Electricity	20200131	New/Replacement of Plant and Motor Vehicles	3,000,000	6,500,000			6,500,000	1,710,869	959	LEVIES
Electricity	20200137	Procurement of Metering Products	4,000,000	5,450,000			5,450,000	5,444,666	959	LEVIES
Electricity	20200201	Supervisory Control - Equipment Upgrade	1,000,000	1,000,000		- 650,000	350,000	360,063	959	LEVIES
Electricity	20200203	HV Line Refurbishment (66 & 132KV)	3,000,000	3,000,000			3,000,000	2,956,459	959	LEVIES
Electricity	20200330	E&E- HV Circuit breakers replacement at major substations	3,000,000	1,500,000			1,500,000	1,062,515	959	LEVIES
Electricity	20200333	E&E- Deal Party 22kV Upgrade	2,500,000	2,500,000	500,000	- 500,000	2,500,000	2,011,928	959	LEVIES
Electricity	20200337	E&E - Mabandla MV Upgrade	2,500,000	2,500,000			2,500,000	1,617,511	959	LEVIES
Electricity	20210094	Relay Replacement	2,000,000	1,750,000		- 600,000	1,150,000	-	959	LEVIES
Electricity	20240156	Replace Munelek Server and Storage infrastructure	3,500,000	-			-		959	LEVIES
Electricity	20240163	REINFORCEMENT OF ELECTRICITY NETWORKS-COEGA - Internal funds	1,000,000	1,000,000			1,000,000	488,244	959	LEVIES
Electricity	20240165	Walmer - Summerstrand 132kV Powerline upgrade	1,000,000	1,000,000			1,000,000	975,212	959	LEVIES
Electricity	20240166	Perl Road Substation - Installation of 3rd Transformer	1,000,000	-			-		959	LEVIES
Electricity	20240169	Renewable Energy projects for self consumption	100,000	100,000			100,000		959	LEVIES
Electricity	20240171	LV Line Refurbishment	2,000,000	1,000,000			1,000,000	913,002	959	LEVIES
Electricity	20240172	MV Line Refurbishment	6,300,000	6,300,000	161,157		6,461,157	6,437,916	959	LEVIES
Electricity	20260084	132KV Overheard line Refurbishment Chatty- Bloemendal and Chatty-Rowallan Park	-	7,994,940			7,994,940	7,994,928	959	LEVIES
Electricity	20260262	132kV Overhead line Phase 1 & Phase 2: emergency restoration . and a construction of a powerline the Chelsea - Arlington/S	-			15,018,590	15,018,590	15,011,914	959	LEVIES
Electricity	20170022	Undeclared Informal Electrification	40,521,740	49,217,390			49,217,390	44,505,077	972	ISUPG
Electricity	20200337	E&E - Mabandla MV Upgrade	1,304,350	2,668,820			2,668,820	2,668,820	972	ISUPG
Electricity	20210341	E&E Bulk infrastructure establish New Sub Station - Booysens Park - Joe Slovo (Ward 36)	13,913,050	55,698,570			55,698,570	17,189,479	972	ISUPG
Electricity	20210345	E&E Construction of 22KV Feeder to Motherwell NU30 - Ward 54	6,956,520	6,956,520			6,956,520	5,852,324	972	ISUPG
Electricity	20230285	2024 ISUP - Install 132kV/11kV 31.5MVA transformer @ Kulati Sub - Ward 22	3,043,480	3,043,480			3,043,480	2,656,904	972	ISUPG
Electricity	20210372	E&E - EEDSM Energy Efficient Public Lighting	5,660,870	5,660,870			5,660,870		976	EEDSM
Human Settlements	20250376	Human Settlements - Purchase of computers and computer equipment	75,000	75,000			75,000	72,594	901	CRR
Human Settlements	20170088	Nkatha/Seyisi - Sewer Reticulation	8,000,000	8,000,000			8,000,000		951	USDG

Annexure "A2(i)"

CAPITAL EXPENDITURE BY DIRECTORATE FOR 2025/26										
1 JULY 2025 - 30 JUNE 2026										
Directorate	Project	Project Title	2025/26 Original Budget	2025/26 Adjustments Budget	Virements	Budget Amendments	2025/26 Budget	Expenditure	Source Code	Finance Source
Human Settlements	20190104	Connections and Water Meters	5,000,000	8,000,000			8,000,000	1,228,896	951	USDG
Human Settlements	20220068	Khayamnandi Phase 5 - Roadworks (Human Settlements)	7,530,800	10,530,800			10,530,800	10,393,202	951	USDG
Human Settlements	20220069	Khayamnandi Phase 5 - Stormwater Reticulation	2,000,000	4,000,000			4,000,000	3,202,919	951	USDG
Human Settlements	20220070	Khayamnandi Phase 5 - Water Reticulation	2,000,000	5,000,000			5,000,000	3,397,635	951	USDG
Human Settlements	20220071	Khayamnandi Phase 5 - Sewer Reticulation	5,652,630	10,652,630			10,652,630	9,735,263	951	USDG
Human Settlements	20230096	Jachtvlakte HS 8 (Chatty 11-14) Roadworks (HS)	13,000,000	8,000,000			8,000,000	7,548,582	951	USDG
Human Settlements	20230097	Jachtvlakte HS 8 (Chatty 11-14) Stormwater Reticulation	7,000,000	9,000,000			9,000,000	3,384,875	951	USDG
Human Settlements	20230098	Jachtvlakte HS 8 (Chatty 11-14) Water Reticulation (HS)	5,000,000	9,000,000			9,000,000	2,482,787	951	USDG
Human Settlements	20230099	Jachtvlakte HS 8 (Chatty 11-14) Sewer Reticulation (HS)	13,000,000	14,000,000			14,000,000	6,004,927	951	USDG
Human Settlements	20230122	Walmer Airport Valley (Area B&C) - Roadworks (HS)	21,000,000	-			-		951	USDG
Human Settlements	20230123	Walmer Airport Valley (Area B&C) - Stormwater Reticulation	7,000,000	-			-		951	USDG
Human Settlements	20230124	Walmer Airport Valley (Area B&C) - Water Reticulation (HS)	4,000,000	-			-		951	USDG
Human Settlements	20230125	Walmer Airport Valley (Area B&C) - Sewer Reticulation (HS)	8,000,000	-			-		951	USDG
Human Settlements	20230126	Walmer Erf 11305 - Roadworks (HS)	8,000,000	-			-		951	USDG
Human Settlements	20230127	Walmer Erf 11305 - Stormwater Reticulation (HS)	4,000,000	-			-		951	USDG
Human Settlements	20230128	Walmer Erf 11305 - Water Reticulation (HS)	3,000,000	-			-		951	USDG
Human Settlements	20230129	Walmer Erf 11305 - Sewer Reticulation (HS)	8,000,000	-			-		951	USDG
Human Settlements	20250126	Jagvlagte HS5 Roadworks (Human Settlements)	6,468,700	13,468,700			13,468,700	4,533,608	951	USDG
Human Settlements	20250127	Jagvlagte HS5 Stormwater Reticulation (Human Settlements)	2,000,000	2,000,000			2,000,000	541,110	951	USDG
Human Settlements	20250128	Jagvlagte HS5 Water Reticulation (Human Settlements)	3,000,000	5,000,000			5,000,000	811,665	951	USDG
Human Settlements	20250129	Jagvlagte HS5 Sewer Reticulation (Human Settlements)	8,000,000	10,000,000			10,000,000	2,483,843	951	USDG
Human Settlements	20240102	Acquisition of Land Survey Equipment	600,000	600,000			600,000	598,420	959	LEVIES
Human Settlements	20250122	Purchase of Conferencing Equipment (Housing Delivery)	280,000	280,000			280,000	160,680	959	LEVIES
Human Settlements	20250123	Fencing of the Motherwell Housing Support Centre (Housing Delivery)	1,000,000	800,000			800,000		959	LEVIES
Human Settlements	20250124	Purchase of vehicle (Housing Delivery)	450,000	450,000			450,000	368,440	959	LEVIES
Human Settlements	20250125	Purchase of vehicle (Administration)	550,000	550,000			550,000		959	LEVIES
Human Settlements	20250181	Purchase of Office Equipment - Building Inspectorate Division	36,000	11,000			11,000	2,905	959	LEVIES
Human Settlements	20250182	Purchase of Computer Equipment - Building Inspectorate Division	30,000	55,000			55,000	35,236	959	LEVIES
Human Settlements	20260035	Purchase of Computer and Computer Equipment		200,000			200,000	141,246	959	LEVIES

Annexure "A2(i)"

CAPITAL EXPENDITURE BY DIRECTORATE FOR 2025/26 1 JULY 2025 - 30 JUNE 2026										
Directorate	Project	Project Title	2025/26 Original Budget	2025/26 Adjustments Budget	Virements	Budget Amendments	2025/26 Budget	Expenditure	Source Code	Finance Source
Human Settlements	20230105	Bethelsdorp Ext 32,34,36 - Roadworks (Human Settlements)	6,956,530	219,600			219,600	219,588	972	ISUPG
Human Settlements	20230106	Bethelsdorp Ext 32,34,36 - Stormwater Reticulation	2,347,830	94,420			94,420	94,416	972	ISUPG
Human Settlements	20230117	Bethelsdorp Ext 32,34,36 - Water Reticulation	3,478,260	3,478,260			3,478,260	101,160	972	ISUPG
Human Settlements	20230119	Bethelsdorp Ext 32,34,36 - Sewer Reticulation	5,478,270	5,478,270			5,478,270	326,794	972	ISUPG
Human Settlements	20250130	Motherwell NU 30 Ph4 - Roadworks (Human Settlements)	4,160,350	567,230			567,230	490,619	972	ISUPG
Human Settlements	20250131	Motherwell NU 30 Ph4 - Stormwater Reticulation (Human Settlements)	1,560,130	120,250			120,250	104,558	972	ISUPG
Human Settlements	20250132	Motherwell NU 30 Ph4 - Water Reticulation (Human Settlements)	1,560,130	1,560,130			1,560,130	48,258	972	ISUPG
Human Settlements	20250133	Motherwell NU 30 Ph4 - Sewer Reticulation (Human Settlements)	3,120,260	3,120,260			3,120,260	160,859	972	ISUPG
Public Health	20190316	PH - Replacement of Refuse Compactors	30,000,000	30,000,000			30,000,000	-	901	CRR
Public Health	20210219	PH: Purchase of Computer Equipment	1,500,000	1,500,000	55,000		1,555,000	1,178,747	901	CRR
Public Health	20210220	PH: Purchase of Office Furniture	200,000	500,000	- 55,000		445,000	10,830	901	CRR
Public Health	20250207	Purchase of Guardhouses for Cemeteries	300,000				-		901	CRR
Public Health	20250354	Upgrade and Development of Public Open Spaces - Maitlands	1,600,000	1,600,000			1,600,000	1,491,473	901	CRR
Public Health	20190316	PH - Replacement of Refuse Compactors		34,000,000			34,000,000	29,997,183	951	USDG
Public Health	20200196	Development of waste disposal facilities (Koedoeskloof)	2,000,000	2,000,000			2,000,000		951	USDG
Public Health	20200289	Development of waste disposal facilities - Arlington	2,000,000	2,000,000			2,000,000	2,057,554	951	USDG
Public Health	20220119	Waste - Fencing of Arlington disposal site	500,000	500,000			500,000	500,000	951	USDG
Public Health	20230192	Upgrade of Major Parks: St. Georges Park	1,400,000	1,389,730			1,389,730	1,295,534	951	USDG
Public Health	20230212	Upgrade and Development of Public Open Spaces-Jacaranda Park	1,500,000	1,510,270			1,510,270	1,510,272	951	USDG
Public Health	20230213	Upgrade and Development of Public Open Spaces - Chamois Park	1,700,000	1,700,000			1,700,000	863,702	951	USDG
Public Health	20230214	Upgrade and Development of Public Open Spaces St Lilia Park	1,200,000	1,200,000			1,200,000	1,127,061	951	USDG
Public Health	20230215	Upgrade and Development of Public Open Spaces - Jolobe Park	1,300,000	1,300,000			1,300,000	1,277,447	951	USDG
Public Health	20230217	Upgrade and Development of Public Open Spaces -Sipres Park	1,200,000	1,200,000			1,200,000	1,115,100	951	USDG
Public Health	20230218	Upgrade and Development of Public Open Spaces - Richter Park	1,500,000	1,500,000			1,500,000		951	USDG

Annexure "A2(i)"

CAPITAL EXPENDITURE BY DIRECTORATE FOR 2025/26

1 JULY 2025 - 30 JUNE 2026

Directorate	Project	Project Title	2025/26 Original Budget	2025/26 Adjustments Budget	Virements	Budget Amendments	2025/26 Budget	Expenditure	Source Code	Finance Source
Public Health	20230219	Upgrade and Development of Public Open Spaces - Siqokwana Par	1,400,000	1,400,000	- 36,000		1,364,000	1,257,420	951	USDG
Public Health	20230220	Upgrade and Development of Public Open Spaces - Goldberg Saltlake Park	1,500,000	1,500,000			1,500,000		951	USDG
Public Health	20250215	Upgrade and Development of Public Open Spaces - Bunn Street Park	683,910	683,910	36,000		719,910	719,896	951	USDG
Public Health	20250351	Upgrade and Development of Public Open Spaces - Indwe Park	1,500,000	1,500,000			1,500,000		951	USDG
Public Health	20170131	Air Pollution Monitoring Equipment	1,000,000	1,000,000			1,000,000		959	LEVIES
Public Health	20190156	Upgrade and Development of Forest Hill Cemetery	500,000	526,310			526,310	526,310	959	LEVIES
Public Health	20190162	Upgrade and Development of Bloemendal Cemetery	600,000	600,000			600,000	587,836	959	LEVIES
Public Health	20190168	Upgrade and Development of Matanzima Cemetery	500,000	473,690			473,690	457,515	959	LEVIES
Public Health	20190171	PH - Upgrade and Development of Motherwell Cemetery	800,000	800,000			800,000	795,391	959	LEVIES
Public Health	20190198	Upgrading of Ablution Facility - Peter Gibbs Nursery	600,000	600,000	295,000	- 600,000	295,000		959	LEVIES
Public Health	20190283	Upgrade of Uitenhage Dog Pound	500,000	500,000			500,000		959	LEVIES
Public Health	20190298	Occupational Health and Wellness Center - Walmer	200,000	200,000	- 199,000		1,000		959	LEVIES
Public Health	20190307	Procurement of Specialised Vehicles - Public Health	8,100,000	8,080,000			8,080,000	1,750,036	959	LEVIES
Public Health	20190313	PH: Purchase of Waste Containers	2,000,000	750,000			750,000		959	LEVIES
Public Health	20190316	PH - Replacement of Refuse Compactors	-	20,000			20,000	-	959	LEVIES
Public Health	20200027	Specialised Medical Equipment	100,000	100,000			100,000	98,803	959	LEVIES
Public Health	20210227	Upgrade and Development of Kabah Cemetery	600,000	300,000	- 295,000		5,000		959	LEVIES
Public Health	20210228	Construction of new greenhouses at Peter Gibbs Nursery	600,000	600,000		- 600,000	-		959	LEVIES
Public Health	20210231	Non-Specialised Vehicles - Public Health	10,000,000	10,000,000			10,000,000	6,724,227	959	LEVIES
Public Health	20210233	PH: Purchase of Plant and Equipment	200,000	200,000			200,000	178,130	959	LEVIES
Public Health	20230280	Upgrade and Development of Bethelsdorp Cemetery	500,000	500,000			500,000	491,670	959	LEVIES
Public Health	20240139	Upgrade and development of Despatch cemetery	300,000	300,000			300,000	294,450	959	LEVIES
Public Health	20240143	Upgrading of Verwoed Drop-off Site	2,000,000	3,500,000			3,500,000		959	LEVIES
Public Health	20240161	Upgrade of internal roads within Van Stadens Nature reserve	250,000	350,000	- 349,990		10		959	LEVIES
Public Health	20240164	Fencing of Van Stadens Nature Reserve	150,000				-		959	LEVIES
Public Health	20240177	Rehabilittion of Van Standens Nature Reserve Roof coverings	1,000,000	750,000	- 65,000		685,000	646,976	959	LEVIES
Public Health	20240235	New Carports at Swartkops Tigerbay Depot	1,000,000	300,000	- 299,990		10		959	LEVIES
Public Health	20240237	Upgrade of the jetty at Tygerbay	200,000	200,000	15,000		215,000	214,500	959	LEVIES
Public Health	20250210	Municipal Health System	2,000,000				-		959	LEVIES

Annexure "A2(i)"

CAPITAL EXPENDITURE BY DIRECTORATE FOR 2025/26										
1 JULY 2025 - 30 JUNE 2026										
Directorate	Project	Project Title	2025/26 Original Budget	2025/26 Adjustments Budget	Virements	Budget Amendments	2025/26 Budget	Expenditure	Source Code	Finance Source
Public Health	20260051	Upgrade and Development of Walmer Gqeberha Cemetery		300,000			300,000		959	LEVIES
Public Health	20260054	Purchasing Air Conditioning- Air Pollution Monitoring Stations		500,000			500,000	39,690	959	LEVIES
Public Health	20260055	Fencing and Securing of Swartkops Depot Tigerbay		700,000	699,980	- 700,000	699,980		959	LEVIES
Public Health	20260058	Purchasing Air Conditioning- Municipal Offices		300,000	- 150,000		150,000		959	LEVIES
Public Health	20260059	Fencing of Blue Water Bay Drop Off Sites		1,250,000	349,000		1,599,000		959	LEVIES
Public Health	20220119	Waste - Fencing of Arlington disposal site	16,987,850	16,987,850			16,987,850	13,978,646	972	ISUPG
Public Health	20250281	Upgrade and Development of Public Open Spaces - Kingston Park	1,478,260	1,478,260			1,478,260	1,428,271	972	ISUPG
Public Health	20250283	Upgrade and Development of Public Open Spaces - Mgolodela Park	1,478,260	1,478,260			1,478,260		972	ISUPG
Public Health	20250284	Upgrade and Development of Public Open Spaces - Siyamthanda Park	1,478,260	1,478,260			1,478,260	1,387,458	972	ISUPG
Public Health	20250285	Upgrade and Development of Public Open Spaces - Middle Park	1,478,260	1,478,260			1,478,260	1,384,685	972	ISUPG
Public Health	20250371	Upgrade and Development of Public Open Spaces - MK 32 Park	1,478,260	1,478,260			1,478,260	1,474,852	972	ISUPG
Roads & Stormwater	20190106	Small Plant & Equipment	162,160	162,160			162,160		901	CRR
Roads & Stormwater	20230276	Tarring Of Gravel Roads- Priority 2	29,427,820	29,427,820			29,427,820	7,033,175	901	CRR
IPTS	20060229	IPTS - Work Package: Public Transport Facilities	600,000				-		918	IPTS
IPTS	20190054	IPTS - The Development of Cleary Park Depot and Terminal	400,000	600,000	1,480,000		2,080,000		918	IPTS
IPTS	20190175	IPTS - Automated Fare Collection (AFC) System	38,622,000	200,000			200,000		918	IPTS
IPTS	20200213	IPTS-Bus Rapid Transit	35,289,700				-		918	IPTS
IPTS	20210277	IPTS - OMS APTMS Lite - Phase 2	10,000,000	200,000			200,000		918	IPTS
IPTS	20220050	IPTS - TOC including Bus Priority	500,000	500,000	- 500,000		-		918	IPTS
IPTS	20220168	IPTS - Refurbishment of Busses	10,000,000	30,000,000			30,000,000	9,020,547	918	IPTS
IPTS	20230246	IPTS - The Development of Kariega CBD, Kwanobuhle	1,500,000				-		918	IPTS
IPTS	20250078	IPTS - Upgrading of Kariega Fresh Produce Market into an Interim Depot	10,000,000	8,000,000	- 980,000		7,020,000	3,508,890	918	IPTS
IPTS	20250079	IPTS - Provision of Bus Stops and Signage	10,000,000	5,000,000			5,000,000	4,712,575	918	IPTS
IPTS	20250080	IPTS - Road Improvements	15,000,000	12,500,000			12,500,000	12,463,963	918	IPTS
IPTS	20250229	IPTS - Widening of Bereng Road	7,000,000				-		918	IPTS

Annexure "A2(i)"

CAPITAL EXPENDITURE BY DIRECTORATE FOR 2025/26 1 JULY 2025 - 30 JUNE 2026										
Directorate	Project	Project Title	2025/26 Original Budget	2025/26 Adjustments Budget	Virements	Budget Amendments	2025/26 Budget	Expenditure	Source Code	Finance Source
IPTS	20250230	IPTS - Construction of Kwa-Nobuhle Holding Depot	1,500,000				-		918	IPTS
Roads & Stormwater	20260130	Roads - UPGRADE OF STRAUNWAY ROAD AND SPONDO ROAD TO A DUAL CARRIAGE WAY		17,391,300			17,391,300		919	NDPG
Roads & Stormwater	20230276	Tarring Of Gravel Roads- Priority 2	42,757,260	42,757,260			42,757,260	42,757,260	951	USDG
Roads & Stormwater	20250011	Roads & Stormwater - Disaster - Rehabilitation of KAT Canal	5,000,000	5,000,000			5,000,000	5,000,000	951	USDG
Roads & Stormwater	20260040	Construction of New Access Road at Rocklands WWTW		7,000,000			7,000,000	-	951	USDG
Roads & Stormwater	20260041	Construction of New Stormwater at Rocklands WWTW		1,000,000			1,000,000	-	951	USDG
Roads & Stormwater	20190106	Small Plant & Equipment	4,000,000	2,768,000	- 1,110,000		1,658,000	650,699	959	Levies
Roads & Stormwater	20190294	Aluta Continua Access Road - Joe Slovo	22,000,000	22,000,000	1,000,000		23,000,000	22,970,649	959	Levies
Roads & Stormwater	20200050	Rehabilitate concrete roads	3,000,000	3,000,000			3,000,000		959	Levies
Roads & Stormwater	20200051	Resurfacing tar roads	25,000,000	24,500,000	490,000	1,700,000	26,690,000	9,530,262	959	Levies
Roads & Stormwater	20200053	Upgrading of depots and offices	3,000,000	1,500,000	- 585,000		915,000	47,011	959	Levies
Roads & Stormwater	20200054	Rehabilitation of Roads	12,000,000	12,000,000			12,000,000	4,427,973	959	Levies
Roads & Stormwater	20200055	Replacement vehicle fleet-Automotive Transport	10,000,000	6,521,740			6,521,740	368,440	959	Levies
Roads & Stormwater	20200056	Roads-New /Replacement Vehicle fleet	5,000,000	1,078,260		- 1,078,260	-		959	Levies
Roads & Stormwater	20200057	Rehabilitation of Workshop Buildings	1,000,000	1,000,000	- 110,000		890,000	369,200	959	Levies
Roads & Stormwater	20200059	Reconstruction of stormwater system - Metrowide	2,000,000	2,000,000			2,000,000	1,995,301	959	Levies
Roads & Stormwater	20200060	Rehabilitation of Stormwater Ponds	2,000,000	3,850,000			3,850,000	2,439,231	959	Levies
Roads & Stormwater	20200062	Flood Risk improvement (All other rivers)	500,000	500,000			500,000		959	Levies

Annexure "A2(i)"

CAPITAL EXPENDITURE BY DIRECTORATE FOR 2025/26

1 JULY 2025 - 30 JUNE 2026

Directorate	Project	Project Title	2025/26 Original Budget	2025/26 Adjustments Budget	Virements	Budget Amendments	2025/26 Budget	Expenditure	Source Code	Finance Source
Roads & Stormwater	20200063	Stormwater Improvements	3,000,000	3,500,000	349,000		3,849,000	143,360	959	Levies
Roads & Stormwater	20200064	Motherwelll Canal Wetlands	500,000	500,000		- 500,000	-		959	Levies
Roads & Stormwater	20200065	New Traffic signals for roads intersections	500,000	500,000	- 349,000		151,000	121,142	959	Levies
Roads & Stormwater	20200068	TM24 Guidance Signs	350,000	350,000	- 340,000		10,000		959	Levies
Roads & Stormwater	20200069	Public Transport facilities	2,000,000	2,000,000		- 1,000,000	1,000,000		959	Levies
Roads & Stormwater	20200070	Traffic Control Equpment	7,000,000	7,000,000		- 1,700,000	5,300,000	791,677	959	Levies
Roads & Stormwater	20200073	Upgrade Main Road through Swartkops	2,000,000	2,000,000			2,000,000	1,611,834	959	Levies
Roads & Stormwater	20200078	Intersection Improvements	1,500,000	1,500,000			1,500,000	498,298	959	Levies
Roads & Stormwater	20200082	Construction of footbriges	500,000	500,000	- 490,000		10,000		959	Levies
Roads & Stormwater	20200083	Rehabilitation of Verges and sidewalks	2,000,000	2,000,000			2,000,000	334,247	959	Levies
Roads & Stormwater	20200086	Rehabilitation of Bridge Structures	1,500,000	1,500,000			1,500,000	406,472	959	Levies
Roads & Stormwater	20210173	Road Traffic Calming Measures	4,000,000	4,000,000			4,000,000	582,326	959	Levies
Roads & Stormwater	20210174	Roads - Peri - urban: Rehabilitation of gravel roads	2,000,000	2,000,000			2,000,000	1,575,828	959	Levies
Roads & Stormwater	20210176	Roads - Provision of Rudimentary Services	3,000,000	1,150,000	340,000		1,490,000		959	Levies
Roads & Stormwater	20210214	Roads: Purchase of Computer Equipment	400,000	1,000,000	60,000		1,060,000	524,061	959	Levies
Roads & Stormwater	20220117	Roads- Tarring of circles-New Brighton	10,000,000	10,000,000			10,000,000	9,800,072	959	Levies
Roads & Stormwater	20220122	Roads-Reconstruction of Old PE-Uitenhage Road	14,000,000	14,000,000			14,000,000	3,397,302	959	Levies
Roads & Stormwater	20230265	Wells Estate - Access Road - Tyinirha & Bhunga Roads	2,000,000	2,000,000			2,000,000		959	Levies

