



# SECTION 52(D) REPORT

01 July 2025-30 September 2025

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**PART 1-FINANCIAL PERFORMANCE INFORMATION**

## **1. INTRODUCTION AND PURPOSE**

This report is prepared in compliance with the Local Government: Municipal Finance Management Act No. 56 of 2003 (MFMA). In accordance with Section 71 of the MFMA, the Municipal Manager, as the Accounting Officer, is required to submit a financial report to the Executive Mayor within ten (10) working days after the end of each month, in a prescribed format.

Furthermore, in terms of Section 52(d) of the MFMA, the Executive Mayor is obligated to submit a quarterly report to the Municipal Council on the implementation of the approved annual budget and the overall financial state of the municipality within thirty (30) days after the end of each quarter.

These in-year financial reports must be prepared in the prescribed format—Schedule C—as stipulated in Regulation 28 of the Municipal Budget and Reporting Regulations (MBRR), promulgated in 2009.

Accordingly, the purpose of this report is to fulfil the legislative requirements of Sections 52 and 71 of the MFMA and Regulation 28 of the MBRR, by presenting the financial position of the municipality for the period ending 30 September 2025 [Quarter 1].

## **2. EXECUTIVE SUMMARY**

The annual budget of the municipality for the financial year 2025/26 has been prepared in accordance with the MFMA, MBRR, and MFMA Budget Circulars issued by the National Treasury. In this regard, Council has approved revenue budget of R 773 million excluding capital transfers and contributions of R 259.8 million, and expenditure budget of R 942.6 million [inclusive of the non-cash items which will be discussed in the later part of the report].

Post adoption of the annual budget by the Municipal Council, budget documents [together with the relevant supporting documentation] were sent to the relevant stakeholders. The financial report for the third month of the financial year [September 2025] is presented below. The report primarily focuses on operating revenue, operating expenditure, and capital expenditure (including associated funding sources), in accordance with the prescribed Schedule C reporting format.

Additionally, the report includes relevant information and analysis on key areas such as the debtors and payment report, outstanding creditors, investment portfolio, borrowing portfolio, transfers and subsidies, employee-related costs, remuneration of councilors, and distribution losses. The full set of Schedule C tables is attached to support the detailed analysis provided.

## **3. REVENUE ANALYSIS**

The budgeted revenue for the current year is R 773 million categorized into exchange and non-exchange revenue, budgeted R 360.1 million and R 412.9 million respectively.

## Setso Local Municipality - Table C4 Monthly Budget Statement - Financial Performance (Revenue and Expenditure) - M03 September

Description	Ref	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
Figures in Rand thousand										
<b>Revenue</b>										
<b>Exchange revenue</b>										
Service charges - Electricity		120 772	141 353	-	11 943	38 947	35 338	3 609	10 %	141 353
Service charges - Water		88 649	70 841	-	8 474	25 504	17 710	7 794	44 %	70 841
Service charges - Waste water management		43 735	32 641	-	3 956	11 862	8 160	3 702	45 %	32 641
Service charges - Waste management		57 178	48 230	-	5 189	15 561	12 057	3 504	29 %	48 230
Sale of goods and rendering of services		2 023	510	-	111	659	127	532	419 %	510
Interest earned from receivables		42 926	56 329	-	2 951	8 791	14 082	(5 291)	(38)%	56 329
Interest earned from current and non current assets		9 726	9 500	-	1 020	1 909	2 375	(466)	(20)%	9 500
Dividends		94	90	-	98	98	90	8	9 %	90
Rent on land		1 914	-	-	154	468	-	468	- %	-
Rental from fixed assets		127	123	-	11	25	31	(6)	(19)%	123
Operational revenue		890	550	-	37	97	137	(40)	(29)%	550
		<b>368 034</b>	<b>360 167</b>	<b>-</b>	<b>33 944</b>	<b>103 921</b>	<b>90 107</b>	<b>13 814</b>	<b>15 %</b>	<b>360 167</b>
<b>Non-exchange revenue</b>										
Property rates		86 081	74 523	-	7 416	22 118	18 631	3 487	19 %	74 523
Fines, penalties and forfeits		34	120	-	8	22	30	(8)	(27)%	120
Licences or permits		127	30	-	30	73	8	65	813 %	30
Transfer and subsidies - Operational		271 663	280 974	-	1 586	117 042	117 783	(741)	(1)%	280 974
Interest		18 013	18 935	-	1 591	4 742	4 734	8	- %	18 935
Operational revenue		-	6 340	-	-	-	1 585	(1 585)	(100)%	6 340
Gains on disposal of assets		528	-	-	23	88	-	88	- %	-
Other gains		112	32 000	-	-	-	8 000	(8 000)	(100)%	32 000
		<b>376 558</b>	<b>412 922</b>	<b>-</b>	<b>10 654</b>	<b>144 085</b>	<b>150 771</b>	<b>(6 686)</b>	<b>(4)%</b>	<b>412 922</b>
<b>Total exchange revenue excluding capital transfers and contributions)</b>		<b>744 592</b>	<b>773 089</b>	<b>-</b>	<b>44 598</b>	<b>248 006</b>	<b>240 878</b>	<b>7 128</b>	<b>3 %</b>	<b>773 089</b>

Statement of Financial Performance is prepared in the prescribed format. The statement details revenue by source [excluding capital transfers and contributions] and expenditure by type [to be discussed/shown in the ensuing part of this report]. The statement [table above] shows actual revenue for the reporting month at R 44.5 million. A variance of R 7.1 million (3%) is realised when comparing the budget to actuals.

### 3.1. PROPERTY RATES [19%]

The property rates are levied in terms of the Municipal Property Rates Act No. 6 of 2004 as well as the Property rates policy adopted by the municipal council. Upon the approval of the annual budget the municipality advertised the approved property rates levies, exemptions, rebates, discounts and reductions on the provincial government gazette. The municipality implemented the new valuation report from 01 July 2023.

The reporting month's actual property rates is R 7.4 million when comparing the year to date actual [R 22.1 million] with the year-to-date budget [R 18.6 million] a favorable variance of R 3.4 million [19%] is realized. The total Property rates owed are R 96.3 million; a breakdown of this amount is contained under paragraph 5.1.

### 3.2. SERVICE CHARGES: ELECTRICITY [10%]

Electricity service charges are regulated by the National Energy Regulator of South Africa (NERSA). In compliance with regulatory requirements, the municipality submitted its application for tariff approval to NERSA prior to the commencement of the current budget year.

For September 2025, electricity revenue performance amounted to R 11.9 million, bringing the year-to-date actual to R 38.9 million. This reflects a favourable variance of R 3.6 million (10%), although this is a decline from the 15% variance reported in the previous month. The decrease is primarily attributed to the onset of the warmer season, which typically results in reduced electricity consumption.

### **3.3. SERVICE CHARGES: WATER [44%]**

Water service charges are levied in accordance with the council-approved tariffs. At year-to-date, the actual revenue stands at R 25.5 million, exceeding the year-to-date budget by approximately R 7.7 million (44%). This performance is significantly higher than projected. While water charges are consumption-based, the magnitude of the variance falls outside the acceptable norm and warrants further investigation to determine the underlying causes.

### **3.4. SERVICE CHARGES: WASTEWATER MANAGEMENT [45%]**

Service charges for sanitation are budgeted at R 32.6 million for the financial year. For September 2025, the actual revenue amounted to R 3.9 million, resulting in a year-to-date actual of R 11.8 million. This reflects a variance of R 3.7 million (45%) when compared to the year-to-date budget. The variance is significantly high and requires investigation to identify the root causes and implement appropriate remedial actions.

### **3.5. SERVICE CHARGES: WASTE MANAGEMENT [29%]**

Waste management service charges are budgeted at R48.2 million for the financial year. For the month under review, revenue performance amounted to R 5.1 million, bringing the year-to-date actual to R15.5 million. This reflects a favorable variance of R 3.5 million when compared to the year-to-date budget. While the variance indicates strong performance, it remains above expected levels and should be investigated to ensure accuracy and implement any necessary remedial actions.

### **3.6. INTEREST EARNED FROM CURRENT AND NON-CURRENT ASSETS [-20%]**

The municipality has adopted a Cash Management and Investment Policy in accordance with Section 13 of the Municipal Finance Management Act (MFMA), No. 56 of 2003. In line with this policy and the provisions of the Act, surplus funds that are not immediately required are invested to generate interest income for the municipality. The interest earned is determined based on the investment amount, duration, and the applicable interest rate.

For the current month, interest earned amounted to R 1 million resulting to a total of R 1.9 million. These funds are ring-fenced for unspent conditional grants, thereby ensuring that grant funding is not utilised for unintended purposes and remains available for its designated use.

### **3.7. INTEREST EARNED FROM RECEIVABLES [-38%]**

Interest earned is charged in accordance with the approved credit control and customer care policy. The rate levied is prime plus 1 percent and is charged immediately when the account is in arrears.

Interest [non-exchange revenue] is reported and budgeted separately from interest [exchange revenue] in terms of the MSCOA requirements.

## **4. GRANTS AND SUBSIDIES.**

The table below depicts the grants and subsidies that are expected to accrue to the municipality. Only those grants that are in the gazette are included in the municipal budget. They are mainly divided into conditional and non-conditional grants [which can either be for capital or operational purposes].

#### 4.1. NON-CONDITIONAL GRANTS

The non-conditional grant allocated to the municipality is Equitable Share to the value of R 277 million, meant to assist the municipality with subsidizing the registered Indigent Households and to enable the municipality to provide basic services and perform its functions.

GRANT	DORA ALLOCATION R'000	OFFSET TO PAY UNSPENT GRANT	YTD RECEIPTS R'000	FUTURE RECEIPTS R'000	YTD EXPENDITURE R'000	YTD NET BALANCE R'000	% SPENT YTD RECEIPTS
<b>UNCONDITIONAL</b>							
Equitable Share	R 277 095	R -	R 115 456	R 161 639	R 115 456	R -	100%
<b>Total</b>	<b>R 277 095</b>	<b>R -</b>	<b>R 115 456</b>	<b>R 161 639</b>	<b>R 115 456</b>	<b>R -</b>	<b>100%</b>

Accordingly, the first tranche totaling R 115.4 million has been received.

#### 4.2. CONDITIONAL GRANTS

Conditional grants allocated to the municipality are subject to strict regulation. In accordance with legislative requirements, the municipality is required to report monthly on the movement and utilisation of these grants to the National Treasury and the relevant transferring officer (provincial department).

Municipalities are required to submit business plans to the respective departments, which, together with the National Treasury, monitor the implementation of these plans against the monthly expenditure reports submitted by the municipality.

The table below provides a breakdown of the conditional grants allocated to the municipality in terms of the Division of Revenue Act (DoRA).

GRANT	DORA ALLOCATION R'000	ADJUSTMENTS R'000	ADJUSTED ALLOCATIONS R'000	YTD RECEIPTS R'000	FUTURE RECEIPTS R'000	YTD EXPENDITURE R'000	YTD NET BALANCE R'000	% SPENT DORA ALLOCATION	% SPENT YTD RECEIPTS
<b>CONDITIONAL</b>									
EPWP	R 1 880	R -	R 1 880	R 470	R 1 410	R 920	R -450	49%	196%
FMG	R 2 000	R -	R 2 000	R 2 000	R -	R 1 117	R 883	56%	56%
MIG	R 67 233	R -	R 67 233	R 14 000	R 53 233	R 10 112	R 3 888	15%	72%
RBIG	R 171 112	R -	R 171 112	R 71 112	R 100 000	R 53 573	R 17 539	31%	75%
WSIG	R 21 540	R -	R 21 540	R 4 540	R 17 000	R -	R 4 540	0%	0%
<b>TOTAL</b>	<b>R 263 765</b>	<b>R -</b>	<b>R 263 765</b>	<b>R 92 122</b>	<b>R 171 643</b>	<b>R 65 722</b>	<b>R 26 400</b>	<b>25%</b>	<b>71%</b>

The municipality has allocated conditional grants totaling R 263.7 million for the financial year. For the period under review, a total of R 92.1 million has been received, of which R 65.7 million has been spent to date. This represents an average expenditure of 25% and 71% against the total allocation and total receipts.

## 5.1 OUTSTANDING DEBTORS

### Setsoto Local Municipality - Supporting Table SC3 - Monthly Budget Statement - Aged Debtors - M03 September

Description	NT Code	Budget year 2026/27										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1 Yr	Total	Total over 90 Days		
<b>Debtors age analysis by income source</b>													
Trade and other receivables from exchange transactions - Water	1200	8 775	8 529	7 227	5 874	5 415	5 375	5 457	143 490	190 142	165 611	-	-
Trade and other receivables from exchange transactions - Electricity	1300	7 335	3 075	2 264	2 930	1 162	734	644	24 014	42 158	29 484	-	-
Receivables from non-exchange transactions - Property rates	1400	5 707	3 358	3 080	2 642	2 254	2 209	2 123	75 003	96 376	84 231	-	-
Receivables from exchange transactions - Waste water management	1500	3 780	3 367	3 284	2 569	2 191	2 175	2 193	71 836	91 395	80 964	-	-
Receivables from exchange transactions - Waste management	1600	4 933	4 432	4 326	3 226	2 891	2 873	2 896	97 333	122 910	109 219	-	-
Interest on arrear debtor accounts	1810	4 559	4 383	4 328	4 170	5 181	5 037	4 950	150 105	182 713	169 443	-	-
Other	1900	29	26	23	19	18	18	18	3 329	3 480	3 402	-	-
<b>Total by income source</b>	<b>2000</b>	<b>35 118</b>	<b>27 170</b>	<b>24 532</b>	<b>21 430</b>	<b>19 112</b>	<b>18 421</b>	<b>18 281</b>	<b>565 110</b>	<b>729 174</b>	<b>642 354</b>	-	-
<b>Debtors age analysis by customer group</b>													
Organs of state	2200	3 237	3 067	2 692	2 082	1 499	1 176	1 059	27 830	42 642	33 646	-	-
Commercial	2300	8 317	3 163	2 625	2 506	2 183	2 024	1 900	101 587	124 305	110 200	-	-
Households	2400	23 564	20 940	19 215	16 842	15 430	15 221	15 322	435 693	562 227	498 508	-	-
<b>Total by customer group</b>	<b>2600</b>	<b>35 118</b>	<b>27 170</b>	<b>24 532</b>	<b>21 430</b>	<b>19 112</b>	<b>18 421</b>	<b>18 281</b>	<b>565 110</b>	<b>729 174</b>	<b>642 354</b>	-	-

The table above presents the cumulative age analysis of outstanding debtors, categorized by income source and customer group. As at the reporting date, total outstanding debt amounts to R 729.1 million, with R 6 42.3 million (or 88%) aged over 90 days. This reflects an increase of R 24.8 million or 3.4% from R 704.3 million recorded in July 2025.

By income source, the highest contributor to outstanding debt is Water Services, accounting for R190.1 million (26%), closely followed by Interest on Arrear Debtor Accounts, totalling R 182.7 million (25%).

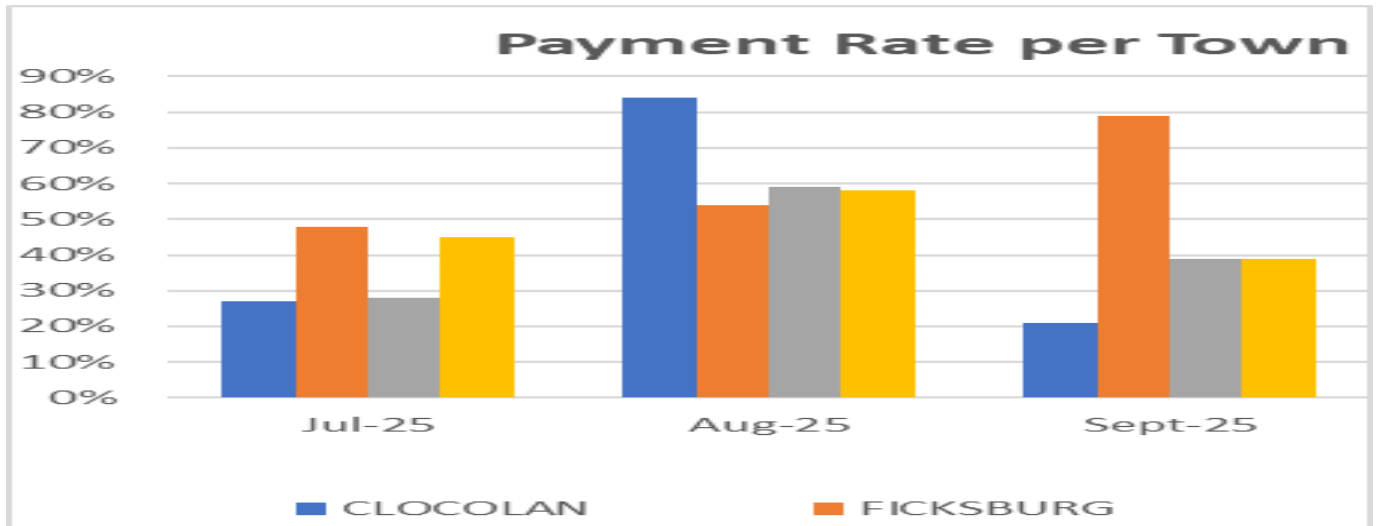
By customer group, households represent the largest portion of outstanding debt, with a balance of R 562.2 million (77%), followed by commercial customers at R 122.1 million (17%).

The high level of household debt is consistent with the municipality's customer base composition. However, the current economic climate has left many households unable to meet their municipal obligations. As such, it is critical for qualifying households to come forward for registration as indigent customers, which would allow them access to applicable support and relief measures.

It must also be noted that non-payment by households, particularly in township areas, has been a persistent challenge, even among those with the financial means to pay. This historical trend continues to impact the municipality's revenue collection efforts.

## 5.2 DEBTORS COLLECTION RATE

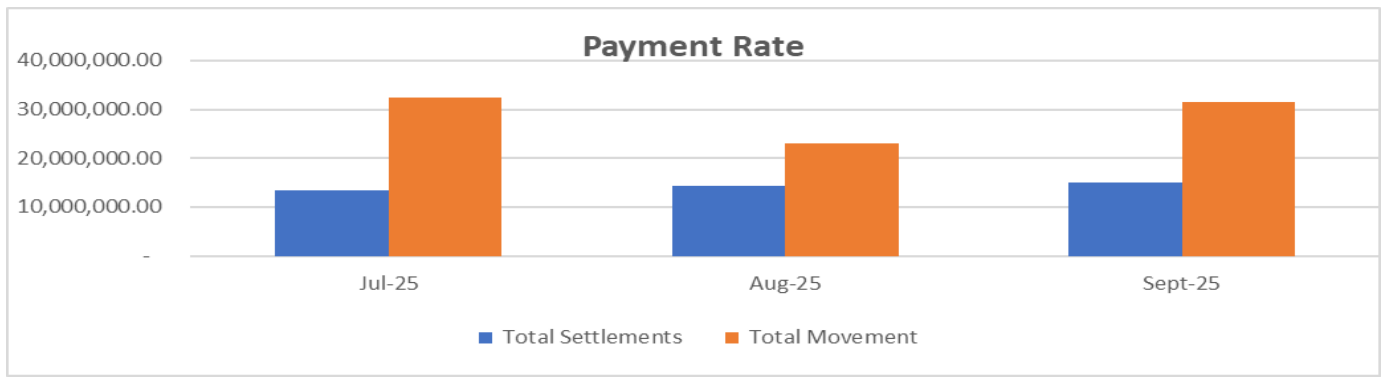
	Jul-25	Aug-25	Sept-25
CLOCOLAN	27%	84%	21%
FICKSBURG	48%	54%	79%
MARQUARD	28%	59%	39%
SENEKAL	45%	58%	39%



## WARD PAYMENT REPORT SEPTEMBER 2025

September 2025							
Ward	Total Settlements	Total Movement	Billing	CreditNotes	Debit Notes	Other Adjustments	Payment Rate
WARD 000001	-1 225 897	1 973 883	2 649 178	-8 917	4 683	-671 061	62%
WARD 000002	-91 488	1 286 523	2 207 852	-9 020	-	-912 309	7%
WARD 000003	-388 008	1 169 658	1 290 520	-47 155	8 950	-82 656	33%
WARD 000004	-2 403 647	4 122 498	4 174 476	-67 588	1 484	14 126	58%
WARD 000005	-10 804	657 258	657 258	-	-	-	2%
WARD 000006	-1 615 093	3 953 234	4 120 423	-191 955	24 579	187	41%
WARD 000007	-142 313	2 014 373	2 040 064	-26 891	-	1 200	7%
WARD 000008	-88 628	-758 621	1 586 374	-13 126	-	-2 331 868	0%
WARD 000009	-1 515 575	8 604 973	9 397 427	-65 788	-	-726 667	18%
WARD 000010	-1 524 847	2 105 400	2 552 400	-85 341	20 692	-382 351	72%
WARD 000011	-70 127	-478 892	1 408 654	-79 509	-	-1 808 037	0%
WARD 000012	-37 135	1 041 236	1 210 857	-	-	-169 621	4%
WARD 000013	-134 502	1 016 797	1 235 414	-	-	-218 617	13%
WARD 000014	-109 474	328 497	1 228 431	-27 707	295	-872 522	33%
WARD 000015	-5 120 592	6 176 393	6 892 297	-263 812	1 693	-453 784	83%
WARD 000016	-59 535	174 389	1 577 375	-	-	-1 402 986	34%
WARD 000017	-42 386	-1 851 988	1 235 712	-5 592	-	-3 082 108	0%
PAYMENT ADVANCED	-357 662	-	-	-	-	-	0%
<b>Total</b>	<b>-14 937 715</b>	<b>31 535 611</b>	<b>45 464 712</b>	<b>-892 402</b>	<b>62 375</b>	<b>-13 099 073</b>	<b>47%</b>

