



LOCAL MUNICIPALITY

MID-YEAR PERFORMANCE REPORT FOR THE FINANCIAL YEAR 2019/2020



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ANNEXURE A

REPORT OF THE RUSTENBURG WATER SERVICES TRUST



1. INTRODUCTION

The 2019/2020 Second Top Layer/Organizational Service Delivery and Budget Implementation Plan (SDBIP) Performance Report is submitted to Council in terms of Section 52 (d) of the Local Government: Municipal Finance Management Act (MFMA) No 56 of 2003.

The report covers the performance information from 01 July to 31 December 2019. The report further focuses on the implementation of the approved 2019/2020 SDBIP as amended in conjunction with the predetermined developmental objectives as encapsulated in the approved 2019/2020 Municipality's Integrated Development and Plan (IDP).

The report evaluates actual performance of the Municipality as measured against the performance indicators and targets in its 2019/2020 IDP, Annual Budget and SDBIP. Furthermore, the report depicts the performance of the Municipality as per the six (6) Key Performance Areas for Local Government, which are (1) Basic Service Delivery; (2) Local Economic Development; (3) Municipal Institutional Transformation and Development; (4) Municipal Financial Viability and Management, (5) Good Governance and Public Participation, and (6) Spatial Rationale and Transformation.

The format of the report will reflect the Municipality's Key Performance Indicators (KPI) per Municipal Key Performance Area (KPA), Strategic Priority and Objective respectively.

2. LEGISLATIVE IMPERATIVE

Section 72(1) of the Municipal Finance Management Act (MFMA), Act 56 of 2003, states that the accounting officer of a municipality must by 25 January of each year –

- (a) assess the performance of the municipality during the first half of the financial year taking into account



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

(b) submit a report on such assessments to

- (i) the mayor of the municipality
- (ii) the National Treasury; and
- (iii) the relevant Provincial Treasury

3. THE SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

The Organizational Performance is evaluated by means of a Municipal Scorecard (Top Layer SDBIP) at Organizational level and through Technical SDBIP at Directorate levels.

The SDBIP is a plan that converts the IDP 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 Directorates and/or Business Units therein, mandated to deliver specific services in terms of the approved IDP and Budget:

The MFMA Circular No.13 on Service Delivery and Budget Implementation Plan (SDBIP) prescribes that:

- The IDP and budget must be aligned;
- The budget must address the strategic priorities;
- The SDBIP should indicate what the municipality is going to do during next 12 months; and
- The SDBIP should form the basis for measuring the performance against goals set during the Budget /IDP processes.

The SDBIP was amended in terms of prepared as described in the paragraphs below and 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 SDBIP is illustrated in terms of the assessment methodology as depicted in **Table 1** below:

Table 1: KPI Assessment Methodology

| Colour Legend | Category |
|----------------------|--------------------|
| | KPI Not Met |
| | KPI Met |
| | KPI Not Applicable |



4. ORGANIZATIONAL PERFORMANCE PER KEY PERFORMANCE AREA (KPA)

4.1. Key Performance Area (KPA 1): Municipal Transformation and Institutional Development

| Key Focus Area | Strategies | Area/Locality (Ward/Area) | KPI NO. | KPI Reference | Key Performance Indicator (KPI) | Baseline 2018/19 | Portfolio of Evidence (POE) | 2019/20 Annual Target | Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for performance Variance (If any) | Remedial Measures |
|--|--|---------------------------|---------|---------------|---|----------------------------------|--|-----------------------|-----------------------------|----------|----------------|--------------------|--|---|
| GOAL 9: An Efficient, Effective and Well-Governed City | Strengthen internal controls and environment | Municipal wide | 1 | DCS 1 | Number of HR policies reviewed and submitted to Council for approval | Policies reviewed during 2018/19 | Reviewed HR Policies Council Resolution | 30 | R000 | 1 | 10 | Not achieved | Misalignment on setting of targets by directorate. | To be corrected during mid-year assessment |
| | | | | | | | | | | 2 | 10 | Not achieved | Policies have not served at the portfolio committee as yet | Policies to serve at the portfolio committee in the 3 rd Quarter |
| | | | | | | | | | | Mid-year | 20 | Not achieved | Policies have not served at the portfolio committee yet | Policies to serve at the portfolio committee in the 3 rd Quarter |
| GOAL 7: A vibrant, creative and innovative city | Knowledgeable, innovative and productive Personnel | Municipal wide | 2 | DCS 2 | % of the municipality's budget actually spent on implementing its Workplace Skills Plan | Approved WSP | WSP Stamped BTO Spreadsheet | 100% | R000 | 1 | Not applicable | Not applicable | Not applicable | Not applicable |
| | | | | | | | | | | 2 | Not applicable | Not applicable | Not applicable | Not applicable |
| | | | | | | | | | | Mid-year | Not applicable | Not applicable | Not applicable | Not applicable |
| | | Municipal wide | | DCS 3 | Number of people from employment | Approved EE Plan | | 13 | R000 | 1 | Not applicable | Not applicable | Not applicable | |



| Key Focus Area | Strategies | Area/Locality (Ward/Area) | KPI NO. | KPI Reference | Key Performance Indicator (KPI) | Baseline 2018/19 | Portfolio of Evidence (POE) | 2019/20 Annual Target | Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for performance Variance (If any) | Remedial Measures |
|---|------------------------------|---------------------------|---------|---------------|---|---|--|---|-----------------------------|----------|----------------|--------------------|---|-------------------|
| | | | 3 | | equity target groups employed in the 3 highest levels of management in compliance with a municipality's approved employment equity plan | | 2019/20 Employment Equity Report | | | 2 | Not applicable | Not applicable | Not applicable | Not applicable |
| | | | | | | | | | | Mid-Year | Not applicable | Not applicable | Not applicable | Not applicable |
| GOAL 7: A vibrant, creative and innovative city | Building a capable Workforce | Municipal wide | 4 | DCS 4 | Number of Organizational Structures reviewed and submitted to Council for approval | Reviewed Organizational Structure pending | Reviewed Organisational Structure Council Resolution | 1 x Organizational Structure reviewed and submitted to Council for approval | R000 | 1 | Not Applicable | Not applicable | Not applicable | Not applicable |
| | | | | | | | | | | 2 | Not Applicable | Not applicable | Not applicable | Not applicable |
| | | | | | | | | | | Mid-year | Not Applicable | Not applicable | Not applicable | Not applicable |



4.2 Key Performance Area (KPA 2): Good Governance and Public Participation

| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No. | KPI Ref | Key Performance Indicator (KPI) | Baseline 2018/19 | Portfolio of Evidence | 2019/20 Annual Target | Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance (If any) | Remedial Measures |
|--|---|---------------------------|---------|---------|--|--|--|--|-----------------------------|----------|---|--|---|-------------------|
| GOAL 9: An Efficient, Effective and Well-Governed City | Ensure and efficient, effective, accountable and transparent Governance Culture | Municipal wide | 5 | OMM 1 | Number of 2018/19 Annual Report compiled and tabled to Council for adoption by 31 January 2020 | 2017/18 Annual Report compiled and tabled to Council | 2018/19 Annual Report Council Resolution | 1 x 2018/19 Annual Report compiled and tabled to Council | R000 | 1 | 2018/19 Annual Performance Report and Annual Financial Statements submitted to AGSA | Achieved The Annual Performance Report and Annual Financial Statements were submitted on the 31 st August 2019 to the Office of the Auditor General | - | - |
| | | | | | | | | | | 2 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | | | | | | | | | | Mid Year | 2018/19 Annual Performance Report and Annual Financial Statements submitted to AGSA | Achieved The Annual Performance Report and Annual Financial Statements were submitted on the 31 st August 2019 to the Office of the Auditor General | | |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No. | KPI Ref | Key Performance Indicator (KPI) | Baseline 2018/19 | Portfolio of Evidence | 2019/20 Annual Target | Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance (If any) | Remedial Measures |
|--|--|---------------------------|---------|---------|---|---|--|---|-----------------------------|----------|---|--|---|-------------------|
| GOAL 9: An Efficient, Effective and Well-Governed City | Ensure inclusive and participatory Integrated Planning | Municipal wide | 6 | OMM 2 | Number of 2020/21 IDP reviewed and submitted to Council for approval by 31 May 2020 | 2019/20 IDP revised, approved and implemented | Reviewed 2020/21 IDP Council Resolution | 1 x 2020/21 IDP | R000 | 1 | Submission of the 2020/21 IDP Review process | Achieved The Time Schedule was tabled at Council on the 13 August 2019 per item 153. | | |
| | | | | | | | | | | 2 | Collating of prioritized needs | Achieved | | |
| | | | | | | | | | | Mid-Year | Submission of the 2020/21 IDP Review process | Achieved The Time Schedule was tabled at Council on the 13 August 2019 per item 153 and the needs were collated and distributed to internal and external stakeholders. | | |
| GOAL 9: An Efficient, Effective and Well-Governed | Inclusive and participatory Integrated Planning | Municipal wide | 7 | OMM 3 | Number of 2019/20 Service Delivery and Budget Implementati | 2018/19 SDBIP developed, approved by the EM and implemented | Approved 2018/19 SDBIP | 1 x 2019/20 SDBIP approved by the Executive Mayor | R000 | 1 | 1 x 2019/20 SDBIP approved by the Executive Mayor | Achieved The Top Layer SDBIP was approved by the | - | - |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No. | KPI Ref | Key Performance Indicator (KPI) | Baseline 2018/19 | Portfolio of Evidence | 2019/20 Annual Target | Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance (If any) | Remedial Measures |
|---------------------|------------|---------------------------|---------|---------|---|-----------------------|-----------------------|-----------------------|-----------------------------|----------|---|---|---|-------------------|
| City | | | | | on Plan (SDBIP) developed by 30 June 2019 | during the 2018/19 FY | | | | | | Executive Mayor on the 21 June 2019 and tabled at Council on the 13 th August 2019 per item 159 for noting. | | |
| | | | | | | | | | | 2 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | | | | | | | | | | Mid-Year | 1 x 2019/20 SDBIP approved by the Executive Mayor | Achieved The Top Layer SDBIP was approved by the Executive Mayor on the 21 June 2019 and tabled at Council on the 13 th August 2019 per item 159 for noting. | | |