Annexure "A2(i)"

CAPITAL EXPENDITURE BY DIRECTORATE FOR 2025/26

1 JULY 2025 - 30 JUNE 2026

Directorate	Project	Project Title	2025/26 Original Budget	2025/26 Adjustments Budget	Virements	Budget Amendments	2025/26 Budget	Expenditure	Source Code	Finance Source
Roads & Stormwater	20230266	Stormwater Improvements Ikamvelihle: Ponds rehabilitation	1,500,000				-		959	Levies
Roads & Stormwater	20230267	Cannonville/Colechester: Stormwater improvements - road construction	2,000,000	3,500,000		- 2,000,000	1,500,000		959	Levies
Roads & Stormwater	20230271	John Tallant Link Road: Upgrading of Old Grahamstown Road	1,000,000	1,000,000			1,000,000	1,022,562	959	Levies
Roads & Stormwater	20230274	New Brighton/ Kwazakhele: Bulk Stormwater Phase 1	3,000,000	3,000,000			3,000,000	1,810,118	959	Levies
Roads & Stormwater	20230275	Blue Horizon Bay Bulk Stormwater: Phase 1	500,000	500,000		- 500,000	-		959	Levies
Roads & Stormwater	20230276	Tarring Of Gravel Roads- Priority 2	27,000,000	27,000,000			27,000,000	27,000,000	959	Levies
Roads & Stormwater	20230277	Provision of Sidewalk - Phase 25	10,000,000	10,000,000			10,000,000	9,887,554	959	Levies
Roads & Stormwater	20230282	Zwide Bulk Stormwater	12,800,000	12,800,000			12,800,000	12,545,956	959	Levies
Roads & Stormwater	20230322	Roads - Office Furniture	100,000	60,000	50,000		110,000		959	Levies
Roads & Stormwater	20240192	Fencing of Road Reserves - Metrowide	1,000,000	1,000,000		- 790,330	209,670		959	Levies
Roads & Stormwater	20250011	Roads & Stormwater - Disaster - Rehabilitation of KAT Canal	13,000,000	13,000,000			13,000,000	8,920,134	959	Levies
Roads & Stormwater	20250064	MDRG - Construction of new stormwater outlet headwalls, pipeline and drainage at Mavuso Road	-	3,921,740			3,921,740	503,171	959	Levies
Roads & Stormwater	20250068	MDRG - Upgrade & Restoration of Salt Lake - Siebritz Pond	-	2,084,650	585,000		2,669,650	2,304,571	959	Levies
Roads & Stormwater	20250069	MDRG - Construction of new stormwater piping at Budaza Street	-	1,393,610			1,393,610		959	Levies
Roads & Stormwater	20250370	Construction of Tshiwula street in New Brighton	2,000,000	2,172,000			2,172,000	2,171,331	959	Levies
Roads & Stormwater	20260047	Fencing of Road Reserves - Metrowide		1,500,000			1,500,000		959	Levies
Roads & Stormwater	20260048	Rehabilitation of Bridge Structures		500,000	110,000		610,000		959	Levies
Roads & Stormwater	20230307	2024 ISUP - Joe Slovo Ward 41 Construction of Roads	17,391,300	34,756,520			34,756,520	25,320,135	972	ISUPG

Annexure "A2(i)"

CAPITAL EXPENDITURE BY DIRECTORATE FOR 2025/26										
1 JULY 2025 - 30 JUNE 2026										
Directorate	Project	Project Title	2025/26 Original Budget	2025/26 Adjustments Budget	Virements	Budget Amendments	2025/26 Budget	Expenditure	Source Code	Finance Source
Roads & Stormwater	20240309	2025 ISUP-Khayamnandi -Nonkwiniza,Sakhisizwe, Ngcezi ward 41	17,391,300	34,782,600			34,782,600	25,375,625	972	ISUPG
Roads & Stormwater	20240311	2025 ISUP - Motherwell NU12 (Area C) - ward 54 - construction of road - Sizinzi	17,391,300				-		972	ISUPG
Roads & Stormwater	20240313	2025 ISUP -Vistarus/Rolihlahla - Construction of Roads - Jan, Xolani and Mpendula street in ward 31	11,304,350	11,304,350			11,304,350	10,995,515	972	ISUPG
Roads & Stormwater	20250235	2026 ISUP-construction of roads-bethelsdorp ext 32,34 and 36	17,391,300				-		972	ISUPG
Roads & Stormwater	20250236	2026 ISUP-construction of roads-motherwell NU 30	17,391,300	17,391,300			17,391,300	10,167,373	972	ISUPG
Roads & Stormwater	20250237	2026 ISUP-construction of roads-khayamnandi phase 6	17,391,300	17,391,300			17,391,300	15,694,808	972	ISUPG
Roads & Stormwater	20260029	2025 ISUP - Motherwell NU12 (Area B) - construction of roads - Ward 54	-				-		972	ISUPG
Roads & Stormwater	20250064	MDRG - Construction of new stormwater outlet headwalls, pipeline and drainage at Mavuso Road	-	5,540,000			5,540,000	5,540,000	975	MDRG
Roads & Stormwater	20250065	MDRG - Reconstruction of Moegesukkel Access Road	-	4,184,350			4,184,350	979,065	975	MDRG
Roads & Stormwater	20250066	MDRG - Reconstruction of Salt Lake - Jacks Street (Stormwater Channel 500m X 450mm)	-	2,296,210			2,296,210	1,693,436	975	MDRG
Roads & Stormwater	20250067	MDRG - Reconstruction of Salt Lake - Jacks Street (Roadworks 400m X 6m)	-	80,080			80,080	80,073	975	MDRG
Roads & Stormwater	20250068	MDRG - Upgrade & Restoration of Salt Lake - Siebritz Pond	-	3,548,600			3,548,600	3,548,600	975	MDRG
Roads & Stormwater	20250069	MDRG - Construction of new stormwater piping at Budaza Street	-	3,346,700			3,346,700	1,887,596	975	MDRG
Roads & Stormwater	20250070	MDRG - Reconstruction of Jabavu Footbridge in Kariega	-	4,766,730			4,766,730	2,708,026	975	MDRG
Roads & Stormwater	20250071	MDRG - Reconstruction of Mngwanza Street in Kariega	-	1,936,780			1,936,780	786,403	975	MDRG
Roads & Stormwater	20250072	MDRG - Reconstruction of De Mist Canal in Kariega	-	9,266,690			9,266,690	7,991,104	975	MDRG
Roads & Stormwater	20250073	MDRG - Reconstruction of Fourie Street in Kariega	-	2,469,190			2,469,190	1,211,930	975	MDRG
Roads & Stormwater	20250074	MDRG - Reconstruction of Stormwater Drainage System at Moegesukkel Access Road	-	7,629,200			7,629,200	6,539,325	975	MDRG

Annexure "A2(i)"

CAPITAL EXPENDITURE BY DIRECTORATE FOR 2025/26 1 JULY 2025 - 30 JUNE 2026										
Directorate	Project	Project Title	2025/26 Original Budget	2025/26 Adjustments Budget	Virements	Budget Amendments	2025/26 Budget	Expenditure	Source Code	Finance Source
Roads & Stormwater	20250176	MDRecG - Rehabilitation to Bridge and associated road works - Entrance to KwaNobuhle Ward 43	-	33,634,550			33,634,550	31,444,065	977	MDRecG
Roads & Stormwater	20250177	MDRecG -Rehabilitation to Bridge & associated road works - Ponana Tini & Matanzima Bridge Reconstruc	-	29,588,380			29,588,380	24,250,541	977	MDRecG
Roads & Stormwater	20250178	MDRecG - Partial Rehabilitation of 2.5 km of the Cat Canal	-			4,896,641	4,896,641		977	MDRecG
Safety & Security	20170142	S&S: Purchase of Vehicles for Metro Police	550,000	550,000			550,000	550,000	901	CRR
Safety & Security	20170154	Purchase of Firefighting Vehicle - Rescue Pump	10,000,000	10,000,000			10,000,000		901	CRR
Safety & Security	20190122	Purchase of Computer Equipment - Traffic	-	100,000	358,525		458,525	207,362	901	CRR
Safety & Security	20190123	Purchase of Computer Equipment - Fire & Emergency	300,000	300,000	-		300,000	285,173	901	CRR
Safety & Security	20190141	Purchase of Hydraulic Platform for Fire & Emergency Services	15,000,000	17,000,000			17,000,000		901	CRR
Safety & Security	20190228	Purchase of Radios for Safety and Security Directorate	12,000,000	10,000,000			10,000,000	4,703,824	901	CRR
Safety & Security	20190232	Purchase of Off-Road Vehicles for Fire & Emergency Services	1,956,350				-		901	CRR
Safety & Security	20190233	Fire: Purchase of Fire Appliance/ Engine	4,000,000	5,956,350	- 140,000		5,816,350		901	CRR
Safety & Security	20210202	Lift to accommodate Disabled Persons: Sidwell Traffic Centre	1,000,000	1,000,000	- 950,000		50,000		901	CRR
Safety & Security	20210204	Upgrade of Kwanobuhle Fire Station	300,000	300,000			300,000		901	CRR
Safety & Security	20210206	Refurbishment / Renewal of Govan Mbeki Fire Station	300,000	300,000			300,000		901	CRR
Safety & Security	20210207	Refurbishment / Renewal of Miramar Fire Station	500,000	500,000	140,000		640,000		901	CRR
Safety & Security	20230091	Procure & Install CCTV System at Sidwell Traffic Department	-	700,000	20,000		720,000	639,494	901	CRR
Safety & Security	20230113	Traffic: Purchase of Firearms	1,000,000	168,000	- 128,470		39,530	39,527	901	CRR
Safety & Security	20230115	Traffic: Construction of Store at Sidwell Traffic Centre	1,500,000	1,500,000	- 1,450,000		50,000		901	CRR
Safety & Security	20230116	Traffic: Construction of inside wall at Motherwell DLTC	300,000	300,000	- 92,845		207,155	207,154	901	CRR
Safety & Security	20230118	Traffic: Upgrade of Learner's Class at Korsten DLTC	300,000	225,000	- 115,210		109,790	109,790	901	CRR
Safety & Security	20230120	Traffic: Construction of LMV Maneuvering Area - Uitenhage	1,000,000	785,000		- 785,000	-		901	CRR
Safety & Security	20230121	Traffic: Construction of Motorcycle Test Track at Motherwell	300,000	590,000		- 590,000	-		901	CRR
Safety & Security	20230170	Fire: Replacement of fence at Uitenhage Fire Station	500,000	500,000			500,000	465,659	901	CRR
Safety & Security	20230171	Fire: Automation of Engine Bay Doors at Fire Stations	500,000	500,000			500,000		901	CRR
Safety & Security	20230173	Traffic: Purchase & Install Law Enforcement Equipment	2,000,000	1,041,000			1,041,000	469,916	901	CRR
Safety & Security	20230176	Traffic: Purchase of roadblock trailer with signage	300,000	300,000	- 42,000		258,000	257,226	901	CRR
Safety & Security	20230178	Traffic: Purchase of Vehicles for Traffic College	800,000	956,000	1,450,000		2,406,000	833,358	901	CRR

Annexure "A2(i)"

CAPITAL EXPENDITURE BY DIRECTORATE FOR 2025/26 1 JULY 2025 - 30 JUNE 2026										
Directorate	Project	Project Title	2025/26 Original Budget	2025/26 Adjustments Budget	Virements	Budget Amendments	2025/26 Budget	Expenditure	Source Code	Finance Source
Safety & Security	20230179	Traffic: Purchase of Vehicles for Law Enforcement	6,495,850	6,495,850	950,000	2,125,000	9,570,850	3,852,352	901	CRR
Safety & Security	20240090	Traffic: Rehab of Traffic & licensing Buildings - Uitenhage	500,000				-		901	CRR
Safety & Security	20260021	Traffic: Rehab of Traffic & licensing Buildings - Sidwell	-	400,000			400,000	104,644	901	CRR
Safety & Security	20260049	Traffic: Conversion of Crafter Panel Van into a Mobile Command Centre		750,000		- 750,000	-		901	CRR
Safety & Security	20260050	Traffic: Equipment for the Mobile Command Centre Vehicle		85,000			85,000		901	CRR
Safety & Security	20260081	Traffic: Construction of Additional Carports - Sidwell Traffic Department		100,000			100,000	57,725	901	CRR
Safety & Security	20170142	S&S: Purchase of Vehicles for Metro Police	-	5,600			5,600	5,572	959	Levies
Safety & Security	20190123	Purchase of Computer Equipment - Fire & Emergency			250,000		250,000	250,000	959	Levies
Safety & Security	20190124	Purchase of Computer Equipment - Disaster Management	250,000	250,000	175,760		425,760	337,963	959	Levies
Safety & Security	20190232	Purchase of Off-Road Vehicles for Fire & Emergency Services	2,000,000				-		959	Levies
Safety & Security	20190233	Fire: Purchase of Fire Appliance/ Engine		2,000,000			2,000,000		959	Levies
Safety & Security	20230103	Security Purchase of Law Enforcement Equipment	1,500,000	1,750,000			1,750,000	1,324,346	959	Levies
Safety & Security	20230107	Security Purchase of Firearms	250,000				-		959	Levies
Safety & Security	20230108	Metro Police Purchase of Law Enforcement Equipment	200,000	200,000			200,000	193,280	959	Levies
Safety & Security	20230161	Upgrade of Metro Police Bethelsdorp Precinct	500,000	494,400			494,400	183,968	959	Levies
Safety & Security	20230163	Metro Police: Purchase of Furniture and Office Equipment	500,000	500,000			500,000	398,615	959	Levies
Safety & Security	20230166	Security: Purchase of Furniture & Office Equipment	500,000	500,000	- 107,000		393,000	376,856	959	Levies
Safety & Security	20230174	Security: Purchase & install camera for surveillance vehicle	1,500,000				-		959	Levies
Safety & Security	20240091	Security: Purchase of Vehicles	2,000,000	3,500,000	- 44,000		3,456,000	3,388,382	959	Levies
Safety & Security	20240095	Purchase of Vehicles - Disaster Management	1,750,000	1,750,000	- 274,760		1,475,240	1,475,239	959	Levies
Sanitation	20190244	Purchase of Vehicles for Sanitation Services	5,000,000	5,000,000			5,000,000	112,212	901	CRR
Sanitation	20182423	BEP: Supply and install communal ablutions	2,000,000	1,208,160			1,208,160	218,987	951	USDG
Sanitation	20182431	Fishwater Flats WWTW Grit & Sludge Treatment Facility	500,000	500,000	33,000		533,000	46,538	951	USDG
Sanitation	20190247	Sanitation: Upgrading of Despatch Reclamation Works	1,000,000	815,000			815,000	415,409	951	USDG
Sanitation	20190248	Sanitation: Upgrading of Kelvin Jones WWTW	2,000,000	2,040,000			2,040,000	2,037,142	951	USDG
Sanitation	20190249	Sanitation: Upgrade of Rocklands WWTW	100,000	400,000			400,000	378,136	951	USDG
Sanitation	20190250	Sanitation: Jagtvlakte Bulk Sewer	3,000,000	100,000			100,000		951	USDG
Sanitation	20190253	Sanitation Services: Seaview Bullk Sewerage	250,000	-			-		951	USDG
Sanitation	20190256	Sanitation:Kwazakhele Collector Sewer Augmentation: Phase 3	10,000,000	500,000			500,000		951	USDG
Sanitation	20190257	Sanitation: Rehabilitation of Pump Stations	20,000,000	22,000,000			22,000,000	12,119,870	951	USDG
Sanitation	20190258	Sanitation: Sampling Station Equipment	250,000	150,000			150,000		951	USDG

Annexure "A2(i)"

CAPITAL EXPENDITURE BY DIRECTORATE FOR 2025/26
1 JULY 2025 - 30 JUNE 2026

Directorate	Project	Project Title	2025/26 Original Budget	2025/26 Adjustments Budget	Virements	Budget Amendments	2025/26 Budget	Expenditure	Source Code	Finance Source
Sanitation	20190259	Sanitation:Purchase of Telemetery Equipment for Pump Station	-	500,000			500,000	272,439	951	USDG
Sanitation	20190278	Sanitation Services: Upgrading of Fishwater Flats WWTW	2,000,000	2,000,000			2,000,000	1,961,933	951	USDG
Sanitation	20200160	Construction of Florida Heights Bulk Sewer	100,000	-			-		951	USDG
Sanitation	20200161	Upgrade of Melbrooks Bulk Sewer	500,000	-			-		951	USDG
Sanitation	20210244	Sanitation:Upgrade at Brickfields WWTW	100,000	100,000			100,000	91,964	951	USDG
Sanitation	20230268	Motherwell-Brickfields Sewer Siphon Upgrade	500,000	-			-		951	USDG
Sanitation	20230269	Bulk Sewers: Joe Slovo, Mandelaville & Allenridge West UIT -	6,000,000	3,500,000			3,500,000		951	USDG
Sanitation	20230270	Paapenkuil Main Sewer Augmentation	100,000	-			-		951	USDG
Sanitation	20230272	Driftsands Collector Sewer Augmentation - Phase 3	500,000	-			-		951	USDG
Sanitation	20230273	Hydraulic Upgrading of Kelvin Jones WWTW	2,000,000	2,500,000	300,000		2,800,000	1,407,727	951	USDG
Sanitation	20240058	Sanitation Services: Rehabilitation of Kwanobuhle WWTW	2,500,000	580,000			580,000		951	USDG
Sanitation	20240178	Renew Mechanical & Electrical Equipment - Driftsands WWTW	2,000,000	1,400,000			1,400,000	436,179	951	USDG
Sanitation	20240179	Renew Mechanical & Electrical Equipment -Cape Recife WWTW	2,500,000	2,420,000			2,420,000	792,748	951	USDG
Sanitation	20240180	Renew Mechanical & Electrical Equipment-Kelvin Jones WWTW	3,000,000	6,200,000			6,200,000	5,839,740	951	USDG
Sanitation	20240181	Renew Mechanical & Electrical Equipment of FWF WWTW	2,588,050	2,688,050			2,688,050	746,046	951	USDG
Sanitation	20240182	Renewal of Mechanical & Electrical Equipment - Despatch Reclamation Works	2,000,000	1,800,000			1,800,000	1,690,782	951	USDG
Sanitation	20240183	Renew Mechanical & Electrical Equipment-Kwanobuhle WWTW	2,500,000	100,000			100,000	93,787	951	USDG
Sanitation	20240186	Sanitation: Renewal of Swartkops Screw Pump Station	1,000,000	-			-		951	USDG
Sanitation	20240189	Sanitation: Purchase of Telemetry/ SCADA System	4,000,000	-			-		951	USDG
Sanitation	20250192	Sanitation: Collector Sewer Walmer Heights & Mount Pleasant - Phases 2 & 3	500,000	200,000			200,000	200,000	951	USDG
Sanitation	20250193	Renewal of Sewerage Pipelines & Infrastructure - North	23,178,220	20,278,220			20,278,220	5,330,472	951	USDG
Sanitation	20250194	Renewal of Sewerage Pipelines & Infrastructure - South	34,182,660	46,669,500	- 333,000		46,336,500	17,821,377	951	USDG
Sanitation	20190244	Purchase of Vehicles for Sanitation Services	3,000,000	2,500,000	- 150,000		2,350,000	2,350,000	959	Levies
Sanitation	20200319	Sanitation: Purchase of Small Plant & Equipment	300,000	254,000			254,000	252,955	959	Levies
Sanitation	20210243	Sanitation: Purchase of Computer Equipment	250,000	616,000	12,000		628,000	568,147	959	Levies
Sanitation	20250075	Sanitation: Purchase of Furniture & Office Equipment	100,000	100,000	40,000		140,000	62,746	959	Levies

Annexure "A2(i)"

CAPITAL EXPENDITURE BY DIRECTORATE FOR 2025/26

1 JULY 2025 - 30 JUNE 2026

Directorate	Project	Project Title	2025/26 Original Budget	2025/26 Adjustments Budget	Virements	Budget Amendments	2025/26 Budget	Expenditure	Source Code	Finance Source
Sanitation	20250197	Sanitation: Office Accommodation and other Upgrades at Depots	100,000	280,000	98,000		378,000	40,000	959	Levies
Sanitation	20182428	1411:Swartskops Low Level Collector Sewer Upgrade	8,500,000	1,000,000			1,000,000		962	Loan Funding
Sanitation	20190257	Sanitation: Rehabilitation of Pump Stations	-	8,500,000			8,500,000		962	Loan Funding
Sanitation	20230272	Driftsands Collector Sewer Augmentation - Phase 3	1,500,000	1,500,000			1,500,000		962	Loan Funding
Sanitation	20240178	Renew Mechanical & Electrical Equipment - Driftsands WWTW	-	1,000,000			1,000,000		962	Loan Funding
Sanitation	20240179	Renew Mechanical & Electrical Equipment -Cape Recife WWTW	-	1,200,000			1,200,000		962	Loan Funding
Sanitation	20240180	Renew Mechanical & Electrical Equipment-Kelvin Jones WWTW	-	1,000,000	181,000		1,181,000		962	Loan Funding
Sanitation	20240181	Renew Mechanical & Electrical Equipment of FWF WWTW	-	18,000,000	- 181,000		17,819,000		962	Loan Funding
Sanitation	20240221	Renew Mechanical and Electrical Equipment -Rocklands WWTW	-	1,300,000			1,300,000		962	Loan Funding
Sanitation	20240265	Sanitation: Cape Recife WWTW Construction of Pump Station Rising Main Pipeline	25,500,000	7,000,000			7,000,000		962	Loan Funding
Sanitation	20250192	Sanitation: Collector Sewer Walmer Heights & Mount Pleasant - Phases 2 & 3	25,000,000	20,000,000			20,000,000	3,356,409	962	Loan Funding
Sanitation	20230012	Sanitation: Construction of Communal Ablution Facilities	23,565,220	2,200,000			2,200,000	337,217	972	ISUPG
SRAC	20190158	SRAC: Upgrade and restoration of libraries - Zwide	2,000,000	2,000,000			2,000,000	496,107	901	CRR
SRAC	20200225	Re-Construction of Kwanobuhle Library	7,000,000				-		901	CRR
SRAC	20210217	Construction of new lifeguard house at Sardinia bay	4,800,000				-		901	CRR
SRAC	20210297	Upgrade of ST Georges pool	900,000	60,000			60,000		901	CRR
SRAC	20220094	Rehabilitation & Restoration of Chatty Library	-	500,000			500,000		901	CRR
SRAC	20220099	Upgrade of Raymond Mhlaba Swimming Pool	1,000,000	1,000,000			1,000,000	228,755	901	CRR
SRAC	20220146	Upgrade and development of Brighton Beach Infrastructure	900,000	900,000			900,000		901	CRR
SRAC	20220189	Rehabilitation of Park Drive Museum	100,000	100,000			100,000	29,464	901	CRR
SRAC	20230247	Upgrade of Rosedale swimming pool	-	700,000			700,000		901	CRR
SRAC	20230251	Upgrade and Restoration of Main Library - Phase 2	15,700,000				-		901	CRR
SRAC	20230253	Rehabilitation of Red Location Precinct (Phase 2) - Library	1,500,000				-		901	CRR
SRAC	20230255	Rehabilitation of Motherwell Library	500,000				-		901	CRR
SRAC	20230256	Wells Estate Beach - Upgrade Infrastructure	1,500,000	2,000,000			2,000,000		901	CRR
SRAC	20230331	SRAC: Purchase of Office Furniture & Equipment	100,000	500,000	10,000		510,000		901	CRR
SRAC	20240121	Upgrade of Newton Park Swimming Pool	1,050,000	8,050,000			8,050,000		901	CRR
SRAC	20240136	Renewal of SRAC St georges offices	1,000,000	1,000,000	- 10,000		990,000		901	CRR

Annexure "A2(i)"