Period	Total Settlements	Total Movement	Billing	Credit Notes	Debit Notes	Other Adjustments	Payment Rate
Jul-25	13,461,998.55	32,414,201.75	36,955,886.40	-5,864,777.04	3,043,326.49	-1,720,234.10	42%
Aug-25	14,223,182.13	22,978,040.60	38,811,431.50	-528,708.00	55,899.40	-15,360,582.30	62%
Sept-25	14,937,715.11	31,535,611.07	45,464,711.66	-892,402.49	62,375.29	-13,099,073.39	47%
<b>Total</b>	<b>42,622,895.79</b>	<b>86,927,853.42</b>	<b>121,232,029.56</b>	<b>-7,285,887.53</b>	<b>3,161,601.18</b>	<b>-30,179,889.79</b>	<b>49%</b>



## 6. OPERATING EXPENDITURE ANALYSIS

### Setsotho Local Municipality - Table C4 Monthly Budget Statement - Financial Performance (Revenue and Expenditure) - M03 September

Description	Ref	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
Figures in Rand thousand										
<b>Expenditure</b>										
Employee related costs		257 686	282 772	-	22 031	66 481	70 692	(4 211)	(6)%	282 772
Remuneration of councillors		15 272	17 711	-	1 230	3 690	4 428	(738)	(17)%	17 711
Bulk purchases - Electricity		124 300	150 284	-	10 993	41 492	37 571	3 921	10 %	150 284
Inventory consumed		28 238	54 610	-	2 757	4 696	13 652	(8 956)	(66)%	54 610
Debt impairment		17 123	136 983	-	34 246	34 246	34 246	-	- %	136 983
Depreciation and asset impairment		146 159	141 822	-	11 804	36 200	35 455	745	2 %	141 822
Interest		1 035	1 200	-	109	327	300	27	9 %	1 200
Contracted services		41 556	48 344	-	4 113	9 536	14 060	(4 524)	(32)%	48 344
Transfer and subsidies		47 112	120	-	2 880	6 616	30	6 586	21 953 %	120
Irrecoverable debts written off		95 193	48 000	-	10 521	36 634	12 000	24 634	205 %	48 000
Operational costs		47 277	60 828	-	3 554	13 309	17 702	(4 393)	(25)%	60 828
<b>Total expenditure</b>		<b>820 951</b>	<b>942 674</b>	<b>-</b>	<b>104 238</b>	<b>253 227</b>	<b>240 136</b>	<b>13 091</b>	<b>5 %</b>	<b>942 674</b>

The municipality's approved an operating expenditure budget of R 942.6 million for the 2025/26 financial year. This budget includes non-cash items such as:

- Debt Impairment: R 136.9 million
- Depreciation/Asset Impairment: R 141.8 million

When assessing the municipality's budget position or potential funding deficit, it is important that these non-cash items are appropriately accounted for in the analysis. The overall expenditure performance is 5% above the average.

#### 6.1 EMPLOYEE RELATED COSTS [-6%]

The total budget for employee-related costs for the 2025/26 financial year is R 282.7 million. As at the reporting date, year-to-date expenditure stands at R66.4 million, resulting in a favorable variance of R 4.2 million when compared to the year-to-date budget. This reflects controlled spending within this category.

## Setso Local Municipality - Supporting Table SC8 - Monthly Budget Statement - Summary Councillor and Staff Benefits - M03 September

Summary of employee and councillor remuneration	Ref	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
Figures in Rand thousand		A	B	C					D	
<b>Councillors (political office bearers plus other)</b>										
Basic salaries and wages		15 272	17 711	-	1 230	3 690	4 428	(738)	(17)	17 711
% increase			16,0 %	(100,0)%	- %	200,0 %	20,0 %	(116,7)%	(100,4)%	(104 282,4)%
<b>Senior managers of the municipality</b>										
Basic salaries and wages		-	6 985	-	171	672	1 746	-	-	6 985
Pension and UIF contributions		-	141	-	-	-	35	-	-	141
Performance bonus		-	-	-	-	74	-	-	-	-
Motor vehicle allowance		-	2 850	-	60	203	-	-	-	2 850
Payments in lieu of leave		-	-	-	-	559	-	-	-	-
<b>Sub total - Senior Managers of Municipality</b>		-	<b>9 976</b>	-	<b>231</b>	<b>1 508</b>	<b>1 781</b>	-	-	<b>9 976</b>
% increase			- %	(100,0)%	- %	552,8 %	18,1 %	(100,0)%	(100,0)%	- %
<b>Other municipal staff</b>										
Basic salaries and wages		147 672	170 025	-	12 682	37 815	42 506	(4 691)	(11)%	170 025
Pension and UIF contributions		28 639	33 581	-	2 512	7 535	8 395	(860)	(10)%	33 581
Medical aid contributions		18 989	21 655	-	1 660	4 999	5 414	(415)	(8)%	21 655
Overtime		11 041	7 659	-	881	2 633	1 915	718	38 %	7 659
Performance bonus		12 065	14 206	-	1 078	3 045	3 551	(506)	(14)%	14 206
Motor vehicle allowance		20 526	21 706	-	1 713	5 134	5 427	(293)	(5)%	21 706
Cellphone allowance		1 809	854	-	195	628	213	415	195 %	854
Housing allowances		1 709	512	-	112	333	128	205	160 %	512
Other benefits and allowances		5 032	7 609	-	437	1 344	1 902	(558)	(29)%	7 609
Payments in lieu of leave		5 093	914	-	227	1 323	228	1 095	480 %	914
Long service awards		1 601	-	-	183	660	-	660	- %	-
Acting and post related allowance		3 510	4 051	-	351	1 032	1 013	19	2	4 051
<b>Sub total - Other Municipal Staff</b>		<b>257 686</b>	<b>282 772</b>	-	<b>22 031</b>	<b>66 481</b>	<b>70 692</b>	<b>(4 211)</b>	<b>(6)</b>	<b>282 772</b>
% increase			9,7 %	(100,0)%	- %	201,8 %	6,3 %	(106,0)%	(100,0)%	- %
<b>Total Parent municipality</b>		<b>272 958</b>	<b>310 459</b>	-	<b>23 492</b>	<b>71 679</b>	<b>76 901</b>	<b>(4 949)</b>	<b>(6)</b>	<b>310 459</b>
% increase			13,7 %	(100,0)%	- %	205,1 %	7,3 %	(106,4)%	(100,0)%	174 416,7)%
Parent municipality		272 958	310 459	-	23 492	71 679	76 901	(4 949)	(6)	310 459
<b>Total managers and staff</b>		<b>257 686</b>	<b>292 748</b>	-	<b>22 262</b>	<b>67 989</b>	<b>72 473</b>	<b>(4 211)</b>	<b>(6)</b>	<b>292 748</b>

### 6.2 REMUNERATION OF COUNCILORS [-17%]

The remuneration of Councillors is determined by the minister of COGTA under the section 7 (1), 8(5) and 9(5)(a) of the Remuneration of Public-Office bearers Act of 1998. The year-to-date expenditure on the remuneration of Councilors amounts to R 3.6 million, below the projected expenditure to date with approximately R738 thousand.

### 6.3 BULK PURCHASES [10%]

Bulk purchases on electricity services are budgeted at R 150.2 million. The current month performance is R 10.9 million resulting in a year-to-date actual of R 37.5 million. It should be noted that Bulk purchases depend on consumption which usually increases in winter months when ESKOM implement seasonal tariffs.

### 6.4 INTEREST [9%]

An amount of R 1.2 million was allocated in the budget for interest on borrowings. For the current month, expenditure amounted to R 109 thousand, bringing the year-to-date actual to R 327 thousand. This results in an unfavorable variance of R 27 thousand (9%) when compared to the year-to-date budget. The interest expenditure is primarily attributable to the municipality's loan obligations.

### 6.5 INVENTORY CONSUMED (-66%)

A budget allocation of R 54.6 million has been made for consumables. The expenditure to date is R 4.6 million which is below the budgeted figure with approximately R 8.9 million. Inventory consumed mainly consists of water and sewerage chemicals.

### 6.6 OPERATIONAL COSTS

Other expenditure discussed below relates to expenditure items that are reported for the attention of management and council.

Description	Total Budget	YTD Actuals	% Spent
Contracted Services: Consultants and Professional Services: Business and Advisory: Accountoing and Auditing	7 500 000	167 594	2%
Contracted Services: Consultants and Professional Services: Business and Advisory: Business and Financial Management	4 899 972	2 183 109	45%
Contracted Services: Contractors: Safeguard and Security	14 648 988	3 265 872	22%
Contracted Services: Contractors: Sports and Recreation	249 996	98 780	40%
Operating Leases: Machinery and Equipment	13 084 968	3 732 519	29%
Operating Cost: Travel and Subsistence	2 347 740	529 814	23%
<b>TOTAL</b>	<b>42 731 664</b>	<b>9 977 688</b>	<b>23%</b>

The cost containment circular published by the National Treasury and approved by Council of the municipality for implementation indicates the controls that need to be in place to curb the expenditure. For example, it gives guidance on the attendance of meetings and conferences.

In addition, it mentions that the travelling and subsistence need to be controlled such that if the meeting is 200km away from the head office, no accommodation costs should be incurred unless the duration of the meeting is two days and above considering the type of accommodation used and the mode of transport. It also mentions that catering for in-house meetings should only be incurred if the meeting takes longer than 5 hours.

## 7. CAPITAL EXPENDITURE AND FUNDING ANALYSIS.

The capital expenditure for the financial year was budgeted at R 287.5 million.

### Setso Local Municipality - Table C5 Monthly Budget Statement - Capital Expenditure by Vote, Functional Classification and Funding - M03 September

Vote description	Ref	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
Figures in Rand thousand										
<b>Capital expenditure - Vote</b>										
<b>Single-year expenditure to be appropriated</b>										
Vote 1 - Executive and Council		165	-	-	-	3	-	3	- %	-
<b>Capital expenditure - Functional</b>										
<b>Governance and administration</b>										
Executive and council		551	-	-	-	3	-	3	- %	-
Finance and administration		880	3 935	-	-	28	984	(956)	(97)%	3 935
		<b>1 431</b>	<b>3 935</b>	<b>-</b>	<b>-</b>	<b>31</b>	<b>984</b>	<b>(953)</b>	<b>(97)%</b>	<b>3 935</b>
<b>Community and public safety</b>										
Community and social services		15	-	-	-	-	-	-	- %	-
Sport and recreation		2 943	12 050	-	-	-	3 012	(3 012)	(100)%	12 050
Housing		124	-	-	3	3	-	3	- %	-
		<b>3 082</b>	<b>12 050</b>	<b>-</b>	<b>3</b>	<b>3</b>	<b>3 012</b>	<b>(3 009)</b>	<b>(100)%</b>	<b>12 050</b>
<b>Economic and environmental services</b>										
Road transport		24 917	25 250	-	4 609	10 883	6 312	4 571	72 %	25 250
<b>Trading services</b>										
Energy sources		7 123	7 150	-	-	(6 307)	1 787	(8 094)	(453)%	7 150
Water management		98 677	237 885	-	20 049	40 131	59 471	(19 340)	(33)%	237 885
Waste water management		29 473	-	-	-	4 843	-	4 843	- %	-
Waste management		149	1 325	-	-	-	331	(331)	(100)%	1 325
		<b>135 422</b>	<b>246 360</b>	<b>-</b>	<b>20 049</b>	<b>38 667</b>	<b>61 589</b>	<b>(22 922)</b>	<b>(37)%</b>	<b>246 360</b>
<b>Total Capital expenditure - Functional</b>		<b>164 852</b>	<b>287 595</b>	<b>-</b>	<b>24 661</b>	<b>49 584</b>	<b>71 897</b>	<b>(22 313)</b>	<b>(31)%</b>	<b>287 595</b>

The capital expenditure of the municipality is mainly funded by the government grants and subsidies.

## 8. OUTSTANDING CREDITORS

### Setsoto Local Municipality - Supporting Table SC4 - Monthly Budget Statement - Aged Creditors - M03 September

Description	NT Code	Budget year 2026/27								Total	Prior year totals for chart (same period)
		0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Days	151-180 Days	181 Days-1 Yr	Over 1 Yr		
Figures in Rand thousand											
<b>Creditors age analysis by customer type</b>											
Bulk electricity	0100	10 987	-	-	-	-	-	-	-	10 987	-
PAYE deductions	0300	-	34	-	-	-	-	-	-	34	-
Pensions / Retirement deductions	0500	-	2	-	-	-	-	-	-	2	-
Trade creditors	0700	5 728	129	4	28	-	-	-	616	6 505	644
<b>Total by customer type</b>	<b>1000</b>	<b>16 715</b>	<b>165</b>	<b>4</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>616</b>	<b>17 528</b>	<b>644</b>

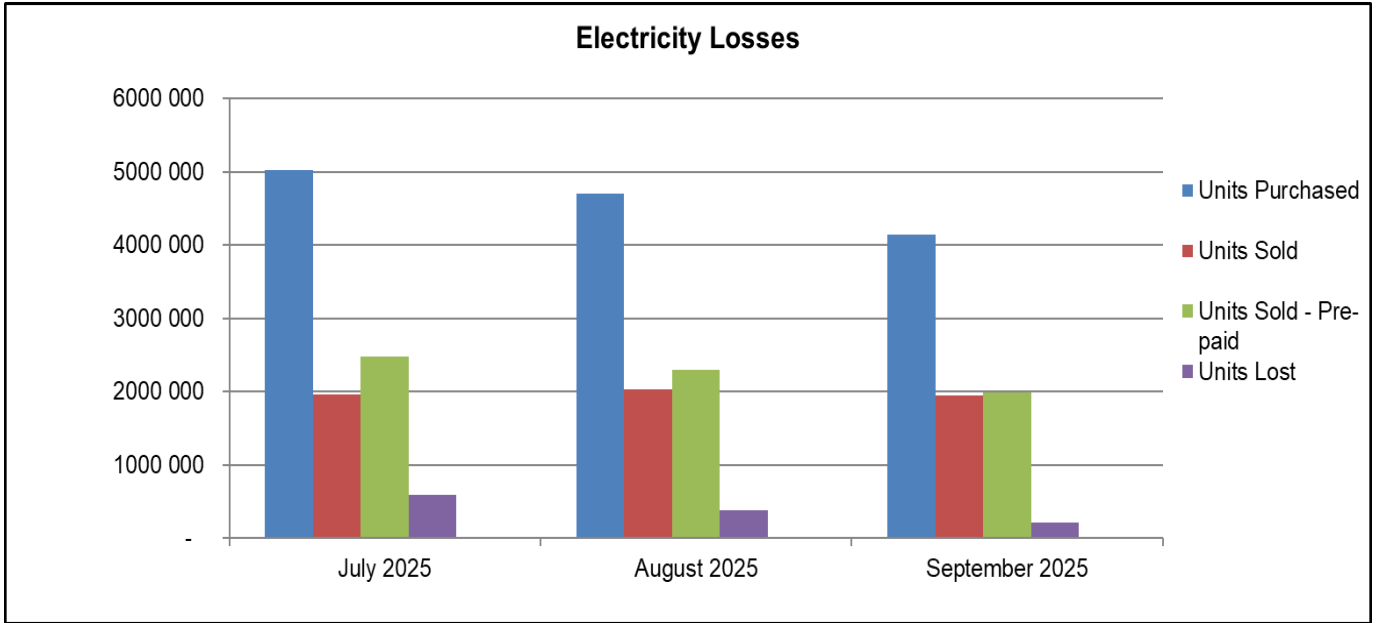
The outstanding creditors' balance for the period under reporting is R 17.5 million and the balance over 30 days is R813 thousand. The Eskom bulk account is R 10.9 million. Internal controls measures are in place to ensure that creditors are paid within the required timeframes, however there are challenges where suppliers are non-tax compliant and cannot be paid until their tax matters with SARS have been resolved and credit notes have not been processed.

## 9. DISTRIBUTION LOSSES

Description	Basis of calculation	Original Budget 2025/2026	Year to date actual 2025/2026
Electricity distribution losses	Total volume losses (kW)	4 100	1 177
	Total cost of losses (Rand '000)	11 000	3 143
	Bulk Purchase Kw	51 000	13 862
	% Volume (units purchased and generated less units sold)/units purchased and generated	7%	5%
Water distribution losses	Total volume losses (kl)	2 000	925
	Total cost of losses (Rand '000)	11 000	5 637
	% Volume (units purchased and generated less units sold)/units purchased and generated	22%	36%

ELECTRICITY						
Period	Units Purchased	Units Sold	Units Sold - Pre-paid	Units Lost	% Losses	Previous Year
July 2025	5 019 437	1 963 874	2 470 854	584 709	12%	7%
August 2025	4 704 718	2 029 648	2 291 515	383 555	8%	3%
September 2025	4 138 395	1 944 082	1 985 310	209 003	5%	0%
<b>Total</b>	<b>13 862 550</b>	<b>5 937 604</b>	<b>6 747 679</b>	<b>1 177 267</b>	<b>8%</b>	<b>8%</b>

Percentage electricity losses account to an average of 8% for year to date. The prescribed norm from National Treasury for electricity losses is estimated to be between 7% and 10%.

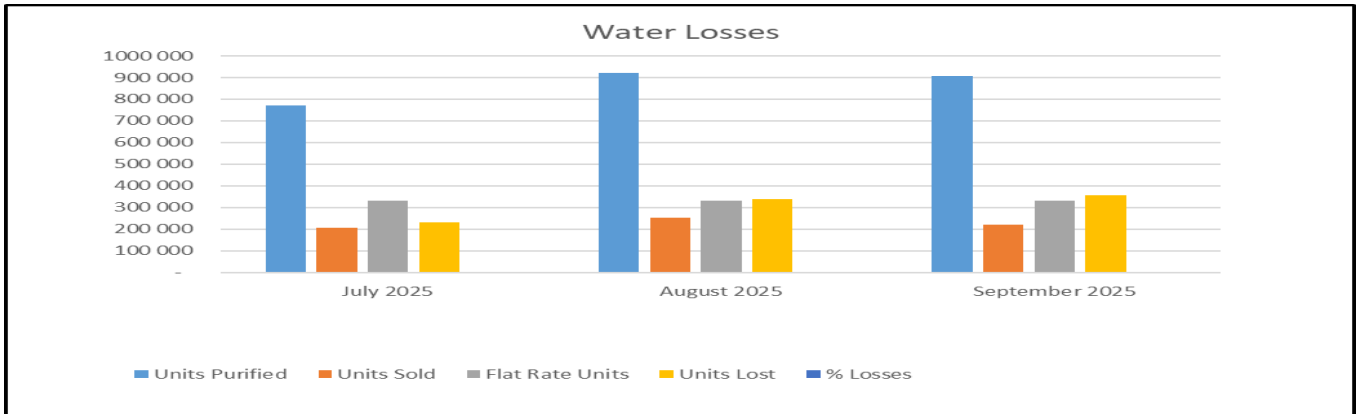


Electricity losses are calculated based on the difference between the total electricity purchases and total electricity sales. The losses are either technical or non-technical. Technical losses are the losses that occur within the distribution network due to the cables, overhead lines, transformers, and other substation equipment that are used to transfer electricity. Non-Technical losses are electricity that are consumed but not billed this is might be because the consumer is not known or is connected illegal and/or the is an error in unmetered supplies.

### WATER

Period	Units Purified	Units Sold	Flat Rate Units	Units Lost	% Losses	Previous Year
July 2025	770 853	206 317	332 117	232 419	30%	10%
August 2025	920 897	253 564	330 181	337 152	37%	21%
September 2025	907 724	220 884	330 633	356 207	39%	9%
<b>Total</b>	<b>2 599 474</b>	<b>680 765</b>	<b>992 931</b>	<b>925 778</b>	<b>36%</b>	<b>24%</b>

Percentage water losses account to an average of 36% for year to date and this include units consumed in township with a flat rate because meters are not read. The prescribed norm from National Treasury for water losses is estimated to be between 15% and 30%



The water losses are calculated obtaining the difference between the volume/quantity of water purified and the volume/quantity of water sold. The municipality is currently reading water meters in towns only and therefore their consumption can be measured realistically, whilst in the townships a flat rate is charged. Losses can result from leakage pipes and joints, overflows and of reservoirs.

## 10. BORROWINGS

The municipality's borrowings are with ABSA bank used to acquire transport assets. The combined instalment of ABSA loans is R 316 thousand per month. The closing balance of borrowings for the period ending 30 September 2025 is R 11.8 million. Details of the borrowings are provided below.