4.3 Key Performance Area (KPA 3): Municipal Financial Viability and Management

| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No. | KPI Reference | Key Performance Indicator (KPI) | Baseline 2018/98 | Portfolio of Evidence (POE) | 2019/20 Annual Target | Requested Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|--|---|---------------------------|---------|---------------|---|--------------------------|-----------------------------|---|---------------------------------------|----------|---|--|---|---|
| MUNICIPAL STRATEGIC PRIORITY: Ensure a sustainable municipal financial viability and management | | | | | | | | | | | | | | |
| Municipal Strategic Objective: Develop and implement integrated financial management systems to support municipal programmes and ensure internal financial sustainability | | | | | | | | | | | | | | |
| GOAL 11: City of sustainable and efficient resource management | Implementation of mSCOA compliant financial management system | Municipal Wide | 8 | BTO 1 | Number of the mSCOA modules implemented | Implementation above 50% | mSCOA quarterly report | All mSCOA modules implemented as per the Service Level Agreement. | R000 | 1 | Not Applicable | Not applicable | Not applicable | Not applicable |
| | | | | | | | | | | 2 | All mSCOA modules implemented as per the Service Level Agreement. | Not Achieved 7 of 8 mSCOA modules were implemented. | IDP/SDBIP module is on system, however the module is not used by anyone official and no proof of training to official provided. | Training will be scheduled for February 2019 and revised SDBIP uploaded on system in Feb 2020 |
| | | | | | | | | | | Mid-Year | All mSCOA modules implemented as per the Service Level Agreement | Not Achieved 7 of 8 mSCOA modules were implemented | IDP/SDBIP module is on system, however the module is not used by anyone official and no proof of training to official provided | Training will be scheduled for February 2019 and revised SDBIP uploaded on system in Feb |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No. | KPI Reference | Key Performance Indicator (KPI) | Baseline 2018/98 | Portfolio of Evidence (POE) | 2019/20 Annual Target | Requested Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|--|--------------------|---------------------------|---------|---------------|---|------------------|-----------------------------|---|---------------------------------------|----------|---|--|--|---|
| MUNICIPAL STRATEGIC PRIORITY: Ensure a sustainable municipal financial viability and management | | | | | | | | | | | | | | |
| Municipal Strategic Objective: Develop and implement integrated financial management systems to support municipal programmes and ensure internal financial sustainability | | | | | | | | | | | | | | |
| GOAL 11: City of sustainable and efficient resource management | Revenue collection | Municipal Wide | 9 | BTO 2 | Percentage collection of revenue billed | 82% | Stamped BTO Spreadsheet | 85% Percentage collection of revenue billed | R000 | 1 | 85% Percentage collection of revenue billed | Not Achieved 65.9% below on revenue collection | - | - |
| | | | | | | | | | | 2 | 85% Percentage collection of revenue billed | Not Achieved 75% of revenue was collected. | Revenue collection measures implemented were not sufficient to improve the collection rate. | Revenue collection improved through intensified credit control process to address the cash flow challenges |
| | | | | | | | | | | Mid-Year | 85% Percentage collection of revenue billed | Not Achieved 75% of revenue was collected. | Collection improved from the previous quarter due to implementation for war room to intensify credit control and other revenue enhancement measures. However, the war room was | Continue with the war room to intensify credit control and identify other revenue enhancement cost cutting measures |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No. | KPI Reference | Key Performance Indicator (KPI) | Baseline 2018/98 | Portfolio of Evidence (POE) | 2019/20 Annual Target | Requested Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|--|---|---------------------------|---------|---------------|---|-------------------------|-----------------------------|--|---------------------------------------|----------|----------------|--------------------|---|-------------------|
| MUNICIPAL STRATEGIC PRIORITY: Ensure a sustainable municipal financial viability and management | | | | | | | | | | | | | | |
| Municipal Strategic Objective: Develop and implement integrated financial management systems to support municipal programmes and ensure internal financial sustainability | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | established late, while the December month is short period for collection | |
| Municipal Strategic Objective: Implement revenue management strategy to enhance municipal financial viability and sustainability Implement sound and sustainable | | | | | | | | | | | | | | |
| Municipal Strategic Objective: Implement sound and sustainable financial management and compliance controls | | | | | | | | | | | | | | |
| GOAL 11: City of sustainable and efficient resource management | Compliance with Supply Chain Management laws and regulations. | Municipal Wide | 10 | BTO 3 | Percentage of 2018/19 irregular expenditure Reduced | | Stamped BTO Spreadsheet | 50% Reduction of 2018/19 Irregular Expenditure | R000 | 1 | Not Applicable | Not applicable | Not applicable | Not applicable |
| | | | | | | | | | | 2 | Not Applicable | Not applicable | Not applicable | Not applicable |
| | | | | | | | | | | Mid-Year | Not Applicable | Not applicable | Not applicable | Not applicable |
| GOAL 11: City of sustainable and efficient resource management | Sustaining clean administration | Municipal Wide | 11 | BTO 4 | Audit opinion expressed by the Auditor General | Qualified audit opinion | Auditor General's Report | Unqualified audit opinion | R12 million | 1 | Not Applicable | Not applicable | Not applicable | Not applicable |
| | | | | | | | | | | 2 | Not Applicable | Not applicable | Not applicable | Not applicable |
| | | | | | | | | | | Mid-Year | Not Applicable | Not applicable | Not applicable | Not applicable |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No. | KPI Reference | Key Performance Indicator (KPI) | Baseline 2018/98 | Portfolio of Evidence (POE) | 2019/20 Annual Target | Requested Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|--|--|---------------------------|---------|---------------|--|------------------------------------|-----------------------------|-----------------------|---------------------------------------|----------|--|---|----------------------------------|---|
| MUNICIPAL STRATEGIC PRIORITY: Ensure a sustainable municipal financial viability and management | | | | | | | | | | | | | | |
| Municipal Strategic Objective: Develop and implement integrated financial management systems to support municipal programmes and ensure internal financial sustainability | | | | | | | | | | | | | | |
| GOAL 11: City of sustainable and efficient resource management | Payment of creditors within the statutory timelines. | Municipal Wide | 12 | BTO 5 | Creditors payment within 30 days of signed-off invoices by user Directorate / Unit | The current status quo is 42 Days. | C Schedule | 30 Days | R000 | 1 | Creditors payment within 30 days of signed-off invoices by user Directorate / Unit | Not Achieved Creditors were not paid within 30 days. | Cash flow challenges | Revenue collection improved through intensified credit control process to address the cash flow challenges |
| | | | | | | | | | | 2 | Creditors payment within 30 days of signed-off invoices by user Directorate / Unit | 206 days – Not achieved | Cash flow challenges | Revenue collection improved through intensified credit control process to address the cash flow challenges |
| | | | | | | | | | | Mid-Year | Creditors payment within 30 days of signed-off invoices by user Directorate / Unit | 206 days – Not achieved | Cash flow challenges | Revenue collection improved through intensified credit control process to address the cash flow challenges. |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No. | KPI Reference | Key Performance Indicator (KPI) | Baseline 2018/98 | Portfolio of Evidence (POE) | 2019/20 Annual Target | Requested Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|--|-----------------------------------|---------------------------|---------|---------------|--|------------------|-----------------------------|-----------------------|---------------------------------------|----------|---------|--|----------------------------------|---|
| MUNICIPAL STRATEGIC PRIORITY: Ensure a sustainable municipal financial viability and management | | | | | | | | | | | | | | |
| Municipal Strategic Objective: Develop and implement integrated financial management systems to support municipal programmes and ensure internal financial sustainability | | | | | | | | | | | | | | |
| GOAL 11: City of sustainable and efficient resource management | Achieve positive financial ratios | Municipal Wide | 13 | BTO 6 | Maintain a current ratio above 1.5 : 1 | 0,92 | C Schedule | 1.6 : 1 | R000 | 1 | 1.5 : 1 | Achieved 2.82 : 1 | - | - |
| | | | | | | | | | | 2 | 1.5: 1 | Not Achieved Current ratio was at 1.1:1 | Cash flow challenges | Revenue collection improved through intensified credit control process to address the current asset position and reduce creditors |
| | | | | | | | | | | Mid-Year | 1.5: 1 | Not Achieved Current ratio was at 1.1:1 | Cash flow challenges | Revenue collection improved through intensified credit control process to address the current asset position and reduce creditors |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No. | KPI Reference | Key Performance Indicator (KPI) | Baseline 2018/98 | Portfolio of Evidence (POE) | 2019/20 Annual Target | Requested Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|--|-----------------------------------|---------------------------|---------|---------------|---|------------------|-----------------------------|-----------------------|---------------------------------------|----------|--------|------------------------|---|--|
| MUNICIPAL STRATEGIC PRIORITY: Ensure a sustainable municipal financial viability and management | | | | | | | | | | | | | | |
| Municipal Strategic Objective: Develop and implement integrated financial management systems to support municipal programmes and ensure internal financial sustainability | | | | | | | | | | | | | | |