CAPITAL EXPENDITURE BY DIRECTORATE FOR 2025/26										
1 JULY 2025 - 30 JUNE 2026										
Directorate	Project	Project Title	2025/26 Original Budget	2025/26 Adjustments Budget	Virements	Budget Amendments	2025/26 Budget	Expenditure	Source Code	Finance Source
SRAC	20250246	Rehabilitation of Kwazakhele swimming pool	-	280,000			280,000		901	CRR
SRAC	20250248	SRAC: Purchase of Bakkie Canopies	-	60,000			60,000		901	CRR
SRAC	20250250	Rehabilitation of Wolfson Stadium	-	750,000			750,000		901	CRR
SRAC	20250388	SRAC:Procurement of Computers, computer equipment and Laptops .	75,000	575,000			575,000		901	CRR
SRAC	20260078	Upgrade of Middle Pool	-	2,500,000			2,500,000		901	CRR
SRAC	20260080	Upgrade of Kings Beach Baby Pool		2,500,000			2,500,000		901	CRR
SRAC	20220094	Rehabilitation & Restoration of Chatty Library	1,500,000	1,500,000			1,500,000	1,150,816	951	USDG
SRAC	20240124	Upgrade of Zwide stadium	3,000,000	3,000,000			3,000,000	2,636,785	951	USDG
SRAC	20240322	Rehabilitation of Jabavu Stadium	3,534,780	3,534,780			3,534,780	3,147,278	951	USDG
SRAC	20190154	Happy Valley - Upgrade of Infrastructure	2,000,000	2,000,000			2,000,000	1,701,409	959	Levies
SRAC	20200225	Re-Construction of Kwanobuhle Library	600,000	600,000		- 600,000	-		959	Levies
SRAC	20220094	Rehabilitation & Restoration of Chatty Library	2,000,000	2,000,000	- 200,000		1,800,000		959	Levies
SRAC	20220095	Rehabilitation & Restoration of Kwamagxaki Library	2,000,000	2,000,000	- 350,000		1,650,000	670,604	959	Levies
SRAC	20220099	Upgrade of Raymond Mhlaba Swimming Pool		1,000,000			1,000,000	1,000,000	959	Levies
SRAC	20220106	Upgrade of coastal infrastructure- Kings Beach Ablutions	1,000,000	1,000,000			1,000,000	218,500	959	Levies
SRAC	20220107	Upgrade of coastal infrastructure - Pollock Beach Ablutions	1,000,000	1,000,000			1,000,000		959	Levies
SRAC	20220108	Upgrade of coastal infrastructure - Bluewater Bay Ablution	1,000,000	1,000,000			1,000,000	517,500	959	Levies
SRAC	20220109	Upgrade of coastal infrastructure - Hobie Yacht Club	1,000,000	1,000,000			1,000,000		959	Levies
SRAC	20220146	Upgrade and development of Brighton Beach Infrastructure	2,000,000	1,600,000			1,600,000	568,960	959	Levies
SRAC	20220183	Upgrading of Chevrolet caretaker cottage	1,000,000	1,000,000			1,000,000		959	Levies
SRAC	20230331	SRAC: Purchase of Office Furniture & Equipment			550,000		550,000	40,958	959	Levies
SRAC	20240120	Rehabilitation of Mzontsundu Sports field	1,500,000	1,500,000	250,000		1,750,000	966,109	959	Levies
SRAC	20240121	Upgrade of Newton Park Swimming Pool	2,300,000	1,000,000			1,000,000	45,000	959	Levies
SRAC	20240131	Purchase of lifeguard towers	700,000	700,000			700,000	537,000	959	Levies
SRAC	20240322	Rehabilitation of Jabavu Stadium		5,200,000			5,200,000	-	959	Levies
SRAC	20250084	Rehabilitation of Langa Memorial	10,000,000	4,800,000			4,800,000	4,346,211	959	Levies
SRAC	20250243	Gelvandale Caretaker Cottage	1,500,000	1,500,000	- 250,000		1,250,000		959	Levies
SRAC	20250245	Fencing of Linton Grange Library	1,000,000	1,000,000			1,000,000	915,208	959	Levies
SRAC	20250246	Rehabilitation of Kwazakhele swimming pool	500,000	500,000			500,000	157,643	959	Levies
SRAC	20250248	SRAC: Purchase of Bakkie Canopies	100,000	100,000			100,000		959	Levies
SRAC	20250250	Rehabilitation of Wolfson Stadium	1,000,000	1,000,000			1,000,000		959	Levies
SRAC	20250251	Mendi Arts Centre: Purchase of large digital screen	300,000	100,000			100,000		959	Levies
SRAC	20250388	SRAC:Procurement of Computers, computer equipment and Laptops .		200,000			200,000	61,605	959	Levies

Annexure "A2(i)"

Directorate	Project	Project Title	2025/26 Original Budget	2025/26 Adjustments Budget	Virements	Budget Amendments	2025/26 Budget	Expenditure	Source Code	Finance Source
CAPITAL EXPENDITURE BY DIRECTORATE FOR 2025/26										
1 JULY 2025 - 30 JUNE 2026										
SRAC	20260018	Rehabilitation of Varsvlei swimming pool	-	300,000		- 300,000	-		959	Levies
SRAC	20260063	SRAC: Purchase of Tools and Equipment	-	200,000			200,000		959	Levies
SRAC	20260065	Upgrade of Caretaker Cottage at NU2 Stadium		200,000			200,000		959	Levies
SRAC	20230295	Upgrade of City Friends Sports Field	3,478,260	3,478,260			3,478,260	2,179,471	972	ISUPG
SRAC	20230356	Ward 33 .Govan Mbeki Village Sports Facility.	3,478,260	3,478,260			3,478,260	2,892,984	972	ISUPG
SRAC	20240306	Upgrade of Walmer Sportsfiled	2,608,700	2,608,700	1,000,000		3,608,700	2,072,824	972	ISUPG
SRAC	20240308	Joe Slovo Sportfield:Grass Planting, Borehole installation, construction of a retaining wall	3,478,260	3,478,260	- 1,000,000		2,478,260	1,249,622	972	ISUPG
SRAC	20240312	Upgrade of Rensburg Sportsfield	2,608,700	2,608,700			2,608,700	2,345,955	972	ISUPG
SRAC	20250255	Rehabilitation of Matanzima Sportsfield Phase 1	3,478,260	3,478,260			3,478,260	3,448,457	972	ISUPG
SRAC	20250264	Rehabilitation of Ekuphumleni Multi Purpose centre	2,173,910	434,780			434,780		972	ISUPG
Water	20190163	Water Services: Purchase of New Vehicles	196,250	196,250			196,250		901	CRR
Water	20190237	Water Services: Bulk Water Metering + Control	1,000,000	1,000,000			1,000,000		901	CRR
Water	20200143	Water: Purchase and Installation of Water Meters	3,000,000	4,000,000			4,000,000		901	CRR
Water	20240057	Water Services: Rehabilitation of Nooitgedagt WTW	4,066,180	4,066,180	- 1,000,000		3,066,180	785,709	901	CRR
Water	20250163	Renewal of Distribution Water Pipelines	12,391,730	11,617,730			11,617,730		901	CRR
Water	20250172	Water: Rehabilitation of Reservoirs- Bulk	2,000,000	1,874,000	1,000,000		2,874,000		901	CRR
Water	20250173	Water: Rehabilitation of Reservoirs - Distribution	3,000,000	3,000,000			3,000,000		901	CRR
Water	20250180	Water: Site Security and preparation including fencing of proposed Future Desalination Plant at Scho	100,000				-		901	CRR
Water	20080094	Water Services: Rehabilitation of Dams	2,000,000	1,000,000			1,000,000		951	USDG
Water	20182414	Groundwater :Drought :Drilling & Equipping of Boreholes	500,000				-		951	USDG
Water	20182415	1412: Rehabilitation of Loerie Water Treatment Works	5,000,000	5,000,000			5,000,000		951	USDG
Water	20190235	Water Services: Rehabilitation of Water Pump Stations	20,000,000	40,600,000			40,600,000	2,520,518	951	USDG
Water	20190236	Construction of Coegakop Water Treatment Works (NON-MDRG)	250,000				-		951	USDG
Water	20190237	Water Services: Bulk Water Metering + Control	2,000,000	3,000,000			3,000,000	548,287	951	USDG
Water	20190238	Water Services: Upgrading of Churchill Water Treatment Works	4,500,000	4,500,000			4,500,000	948,172	951	USDG
Water	20190239	Water Services: Installation of Zone Water Meters	13,000,000	1,000,000			1,000,000	1,000,000	951	USDG
Water	20190241	Water Services: Purchase of Telemetry Equipment	6,000,000	500,000			500,000		951	USDG
Water	20190242	Water Services: Upgrading Groendal Water Treatment Works	3,000,000	3,000,000			3,000,000		951	USDG

Annexure "A2(i)"

CAPITAL EXPENDITURE BY DIRECTORATE FOR 2025/26

1 JULY 2025 - 30 JUNE 2026

Directorate	Project	Project Title	2025/26 Original Budget	2025/26 Adjustments Budget	Virements	Budget Amendments	2025/26 Budget	Expenditure	Source Code	Finance Source
Water	20200008	Water: Installation of Standpipes and Associated Water Meter	3,500,000	3,500,000			3,500,000	2,789,197	951	USDG
Water	20200143	Water: Purchase and Installation of Water Meters	15,000,000	19,000,000			19,000,000	17,377,475	951	USDG
Water	20210274	Upgrade of Linton Grange WTW	3,000,000	2,400,000			2,400,000		951	USDG
Water	20210280	Renewal of Elandsjagt Water Treatment Works	6,000,000	6,500,000			6,500,000	247,510	951	USDG
Water	20240057	Water Services: Rehabilitation of Nooitgedagt WTW	4,000,000	500,000			500,000	500,000	951	USDG
Water	20240117	Water: Purchase + Install Advanced Meter Infrastructure	4,000,000	2,000,000			2,000,000	1,996,878	951	USDG
Water	20240173	Water: Construction of Greenbushes Pipeline	1,000,000				-		951	USDG
Water	20250162	Renewal of Bulk Water Pipelines	26,580,770	13,080,770			13,080,770	3,617,462	951	USDG
Water	20250163	Renewal of Distribution Water Pipelines	28,229,170	28,529,170			28,529,170	24,251,608	951	USDG
Water	20250172	Water: Rehabilitation of Reservoirs- Bulk	2,000,000	3,500,000			3,500,000	1,479,769	951	USDG
Water	20250173	Water: Rehabilitation of Reservoirs - Distribution	3,000,000	3,000,000			3,000,000	2,363,129	951	USDG
Water	20250175	Water: Older Dams' Bulk Pipelines Augmentation	6,500,000	4,000,000			4,000,000	3,358,269	951	USDG
Water	20250186	Water Services: Rehabilitation of Rocklands WTW	1,500,000	1,500,000			1,500,000		951	USDG
Water	20250187	Water Services: Rehabilitation of Wellfields	1,000,000	1,000,000			1,000,000	120,974	951	USDG
Water	20250191	Water Bulk Services for Seaview Development	500,000				-		951	USDG
Water	20260037	Water: Purchase. Installation & Replacement of ICI Water Meters		14,000,000			14,000,000	5,858,340	951	USDG
Water	20260045	Water: Refurbishment of Springs WTW		600,000			600,000		951	USDG
Water	20260046	Water: Refurbishment of Coegakop WTW		350,000			350,000		951	USDG
Water	20190163	Water Services: Purchase of New Vehicles	12,000,000	12,285,000			12,285,000	4,039,931	959	Levies
Water	20190239	Water Services: Installation of Zone Water Meters	1,000,000	1,000,000			1,000,000	999,240	959	Levies
Water	20200318	Water: Purchase of Computer Equipment	400,000	865,000	- 21,000		844,000	549,025	959	Levies
Water	20200321	Water: Purchase of Furniture & Office Equipment.	600,000	600,000	62,000		662,000	450,314	959	Levies
Water	20240067	Water: Purchase of Small Plant & Equipment	400,000	1,300,000			1,300,000	429,305	959	Levies
Water	20240119	Scientific Services: Purchase of Instrumentation for Water Analysis	5,500,000	5,850,000	- 41,000		5,809,000		959	Levies
Water	20250174	Scientific Services: Renovations and Upgrade to Laboratory Premises	2,000,000				-		959	Levies
Water	20230011	Installation of Standpipes & associated infrastructure-ISUP		2,608,700			2,608,700	2,232,184	972	ISUPG
Water	20230224	RBIG: Construction of Motherwell to Bethelsdorp Pipeline	173,913,040	173,913,040			173,913,040	23,133,879	973	RBIG
Water	20230226	RBIG: Borehole Exploration & Development	165,217,390	165,217,390			165,217,390	42,421,954	973	RBIG
Water	20250083	MDRG: Replacement of Collapsed/ Burst Pipelines (Jones & Taylor Street - Kariega CBD)		434,780			434,780		975	MDRG
NMBM Stadium	20250363	NMBM Stadium: Fencing of the Lake	1,800,000	1,800,000			1,800,000		901	CRR

Annexure "A2(i)"

CAPITAL EXPENDITURE BY DIRECTORATE FOR 2025/26 1 JULY 2025 - 30 JUNE 2026										
Directorate	Project	Project Title	2025/26 Original Budget	2025/26 Adjustments Budget	Virements	Budget Amendments	2025/26 Budget	Expenditure	Source Code	Finance Source
NMBM Stadium	20250372	NMBM Stadium: Intallation of Security Burglary Bars for Trading Stations.	1,200,000	1,200,000			1,200,000		901	CRR
NMBM Stadium	20250379	NMBM Stadium :Purchase of Fall Arrest & Rescue Equipment	50,000	50,000			50,000		901	CRR
NMBM Stadium	20250380	NMBM Stadium: Procurement of the Financial Information Systems.	400,000	400,000			400,000		901	CRR
NMBM Stadium	20250381	NMBM Stadium: Replacement of Emergency Door Lock System.	2,000,000	2,000,000			2,000,000		901	CRR
NMBM Stadium	20250382	NMBM Stadium: Replacement of old access control system.	1,500,000	1,500,000			1,500,000		901	CRR
NMBM Stadium	20250383	NMBM Stadium : Procurement and Installation of CCTV cameras.	1,500,000	1,500,000			1,500,000		901	CRR
NMBM Stadium	20250384	NMBM Stadium: Replacement of Fire Detection System at the NMBM Stadium.	1,750,000	1,750,000			1,750,000		901	CRR
NMBM Stadium	20250385	NMBM Stadium: Earthing (Lightining Prevention) Upgrade, Testing and Certification.	500,000	500,000			500,000		901	CRR
NMBM Stadium	20250386	NMBM Stadium: Upgrade of ICT Network Infrastructure.	1,000,000	1,000,000			1,000,000		901	CRR
NMBM Stadium	20250387	NMBM Stadium: Purchase of 250 Wheelie Bins.	300,000	300,000			300,000		901	CRR
			2,091,286,000	2,132,577,609	-	4,896,641	2,137,474,250	1,009,917,739		

Annexure "A3"

PROJECTED CASH FLOW STATEMENT FOR THE 2025/26 FINANCIAL YEAR

Projected Cash Flow Statement as at 30 June 2026

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 – M12 June 2026

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	2,707,048	2,969,423	148,210	200,615	2,430,534	148,210	2,282,324	1540%	148,210
Service charges	7,258,037	8,091,941	11,177,045	676,862	8,200,483	11,177,045	(2,976,562)	-27%	11,177,045
Other revenue	147,928	1,748,498	670,738	119,913	2,519,588	670,738	1,848,850	276%	670,738
Transfers and Subsidies - Operational	1,493,316	2,944,497	2,330,882	–	1,724,587	2,330,882	(606,294)	-26%	2,330,882
Transfers and Subsidies - Capital	1,240,929	1,368,029	–	–	1,102,779	–	1,102,779	0%	–
Interest	341,670	158,695	93,284	18,614	249,929	93,284	156,645	168%	93,284
Dividends	189				–	–	–		–
Payments									
Suppliers and employees	(12,149,957)	(14,984,867)	(14,544,867)	(1,345,178)	(15,855,055)	(14,544,867)	1,310,188	-9%	(14,544,867)
Interest	(100,793)	(72,173)		(1,672)	(114,770)	–	114,770	0%	–
Transfers and Subsidies	(81,059)	(94,962)			1,587	–	(1,587)	0%	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	857,308	2,129,081	(124,708)	(330,847)	259,662	(124,708)	(384,370)	308%	(124,708)
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	35	1,700			–	–	–		–
					–	–			–
Decrease (increase) in non-current receivables		(160,820)			–	–	–		–
Decrease (increase) in non-current investments					–	–	–		–
Payments									
Capital assets	(1,262,954)	(1,915,737)		(4,570)	(1,064,052)	–	1,064,052	0%	–

Annexure "A3"

NET CASH FROM/(USED) INVESTING ACTIVITIES	(1,262,918)	(2,074,857)	-	(4,570)	(1,064,052)	-	1,064,052	0%	-
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans							-		
Borrowing long term/refinancing							-		
Increase (decrease) in consumer deposits							-		
Payments									
Repayment of borrowing	(213,246)	(195,600)		-	(102,427)	-	102,427	0%	-
NET CASH FROM/(USED) FINANCING ACTIVITIES	(213,246)	(195,600)	-	-	(102,427)	-	102,427	0%	-
NET INCREASE/ (DECREASE) IN CASH HELD	(618,857)	(141,376)	(124,708)	(335,418)	(906,818)	(124,708)			(124,708)
Cash/cash equivalents at beginning:	4,426,349	4,443,980	4,443,980		3,767,943	4,443,980			3,767,943
Cash/cash equivalents at month/year end:	3,807,493	4,302,604	4,319,272	(335,418)	2,861,125	4,319,272			3,643,235

The significant variances are discussed below:

Receipts: Ratepayer and Other and Payments: Suppliers and Employees

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

Government Grants

- Variances due to the timing and amounts of grants to be transferred, not being available at the time the budget was concluded.

Annexure "A4"

NMBM BUDGET TABLES

The seven main budget tables, as required in terms of the Municipal Budget and Reporting Regulations, are included in this section of the report. These tables set out the Municipality's budget performance for the 2025/26 financial year as at 30 June 2026 and are to be noted by Council. Each table is accompanied by explanatory notes.

[Where the word - Consolidated – appears in the Table title it signifies that the municipal entity figures are included in the table]

Monthly Budget Tables

Table C1 Consolidated Monthly Budget Statement Summary – M12 June 2026

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Financial Performance									
Property rates	3,041,099	3,299,358	3,328,813	(10,598)	3,283,770	3,328,813	(45,043)	-1%	3,328,813
Service charges	9,600,929	10,613,071	10,567,858	919,669	9,925,791	10,567,858	(642,067)	-6%	10,567,858
Investment revenue	341,064	291,739	290,809	19,194	231,900	290,809	(58,909)	-20%	290,809
Transfers and subsidies – Operational	1,786,166	2,944,497	2,414,205	12,185	1,824,355	2,414,205	(589,850)	-24%	2,414,205
Other own revenue	2,734,676	2,407,084	2,505,730	191,542	2,904,986	2,505,730	399,257	16%	2,505,730
Total Revenue (excluding capital transfers and contributions)	**17,503,934**	**19,555,749**	**19,107,414**	**1,131,992**	**18,170,802**	**19,107,414**	**(936,612)**	**-5%**	**19,107,414**
Employee costs	4,169,895	4,886,977	4,506,106	341,984	4,118,171	4,506,106	(387,935)	-9%	4,506,106
Remuneration of Councillors	85,933	98,334	97,870	7,485	91,538	97,870	(6,332)	-6%	97,870
Depreciation and amortisation	792,451	1,051,415	1,051,415	87,505	1,049,975	1,051,415	(1,440)	0%	1,051,415
Interest	65,707	72,173	88,760	(2,329)	62,246	88,760	(26,514)	-30%	88,760
Inventory consumed and bulk purchases	7,050,541	7,788,041	7,620,512	807,149	7,309,557	7,620,512	(310,955)	-4%	7,620,512
Transfers and subsidies	81,059	94,962	34,959	1,162	164,703	34,959	129,744	371%	34,959
Other expenditure	6,439,013	5,541,245	5,673,770	161,098	1,849,968	5,673,770	(3,823,802)	-67%	5,673,770
Total Expenditure	**18,684,598**	**19,533,147**	**19,073,394**	**1,404,054**	**14,646,159**	**19,073,394**	**(4,427,235)**	**-23%**	**19,073,394**
Surplus/(Deficit)	**(1,180,664)**	**22,602**	**34,020**	**(272,062)**	**3,524,643**	**34,020**	**3,490,623**	**10260%**	**34,020**
Transfers and subsidies - capital (monetary allocations)	1,029,744	1,325,029	1,431,944	87,359	638,832	1,431,944	(793,112)	-55%	1,431,944
Transfers and subsidies - capital (in-kind)	20,302	43,000	–	5,398	41,882	–	41,882		–
Surplus/(Deficit) after capital transfers & contributions	**(130,618)**	**1,390,631**	**1,465,964**	**(179,305)**	**4,205,357**	**1,465,964**	**2,739,393**	**187%**	**1,465,964**

Annexure "A4"

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance	Full Year Forecast
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	(130,618)	1,390,631	1,465,964	(179,305)	4,205,357	1,465,964	2,739,393	187%	1,465,964
Capital expenditure & funds sources									
Capital expenditure	1,325,813	2,091,286	2,215,226	125,256	1,043,854	2,215,226	(1,171,373)	-53%	2,215,226
Capital transfers recognised	1,050,046	1,368,029	1,421,140	92,757	680,714	1,421,140	(740,426)	-52%	1,421,140
Borrowing	43,414	60,500	60,500	–	–	60,500	(60,500)	-100%	60,500
Internally generated funds	232,354	662,757	733,587	32,499	363,140	733,587	(370,447)	-50%	733,587
Total sources of capital funds	1,325,813	2,091,286	2,215,226	125,256	1,043,854	2,215,226	(1,171,373)	-53%	2,215,226
Financial position									
Total current assets	10,851,364	8,219,431	8,394,006		6,132,667				–
Total non-current assets	20,555,281	21,591,711	21,556,769		20,214,639				–
Total current liabilities	6,596,453	3,736,991	3,736,991		3,703,453				–
Total noncurrent liabilities	3,763,209	5,285,536	5,285,536		3,762,714				–
Community wealth/Equity	21,046,982	20,788,616	20,928,248		18,880,180				–
Cash flows									
Net cash from (used) operating	857,308	2,129,081	(124,708)	(330,847)	259,662	(124,708)	(384,370)	308%	(124,708)
Net cash from (used) investing	(1,262,918)	(2,074,857)	–	(4,570)	(1,064,052)	–	1,064,052	#DIV/0!	–
Net cash from (used) financing	(213,246)	(195,600)	–	–	(102,427)	–	102,427	#DIV/0!	–
Cash/cash equivalents at the month/year end	3,807,493	4,302,604	4,319,272	(335,418)	2,861,125	4,319,272	1,458,147	34%	3,643,235
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	1,508,476	768,721	581,393	559,712	677,467	659,149	–	–	25,501,786
Creditors Age Analysis									
Total Creditors									

Annexure "A4"

Explanatory notes to Table C1 – Monthly Budget Summary

The aim of the Budget Summary is to provide a concise overview of the actual budget performance from all the major financial perspectives (operating expenditure, capital expenditure, financial position, cash flow, and MFMA funding compliance).The table provides an overview of the actual amounts spent compared to the monthly budget projections within the context of operating performance, resources utilised for capital expenditure, financial position, cash, and funding compliance.

Table C2 Consolidated Monthly Budget Statement - Financial Performance (standard classification) – M12 June 2026

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Revenue - Functional									
Governance and administration	**4,562,473**	**5,319,654**	**4,623,499**	**18,998**	**4,599,349**	**4,623,499**	**(24,150)**	**-1%**	**4,623,499**
Executive and council	1,549	1,239	1,373	1,315	7,031	1,373	5,658	412%	1,373
Finance and administration	4,560,923	5,318,415	4,621,924	17,658	4,592,153	4,621,924	(29,771)	-1%	4,621,924
Internal audit	–	–	202	25	165	202	(37)	-18%	202
Community and public safety	**1,449,562**	**1,567,920**	**1,801,834**	**28,199**	**1,363,032**	**1,801,834**	**(438,802)**	**-24%**	**1,801,834**
Community and social services	51,120	55,718	47,908	4,581	49,351	47,908	1,442	3%	47,908
Sport and recreation	28,984	61,742	72,520	11,559	46,643	72,520	(25,877)	-36%	72,520
Public safety	1,147,052	1,152,721	1,203,625	6,089	1,177,730	1,203,625	(25,895)	-2%	1,203,625
Housing	216,923	296,361	476,142	5,803	87,750	476,142	(388,392)	-82%	476,142
Health	5,484	1,377	1,639	167	1,559	1,639	(80)	-5%	1,639
Economic and environmental services	**608,248**	**693,709**	**902,732**	**42,253**	**473,846**	**902,732**	**(428,886)**	**-48%**	**902,732**
Planning and development	194,469	216,108	212,336	3,336	181,295	212,336	(31,041)	-15%	212,336
Road transport	382,193	475,427	610,983	38,663	291,100	610,983	(319,883)	-52%	610,983
Environmental protection	31,587	2,173	79,413	254	1,451	79,413	(77,962)	-98%	79,413
Trading services	**11,895,429**	**13,303,182**	**13,174,243**	**1,133,583**	**12,385,149**	**13,174,243**	**(789,095)**	**-6%**	**13,174,243**
Energy sources	6,321,258	6,745,392	6,802,982	834,996	6,573,351	6,802,982	(229,630)	-3%	6,802,982
Water management	3,767,489	4,501,481	4,317,496	211,193	3,845,572	4,317,496	(471,924)	-11%	4,317,496
Waste water management	1,313,626	1,460,230	1,448,114	56,615	1,358,545	1,448,114	(89,569)	-6%	1,448,114
Waste management	493,056	596,079	605,652	30,779	607,680	605,652	2,028	0%	605,652
Other	**38,268**	**39,312**	**37,050**	**1,716**	**30,141**	**37,050**	**(6,909)**	**-19%**	**37,050**

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance	Full Year Forecast
Total Revenue - Functional	18,553,980	20,923,778	20,539,358	1,224,749	18,851,516	20,539,358	(1,687,842)	-8%	20,539,358
Expenditure - Functional									
Governance and administration	2,600,785	2,136,987	2,639,299	170,906	2,096,069	2,639,299	(543,231)	-21%	2,639,299
Executive and council	265,181	472,674	339,971	20,070	311,640	339,971	(28,331)	-8%	339,971
Finance and administration	2,275,144	1,595,696	2,229,682	144,923	1,722,121	2,229,682	(507,561)	-23%	2,229,682
Internal audit	60,460	68,618	69,646	5,913	62,308	69,646	(7,338)	-11%	69,646
Community and public safety	1,935,165	2,555,762	2,304,584	145,826	1,825,187	2,304,584	(479,398)	-21%	2,304,584
Community and social services	356,599	438,661	439,793	30,226	350,471	439,793	(89,322)	-20%	439,793
Sport and recreation	492,776	681,444	567,623	35,487	474,076	567,623	(93,546)	-16%	567,623
Public safety	687,598	744,821	667,338	45,072	563,539	667,338	(103,799)	-16%	667,338
Housing	262,818	429,504	403,343	15,723	238,352	403,343	(164,991)	-41%	403,343
Health	135,374	261,333	226,488	19,318	198,747	226,488	(27,740)	-12%	226,488
Economic and environmental services	1,207,516	1,369,222	1,369,630	92,327	1,187,136	1,369,630	(182,494)	-13%	1,369,630
Planning and development	418,400	497,245	452,724	43,821	564,439	452,724	111,714	25%	452,724
Road transport	749,144	781,698	861,568	45,074	580,153	861,568	(281,416)	-33%	861,568
Environmental protection	39,972	90,279	55,337	3,432	42,545	55,337	(12,792)	-23%	55,337
Trading services	12,287,446	13,361,568	12,673,762	989,051	9,467,045	12,673,762	(3,206,717)	-25%	12,673,762
Energy sources	7,435,315	8,404,058	8,289,143	843,020	7,775,214	8,289,143	(513,928)	-6%	8,289,143
Water management	3,906,440	3,191,843	2,694,456	50,375	611,343	2,694,456	(2,083,113)	-77%	2,694,456
Waste water management	945,691	1,089,674	1,097,843	56,672	669,289	1,097,843	(428,554)	-39%	1,097,843
Waste management		675,993	592,321	38,984	411,199	592,321	(181,122)	-31%	592,321
Other	68,627	109,608	86,118	5,944	70,722	86,118	(15,396)	-18%	86,118
Total Expenditure - Functional	18,099,539	19,533,147	19,073,394	1,404,054	14,646,159	19,073,394	(4,427,235)	-23%	19,073,394
Surplus/ (Deficit) for the year	454,441	1,390,631	1,465,964	(179,305)	4,205,357	1,465,964	2,739,393	1.868663	1,465,964

Explanatory notes to Table C2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

The 'standard classification' refers to a modified Government Finance Statistics (GFS) reporting structure. The aim of the standard classification approach is to ensure that all municipalities report their operations in one common format, to facilitate comparison across all municipalities. It is to be noted that the revenue by vote as reflected in this table, includes revenue attributable to capital grants.