Institution	Bank Name	Loan Start Date	Loan End Date	Term Value (Y/M/D)	Month	Interest %	BOQ Amount 01/07/2025	Loan Repayment	Interest Paid	Loan Charges	Balance 30/09/2025
ABSA	VF98996767	01/07/2024	30/06/2029	Y	202509	10.51	- 1 420 089.43	109 595.94	- 36 975.76	- 480.00	- 1 347 949.25
ABSA	VF98996910	01/07/2024	30/06/2029	Y	202509	10.51	- 1 420 089.43	109 595.94	- 36 975.76	- 480.00	- 1 347 949.25
ABSA	VF98996864	01/07/2024	30/06/2029	Y	202509	10.51	- 1 420 089.43	109 595.94	- 36 975.76	- 480.00	- 1 347 949.25
ABSA	VF98996775	01/07/2024	30/06/2029	Y	202509	10.51	- 1 420 089.43	109 595.94	- 36 975.76	- 480.00	- 1 347 949.25
ABSA	VF99021468	01/07/2024	01/08/2029	Y	202509	10.51	- 352 982.31	26 729.22	- 9 198.64	- 480.00	- 335 931.73
ABSA	VF99021360	01/07/2024	01/08/2029	Y	202509	10.51	- 352 982.31	26 729.22	- 9 198.64	- 480.00	- 335 931.73
ABSA	VF99008330	01/07/2024	01/08/2029	Y	202509	10.51	- 1 919 960.87	143 256.12	- 50 033.74	- 480.00	- 1 827 218.49
ABSA	VF99007864	01/07/2024	01/08/2029	Y	202509	10.51	- 1 919 960.91	143 256.12	- 50 033.74	- 480.00	- 1 827 218.53
ABSA	VF99008321	01/07/2024	01/08/2029	Y	202509	10.51	- 1 919 960.91	143 256.12	- 50 033.74	- 480.00	- 1 827 218.53
ABSA	VF99021549	01/07/2024	01/08/2029	Y	202509	10.51	- 352 982.31	26 729.22	- 9 198.64	- 480.00	- 335 931.73
<b>TOTAL</b>							<b>- 12 499 187.34</b>	<b>948 339.78</b>	<b>- 325 600.18</b>	<b>- 4 800.00</b>	<b>- 11 881 247.74</b>

These loans were acquired to finance the acquisition of service delivery vehicles.

## 11. CASH AND CASH EQUIVALENTS

The municipality has and maintains the primary bank account opened in accordance with sections 7 and 8 of the MFMA.

Apart from the primary bank account the municipality has other bank accounts opened for the purpose of section 13 (1) (b) of the MFMA.

The municipality's primary bank account is held with First National Bank (FNB) and reflected a positive closing balance of R 21.7 million as of 30 September 2025. In addition, short-term cash investments are maintained with FNB, ABSA and Standard Bank, with a consolidated closing balance of R 80.5 million as at the same date. A detailed analysis of these balances is provided in the table below.

Bank Name	Account #	BOQ Amount 01/07/2025	Top Up	Withdrawals	Int Capitalised	Balance 30/09/2025
FNB Call 62049046205	'62049046205	8 134			81	8 215
FNB 62151783563	'62151783563	19 820			192	20 012
FNB 62310540465	'62310540465	2 535 491	238 000 000	- 227 040 329	523 371	14 018 533
STD Bank 48445851001	'48445851001		25 000 000	- 25 278 551	278 551	0
STD Bank 48445851002	'48445851002		35 000 000	- 35 453 082	453 082	0
STD Bank 48445851003	'48445851003	14 232 882	25 278 551	- 39 000 000	190 757	702 190
STD Bank 48445851005	'48445851005	6 026 353	45 000 000	- 6 028 813	2 460	45 000 000
Nedbank Investment 0	'037881164646	4 048 145		- 4 048 145		-
ABSA Investment 9370	'9370891524	4 449 693	20 000 000	- 4 000 000	353 986	20 803 679
Std Bank48445851-016	'048445851-016	6 537 105		- 6 539 738	2 633	-
<b>TOTAL</b>		<b>37 857 622</b>	<b>388 278 551</b>	<b>- 347 388 658</b>	<b>1 805 114</b>	<b>80 552 629</b>

At the end of September 2025, the municipality reported a total cash and cash equivalents balance of R 102.3 million, comprising the primary bank account and short-term investments. To maintain a healthy liquidity position, the municipality must continue to enforce strict control measures over both the inflow and outflow of cash.

## **12. CONCLUSION**

Based on the above discussions it is therefore recommended that the Council of the municipality take note of the report.

**PART 2-NON-FINANCIAL PERFORMANCE INFORMATION**

## **2.1 INTRODUCTION**

The First Quarter Top-Layer Service Delivery and Budget Implementation Plan Performance Report 2025/2026 is submitted to Council in terms of Section 52 (d) of the Local Government: Municipal Finance Management Act, 56 of 2003.

The report covers the performance information from 01 July 2025 to 30 September 2025. The report further focuses on the implementation of the approved Service Delivery and Budget Implementation Plan 2025/2026 in conjunction with the predetermined developmental objectives as encapsulated in the approved Municipality's Integrated Development and Plan 2025/2026.

The report evaluates actual performance of the municipality as measured against the performance indicators and targets in its Integrated Development Plan 2025/2026, Annual Budget 2025/2026 and Service Delivery and Budget Implementation Plan 2025/2026. Furthermore, the report depicts the performance of the municipality as per the six Key Performance Areas for Local Government, which are:

- Basic Service Delivery,
- Local Economic Development,
- Institutional Capacity,
- Financial Management,
- Good Governance, Transparency and Accountability,
- Public Participation.

The format of the report will reflect the Municipality's Key Performance Indicators per Municipal Key Performance Area, Predetermined Objective and Focus Area respectively.

## **2.2 LEGISLATIVE IMPERATIVES**

The First Quarter Performance Report 2025/2026 has been compiled in compliance with the requirements of Section 52 (d) of the Local Government: Municipal Finance Management Act, 56 of 2003; which stipulates as follows:

(1) The Mayor of a Municipality must:

(c) must take all reasonable steps to ensure that the municipality performs its constitutional and statutory functions within the limits of the municipality's approved budget

(d) must, within 30 days of the end of each quarter submit a report to Council on the implementation of the approved budget and the financial state of affairs of the municipality.

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that:

"A Municipality's Performance Management and Development System entail a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role players."

It is therefore in pursuance of this provisions that the Setsoto Local Municipality compiled the First Quarter Top-Layer Service Delivery and Budget Implementation Plan 2025/2026 Performance Report.

## **2.3 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN**

The Organizational Performance is evaluated by means of a Municipal Scorecard-Top-Layer Service Delivery and Budget Implementation Plan at Organizational level and through Technical Lower-Layer Service Delivery and Budget Implementation Plan at departmental levels.

The Service Delivery and Budget Implementation Plan is a plan that converts the Integrated Development Plan and Annual Budget into measurable operational targets on how, where and when the strategies, objectives and normal business process of the municipality is implemented. It also allocates responsibility to respective departments and or divisions therein, mandated to deliver specific services in terms of the approved Integrated Development Plan and Budget.

The Municipal Finance Management Act Circular No.13 on Service Delivery and Budget Implementation Plan prescribes that:

- The Integrated Development Plan and Budget must be aligned,
- The budget must address the strategic priorities,
- The Service Delivery and Budget Implementation Plan should indicate what the municipality is going to do during next twelve months; and
- The Service Delivery and Budget Implementation Plan should form the basis for measuring the performance against goals set during the Integrated Development Planning and Budgeting processes.

The Service Delivery and Budget Implementation Plan was duly approved by the Executive Mayor. The overall assessment of actual performance against predetermined targets set for the Key Performance Indicators as documented in the Service Delivery and Budget Implementation Plan is illustrated in terms of the assessment methodology as depicted below:

01 July 2025-30 June 2026

Integrated Development Plan-Five Year Strategy



**2.4. PLANNED TARGETS VERSUS THE 2025/2026 FIRST QUARTER ACTUAL PERFORMANCE AS ALIGNED TO THE NATIONAL KEY PERFORMANCE AREAS**

This section of the 2025/2026 First Quarter Performance Report will report on the municipality’s actual performance against the planned targets as derived from the Municipality’s Integrated Development Plan. Since the municipality has aligned its Key Performance Areas to the Six National Key Performance Area’s the Setsoto Local Municipality will report as such.

**2.4. HIGH LEVEL DEPARTMENTAL PERFORMANCE**

**2.4.1 MUNICIPAL MANAGER’S PERFORMANCE**

Criteria	Number
Not for the period under review	9
Not Met	1
Almost Met	1
Met	0
Well Met	1
Extremely Met	1
<b>Total</b>	<b>13</b>
Indicator for the period	4
Target Achieved	2
<b>Percentage Performance</b>	<b>50%</b>

**2.4.2 ACTING CHIEF FINANCIAL OFFICER’S PERFORMANCE**

Criteria	Number
Not for the period under review	3
Not Met	1
Almost Met	0
Met	1
Well Met	2
Extremely Met	5
<b>Total</b>	<b>12</b>
Indicators for the period	9
<b>Percentage Performance</b>	<b>89%</b>

**2.4.3 ACTING DIRECTOR CORPORATE SERVICES’ PERFORMANCE**

Criteria	Number
Not for the period under review	1
Not Met	1
Almost Met	0
Met	2
Well Met	1
Extremely Met	1
<b>Total</b>	<b>6</b>
Indicators for the period	5
<b>Percentage Performance</b>	<b>80%</b>

#### 2.4.4 DIRECTOR COMMUNITY SERVICES' PERFORMANCE

Criteria	Number
Not for the period under review	5
Not Met	1
Almost Met	0
Met	0
Well Met	0
Extremely Met	1
<b>Total</b>	<b>7</b>
Indicators for the period	2
<b>Performance</b>	<b>50%</b>

#### 2.4.5 ACTING DIRECTOR TECHNICAL SERVICES' PERFORMANCE

Criteria	Number
Not for the period under review	10
Not Met	2
Almost Met	1
Met	1
Well Met	1
Extremely Met	1
<b>Total</b>	<b>16</b>
Indicators for the period	6
<b>Percentage Performance</b>	<b>50%</b>

## 2.5. MUNICIPAL MANAGER'S TOP-LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

### 2.5.1 BASIC SERVICE

<b>Indicator Assignment</b>	<b>EE4.4</b>					
<b>A1-Indicator Short Description</b>	<b>Percentage total electricity losses</b>					
A2-Alignment	Improved energy sustainability					
A3-Result-chain level	Outcome					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Percentage kWh					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	The purpose is to measure the percentage loss of potential revenue from Electricity Services through electricity units purchased and generated but not sold as a result of losses incurred through technical constraints, theft (illegal connections), non or inaccurate metering .					
	It is expected that implementation of the free basic service policy is included in the calculation for sale of electricity.					
<b>A8-Definition</b>	<b>Electricity losses have two components: technical and non-technical. Technical losses occur naturally and consist mainly of power dissipation in electricity system components such as transmission and distribution lines, transformers, and measurement systems.</b>					
	<b>Non-technical losses are caused by actions external to the power system and consist primarily of electricity theft, faulty or inaccurate meters, and errors in accounting and record-keeping.</b>					
	<b>Losses are a measure of unaccounted for energy.</b>					
	<b>Thus, non-payment is not included as losses.</b>					
<b>A9-Indicator Formula</b>	<b><math display="block">\frac{((1)\text{Electricity Purchases in kWh}) - ((2)\text{Electricity sales in kWh})}{((1)\text{Electricity Purchases in kWh})} \times 100</math></b>					
A10-Indicator origin	National Treasury - Section 71 reporting					
	First round BEPP indicators					
	Similar to IAEA ECO 3: Efficiency of energy conversion and distribution					
<b>A11-Notes on calculation</b>	<b>Calculated as at the last day of the financial year under investigation</b>					
A12-Additional notes	The acceptable norm is between 7% and 10%					
Reporting Responsibility	Chief Financial Officer and Director Technical Services					
Applies to Municipal Category	Local Municipality					
Readiness	Tier1					
	<b>Target</b>					
\Weight	40%	Baseline Indicator	7%	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	7%			
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	7%			
<b>Reason for the variance</b>				<b>Measures to address the variance</b>		
N/A				N/A		

<b>Indicator Assignment</b>	<b>HS1.3</b>					
<b>A1-Indicator Short Description</b>	<b>Percentage of households in informal settlements targeted for upgrading</b>					
A2-Alignment	Increased security of tenure					
A3-Result-chain level	Outcome					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Percentage of households in informal settlements targeted for upgrading					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	<p>Providing security of tenure to inhabitants of informal settlements is integral to the upliftment of communities.</p> <p>Security of tenure provides the household with a fixed asset, surety of location and the incentive to invest in the incremental upgrading of their property and wider community.</p> <p>Security of tenure is provided incrementally, with the first step being recognition by the municipality and then targeting for upgrading.</p>					
<b>A8-Definition</b>	<b>The number of households living in dwellings in informal settlements that have been designated for permanent in-situ upgrade (i.e. NUSP Category A and B1) as a percentage of all households living in informal settlements within the municipality.</b>					
<b>A9-Indicator Formula</b>	<b>((1)Number of households living in informal settlements targeted for upgrading / (2)Number of households living in informal settlements in the municipality)*100</b>					
A10-Indicator origin	<p>The indicator originates with Outcome 8: Sub-outcome 1- Adequate housing and improved quality living environments.</p> <p>There is an Outcome 8 indicator labelled 'Number of households living in adequate housing'.</p> <p>At the output level, there is an Urban Settlements Development Grant Indicator labelled 'Number of households living in informal settlements targeted for upgrading', which informs this indicator.</p>					
<b>A11-Notes on calculation</b>	<p><b>A definitional issue arises as to whether municipalities are actually tracking 'dwellings' or 'households' as per the definition here.</b></p> <p><b>Municipal consultations emphasised 'households' and so this is retained.</b></p> <p><b>As a Tier 2 indicator, provision should be made to adjust the unit of measurement from household to dwelling based on the source data.</b></p>					
A12-Additional notes	<p>All settlements that have designated Category A and B1 in terms of NUSP guidelines, or equivalent, should be included in the numerator of this indicator.</p> <p>Dwellings in informal settlements that have not been explicitly categorised as qualifying for in-situ upgrading should not be included in the numerator.</p> <p>This both incentivises the categorisation of settlements and the provision of security of tenure.</p> <p>Dwelling is used as a proxy for households in the absence of this enumeration.</p>					
Reporting Responsibility	Director Technical Services					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 2					
Weight	20%	Baseline Indicator	0%	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	100%			
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	100%			
<b>Reason for the variance</b>				<b>Measures to address the variance</b>		
N/A				N/A		

<b>Indicator Assignment</b>	<b>WS5.2</b>					
<b>A1-Indicator Short Description</b>	<b>Total water losses</b>					
A2-Alignment	Improved water sustainability					
A3-Result-chain level	Outcome					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Liters per connection per day					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	<p>Water consumption is currently too high and there is poor water use efficiency, and little water conservation and demand management implementation.</p> <p>In particular, the increased percentage of the population with access to water services (as the current backlog is addressed), and the expected improvement in the standard of living, is likely to result in a greater per capita water consumption.</p> <p>New water augmentation schemes will also be costly and are likely to be detrimental to the environment.</p> <p>Effective water conservation and demand management brings about the required change to current water use management practices, and there are opportunities to increase water use efficiency in all water use sectors.</p>					
<b>A8-Definition</b>	<b>Total (apparent and real) losses, expressed in terms of annual volume lost per service connection per day.</b>					
<b>A9-Indicator Formula</b>	<b>Sum total of water losses [((1) System input volume- (2) Authorised consumption volume) in m<sup>3</sup> x 1000] / (365 x (2) Number of service connections)]</b>					
A10-Indicator origin	ISO 37120 Indicator 21.7 MBI indicator IWA indicator					
<b>A11-Notes on calculation</b>	<p><b>Water losses can be calculated as the System Input Volume (see data element 2) minus the Authorised Consumption (see data element 3).</b></p> <p><b>This indicator is adequate for urban distribution systems.</b></p> <p><b>Used if service connections density is &gt; 20 / km of mains. IWA Op24 shall be used if service connections density is &lt; 20 / km of mains (e.g. rural distribution systems or bulk supply systems). IWA PI is L/connection/year but converted to L/connection/day as this is more commonly used in practice. Although IWA/MBI specify m<sup>3</sup>/connection/year,</b></p> <p><b>DWS traditionally requires this performance indicator in units of L/connection/day.</b></p> <p><b>Therefore, in order to calculate this performance indicator, a unit conversion is required from m<sup>3</sup> to L.</b></p> <p><b>To do this, the Water Losses in m<sup>3</sup> is multiplied by a 1000 to convert this to Water Losses in L.</b></p>					
A12-Additional notes	<p>The IWA code for this performance indicator is Op23.</p> <p>The MBI code for this performance indicator is WDM11. IWA (and MBI) alternatively specify Water losses in different units to DWS, notably Water losses (m<sup>3</sup>/connection/year).</p> <p>Water losses (m<sup>3</sup>/connection/year) can be calculated using the following formula: (Water losses X 365 / assessment period) / number of service connections.</p>					
Reporting Responsibility	Director Technical Services and Chief Financial Officer					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 1					
Weight	20%	Baseline Indicator	43%	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	37%			
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	37%			
<b>Reason for the variance</b>	<b>Measures to address the variance</b>					
N/A	N/A					

<b>Indicator Assignment</b>		<b>LED3.31</b>				
<b>A1-Indicator Short Description</b>		<b>Average number of days from the point of advertising to the letter of award per 80/20 procurement process</b>				
A2-Alignment		Improved ease of doing business within the municipal area				
A3-Result-chain level		Output				
A4-Back to Basic Pillar		Service delivery				
A5-Unit of measurement		Days				
<b>A6-Frequency</b>		<b>Quarterly</b>				
A7-Rationale		Procurement is a key supply chain management process for municipalities to secure external services and for the businesses that bid for work.				
		The time taken for a public procurement process is an important measure of the municipality's own ability to efficiently administrate its own procurement and the associated economic activity which follows.				
<b>A8-Definition</b>		<b>The average number of days from the point of advertising to the letter of award per 80/20 procurement process.</b>				
		<b>An 80/20 procurement process refers to public procurement as per the terms of the Preferential Procurement Regulations in terms of the Preferential Procurement Policy Framework Act for bids where an 80/20 Broad-Based Black Economic Empowerment (B-BBEE) thresholds of between R 30 000 and R 50 million applies.</b>				
		<b>This would apply to tenders awarded within the financial year, and where disputes to the outcome of the tender process were not raised.</b>				
		<b>This does not apply to requests for quotations.</b>				
<b>A9-Indicator Formula</b>		<b>(1) Sum of the number of days from the point of advertising a tender in terms of the 80/20 procurement process to the issuing of the letter of award/ (2) Total number of 80/20 tenders awarded as per the procurement process</b>				
A10-Indicator origin		The indicator relates to MTSF Priority 2: Economic Transformation and Job Creation. It aligns in terms of the Outcome- Reduced concentration and monopolies and expanded small business sector				
<b>A11-Notes on calculation</b>		<b>Cumulative for the year to date. Only refers to 80/20 procurement processes for which letters of award have been issued.</b>				
		<b>Active procurement processes are not included. It does not include procurement processes where disputes have been lodged or where quotations have been obtained instead of an open procurement process.</b>				
A12-Additional notes		Each quarter should track the processing time for applications for the financial year to date.				
Reporting Responsibility		Supply Chain Management Division				
Applies to Municipal Category		Local Municipality				
Readiness		Tier 2				
Weight	20%	Baseline Indicator	New			
		Annual Target	90 Days	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Quarter 1	90 Days	15 Days	Extremely	
		Quarter 2	90 Days			
		Quarter 3	90 Days			
		Quarter 4	90 Days			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
N/A			N/A			

<b>Key Performance Area Performance</b>	
<b>Criteria</b>	<b>Number</b>
Not for the period under review	3
Not Met	0
Almost Met	0
Met	0
Well Met	0
Extremely Met	1
<b>Total</b>	<b>4</b>

## 2.5.2 INSTITUTIONAL DEVELOPMENT

<b>Indicator Assignment</b>	<b>GG1.2</b>					
<b>A1-Indicator Short Description</b>	<b>Top management stability</b>					
A2-Alignment	Improved municipal capability					
A3-Result-chain level	Outcome					
A4-Back to Basic Pillar	Building capable local government institutions					
A5-Unit of measurement	Percentage of working days					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	The stability of top management is central to the ability of a municipality to perform well.					
	This does not mean there should not be exits, but that exits should happen in a planned way, ideally ensuring that there is a seamless handover to fully appointed successors.					
	Extended period of acting arrangements is not desired and negatively treated in this indicator.					
<b>A8-Definition</b>	<b>Top management is defined as Section 56 and 57 Managers, as per the Municipal Systems Act, 32 of 2000</b>					
	<b>This refers to the number of working days in which all of the top management positions in the municipality are filled by full-time employees not in an acting position</b>					
<b>A9-Indicator Formula</b>	<b>((1)Total sum of standard working days, in the reporting period, that each S57 post was occupied by a fully appointed official (not suspended or vacant) with a valid signed contract and performance agreement)/ (2)Aggregate working days for all S57 posts) *100</b>					
A10-Indicator origin	New					
<b>A11-Notes on calculation</b>	<b>None</b>					
A12-Additional notes	Where a new S56 or 57 posts has been created this should be reflected in a pro-rata treatment of the reporting period.					
	This indicator could be run just for the Municipal Manager position as well.					
Reporting Responsibility	Director Corporate Services					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 2					
Weight	100%	Baseline Indicator	66%			
		Annual Target	88%	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	88%			
<b>Reason for the variance</b>	<b>Measures to address the variance</b>					
N/A	N/A					