| GOAL 11: City of sustainable and efficient resource management | Achieve positive financial ratios | Municipal Wide | 14 | BTO 7 | Maintaining a debt coverage ratio of above 100 times. | 50 | C Schedule | 100 | R000 | 1 | 100 | Not Achieved 122.50 | | |
| | | | | | | | | | | 2 | 100 | Not Achieved 421% | Revenue collection and cash position was negatively impacted by late billing, non-delivery of account statements and dispute son some accounts. All this due to implementation of new billing system in the 2019/20 period. | Billing challenges are progressively addressed with financial system service provider. The service provider submitted commitment letter and placed on terms. Credit control is being intensified |
| | | | | | | | | | | Mid-year | 100 | Not Achieved 421 % | Revenue collection and cash position was negatively impacted by late billing, non-delivery of account statements and dispute son some accounts. All this due to implementation | Billing challenges are progressively addressed with financial system service provider. The service provider submitted commitment letter and placed on |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No. | KPI Reference | Key Performance Indicator (KPI) | Baseline 2018/98 | Portfolio of Evidence (POE) | 2019/20 Annual Target | Requested Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|--|-----------------------------------|---------------------------|---------|---------------|--|------------------|-----------------------------|-----------------------|---------------------------------------|---------|---------|----------------------------|---|--|
| MUNICIPAL STRATEGIC PRIORITY: Ensure a sustainable municipal financial viability and management | | | | | | | | | | | | | | |
| Municipal Strategic Objective: Develop and implement integrated financial management systems to support municipal programmes and ensure internal financial sustainability | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | of new billing system in the 2019/20 period. | terms. Credit control is being intensified |
| GOAL 11: City of sustainable and efficient resource management | Achieve positive financial ratios | Municipal Wide | 15 | BTO 8 | Maintain a cost coverage of between 1-3 months | 0,77 | C Schedule | 1 Times | R000 | 1 | 1 Times | Not Achieved 0.76 times | Revenue collection and cash position was negatively impacted by late billing, non-delivery of account statements and dispute son some accounts. All this due to implementation of new billing system in the 2019/20 period. | Billing challenges are progressively addressed with financial system service provider. The service provider submitted commitment letter and placed on terms. Credit control is being intensified |
| | | | | | | | | | | 2 | 1 Times | Not Achieved | Revenue collection and cash position was negatively impacted by late billing, non-delivery of account statements and dispute son some accounts. All this due to implementation of new billing system in the | Billing challenges are progressively addressed with financial system service provider. The service provider submitted commitment letter and placed on terms. Credit control is being |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No. | KPI Reference | Key Performance Indicator (KPI) | Baseline 2018/98 | Portfolio of Evidence (POE) | 2019/20 Annual Target | Requested Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|--|-----------------------------------|---------------------------|---------|---------------|--|------------------|-----------------------------|-----------------------|---------------------------------------|----------|---------|---------------------------|---|--|
| MUNICIPAL STRATEGIC PRIORITY: Ensure a sustainable municipal financial viability and management | | | | | | | | | | | | | | |
| Municipal Strategic Objective: Develop and implement integrated financial management systems to support municipal programmes and ensure internal financial sustainability | | | | | | | | | | | | | | |
| | | | | | | | | | | Mid-year | 1 Times | Not Achieved | 2019/20 period. | intensified |
| GOAL 11: City of sustainable and efficient resource management | Achieve positive financial ratios | Municipal Wide | 16 | OMM 4 | Percentage expenditure on capital budget | 106% | C Schedule | 95% | R788 360 000 | 1 | 25% | Not achieved 13% spending | Process of acquisition of loan funding for capital project delayed. Delayed procurement process. Interdiction of some tenders | Loan acquisition funding is being finalized. SCM bid committees and operations have been restructured. |
| | | | | | | | | | | 2 | 50% | Not achieved 24% spending | Process of acquisition of loan funding for capital project delayed. Delayed procurement process. Interdiction of some tenders | Loan acquisition funding is being finalized. SCM bid committees and operations have been restructured. |
| | | | | | | | | | | Mid-Year | 50% | Not achieved 24% spending | Process of acquisition of loan funding for capital project delayed. Delayed procurement process. Interdiction of some tenders | Loan acquisition funding is being finalized. SCM bid committees and operations have been restructured. |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No. | KPI Reference | Key Performance Indicator (KPI) | Baseline 2018/98 | Portfolio of Evidence (POE) | 2019/20 Annual Target | Requested Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|--|--------------------------------------|---------------------------|---------|---------------|---|---|---------------------------------------|-----------------------|---------------------------------------|----------|--------|--|--|--|
| MUNICIPAL STRATEGIC PRIORITY: Ensure a sustainable municipal financial viability and management | | | | | | | | | | | | | | |
| Municipal Strategic Objective: Develop and implement integrated financial management systems to support municipal programmes and ensure internal financial sustainability | | | | | | | | | | | | | | |
| GOAL 11: City of sustainable and efficient resource management | Achieve positive financial ratios | Municipal Wide | 17 | OMM 5 | Percentage expenditure on operational budget | 75% | C Schedule | 95% | R642 416 000 | 1 | 25% | Not achieved 33% spending | Delayed procurement process. | SCM bid committees and operations have been restructured |
| | | | | | | | | | | 2 | 50% | Not Achieved Spending was at 37% | Commitments on budget are been managed in line with revenue collection | |
| | | | | | | | | | | Mid-year | 50% | Not Achieved Spending was at 37% | Commitments on budget are been managed in line with revenue collection | |
| GOAL 11: City of sustainable and efficient resource management | Compliance with laws and regulations | Municipal Wide | 18 | BTO 9 | Number of section 71 reports submitted within legislated timeframes | mSCOA implementation in progress to enable credible report generation | Section 71 reports Council resolution | 12 | R000 | 1 | 3 | Not achieved Only 2 reports for July and August 2019 | The September report has misaligned figures due to system challenges. | |
| | | | | | | | | | | 2 | 3 | Not achieved | Delayed due to inaccurate C schedule figures. | C schedules are re-worked manually to have accurate |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No. | KPI Reference | Key Performance Indicator (KPI) | Baseline 2018/98 | Portfolio of Evidence (POE) | 2019/20 Annual Target | Requested Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|--|------------|---------------------------|---------|---------------|---------------------------------|------------------|-----------------------------|-----------------------|---------------------------------------|----------|--------|--------------------|---|--|
| MUNICIPAL STRATEGIC PRIORITY: Ensure a sustainable municipal financial viability and management | | | | | | | | | | | | | | |
| Municipal Strategic Objective: Develop and implement integrated financial management systems to support municipal programmes and ensure internal financial sustainability | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | and completed report. Special PFC to be arranged to deal with S71 reports for July 2019 to Dec 2019 in January 2020, then serve in the next council meeting |
| | | | | | | | | | | Mid-year | 6 | Not achieved | Delayed due to inaccurate C schedule figures. | C schedules are re-worked manually to have accurate and completed report. Special PFC to be arranged to deal with S71 reports for July 2019 to Dec 2019 in January 2020, |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No. | KPI Reference | Key Performance Indicator (KPI) | Baseline 2018/98 | Portfolio of Evidence (POE) | 2019/20 Annual Target | Requested Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|--|--------------------------------------|---------------------------|---------|---------------|---|---|---------------------------------------|-----------------------|---------------------------------------|----------|----------------|---|--|--|
| MUNICIPAL STRATEGIC PRIORITY: Ensure a sustainable municipal financial viability and management | | | | | | | | | | | | | | |
| Municipal Strategic Objective: Develop and implement integrated financial management systems to support municipal programmes and ensure internal financial sustainability | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | then serve in the next council meeting |
| GOAL 11: City of sustainable and efficient resource management | Compliance with laws and regulations | Municipal Wide | 19 | BTO 10 | Number of section 72 reports submitted within legislated timeframes | Submissions have been made in compliance with requirements. | Section 72 reports Council resolution | 1 | R000 | 1 | Not Applicable | Not applicable | Not applicable | Not applicable |
| | | | | | | | | | | 2 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | | | | | | | | | | Mid-year | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| GOAL 11: City of sustainable and efficient resource management | Compliance with laws and regulations | Municipal Wide | 20 | BTO 11 | Number of section 52 reports submitted within legislated timeframes | Submissions have been made in compliance with requirements. | Section 52 reports Council resolution | 4 | R000 | 1 | 1 | Not achieved Only 2 reports for July and August 2019 | The September report has misaligned figures due to system challenges | |
| | | | | | | | | | | 2 | 1 | Not Applicable | Not Applicable | Not Applicable |
| | | | | | | | | | | Mid-year | 2 | Not Applicable | Not Applicable | Not Applicable |