Annexure "A4"

Table C3 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) – M12 June 2026

	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Revenue by Vote									
Vote 1 - Budget & Treasury	4,359,864	5,134,970	4,488,263	15,207	4,483,836	4,488,263	(4,427)	-0.1%	4,488,263
Vote 2 - Public Health	540,535	695,260	698,882	33,752	633,144	698,882	(65,739)	-9.4%	698,882
Vote 3 - Human Settlements	279,632	510,410	513,791	23,479	175,785	513,791	(338,005)	-65.8%	513,791
Vote 4 - Economic Development, Tourism & Agriculture	25,970	20,417	54,557	2,286	35,641	54,557	(18,916)	-34.7%	54,557
Vote 5 - Corporate Services	42,728	32,326	56,075	2,336	26,735	56,075	(29,340)	-52.3%	56,075
Vote 6 - Infrastructure & Engineering Unit - Rate & General	386,342	472,852	613,790	29,660	308,582	613,790	(305,208)	-49.7%	613,790
Vote 7 - Metro Water Service	3,774,032	4,474,443	4,317,498	208,701	3,828,651	4,317,498	(488,847)	-11.3%	4,317,498
Vote 8 - Sanitation - Metro	1,313,626	1,379,071	1,448,114	54,845	1,324,209	1,448,114	(123,905)	-8.6%	1,448,114
Vote 9 - Electricity & Energy	6,343,949	6,746,305	6,803,897	834,876	6,580,594	6,803,897	(223,303)	-3.3%	6,803,897
Vote 10 - Executive & Council	146,395	172,908	150,953	2,525	169,162	150,953	18,209	12.1%	150,953
Vote 11 - Safety & Security	1,165,836	1,154,129	1,224,102	7,673	1,182,350	1,224,102	(41,752)	-3.4%	1,224,102
Vote 12 - Mandela Bay Stadium	76,554	76,984	75,084	9,282	70,993	75,084	(4,092)	-5.4%	75,084
Vote 13 - Special Projects and Programmes	22,636	–	20,663	2	8,059	20,663	(12,604)	-61.0%	20,663
Vote 14 - Recreational & Cultural Services	75,881	53,704	73,690	125	23,776	73,690	(49,914)	-67.7%	73,690
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–		–
Total Revenue by Vote	**18,553,980**	**20,923,778**	**20,539,358**	**1,224,749**	**18,851,516**	**20,539,358**	**(1,687,842)**	**-8.2%**	**20,539,358**
Expenditure by Vote									
Vote 1 - Budget & Treasury	1,289,303	1,204,286	1,154,771	58,245	812,473	1,154,771	(342,298)	-29.6%	1,154,771
Vote 2 - Public Health	882,865	1,119,216	1,071,508	76,113	813,895	1,071,508	(257,613)	-24.0%	1,071,508
Vote 3 - Human Settlements	380,087	546,771	538,085	24,335	348,356	538,085	(189,729)	-35.3%	538,085
Vote 4 - Economic Development, Tourism & Agriculture	90,926	97,173	74,788	9,006	100,134	74,788	25,346	33.9%	74,788
Vote 5 - Corporate Services	487,809	629,786	636,619	38,747	469,552	636,619	(167,067)	-26.2%	636,619
Vote 6 - Infrastructure & Engineering Unit - Rate & General	979,722	1,056,500	1,120,916	78,543	812,053	1,120,916	(308,864)	-27.6%	1,120,916
Vote 7 - Metro Water Service	3,929,151	3,205,891	2,768,953	55,700	666,204	2,768,953	(2,102,749)	-75.9%	2,768,953
Vote 8 - Sanitation - Metro	939,781	905,113	1,043,000	52,101	626,514	1,043,000	(416,485)	-39.9%	1,043,000
Vote 9 - Electricity & Energy	7,428,874	8,335,233	8,280,863	842,437	7,769,086	8,280,863	(511,777)	-6.2%	8,280,863
Vote 10 - Executive & Council	499,016	587,196	583,723	37,963	642,449	583,723	58,726	10.1%	583,723

	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance	Full Year Forecast
Vote 11 - Safety & Security	1,229,121	1,239,282	1,192,944	89,415	1,072,837	1,192,944	(120,106)	-10.1%	1,192,944
Vote 12 - Mandela Bay Stadium	95,833	74,984	75,084	–	79,520	75,084	4,436	5.9%	75,084
Vote 13 - Special Projects and Programmes	25,667	9,431	22,161	7,414	25,087	22,161	2,926	13.2%	22,161
Vote 14 - Recreational & Cultural Services	426,442	522,285	509,978	34,034	407,998	509,978	(101,980)	-20.0%	509,978
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–		–
Total Expenditure by Vote	**18,684,598**	**19,533,147**	**19,073,394**	**1,404,054**	**14,646,159**	**19,073,394**	**(4,427,235)**	**-23.2%**	**19,073,394**
Surplus/ (Deficit) for the year	**(130,618)**	**1,390,631**	**1,465,964**	**(179,305)**	**4,205,357**	**1,465,964**	**2,739,393**	**186.9%**	**1,465,964**

Explanatory notes to Table C3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

The purpose of the format in which the monthly budget reporting table is presented, is to enable the Council to enforce a vote in accordance with the municipality's organisational structure, so as to assign responsibility for the revenue and expenditure recorded against these votes to the Municipal Manager and Executive Directors concerned. Operating revenue and expenditure is thus presented by 'vote'. A 'vote' is defined as one of the main segments into which a budget of a municipality is divided into, for the appropriation of funds.

Table C4 Consolidated Monthly Budget Statement - Financial Performance (revenue and expenditure) – M12 June 2026

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Revenue									
Exchange Revenue									
Service charges - Electricity	6,311,908	6,464,349	6,447,444	655,442	6,142,788	6,447,444	(304,656)	-5%	6,447,444
Service charges - Water	2,372,534	2,983,123	2,839,121	188,647	2,550,617	2,839,121	(288,504)	-10%	2,839,121
Service charges - Waste Water Management	605,997	817,519	915,298	45,198	884,960	915,298	(30,338)	-3%	915,298
Service charges - Waste management	310,491	348,080	365,994	30,383	347,425	365,994	(18,569)	-5%	365,994
Sale of Goods and Rendering of Services	123,819	114,371	126,911	19,342	115,594	126,911	(11,318)	-9%	126,911
Agency services	3,968	4,255	18,176	370	4,287	18,176	(13,889)	-76%	18,176
Interest	–	–				–	–		–
Interest earned from Receivables	1,282,033	1,106,615	1,106,615	156,145	1,474,583	1,106,615	367,968	33%	1,106,615
Interest from Current and Non-Current Assets	341,064	291,739	290,809	19,194	231,900	290,809	(58,909)	-20%	290,809
Dividends	506	–			–	–	–		–
Rent on Land	–	–			–	–	–		–
Rental from Fixed Assets	43,493	42,603	44,286	3,825	46,599	44,286	2,312	5%	44,286

Annexure "A4"

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance	Full Year Forecast
Licence and permits	22,448	21,319	22,365	2,058	21,726	22,365	(639)	-3%	22,365
Special rating levies	–	–			–	–	–		–
Operational Revenue	50,891	29,273	29,793	2,200	39,369	29,793	9,575	32%	29,793
Non-Exchange Revenue	–				–	–	–		–
Property rates	3,041,099	3,299,358	3,328,813	(10,598)	3,283,770	3,328,813	(45,043)	-1%	3,328,813
Surcharges and Taxes		–			–	–	–		–
Fines, penalties and forfeits	169,887	67,973	134,530	7,192	80,028	134,530	(54,501)	-41%	134,530
Licence and permits	1	1	1	0	1	1	(0)	-33%	1
Transfers and subsidies – Operational	1,786,166	2,944,497	2,414,205	12,185	1,824,355	2,414,205	(589,850)	-24%	2,414,205
Interest	213,590	158,695	158,695	–	257,672	158,695	98,977	62%	158,695
Fuel Levy	824,005	861,978	861,978	–	861,978	861,978	–		861,978
Operational Revenue	–	–			–	–	–		–
Gains on disposal of Assets	35	–	2,379	409	3,150	2,379	771	32%	2,379
Other Gains		–			–	–	–		–
Discontinued Operations		–			–	–	–		–
Total Revenue (excluding capital transfers and contributions)	**17,503,934**	**19,555,749**	**19,107,414**	**1,131,992**	**18,170,802**	**19,107,414**	**(936,612)**	**5%**	**19,107,414**
Expenditure By Type									
Employee related costs	4,169,895	4,886,977	4,506,106	341,984	4,118,171	4,506,106	(387,935)	-9%	4,506,106
Remuneration of councillors	85,933	98,334	97,870	7,485	91,538	97,870	(6,332)	-6%	97,870
Bulk purchases – electricity	6,500,312	7,277,226	7,277,226	781,557	7,040,030	7,277,226	(237,196)	-3%	7,277,226
Inventory consumed	550,228	510,815	343,286	25,593	269,527	343,286	(73,759)	-21%	343,286
Debt impairment	3,822,444	1,946,427	1,818,084	–	45	1,818,084	(1,818,039)	-100%	1,818,084
Depreciation and amortisation	792,451	1,051,415	1,051,415	87,505	1,049,975	1,051,415	(1,440)	0%	1,051,415
Interest	65,707	72,173	88,760	(2,329)	62,246	88,760	(26,514)	-30%	88,760
Contracted services	1,076,456	1,659,963	1,833,466	83,864	992,730	1,833,466	(840,736)	-46%	1,833,466
Transfers and subsidies	81,059	94,962	34,959	1,162	164,703	34,959	129,744	371%	34,959
Irrecoverable debts written off	430,676	726,946	675,027	5,165	128,496	675,027	(546,532)	-81%	675,027
Operational costs	714,151	821,988	961,271	72,069	728,697	961,271	(232,574)	-24%	961,271
Losses on Disposal of Assets	–	–			–	–	–		–
Other Losses	395,285	385,921	385,921		–	385,921	(385,921)	-100%	385,921
Total Expenditure	**18,684,598**	**19,533,147**	**19,073,394**	**1,404,054**	**14,646,159**	**19,073,394**	**(4,427,235)**	**-23%**	**19,073,394**
Surplus/(Deficit)	**(1,180,664)**	**22,602**	**34,020**	**(272,062)**	**3,524,643**	**34,020**	**3,490,623**	**0**	**34,020**
Transfers and subsidies - capital (monetary allocations)	1,029,744	1,325,029	1,431,944	87,359	638,832	1,431,944	(793,112)	(0)	1,431,944
Transfers and subsidies - capital (in-kind)	20,302	43,000		5,398	41,882	–	41,882		

Annexure "A4"

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance	Full Year Forecast
Surplus/(Deficit) after capital transfers & contributions	(130,618)	1,390,631	1,465,964	(179,305)	4,205,357	1,465,964	2,739,393	0	1,465,964
Income Tax									
Surplus/(Deficit) after income tax	(130,618)	1,390,631	1,465,964	(179,305)	4,205,357	1,465,964	2,739,393	0	1,465,964
Share of Surplus/Deficit attributable to Joint Venture									
Share of Surplus/Deficit attributable to Minorities									
Surplus/(Deficit) attributable to municipality	(130,618)	1,390,631	1,465,964	(179,305)	4,205,357	1,465,964	2,739,393	0	1,465,964
Share of Surplus/Deficit attributable to Associate									
Intercompany/Parent subsidiary transactions									
Surplus/ (Deficit) for the year	(130,618)	1,390,631	1,465,964	(179,305)	4,205,357	1,465,964	2,739,393	0	1,465,964

Explanatory notes to Table C4 - Budgeted Financial Performance (revenue and expenditure)

The Financial Performance Budget is required to be approved concurrently by revenue source and expenditure type, to ensure consistency with annual reporting format requirements. A key aim is to facilitate comparison between the monthly results, the monthly budget-to-date projections, and the original budget, to assess performance.

Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification, and funding) – M12 June 2026

Vote Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Multi-Year expenditure appropriation									
Vote 1 - Budget & Treasury	–	6,270	6,120	–	–	6,120	(6,120)	-100%	6,120
Vote 2 - Public Health	10,334	92,663	15,250	318	6,158	15,250	(9,092)	-60%	15,250
Vote 3 - Human Settlements	107,754	2,421	131,891	15,194	57,894	131,891	(73,997)	-56%	131,891
Vote 4 - Economic Development, Tourism & Agriculture	–	809	103,540	2,072	30,004	103,540	(73,536)	-71%	103,540
Vote 5 - Corporate Services	–	30,376	7,969	37	2,719	7,969	(5,250)	-66%	7,969
Vote 6 - Infrastructure & Engineering Unit - Rate & General	359,666	83,012	440,397	24,129	308,284	440,397	(132,113)	-30%	440,397

Annexure "A4"

Vote Description	2024/25 Audited Outcome	Budget Year 2025/26 Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance	Full Year Forecast
Vote 7 - Metro Water Service	286,984	31,696	504,248	8,775	113,020	504,248	(391,228)	-78%	504,248
Vote 8 - Sanitation - Metro	95,950	32,665	178,999	18,821	63,297	178,999	(115,702)	-65%	178,999
Vote 9 - Electricity & Energy	167,496	14,336	249,238	25,621	174,676	249,238	(74,562)	-30%	249,238
Vote 10 - Executive & Council	22,245	–	–	–	–	–	–		–
Vote 11 - Safety & Security	1,910	47,752	21,150	–	4,704	21,150	(16,446)	-78%	21,150
Vote 12 - Mandela Bay Stadium	–	5,150	6,850	–	–	6,850	(6,850)	-100%	6,850
Vote 13 - Special Projects and Programmes	–	–	–	–	–	–	–		–
Vote 14 - Recreational & Cultural Services	5,790	67,934	23,021	1,870	11,878	23,021	(11,143)	-48%	23,021
Vote 15 - [NAME OF VOTE 15]	–	–	–						–
Total Capital Multi-year expenditure	**1,058,131**	**415,084**	**1,688,674**	**96,838**	**772,635**	**1,688,674**	**(916,038)**	**-54%**	**1,688,674**
Single Year expenditure appropriation									
Vote 1 - Budget & Treasury	2,034	23,000	10,080	238	2,996	10,080	(7,084)	-70%	10,080
Vote 2 - Public Health	84,980	14,800	129,813	4,315	71,072	129,813	(58,741)	-45%	129,813
Vote 3 - Human Settlements	3,753	179,914	2,421	400	781	2,421	(1,640)	-68%	2,421
Vote 4 - Economic Development, Tourism & Agriculture	4,692	8,000	1,829	285	645	1,829	(1,183)	-65%	1,829
Vote 5 - Corporate Services	16,980	5,924	30,321	1,430	11,786	30,321	(18,535)	-61%	30,321
Vote 6 - Infrastructure & Engineering Unit - Rate & General	73,621	465,049	162,905	10,665	83,149	162,905	(79,756)	-49%	162,905
Vote 7 - Metro Water Service	23,797	517,148	47,640	2,071	19,609	47,640	(28,031)	-59%	47,640
Vote 8 - Sanitation - Metro	13,339	195,999	11,100	451	9,039	11,100	(2,061)	-19%	11,100
Vote 9 - Electricity & Energy	19,835	199,287	30,931	262	33,530	30,931	2,599	8%	30,931
Vote 10 - Executive & Council	–	–	–	–	–	–	–		–
Vote 11 - Safety & Security	5,037	24,600	51,202	4,158	16,074	51,202	(35,128)	-69%	51,202
Vote 12 - Mandela Bay Stadium	–	6,850	5,150	–	–	5,150	(5,150)	-100%	5,150
Vote 13 - Special Projects and Programmes	–	–	–	–	–	–	–		–
Vote 14 - Recreational & Cultural Services	19,616	35,630	43,162	4,141	22,538	43,162	(20,625)	-48%	43,162
Vote 15 - [NAME OF VOTE 15]	–	–	–	–	–	–	–		–
Total Capital single-year expenditure	267,682	1,676,202	526,553	28,418	271,218	526,553	(255,334)	-48%	526,553
Total Capital Expenditure	**1,325,813**	**2,091,286**	**2,215,226**	**125,256**	**1,043,854**	**2,215,226**	**########**	**-53%**	**2,215,226**
Capital Expenditure - Functional Classification									
Governance and administration	**73,836**	**270,443**	**218,716**	**11,273**	**64,308**	**218,716**	**(154,408)**	**-71%**	**218,716**
Executive and council							–		
Finance and administration	73,836	270,443	218,716	11,273	64,308	218,716	(154,408)	-71%	218,716

Annexure "A4"

Vote Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance	Full Year Forecast
Internal audit							–		
Community and public safety	**98,759**	**199,467**	**181,579**	**13,222**	**91,276**	**181,579**	**(90,304)**	**-50%**	**181,579**
Community and social services	28,652	73,580	42,273	7,533	26,640	42,273	(15,632)	-37%	42,273
Sport and recreation	46,444	77,340	89,430	5,551	41,925	89,430	(47,506)	-53%	89,430
Public safety	23,204	46,647	47,976	137	22,013	47,976	(25,963)	-54%	47,976
Housing	260	600	600		598	600	(2)	0%	600
Health	199	1,300	1,300		99	1,300	(1,201)	-92%	1,300
Economic and environmental services	**466,376**	**490,593**	**588,670**	**29,535**	**369,102**	**588,670**	**(219,568)**	**-37%**	**588,670**
Planning and development	22,245		100,040	1,313	27,678	100,040	(72,362)	-72%	100,040
Road transport	444,130	489,593	487,880	28,222	340,777	487,880	(147,103)	-30%	487,880
Environmental protection	–	1,000	750		647	750	(103)	-14%	750
Trading services	**686,842**	**1,122,783**	**1,222,761**	**70,468**	**516,842**	**1,222,761**	**(705,919)**	**-58%**	**1,222,761**
Energy sources	183,659	205,123	272,519	25,523	206,135	272,519	(66,384)	-24%	272,519
Water management	312,352	554,787	563,330	22,528	146,733	563,330	(416,597)	-74%	563,330
Waste water management	159,354	324,873	314,642	22,417	124,977	314,642	(189,665)	-60%	314,642
Waste management	31,477	38,000	72,270		38,997	72,270	(33,273)	-46%	72,270
Other	–	8,000	3,500	759	2,326	3,500	(1,174)	-34%	3,500
Total Capital Expenditure - Functional Classification	**1,325,813**	**2,091,286**	**2,215,226**	**125,256**	**1,043,854**	**2,215,226**	**########**	**-53%**	**2,215,226**
Funded by:									
National Government	1,029,744	1,325,029	1,367,640	87,359	638,832	1,367,640	(728,808)	-53%	1,367,640
Provincial Government						–	–		
District Municipality					–	–	–		
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Department Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	20,302	43,000	53,500	5,398	41,882	53,500	(11,618)	-22%	53,500
Transfers recognised – capital	**1,050,046**	**1,368,029**	**1,421,140**	**92,757**	**680,714**	**1,421,140**	**(740,426)**	**-52%**	**1,421,140**
Borrowing	43,414	60,500	60,500		–	60,500	(60,500)	-100%	60,500
Internally generated funds	232,354	662,757	733,587	32,499	363,140	733,587	(370,447)	-50%	733,587
Total Capital Funding	**1,325,813**	**2,091,286**	**2,215,226**	**125,256**	**1,043,854**	**2,215,226**	**########**	**-53%**	**2,215,226**

Explanatory notes to Table C5 - Budgeted Capital Expenditure by vote, standard classification, and funding

Table C5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote; capital expenditure by standard classification; and the funding necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

Annexure "A4"

Table C6 Consolidated Monthly Budget Statement - Financial Position – M12 June 2026

Description	2024/25	Budget Year 2025/26			
	Audited Outcome	Original Budget	Adjusted Budget	Year TD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash and cash equivalents	3,811,121	4,302,604	4,405,178	2,861,125	4,405,178
Trade and other receivables from exchange transactions	6,417,587	3,024,485	3,054,485	2,523,104	3,054,485
Receivables from non-exchange transactions	370,381	385,614	385,614	258,778	385,614
Current portion of non-current receivables					–
Inventory	213,248	114,046	156,046	481,073	156,046
VAT	39,027	148,902	148,902	–	148,902
Other current assets		243,781	243,781	8,587	243,781
Total current assets	**10,851,364**	**8,219,431**	**8,394,006**	**6,132,667**	**8,394,006**
Non-current assets					
Investments					
Investment property	134,272	143,891	138,413	134,272	138,413
Property, plant and equipment	19,970,524	21,030,531	21,025,894	19,616,463	21,025,894
Biological assets					–
Living and non-living resources					–
Heritage assets	264,723	235,238	235,238	264,472	235,238
Intangible assets	39,673	11,045	14,465	53,092	14,465
Trade and other receivables from exchange transactions	82,888	114,626	86,379	82,888	86,379
Non-current receivables from non-exchange transactions	63,202	56,379	56,379	63,452	56,379
Other non-current assets					
Total non-current assets	**20,555,281**	**21,591,711**	**21,556,769**	**20,214,639**	**21,556,769**
TOTAL ASSETS	**31,406,645**	**29,811,142**	**29,950,774**	**26,347,306**	**29,950,774**
LIABILITIES					
Current liabilities					
Bank overdraft					
Financial liabilities	129,104	222,246	222,246	129,860	222,246
Consumer deposits	156,623	163,472	163,472	163,113	163,472
Trade and other payables from exchange transactions	5,283,718	2,504,910	2,504,910	2,022,981	2,504,910
Trade and other payables from non-exchange transactions	460,954	321,180	321,180	848,044	321,180
Provision	469,584	525,183	525,183	443,953	525,183
VAT				95,503	–

Annexure "A4"

Description	2024/25	Budget Year 2025/26			
	Audited Outcome	Original Budget	Adjusted Budget	Year TD actual	Full Year Forecast
Other current liabilities	96,470				–
Total current liabilities	**6,596,453**	**3,736,991**	**3,736,991**	**3,703,453**	**3,736,991**
Non-current liabilities					
Financial liabilities	796,001	938,463	938,463	798,756	938,463
Provision	1,487,634	3,474,755	3,474,755	1,487,634	3,474,755
Long term portion of trade payables	3,251				–
Other non-current liabilities	1,476,324	872,317	872,317	1,476,324	872,317
Total non-current liabilities	**3,763,209**	**5,285,536**	**5,285,536**	**3,762,714**	**5,285,536**
TOTAL LIABILITIES	**10,359,663**	**9,022,527**	**9,022,527**	**7,466,167**	**9,022,527**
NET ASSETS	**21,046,982**	**20,788,616**	**20,928,248**	**18,881,139**	**20,928,248**
COMMUNITY WEALTH/EQUITY					
Accumulated surplus/(deficit)	20,497,994	20,556,579	20,696,211	18,457,321	20,696,211
Reserves and funds	548,988	232,037	232,037	423,819	232,037
Other					
TOTAL COMMUNITY WEALTH/EQUITY	**21,046,982**	**20,788,616**	**20,928,248**	**18,881,139**	**20,928,248**

Explanatory notes to Table C6 - Budgeted Financial Position

1. The table presents Assets less, Liabilities as Community Wealth. The order of items within each group is also aligned to the convention of showing items in order of liquidity, i.e., assets readily converted to cash or liabilities immediately required to be met from cash appear first.
2. Any movement on the Budgeted Financial Performance or the Capital Budget will invariably impact on the Budgeted Financial Position. For example, the collection rate assumption will impact on the cash position of the municipality and consequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption informs the budget provision for debt impairment, which in turn impacts on the provision for bad debts. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition, the funding compliance assessment is directly informed by forecasting the statement of financial position.