Key Performance Area Performance	
Criteria	Number
Not for the period under review	1
Not Met	0
Almost Met	0
Met	0
Well Met	0
Extremely Met	0
<b>Total</b>	<b>1</b>

### 2.5.3 GOOD GOVERNANCE, TRANSPARENCY AND ACCOUNTABILITY

<b>Indicator Assignment</b>		<b>GG3.1</b>				
<b>A1-Indicator Short Description</b>		<b>Audit Opinion</b>				
A2-Alignment		More effective municipal administration				
A3-Result-chain level		Outcome				
A4-Back to Basic Pillar		Good governance				
A5-Unit of measurement		Qualitative audit result				
<b>A6-Frequency</b>		<b>Annual</b>				
A7-Rationale		The Audit Opinion of the Auditor-General gives an indication of the credibility of the municipal administration and provides assurance of financial and performance information reporting and adherence to governance and administrative legislation.				
<b>A8-Definition</b>		<b>The Audit Opinion is defined by the Auditor-General. It is given across a qualitative, ordinal scale including:</b>				
		<b>Unqualified with no findings</b>				
		<b>Unqualified with findings</b>				
		<b>Qualified with findings</b>				
		<b>Adverse with findings</b>				
		<b>Disclaimed with findings.</b>				
		<b>For those who have not completed the process 'Outstanding</b>				
<b>A9-Indicator Formula</b>		<b>(1) Audit opinion as defined by the Office of the Auditor-General across a qualitative scale</b>				
A10-Indicator origin		Office of the Auditor-General				
<b>A11-Notes on calculation</b>		<b>As at the end of the previous financial year.</b>				
A12-Additional notes		The data retrieved for this indicator will be one year delayed due to the length of time it takes to undergo the audit process				
Reporting Responsibility		Directors				
Applies to Municipal Category		Local Municipality				
Readiness		Tier 1				
Weight	20%	Baseline Indicator	Unqualified			
		Annual Target	Unqualified with reduced matters of emphasis	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	Unqualified with reduced matters of emphasis			
		Quarter 4	N/A			
<b>Reason for the variance</b>		<b>Measures to address the variance</b>				
N/A		N/A				

<b>Indicator Assignment</b>	<b>GG3.12</b>					
<b>A1-Indicator Short Description</b>	<b>Percentage of councillors who have declared their financial interests</b>					
A2-Alignment	More effective municipal administration					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Good governance					
A5-Unit of measurement	Percentage of councillors					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	According to the Councillor Code of Conduct in the Municipal Systems Act, 32 of 2000, all councillors must within 60 days of election or appointment provide a declaration of interests to the municipal manager in writing.					
	Any change in the nature or detail of the financial interests of a councillor must be declared to the municipal manager annually.					
	Good practice in this regard entails an annual declaration of interest by all councillors. This provides an updated indication of whether municipalities are at least aware of potential conflicts of interest.					
<b>A8-Definition</b>	<b>The percentage of all councillors that have declared their financial interests for the financial year being reported against.</b>					
<b>A9-Indicator Formula</b>	<b>((1) Number of councillors that have declared their financial interests/ (2) Total number of municipal councillors) *100</b>					
A10-Indicator origin	According to the Councillor Code of Conduct in the Municipal Systems Act, 32 of 2000, a councillor must-					
	"When elected or appointed, a councillor must within 60 days declare in writing to the municipal manager the following financial interests held by that councillor:					
	a. shares and securities in any company					
	b. membership of any close corporation					
	c. interest in any trust					
	d. directorships					
	e. partnerships					
	f. other financial interests in any business undertaking					
	g. employment and remuneration					
	h. interest in property					
	i. pension					
	j. subsidies, grants and sponsorships by any organisation.					
	7.2 Any change in the nature or detail of the financial interests of a councillor must be declared in writing to the municipal manager annually.					
Proposed from CoGTA departmental consultations						
<b>A11-Notes on calculation</b>	<b>None</b>					
A12-Additional notes	In the event that a municipality does not observe good practice in this indicator, they should set a target commensurate with their interpretation of the frequency of declaration of interests.					
	Declarations of interest made outside of the financial year should not be considered.					
Reporting Responsibility	Director Corporate Services					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 1					
Weight	35%	Baseline Indicator	80%	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	100%			
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	100%			
<b>Reason for the variance</b>		<b>Measures to address the variance</b>				
N/A		N/A				

<b>Indicator Assignment</b>	<b>GG4.1</b>					
A1-Indicator Short Description	Average percentage of councillors attending council meetings					
<b>A2-Alignment</b>	<b>Improved council functionality</b>					
A3-Result-chain level	Outcome					
A4-Back to Basic Pillar	Good governance					
A5-Unit of measurement	Percentage of councillors					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	This indicator shows the level of engagement councillors have in the affairs of the municipality And to what extent councillors are participating in the business for which they were elected.					
<b>A8-Definition</b>	<b>The average percentage of members of the municipal council that attended council meetings.</b>					
<b>A9-Indicator Formula</b>	<b>((1)The sum total of all councillor attendance of all council meetings) / (2)The total number of council meetings * (3)The total number of council members in the municipality)*100</b>					
A10-Indicator origin	CoGTA Back to Basics					
<b>A11-Notes on calculation</b>	<b>The indicator should be reported as a cumulative average value for a quarter. Annually, all meetings over the four quarters should be aggregated to reflect an annual average value.</b>					
A12-Additional notes	None					
Reporting Responsibility	Director Corporate Services					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 1					
Weight	25%	Baseline Indicator	93%	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	95%			
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	95%			
<b>Reason for the variance</b>	<b>Measures to address the variance</b>					
N/A	N/A					

<b>Indicator Assignment</b>	<b>GG5.1</b>					
<b>A1-Indicator Short Description</b>	<b>Number of alleged fraud and corruption cases reported per 100 000 population</b>					
A2-Alignment	Zero tolerance of fraud and corruption					
A3-Result-chain level	Outcome					
A4-Back to Basic Pillar	Good governance					
A5-Unit of measurement	Number of alleged fraud and corruption cases					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	Principles of good governance require accountability, clean administration and responsible use of public funds. The indicator provides a leading measure of the incidence of fraud and corruption based on alleged incidents.					
<b>A8-Definition</b>	<b>The number of alleged incidents of fraud and corruption reported to the municipality during the period under review, normalised per 100 000 of the population.</b> <b>Corruption is defined broadly in the Prevention and Combating of Corrupt Activities Act 12 of 2004 in Chapter 2(s3) and any criminal offence that may fall within the ambit of this definition is included for the purposes of this indicator.</b>					
<b>A9-Indicator Formula</b>	<b>[(1) Number of alleged fraud and corruption cases reported to the municipality / (2)Population of the municipality]*100 000</b>					
A10-Indicator origin	ISO 11.4 derivative					
<b>A11-Notes on calculation</b>	<b>None</b>					
A12-Additional notes	This indicator should be viewed in conjunction with the other related outcome indicators of which this should be a predictor of consequences to follow if systems of accountability are functioning appropriately.					
Reporting Responsibility	Chief Risk Officer					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 1					
Weight	20%	Baseline Indicator	2	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	0			
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	0			
<b>Reason for the variance</b>				<b>Measures to address the variance</b>		
N/A				N/A		

<b>Key Performance Area Performance</b>	
<b>Criteria</b>	<b>Number</b>
Not for the period under review	4
Not Met	0
Almost Met	0
Met	0
Well Met	0
Extremely Met	0
<b>Total</b>	<b>4</b>

## 2.5.4 PUBLIC PARTICIPATION

<b>Indicator Assignment</b>	<b>GG2.1</b>					
A1-Indicator Short Description	Percentage of ward committees that are functional (meet four times a year, are quorate, and have an action plan)					
A2-Alignment	Improved municipal responsiveness					
A3-Result-chain level	Outcome					
A4-Back to Basic Pillar	Putting people first					
A5-Unit of measurement	Percentage of ward committees					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	This indicator shows the level to which the municipality supports ward committees How functional formal mechanisms for public participation are in the municipality And that they are active and properly constituted.					
<b>A8-Definition</b>	<b>The percentage of ward committees that are deemed to be 'functional' out of all wards in the municipality.</b> <b>Functional is defined as- they have an agreed annual ward committee action plan by end of Q1 of the year under review and had at least four quorate meetings in that year.</b>					
<b>A9-Indicator Formula</b>	<b>((1)Functional ward committees)/((2)Total number of wards)*100</b>					
A10-Indicator origin	CoGTA Back to Basics					
<b>A11-Notes on calculation</b>	<b>None</b>					
A12-Additional notes	None					
Reporting Responsibility	Personal Assistant to the Speaker					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 2					
Weight	25%	Baseline Indicator	65%			
		Annual Target	80%	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	80%			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
N/A			N/A			

<b>Indicator Assignment</b>	<b>GG2.11</b>					
<b>A1-Indicator Short Description</b>	<b>Percentage of ward committees with 6 or more ward committee members (excluding the ward councillor)</b>					
A2-Alignment	Improved municipal responsiveness					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Putting people first					
A5-Unit of measurement	Percentage of ward committees					
<b>A6-Frequency</b>	<b>Quarterly</b>					
A7-Rationale	This indicator demonstrates the extent to which ward committees are active in terms of filled representation, which is a proxy indicator for the level of community engagement in the public participation system via a formal structure such as the ward committee.					
	The indicator shows the percentage of ward committees that have filled at least 60% of the seats available to them.					
<b>A8-Definition</b>	<b>The percentage of ward committees that had 6 or more members, excluding the ward councillor, as a proportion of the total number of wards at the last day of the reporting period.</b>					
<b>A9-Indicator Formula</b>	<b><math>((1)\text{The number of ward committees with 6 or more members})/((2)\text{Total number of wards}) * 100</math></b>					
A10-Indicator origin	Proposed based on CoGTA department consultations					
<b>A11-Notes on calculation</b>	<b>The indicator should be reported at the last day of the reporting period of each quarter.</b>					
	<b>The annual performance is therefore the same as the performance for the fourth quarter.</b>					
A12-Additional notes	None					
Reporting Responsibility	Personal Assistant to the Speaker					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 2					
Weight	25%	Baseline Indicator	65%	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	80%			
		Quarter 1	80%	100%	Extremely	
		Quarter 2	80%			
		Quarter 3	80%			
		Quarter 4	80%			
<b>Reason for the variance</b>		<b>Measures to address the variance</b>				
Performance report and POEs were not submitted by the relevant Director and the Manager, while might lead to non-compliance and limitation of scope if it is not corrected.		Management should submitted performance report and POEs within the required timeframe to mitigate against non-compliance and the limitation of scope for audit purposes.				

<b>Indicator Assignment</b>	<b>GG2.12</b>					
<b>A1-Indicator Short Description</b>	<b>Percentage of wards where at least one councillor-convened community meeting was held</b>					
A2-Alignment	Improved municipal responsiveness					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Putting people first					
A5-Unit of measurement	Meetings					
<b>A6-Frequency</b>	<b>Quarterly</b>					
A7-Rationale	The indicator provides an indication of the extent of wards where at least the minimum opportunity for public participation with the elected representative was provided by a community meeting.					
	Each ward councillor should convene at least one quarterly meeting in his/her ward as per the provisions of the Municipal Systems Act and the Councillor Code of Conduct.					
<b>A8-Definition</b>	<b>The wards in the municipality in which at least one community meeting has been convened by a councillor.</b>					
	<b>Community meetings refer to any public meeting for which public notice is given, held in the councillor's ward, and at which the ward councillor convenes the meeting.</b>					
<b>A9-Indicator Formula</b>	<b>((1) Number of wards where at least one councillor-convened community meeting was held / (2) Number of wards in the municipality) * 100</b>					
A10-Indicator origin	According to the Councillor Code of Conduct in the Municipal Systems Act, 32 of 2000, ward councillors are expected to interact through report back meetings with the community.					
	The legislation states that "councillors must be accountable to local communities and report back at least quarterly to constituencies on council matters, including the performance of the municipality in terms of established indicators". CoGTA Back to Basics					
<b>A11-Notes on calculation</b>	<b>Non-cumulative indicator.</b>					
	<b>The results should be reported per quarter.</b>					
A12-Additional notes	None					
Reporting Responsibility	Personal Assistant to the Speaker					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 2					
Weight	25%	Baseline Indicator	65%	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	80%			
		Quarter 1	80%	82%	Almost	
		Quarter 2	80%			
		Quarter 3	80%			
		Quarter 4	80%			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
Performance report and POEs were not submitted by the relevant Director and the Manager, while might lead to non-compliance and limitation of scope if it is not corrected.			Management should submitted performance report and POEs within the required timeframe to mitigate against non-compliance and the limitation of scope for audit purposes.			

<b>Indicator Assignment</b>	<b>GG2.31</b>
<b>A1-Indicator Short Description</b>	<b>Percentage of official complaints responded to through the municipal complaint management system</b>
A2-Alignment	Improved municipal responsiveness
A3-Result-chain level	Output
A4-Back to Basic Pillar	Putting people first
A5-Unit of measurement	Percentage of complaints
<b>A6-Frequency</b>	<b>Quarterly</b>
A7-Rationale	As a matter of public participation, all municipalities are expected to have a complaints management system to receive notifications related to service delivery and areas in need of attention and response.
	The municipality should respond promptly and appropriately to the complaints from the public, in line with a set of standards determined by the municipality. The indicator seeks to measure the extent to which the municipality has managed complaints to its own agreed norms and standards.
	Responses are not necessarily indicative of satisfactory resolution, but resolution will also differ based on the nature and scope of the complaint received.
	Response is therefore tracked as an indication for acknowledgement of the complaint and documentation that the municipality will address it as appropriate.
<b>A8-Definition</b>	<b>The number of official complaints responded to as per the municipality defined norms and standards, as a percentage of the number of official complaints received.</b>
	<b>A complaint is any formal grievance, concern or issue registered with municipality as per its established systems and protocols.</b>
	<b>An official complaint, in this instance, should be formally logged within the Municipal Complaints Management System. “Norms and standards” refer to a municipality's agreed ability to respond promptly and appropriately to the complaints from the public, in line with protocols determined by the municipality, whether or not this is consistent with any external guidance or benchmarking.</b>
	<b>Note that resolution refers to an official municipal response to the complaint and does not provide for a determination of "satisfaction" with the municipal response on the part of the public.</b>
<b>A9-Indicator Formula</b>	<b>((1) Number of official complaints responded to according to municipal norms and standards / (2) Number of official complaints received)</b>
A10-Indicator origin	The Municipal Systems Act Section 17(2)(a) provides that a municipality must provide for “the receipt, processing and consideration of petitions and complaints lodged by members of the local community”.
	This relates to MTSF Priority 6: Social Cohesion and Safer Communities in terms of the outcome- Promoting active citizenry and leadership.
<b>A11-Notes on calculation</b>	<b>Cumulative figure quarter-on-quarter for the year. The quarter 4 results will be equivalent to the annual figure.</b>
	<b>Each municipality will have different complaints management systems and so the municipality should specify through its Standard Operating Procedures the exact scope of 'complaints' that it includes within its context.</b>
A12-Additional notes	Open complaints still within the period of norms and standards for processing should be excluded.
	It is dependent on the municipality whether their systems register complaints through call centres, online, Izimbizo, or service delivery forums as part of formal complaints received.
	Whichever avenues are provided for by the municipality should be reflected in the indicator.
Reporting Responsibility	Directors
Applies to Municipal Category	Local Municipality

Readiness	Tier 2					
Weight	25%	Baseline Indicator	100%			
		Annual Target	100%	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Quarter 1	100%	76%	Almost	
		Quarter 2	100%			
		Quarter 3	100%			
		Quarter 4	100%			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
Performance report and POEs were not submitted by the relevant Director and the Manager, while might lead to non-compliance and limitation of scope if it is not corrected.			Management should submitted performance report and POEs within the required timeframe to mitigate against non-compliance and the limitation of scope for audit purposes.			

<b>Key Performance Area Performance</b>	
<b>Criteria</b>	<b>Number</b>
Not for the period under review	1
Not Met	0
Almost Met	2
Met	0
Well Met	0
Extremely Met	1
<b>Total</b>	<b>4</b>

## 2.6 DIRECTOR TECHNICAL TOP-LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

### 2.6.1 BASIC SERVICES

<b>Indicator Assignment</b>	<b>EE1.11</b>					
<b>A1-Indicator Short Description</b>	<b>Percentage of households with access to electricity</b>					
A2-Alignment	Improved access to electricity					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Percentage of households					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	It is important in order to understand whether the principles of the Constitution are being fulfilled by providing social equity and development in terms of access to a basic electricity service					
	Meeting Sustainable Development Goals.					
	Identifying the percentage of households enabled through the benefits of a regular energy source.					
<b>A8-Definition</b>	<b>Percentage of households that have access to electricity services within the municipal area.</b>					
<b>A9-Indicator Formula</b>	<b>(1) Number of households having access to electricity / (2) Total number of households within the municipal area) *100</b>					
A10-Indicator origin	United Nations Sustainable Development Goal SDG 7.11					
	Proportion of population with access to electricity					
	Similar to ISO 37120 Energy indicator 7.2					
<b>A11-Notes on calculation</b>	<b>There will be a one-year lag in this data on account of delays between collection and dissemination of the data.</b>					
	<b>Use of Municipal Valuation Roll 2023 to 2028 figures as per municipal billing</b>					
A12-Additional notes	This will only look at those having access to electricity in the conventional sense.					
	In the future, this may be expanded to look at other forms of access (access to off-grid, access to other forms of energy, etc.).					
Reporting Responsibility	Manager Electricity Services and Manager Revenue Management					
Applies to Municipal Category	Local Municipality					
Readiness	Tier1					
Weight	10%	Baseline Indicator	95%	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	95%			
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	95%			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
N/A			N/A			

<b>Indicator Assignment</b>	<b>EE3.11</b>					
<b>A1-Indicator Short Description</b>	<b>Percentage of unplanned outages that are restored to supply within industry standard timeframes</b>					
A2-Alignment	Improved reliability of electricity service					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Percentage of outages					
<b>A6-Frequency</b>	<b>Quarterly</b>					
A7-Rationale	Once an unplanned outage has occurred, the municipality should strive to restore power to the affected groups as soon as possible.					
	Quick turnaround implies greater reliability of the municipal electricity service.					
	This indicator is a distribution of MTTR (Mean Time to Restore), which is the average time it takes to restore supply once an interruption takes place.					
<b>A8-Definition</b>	<b>The proportion of MTTRs that are within industry standards where MTTR is the average time it takes to restore unplanned outages.</b>					
	<b>The following five categories of restoration time are applied as industry standards NSR 047: X=1.5, 3.5, 7.5, 24 and 168</b>					
<b>A9-Indicator Formula</b>	<b>((1) Number of unplanned outages restored within x hours / (2) Total number of unplanned outages) x 100, where x is based on industry standards (x=1.5, 3.5, 7.5, 24 and 168) and as per NRS 047.</b>					
A10-Indicator origin	IEEE Electric Power Distribution Reliability Indices: MTTR					
<b>A11-Notes on calculation</b>	<b>Cumulative indicator, i.e. the reported figure in a given quarter should be a year-to-date figure for the financial year.</b>					
A12-Additional notes	Originally, this indicator was set using the parameters determined by Eskom (x= 0.5, 1.5, 3.5, 3.5, 3.5, 24 or less).					
	Municipal feedback has since shifted this to the following NSR 047 standards where x=1.5, 3.5, 7.5, 24 and 168 or less.					
	There may be some discrepancies between municipalities as some municipalities do not have automated systems.					
	Thus, their turn around timeframes will begin from the time the customer reported an outage.					
	However, we should start with what is available for now and work towards uniformity.					
	The 0.5 hr. mark will only be possible to report in municipalities where SCADA systems are in place.					
Reporting Responsibility	Manager Electricity Services					
Applies to Municipal Category	Local Municipality					
Readiness	Tier1					
Weight	5%	Baseline Indicator	98%	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	98%			
		Quarter 1	98%	100%	Extremely	
		Quarter 2	98%			
		Quarter 3	98%			
		Quarter 4	98%			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
N/A			N/A			