4.4 Key Performance Area (KPA 4): Local Economic Development

| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No. | IDP Ref | Key Performance Indicator (KPI) | Baseline 2018/19 | Portfolio Evidence (POE) | 2019/20 Annual Target | Requested Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|---|--|---------------------------|---------|---------|--|---|-------------------------------------|-----------------------|---------------------------------------|----------|----------------|--------------------|----------------------------------|-------------------|
| MUNICIPAL STRATEGIC PRIORITY: Drive a vibrant diversified economic growth and job creation | | | | | | | | | | | | | | |
| 2.1 Municipal Strategic Objective: Revive and expedite development of alternative high value adding economic growth sectors - agriculture, manufacturing, transportation services and products | | | | | | | | | | | | | | |
| 2.1 Revised Strategic Objective: Develop vibrant and diversified world class local economy through high-value adding economic sectors | | | | | | | | | | | | | | |
| GOAL 5: A NEW POST MINING WORLD CITY | Develop investment campaigns for implementation of investment and catalytic projects | All | 21 | LED 1 | Number of catalytic projects facilitated | 6 Catalytic Projects facilitated for implementation | Letter of confirmation by investors | 3 | R1.5m | 1 | Not applicable | Not applicable | Not applicable | Not applicable |
| | | | | | | | | | | 2 | Not applicable | Not applicable | Not applicable | |
| | | | | | | | | | | Mid-year | Not applicable | Not applicable | Not applicable | |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No. | IDP Ref | Key Performance Indicator (KPI) | Baseline 2018/19 | Portfolio Evidence (POE) | 2019/20 Annual Target | Requested Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|---------------------|---|---------------------------|---------|---------|---|--|---|-----------------------|---------------------------------------|----------|----------------------------------|---|----------------------------------|-------------------|
| | Partnerships with key stakeholders to develop and promote tourism in Rustenburg | All | 22 | LED 2 | Number of tourism activations facilitated | Rustenburg flea market being developed | Event Attendance Registers or Reports / Publications / Proof of Appointment | 4 | R1.5m | 1 | 1 x tourism activity facilitated | Achieved The Directorate organized and held the Tourism Consultative Session on the 08 th August 2019 at Rustenburg Civic Centre | - | - |
| | | | | | | | | | | 2 | 1 x tourism activity facilitated | Achieved The Directorate organized and hosted the Ikitse Cultural Exchange Festival | | |
| | | | | | | | | | | Mid-year | | Achieved -Annual Rustenburg Family Extravaganza held on 31 st December 2019 in collaboration | | |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No. | IDP Ref | Key Performance Indicator (KPI) | Baseline 2018/19 | Portfolio Evidence (POE) | 2019/20 Annual Target | Requested Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|---|---|---------------------------|---------|---------|---|------------------|--|-----------------------|---------------------------------------|---------|--|---|----------------------------------|-------------------|
| | | | | | | | | | | | | with Special Projects -Directorate organised and hosted the Ikitse Cultural Exchange Festival | | |
| 2.2. Municipal Strategic Objective: Build and support broad-based black economic empowerment and sustainable Small, Medium and Micro Enterprises (SMMEs) business development | | | | | | | | | | | | | | |
| 2.2 Revised Strategic Objective: Support Broad Based Black Economic Empowerment through the development of sustainable Small Medium and Micro Enterprises | | | | | | | | | | | | | | |
| GOAL 6: A SMART, PROSPEROUS CITY | Partnership with key stakeholders for local contractor development, SMMEs and Cooperatives Business Development Support; and Informal Trading Support | All | 23 | LED 3 | Number of SMMEs and Cooperatives assisted with business development support interventions | | Event Attendance Registers or Report / Survey or Stakeholder Reports / SMME Portal Reports | 250 | R1.7m | 1 | 50 SMMEs and Cooperatives assisted with business development support interventions | Achieved Total of 363 and Cooperatives assisted with various business development interventions. | - | - |
| | | | | | | | | | | 2 | 75 Enterprises (SMMEs) and Cooperatives assisted with business development support interventions | Achieved Total of 1073 SMMEs and co-operatives assisted with various business development interventions | | |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No. | IDP Ref | Key Performance Indicator (KPI) | Baseline 2018/19 | Portfolio Evidence (POE) | 2019/20 Annual Target | Requested Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|---|---|---------------------------|---------|---------|---|------------------|---|-----------------------|---------------------------------------|----------|----------------|--|----------------------------------|-------------------|
| | | | | | | | | | | Mid-Year | | Achieved Total of 1 436 SMMEs and Cooperatives assisted with various business development interventions. | | |
| | | | 24 | LED 4 | Number of jobs created through municipality's Local Economic Development initiatives including capital projects | 658 | List of Employed People with Identity Numbers | 600 | R000 | 1 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | | | | | | | | | | 2 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | | | | | | | | | | Mid-Year | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| 2.3. Municipal Strategic Objective: Create an enabling environment for the attraction, retention and expansion of foreign and local investments | | | | | | | | | | | | | | |
| 2.3 Strategic Objective Replaced: Establish and maintain effective stakeholder relations in support of local economic development programmes | | | | | | | | | | | | | | |
| GOAL 6: A SMART, PROSPEROUS CITY | Partnerships with key stakeholders to support | All | 25 | LED 5 | Number of partnerships established for Local | 3 | MOU / MOA / SLAs | 2 | R000 | 1 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No. | IDP Ref | Key Performance Indicator (KPI) | Baseline 2018/19 | Portfolio Evidence (POE) | 2019/20 Annual Target | Requested Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|---|---|---------------------------|---------|---------|---|------------------|--|-----------------------|---------------------------------------|----------|----------------|---|----------------------------------|-------------------|
| | development and implementation of local economic development programmes | | | | Economic Development Interventions | | | | | 2 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | | | | | | | | | | Mid-Year | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| GOAL 6: A SMART, PROSPEROUS CITY | Partnerships with key stakeholders to support development and implementation of local economic development programmes | All | 26 | LED 6 | Number of agricultural projects supported | 2 (withdrawn) | Approval letter/ Technical committee reports/ Projects reports/ Land lease or sale agreement/ Reports from stakeholders/ Attendance registers/ Event reports | 10 | R3.5m | 1 | 4 | Achieved 8 Farming projects have been recommended for support through the Agricultural Support Programme. | - | - |
| | | | | | | | | | | 2 | 3 | Achieved 5 projects recommended for support by the Agricultural Support Technical Committee. | - | - |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No. | IDP Ref | Key Performance Indicator (KPI) | Baseline 2018/19 | Portfolio Evidence (POE) | 2019/20 Annual Target | Requested Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|---------------------|------------|---------------------------|---------|---------|---------------------------------|------------------|--------------------------|-----------------------|---------------------------------------|----------|--------|--|----------------------------------|-------------------|
| | | | | | | | | | | Mid-term | 7 | Achieved A total of 15 Farming projects have been recommended for support through the Agricultural Support Programme | - | - |