Annexure "A4"

Table C7 Consolidated Monthly Budget Statement - Cash Flow – M12 June 2026

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates	2,707,048	2,969,423	148,210	200,615	2,430,534	148,210	2,282,324	1540%	148,210
Service charges	7,258,037	8,091,941	11,177,045	676,862	8,200,483	11,177,045	(2,976,562)	-27%	11,177,045
Other revenue	147,928	1,748,498	670,738	119,913	2,519,588	670,738	1,848,850	276%	670,738
Transfers and Subsidies - Operational	1,493,316	2,944,497	2,330,882	–	1,724,587	2,330,882	(606,294)	-26%	2,330,882
Transfers and Subsidies - Capital	1,240,929	1,368,029	–	–	1,102,779	–	1,102,779	#DIV/0!	–
Interest	341,670	158,695	93,284	18,614	249,929	93,284	156,645	168%	93,284
Dividends	189				–	–	–		–
Payments									
Suppliers and employees	(12,149,957)	(14,984,867)	(14,544,867)	(1,345,178)	(15,855,055)	(14,544,867)	1,310,188	-9%	(14,544,867)
Interest	(100,793)	(72,173)		(1,672)	(114,770)	–	114,770	#DIV/0!	–
Transfers and Subsidies	(81,059)	(94,962)			1,587	–	(1,587)	#DIV/0!	–
NET CASH FROM/(USED) OPERATING ACTIVITIES	**857,308**	**2,129,081**	**(124,708)**	**(330,847)**	**259,662**	**(124,708)**	**(384,370)**	**308%**	**(124,708)**
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	35	1,700							–
Decrease (increase) in non-current receivables		(160,820)							–
Decrease (increase) in non-current investments									–
Payments									
Capital assets	(1,262,954)	(1,915,737)		(4,570)	(1,064,052)		1,064,052	#DIV0!	–
NET CASH FROM/(USED) INVESTING ACTIVITIES	**(1,262,918)**	**(2,074,857)**	–	**(4,570)**	**(1,064,052)**		**1,064,052**	**#DIV0!**	–
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans									
Borrowing long term/refinancing									
Increase (decrease) in consumer deposits									
Payments									

Annexure "A4"

Description	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	Year TD actual	Year TD budget	YTD variance	YTD variance	Full Year Forecast
Repayment of borrowing	(213,246)	(195,600)		–	(102,427)	–	102,427	#DIV/0!	–
NET CASH FROM/(USED) FINANCING ACTIVITIES	**(213,246)**	**(195,600)**			**(102,427)**		**102,427**	**#DIV/0!**	**–**
NET INCREASE/ (DECREASE) IN CASH HELD	**(618,857)**	**(141,376)**	**(124,708)**	**(335,418)**	**(906,818)**	**(124,708)**			**(124,708)**
Cash/cash equivalents at beginning:	4,426,349	4,443,980	4,443,980		3,767,943	4,443,980			3,767,943
Cash/cash equivalents at month/year end:	3,807,493	4,302,604	4,319,272	(335,418)	2,861,125	4,319,272			3,643,235

Explanatory notes to Table C7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement represents the first measurement in determining whether the budget is funded.
2. It reflects the expected cash in-flows versus cash outflows that are likely to result from the implementation of the budget.

Annexure "A5"

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 June 2026

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

Below is an analysis of the outstanding consumer debtors as at **30 June 2026** compared to the position as at 30 June 2025.

Debtors' Age Analysis (Inclusive of VAT) as at end of 30 June 2025

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-
Debtors Age Analysis By Income Source									
Trade and Other Receivables from Exchange Transactions – Water	R908,065,652	R285,000,809	R282,767,309	R263,148,298	R269,785,561	R287,423,869	R1,527,147,228	R6,400,958,751	**R10,224,297,477**
Trade and Other Receivables from Exchange Transactions – Electricity	R419,693,150	R70,447,088	R115,709,629	R24,274,572	R23,342,674	R20,826,825	R110,870,220	R500,285,785	**R1,285,449,942**
Receivables from Non-exchange Transactions – Property Rates	R273,741,526	R49,099,639	R19,639,268	R19,072,233	R50,926,118	R123,974,042	R273,783,564	R1,297,285,882	**R2,107,522,272**
Receivables from Exchange Transactions – Wastewater Management	R107,189,464	R59,107,130	R48,271,886	R43,588,220	R41,685,312	R38,513,334	R179,800,271	R1,101,212,176	**R1,619,367,793**
Receivables from Exchange Transactions – Waste Management	R48,046,584	R24,171,785	R16,255,984	R13,051,465	R16,527,226	R13,581,744	R76,778,671	R582,514,661	**R790,928,120**
Receivables from Exchange Transactions – Property Rental Debtors	R2,291,471	R2,786,906	R1,279,348	R462,984	R2,361,384	R1,258,288	R10,330,263	R43,009,020	**R63,779,664**
Interest on Arrear Debtor Accounts	R138,951,371	R146,685,960	R121,988,080	R100,607,708	R139,848,960	R115,832,188	R619,545,269	R2,577,810,283	**R3,961,269,818**
Other	R19,501,230	R5,999,254	R6,259,921	R6,375,369	R6,828,336	R4,005,871	R33,015,434	R376,190,546	**R458,175,961**
Total By Income Source	**R1,917,480,448**	**R643,298,571**	**R612,171,424**	**R470,580,849**	**R551,305,571**	**R605,416,160**	**R2,831,270,920**	**R12,879,267,104**	**R20,510,791,048**
Organs of State	R33,160,771	R13,682,904	R9,044,039	R5,967,568	R8,023,735	R5,685,091	R34,542,747	R130,999,223	**R241,106,079**
Commercial	R552,210,894	R124,250,184	R137,882,608	R45,281,797	R75,144,901	R106,382,932	R268,091,338	R1,556,271,803	**R2,865,516,457**
Households	R1,324,498,665	R504,684,609	R464,639,793	R418,803,998	R467,153,496	R492,637,567	R2,525,174,048	R11,143,090,012	**R17,340,682,188**
Other NMBM)	R7,610,118	R680,874	R604,984	R527,486	R983,439	R710,570	R3,462,787	R48,906,066	**R63,486,324**
Total By Customer Group	**R1,917,480,448**	**R643,298,571**	**R612,171,424**	**R470,580,849**	**R551,305,571**	**R605,416,160**	**R2,831,270,920**	**R12,879,267,104**	**R20,510,791,048**

Annexure "A5"

Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2026

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
Debtors Age Analysis By Revenue Source	1100									
Trade and Other Receivables from Exchange Transactions - Water	1200	R 426,443,773	R 315,091,304	R 289,895,534	R 322,501,363	R 370,740,981	R 287,484,877	R 2,110,322,139	R 8,431,943,585	**R 12,554,423,557**
Trade and Other Receivables from Exchange Transactions - Electricity	1300	R 481,648,609	R 110,258,386	R 37,726,131	R 30,273,350	R 30,390,157	R 39,297,103	R 234,731,688	R 512,431,551	**R 1,476,756,973**
Receivables from Non-exchange Transactions - Property Rates	1400	R 276,819,795	R 63,117,629	R 26,154,395	R 15,598,179	R 33,540,551	R 121,013,711	R 426,975,267	R 1,575,398,684	**R 2,538,618,211**
Receivables from Exchange Transactions - Waste Water Management	1500	R 116,656,273	R 64,717,102	R 56,054,452	R 50,618,408	R 52,284,211	R 46,380,229	R 227,060,707	R 1,392,119,714	**R 2,005,891,096**
Receivables from Exchange Transactions - Waste Management	1600	R 53,122,678	R 31,442,515	R 19,530,198	R 15,598,277	R 22,088,009	R 16,092,614	R 93,880,454	R 712,467,892	**R 964,222,637**
Receivables from Exchange Transactions - Property Rental Debtors	1700	R 2,460,543	R 2,483,877	R 1,319,268	R 215,840	R 2,078,458	R 1,105,213	R 8,948,247	R 55,829,394	**R 74,440,840**
Interest on Arrear Debtor Accounts	1810	R 161,652,881	R 173,910,349	R 145,095,079	R 119,830,275	R 161,112,414	R 140,359,357	R 838,104,182	R 3,726,856,104	**R 5,466,920,641**
Other	1900	R 16,710,077	R 10,160,874	R 6,723,659	R 5,796,545	R 6,095,438	R 8,495,027	R 39,136,580	R 420,467,562	**R 513,585,762**
Total By Income Source	**2000**	**R 1,535,514,628**	**R 771,182,036**	**R 582,498,716**	**R 560,432,237**	**R 678,330,219**	**R 660,228,131**	**R 3,979,159,264**	**R 16,827,514,485**	**R 25,594,859,716**
Debtors Age Analysis By Customer Group	2100									
Government	2200	R 27,810,707	R 19,071,113	R 13,130,798	R 9,757,863	R 11,688,848	R 12,558,876	R 58,737,672	R 146,278,227	**R 299,034,104**
Business	2300	R 619,650,246	R 170,119,907	R 58,482,378	R 40,713,976	R 68,354,663	R 139,566,012	R 467,459,092	R 1,756,665,785	**R 3,321,012,059**
Households	2400	R 861,015,233	R 579,529,985	R 509,779,580	R 509,240,354	R 597,423,733	R 507,024,469	R 3,449,156,089	R 14,868,570,694	**R 21,881,740,137**
Other (NMBM)	2500	R 27,038,442	R 2,461,031	R 1,105,960	R 720,044	R 862,975	R 1,078,774	R 3,806,411	R 55,999,779	**R 93,073,416**
Total By Customer Group	**2600**	**R 1,535,514,628**	**R 771,182,036**	**R 582,498,716**	**R 560,432,237**	**R 678,330,219**	**R 660,228,131**	**R 3,979,159,264**	**R 16,827,514,485**	**R 25,594,859,716**

The above-mentioned analysis indicates that from 30 June 2025 – 30 June 2026 the overdue debt has increased by **R 5,466,034,488** as follows:

Annexure "A5"

Detail	OVERDUE AMOUNTS		
	June 2025	June 2026	Difference
Trade and Other Receivables from Exchange Transactions – Water	R 9,316,231,825	R 12,127,979,784	R 2,811,747,959
Trade and Other Receivables from Exchange Transactions – Electricity	R 865,756,793	R 995,108,364	R 129,351,572
Receivables from Non-exchange Transactions - Property Rates	R 1,833,780,746	R 2,261,798,416	R 428,017,669
Receivables from Exchange Transactions - Waste Water Management	R 1,512,178,329	R 1,889,234,823	R 377,056,494
Receivables from Exchange Transactions - Waste Management	R 742,881,536	R 911,099,959	R 168,218,422
Receivables from Exchange Transactions - Property Rental Debtors	R 61,488,193	R 71,980,297	R 10,492,104
Interest on Arrear Debtor Accounts	R 3,822,318,447	R 5,305,267,760	R 1,482,949,314
Other	R 438,674,731	R 496,875,685	R 58,200,954
Total By Income Source	**R 18,593,310,600**	**R 24,059,345,088**	**R 5,466,034,488**
Debtors Age Analysis By Customer Group			
Organs of State	R 207,945,308	R 271,223,397	R 63,278,089
Commercial	R 2,313,305,563	R 2,701,361,813	R 388,056,250
Households	R 16,016,183,523	R 21,020,724,904	R 5,004,541,381
Other NMBM	R 55,876,206	R 66,034,974	R 10,158,768
Total By Customer Group	**R 18,593,310,600**	**R 24,059,345,088**	**R 5,466,034,488**

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. The Municipality is currently implementing the Debt Relief Programme, as previously approved by Council.

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 2021 up to date:

Outstanding Debtors by Category					
Month	Category				
	Government	Business	Household	NMBM	Total
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

Annexure "A5"

Outstanding Debtors by Category					
Month	Category				
	Government	Business	Household	NMBM	Total
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
Aug-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
Sep22	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
Aug-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
Oct-23	273,612,281	1,810,482,735	10,141,679,960	49,094,613	12,274,869,589
Nov-23	271,672,951	1,799,288,677	10,291,152,699	49,706,259	12,411,820,586
Dec-23	251,753,539	1,840,991,493	10,599,811,819	50,626,221	12,743,183,072
Jan-24	275,047,389	1,969,061,504	10,877,700,438	51,293,876	13,173,103,207
Feb-24	263,997,695	1.931.167,397	10,918,727,543	51,862,769	13,165,755,404
Mar-24	293,455,981	1,928,911,901	11,217,728,359	52,693,625	13,492,789,866
Apr-24	253,570,819	1,965,095,353	11,556,278,346	53,522,806	13,828,467,324
May-24	242,576,649	1,946,880,797	11,874,086,827	54,292,281	14,117,836,554
Jun-24	231,521,682	1,899,268,104	12,100,517,510	54,699,516	14,286,006,812
Jul-24	228,921,087	1,903,823,803	12,423,234,420	55,883,249	14,611,862,559
Aug-24	244,162,039	1,948,975,989	12,657,121,635	56,181,501	14,906,441,164
Sep-24	372,719,669	2,030,014,442	13,034,630,529	61,542,519	15,498,906,799
Oct-24	300,321,026	2,081,209,490	13,361,509,471	55,741,933	15,798,511,920

Outstanding Debtors by Category					
Month	Category				
	Government	Business	Household	NMBM	Total
Nov-24	308,906,246	2,007,411,268	13,690,120,573	51,237,856	16,057,675,943
Dec-24	267,284,737	2,011,924,190	14,153,487,540	57,457,639	16,490,154,106
Jan-25	292,608,087	2,234,872,942	14,543,487,044	52,812,762	17,123,780,835
Feb-25	263,064,536	2,082,158,004	14,850,419,714	56,189,217	17,251,831,471
Mar-25	262,455,602	2,172,537,717	15,196,769,162	54,371,627	17,686,134,108
Apr-25	221,716,152	2,167,433,608	15,447,495,243	60,207,039	17,896,852,042
May-25	217,890,457	2,293,815,347	15,748,365,642	55,773,097	18,315,884,543
Jun-25	207,945,308	2,313,305,563	16,016,183,523	55,876,206	18,593,310,600
Jul-25	196,610,722	2,335,786,835	16,307,164,623	56,557,423	18,896,119,603
Aug-25	208,465,973	2,373,713,695	17,164,809,118	67,967,781	19,814,956,567
Sep-25	375,117,475	2,373,528,742	17,539,105,272	129,629,525	20,417,381,014
Oct-25	337,647,733	2,334,963,062	17,875,704,436	184,755,253	20,733,070,484
Nov-25	326,578,511	2,341,756,969	18,356,123,272	227,434,394	21,251,893,146
Dec-25	298,711,404	2,425,351,959	18,788,608,101	278,270,455	21,790,949,919
Jan-26	307,085,996	2,414,560,388	19,253,537,157	271,535,968	22,246,719,509
Feb-26	311,756,482	2,546,833,382	19,622,999,498	146,244,755	22,627,834,117
Mar-26	295,038,561	2,697,788,350	20,104,645,827	78,176,383	23,175,649,121
Apr-26	272,479,740	2,626,981,161	20,355,620,012	164,554,080	23,419,634,993
May-26	R 314,232,690	R 3,418,774,496	R 21,644,705,248	R 77,400,357	R 25,455,112,791
Jun_26	299,034,104	R 3,321,012,059	R 21,881,740,137	R 93,073,416	**R 25,594,859,716**

1.2. Annual Debtors Collection Rate

The Debtors Collection Rate ratio assesses the actual cash collected, compared to the monetary value of the municipal accounts rendered for municipal rates and services. The Collection Rate target is set at 80% as per the 2024/2025 IDP and the Annual Municipal Budget. However, a Collection Rate of 85% 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 calculated as follows:

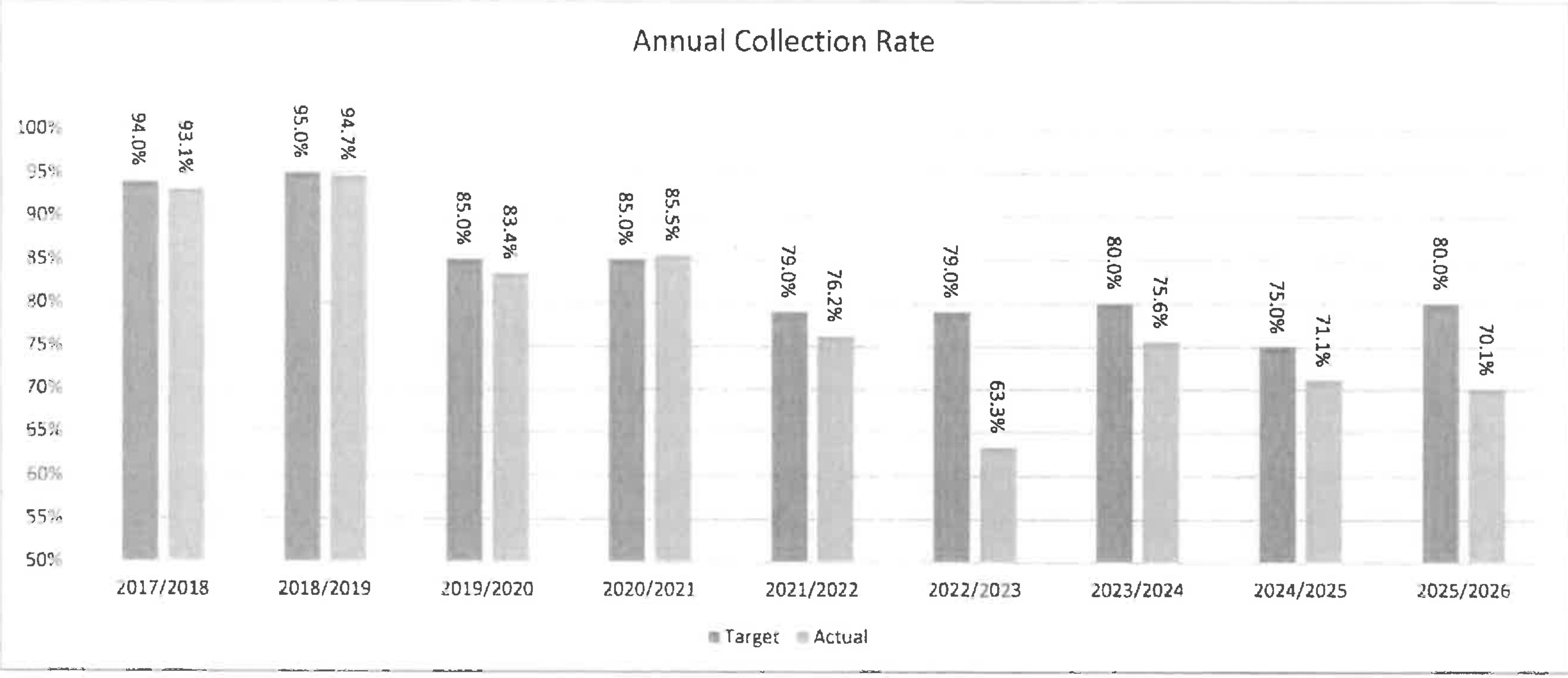
$$\frac{\text{Total Payments Received on Accounts rendered during financial year}}{\text{Total Value of Accounts Rendered during Financial year.}} \times 100 = \text{Percentage Collection Rate}$$

The monthly collection rate currently stands at 76.6% as at 30 June 2026 while the accumulated collection rate is 70.6%

Annexure "A5"

REVENUE COLLECTION RATE TREND IN 2025-2026 FINANCIAL YEAR

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Monthly	64.9%	66.9%	82.0%	63.5%	84.8%	57.9%	66.6%	66.4%	75.1%	79.2%	76.6%
Accumulated	64.9%	66.0%	70.7%	69.0%	71.6%	69.2%	68.9%	68.6%	69.2%	70.1%	70.6%



1.3 Staff and Councillor Arrears

The increase in Employee Staff arrears has prompted the Directorate to separately report on the segments in the monthly RMCC Finance Report.

The two portfolios are monitored monthly to assess the status of arrears on the accounts. Debtor Management Staff contact staff members that have arrears reflecting on accounts with an ageing of 90 days to conclude arrangements. Monthly deductions to a maximum of R5 000.00 is deducted from employee salaries towards their arrear accounts where no arrangements are concluded.

Furthermore, the Directorate took the following action to address the increasing arrears on Staff accounts.

A memorandum was circulated on Groupwise reminding staff of their obligation to pay their municipal accounts under the hands of the CFO. The memorandum provides a timeframe ended 10 November 2025 for staff to settle their accounts in full or conclude formal payment arrangements.

Unfortunately, there was a slow response to memorandum therefore a follow-on memorandum was drafted and circulated on 14 November 2025. The second memorandum informs staff that a reduction will be enforced to the maximum of R7 500

Annexure "A5"

NMB Councillors& Staff Debtors' Age Analysis (Inclusive of VAT) as at 30 June 2026

ARREAR DEBT AS AT END JUNE 2026			
	OVERDUE AMOUNTS		
Detail	**Jun-25**	**June-26**	**Difference**
Trade and Other Receivables from Exchange Transactions – Water	R9,316,231,825	R 12,127,979,784	R 2,811,747,959
Trade and Other Receivables from Exchange Transactions – Electricity	R865,756,793	R 995,108,364	R 129,351,572
Receivables from Non-exchange Transactions - Property Rates	R1,833,780,746	R 2,261,798,416	R 428,017,669
Receivables from Exchange Transactions - Waste Water Management	R1,512,178,329	R 1,889,234,823	R 377,056,494
Receivables from Exchange Transactions - Waste Management	R742,881,536	R 911,099,959	R 168,218,422
Receivables from Exchange Transactions - Property Rental Debtors	R61,488,193	R 71,980,297	R 10,492,104
Interest on Arrear Debtor Accounts	R3,822,318,447	R 5,305,267,760	R 1,482,949,314
Other	R438,674,731	R 496,875,685	R 58,200,954
Total By Income Source	**R18,593,310,600**	**R 24,059,345,088**	**R 5,466,034,488**
Debtors Age Analysis By Customer Group	**Jun-25**	**June-26**	**Difference**
Organs of State	R207,945,308	R 271,223,397	R 63,278,089
Commercial	R2,313,305,563	R 2,701,361,813	R 388,056,250
NMB: Municipal Employees	R24,161,147	R8,699,952	-R15,461,195
NMB: Municipal Councillors	R120,434	R105,441	-R14,992
Households	R15,991,901,943	R20,617,507,839	R4,625,605,896
Other NMBM	R55,876,206	R 66,034,974	R 10,158,768
Total By Customer Group	**R18,593,310,600**	R 24,059,345,088	R 5,466,034,488

2.Overview of Creditors position

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

Annexure "A5"

Supporting Table SC4 Monthly Budget Statement - aged creditors – M12 June 2026

Detail	0 – 30 Days R '000	31-60 days R '000	61 – 90 days R '000	Above 91 days R '000	Total R '000	%
Bulk Electricity	890,763,205				890,763,205	48
Bulk Water						
PAYE deductions	-				-	
VAT (output less input)	-				-	
Pensions / Retirement deductions	-				-	
Loan Repayments	-				-	
Trade Creditors	-				-	
Auditor-General	39,293,586	41,276,238	6,708,505	224,395,034	311,673,363	16.8
Other	1,721,514	-	-	-	1,721,514	0.09
Medical Aid Deductions	11,615,295	676,880	8,504,005	630,610,863	651,407,044	35.11
Total	**943,393,600**	**41,953,118**	**15,212,510**	**855,005,897**	**1,855,565,125**	**100**

The above amounts represent invoices still to be paid by the NMBM and MBDA. Creditors' payments for the NMBM approximate 43.12 days, based on the date of receiving the invoice. The target for payment days is recorded at 30 days from receiving the relevant invoice from service provider to the payment date. The 43.12 days exclude delayed payments as a result of irregular expenditure.

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 unauthorized expenditure.

2.1 Payment of Service Providers

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.
- The MFMA legislation specifies the date of receipt of an invoice as the start date for measuring the number of days taken to pay a municipality's creditors.

The NMBM has included in the performance scorecard of each Executive Director the following Key Performance Indicator (KPI), viz. "The Percentage of invoices processed and submitted to budget and treasury within 19-days of invoice receipt date ", in order to ensure that each Executive Director facilitates the compliance with Section 65 (2) (e) of the MFMA.

Annexure "A5"

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	March 2025	Total No of Invoices	April 2026	Total No Of Invoices	May 2026	Total No Of Invoices
Budget & Treasury	21.47	664	41.22	629	58.16	494
Chief Operating Officer	98.41	110	134.74	233	145.27	56
Corporate Services	84.26	1546	29.21	2614	41.59	1527
Economic Development, Tourism & Agriculture	13	21	54.30	10	54.09	11
Electricity & Energy	38.30	240	30.18	180	73.32	106
Human Settlements	15.38	135	18.30	79	42.71	65
Infrastructure & Engineering: Rate & General	227.41	771	347.63	516	259.10	353
Water Services	54.47	175	31.81	125	116.11	82
Municipal Manager	13.94	33	83.64	56	103.22	23
Office of the Executive Mayor	N/A	N/A	N/A	N/A	N/A	N/A
Public Health	20.38	197	26.89	153	45.02	248
Recreational & Cultural Services	24.99	87	33.51	95	137.96	28
Safety & Security	29.38	142	24.91	127	51.62	77
Sanitation	136.29	139	51.02	142	121.16	104
Average for all Directorates	**89.56**	4260	**69.94**	**4959**	**77.66**	**3174**

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

During May 2026 the number of days to process documentation increased significantly from March 2026 for the following Directorates:

Directorate	No. of Days (May)
Infrastructure & Engineering: Rate & General	259.10
Chief Operating Officer	145.27
Recreational & Cultural Services	137.96
Sanitation	121.16
Water Services	116.11

The above results for the Infrastructure & Engineering: Rate & General Directorate are attributed to late payments that were made to supplier ALGOA PLANT HIRE which were approved in excess of 500 days from the Date of invoice. The late payment reason recorded by the Directorate is "INVOICE DELIVERED LATE TO NMBM."

The above results for the Chief Operating Officer Directorate are attributed to late payments that were made to supplier JOUBERT GALPIN SEARLE which were approved in excess of 100 days from the Date of invoice. The late payment reason recorded by the Directorate is "RECEIVED FOR PROCESSING IN JANUARY 2026".

The above results for the Municipal Manager Directorate are attributed to late payments that were made to supplier COEGA DEVELOPMENT CORPORATION (PTY) LTD which were approved in excess of 300 days from the Date of invoice. The late payment reason recorded by the Directorate is "ORDER AUTHORIZED LATE.".