<b>Indicator Assignment</b>	<b>HS1.12</b>					
A1-Indicator Short Description	Number of formal sites serviced					
<b>A2-Alignment</b>	<b>Improved access to adequate housing</b>					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Number of serviced sites					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	A basic level service for the core services of water, electricity and sanitation is a prerequisite for 'adequate housing'.					
	This indicator tracks the number of new sites to which the municipality has provided a minimum service level for the three basic services in terms of infrastructure provision (e.g. water, sanitation and electricity).					
	Waste removal is a recurring service that is not based on infrastructure provision to a site and is therefore excluded.					
<b>A8-Definition</b>	<b>A site refers to a pre-determined area where basic services can be provided</b>					
	<b>There is some degree of security of tenure and to which a household can be situated or relocated and/or upgraded.</b>					
	<b>This refers to the number of all sites serviced with new connections for all three services of electricity, water and sanitation, to a basic level within the municipality in the financial year.</b>					
	<b>These sites do not include the construction of top structures.</b>					
	<b>A basic level of service is defined as an individual service to each site (not shared) meeting the national minimum standard (the Regulations in terms of the Water Services Act in the case of water and sanitation and the Policy Guidelines for the Integrated National Electrification Programme (INEP) 2016/17 in the case of electricity), or the minimum standards defined by the municipality, whichever is higher.</b>					
<b>A9-Indicator Formula</b>	<b>A simple count of all (1) sites serviced with all three of the basic services.</b>					
A10-Indicator origin	The indicator originates with Outcome 8: Sub-outcome 1- Adequate housing and improved quality living environments.					
	There is also an Urban Settlements Development Grant indicator- Number of sites currently serviced with electricity, water (house connection) sewerage removal service and solid waste removal service (622) which corresponds to this indicator.					
<b>A11-Notes on calculation</b>	<b>Sites lacking any one of the services, or below the minimum standard for that service, should be excluded.</b>					
	<b>Communal servicing of informal settlements should be excluded.</b>					
A12-Additional notes	This indicator is also intended to support the realisation of improving access to adequate housing by tracking the three core service connections/provisions as a pre-requisite.					
	Serviced sites will be provided as part of the national housing programme but may also be provided by the municipality using the USDG or other funding.					
Reporting Responsibility	Manager Urban Planning and Property Management					
Applies to Municipal Category	Local Municipality					
Readiness	Tier1					
Weight	5%	Baseline Indicator	300	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	100			
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	100			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
N/A			N/A			

<b>Indicator Assignment</b>	<b>HS1.31</b>					
<b>A1-Indicator Short Description</b>	<b>Number of informal settlements enumerated and classified (in terms of NUSP or equivalent classification)</b>					
A2-Alignment	Increased security of tenure					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Number of informal settlements					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	Providing security of tenure to inhabitants of informal settlements is integral to the upliftment of communities.					
	By classifying informal settlements according to the UISP the settlements are comprehensively appraised, enumerated and marked for intervention in the form of upgrade or relocation.					
	This classification is an important pre-requisite for incremental security of tenure on a tenure spectrum.					
<b>A8-Definition</b>	<b>The number of designated informal settlements within the municipal area enumerated and classified according to the NUSP categorisation, or equivalent.</b>					
	<b>Enumeration includes the collection of household level data of informal settlement residents, as well as the levels and status of services in the settlement.</b>					
<b>A9-Indicator Formula</b>	<b>Simple count of the (1) number of informal settlements enumerated and classified according to the UISP categorisation, or equivalent, in the period under assessment.</b>					
A10-Indicator origin	The indicator originates with Outcome 8: Sub-outcome 1- Adequate housing and improved quality living environments.					
	There is an Outcome 8 indicator labelled 'Number of existing informal settlements assessed' and this is a pre-requisite to informal settlement upgrading.					
<b>A11-Notes on calculation</b>	<b>Settlements for which only a dwelling count is available should not be included. Settlements need to have been enumerated and classified according to the NUSP classification, or equivalent, in the financial year in order to be counted.</b>					
A12-Additional notes	The indicator does not currently distinguish between the size of an informal settlement.					
	It treats all designated informal settlements equally, regardless of size.					
Reporting Responsibility	Manager Urban Planning and Property Management					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 1					
Weight	10%	Baseline Indicator	3	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	2			
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	2			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
N/A			N/A			

<b>Indicator Assignment</b>	<b>HS2.22</b>					
<b>A1-Indicator Short Description</b>	<b>Average number of days taken to process residential building plan applications</b>					
A2-Alignment	Improved functionality of the property market					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Number of days: Applications					
<b>A6-Frequency</b>	<b>Quarterly</b>					
A7-Rationale	This is an efficiency measure of the average processing time of the residential building plan applications submitted to the municipality.					
	Delays in the processing of building plan applications affect the time taken to build new housing within the municipal area and may become a deterrent to property development.					
	Removing unnecessary delays or uncertainties related to the efficiency of building plan application processes supports a functional property market within the municipality.					
<b>A8-Definition</b>	<b>The indicator measures the number of days a residential building plan application to the municipality takes to be processed, from the date of submission of all required information to the date of communication of the initial adjudication results of that application, on average, per application.</b>					
	<b>Excludes time taken to process appeals of the initial decision.</b>					
	<b>Residential building plans are defined as all residential building plan applications less than 500 square meters.</b>					
<b>A9-Indicator Formula</b>	<b>(1) Sum of the number of days between the date of submission of a complete residential building plan application to the municipality and the communication of the adjudication result of the application, for all residential applications in the period of assessment / (2) Number of residential building plan applications adjudicated in the financial year to date</b>					
A10-Indicator origin	The indicator's origin rests with municipalities already tracking this measure of efficiency as it relates to building plan applications.					
<b>A11-Notes on calculation</b>	<b>Calculations should be made and tracked on a quarterly basis.</b>					
	<b>The quarterly calculation should be cumulative for the year so that the 4th quarter calculation is a measure of the average processing time for the entire municipal financial year.</b>					
	<b>If a building plan application has not been adjudicated at the time of reporting it should be excluded from the total number of building plan applications.</b>					
	<b>The numerator and denominator should cover the same period and the same type of applications (i.e. residential only, or all applications).</b>					
A12-Additional notes	This indicator should ideally be calculated for residential building plans only of 500 square meters or less, insofar as possible.					
	If the available data relates to all building plan applications, or building applications of a size most often associated with residential building plans					
	This is an adequate proxy and should be clarified in the Standard Operating Procedure of the municipality.					
Reporting Responsibility	Manager Urban Planning and Property Management					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 2					
Weight	5%	Baseline Indicator	30	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	30			
		Quarter 1	30	63%	Met	
		Quarter 2	30			
		Quarter 3	30			
		Quarter 4	30			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
None			None			

<b>Indicator Assignment</b>	<b>TR6.11</b>					
<b>A1-Indicator Short Description</b>	<b>Percentage of gravel road graded</b>					
A2-Alignment	Improved quality of municipal road network					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Percentage of gravel road network, by length					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	Regular grading of gravel roads increases the safety of municipal roads					
<b>A8-Definition</b>	<b>The length of gravel road which has been graded as a percentage of overall gravel road network.</b>					
<b>A9-Indicator Formula</b>	<b><math>((1) \text{ Kilometers of municipal road graded} / (2) \text{ Kilometers of ungraded gravel road}) * 100</math></b>					
A10-Indicator origin	SDG 11.2 Provide access to safe, affordable and sustainable public transport for all, improving road safety, notably by expanding public transport					
<b>A11-Notes on calculation</b>	<b>The graded road is measured at the end of the financial reporting period, cumulative for the entire financial year.</b>					
	<b>However, the ungraded gravel road is measured at the start of the financial year.</b>					
A12-Additional notes	None					
Reporting Responsibility	Manager Roads and Stormwater					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 1					
Weight	10%	Baseline Indicator	30%	Actual	Achievement	Colour
		Annual Target	40%			
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	40%			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
N/A			N/A			

<b>Indicator Assignment</b>	<b>TR6.12</b>					
<b>A1-Indicator Short Description</b>	<b>Percentage of surfaced municipal road lanes which have been resurfaced and resealed</b>					
A2-Alignment	Improved quality of municipal road network					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Percentage of surfaced road lanes					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	Regular maintenance of municipal roads increases the safety of roads					
<b>A8-Definition</b>	<b>The distance of surfaced municipal road lanes (class 3-5) in kilometres which has been resurfaced and resealed in terms of the total network length.</b>					
	<b>Total network length is measured on a per lane basis, so a road that is four-lanes wide for 1 km has a total network length of 4kms for the purpose of this indicator.</b>					
<b>A9-Indicator Formula</b>	<b>((1) Kilometers of municipal road lanes resurfaced and resealed / (2) Kilometers of surfaced municipal road lanes) * 100</b>					
A10-Indicator origin	SDG 11.2 Provide access to safe, affordable and sustainable public transport for all, improving road safety, notably by expanding public transport					
<b>A11-Notes on calculation</b>	<b>The resurfaced and resealed road is measured at the end of financial reporting period, cumulative for the financial year.</b>					
	<b>The surfaced road length is measured as the network length at the start of the financial year.</b>					
A12-Additional notes	None					
Reporting Responsibility	Manager Roads and Stormwater					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 1					
Weight	10%	Baseline Indicator	40%			
		Annual Target	46%	Actual	Achievement	Colour
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	46%			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
N/A			N/A			

<b>Indicator Assignment</b>	<b>TR6.13</b>					
<b>A1-Indicator Short Description</b>	<b>KMs of new municipal road network</b>					
A2-Alignment	Improved quality of municipal road network					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	KMs of road network					
<b>A6-Frequency</b>	<b>Quarterly</b>					
A7-Rationale	Municipal road networks are enhanced as they are expanded and new connections are created, with the potential of contributing to commuting efficiencies.					
	Measuring the creation of new municipal road network is one measure of expanding municipal service indicative of improvements to the municipal road network.					
<b>A8-Definition</b>	<b>The distance of municipal road network built in kilometers within the municipal area, by the municipality (inclusive of all its departments and implementing agents).</b>					
	<b>This is inclusive of both surfaced and unsurfaced roads built by the municipality.</b>					
	<b>A surfaced road refers to road installed with a durable surface material intended to sustain traffic, usually pavement or concrete.</b>					
	<b>Total municipal road network length is measured irrespective of the road lanes for this indicator.</b>					
<b>A9-Indicator Formula</b>	<b>(1) Number of kilometres of surfaced road network built + (2) Number of kilometres unsurfaced road network built</b>					
A10-Indicator origin	This relates to MTSF Priority 2: Economic transformation and job creation and advances the Outcome- Increase access to affordable and reliable transport systems. It is similar to the indicator "KM of roads upgraded, refurbished and maintained".					
	SDG 11.2 Provide access to safe, affordable and sustainable public transport for all, improving road safety, notably by expanding public transport					
<b>A11-Notes on calculation</b>	<b>Cumulative, year to date.</b>					
	<b>The new municipal road built is measured as at the end of the reporting period.</b>					
A12-Additional notes	In cases where new road lanes have been added to existing road network (e.g. a 2-lane road has been expanded to 4-lanes), these are not considered expansions to the road network because the length of the network does not change.					
	Where an existing road is 'upgraded' from gravel to a surfaced road, this also does not expand the length of the network. Resurfacing and resealing an existing surfaced road is also excluded.					
Reporting Responsibility	Manager Roads and Stormwater					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 2					
Weight	10%	Baseline Indicator	7.0	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	7.7			
		Quarter 1	2	1.8	Almost	
		Quarter 2	N/A			
		Quarter 3	2			
		Quarter 4	3.7			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
Performance report and POEs were not submitted by the relevant Director and the Manager, while might lead to non-compliance and limitation of scope if it is not corrected.			Management should submitted performance report and POEs within the required timeframe to mitigate against non-compliance and the limitation of scope for audit purposes.			

<b>Indicator Assignment</b>	<b>TR6.21</b>					
<b>A1-Indicator Short Description</b>	<b>Percentage of reported pothole complaints resolved within standard municipal response time</b>					
A2-Alignment	Improved quality of municipal road network					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Potholes					
<b>A6-Frequency</b>	<b>Quarterly</b>					
A7-Rationale	Fixing of potholes should occur within a reasonable time after the municipality becomes aware of them - not only in order to be responsive to public complaints, but also to limit the period that the pothole poses a risk to road users and vehicles.					
	The indicator demonstrates whether the municipality is efficient and consistent in undertaking this type of maintenance, at least insofar as pothole complaints reported by the public are concerned.					
<b>A8-Definition</b>	<b>The percentage of reported pothole complaints resolved within the standard time, as a percentage of all potholes reported.</b>					
	<b>A reported pothole complaint refers to the report as the incidence, not the number of potholes that may be referred to in a given report.</b>					
	<b>Municipal standard response times and operating procedures for service providers who may undertake this work for the municipality are confirmed at the municipal level in terms of the municipality's standard operating procedure for measuring the indicator.</b>					
<b>A9-Indicator Formula</b>	<b>((1) Number of pothole complaints resolved within the standard time after being reported / Number of potholes reported)</b>					
A10-Indicator origin	This relates to MTSF Priority 2: Economic transformation and job creation and advances the Outcome- Increase access to affordable and reliable transport systems. Ministerial inputs					
<b>A11-Notes on calculation</b>	<b>The indicator is cumulative, year to date. It should not include 'active' reports as at the end of the reporting period if they are still within the window of standard response time and have not yet been resolved.</b>					
	<b>To avoid a gap between reporting periods, this means that any active reports that precede the start of the reporting period but are resolved (or exceed standard municipal response time) within that reporting period, should feature in the calculation.</b>					
A12-Additional notes	Note that this indicator refers to potholes reported to the municipality, regardless of who does the reporting.					
	Pothole complaints raised at the end of the reporting period which have not been resolved or for which the municipality is still within the standard time allocation at the time of reporting should be excluded from the indicator.					
	Pothole complaints that fall into this category should be incorporated into the next reporting period.					
Reporting Responsibility	Manager Roads and Stormwater					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 2					
Weight	5%	Baseline Indicator	40%	Actual	Achievement	Colour
		Annual Target	40%			
		Quarter 1	10%	10%	Met	
		Quarter 2	20%			
		Quarter 3	30%			
		Quarter 4	40%			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
Performance report and POEs were not submitted by the relevant Director and the Manager, while might lead to non-compliance and limitation of scope if it is not corrected.			Management should submitted performance report and POEs within the required timeframe to mitigate against non-compliance and the limitation of scope for audit purposes.			

<b>Indicator Assignment</b>	<b>WS1.1</b>					
<b>A1-Indicator Short Description</b>	<b>Percentage of households with access to basic sanitation</b>					
A2-Alignment	Improved access to sanitation					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Percentage of households					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	South Africa comes from a history of separate development which has resulted in many areas not having access to basic sanitation services.					
	A dedicated basic services development programme was initiated in 1994 to eradicate the historic backlogs.					
	The target was for all people in South Africa to have access to a functioning basic sanitation facility by 2014.					
	This target was however not met, and a new target date of 2019 has been set, as per the 2014 Medium Term Strategic Framework, which needs to be reviewed as per the Medium-Term Development Plan 2024-2029.					
<b>A8-Definition</b>	<b>Percentage of households accessing ("using") a toilet facility that meets minimum standards for basic sanitation out of all households within the municipality.</b>					
	<b>Minimum standards are currently defined as a either a flush toilet (sewerage system) and/or flush toilet (septic tank), and/or a pit toilet connected to ventilation (VIP).</b>					
<b>A9-Indicator Formula</b>	<b>((1) Number of households using a flush toilet (connected to sewerage system) + (2) Number of households using a flush toilet (with septic tank) + (3) Number of households using pit toilets with ventilation (VIP) / (4) Total number of households in the municipality) * 100.</b>					
A10-Indicator origin	MTSF Outcome 9- Sub-outcome members of society have sustainable and reliable access to basic services MBI indicator					
<b>A11-Notes on calculation</b>	<b>Basic sanitation (meeting minimum requirements) includes access to either of the following:</b>					
	<b>(1) Flush toilet (sewerage system)</b>					
	<b>(2) Flush toilet (septic tank), and/or</b>					
	<b>(3) VIP.</b>					
	<b>In order to calculate, will need to obtain data for all individual service levels.</b>					
	<b>It is therefore assumed that: Total number of households with access to sanitation is the sum of:</b>					
	<b>(1) Access to sanitation: Flush toilet (connected to sewerage system)</b>					
	<b>(2) Access to sanitation: Flush toilet (with septic tank)</b>					
	<b>3) Access to sanitation: Pit toilet with ventilation (VIP) Total number of households without access to sanitation is the sum of:</b>					
	<b>(4) Access to sanitation: Chemical toilet</b>					
	<b>(5) Access to sanitation: Pit toilet without ventilation</b>					
	<b>(6) Access to sanitation: Bucket toilet</b>					
	<b>(7) Access to sanitation: Other (8) Access to sanitation: No sanitation</b>					
<b>Use of Municipal Valuation Roll 2023 to 2028 figures as per municipal billing</b>						
A12-Additional notes	The MBI code for this performance indicator is SD127.					
Reporting Responsibility	Manager Water and Sanitation and Manager Revenue Management					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 1					
Weight	10%	Baseline Indicator	73%	Actual	Achievement	Colour
		Annual Target	73%			
		Quarter 1	N/A	N/A	N/A	N/A
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	73%			
<b>Reason for the variance</b>				<b>Measures to address the variance</b>		
N/A				N/A		

<b>Indicator Assignment</b>	<b>WS2.1</b>					
<b>A1-Indicator Short Description</b>	<b>Percentage of households with access to basic water supply</b>					
A2-Alignment	Improved access to water					
A3-Result-chain level	Outcome					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Percentage of households					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	South Africa comes from a history of separate development which has resulted in many rural areas not having access to basic water supply.					
	A dedicated basic services development programme was initiated in 1994 to eradicate the historic backlogs.					
	The target was for all people in South Africa to have access to a functioning basic water supply by 2014.					
	This target was however not met, and a new target date of 2019 has been set, as per the 2014 Medium Term Strategic Framework, and as per Medium-term Development Plan 2024 to 2029					
<b>A8-Definition</b>	<b>Percentage of households with access to basic water supply, defined as the household's main source of drinking water is piped (tap) water inside dwelling/house, piped (tap) water inside yard, and/or piped water to a community stand: &lt;200 m.</b>					
<b>A9-Indicator Formula</b>	<b>Number of households with the main source of drinking water</b>					
	<b>(1) piped (tap) water inside dwelling/institution</b>					
	<b>(2) Number of households with the main source of drinking water piped (tap) water inside yard</b>					
	<b>(3) Number of households with the main source of drinking water piped (tap) water on community stand: distance less than 200m from dwelling/institution / (4) Total number of households in the municipality * 100</b>					
A10-Indicator origin	MTSF Outcome 9- Sub-outcome Members of society have sustainable and reliable access to basic services MBI indicator					
<b>A11-Notes on calculation</b>	<b>Basic water supply (meeting minimum requirements) includes access to either of the following:</b>					
	<b>(1) Piped (tap) water inside dwelling/house</b>					
	<b>(2) Piped (tap) water inside yard, and/or</b>					
	<b>(3) Community stand: &lt;200 m. In order to calculate, will need to obtain data for all individual service levels. It is therefore assumed that: Total number of households with access to water is the sum of:</b>					
	<b>(1) Access to water: Piped (tap) water inside dwelling/house</b>					
	<b>(2) Access to water: Piped (tap) water inside yard</b>					
	<b>(3) Access to water: Piped (tap) water on community stand: distance less than 200m from dwelling/institution Total number of households without access to water is the sum of:</b>					
	<b>(4) Access to water: Piped (tap) water on community stand: distance between 200m and 500m from dwelling/institution</b>					
	<b>(5) Access to water: Piped (tap) water on community stand: distance between 500m and 1000m (1km) from dwelling /institution</b>					
	<b>(6) Access to water: Piped (tap) water on community stand: distance greater than 1000m (1km) from dwelling/institution</b>					
<b>(7) Access to water: No access to piped (tap) water</b>						
<b>Use of Municipal Valuation Roll 2023 to 2028 figures as per municipal billing</b>						
A12-Additional notes	The MBI code for this performance indicator is SD126.					
Reporting Responsibility	Manager Water and Sanitation and Manager Revenue Management					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 1					
Weight	10%	Baseline Indicator	100%	Actual	Achievement	Colour
		Annual Target	100%			
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	100%			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
N/A			N/A			

<b>Indicator Assignment</b>	<b>WS3.1</b>					
<b>A1-Indicator Short Description</b>	<b>Frequency of sewer blockages</b>					
A2-Alignment	Improved quality of water and sanitation services					
A3-Result-chain level	Outcome					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Number of blockages					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	Operations and maintenance typically include the day-to-day activities necessary for the water services system infrastructure and equipment to perform their intended function.					
	To accomplish this, the municipality must operate the systems and equipment responsibly and maintain them properly.					
	Maintaining infrastructure in sound condition is a key element of providing sustainable municipal services.					
	If a poor maintenance regime is followed, an asset may not reach its design life and will have to be replaced early.					
	Since 1994 the focus of Government has been on the provision of basic water and sanitation infrastructure.					
	The effective operation and maintenance of this infrastructure is an essential part of service delivery that has been much neglected.					
	An assessment of 1689 water schemes found that at least 10% were dysfunctional, while a further 20 to 24% were experiencing serious water security problems, and 48% needed urgent refurbishment.					
	Functionality issues can mostly be ascribed to poor management. In order to ensure long term effective water services delivery, an asset management approach must be followed.					
A8-Definition	<b>Number of blockages in sewers per 100km of sewer length per year.</b>					
	<b>Blockages are defined as reported or logged blockages that result in an obstruction of system flow which may be caused by roots, obstructive items or other pipeline disruption.</b>					
A9-Indicator Formula	<b>(1) Number of blockages in sewers that occurred during the assessment period / [(2) Total sewer length at the reference date/100]</b>					
A10-Indicator origin	IWA indicator MBI indicator					
A11-Notes on calculation	<b>Pumping station blockages shall not be included.</b>					
	<b>Include blockages only where these are the responsibility of the wastewater undertaking entity.</b>					
	<b>This PI may be assessed for periods shorter than one year, but it is recommended that it be used only where data for the variables have been collected for at least a year.</b>					
	<b>Where it has been used for shorter time periods, special consideration is required when used for comparisons, either internal or external to the undertaking.</b>					
A12-Additional notes	The IWA code for this performance indicator is wOp34. The MBI code for this performance indicator is OM5. MBI formula: $OM5 (\%) = wD38 / (wC1/100)$					
Reporting Responsibility	Manager Water and Sanitation					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 1					
Weight	10%	Baseline Indicator	100%	Actual	Achievement	Colour
		Annual Target	100%			
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	100%			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
N/A			N/A			