4.5 Key Performance Area (KPA 5): Basic Services and Infrastructure Development

| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No: | IDP Ref | Key Performance Indicator (KPI) | Baseline 2018/19 | Portfolio of Evidence (POE) | 2019/20 Annual Target | Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|--|-------------------------------|---------------------------|---------|---------|--|------------------|-----------------------------|-----------------------|-----------------------------|----------|--------|---|----------------------------------|--------------------------------|
| 1. MUNICIPAL STRATEGIC PRIORITY: Develop and sustain a spatial, natural and built environment | | | | | | | | | | | | | | |
| 1.1. Municipal Strategic Objective: Accelerated delivery and maintenance of quality basic and essential services to all Communities | | | | | | | | | | | | | | |
| WATER SERVICES | | | | | | | | | | | | | | |
| Service Delivery: Sustainable Livelihoods and resilient Infrastructure | Infrastructure Maintenance | All wards | 27 | 0MM 5 | % of operating budget spent on maintenance of infrastructure | New KPI | Stamped BTO Spreadsheet | 95% | R4m | 1 | 25% | Not Achieved | Delayed procurement processes | Speed up procurement processes |
| | | | | | | | | | | 2 | 50% | Not achieved Spending was at 38% | Delayed procurement processes | Speed up procurement processes |
| | | | | | | | | | | Mid-year | 50% | Not achieved Spending was at 38% | Delayed procurement processes | Speed up procurement processes |
| Service Delivery: Sustainable Livelihoods and resilient Infrastructure | Sustainable Service Provision | | 28 | 0MM 6 | % Reduction of reported service interruptions | New KPI | Call Centre Reports | 50% | R000 | 1 | 10% | Not Achieved The September report was not submitted. | | |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No: | IDP Ref | Key Performance Indicator (KPI) | Baseline 2018/19 | Portfolio of Evidence (POE) | 2019/20 Annual Target | Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|--|--|---------------------------|---------|---------|--|------------------|-----------------------------|-----------------------|-----------------------------|----------|--------|--|---|--|
| | | | | | | | | | | 2 | 20% | Not achieved | Pipe breaks and aged infrastructure contribute to the high number of services interruptions | Preventive maintenance to be done timeously. Aged infrastructure to be replace. |
| | | | | | | | | | | Mid-year | 20% | Not achieved | Pipe breaks and aged infrastructure contribute to the high number of services interruptions | Preventive maintenance to be done timeously. Aged infrastructure to be replace. |
| Service Delivery: Sustainable Livelihoods and resilient Infrastructure | Provision for water supply and increase the revenue base | All Wards | 29 | BTO 12 | % Households earning less than R3 400 per month with access to free basic services | 87% | Indigent Register | 90% | Equitable Share | 1 | 88% | Not Achieved Baseline = 2778 Registered Indigents = 14588 81% | Indigents do not come through to register. | Indigent registration to be done at ward level through the Redirela Sechaba Campaigns. |
| | | | | | | | | | | 2 | 89% | Not Achieved Baseline = 2778 Registered | Indigents drive program planned as | Revised program will be implemented |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No: | IDP Ref | Key Performance Indicator (KPI) | Baseline 2018/19 | Portfolio of Evidence (POE) | 2019/20 Annual Target | Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|--|--|---------------------------|---------|---------|---|------------------|-----------------------------|-----------------------|-----------------------------|----------|----------------|---|--|--|
| | | | | | | | | | | | | Indigents = 14588 + 4491 = 19079 85.43% | part of revenue enhancement drive program could not be implemented due to changed focus on WAR room | in the 3 rd and 4 th quarter when proper credit control process would be implemented |
| | | | | | | | | | | Mid-year | 89% | Not Achieved Baseline = 2778 Registered Indigents = 14588 + 4491 = 19079 85.43% | Indigents drive program planned as part of revenue enhancement drive program could not be implemented due to changed focus on WAR room | Revised program will be implemented in the 3 rd and 4 th quarter when proper credit control process would be implemented |
| Service Delivery: Sustainable Livelihoods and resilient Infrastructure | Improve on the quality of water supplied | All Wards | 30 | DTIS 1 | % compliance of drinking water quality as per South African National Drinking Standards | 100% | | 100% | R1,902 028 | 1 | Not applicable | Not applicable | Not applicable | Not applicable |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No: | IDP Ref | Key Performance Indicator (KPI) | Baseline 2018/19 | Portfolio of Evidence (POE) | 2019/20 Annual Target | Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|--|--|---------------------------|---------|---------|--|------------------|---------------------------------------|-----------------------|-----------------------------|----------|----------------|--|--|--|
| | | | | | | | | | | 2 | Not applicable | Not applicable | Not applicable | Not applicable |
| | | | | | | | | | | Mid-year | Not applicable | Not applicable | Not applicable | Not applicable |
| Service Delivery: Sustainable Livelihoods and resilient Infrastructure | Reduce the distribution & Non-revenue water losses | All Wards | 31 | DTIS 2 | % Reduction of Water losses | 43% | Signed Reports on Water Losses by BTO | 30% | R 000 | 1 | 40% | Not achieved | Appointed Services provider was suspended. | Deviation done to appoint a new service provider. |
| | | | | | | | | | | 2 | 37% | Not achieved Water losses were at 48% | Appointed Services provider suspended. | Deviation done to appoint a new services provider. |
| | | | | | | | | | | Mid-year | 37% | Not achieved Water losses were at 48% | Appointed Services provider suspended. | Deviation done to appoint a new services provider. |
| Service Delivery: Sustainable Livelihoods and resilient | Improve on the Blue Drop status rating | All Wards | 32 | DTIS 3 | Percentage readiness to comply with Blue Drop Criteria | 86% | | 100% | R000,000 | 1 | Not applicable | Not applicable | Not applicable | Not applicable |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No: | IDP Ref | Key Performance Indicator (KPI) | Baseline 2018/19 | Portfolio of Evidence (POE) | 2019/20 Annual Target | Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|---|--|---------------------------|---------|---------|---|------------------|-----------------------------|-----------------------|-----------------------------|----------|----------------|--------------------|----------------------------------|-------------------|
| Infrastructure | | | | | | | | | | 2 | Not applicable | Not applicable | Not applicable | Not applicable |
| | | | | | | | | | | Mid-year | Not applicable | Not applicable | Not applicable | Not applicable |
| Service Delivery: Sustainable Livelihoods and resilient Infrastructure | Improve on the Green Drop status rating | All Wards | 33 | DTIS 4 | Percentage readiness to comply with Green Drop Criteria | 53% | | 100% | R000,000 | 1 | Not applicable | Not applicable | Not applicable | Not applicable |
| | | | | | | | | | | 2 | Not applicable | Not applicable | Not applicable | Not applicable |
| | | | | | | | | | | Mid-year | Not applicable | Not applicable | Not applicable | Not applicable |
| 3.1. Municipal Strategic Objective: Improve Public Transport Infrastructure & Services | | | | | | | | | | | | | | |
| GOAL 1: an accessible, connected city | Completion of integrated public transport infrastructure | All wards | 34 | RRT1 | Number of Stations completed for the integrated public transport system | 0 | Completion Certificate | 9 stations | R141m | 1 | Not applicable | Not applicable | Not applicable | Not applicable |
| | | | | | | | | | | 2 | Not applicable | Not applicable | Not applicable | Not applicable |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No: | IDP Ref | Key Performance Indicator (KPI) | Baseline 2018/19 | Portfolio of Evidence (POE) | 2019/20 Annual Target | Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|---|--|---------------------------|---------|---------|---|------------------|-----------------------------|-----------------------------|-----------------------------|----------|-------------------------|--------------------|--|--|
| | | | | | | | | | | Mid-year | Not applicable | Not applicable | Not applicable | Not applicable |
| | Completion of integrated public transport infrastructure | All wards | 35 | RRT2 | KMs of new roads constructed | 3.4km | Completion Certificate | 10kms | R141m | 1 | 3Km | Not Achieved | Tender referred by Bid Adjudication Committee (BAC) | Tender document to be resubmitted. |
| | | | | | | | | | | 2 | 5km | Achieved | | |
| | | | | | | | | | | Mid-year | 7km | Achieved | | |
| | | | | | | | | | | | | 14.825km | | |
| MUNICIPAL STRATEGIC PRIORITY: DEVELOP AND SUSTAIN A SPATIAL, NATURAL AND BUILT ENVIRONMENT | | | | | | | | | | | | | | |
| 1.1. Municipal Strategic Objective: Improved service delivery through provision of high quality, reliable and cost-effective infrastructure based on integrated spatial planning | | | | | | | | | | | | | | |
| Goal 3: Habitable, clean and green city | High quality Municipal Civil Facilities | All wards | 36 | DCD 1 | Upgrade of Office (Mpheni House / Old Town Hall) Precinct | N/A | Progress reports | Private Partnership secured | R500 k (R20m) | 1 | Project plan developed | Not achieved | Delays in paying the service provider for work done in Q4, service provider delayed working in Q1. | Bill of Quantities (BoQ) and Advert for contractor to be done in Q2. |
| | | | | | | | | | | 2 | Contractors appointment | Not achieved | Proposed changes to designs resulted in the decision not to appoint. | Project scope to be further reduced. |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No: | IDP Ref | Key Performance Indicator (KPI) | Baseline 2018/19 | Portfolio of Evidence (POE) | 2019/20 Annual Target | Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|--|--|---------------------------|---------|---------|---|------------------|---|---|-----------------------------|----------|-------------------------|---|--|--------------------------------------|
| | | | | | | | | | | 3 | Contractors appointment | Not achieved Procurement process did not result in appointment. | Proposed changes to designs resulted in the decision not to appoint. | Project scope to be further reduced. |
| 4.2. Municipal Strategic Objective: Explore and implement alternative eco-friendly and conservation interventions to preserve the environment | | | | | | | | | | | | | | |
| Goal 5: City of sustainable and efficient resource management | Implementation of recycling programmes | All wards | 37 | DCD 2 | Number of recycling drop off facilities established | 1 | Drop off/ Collection Reports and Pictures | 1 recycling drop off facility established | R150k | 1 | Not Applicable | Not applicable | Not applicable | Not applicable |
| | | | | | | | | | | 2 | Not Applicable | Not applicable | Not applicable | Not applicable |
| | | | | | | | | | | Mid-Year | Not Applicable | Not applicable | Not applicable | Not applicable |