The above results for the Economic Development, Tourism & Agriculture Directorate are attributed to late payments that were made to supplier Fidelity Cash Solutions which were approved in excess of 40 days from the Date of invoice. The late payment reason recorded by the Directorate is "Payment demoted - Incorrect Invoice date".

The above results for the Budget & Treasury Directorate are attributed to late payments that were made to supplier AMORIFLO which were approved in excess of 90 days from the Date of invoice. The late payment reason recorded by the Directorate is "AWAITING AUTHORITY TO PAY".

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	March 2026	Total No of Invoices	April 2026	Total No of Invoices	May 2026	Total No of Invoices
Budget & Treasury	5.83	664	13.33	629	5.51	494
Chief Operating Officer	29.52	110	62.26	233	45.21	56
Corporate Services	64.19	1546	10.31	2614	9.80	1527
Economic Development, Tourism & Agriculture	4.52	21	39.40	10	12.91	11
Electricity & Energy	16.40	240	14.63	180	14.59	106
Human Settlements	4.20	135	9.03	79	14.14	65
Infrastructure & Engineering: Rate & General	25.53	771	17.60	516	14.00	353
Water Services	9.09	175	13.77	125	9.21	82
Municipal Manager	6.88	33	62.79	56	53.78	23

DIRECTORATE	March 2026	Total No of Invoices	April 2026	Total No of Invoices	May 2026	Total No of Invoices
Office of the Executive Mayor	N/A	N/A	N/A	N/A	N/A	N/A
Public Health	9.24	197	11.29	153	11.15	248
Recreational & Cultural Services	22.33	87	13.35	95	72.75	28
Safety & Security	10.80	142	14.57	127	18.58	77
Sanitation	107.62	139	43.01	142	44.27	104
Average for all Directorates	**35.85**	4260	**15.90**	**4959**	**12.79**	**3174**

The Directorates' performance cumulatively improved for the month of April 2026 when compared to March 2026 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 May 2026:

Directorate	No. of Days (May 2026)
Budget & Treasury	37.50
Chief Operating Officer	67.91
Corporate Services	21.19
Economic Development, Tourism & Agriculture	33.55
Electricity & Energy	43.58
Human Settlements	6.58
Infrastructure & Engineering: Rate & General	226.95
Water Services	36.07
Municipal Manager	7.13
Office of the Executive Mayor	N/A
Public Health	22.67
Recreational & Cultural Services	42.71
Safety & Security	22.43
Sanitation	24.25

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:

- Infrastructure & Engineering: Rate & General
- Chief Operating Officer
- Electricity and Energy
- Recreational & Cultural Services
- Water Services
- Budget & Treasury
- Economic Development, Tourism & Agriculture

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 not improved for April 2026 when compared to March 2026.

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.

	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
..IMarch	10	4	3	17
April	13	4	1	18
May	12	3	1	16

Table 3 above reflects the Phase 2 process payment cycle where the target has been set at 11 days. The target for this phase of processing has not been met by the Budget and Treasury's payment role-players for the month of May 2026.

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.

March 2026 – 106.56 days
April 2026 – 87.94 days
May 2026 – 93.66 days

The National Treasury target is 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:

March 2026 – 52 days
April 2026 – 34 days
May 2026 – 29.18 days

The results above indicate that the Creditors' payment has been met for May 2026 with the NMBM's overall rate of efficiency being 81% versus the compliance requirement of 100 %.

The May 2026 payment day's results of the NMBM are attributed to late payments that were made to supplier MTN Pty Ltd where 2,270 invoices were paid in excess of 30 days from the Date of Receipt of invoice. The late payment reason recorded by the Corporate Services Directorate is "Awaiting authorisation".

It remains the responsibility of each Directorate to ensure that Invoices are received and processed relating to service delivery within their Directorate.

Another factor that contributes to a poor payment days' outcome is that some Directorates paid the majority of their Invoices in excess of 30 days from the Date of Receipt of Invoice as per the analysis below which measures the efficiency rate per Directorate, where the Chief Operating Officer and Sanitation Directorates achieved a Creditors' Efficiency Rate of 26.18 percent and 46.48 percent, respectively, versus the NMBM's target of one hundred (100) percent.

Directorate	Total No. Of Invoices April (2026)	**No. of Invoices paid within 30 Days of Receipt**	**Efficiency Rate (%), calculated as No. of Invoices paid within 30 days of Receipt /Total No. of Invoices*100**
Budget & Treasury	629	581	92.37
Chief Operating Officer	233	61	26.18
Corporate Services	2614	1367	52.30
Economic Development, Tourism & Agriculture	10	5	50.00
Electricity & Energy	180	132	73.33
Human Settlements	79	71	89.87
Infrastructure & Engineering: Rate & General	516	387	75.00
Water Services	125	85	68.00

Annexure "A5"

Municipal Manager	56	27	48.21
Office of the Executive Mayor		N/A	N/A
Public Health	153	110	71.90
Recreational & Cultural Services	95	71	74.74
Safety & Security	127	90	70.87
Sanitation	142	66	46.48

3. Investment Portfolio as at 30 June 2026

Below is an analysis of the Investment Portfolio as at 30 June 2026: -

Financial Institution	ABSA	ABSA	FNB	Investec	Nedbank	Nedbank	Standard Bank	Stanlib	Total NMBM	ABSA	MBDA	Sanlam	NMBM
'ype of Investment	Term Deposit	Call Deposit	Term Deposit	Call Deposit	Term Deposit	Call Deposit	Term Deposit	Term Deposit	Investments	Current Account		Shares	Total
/alue of Investment: 30Jun25	465,000,000	7,676,969	590,000,000	198,144,344	360,000,000	680,500,000	761,700,000	259,657	3,063,280,970	661,046,249	40,304,461	3,311,165	3,767,942,846
/alue of Investment: 30 June 26	305,000,000	7,676,969	310,000,000	210,544,609	235,000,000	680,500,000	396,700,000	259,657	2,145,681,235	618,692,254	93,123,564	3,628,288	2,861,125,341
Decrease) / Increase 1 Investments	-160,000,000	0	-280,000,000	12,400,265	-125,000,000	0	-365,000,000	0	-917,599,735	-42,353,995	52,819,103	317,123	-906,817,505
6 Exposure of nstitution	10.66%	0.27%	10.83%	7.36%	8.21%	23.78%	13.87%	0.01%	74.99%	21.62%	3.25%	0.13%	100.00%
\ctual Interest earned o date	-33,749,918	-467,296	-35,236,404	-13,568,355	-22,291,244	-37,646,565	-47,105,806	-17,084	-190,082,671	-34,158,825	-3,145,741	-205,865	-227,593,102

There is a decrease in the investment portfolio since 30 June 2025 amounting to R906,818 million.

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

Cash backed Reserves	**R'000**
Cash and Cash Equivalents (Short-term Investment Deposits)	2,861,125
Short-term Investments	3,628
	3,193,550
Application of Cash	
Unspent Conditional Grants	848,044
Statutory Funds – COID	74,064
Self-Insurance Fund	280,765
Outstanding Creditors Liability	1,855,565
Internally Generated Funding	370,446
Provision for Land Fill Sites	600,686
Provision for Rehab of Swartkops river	124,560
Brookes Bequest	29,683
Current Provisions	443,953

Consumer Deposits	163,113
Unspent Borrowing	1,708
Total Commitments	**4,511,850**
Commitments more than Cash and Cash Equivalents	**1,318,300**

The Commitments exceeds Cash and Cash Equivalents by an amount of R 1.318 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 2025/26 financial year

Monthly Budget Statement - Transfers and Grants - Receipts and Expenditure – June 2026

Description	Budget Year 2025/26				
	Adjusted Budget	Year TD actual	Year TD actual	Available to Spend	% Spent
R thousands		RECEIPTS:	PAYMENTS		
RECEIPTS:					
Operating Transfers and Grants					
National Government:	**2,203,286**	**1,687,798**	**1,304,348**	**898,938**	**59.20%**
Local Government Equitable Share	1,637,749	1,397,145	987,708	650,041	60.31%
EPWP Incentive	2,457	2,457	4,356	-1,899	177.29%
Finance Management	1,000	1,000	866	134	86.60%
Infrastructure Skills Development	8,900	8,900	5,773	3,127	64.87%
LGSETA		7,496	1,370	-1,370	0.00%
Urban Settlements Development	103,902	–	181,603	-77,701	174.78%
Public Transport Networks Operations	241,225	178,585	120,672	120,553	50.02%
Neighbourhood Development Partnership	12,800	–	2,000	10,800	15.63%
Urban Development Financing Grant	36,000	22,400	–	36000	0.00%
Regional Bulk Infrastructure	52,338	33,871	–	52,338	0.00%
Energy Efficiency & Demand Side Management	1,339	–	–	1,339	0.00%
Informal Settlements Partnership Grant	105,577	35,944	–	105,577	0.00%
			–	–	0.00%
Provincial Government:	**206,899**	**36,789**	**22,030**	**184,869**	**10.65%**
DRPW (Maintenance of Roads	22,200	7,946	14,885	7,315	67.05%
Marine and Coastal Development	514	–	172	342	33.46%
Housing Title Transfers		74	90	-90	0.00%
Eastern Cape Capacity Building Grant	184,185	9,559	7,037	177,148	3.82%
Libraries		19,210		0	0.00%
Other grant providers:	**43,020**	–		**43,020**	**0.00%**
Local Government, Water and Related Service SETA	35,565			35,565	0.00%
Product				0	0.00%

Description	Budget Year 2025/26				
	Adjusted Budget	Year TD actual	Year TD actual	Available to Spend	% Spent
South Africa Revenue Service (SARS)	7,455			7,455	0.00%
Total Operating Transfers and Grants	**2,453,205**	**1,724,587**	**1,326,378**	**1,126,827**	**54.07%**
					0
Capital Transfers and Grants					0.00%
National Government:	**1,388,944**	**1,102,779**	**724,525**	**664,419**	**52.16%**
Public Transport Infrastructure	57,000	-	29,706	27,294	52.12%
Urban Settlements Development	1,304,370	537,841	297,469	1,006,901	22.81%
Neighbourhood Development Partnership				-	
Integrated National Electrification				-	
Integrated City Development				-	
Informal Settlements partnership Grant	21,913	315,810	229,067	-207,154	1045.35%
Flood Relief Grant			78,384	-78,384	0.00%
Energy Efficiency & Demand Side Management	5,661	3,000	-	0	0.00%
Regional Bulk Infrastructure		246,129	69,714	-69,714	0.00%
Flood Response Grant			20,185	-20,185	0.00%
Other grant providers:	**43,000**	-	**41,882**	**1,118**	**97.40%**
Private Contributions	43,000	-	41,882	1,118	97.40%
Total Capital Transfers and Grants	**1,431,944**	**1,102,779**	**766,407**	**665,537**	**53.52%**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	**3,885,149**	**2,827,367**	**2,092,785**	**1,792,364**	**53.87%**

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 2, 457,000
Amount of Grant Received	R 2, 457,000
Expenditure to date:	R 2, 457,000
Unspent as at 30 June 2026	**R NIL**

As at 30 June 2026, 100% 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 8,900,000
Amount of Grant Received	R 8,900,000
Expenditure to date:	R 5,773,030
Unspent as at 30 June 2026:	**R 3,126,970**

As at 30 June 2026, 64.87% 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 865,988
Unspent as at 30 June 2026:	**R 134,012**

As at 30 June 2026, 86.60% of the DORA allocation was spent.

Urban Development Financing Grant
This grant is to spatially transform cities with financially sustainable trading services that are able to meet their service delivery mandates; to support metropolitan municipalities with resilient infrastructure investment, including programme and project preparation to enable then to leverage additional concessionary and commercial loan finance to enhance sustainable infrastructure investment.

DORA Allocation:	R 48,800,000
Amount of Grant Received	R Nil
Expenditure to date:	R Nil
Unspent as at 30 June 2026:	**R 48,800,00**

As at 30 June 2026, 0% of the DORA allocation was spent.

Urban Settlement s 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 Original Allocation:	R 103,901,800
Amount of Grant Received	R Nil
Expenditure to date:	R 103,901,800
Unspent as at 30 June 2026:	**R NIL**

As at 30 June 2026, 100% 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 Original Allocation:	R 241,225,000
Amount of Grant Received	R 178,585,000
Expenditure to date:	R 120,671,982
Unspent as at 30 June 2026:	**R 120,553,018**

As at 30 June 2026, 50.00% 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 Original Allocation:	R 105,576,540
Amount of Grant Received	R 35,944,289
Expenditure to date:	**R NIL**
Unspent as at 30 June 2026:	**R 105,576,540**

As at 30 June 2026, 0% of the DORA allocation was spent.

Energy Efficiency & Demand Management Grant– Portion allocated for operational expenditure.
This grant is used to provide subsidies to municipalities to implement energy efficiency and demand side management (EEDSM) initiatives within the municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.

DORA Allocation:	R 1,339,130
Amount of Grant Received	R Nil
Expenditure to date:	R Nil
Unspent as at 30 June 2026:	**R 1,339,130**

As at 30 June 2026, 0% of the DORA allocation was spent.

Regional Bulk Infrastructure Grant

To develop new, refurbish, upgrade and replace ageing bulk water and sanitation infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality; and to implement bulk infrastructure with a potential of addressing water conservation and water demand management (WC/WDM) projects or facilitate and contribute to the implementation of local WC/WDM projects that will directly impact on bulk infrastructure requirements.

DORA Allocation:	R 52,337,660
Amount of Grant Received	R 33,871,432
Expenditure to date:	R Nil
Unspent as at 30 June 2026:	**R 52,337,660**

As at 30 June 2026, 0% of the DORA allocation was spent.

Neighbourhood Development Partnership
This grant is for eradicating spatial inequality towards the creation of liveable, sustainable, resilient, efficient and integrated town and cities.

DORA Allocation:	R 12,800,000
Amount of Grant Received:	R Nil
Expenditure to date:	R 2,000,003

Unspent as at 30 June 2026:	**R 10,799,997**

As at 30 June 2026, 15.63% 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 Original Allocation:	R 559,915,200
Amount of Grant Received	R 537,841,000
Expenditure to date:	R 297,469,389
Unspent as at 30 June 2026:	**R 262,445,811**

As at 30 June 2026, 53.13% 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 Original Allocation:	R 57,000,000
Amount of Grant Received	R Nil
Expenditure to date:	R 29,705,975
Unspent as at 30 June 2026:	**R 27,294,025**

As at 30 June 2026, 52.16% 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 Original Allocation:	R 297,211,030

Amount of Grant Received	R 315,809,711
Expenditure to date:	R 229,066,997
Unspent as at 30 June 2026:	**R 68,144,033**

As at 30 June 2026, 77.07% of the DORA allocation was spent.

Energy Efficiency & Demand Management Grant
This grant is used to provide subsidies to municipalities to implement energy efficiency and demand side management (EEDSM) initiatives within the municipal infrastructure in order to reduce electricity consumption and improve energy efficiency.

DORA Allocation:	R 5,660,870
Amount of Grant Received	R 3,000,000
Expenditure to date:	R NIL
Unspent as at 30 June 2026:	**R 5,660,870**

As at 30 June 2026, 0% of the DORA allocation was spent.

Regional Bulk Infrastructure Grant
To develop new, refurbish, upgrade and replace ageing bulk water and sanitation infrastructure of regional significance that connects water resources to infrastructure serving extensive areas across municipal boundaries or large regional bulk infrastructure serving numerous communities over a large area within a municipality; and to implement bulk infrastructure with a potential of addressing water conservation and water demand management (WC/WDM) projects or facilitate and contribute to the implementation of local WC/WDM projects that will directly impact on bulk infrastructure requirements.

DORA Allocation:	R 339,130,430
Amount of Grant Received	R 246,128,568
Expenditure to date:	R 69,713,764
Unspent as at 30 June 2026:	**R 269,416,666**

As at 30 June 2026, 20.56% 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 – M12 June 2026

Summary of Employee and Councillor remuneration	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
R thousands								%	
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages	80,653	92,212	92,212	7,053	86,277	92,212	(5,935)	-6%	92,212
Cellphone Allowance	5,280	6,122	5,659	433	5,261	5,659	(398)	-7%	5,659
Housing Allowances						–	–		–
Other benefits and allowances						–	–		
Sub Total - Councillors	**85,933**	**98,334**	**97,870**	**7,485**	**91,538**	**97,870**	**(6,332)**	**-6%**	**97,870**
% increase		**14.4%**	**13.9%**						**13.9%**
Senior Managers of the Municipality									
Basic Salaries and Wages	11,893	29,614	23,559	3,533	12,563	23,559	(10,996)	-47%	23,559
Pension and UIF Contributions	10	28	21	1	8	21	(13)	-63%	21
Performance Bonus	(5,422)	3,512	1,170		–	1,170	(1,170)	-100%	1,170
Motor Vehicle Allowance				–		–	–		–
Cellphone Allowance			–	–		–	–		–
Sub Total - Senior Managers of Municipality	**6,482**	**33,154**	**24,750**	**3,534**	**12,571**	**24,750**	**(12,179)**	**-49%**	**24,750**
% increase		**411.5%**	**281.8%**						**281.8%**
Other Municipal Staff									
Basic Salaries and Wages	2,188,903	3,101,590	2,690,025	194,903	2,385,586	2,690,025	(304,439)	-11%	2,690,025
Pension and UIF Contributions	415,693	449,385	436,729	35,846	435,301	436,729	(1,428)	0%	436,729
Medical Aid Contributions	218,684	231,735	227,336	20,242	234,977	227,336	7,641	3%	227,336
Overtime	463,396	391,416	413,231	42,186	395,026	413,231	(18,205)	-4%	413,231
Performance Bonus	225,183	231,443	259,451	8,543	238,434	259,451	(21,017)	-8%	259,451
Motor Vehicle Allowance	86,312	95,741	93,421	7,677	88,458	93,421	(4,963)	-5%	93,421
Cellphone Allowance	2	2	2	0	2	2	(0)	-1%	2
Housing Allowances	45,447	49,956	46,741	3,600	45,638	46,741	(1,103)	-2%	46,741
Other benefits and allowances	60,012	85,877	80,367	7,265	77,911	80,367	(2,456)	-3%	80,367
Payments in lieu of leave		9,291	8,291	–	–	8,291	(8,291)	-100%	8,291
Long service awards	260,585	151,496	141,408	11,727	131,984	141,408	(9,424)	-7%	141,408

Annexure "A5"

Summary of Employee and Councillor remuneration	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Post-retirement benefit obligations	105,260	16,834	14,834		–	14,834	(14,834)	-100%	14,834
Entertainment						–	–		–
Scarcity	17,281	6	2,747	–	2,743	2,747	(4)	0%	2,747
Acting and post related allowance	22,832	144	20,719	2,394	20,497	20,719	(221)	-1%	20,719
In kind benefits						–	–		–
Sub Total - Other Municipal Staff	**4,109,590**	**4,814,914**	**4,435,301**	**334,383**	**4,056,557**	**4,435,301**	**(378,744)**	**-9%**	**4,435,301**
% increase		**17.2%**	**7.9%**						**7.9%**
Total Parent Municipality	**4,202,005**	**4,946,403**	**4,557,921**	**345,402**	**4,160,666**	**4,557,921**	**(397,255)**	**-9%**	**4,557,921**
		17.7%	**8.5%**						**8.5%**
Unpaid salary, allowances & benefits in arrears:									
Board Members of Entities									
Board Fees	1,159	1,300	1,300	132	1,824	1,300	524	40%	1,300
Payments in lieu of leave						–	–		–
Sub Total - Executive members Board	**1,159**	**1,300**	**1,300**	**132**	**1,824**	**1,300**	**524**	**40%**	**1,300**
% increase		**12.2%**	**12.2%**						**12.2%**
Senior Managers of Entities									
Basic Salaries and Wages	12,832	10,611	18,810	1,562	18,736	18,810	(74)	0%	18,810
Pension and UIF Contributions		1,641		144	1,732	–	1,732	0%	–
Medical Aid Contributions		944	1,120	83	996	1,120	(124)	-11%	1,120
Overtime						–	–		–
Performance Bonus	294	116		10	101	–	101	0%	–
Motor Vehicle Allowance		4,600		405	4,854	–	4,854	0%	–
Cellphone Allowance		5	33	0	5	33	(28)	-85%	33
Housing Allowances						–	–		–
Other benefits and allowances		146		13	154	–	154	0%	–
Payments in lieu of leave					22	–	22	0%	–
Long service awards						–	–		–
Sub Total - Senior Managers of Entities	**13,127**	**18,063**	**19,963**	**2,217**	**26,599**	**19,963**	**6,636**	**33%**	**19,963**
% increase		**37.6%**	**52.1%**						**52.1%**

Summary of Employee and Councillor remuneration	2024/25	Budget Year 2025/26							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance	Full Year Forecast
Other Staff of Entities									
Basic Salaries and Wages	32,327	16,029	17,542	1,410	16,911	17,542	(631)	-4%	17,542
Pension and UIF Contributions		1,547	5,248	136	1,633	5,248	(3,615)	-69%	5,248
Medical Aid Contributions		1,688	2,002	148	1,781	2,002	(222)	-11%	2,002
Overtime						–	–		–
Performance Bonus	1,199					–	–		–
Other benefits and allowances	6,012	281		25	296	–	296	0	–
In kind benefits						–	–		–
Sub Total - Other Staff of Entities	39,538	19,545	24,792	1,719	20,621	24,792	(4,172)	-17%	24,792
% increase		-50.6%	-37.3%					·	-37.3%
Total Municipal Entities	53,824	38,908	46,055	4,067	49,043	46,055	2,988	6%	46,055
TOTAL SALARY, ALLOWANCES & BENEFITS	4,255,828	4,985,311	4,603,976	349,470	4,209,709	4,603,976	(394,267)	-9%	4,603,976
% increase		17.1%	8.2%						8.2%
TOTAL MANAGERS AND STAFF	4,169,895	4,886,977	4,504,806	341,984	4,118,171	4,504,806	(388,458)	-9%	4,506,106

6. Key performance indicators

The table below reflects the key performance indicators as per the 2025/26 Original Budget and the associated performance to date.

Supporting Table SC2 quarterly Budget Statement - performance indicators – M11 May 2026

Description of financial indicator	Basis of calculation	Budget Year 2025/26		
		Original Budget	Adjusted Budget	Year TD actual
Borrowing Management				
Capital Charges to Operating Expenditure	Interest & principal paid/Operating Expenditure	1.4%	6.0%	1.12%
Borrowed funding of 'own' capital expenditure	Borrowings/Capital expenditure excl. transfers and grants	2.9%	2.7%	0.0%
Safety of Capital				
Debt to Equity	Loans, Accounts Payable, Overdraft & Tax Provision/ Funds & Reserves	19.2%	19.0%	20.13%

Description of financial indicator	Basis of calculation	Budget Year 2025/26		
		Original Budget	Adjusted Budget	Year TD actual
Gearing	Long Term Borrowing/ Funds & Reserves	4.5%	404.4%	4.23%
Liquidity				
Current Ratio	Current assets/current liabilities	2.20:1	2.25:1	1.66:1
Liquidity Ratio	Monetary Assets/Current Liabilities	1.15:1	1.18:1	0.79:1
Revenue Management				
Annual Debtors Collection Rate (Payment Level %)	Last 12 Months Receipts/ Last 12 Months Billing	80.0%		76.60%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	19.6%	20.0%	15%
Longstanding Debtors Recovered	Debtors > 12 Months Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%
Creditors Management				
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))	100.0%		67 days
Employee costs	Employee costs/Total Revenue - capital revenue	25.0%	23.6%	22.66%
Repairs & Maintenance	R&M/Total Revenue - capital revenue	3.8%	3.8%	2.5%
Interest & Depreciation	I&D/Total Revenue - capital revenue	5.7%	6.0%	0.06%
IDP regulation financial viability indicators				
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	62 times		99.27 times
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	29.6%		24.48%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	82.94 days		49.83 days

The above table is discussed in detail below.

6.1 Borrowing Management

6.1.1 Borrowing to Asset Ratio

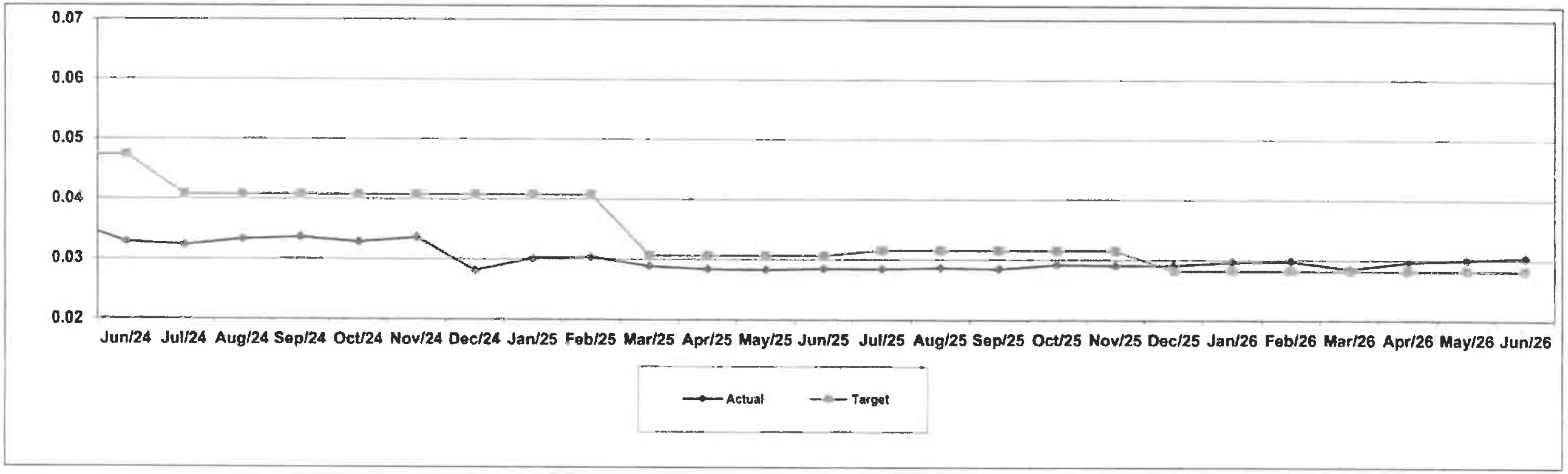
This ratio assesses to what extent there are adequate assets to cover the amount of outstanding long-term borrowing (refer figure 1).