<b>Indicator Assignment</b>	<b>WS3.11</b>					
<b>A1-Indicator Short Description</b>	<b>Percentage of complaints/callouts responded to within 24 hours (sanitation/ wastewater)</b>					
A2-Alignment	Improved quality of water and sanitation services					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Percentage of outages					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	Service quality or customer satisfaction is measured through customer surveys and the monitoring of complaints/ protests, continuity of supply, affordability and service level indicators.					
	Municipalities face significant challenges as they strive to increase the quality and manage the costs of services to their customers.					
	Service delivery protests have become a regular feature of South African life. Poor services can therefore make it difficult to attract business or industry to an area and will limit job opportunities for residents.					
	Protest and unrest are bad for the local economy, leading to perceptions of instability.					
	Without income from services, the municipality will either be running a bankrupt business or be highly reliant on grants.					
	Resolving these challenges thus brings direct economic benefits to a municipality.					
<b>A8-Definition</b>	<b>Percentage complaints/callouts (outages logged with the municipality) responded to within 24 hours (sanitation/wastewater).</b>					
	<b>Responded to means that someone is on site and has initiated a process of resolving the matter within 24 hours.</b>					
	<b>This does not mean the complaint/callout was resolved, only that the matter was logged, appraised and responded to within 24 hours of notification.</b>					
<b>A9-Indicator Formula</b>	<b>(1) Number of complaints/callouts (outages logged on the municipal system) responded to within 24 hours (sanitation/wastewater)/ (2) Total wastewater/sanitation complaints/callouts received * 100</b>					
A10-Indicator origin	MBI indicator IWA aligned indicator					
<b>A11-Notes on calculation</b>	<b>Measured at the end of each year. Some municipalities have manual systems and measurements, but it may be difficult to verify initially.</b>					
	<b>There are aspirations to progress this indicator to a measure of 'resolution' rather than 'response' in the future.</b>					
A12-Additional notes	The IWA code for this performance indicator is wQS27. Formula: $wQS27 (\%) = wF20 / wF12 \times 100$ .					
	The MBI code for this performance indicator is SD124.					
	Formula: $SD124 (\%) = wF20 / wF12 \times 100$ .					
	A suggestion was made to include a measure of interruptions.					
Reporting Responsibility	Manager Water and Sanitation					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 2					
Weight	5%	Baseline Indicator	100%	Actual	Achievement	Colour
		Annual Target	100%			
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	100%			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
N/A			N/A			

<b>Indicator Assignment</b>	<b>WS3.21</b>					
<b>A1-Indicator Short Description</b>	<b>Percentage of complaints/callouts responded to within 24 hours (water)</b>					
A2-Alignment	Improved quality of water and sanitation services					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Percentage of outages					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	Service quality or customer satisfaction is measured through customer surveys and the monitoring of complaints/ protests, continuity of supply, affordability and service level indicators.					
	Municipalities face significant challenges as they strive to increase the quality and manage the costs of services to their customers.					
	Service delivery protests have become a regular feature of South African life.					
	Poor services can therefore make it difficult to attract business or industry to an area and will limit job opportunities for residents.					
	Protest and unrest are bad for the local economy, leading to perceptions of instability. Without income from services, the municipality will either be running a bankrupt business or be highly reliant on grants.					
	Resolving these challenges thus brings direct economic benefits to a municipality.					
<b>A8-Definition</b>	<b>Percentage complaints/callouts (outages) responded to within 24 hours (water). Responded to means that someone is on site and has initiated a process of resolving the matter within 24 hours.</b>					
	<b>This does not mean the complaint/callout was resolved, only that the matter was logged, appraised and responded to within 24 hours of notification.</b>					
<b>A9-Indicator Formula</b>	<b>(1) Number of complaints/callouts (outages) responded to within 24 hours (water)/ (2) Total water service complaints/callouts received * 100</b>					
A10-Indicator origin	MBI indicator IWA aligned indicator					
<b>A11-Notes on calculation</b>	<b>Measured at the end of each year. Some municipalities have manual systems and measurements, but it may be difficult to verify initially.</b>					
	<b>There are aspirations to progress this indicator to a measure of 'resolution' rather than 'response' in the future.</b>					
A12-Additional notes	The MBI code for this performance indicator is SD123. Formula: SD123 (%) = F137 / F15 x 100.					
	A suggestion was made to include a measure of interruptions.					
Reporting Responsibility	Manager Water and Sanitation					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 2					
Weight	5%	Baseline Indicator	100%	Actual	Achievement	Colour
		Annual Target	100%			
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	100%			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
N/A			N/A			

<b>Key Performance Area Performance</b>	
<b>Criteria</b>	<b>Number</b>
Not for the period under review	10
Not Met	2
Almost Met	1
Met	0
Well Met	0
Extremely Met	1
<b>Total</b>	<b>14</b>

## 2.6.2 LOCAL ECONOMIC DEVELOPMENT

<b>Indicator Assignment</b>	<b>HS2.22</b>
<b>A1-Indicator Short Description</b>	<b>Average number of days taken to process building plan applications of less than 500 square meters</b>
A2-Alignment	Improved functionality of the residential property market
A3-Result-chain level	Output
A4-Back to Basic Pillar	Service delivery
A5-Unit of measurement	Number of days: Applications
<b>A6-Frequency</b>	<b>Quarterly</b>
A7-Rationale	<p>This is an efficiency measure of the average processing time of the building plan applications submitted to the municipality.</p> <p>Delays in the processing of building plan applications affect the time taken to build new housing and other buildings within the municipal area and may become a deterrent to property development.</p> <p>Removing unnecessary delays or uncertainties related to the efficiency of building plan application processes supports a functional property market within the municipality.</p> <p>This indicator is also a useful efficiency measure as it relates to the municipality's ability to create an enabling environment for businesses.</p> <p>The National Building Regulations and Building Standards Act legislates the less than 500 square meters distinction and sets a processing standard for building plan applications within a period of 30 days.</p>
A8-Definition	<p><b>The indicator measures the number of days a building plan application to the municipality takes to be processed, from the date of submission of all required information to the date of communication of the initial adjudication results of that application, on average, per application.</b></p> <p><b>Measures of the time taken to process appeals of the initial decision, sometimes expressed in relation to "amendment letters" or in terms of a "date of first refusal" are not included within the measurement.</b></p> <p><b>Each submission of a complete building plan application starts a new processing cycle for the purpose of the indicator.</b></p>
A9-Indicator Formula	<b>(1) Sum of the number of days between the date of submission of a complete building plan application to the municipality and the communication of the adjudication result of the application, for all applications less than 500 square meters / (2) Number of building plan applications less than 500 square meters adjudicated</b>
A10-Indicator origin	<p>The indicator originates with MTSF: Priority 5: Spatial integration, Human settlements and local government.</p> <p>It is aligned in terms of the Outcome- Adequate housing and improved quality living environments. It originates with municipalities already tacking this measure and has implications for creating an enabling environment for home-owners and businesses to operate.</p>
A11-Notes on calculation	<p><b>Cumulative over the financial year. Calculations should be made and tracked on aggregate, on a quarter-by-quarter basis.</b></p> <p><b>The quarterly calculation should be cumulative so that 2nd quarter measures the cumulative average for half of the financial year and the 4th quarter calculation is a measure of the average processing time for the entire municipal financial year.</b></p> <p><b>If a residential building plan application has not been adjudicated at the time of reporting it should be excluded from the total number of building plan applications.</b></p> <p><b>The numerator and denominator should cover the same period and the same type of applications.</b></p>
A12-Additional notes	<p>This indicator should ideally be calculated for building plans applications of less than 500 square meters, excluding minor work applications.</p> <p>This indicator should be considered in conjunction with LED 3.13, C83, C84 and C98 as it relates to overall building plan processing efficiencies in the municipality.</p> <p>Municipal Standard Operating Procedures should be used to clarify any municipality specific processing norms and standards.</p> <p>Applications that are in process, still awaiting adjudication, should not be included.</p>
Reporting Responsibility	Urban Planning and Property Management Division
Applies to Municipal Category	Local Municipality

Readiness	Tier 2					
Weight	100%	Baseline Indicator	30	Actual	Achievement	Colour
		Annual Target	30			
		Quarter 1	30	63%	Not Met	
		Quarter 2	30			
		Quarter 3	30			
Quarter 4	30					
Reason for the variance			Measures to address the variance			
None			None			

Key Performance Area Performance	
Criteria	Number
Not for the period under review	0
Not Met	1
Almost Met	0
Met	0
Well Met	0
Extremely Met	0
<b>Total</b>	<b>1</b>

### 2.6.3 INSTITUTIONAL CAPACITY

<b>Indicator Assignment</b>		<b>GG6.12</b>				
<b>A1-Indicator Short Description</b>		<b>Number of work opportunities through EPWP, CWP and other related infrastructure programmes</b>				
A2-Alignment		More effective poverty alleviation				
A3-Result-chain level		Output				
A4-Back to Basic Pillar		Building capable local government institutions				
A5-Unit of measurement		Number of work opportunities				
<b>A6-Frequency</b>		<b>Quarterly</b>				
A7-Rationale		Work opportunities created through state funded infrastructure programmes are an important means of poverty alleviation delivered by municipalities and other state organs within the municipal area.				
<b>A8-Definition</b>		<b>The indicator measures the number of work opportunities created through state funded infrastructure programmes such as the Expanded Public Works Programme (administered by the municipality)</b>				
		<b>Community Works Programme (CWP) (administered by the Department of Cooperative Governance)</b>				
		<b>And any other infrastructure-related work opportunities delivered by state organs within the municipal area.</b>				
<b>A9-Indicator Formula</b>		<b>(1) Number of short-term work opportunities through the municipality for Expanded Public Works Programme + (2) the Number of short-term work opportunities through the Community Works Programme and other related infrastructure initiatives.</b>				
A10-Indicator origin		CoGTA Back 2 Basics				
<b>A11-Notes on calculation</b>		<b>None</b>				
A12-Additional notes		The indicator is a shared reporting responsibility because the work opportunities provided by the CWP, and other infrastructure-related programmes delivered by state organs are the reporting responsibilities of non-municipal actors.				
		Municipalities can report on EPWP work opportunities and make use of unverified data for the purposes of quarterly reporting even in the absence of the supply of the CWP work opportunities.				
Reporting Responsibility		EPWP Coordinator and PMU Manager				
Applies to Municipal Category		Local Municipality				
Readiness		Tier 2				
Weight	100%	Baseline Indicator	1,463	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	100			
		Quarter 1	100	201	Extremely	
		Quarter 2	100			
		Quarter 3	100			
		Quarter 4	100			
<b>Reason for the variance</b>		<b>Measures to address the variance</b>				
Performance report and POEs were not submitted by the relevant Director and the Manager, while might lead to non-compliance and limitation of scope if it is not corrected.		Management should submitted performance report and POEs within the required timeframe to mitigate against non-compliance and the limitation of scope for audit purposes.				

<b>Key Performance Area Performance</b>	
<b>Criteria</b>	<b>Number</b>
Not for the period under review	0
Not Met	0
Almost Met	0
Met	0
Well Met	0
Extremely Met	1
<b>Total</b>	<b>1</b>

## 2.7 DIRECTOR FINANCIAL SERVICES' TOP-LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

### 2.7.1 LOCAL ECONOMIC DEVELOPMENT

<b>Indicator Assignment</b>	<b>LED1.11</b>					
<b>A1-Indicator Short Description</b>	<b>Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area [quotations up to a value R30 000]</b>					
A2-Alignment	Growing inclusive local economies					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Percentage of R-value					
<b>A6-Frequency</b>	<b>Quarterly</b>					
A7-Rationale	Municipalities play an important role in enabling local economic development.					
	Tracking the percentage of operating expenditure on contracted services within the municipal area gives an indication of the extent to which the municipality's own operating budget is spent within the local economy for outsourced services which it has procured.					
	By tracking against the overall expenditure, as opposed to the planned budget, a measure of the proportion of municipal spend within the municipal area is determined as this relates to the overarching intention to grow inclusive local economies.					
<b>A8-Definition</b>	<b>This indicator measures the value of municipal operating expenditure that has been spent on payments to contracted organisations with a physical address within the municipal area as a percentage of the total operating expenditure on payments to all contracted organisations.</b>					
	<b>Contracted services are inclusive of consultancy services and refer to services rendered by any entity outside of the municipality secured through a public procurement process.</b>					
<b>A9-Indicator Formula</b>	<b>(1) R-value of operating expenditure on contracted services within the municipal area / (2) Total municipal operating expenditure on contracted services</b>					
A10-Indicator origin	Informed by MFMA Circular No. 71 and COGTA consultations with municipalities. The indicator relates to MTSF Priority 2: Economic Transformation and Job Creation.					
	It aligns in terms of the Outcome- Increased economic participation, ownership, access to resources, opportunities and wage equality for women, youth and persons with disabilities.					
<b>A11-Notes on calculation</b>	<b>The indicator is cumulative across quarters over the financial year.</b>					
	<b>The annual report should reflect the indicator against total operating expenditure on contracted services for the financial year.</b>					
A12-Additional notes	The indicator only pertains to services for which there is a contractual agreement (or equivalent) for services the municipality has procured through a supply chain process.					
	If the municipality has procured the services of its own entities, that would fall within the first data element of the indicator.					
Reporting Responsibility	Supply Chain Management Division					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 2					
Weight	50%	Baseline Indicator	New	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	70%			
		Quarter 1	70%	70.10%	Met	
		Quarter 2	70%	N/A	N/A	N/A
		Quarter 3	70%	N/A	N/A	N/A
		Quarter 4	70%	N/A	N/A	N/A
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
N/A			N/A			

<b>Indicator Assignment</b>	<b>LED2.12</b>					
<b>A1-Indicator Short Description</b>	<b>Percentage of the municipality's operating budget spent on indigent relief for free basic services</b>					
A2-Alignment	Improved levels of economic activity in municipal economic spaces					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Percentage expenditure (R-value)					
<b>A6-Frequency</b>	<b>Quarterly</b>					
A7-Rationale	Measuring the percentage of the operating budget spent on free basic services is indicative of the portion of the budget expended on poverty alleviation and also of financial viability of the municipality.					
	Covering the cost of meeting the basic needs of households allows for greater agency and choice in relation to limited incomes.					
<b>A8-Definition</b>	<b>The amount municipal operating budget expended on free basic services to indigent households (R-value) as a percentage of the total operating budget of the municipality for the period.</b>					
	<b>Free Basic Services are understood in terms of water, sanitation, electricity and waste removal services only.</b>					
<b>A9-Indicator Formula</b>	<b>((1) R-value of operating budget expenditure on free basic services / (2) R-value of the total operating budget)</b>					
A10-Indicator origin	The indicator relates to MTSF Priority 4: Consolidating the Social Wage through Reliable and Quality Basic Services.					
	It aligns in terms of the Outcome- Sustainable Community Development interventions.					
<b>A11-Notes on calculation</b>	<b>Cumulative indicator, i.e. the reported figure in a given quarter should be a year-to-date figure for the financial year.</b>					
	<b>If the municipality provides for a minimum free basic service to all households, only the expenditure on indigent households should be considered.</b>					
	<b>Where a budget or revised or adjusted in the middle of the year, this should reflect in the numerator from quarter 3 onwards.</b>					
A12-Additional notes	Formerly indicator GG6.11. The indicator does not refer to salary spend on staff related to Free Basic Services, only in relation to operational costs of providing free basic services in terms of water, sanitation, electricity and waste removal.					
Reporting Responsibility	Revenue Management Division					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 2					
Weight	50%	Baseline Indicator	New			
		Annual Target	4%	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Quarter 1	1%	14.80%	Extremely Met	
		Quarter 2	2%			
		Quarter 3	3%			
		Quarter 4	4%			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
N/A			N/A			

<b>Key Performance Area Performance</b>	
<b>Criteria</b>	<b>Number</b>
Not for the period under review	0
Not Met	0
Almost Met	0
Met	1
Well Met	0
Extremely Met	1
<b>Total</b>	<b>2</b>

## 2.7.2 FINANCIAL MANAGEMENT

<b>Indicator Assignment</b>	<b>FM1.2</b>					
<b>A1-Indicator Short Description</b>	<b>Funded annual budget (Y/N) (Municipal)</b>					
A2-Alignment	Enhanced municipal budgeting and budget implementation					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Financial Management					
A5-Unit of measurement	Binary determination (Yes/No)					
<b>A6-Frequency</b>	<b>Bi-annual</b>					
A7-Rationale	Funded budget is good indicator to assess that a municipality develops and implements a budget that is credible, realistic, relevant and sustainable.					
	An outcome of less than R0 on the municipal budget table A8 (cash backed reserves or accumulated surplus reconciliation) indicates that the budget is unfunded.					
<b>A8-Definition</b>	<b>A municipality considers inputs from the National Treasury and adopts a budget that is funded in line with Section 18 of the MFMA which states that a budget is funded from either revenue realistically to be collected and accumulated cash backed reserves not committed for other purposes.</b>					
	<b>Accumulated cash backed reserves refers to surpluses accumulated from previous years not committed for other purposes.</b>					
	<b>A budget is funded when a municipality reflects a surplus of R0 or more on budget table A8.</b>					
<b>A9-Indicator Formula</b>	<b>(1) Municipal funded budget self-assessment outcome: Yes/No</b>					
A10-Indicator origin	Section 18 of the MFMA					
<b>A11-Notes on calculation</b>	<b>The municipality will be required to do a self-assessment to determine the funding of the budget.</b>					
	<b>Essentially, the outcome on budget table A8 must be positive, this means that it must be R0 or more.</b>					
	<b>Although a municipality will be required to assess its own budget, the final outcome and validity lie with the National Treasury.</b>					
	<b>Municipal budget is assessed on the annual budget in May.</b>					
A12-Additional notes	None.					
Reporting Responsibility	Budget and Reporting Division					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 1					
Weight	37%	Baseline Indicator	0	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	2			
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	1			
		Quarter 4	1			
<b>Reason for the variance</b>				<b>Measures to address the variance</b>		
N/A				N/A		

<b>Indicator Assignment</b>	<b>FM1.11</b>					
<b>A1-Indicator Short Description</b>	<b>Total Capital Expenditure as a percentage of Total Capital Budget [Finance department capital budget]</b>					
A2-Alignment	Enhanced municipal budgeting and budget implementation					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Financial Management					
A5-Unit of measurement	Percentage of R-value					
<b>A6-Frequency</b>	<b>Quarterly</b>					
A7-Rationale	Capital spending against the capital budget is a reflection of the municipality's ability to implement capital projects and monitor the risks associated with non-implementation.					
	It provides an indication of whether the municipality has effective controls in place to ensure that expenditure is incurred in accordance with an approved budget. Any variance below 95% (at the end of the financial year) indicates challenges in planning and budgeting and capacity challenges to implement projects.					
<b>A8-Definition</b>	<b>This indicator measures the extent to which budgeted capital expenditure has been spent during the financial year.</b>					
	<b>Capital expenditure is all costs incurred by the municipality to acquire, upgrade, and renew physical assets such as property, plants, buildings, technology, or equipment.</b>					
<b>A9-Indicator Formula</b>	<b>(1) Actual Capital Expenditure / (2) Budgeted Capital Expenditure</b>					
A10-Indicator origin	MFMA Circular 71					
<b>A11-Notes on calculation</b>	<b>The ratio can be used for different reporting periods. An original budget should be used when measuring the 1st and 2nd Quarter performance while adjustments budget is used for measuring 3rd and 4th Quarter.</b>					
	<b>Final budget, which is the adjustments budget should be used when measuring performance at the end of the financial year.</b>					
	<b>Although the National Treasury has not indicated a norm for each quarter, municipalities are encouraged to track performance against targets set in MBBR budget schedule SA25.</b>					
	<b>Municipalities are also encouraged to measure their expenditure against their planned budget year-to-date as per the budget schedule SA25, but for the purpose of reporting against this indicator, it should be against the total budget for the financial year.</b>					
A12-Additional notes	None.					
Reporting Responsibility	Budget and Reporting Division					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 1					
Weight	10%	Baseline Indicator	New	Actual	Achievement	Colour
		Annual Target	90%			
		Quarter 1	10%	17%	Extremely Met	
		Quarter 2	28%			
		Quarter 3	65%			
		Quarter 4	90%			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
N/A			N/A			