| Key Focus Area/Goal | Strategies | Area/Locality (Ward/Area) | KPI No: | IDP Ref | Key Performance Indicator (KPI) | Baseline 2018/19 | Portfolio of Evidence (POE) | 2019/20 Annual Target | Annual Budget 2019/20 R'000 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|---|--|---------------------------|---------|---------|--|-----------------------------------|-----------------------------|-----------------------|-----------------------------|----------|-----------------------------------|---------------------|---|--|
| MUNICIPAL STRATEGIC PRIORITY: DEVELOP AND SUSTAIN A SPATIAL, NATURAL AND BUILT ENVIRONMENT | | | | | | | | | | | | | | |
| 1.2. Municipal Strategic Objective: Accelerated delivery and maintenance of quality basic and essential services to all Communities | | | | | | | | | | | | | | |
| City of smart livable homes | Establish a fully staffed and functional Licensing and Testing in Marikana | All | 38 | DPS 1 | Number of Licensing and Testing Centre operationalized | Completed and renovated structure | Quarterly Report | 1 | R3m | 1 | Resourcing | Not Achieved | No budget was allocated for the project | To be revised during Mid-Year assessment |
| | | | | | | | | | | 2 | Operationalization | Not Achieved | No budget was allocated for the project | To be revised during Mid-Year assessment |
| | | | | | | | | | | Mid-Year | Operationalization | Not Achieved | No budget was allocated for the project | To be revised during Mid-Year assessment |
| 1.3. Municipal Strategic Objective: Improved service delivery through provision of high quality, reliable and cost-effective infrastructure based on integrated spatial planning | | | | | | | | | | | | | | |
| | Establish and staff state of the art weigh bridge centre to enhance revenue collection and road safety | All Wards | 39 | DPS 2 | Number of weighbridges constructed | 1 weighbridge | Completion Certificate | 1 | R000 | 1 | Land Acquisition | Not Achieved | No budget was allocated for the project | To be revised during Mid-Year assessment |
| | | | | | | | | | | 2 | Source funding from mining houses | Not Achieved | No budget was allocated for the project | To be revised during Mid-Year assessment |
| | | | | | | | | | | Mid-Year | | Not Achieved | No budget was allocated for the project | To be revised during Mid-Year assessment |



4.6 Key Performance Area (KPA 6): Spatial Rationale - Develop and Sustain a Spatial, Natural and Built Environment

| Strategic Objective | Key Focus Area | Area/Locality | KPI No. | IDP Ref | Key Performance Indicator (KPI) | Baseline | Portfolio of Evidence (POE) | 2019/20 Annual Target | Budget 19/20 | Quarter | Target | Actual Performance | Reasons for Performance Variance | Remedial Measures |
|--|---|---------------|---------|---------|---|----------|---|-----------------------|--------------|----------|----------------|--------------------|---|---|
| Improved service delivery through provision of high quality, reliable and cost-effective infrastructure based on integrated spatial planning | Eradication of housing backlog through provision of quality housing | RLM | 40 | DPHS 1 | Number of townships formalized | 1 | Township Establishment application submitted to the Municipality. | 1 | R4M | 1 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | | | | | | | | | | 2 | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | | | | | | | | | | Mid-Year | Not Applicable | Not Applicable | Not Applicable | Not Applicable |
| | Revenue generation | RLM | 41 | DPHS 2 | Improve compliance rate of the Land Use Management Scheme | 10 | Land Use Management Scheme awareness pamphlet and attendance register | Campaigns in 10 wards | R2,5m | 1 | 2 | Not Achieved | The Directorate was busy with updating pamphlets and getting the notices out. | The campaigns to be conducted in Quarter 2. |
| | | | | | | | | | | 2 | 5 | Not Achieved | The campaigns were not held due to delayed planning. | Request the Councillors to invite the directorate when they have ward based meetings. |
| | | | | | | | | | | Mid-Year | 7 | Not Achieved | The campaigns were not held due to delayed planning. | Request the Councillors to invite the directorate when they have ward based meetings. |



4.7 CONCLUSIVE ANALYSIS OF MID-YEAR PERFORMANCE

Table 6: Mid-Year Performance of the Organization

| LOCAL GOVERNMENT KPAS | MID-YEAR PERFORMANCE | | | | | |
|--|----------------------|------------------|------------------|--------------|--------------------|------------|
| KEY PERFORMANCE AREA | Total KPIs | KPI's Applicable | KPI Not Achieved | KPI Achieved | KPI Not Applicable | KPA Score |
| Basic Service Delivery and Infrastructure Development | 13 | 8 | 7 | 1 | 5 | 13% |
| Good Governance and Public Participation | 3 | 3 | 0 | 3 | 0 | 100% |
| Municipal Financial Viability | 13 | 8 | 8 | 0 | 5 | 0% |
| Local Economic Development | 6 | 3 | 0 | 3 | 3 | 100% |
| Municipal Transformation and Institutional Development | 4 | 1 | 1 | 0 | 3 | 0% |
| Spatial Rationale | 2 | 1 | 1 | 0 | 1 | 0% |
| TOTAL ORGANIZATIONAL SCORE | 41 | 24 | 17 | 7 | 17 | 36% |

4.7.1 CONCLUSION

The Municipality had **41 KPI's** for 2019/20 financial year. Out of the **24 KPIs** applicable for the quarter, **7 KPIs** were achieved, **17 KPIs** were not achieved, and **17 KPIs** were not due for implementation (not applicable) for the period under review. To this end the actual performance for the Organization on KPI's during the review period was **36%**.

The Municipal Manager will in accordance with the performance regulations continue to engage all the Directors on the performance of their respective Directorates as indicated herein, with the primary aim of ensuring sustained improvements per Quarter, which will ultimately culminate into higher Directorates and Organizational Performance annually.



5. MID-YEAR BUDGET ASSESSMENT REPORT IN COMPLIANCE WITH SECTION 72 OF THE MUNICIPAL FINANCE MANAGEMENT ACT, ACT 56 OF 2003 (MFMA) AS WELL AS SECTION 23 OF THE LOCAL GOVERNMENT MUNICIPAL BUDGET AND REPORTING REGULATIONS (MBRR)

5.1 DISCUSSION

The operating revenue realised for the first six months ending 31st December 2019 is R2,379 billion to the projected revenue of R2,599 billion for the same period. Revenue generated is below the projected 50% of the yearly budget of R5,198 billion by R220 million (8%).

The operating expenditure incurred for the first six months ending 31st December 2019 is at R2,413 billion to the projected expenditure of R2,520 billion. Expenditure incurred is below the projected 50% of the yearly budget of R5,041 billion by R107 million (4%).

Capital expenditure for the mid year is R191 million (24,3%), which is below the budgeted capital expenditure to date of R394 million (50%) by R203 million (52%).

The municipality realised operating deficit of R34 million during mid year.

Annexure 'A' (Table C4) to the report is a monthly budget statement (Financial Performance – Expenditure) for the first six months ending the 31st December 2019. The actual results are compared to the budget and contain the percentage for year to date budget revenue and revenue received (billed) as at 31st December 2019. The annexure also has the projected figures for the full year forecast.