The ratio is determined as follows
Long-Term Borrowing / 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 June 2026, the borrowing to asset ratio was at 0.03:1, compared to the 2026/26 adjusted budget target of 0.03:1. A ratio of 0.03:1 as reflected in the 2025/26 original 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

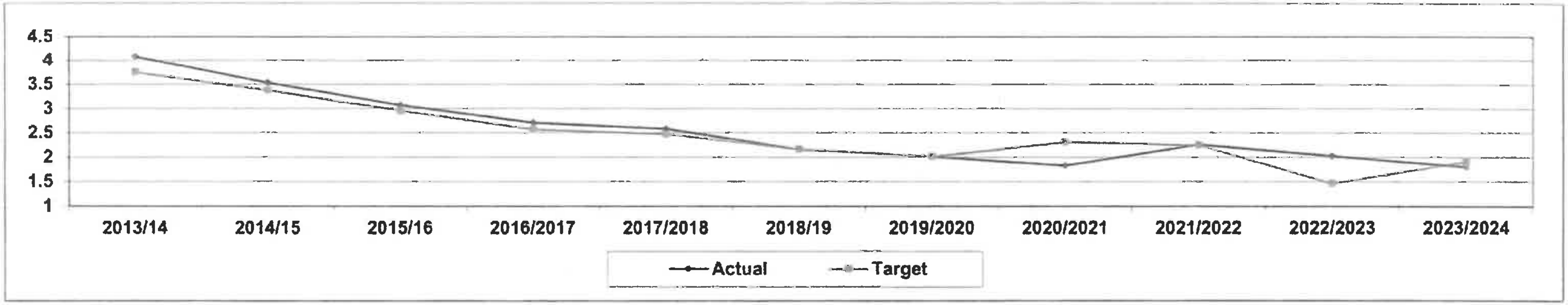
This ratio indicates the proportion of capital charges (interest and principal paid on borrowing) to actual operating expenditure to date. The ratio also provides an assurance that the proportion of capital charges to total annual operating expenditure is financially prudent. (Refer figure 2).

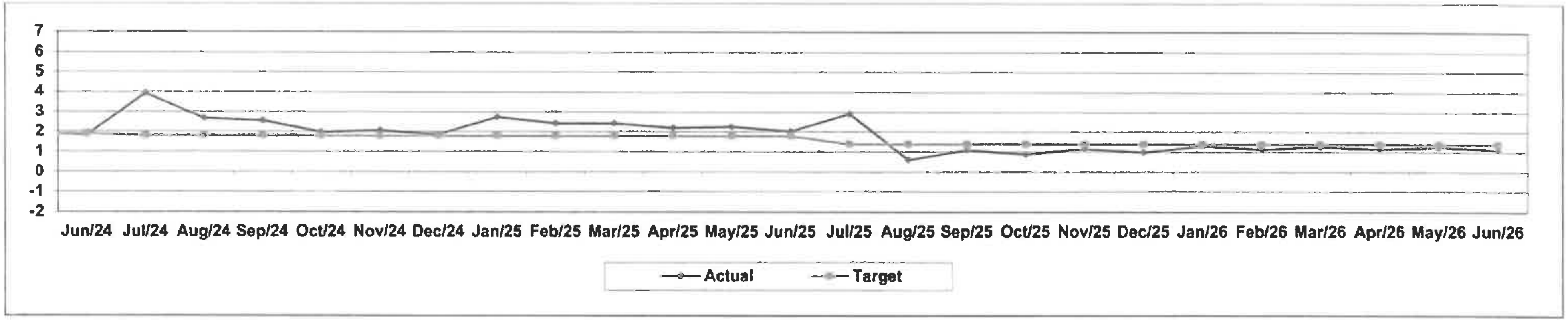
The ratio is determined as follows:

Capital Charges / Total Operating Expenditure to date.

The ratio indicates that 1.12% of the Operating adjusted Budget was utilised for capital charges, compared to the 2026/26 adjusted budget target of 0.47%. Capital charges (Debt servicing costs) are paid at specific intervals. The ratio as at 30 June 2026 will increase as operating expenditure are processed during the remainder of the 2026/26 financial year.

Figure 2: Capital Charges to Annual Operating Expenditure





6.1.3 Borrowed funding of capital expenditure.

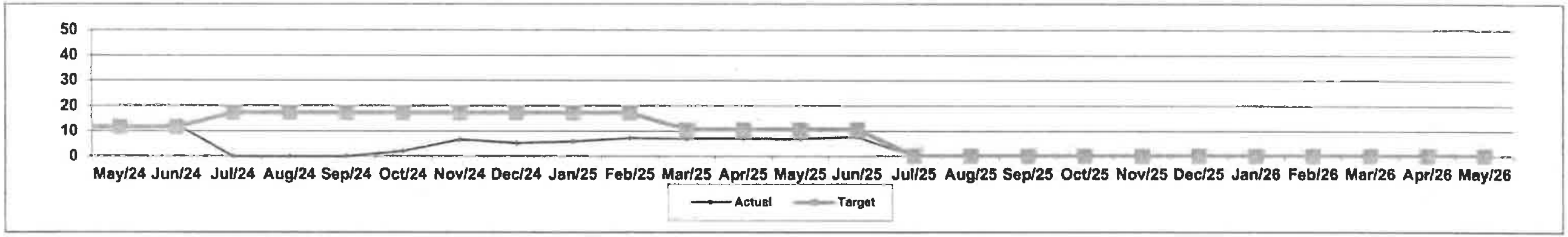
This ratio indicates the proportion of borrowed funding to actual capital expenditure to date (excluding transfers and grants). The ratio also indicates the extent of capital expenditure being financed from borrowed funding compared to own and other funding sources, excluding transfers and grant-funded 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 0.00:1 compared to the budget target of 0.08:1 as per the 2026/26 adjusted 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).

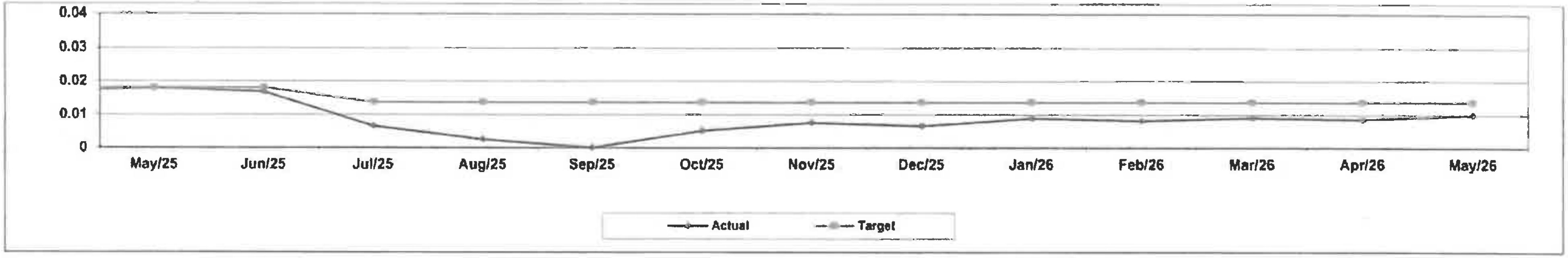
The ratio is determined as follows:

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 May 2026, the debt servicing costs to operating revenue ratio was at 0.01:1, compared to the 2026/26 adjusted budget target of 0.01:1. 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).

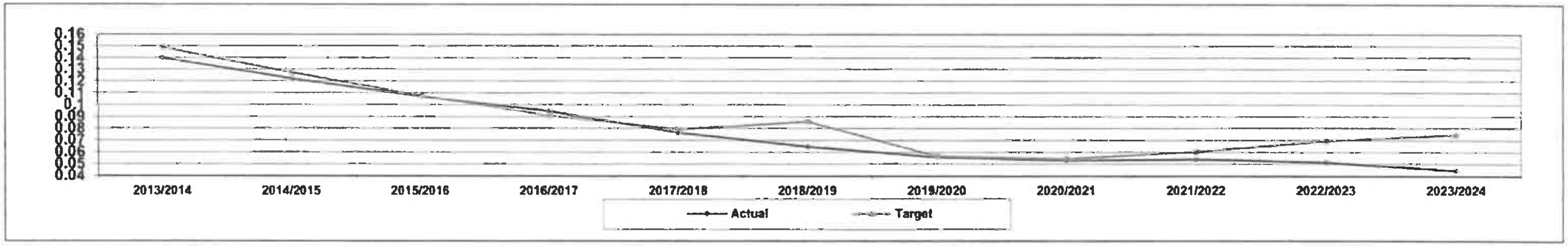
The ratio is determined as follows:

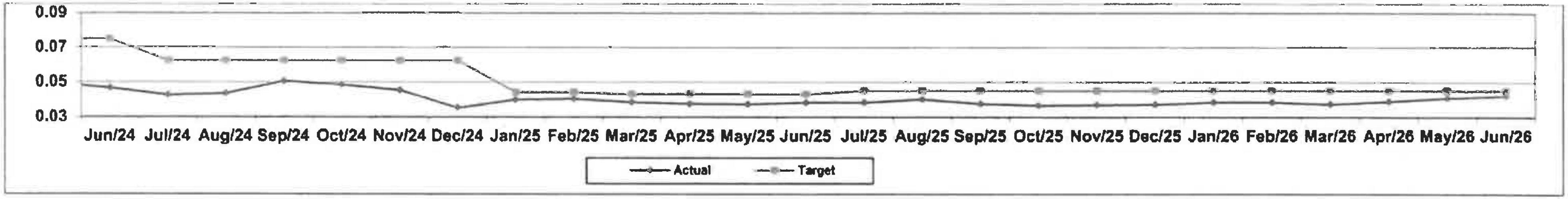
Long Term Borrowing / Funds & Reserves (Equity)

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 June 2026 was 0.04:1, compared to the 2026/26 adjusted budget target of 0.05:1.

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

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

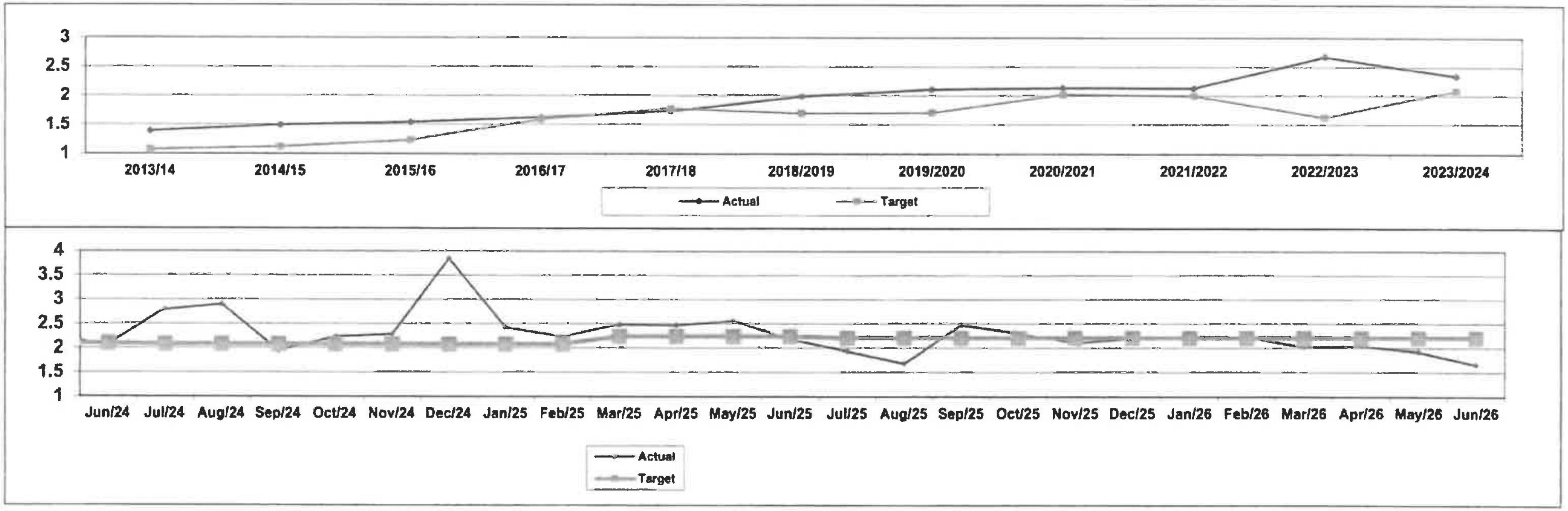
Current Assets	R	%
Cash & investments	2,861,125,342	46.65%
Consumer Debtors	2,523,103,562	41.14%
Other Debtors	267,365,270	4.36%
Vat	-	-
Inventory	481,073,107	7.84%
Total	**6,132,667,280**	**100.00%**
Current Liabilities	**R**	**%**
Borrowing	129,859,750	3.51%
Consumer Deposits	163.112.884	4.40%
Trade and other payables	2,871,024,804	77.52%
Vat	95,503,323	2.58%
Provisions	443,952,680	11.99%
Total	**3,703,453,441**	**100.00%**
Current Ratio	**1.66:1**	

It is to be noted that cash and investments, consumer debtors, other debtors and inventory comprise 46.65%, 41.14%, 4.36% and 7.84% respectively of total current assets. Trade and other payables constitute 77.52% 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 current ratio is of utmost importance to measure the financial liquidity and sustainability of the Municipality. The 2026/26 adjusted budget target of 2.24:1 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



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:

Monetary assets / Current liabilities

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

Monetary Assets	**R**	**%**
Cash & investments	2,861,125,342	100.00%
Total	**2,861,125,342**	**100.00%**

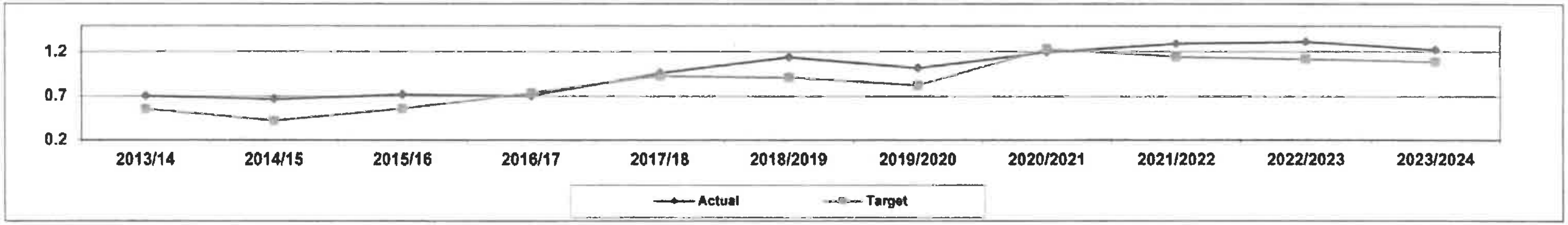
Current Liabilities	**R**	**%**
Borrowing	129,859,750	3.51%
Consumer Deposits	163,112,884	4.40%
Trade and other payables	2,871,024,804	77.52%
Vat	95,503,323	2.58%
Provisions	443,952,680	11.99%
Total	**3,703,453,441**	**100.00%**
Current Ratio	**0.77:1**	

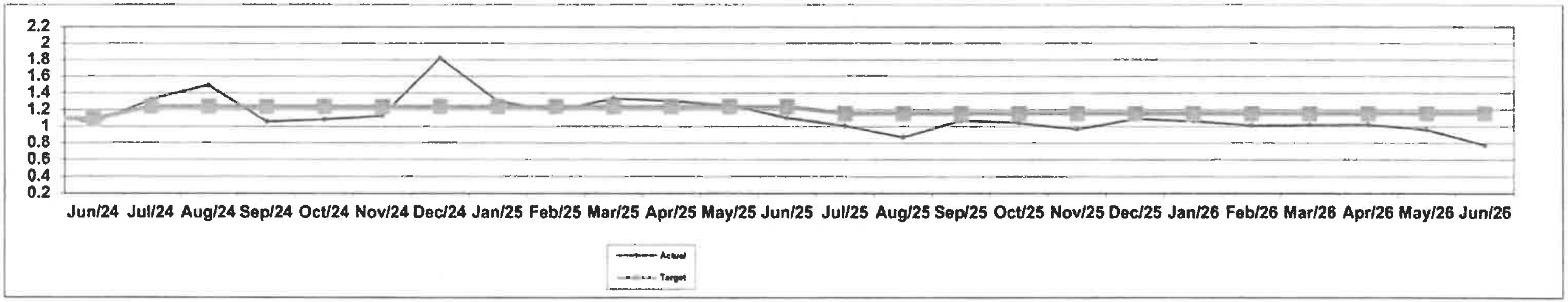
A favourable ratio would ensure that the Municipality is able to settle its short-term commitments from monetary assets. The liquidity ratio as at 30 June 2026 is 0.77:1.

The liquidity ratio is of utmost importance to measure the financial liquidity and sustainability of the Municipality. The 2026/26 adjusted budget target of 1.18:1 is a satisfactory target. It is important that a ratio of at least 1:1 be achieved for medium and long-term financial sustainability.

Annexure "A5"

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 75% as per the 2026/26 Adjusted 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:

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

The average collection rate for the period July 2025 to June 2026 is 70.60%. The collection rate for June 2026 amounted to 76.60%.

Figure 8: Annual Debtors Collection Rate

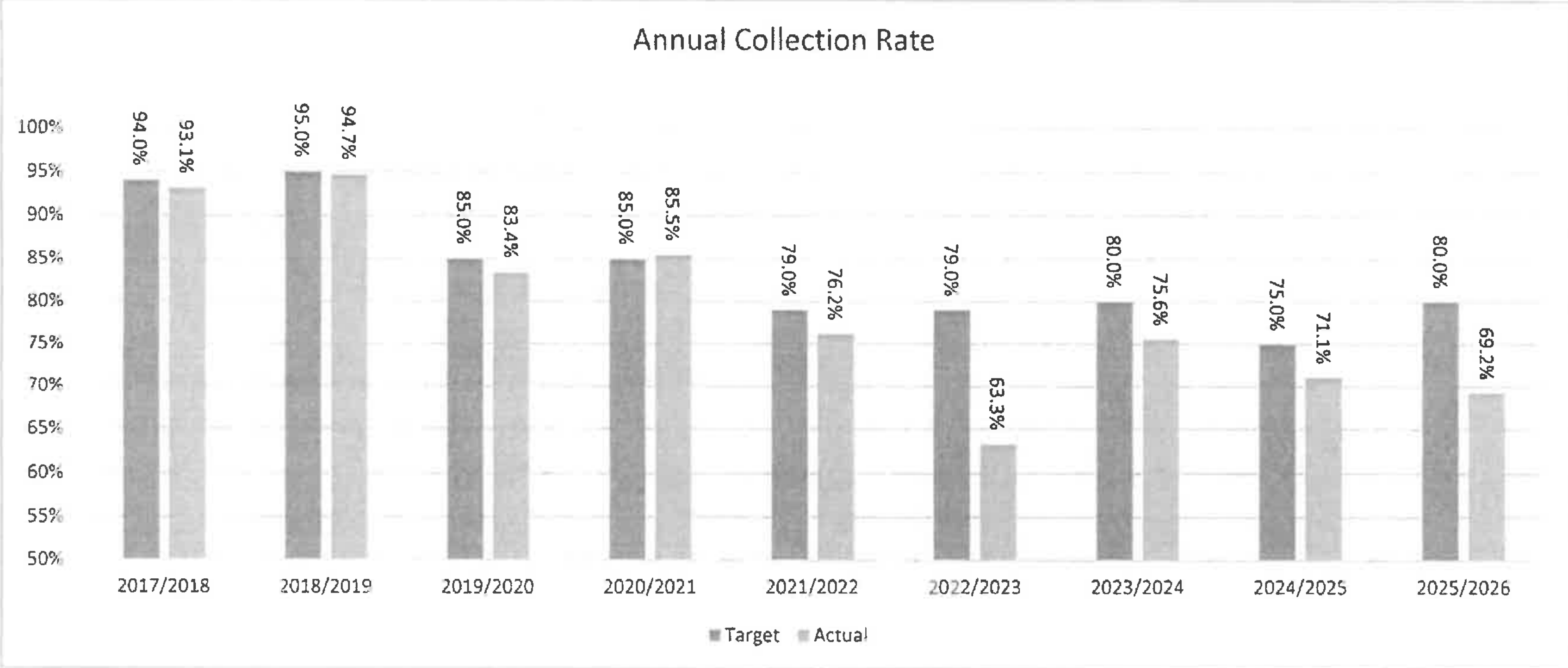
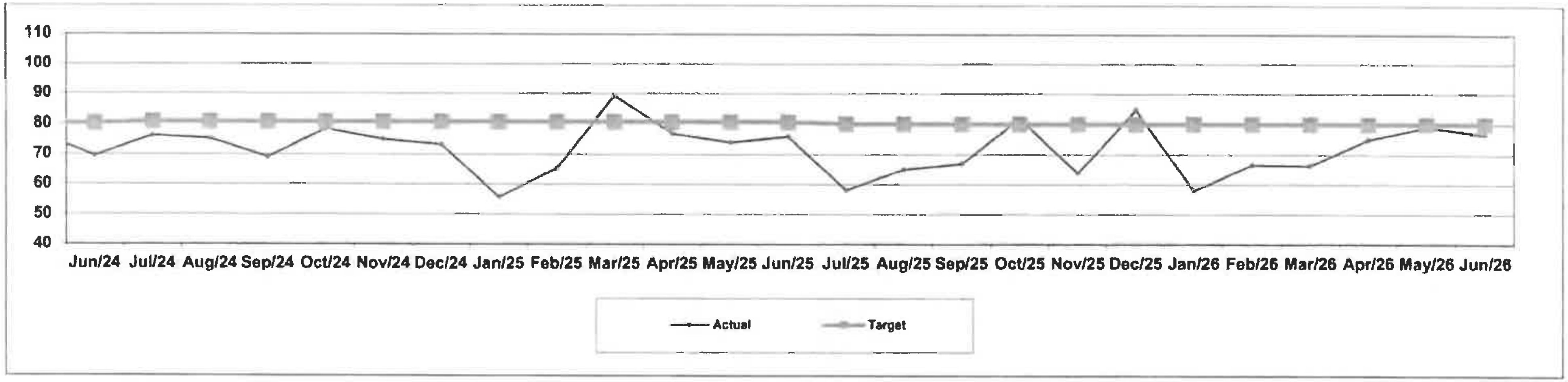


Figure 9: Monthly Debtors Collection Rate



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.

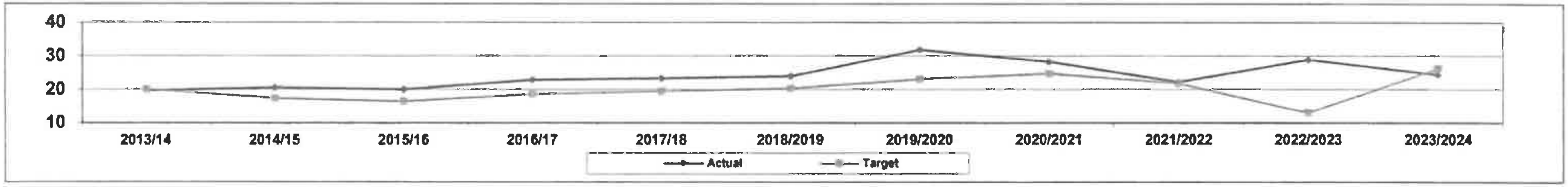
The ratio is determined as follows:

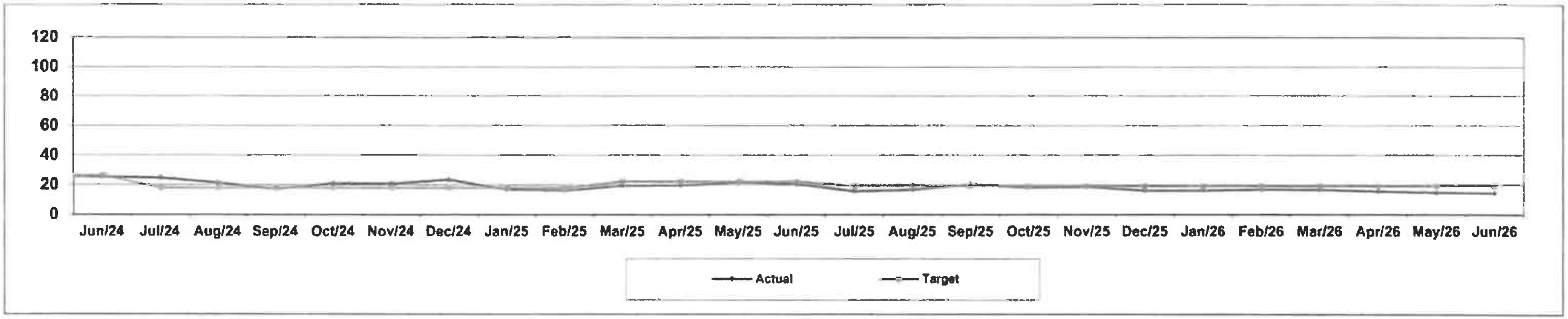
Outstanding Debtors / Annualised Operating Revenue

The ratio at the end of June 2026 was 14.59% compared to the 2026/26 adjusted budget target of 19.28%.