<b>Indicator Assignment</b>	<b>FM1.12</b>					
<b>A1-Indicator Short Description</b>	<b>Total Operating Expenditure as a percentage of Total Operating Expenditure Budget [Finance department]</b>					
A2-Alignment	Enhanced municipal budgeting and budget implementation					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Financial Management					
A5-Unit of measurement	Percentage of R-value					
<b>A6-Frequency</b>	<b>Quarterly</b>					
A7-Rationale	<p>This measures the municipality's ability to spend the operational budget as planned. It also assesses the effectiveness of internal controls that ensures the expenditure is incurred in accordance with an approved budget.</p> <p>Underspending (below 95% at the end of the financial year) may either indicate that there are budgeting/ capacity challenges in the municipality or limited implementation of programmes or projects due to financial constraints. Overspending (above 100%) may indicate poor financial management.</p>					
<b>A8-Definition</b>	<p><b>The indicator measures the extent to which operating expenditure has been spent during the financial year.</b></p> <p><b>Operating Expenditure (non-capital spending) is costs which the municipality incurs through its normal operations.</b></p>					
<b>A9-Indicator Formula</b>	<b>(1) Actual Operating Expenditure / (2) Budgeted Operating Expenditure</b>					
A10-Indicator origin	MFMA Circular 71					
<b>A11-Notes on calculation</b>	<p><b>The ratio can be used for different reporting periods. An original budget should be used when measuring the 1st and 2nd Quarter performance while adjustments budget is used for measuring 3rd and 4th Quarter.</b></p> <p><b>Final budget, which is the adjustments budget, should be used when measuring performance at the end of the financial year. Although the National Treasury has not indicated a norm for each quarter, municipalities are encouraged to track performance against targets set in MBBR budget schedule SA25.</b></p> <p><b>Municipalities are also encouraged to measure their expenditure against their planned budget year-to-date as per the budget schedule SA25, but for the purpose of reporting against this indicator, it should be against the total budget for the financial year.</b></p>					
A12-Additional notes	None.					
Reporting Responsibility	Budget and Reporting Division					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 1					
Weight	5%	Baseline Indicator	New	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	90%			
		Quarter 1	18%	24%	Well Met	
		Quarter 2	40%			
		Quarter 3	68%			
		Quarter 4	90%			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
N/A			N/A			

<b>Indicator Assignment</b>	<b>FM1.13</b>					
<b>A1-Indicator Short Description</b>	<b>Total Operating Revenue as a percentage of Total Operating Revenue Budget</b>					
A2-Alignment	Enhanced municipal budgeting and budget implementation					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Financial Management					
A5-Unit of measurement	Percentage of R-value					
<b>A6-Frequency</b>	<b>Quarterly</b>					
A7-Rationale	Operating revenue against budgeted operating revenue indicates the municipality's ability to generate revenue as planned.					
	Underperformance (below 95% at the end of the financial year) either indicates weakness in budgetary controls or changes in economic activities during the financial year.					
	Overperformance (above 100%) either indicates that additional revenue was received than anticipated during the financial year or there was an improvement in revenue management.					
<b>A8-Definition</b>	<b>The indicator measures the extent of actual operating revenue (excl. capital grant revenue) generated in relation to budgeted operating revenue during the financial year.</b>					
	<b>Operating revenue is revenue generated from sale of goods or services, taxes or intergovernmental transfers</b>					
<b>A9-Indicator Formula</b>	<b>(1) Actual Operating Revenue / (2) Budgeted Operating Revenue</b>					
A10-Indicator origin	MFMA Circular 71					
<b>A11-Notes on calculation</b>	<b>The ratio can be used for different reporting periods. An original budget should be used when measuring the 1st and 2nd Quarter performance while adjustments budget is used for measuring 3rd and 4th Quarter.</b>					
	<b>Final budget, which is the adjustments budget, should be used when measuring performance at the end of the financial year.</b>					
	<b>Although the National Treasury has not indicated a norm for each quarter, municipalities are encouraged to track performance against targets set in MBBR budget schedule SA25.</b>					
	<b>Municipalities are also encouraged to measure their expenditure against their planned budget year-to-date as per the budget schedule SA25, but for the purpose of reporting against this indicator, it should be against the total budget for the financial year.</b>					
A12-Additional notes	None.					
Reporting Responsibility	Revenue Management Division					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 1					
Weight	8%	Baseline Indicator	NEW	Actual	Achievement	Colour
		Annual Target	90%			
		Quarter 1	18%	33%	Extremely Met	
		Quarter 2	40%			
		Quarter 3	65%			
		Quarter 4	90%			
<b>Reason for the variance</b>				<b>Measures to address the variance</b>		
N/A				N/A		

<b>Indicator Assignment</b>	<b>FM1.14</b>					
<b>A1-Indicator Short Description</b>	<b>Service Charges and Property Rates Revenue as a percentage of Service Charges and Property Rates Revenue Budget</b>					
A2-Alignment	Enhanced municipal budgeting and budget implementation					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Financial Management					
A5-Unit of measurement	Percentage of R-value					
<b>A6-Frequency</b>	<b>Quarterly</b>					
A7-Rationale	Service Charges and Property Rates Revenue against budgeted Service Charges and Property Rates Revenue indicates the municipality's ability to generate revenue as planned.					
	A ratio below 95% at the end of the financial year indicates weaknesses in the overall revenue value chain and poor budgetary controls.					
	Overperformance (above 100%) indicates there was an improvement in revenue management.					
<b>A8-Definition</b>	<b>The ratio measures the extent of actual Service Charges and Property Rates Revenue generated in relation to budgeted Service Charges and Property Rates Revenue during the financial year.</b>					
	<b>Service Charges include revenue generated from sale of water, electricity, refuse and sanitation.</b>					
	<b>Property rates include revenue generated from rates and taxes charged on properties.</b>					
<b>A9-Indicator Formula</b>	<b><math>((1) \text{ Actual Service Charges Revenue} + (2) \text{ Actual Property Rates Revenue}) / (3) \text{ Budgeted Service Charges and Property Rates Revenue}</math></b>					
A10-Indicator origin	MFMA Circular 71					
<b>A11-Notes on calculation</b>	<b>The ratio can be used for different reporting periods. An original budget should be used when measuring the 1st and 2nd Quarter performance while adjustments budget is used for measuring 3rd and 4th Quarter.</b>					
	<b>Final budget, which is the adjustments budget, should be used when measuring performance at the end of the financial year.</b>					
	<b>Although the National Treasury has not indicated a norm for each quarter, municipalities are encouraged to track performance against targets set in MBBR budget schedule SA25.</b>					
	<b>Municipalities are also encouraged to measure their expenditure against their planned budget year-to-date as per the budget schedule SA25, but for the purpose of reporting against this indicator, it should be against the total budget for the financial year.</b>					
A12-Additional notes	None.					
Reporting Responsibility	Revenue Management Division					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 1					
Weight	8%	Baseline Indicator	New	Actual	Achievement	Colour
		Annual Target	90%			
		Quarter 1	18%	30%	Extremely Met	
		Quarter 2	40%			
		Quarter 3	65%			
		Quarter 4	90%			
<b>Reason for the variance</b>	<b>Measures to address the variance</b>					
N/A	N/A					

<b>Indicator Assignment</b>	<b>FM5.31</b>					
<b>A1-Indicator Short Description</b>	<b>Repairs and Maintenance as a percentage of property, plant, equipment and investment property</b>					
A2-Alignment	Improved asset management					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Financial Management					
A5-Unit of measurement	Percentage of R-value					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	The indicator measures the level of repairs and maintenance to ensure that there is adequate maintenance to prevent breakdowns and interruptions to service delivery.					
	Repairs and maintenance of municipal assets is required to ensure the continued provision of services. Maintenance is critical as it will always cost more – much more - to replace an asset which is not properly maintained.					
	A municipality is recommended to spend a minimum of 8% for repairs and maintenance relative to property, plant and equipment (PPE).					
	A ratio below 8% is either, a reflection that insufficient monies are being spent on repairs and maintenance or the municipality's strategy is to renew or upgrade its existing assets to improve their useful life.					
<b>A8-Definition</b>	<b>This indicator measures the extent at which the municipality spent on repairs and maintenance of infrastructure assets relative to its asset base.</b>					
	<b>Repairs and maintenance are a group of accounts consisting of labour costs, material costs, secondary costs and etc.</b>					
<b>A9-Indicator Formula</b>	<b>(1) Total Repairs and Maintenance Expenditure/ ( (2) Property, Plant and Equipment + (3) Investment Property (Carrying Value))</b>					
A10-Indicator origin	MFMA Circular 71					
<b>A11-Notes on calculation</b>	<b>This calculation is done at the end of the financial year, for comparative analysis.</b>					
	<b>In the absence of the audited figures, unaudited annual financial statements should be used.</b>					
	<b>The calculation of repairs and maintenance must be aligned to the mSCOA requirements.</b>					
A12-Additional notes	None.					
Reporting Responsibility	Budget and Reporting Division					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 1					
Weight	5%	Baseline Indicator	1%	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	1%			
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	1%			
<b>Reason for the variance</b>				<b>Measures to address the variance</b>		
N/A				N/A		

<b>Indicator Assignment</b>	<b>FM7.12</b>					
<b>A1-Indicator Short Description</b>	<b>Collection rate ratio</b>					
A2-Alignment	Improved revenue and debtors management					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Financial Management					
A5-Unit of measurement	Percentage of R-value					
<b>A6-Frequency</b>	<b>Quarterly</b>					
A7-Rationale	Assessing this indicator will provide an indication of how effective is the credit control and revenue management of the municipality.					
	Effective credit control is ensuring that billed revenue is collected while improved revenue management indicates the municipality's ability to set affordable tariffs and bill correctly.					
	If the ratio is below the norm of 95% it is an indication that revenue collection of the municipality requires urgent attention, and corrective measures should be implemented.					
	A municipality with outstanding debtors should aim at achieving a collection rate of more than 100%.					
<b>A8-Definition</b>	<b>The ratio measures the revenue collection level of a municipality. It considers the level of increase or decrease of gross debtors relative to annual billed revenue. In addition, in order to determine the real collection rate bad debts written-off is taken into consideration</b>					
<b>A9-Indicator Formula</b>	<b><math display="block">\frac{((1) \text{ Gross Debtors Opening Balance} + (2) \text{ Billed Revenue} - (3) \text{ Gross Debtors Closing Balance} - (4) \text{ Bad Debts Written Off})}{(2) \text{ Billed Revenue}}</math></b>					
A10-Indicator origin	MFMA Circular 71					
<b>A11-Notes on calculation</b>	<b>This ratio takes into account movement of gross debtors in the calculation.</b>					
	<b>This means that the revenue collection also includes cash receipts from outstanding debt and not only billed revenue for one financial year.</b>					
A12-Additional notes	None.					
Reporting Responsibility	Revenue Management Division					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 1					
Weight	8%	Baseline Indicator	50%	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	55%			
		Quarter 1	40%	18%	Extremely met	
		Quarter 2	45%			
		Quarter 3	50%			
		Quarter 4	55%			
<b>Reason for the variance</b>				<b>Measures to address the variance</b>		
N/A				N/A		

<b>Indicator Assignment</b>	<b>FM7.11</b>					
<b>A1-Indicator Short Description</b>	<b>Debtors payment period</b>					
A2-Alignment	Improved revenue and debtors management					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Financial Management					
A5-Unit of measurement	Number of days					
<b>A6-Frequency</b>	<b>Quarterly</b>					
A7-Rationale	This indicator provides information about the consumers payment patterns and how well the municipality manages its debtors.					
	A shorter payment period (less than 30 days) indicates improved efficiency.					
	This implies that a municipality has and maintains an effective system of credit control and debt collection in respect of debtors management.					
	A period longer than 30 days is an indication that the municipality may be experiencing challenges with debtors management and exposes the municipality to significant cash flow risk.					
	It also indicates that a significant amount of potential cash is tied up in consumer debtors and the municipality must improve its revenue and cash flow management.					
<b>A8-Definition</b>	<b>Net Debtor Days refers to the average number of days required for a municipality to receive payment from its consumers for bills/invoices issued to them for services.</b>					
<b>A9-Indicator Formula</b>	<b><math>((1) \text{ Gross Debtors} - (2) \text{ Bad Debt Provision}) / (3) \text{ Billed Revenue} \times (4) \text{ Number of days in the reporting period year to date}</math></b>					
A10-Indicator origin	MFMA Circular 71					
<b>A11-Notes on calculation</b>	<b>The provision for bad debt is excluded to determine net debtors.</b>					
	<b>Number of days in a reporting period should be used to calculate the in-year reporting. E.g. 92 days should be used to calculate the debtors payment period in Q1 (July – Sept)</b>					
A12-Additional notes	None.					
Reporting Responsibility	Revenue Management Division					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 1					
Weight	8%	Baseline Indicator	New	Actual	Achievement	Colour
		Annual Target	460 days			
		Quarter 1	460 days	440	well met	
		Quarter 2	460 days			
		Quarter 3	460 days			
		Quarter 4	460 days			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
N/A			N/A			

<b>Indicator Assignment</b>	<b>FM3.11</b>					
<b>A1-Indicator Short Description</b>	<b>Cash/Cost coverage ratio</b>					
A2-Alignment	Improved liquidity management					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Financial Management					
A5-Unit of measurement	Ratio of months (R-value)					
<b>A6-Frequency</b>	<b>Quarterly</b>					
A7-Rationale	<p>This indicator provides an indication as to whether a municipality has adequate cash to meet its monthly fixed operational costs.</p> <p>If a municipality has a ratio below the norm of 1 month it could be vulnerable and at a higher risk in the event of financial “shocks/set-backs” and its ability to meet its obligations to provide basic services or its financial commitment is compromised.</p>					
<b>A8-Definition</b>	<b>The ratio indicates the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month.</b>					
<b>A9-Indicator Formula</b>	<b>((1)Cash and Cash Equivalents - (2) Unspent Conditional Grants - (3) Overdraft) + (4) Short Term Investment) / (5) Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, Provision for Bad Debts, Impairment and Loss on Disposal of Assets)</b>					
A10-Indicator origin	MFMA Circular 71					
<b>A11-Notes on calculation</b>	<b>This indicator is expressed as a decimal rather than as a percentage</b>					
A12-Additional notes	None.					
Reporting Responsibility	Budget and Reporting Division					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 1					
Weight	5%	Baseline Indicator	New	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	1			
		Quarter 1	1	1.55	Extremely Met	
		Quarter 2	1			
		Quarter 3	1			
		Quarter 4	1			
<b>Reason for the variance</b>				<b>Measures to address the variance</b>		
N/A				N/A		

<b>Indicator Assignment</b>	<b>FM4.11</b>					
<b>A1-Indicator Short Description</b>	<b>Irregular, Fruitless and wasteful, Unauthorised Expenditure as a percentage of Total Operating Expenditure</b>					
A2-Alignment	Improved expenditure management					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Financial Management					
A5-Unit of measurement	Percentage of R-value					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	Irregular, Fruitless and Wasteful, Unauthorised Expenditure in relation to Total Operating Expenditure determines the extent to which the total expenditure constitute the UIFW. A ratio that exceeds 0% must be investigated and acted upon.					
<b>A8-Definition</b>	<b>The indicator measures the extent to which the municipality has incurred irregular, fruitless and wasteful and unauthorised expenditure.</b>					
	<b>Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.</b>					
	<b>Irregular expenditure is incurred by the municipality in contravention of a requirement of the law.</b>					
	<b>Unauthorized expenditure includes overspending of the total amount appropriated in the approved budget.</b>					
<b>A9-Indicator Formula</b>	<b>Irregular + Fruitless and wasteful + Unauthorised Expenditure / Total Operating Expenditure</b>					
A10-Indicator origin	MFMA Circular 71					
<b>A11-Notes on calculation</b>	<b>The final figure is obtained from the audited annual financial statements. In the absence on the audited AFS, pre audit figures can be used.</b>					
	<b>The net amount after recoveries, write offs or condonement should be used in this calculation.</b>					
	<b>Although this ratio excludes the capital expenditure whilst irregular expenditure is to a large extent also part of contracts for capital projects, the National Treasury will review the method of calculating this ratio through the MFMA C71 update.</b>					
A12-Additional notes	None.					
Reporting Responsibility	Expenditure Management Division					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 2					
Weight	10%	Baseline Indicator	New	Actual	Achievement	Colour
		Annual Target	1%			
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	1%			
<b>Reason for the variance</b>	<b>Measures to address the variance</b>					
N/A	N/A					

<b>Key Performance Area Performance</b>	
<b>Criteria</b>	<b>Number</b>
Not for the period under review	3
Not Met	0
Almost Met	0
Met	0
Well Met	2
Extremely Met	5
<b>Total</b>	<b>10</b>

## 2.8 DIRECTOR COMMUNITY SERVICES' TOP-LAYER SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

### 2.8.1 BASIC SERVICES

<b>Indicator Assignment</b>	<b>ENV3.1</b>					
<b>A1-Indicator Short Description</b>	<b>Percentage of households with basic refuse removal services or better</b>					
A2-Alignment	Increased access to refuse removal					
A3-Result-chain level	Outcome					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Percentage of households					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	The percentage of households served by regular solid waste collection is an indicator of municipal health, cleanliness and quality of life, and is recognised as					
<b>A8-Definition</b>	<b>Households with basic refuse removal services or better (defined as a minimum of once weekly collection as defined in the Back-to-Basics framework) as a percentage of total municipal households</b>					
<b>A9-Indicator Formula</b>	<b>(1) Number of households receiving at least once-weekly refuse removal services / (2) Total number of households</b>					
A10-Indicator origin	CoGTA Back to Basics					
	ISO 6.1 is similar but reports on a population basis					
	Stats SA GHS info reports on a household basis.					
<b>A11-Notes on calculation</b>	<b>Use of Municipal Valuation Roll 2023 to 2028 figures as per municipal billing</b>					
A12-Additional notes	The wording of both the GHS and Back to Basics is ambiguous about the technical definition of "once weekly collection", which provides discretion for the method of collection from households based on the context.					
Reporting Responsibility	Manager Waste Management and Manager Revenue Management					
Applies to Municipal Category	Local Municipality					
Readiness	Tier1					
Weight	30%	Baseline Indicator	90%	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	95%			
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	95%			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
N/A			N/A			

<b>Indicator Assignment</b>	<b>ENV3.11</b>					
<b>A1-Indicator Short Description</b>	<b>Percentage of known informal settlements receiving integrated waste handling services</b>					
A2-Alignment	Increased access to refuse removal					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Percentage of informal settlements					
A6-Frequency	Annual					
A7-Rationale	Solid waste collection is one of the core services that local government provides and is a key element in both creating decent living conditions and maintaining a healthy environment.					
	It is not possible to provide formal services to all informal dwellings, as this many encourage the development of illegal settlements.					
	This indicator only reports on the presence of services provided to "recognised" informal settlements.					
<b>A8-Definition</b>	<b>The proportion of recognised informal settlements within the municipal area which are receiving integrated refuse collection and cleaning services</b>					
<b>A9-Indicator Formula</b>	<b>(1) Number of informal settlements receiving integrated waste services / (2) Total number of recognised informal settlements</b>					
A10-Indicator origin	New					
<b>A11-Notes on calculation</b>	<b>End of the reporting period</b>					
A12-Additional notes	None					
Reporting Responsibility	Manager Waste Management					
Applies to Municipal Category	Local Municipality					
Readiness	Tier1					
Weight	20%	Baseline Indicator	90%	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	90%			
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	90%			
<b>Reason for the variance</b>				<b>Measures to address the variance</b>		
N/A				N/A		

<b>Indicator Assignment</b>	<b>ENV2.1</b>					
<b>A1-Indicator Short Description</b>	<b>Tons of municipal solid waste sent to landfill per capita</b>					
A2-Alignment	Minimised solid waste					
A3-Result-chain level	Outcome					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Tons					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	Many cities generate more solid waste than they can dispose of.					
	Even when municipal budgets are adequate for collection, the safe disposal of collected waste often remains a problem.					
	Open dumping and unsanitary landfills are sometimes the main disposal methods, particularly in lower income cities.					
	Sanitary landfills are only the norm in a limited number of cities worldwide.					
<b>A8-Definition</b>	<b>The percentage of the city's solid waste that is disposed of in licensed (sanitary) landfills</b>					
<b>A9-Indicator Formula</b>	<b>(1)Tons of waste disposed of in a licensed landfill / (2) total population</b>					
A10-Indicator origin	ISO 16.4					
<b>A11-Notes on calculation</b>	<b>None</b>					
A12-Additional notes	None					
Reporting Responsibility	Director Community Services					
Applies to Municipal Category	Local Municipality					
Readiness	Tier1					
Weight	20%	Baseline Indicator	30,000	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	30,000			
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	30,000			
<b>Reason for the variance</b>				<b>Measures to address the variance</b>		
N/A				N/A		