Annexure 'A' (Table C5) contains the list of Capital Budget per standard classification and trend. The Capital Expenditure for the first six months is standing at 24,32% or R191 million. The expenditure of R191 million does not include shadow cost (cost committed such as orders already placed but not yet paid).

Annexure 'A' (Table SC) to the report is a monthly budget statement (Aged Debtors) for the first six months ending the 31st December 2019.

Annexure 'A' (Table C4) to the report is a monthly budget statement (Aged Creditors) for the first six months ending the 31st December 2019.

The detailed financial performance report for the six months that depicts the overall performance of the Rustenburg Water Services Trust is attached as **Annexure B**.

5.2 OPERATING BUDGET RESULTS

5.2.1 OPERATIONAL REVENUE

The actual revenue received or billed is below the anticipated projected revenue by 8%. The main contributors to this underperformance are service charges and other revenue (Fines, Licensing, Agency Fees, Gains on Disposal of PPE, etc).

Implementation of the new financial system resulted in various challenges on the revenue management cycle, billing discrepancies due to an unreconciled valuation roll uploaded on the financial system, failure to take on prior customer balances, failure to issue clearance certificates,



challenges with meter information and customer accounts balances which led to various impediments in implementation of credit control in debt collection processes.

Furthermore, the system generated financial reports are still a challenge to reconcile, thus subsidiary ledgers and registers were used to incorporate some of the data.

Mid-year accumulated year to date revenue performance is as follows:

| NW373 RUSTENBURG - TABLE C4 MONTHLY BUDGET STATEMENT - FINANCIAL PERFORMANCE (REVENUE & EXPENDITURE) - M06 DECEMBER | | | | | | | | | |
|---|------------------|---------------------|-----------------|----------------|------------------|------------------|------------------|----------------|--------------------|
| Description | 2018/19 | Budget Year 2019/20 | | | | | | | |
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | % | |
| Revenue By Source | | | | | | | | | |
| Property rates | 353 910 | 362 089 | - | 31 153 | 189 003 | 181 045 | 7 959 | 4% | 378 007 |
| Service charges - electricity revenue | 2 190 288 | 2 253 168 | - | 165 939 | 911 997 | 1 126 584 | (214 587) | -19% | 1 823 995 |
| Service charges - water revenue | 474 480 | 619 817 | - | 36 916 | 253 368 | 309 908 | (56 540) | -18% | 506 736 |
| Service charges - sanitation revenue | 176 933 | 334 764 | - | 30 442 | 170 204 | 167 382 | 2 822 | 2% | 340 408 |
| Service charges - refuse revenue | 85 345 | 166 232 | - | 10 317 | 63 096 | 83 116 | (20 020) | -24% | 126 192 |
| Rental of facilities and equipment | 20 141 | 11 604 | - | 728 | 5 025 | 5 802 | (777) | -13% | 10 050 |
| Interest earned - external investments | 15 524 | 20 774 | - | 558 | 13 161 | 10 387 | 2 774 | 27% | 26 321 |
| Interest earned - outstanding debtors | 282 389 | 261 054 | - | 38 360 | 212 812 | 130 527 | 82 285 | 63% | 425 624 |
| Dividends received | - | - | - | - | - | - | - | - | - |
| Fines, penalties and forfeits | 8 046 | 18 708 | - | 56 | 156 | 9 354 | (9 198) | -98% | 313 |
| Licences and permits | 10 372 | 10 198 | - | 33 | 157 | 5 099 | (4 942) | -97% | 315 |
| Agency services | 91 267 | 131 249 | - | 2 796 | 23 975 | 65 624 | (41 649) | -63% | 47 950 |
| Transfers and subsidies | 622 713 | 772 560 | - | 225 607 | 509 786 | 386 280 | 123 506 | 32% | 1 019 571 |
| Other revenue | 40 599 | 65 778 | - | 736 | 26 210 | 32 889 | (6 680) | -20% | 52 419 |
| Gains on disposal of PPE | 1 150 | 170 477 | - | 111 | 809 | 85 238 | (84 429) | -99% | 1 618 |
| Total Revenue (excluding capital transfers and contributions) | 4 373 158 | 5 198 472 | - | 543 751 | 2 379 760 | 2 599 236 | (219 477) | -8% | 4 759 519 |

Property rates

Property rates is favourable by R7,9 million (4%) which is indicative of positive exercise in ensuring completeness of rateable properties.

Services Charges

Electricity charges: Actual year to date billed electricity revenue is at R911 million. It is below the projected revenue by R215 million (19%). The performance of this revenue source has been influenced by various factors, which included, significant scale down by Glencore operation during August 2019 and electricity losses (tempering (blockage of prepaid meters as credit control) and illegal collections). As these factors are progressively addressed, performance is expected to improve and hoping that Glencore operation will remain stable.



Water revenue is unfavourable by R56,5 million (18%) to the projected revenue for the period. This is indicative on incomplete billing and water losses. This revenue source is seasonal as the usage for the first 2 months of the financial period is less. Water losses and incomplete billing are addressed through water meter audits and water conservations and demand management programmes.

Sanitation charges performance is within the budget projection for the period to date.

Refuse revenue are unfavourable by R20 million (24%) mainly on waste removal services. The projected revenue need to be assessed and possibly revised based on number of households that are serviced or incompleteness of billing addressed. This service charge needs to be reassessed during budget adjustment.

Other Revenue

Rental of Facilities

Revenue realised from Rental of Facilities as at 31st December 2019 is below the half yearly projected revenue by R777 thousand (13%). Revenue enhancement measures has unfolded during October and November 2019 to ensure complete billing and collection of rental revenue.

Interest on Long Outstanding Debtors

The performance to date is above the anticipated revenue to date by R82 million. This revenue source is influenced by revenue collection/receivable balance at every billing period.

Fines, Penalties and License and Permits

The two items (Fines, Penalties and Licence and Permits) are unfavourable by R14 million (98% averagely) which can most possibly be to incorrect allocation or unallocated revenue charges and unrealistic projections. These revenue sources need to be reassessed during budget adjustment for possible adjustment to projections.

Agency Fees Services

Agency fees are unfavourable by R41,6 million (63%). This is possibly due to low turnout in licensing services for the period than anticipated. We must also note that 80% portion of what the municipality collects is paid to the Provincial Government for vehicle testing and licenses and the municipality only keep 20%. This revenue source needs to be reassessed during budget adjustment for possible adjustment to projections.

Transfers and Subsidies

Operating grants and subsidies are performing accordingly. The equitable share is split between the respective service departments based on the provision for doubtful debts. To this date, two tranches (in July and December 2019) have being received by the municipality. Also, the



Financial Management Grant has been received and the Extended Public Works Programme allocation are also been allocated accordingly as per the payment schedule.

The variance is mainly due anticipated allocation spread over 12 months while actual receipt is in 3 tranches.

Other Revenue

Other Revenue is performing below the anticipated revenue, with the year to date unfavourable variance of R6,6 million. The sundry income is expected to improve as operations pick up in the last half of the financial period.

Gain on disposal of PPE

The Item is unfavourable by R84 million as sale of identified properties has not progressed well. This item needs to be reconsidered during budget adjustment.

OPERATING EXPENDITURE

The following table is indicative of year to date expenditure compared to the approved budget for the period ended 31st December 2019.

| NW373 RUSTENBURG - TABLE C4 MONTHLY BUDGET STATEMENT - FINANCIAL PERFORMANCE (REVENUE & EXPENDITURE) - M06 DECEMBER | | | | | | | | | |
|---|------------------|---------------------|-----------------|----------------|------------------|------------------|------------------|----------------|--------------------|
| Description | 2018/19 | Budget Year 2019/20 | | | | | | | |
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance % | Full Year Forecast |
| R thousands | | | | | | | | % | |
| Expenditure By Type | | | | | | | | | |
| Employee related costs | 697 514 | 729 912 | - | 54 464 | 378 605 | 364 956 | 13 649 | 4% | 757 209 |
| Remuneration of councillors | 53 751 | 60 893 | - | 4 668 | 30 406 | 30 446 | (40) | 0% | 60 812 |
| Debt impairment | - | 635 638 | - | 52 970 | 317 819 | 317 819 | 0 | 0% | 635 638 |
| Depreciation & asset impairment | 415 391 | 448 974 | - | 34 098 | 204 454 | 224 487 | (20 033) | -9% | 408 909 |
| Finance charges | 60 376 | 50 877 | - | 19 641 | 26 133 | 25 438 | 695 | 3% | 52 266 |
| Bulk purchases | 2 465 846 | 2 274 386 | - | 203 869 | 1 154 234 | 1 137 193 | 17 040 | 1% | 2 308 467 |
| Other materials | 9 301 | 9 184 | - | 308 | 3 343 | 4 592 | (1 249) | -27% | 6 686 |
| Contracted services | 275 336 | 460 880 | - | 10 030 | 142 992 | 230 440 | (87 448) | -38% | 285 984 |
| Transfers and subsidies | 23 789 | 17 658 | - | 246 | 1 720 | 8 829 | (7 109) | -81% | 3 440 |
| Other expenditure | 1 403 008 | 352 957 | - | 10 424 | 154 284 | 176 478 | (22 194) | -13% | 308 568 |
| Loss on disposal of PPE | - | - | - | - | - | - | - | - | - |
| Total Expenditure | 5 404 312 | 5 041 358 | - | 390 718 | 2 413 990 | 2 520 679 | (106 689) | -4% | 4 827 980 |

Employee related cost

Wages and Salaries have unfavorable variance of R8,9 million (2%), due to insufficient management of overtime, acting allowances and difference in budgeted average salary increase rate (6.2%) compared to approved salary increase by bargain council (6.5%). Introduction of shift system and management of overtime would improve the performance, while adjustment due to salary increase rate should be considered in budget adjustment.