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





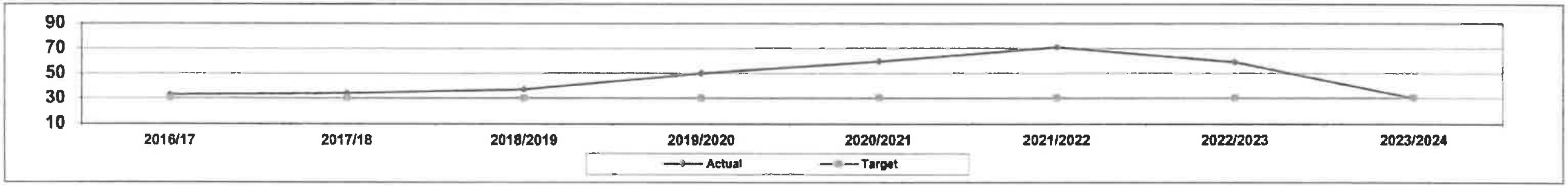
6.5 Creditor Management

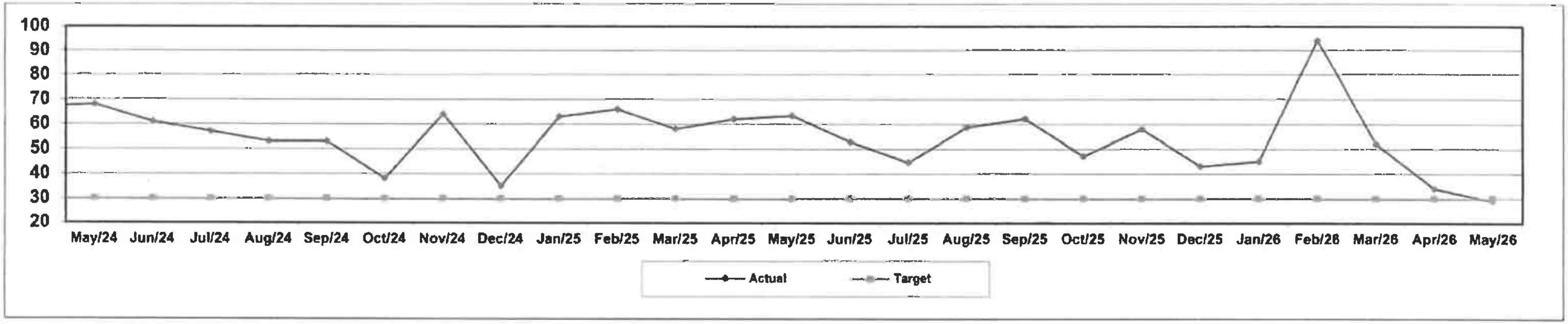
6.5.1 Creditors Turnover (days)

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 31 May 2026 amounted to 29 days (also refer to Section 1.8.2 of this report).

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





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:
Operating Result or Net Results (Excluding Capital Items) **x 100**
Total Operating Revenue (Excluding Capital Items)

The ratio as at 30 June 2026 amounted to 15.65%.

Operating Surplus Ratio	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Actuals	2023/24 Restated	2024/25 Adjusted Budget	2024/25 Pre-Audited Actuals	2025/26 Approved Budget	June 2026
Operating surplus/(deficit)	980,374,999	1,086,670,839	406,057,160	231,752,790	925,191,000	-551,509,000	1,286,455,540	-1,560,372,933	22,602,060	3,524,642,900
Less: Transfers recognised Capital	1,124,719,714	711,898,872	851,761,620	785,685,640	1,008,853,570	1,083,354,442	1,286,456,000	1,050,046,147	1,368,028,660	680,714,168
Total	-144,344,715	374,771,968	-445,704,460	-553,932,850	-83,662,570	531,845,442	-460	-510,326,786	-1,345,426,600	2,843,928,732
Total Operating Revenue	11,509,629,367	12,222,925,790	12,835,447,880	14,846,440,730	16,345,994,090	16,383,664,572	18,028,290,660	17,452,318,942	19,555,749,200	18,170,801,757
Ratio	-1.25	3.07	-3.47	-3.73	-0.51	3.25	0.00	-2.92	-6.88	15.65

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:

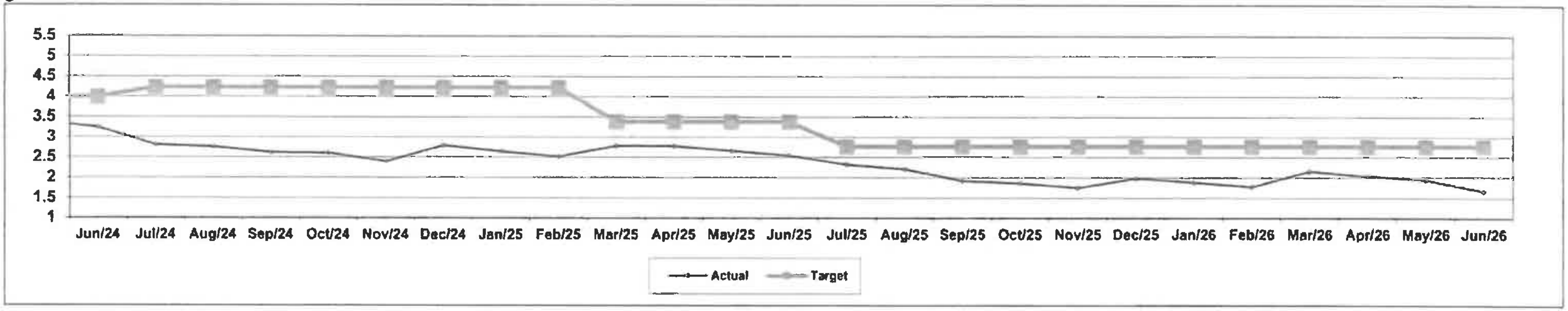
Cash and Cash Equivalents – Unspent Conditional Grants – Overdraft – Unspent External Loan + Short Term Investments /Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provisions for Bad Debts, Impairment and Loss on the disposal of Assets):

$$\frac{R\,2{,}861{,}125{,}342 - R\,843{,}043{,}753}{R1{,}212{,}072{,}238} = 1.66 \text{ months (49.83 days)}$$

The cost coverage ratio is 1.66 months. The monthly average projected budget operating payments for the period July 2025 to June 2026 was used as a basis for the calculation. The 2026/26 adjusted budget target is 3.37 months.

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

Figure 11: Cost Coverage (months)
g



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:

Total Liabilities – Current Assets **x 100**
Total Operating Revenue (Excluding Capital Items)

The ratio as at 30 June 2026 amounts to 7.4%.

Net Financial Liabilities Ratio	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Actuals	2023/24 Restated	2024/25 Adjusted budget	2024/25 Pre-audit Actuals	2025/26 Approved Budget	June 2026
Total Liabilities	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	10,271,428,573	9,022,526,690	7,466,166,966
Less: Current Assets	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	10,850,374,030	8,219,431,360	6,132,667,280
Total	1,838,358,486	1,232,895,659	905,365,584	226,150,400	-386,875,596	6,154,890	1,232,913,000	-578,945,457	803,095,330	1,333,499,686
Operating Revenue excl. Transfer recognised Capital	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	17,452,318,942	19,555,749,200	18,170,801,757
Ratio	**15.40**	**10.09**	**7.05**	**1.63**	**-2.82**	**0.04**	**7.54**	**-3.32**	**4.11**	**7.34**

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:

Capital Expenditure in Replacement of Assets (Renewals) **x100**
Depreciation Expenditure

The ratio as of 30 June 2026 amounts to 29.74%.

Asset Sustainability Ratio	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Actuals	2023/24 Restated	2024/25 Adjusted Budget	2024/25 Pre-Audit Actuals	2025/26 Approved Budget	June 2026
Capital renewals	235,822,048	303,828,967	302,258,967	266,314,170	295,886,967	757,052,074	512,306,979	390,835,687	441,111,580	312,244,096
Depreciation	739,657,047	740,575,415	740,575,415	1,033,770,465	1,039,206,040	1,001,987,866	1,018,442,490	952,306,037	1,051,415,360	1,049,975,142
Ratio	**31.88**	**41.03**	**40.81**	**25.76**	**28.47**	**75.56**	**50.30**	**41.04**	**41.95**	**29.74**

The ratio indicates that capital renewals, as compared to depreciation is lower than anticipated in the 2026/26 adjusted 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:

Operating Expenditure on Repairs & Maintenance + Capital Expenditure on Renewals / Depreciation Expenditure x 100

The ratio as of 30 June 2026 amounts to 73.05%. The ratio is lower than anticipated in the 2026/26 approved Budget.

Asset Preservation Ratio	2019/20 Actuals	2020/21 Actuals	2021/22 Actuals	2022/23 Actuals	2023/24 Actuals	2023/24 Restated	2024/25 Pre Audit Actuals	2024/25 Adjusted Budget	2025/26 Approved Budget	June 2026
Operating Repairs and maintenance	454,913,720	477,612,894	464,474,380	497,619,120	494,040,490	381,773,007	578,635,000	758,359,380	740,533,570	454,782,322
Capital renewals	235,822,048	303,828,967	302,258,967	266,314,170	295,886,967	757,052,074	319,751,000	512,306,979	441,111,580	312,244,096
Total	**690,735,768**	**781,441,861**	**766,733,347**	**763,933,290**	**786,927,457**	**1,138,825,081**	**898,386,000**	**1,270,666,359**	**1,181,645,150**	767,026,418
Depreciation	739,657,047	740,575,415	740,575,415	1,033,770,465	1,039,206,040	1,001,987,866	1,294,092,330	1,018,442,490	1,051,415,360	1,049,975,142
Ratio	**93.39**	**105.52**	**103.53**	**73.90**	**75.72**	**113.66**	**69.42**	**124.77**	**112.39**	**73.05**

6.7 Other Indicators

6.7.1 Employee costs as a percentage of Total Operating Income

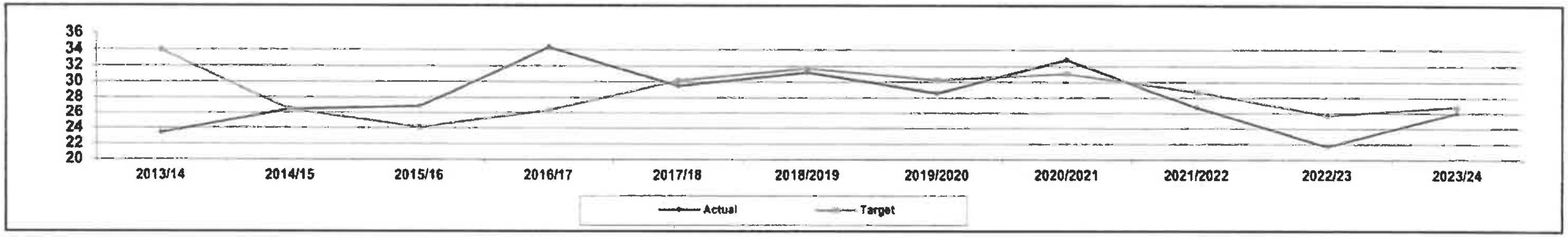
This ratio assesses the extent to which the Municipality’s Operating Revenue is consumed by costs associated with the employment of human resources (refer figure 12).

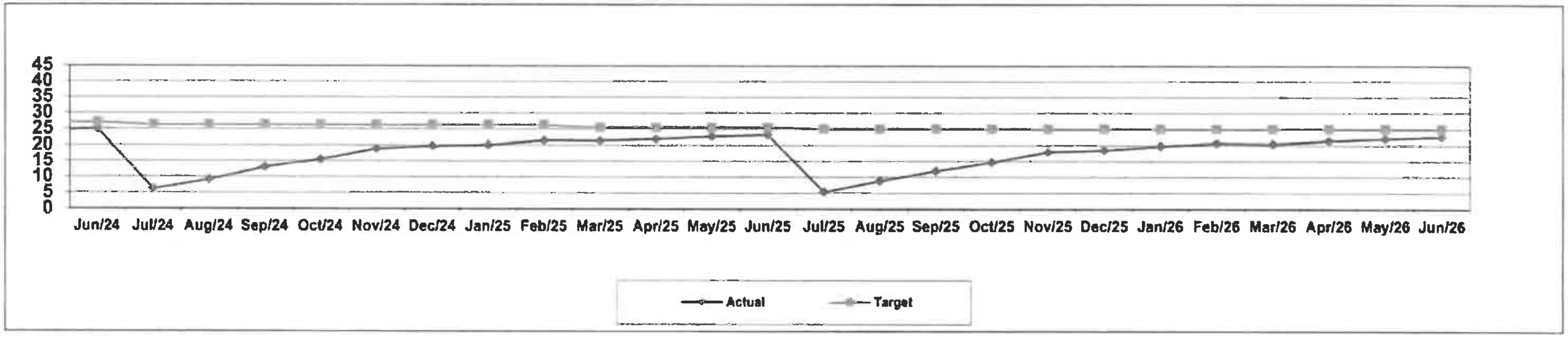
The ratio is determined as follows:

Employee Costs to Date / Total Operating Revenue to Date

The target has been set at 23.58% for the financial year. As of 30 June 2026, the actual personnel costs constituted 22.66% 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

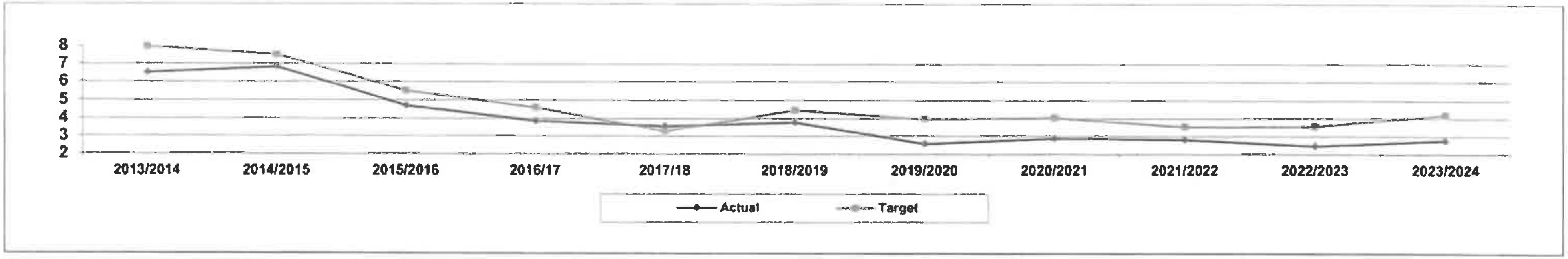
This ratio assesses the extent to which the Municipality's Operating Revenue is consumed by costs associated with the repairs and maintenance of its assets (refer figure 13).

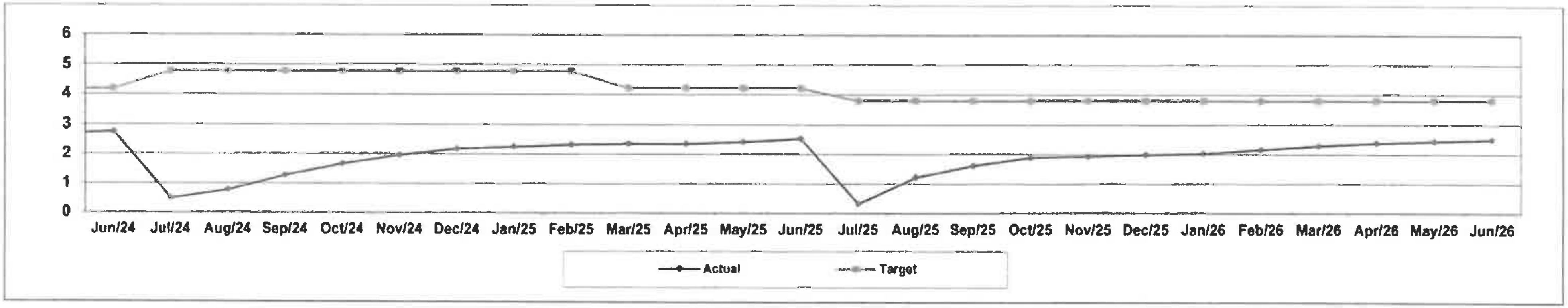
The ratio is determined as follows:

Repairs and Maintenance expenditure to date / Total Operating Income to date

The actual expenditure of 2.50% is below the 2026/26 adjusted budget target of 3.82%. 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).

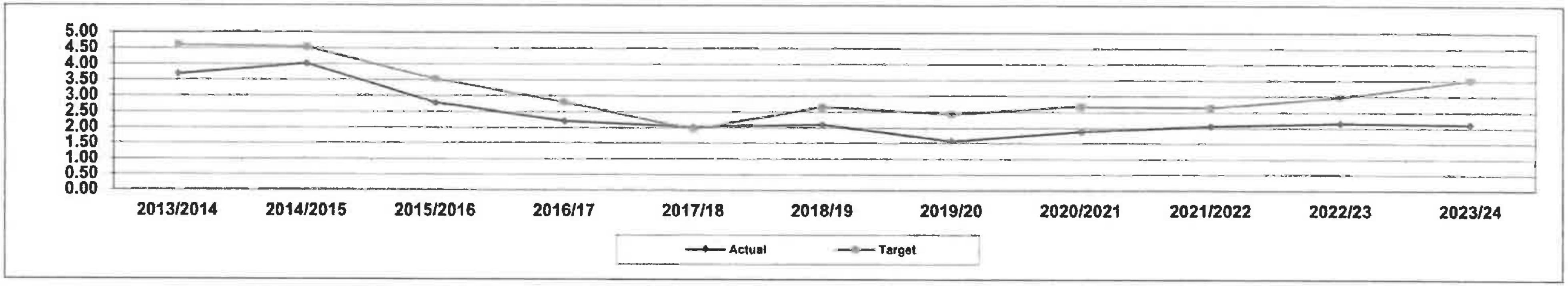
The ratio is determined as follows:

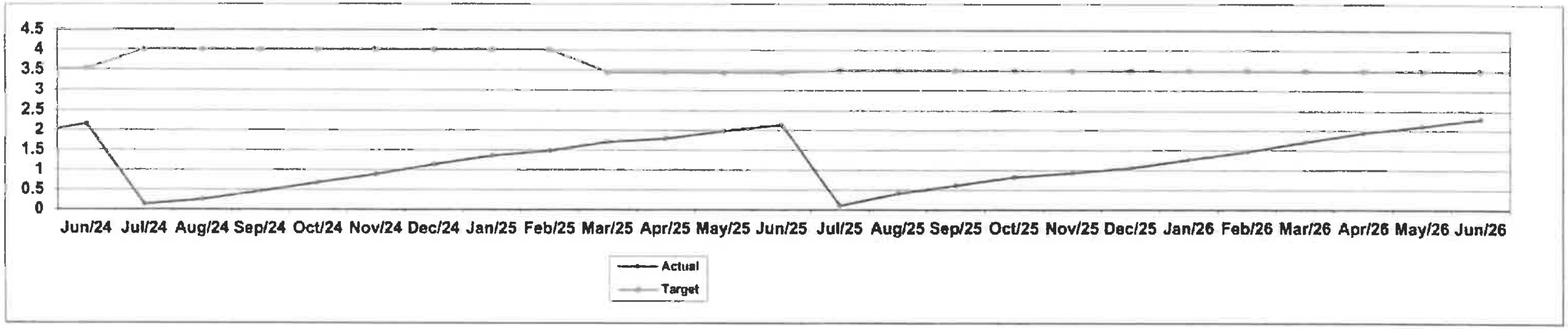
Repairs and maintenance expenditure to date / Book value of PPE to date

The repairs and maintenance expenditure incurred to date constitutes 2.30% of the book value of PPE, as at the end of June 2026, compared to the 2026/26 adjusted budget target of 3.44%. 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)





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:

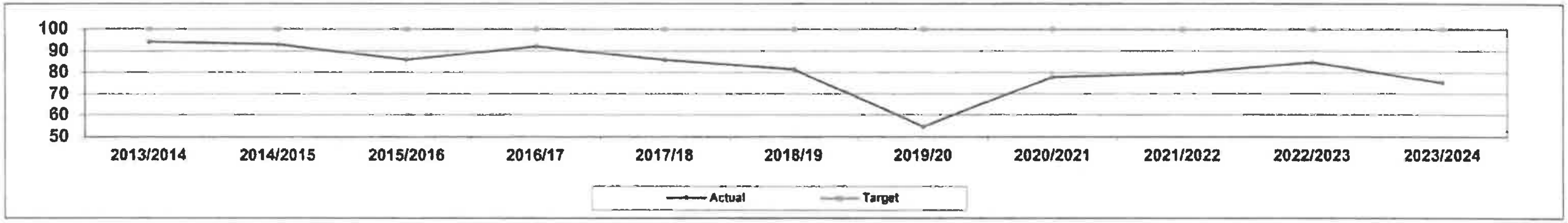
Actual Capital spending to date / Approved Capital Budget

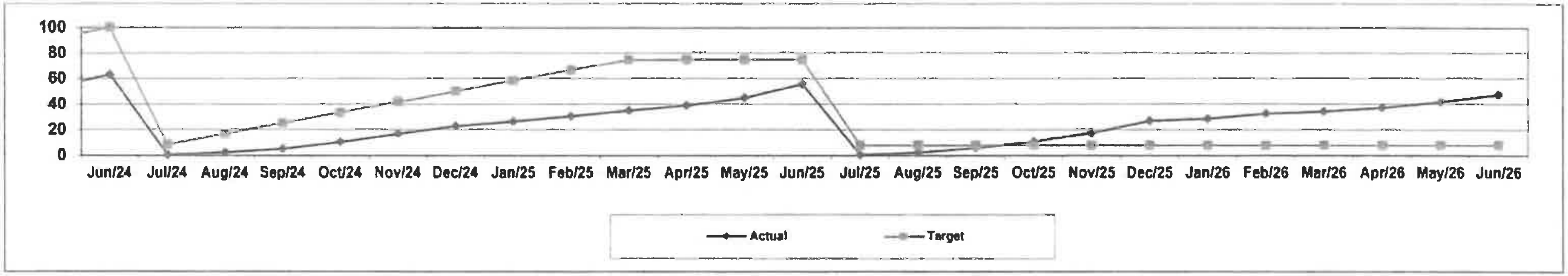
The actual spending as at the end of June 2026 amounted to 47.12%.

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).

The ratio is determined as follows:

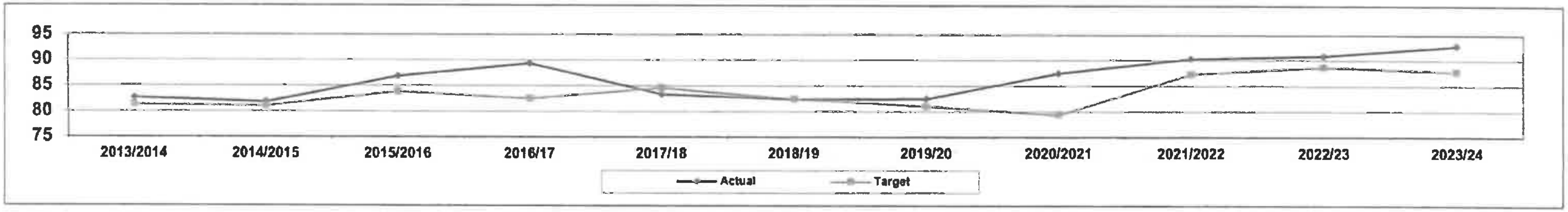
Own Revenue Sources / Total Operating Income (includes operating grants)

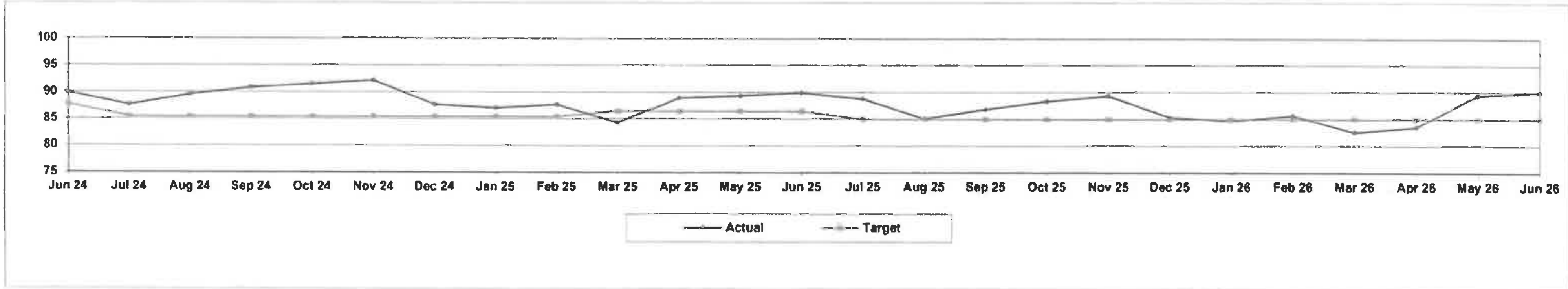
As at the end of June 2026, the Municipality's own revenue sources constituted 89.96% of its total Operating Income compared to the 2026/26 adjusted budget target of 87.37%. The Municipality is thus not fully reliant on the finances received from Provincial and National Government to support its day-to-day operations.

Annexure "A5"

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:

$$\frac{\textbf{Electricity units purchased – Electricity units sold}}{\textbf{Electricity units purchased}} \times 100$$

The total non-revenue electricity losses for the 12 months of the 2024/25 financial year amounts to 26.81% (932,537,678Kwh), or an equivalent of R1.323 billion up from R1.176billion or 26.36% (889,563,661Kw) for the 2023/24 budget year. The Electricity Loss calculation up to 28 February is R 1.490 billion.

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:

$$\frac{\textbf{Water units purchased – Water units sold}}{\textbf{Water units purchased}} \times 100$$

The cumulative Water losses for the 2024/25 financial year amounted to 73.741 million kl or 57.62%. The Cumulative Water losses for the first 6 months of the 2025/26 financial year amounted to 61,464,654 kl or 54.8%.

It is evident that the current strategies to address both water and electricity losses are not yielding positive results, over and above the loan amounting to R750.6 million that was raised by the municipality to address these challenges.