<b>Indicator Assignment</b>	<b>HS3.2</b>					
<b>A1-Indicator Short Description</b>	<b>Number of community halls per 100 000 population</b>					
A2-Alignment	Increased access to and utilisation of social and community facilities					
A3-Result-chain level	Outcome					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Ratio: Count of community halls per 100 000 population					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	The number of community halls in a municipality is directly indicative of the level of this particular service provided to the community.					
<b>A8-Definition</b>	<b>The number of community halls per 100 000 population.</b>					
	<b>A community hall is defined by the CSIR Guidelines for the Provision of Social Facilities in South African Settlements (2012) as a "Centre or hall for holding public meetings, training, entertainment and other functions and having a variety of facilities such as a kitchen, toilets, storage space, etc. which should be provided at nominal rates for hire, with rentals tied to socio-economic status of area to provide affordable service."</b>					
<b>A9-Indicator Formula</b>	<b>((1) Count of community halls/ (2) Municipal population) X 100 000</b>					
A10-Indicator origin	The indicator originates with Outcome 8: Sub-outcome 1- Adequate housing and improved quality living environments.					
<b>A11-Notes on calculation</b>	<b>Includes grade A-E community halls.</b>					
A12-Additional notes	None					
Reporting Responsibility	Director Community Services					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 1					
Weight	15%	Baseline Indicator	5	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	5			
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	5			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
N/A			N/A			

<b>Indicator Assignment</b>	<b>FE1.11</b>					
<b>A1-Indicator Short Description</b>	<b>Percentage compliance with the required attendance time for structural firefighting incidents</b>					
A2-Alignment	Mitigated effects of emergencies					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Percentage of incidents					
<b>A6-Frequency</b>	<b>Quarterly</b>					
A7-Rationale	This indicator measures the overall compliance of the municipality to meet the average attendance time of 14 minutes for structural fire incidents in urban areas from time of call to time of attendance at least 75% or more of the time as required for a Category 1 Fire Brigade Service as stipulated in SANS 10090.					
	The average response time (in minutes and seconds) it takes a fire department to respond to an initial distress call is an indicator of how protected a municipality's residents are from fires and related emergencies.					
<b>A8-Definition</b>	<b>Structural fire incidents are defined as incidents of fire outbreaks in habitable formal structures (buildings that have approved building plans) and habitable informal structures (informal residential dwellings where no approved building plans exist).</b>					
	<b>The indicator measures the percentage of times that these incidents receive a response within the 14-minute standard.</b>					
	<b>This measure of the attendance time is the difference between the time of call (the time an official call or notice is received at the official call or reporting centre) and the arrival time (refers to the time captured for the first arriving firefighting response unit regardless of where dispatched or regardless of order of dispatch).</b>					
	<b>The indicator therefore measures the number of structural firefighting incidents where the attendance time was 14 minutes or less as a percentage of all structural firefighting incidents.</b>					
	<b>Attendance time is the difference between the time of call and the time of arrival of the first arriving firefighting response unit at the given address of the incident, (i.e.) Attendance Time = Time of arrival at given address –s- Time Call Received by ECC personnel and equipment in minutes and seconds for the year (numerator) divided by the number of fire department responses in the same year (denominator).</b>					
<b>A9-Indicator Formula</b>	<b>(1) Number of structural fire incidents where the attendance time was less than 14 minutes / (2) Total number of calls for structural fire incidents received *100</b>					
A10-Indicator origin	ISO 10.6					
<b>A11-Notes on calculation</b>	<b>The indicator should be reported as a cumulative average value for a quarter.</b>					
	<b>Annually, all incidents over the four quarters should be aggregated to reflect an annual average value.</b>					
A12-Additional notes	SANS 10090 refers to the South African National Standard on Community Protection against Fire					
Reporting Responsibility	Disaster Coordinator					
Applies to Municipal Category	Local Municipality					
Readiness	Tier1					
Weight	5%	Baseline Indicator	100%	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	100%			
		Quarter 1	100%	50%	Not Met	
		Quarter 2	100%			
		Quarter 3	100%			
		Quarter 4	100%			
<b>Reason for the variance</b>				<b>Measures to address the variance</b>		
N/A				N/A		

<b>Indicator Assignment</b>	<b>FE1.1</b>					
<b>A1-Indicator Short Description</b>	<b>Number of fire related deaths per 1000 population</b>					
A2-Alignment	Mitigated effects of emergencies					
A3-Result-chain level	Outcome					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Ratio of deaths to population					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	One of the many measures used to demonstrate the effectiveness of a municipality's fire services is the number of fire related deaths that occur on an annual basis.					
<b>A8-Definition</b>	<b>Incidence of reported deaths attributed to fire or fire-related causes (e.g. smoke inhalation) normalised per population.</b>					
<b>A9-Indicator Formula</b>	<b>(1) Number of reported deaths attributed to fire or fire-related causes / (2) Total population of the municipality * 1000</b>					
A10-Indicator origin	ISO 10.2					
<b>A11-Notes on calculation</b>	<b>None</b>					
A12-Additional notes	None					
Reporting Responsibility	Director Community Services					
Applies to Municipal Category	Local Municipality					
Readiness	Tier1					
Weight	10%	Baseline Indicator	0	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	0			
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	0			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
N/A			N/A			

<b>Key Performance Area Performance</b>	
<b>Criteria</b>	<b>Number</b>
Not for the period under review	5
Not Met	1
Almost Met	0
Met	0
Well Met	0
Extremely Met	0
<b>Total</b>	<b>6</b>

## 2.8.2 LOCAL ECONOMIC DEVELOPMENT

<b>Indicator Assignment</b>	<b>LED3.11</b>					
<b>A1-Indicator Short Description</b>	<b>Average time taken to finalise business license applications</b>					
A2-Alignment	Improved ease of doing business within the municipal area					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Service delivery					
A5-Unit of measurement	Days					
<b>A6-Frequency</b>	<b>Quarterly</b>					
A7-Rationale	<p>Processing business applications is a basic function of local government, and one that, if not done efficiently, can delay or even dissuade business operators from undertaking economic activities in the municipality.</p> <p>The time taken to process business licence applications gives an indication of processing efficiency as it relates to creating enabling conditions for doing business.</p>					
<b>A8-Definition</b>	<p><b>The indicator measures the average number of working days a business owner can expect to wait from the date of submission of a complete business license application to the date of outcome of licensing decision from the municipality.</b></p> <p><b>Business license applications refer to those businesses applying in terms of the Businesses Act of 1991.</b></p> <p><b>A 'complete application' refers to the point at which all of the required administrative information has been supplied, allowing the municipality to proceed with the processing.</b></p> <p><b>A 'finalised' application refers to an application where the municipality has taken a decision to approve or deny the application.</b></p> <p><b>An application is considered finalised at the point of the decision, regardless of the time between the decision and the communication of the application outcome.</b></p>					
<b>A9-Indicator Formula</b>	<b>(1) Sum of the total working days per business application finalised/ (2) Number of business applications finalised</b>					
A10-Indicator origin	<p>The indicator relates to MTSF Priority 2: Economic Transformation and Job Creation.</p> <p>It aligns in terms of the Outcome- Reduced concentration and monopolies and expanded small business sector.</p>					
<b>A11-Notes on calculation</b>	<p><b>Cumulative for the year to date.</b></p> <p><b>Only refers to business license applications for which a decision has been taken.</b></p> <p><b>License applications in process are excluded from the denominator of the calculation.</b></p>					
A12-Additional notes	Each quarter should track the processing time for applications for the financial year to date.					
Reporting Responsibility	Local Economic Development, Tourism, Agriculture, Sport, Arts and Culture Services					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 2					
Weight	100%	Baseline Indicator	5	<b>Actual</b>	<b>Achievement</b>	Colour
		Annual Target	20			
		Quarter 1	5	19	Extremely	
		Quarter 2	5			
		Quarter 3	5			
		Quarter 4	5			
<b>Reasons for the variance</b>				<b>Measures to address the variance</b>		
N/A				N/A		

<b>Key Performance Area Performance</b>	
<b>Criteria</b>	<b>Number</b>
Not for the period under review	0
Not Met	0
Almost Met	0
Met	0
Well Met	0
Extremely Met	1
<b>Total</b>	<b>1</b>

## 2.9 DIRECTOR CORPORATE SERVICES' SCORECARD

### 2.9.1 INSTITUTIONAL CAPACITY

<b>Indicator Assignment</b>	<b>GG1.1</b>					
<b>A1-Indicator Short Description</b>	<b>Percentage of municipal skills development levy recovered</b>					
A2-Alignment	Improved municipal capability					
A3-Result-chain level	Outcome					
A4-Back to Basic Pillar3	Building capable local government institutions					
A5-Unit of measurement	Percentage of R-value					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	<p>The percentage of the municipal skills development levy recovered is a proxy indicator of the successful throughput of municipal staff (permanent and contract) and councillors through on-going skills and development training and courses by the municipality.</p> <p>It is indicative of the municipal spend towards building staff and councillor capability and fostering lifelong learning.</p>					
<b>A8-Definition</b>	<b>The indicator is a measure of the R-value of the municipal skills development levy recovered for the financial year as a percentage of the total municipal skills development allocation which the municipality could have claimed.</b>					
<b>A9-Indicator Formula</b>	<b>(1) R-value of municipal skills development levy recovered/ (2) R-value of the total qualifying value of the municipal skills development levy *100</b>					
A10-Indicator origin	CoGTA Departmental Consultations					
<b>A11-Notes on calculation</b>	<b>None</b>					
A12-Additional notes	There may be a recovery lag that can only be reported upon later.					
Reporting Responsibility	Chief Financial Officer and Director Corporate Services					
Applies to Municipal Category	Local Municipality					
Readiness	Tier1					
Weight	30%	Baseline Indicator	19%	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	20%			
		Quarter 1	N/A	N/A	N/A	
		Quarter 2	N/A			
		Quarter 3	N/A			
		Quarter 4	20%			
<b>Reason for the variance</b>				<b>Measures to address the variance</b>		
N/A				N/A		

<b>Indicator Assignment</b>	<b>GG1.21</b>					
<b>A1-Indicator Short Description</b>	<b>Staff vacancy rate</b>					
A2-Alignment	Improved municipal capability					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Building capable local government institutions					
A5-Unit of measurement	Percentage of posts					
A6-Frequency	Quarterly					
A7-Rationale	This indicator gives an indication of the municipality's progress towards building capable local government.					
	It shows the extent to which the required staff complement in the organisational structure is met.					
<b>A8-Definition</b>	<b>The number of unfilled posts in the municipal organisational structure as a percentage of the total number of posts in the municipality's organisational structure.</b>					
<b>A9-Indicator Formula</b>	<b><math display="block">\frac{((1)\text{The number of employees on the approved organisational structure}) - ((2)\text{The number of permanent employees in the municipality})}{((1)\text{The number of employees on the approved organisational structure})} * 100</math></b>					
A10-Indicator origin	CoGTA Back to Basics monthly reports					
<b>A11-Notes on calculation</b>	<b>Whether S56 or S57 posts should be included in the vacancy rate should be informed by whether they are considered approved posts on the organisational structure with permanent employees (not on fixed-term contracts).</b>					
A12-Additional notes	If a municipality lacks an approved organisational structure, there is potential for this to be manipulated.					
	The municipality should have an approved organisational structure as a pre-requisite for this indicator.					
Reporting Responsibility	Director Corporate Services					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 2					
Weight	40%	Baseline Indicator	36%	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	30%			
		Quarter 1	34%	56.80%	Not Met	
		Quarter 2	32%			
		Quarter 3	31%			
		Quarter 4	30%			
<b>Reason for the variance</b>				<b>Measures to address the variance</b>		
N/A				N/A		

<b>Indicator Assignment</b>	<b>GG5.2</b>					
<b>A1-Indicator Short Description</b>	<b>Number of dismissals for fraud and corruption per 100 000 population</b>					
A2-Alignment	Zero tolerance of fraud and corruption					
A3-Result-chain level	Outcome					
A4-Back to Basic Pillar	Good governance					
A5-Unit of measurement	Number of dismissals					
<b>A6-Frequency</b>	<b>Annual</b>					
A7-Rationale	Principles of good governance require accountability, clean administration and responsible use of public funds.					
	The indicator provides a leading measure of the incidence of fraud and corruption based on dismissals.					
<b>A8-Definition</b>	<b>The number of dismissals for fraud and corruption reported to the municipality during the period under review, normalised per 100 000 of the population.</b>					
	<b>Corruption is defined broadly in the Prevention and Combating of Corrupt Activities Act 12 of 2004 in Chapter 2(s3) and any criminal offence that may fall within the ambit of this definition is included for the purposes of this indicator.</b>					
<b>A9-Indicator Formula</b>	<b>((1) Number of dismissals for fraud and corruption / (2) Population of the municipality) x 100 000</b>					
A10-Indicator origin	ISO 11.4 derivative					
<b>A11-Notes on calculation</b>	<b>None</b>					
A12-Additional notes	This indicator should be viewed in conjunction with the other related outcome indicators of which this should be a predictor of consequences to follow if systems of accountability are functioning appropriately.					
Reporting Responsibility	Director Corporate Services					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 2					
Weight	30%	Baseline Indicator	2	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	0			
		Quarter 1	0	0	Met	
		Quarter 2	0			
		Quarter 3	0			
		Quarter 4	0			
<b>Reason for the variance</b>				<b>Measures to address the variance</b>		
N/A				N/A		

<b>Key Performance Area Performance</b>	
<b>Criteria</b>	<b>Number</b>
Not for the period under review	1
Not Met	1
Almost Met	0
Met	1
Well Met	0
Extremely Met	0
<b>Total</b>	<b>3</b>

## 2.9.2 GOOD GOVERNANCE, TRANSPARENCY AND ACCOUNTABILITY

<b>Indicator Assignment</b>	<b>GG4.11</b>					
<b>A1-Indicator Short Description</b>	<b>Number of agenda items deferred to the next council meeting</b>					
A2-Alignment	Improved council functionality					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Good governance					
A5-Unit of measurement	Number of council decisions					
<b>A6-Frequency</b>	<b>Quarterly</b>					
A7-Rationale	This indicator shows to what extent municipal business is delayed due to the absence of councillors from council meetings or the concluding of the meeting without attending to all items					
	Gives an indication of the extent to which councillors are fulfilling their responsibilities as elected representatives of the municipality.					
	Functional councils will process agenda items with resolutions or decisions rather than defer or leave unfinished business.					
	Measuring the number of agenda items that are deferred to the next meeting is a proxy for dysfunction.					
<b>A8-Definition</b>	<b>The number of agenda items that have been deferred to the next council meeting because the council has failed to reach a quorum or withheld decisions on those items.</b>					
	<b>Where multiple council meetings have been held, this is the sum total of those items deferred.</b>					
	<b>This does not refer to agenda items referred to other structures, only items for which no decision or action is taken.</b>					
<b>A9-Indicator Formula</b>	<b>(1) Sum total number of all council agenda items deferred to the next meeting</b>					
A10-Indicator origin	CoGTA Back to Basics					
<b>A11-Notes on calculation</b>	<b>This is the cumulative number of agenda items deferred in the reporting period.</b>					
A12-Additional notes	There is accountability implications associated with this indicator which should not reflect in any senior municipal manager's (in terms of Section 56 and 57 of the Municipal Systems Act) annual performance agreement.					
	This is unique in terms of Circular No. 88's provisions because the responsibility rests with the Speaker and Council and not with municipal management.					
Reporting Responsibility	Manager Administration and Council Support					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 1					
Weight	50%	Baseline Indicator	0	Actual	Achievement	Colour
		Annual Target	0			
		Quarter 1	0	0	Met	
		Quarter 2	0			
		Quarter 3	0			
		Quarter 4	0			
<b>Reason for the variance</b>		<b>Measures to address the variance</b>				
N/A		N/A				

<b>Indicator Assignment</b>	<b>GG5.11</b>					
<b>A1-Indicator Short Description</b>	<b>Number of active suspensions longer than three months</b>					
A2-Alignment	Zero tolerance of fraud and corruption					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Good governance					
A5-Unit of measurement	Number of suspensions					
<b>A6-Frequency</b>	<b>Quarterly</b>					
A7-Rationale	Individuals on suspension continue to receive salaries without executing their municipal functions.					
	Tracking the suspensions lasting more than three months provides an indication of the processing efficiency in cases of alleged misconduct.					
	This is one indicator of the processing of administrative justice as relates to human resources.					
<b>A8-Definition</b>	<b>Refers to the total number of active suspensions at the time of reporting that were initiated more than three months prior and had not yet been resolved.</b>					
<b>A9-Indicator Formula</b>	<b>(1) Simple count of the number of active suspensions in the municipality lasting more than three months</b>					
A10-Indicator origin	Proposed based on CoGTA departmental consultations					
<b>A11-Notes on calculation</b>	<b>None</b>					
A12-Additional notes	Ideally, there should be no instances of suspensions enduring for periods longer than three months.					
Reporting Responsibility	Managers Human Resource Development, Human Resource Management and Payroll Administration					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 2					
Weight	25%	Baseline Indicator	4	Actual	Achievement	Colour
		Annual Target	2			
		Quarter 1	2	1	Well Met	
		Quarter 2	0			
		Quarter 3	0			
		Quarter 4	0			
<b>Reason for the variance</b>				<b>Measures to address the variance</b>		
N/A				N/A		

<b>Indicator Assignment</b>	<b>GG5.12</b>					
<b>A1-Indicator Short Description</b>	<b>Quarterly salary bill of suspended officials</b>					
A2-Alignment	Zero tolerance of fraud and corruption					
A3-Result-chain level	Output					
A4-Back to Basic Pillar	Good governance					
A5-Unit of measurement	R-value salaries					
<b>A6-Frequency</b>	<b>Quarterly</b>					
A7-Rationale	Individuals on suspension continue to receive salaries without executing their municipal functions.					
	Tracking the salary bill of suspended officials provides an indicator of the extent to which enduring suspensions are costing the municipality money without the benefit of service.					
<b>A8-Definition</b>	<b>The sum of the salary bill for all officials suspended from work or employment for the municipality for misconduct during the reporting period.</b>					
<b>A9-Indicator Formula</b>	<b>(1) Sum of the salary bill for all suspended officials for the reporting period.</b>					
A10-Indicator origin	Proposed based on CoGTA departmental consultations					
<b>A11-Notes on calculation</b>	<b>The indicator should be reported as a cumulative value over months within a quarter (not cumulative across quarters).</b>					
A12-Additional notes	This target and performance should be set in relation to historical trend data and what is an acceptable cost to the organisation on a quarterly basis.					
	Ideally, the target should be R0, but this is unlikely.					
Reporting Responsibility	Manager Payroll Administration					
Applies to Municipal Category	Local Municipality					
Readiness	Tier 2					
Weight	25%	Baseline Indicator	R 2 865 854.23	<b>Actual</b>	<b>Achievement</b>	<b>Colour</b>
		Annual Target	R 651 813.30			
		Quarter 1	R 651 813.30	258 306.85	Extremely	
		Quarter 2	0			
		Quarter 3	0			
		Quarter 4	0			
<b>Reason for the variance</b>			<b>Measures to address the variance</b>			
N/A			N/A			

<b>Key Performance Area Performance</b>	
<b>Criteria</b>	<b>Number</b>
Not for the period under review	0
Not Met	0
Almost Met	0
Met	1
Well Met	1
Extremely Met	1
<b>Total</b>	<b>3</b>

### 3. CONCLUSIVE ANALYSIS OF FIRST QUARTER PERFORMANCE

Key Performance Area	Total Key Performance Indicators	Key Performance Indicators Not Applicable	Key Performance Indicators Applicable	Key Performance Indicators Not Achieved	Key Performance Indicators Achieved	Key Performance Area Score
Basic Services	24	18	6	2	4	67%
Local Economic Development	10	1	9	2	7	78%
Institutional Capacity	5	2	3	2	1	33%
Financial Management	10	3	7	1	6	86%
Good Governance, Transparency and Accountability	7	4	3	1	2	67%
Public Participation	4	1	3	1	1	33%
<b>Tota Organisational Score</b>	<b>60</b>	<b>29</b>	<b>31</b>	<b>10</b>	<b>21</b>	<b>68%</b>

#### 3.1 Executive Summary and Immediate Concern

The organization has an overall score of **68%**, indicating a moderate level of performance but with significant areas of weakness and risk. The data reveals a stark contrast: **Financial Management (86%)** and **Local Economic Development (78%)** are relative strengths, while **Institutional Capacity (33%)** and **Public Participation (33%)** are critically underperforming

#### 3.2 Analysis of Key Performance Areas

The Key Performance Areas are categorized by risk and insight level based on the analysis.

Key Performance Area	Score	Primary Risks and Insights
<b>Basic Services</b>	67%	<b>Risk</b> The core service delivery function is potentially failing.
<b>Local Economic Development</b>	78%	<b>Insight</b> This is a relative strength. The high number of applicable KPIs (9/10) shows a well-defined focus area. The 78% achievement indicates effective programs but room for improvement in two specific indicators.
<b>Institutional Capacity</b>	<b>33%</b>	<b>Critical Risk</b> This is the most alarming area. Achieving only 1 out of 3 applicable KPIs indicates a fundamental failure in the organization's internal machinery.

<b>Key Performance Area</b>	<b>Score</b>	<b>Primary Risks and Insights</b>
<b>Financial Management</b>	68%	<b>Strength</b> While financial controls may be strong, the 1 unachieved KPI could indicate a constraint on funding for operational needs.
<b>Good Governance, Transparency</b>	67%	<b>Risk</b> The organization may be doing the bare minimum on governance which suggests a reluctance to be measured on transparency and accountability.
<b>Public Participation</b>	<b>33%</b>	<b>Critical Risk</b> A failure to engage with and be accountable to the community. This erodes public trust, leads to misaligned services. The fact that this is as weak as Institutional Capacity is not a coincidence.