Remuneration of councillors



Performance of this line item is with the budget projections with 0% variance.

Debt Impairment

Debt impairment budget has been prorated over 12 months on actual figures, thus no variance. The final calculation of debt impairment usually happens at the end of the financial year during Annual Financial Statement preparation process.

Depreciation

Depreciation is processed on assets for the period is less than projected depreciation by 10% due to programmed calculation that does not take into account the conditions of assets on month to month basis. Reliable calculations of depreciation are performed at year end in line with the conditional assessment for assets.

Repairs and Maintenance

Repairs and maintenance and contracted services spending remains a concern. The spending is not as anticipated/projected. Due to low revenue collection, lower spending has positive impact on commitments. It is below the projected prorata by R102 million. No adjustment should be made as welfare of assets is dependent on its maintenance.

Bulk Purchases

Bulk Purchases is performing relatively within the budget projection, with mere R17 million unfavourable balances considering that bulk purchases is highest expenditure line item in the budget.

Contracted Services

Contracted services has unfavourable variance of R17million (14%) to budgeted projections which could be to contract expansions and rolled over commitments from previous year that were not budgeted. Commitment on this line item will be monitored to reduce spending in line with current cash flow or revenue collection.

Transfer and subsidies

Transfers and Subsidies is paid on quarterly and biannual. Variance of 81% is expected as budget is spread over 12 months.

General Expenditure

General expenditure exceed the projected expenditure for the period by R20 million (12%). Expenditure on this line item need to be monitored closely to avoid unauthorised expenditure. Commitment on this line item will be monitored to reduce spending in line with current cash flow or revenue collection.



5.2.2 CAPITAL EXPENDITURE

Detail results per unit are contained in **Annexure 'A' (Table C5 Monthly Budget Statement – Capital Expenditure)**. The expenditure of Capital budget is at 24% (R191 million). A capital budget to the amount of R788 million was approved by Council for the 2019/2020 financial year. Attached below is the Capital Expenditure by municipal vote, function and classification:

| NW373 RUSTENBURG - TABLE C5 MONTHLY BUDGET STATEMENT - CAPITAL EXPENDITURE (MUNICIPAL VOTE, FUNCTIONAL CLASSIFICATION AND FUNDING) - M06 DECEMBER | | | | | | | | | |
|---|-------------------|---------------------|-----------------|----------------|----------------|----------------|------------------|--------------|--------------------|
| Vote Description | 2018/19 | Budget Year 2019/20 | | | | | | | |
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| R thousands | | | | | | | | % | |
| Capital Expenditure - Functional Classification | | | | | | | | | |
| Governance and administration | 25 991 | 50 062 | – | 19 | 3 335 | 25 031 | (21 696) | -87% | 1 668 |
| Executive and council | 20 717 | 31 485 | – | – | 2 888 | 15 743 | (12 854) | -82% | 1 444 |
| Finance and administration | 5 274 | 18 319 | – | 19 | 447 | 9 160 | (8 713) | -95% | 223 |
| Internal audit | – | 258 | – | – | – | 129 | (129) | -100% | – |
| Community and public safety | 1 211 515 | 54 603 | – | 1 751 | 7 765 | 27 302 | (19 536) | -72% | 3 883 |
| Community and social services | 1 154 831 | 47 471 | – | – | 5 660 | 23 736 | (18 075) | -76% | 2 830 |
| Sport and recreation | 50 732 | 1 132 | – | – | 437 | 566 | (129) | -23% | 218 |
| Public safety | 5 952 | 3 500 | – | 1 751 | 1 668 | 1 750 | (82) | -5% | 834 |
| Housing | – | 2 500 | – | – | – | 1 250 | (1 250) | -100% | – |
| Health | – | – | – | – | – | – | – | – | – |
| Economic and environmental services | 9 115 622 | 329 267 | – | 5 331 | 125 864 | 164 633 | (38 769) | -24% | 62 932 |
| Planning and development | 3 221 199 | 129 600 | – | 2 775 | 22 658 | 64 800 | (42 142) | -65% | 11 329 |
| Road transport | 5 894 423 | 199 667 | – | 2 556 | 103 206 | 99 833 | 3 373 | 3% | 51 603 |
| Environmental protection | – | – | – | – | – | – | – | – | – |
| Trading services | 3 690 711 | 355 494 | – | 2 232 | 54 170 | 177 747 | (123 576) | -70% | 27 085 |
| Energy sources | 1 313 590 | 62 300 | – | 241 | 19 803 | 31 150 | (11 347) | -36% | 9 901 |
| Water management | 1 326 528 | 105 027 | – | 631 | 12 971 | 52 513 | (39 543) | -75% | 6 485 |
| Waste water management | 1 044 902 | 180 167 | – | 1 360 | 20 341 | 90 083 | (69 742) | -77% | 10 171 |
| Waste management | 5 692 | 8 000 | – | – | 1 055 | 4 000 | (2 945) | -74% | 528 |
| Other | – | – | – | – | – | – | – | – | – |
| Total Capital Expenditure - Functional Classification | 14 043 840 | 789 426 | – | 9 333 | 191 135 | 394 713 | (203 578) | -52% | 95 568 |

Funding Source of the Capital Expenditure

| NW373 RUSTENBURG - TABLE C5 MONTHLY BUDGET STATEMENT - CAPITAL EXPENDITURE (MUNICIPAL VOTE, FUNCTIONAL CLASSIFICATION AND FUNDING) - M06 DECEMBER | | | | | | | | | |
|---|-------------------|---------------------|-----------------|----------------|----------------|----------------|------------------|--------------|--------------------|
| Vote Description | 2018/19 | Budget Year 2019/20 | | | | | | | |
| | Audited Outcome | Original Budget | Adjusted Budget | Monthly actual | YearTD actual | YearTD budget | YTD variance | YTD variance | Full Year Forecast |
| R thousands | | | | | | | | % | |
| Funded by: | | | | | | | | | |
| National Government | 2 485 167 | 467 131 | – | 7 321 | 157 675 | 233 565 | (75 890) | -32% | 78 837 |
| Provincial Government | 3 857 | 1 054 | – | 1 751 | 1 788 | 527 | 1 261 | 239% | 894 |
| District Municipality | – | – | – | – | – | – | – | – | – |
| Other transfers and grants | 2 996 | 912 | – | – | 231 | 456 | (225) | -49% | 115 |
| Transfers recognised - capital | 2 492 020 | 469 097 | – | 9 073 | 159 694 | 234 548 | (74 855) | -32% | 79 847 |
| Borrowing | 1 454 996 | 60 000 | – | – | – | 30 000 | (30 000) | -100% | – |
| Internally generated funds | 10 096 824 | 260 329 | – | 843 | 32 041 | 130 165 | (98 124) | -75% | 16 020 |
| Total Capital Funding | 14 043 840 | 789 426 | – | 9 916 | 191 734 | 394 713 | (202 979) | -51% | 95 867 |

The current capital budget projected projects are funded from Grant (National and Provincial), Borrowings (which is not yet acquired) and projects that will be paid from internal reserves that will be raised during the year.

Borrowing acquisition process will need to be fast tracked to avoid roll over of project to be funded from these funds.



Focus and pressure needs to be put on all the Directorates to start putting more efforts in terms of the new capital acquisition. The results of this under-spending are hampering on the main objectives and core business of the municipality which is to provide service to the communities around Rustenburg Local municipality. Directorates must put proper plans as to how they are going to start spending and implementing their capital budget requirements to deliver in order to can be able to deliver the expected municipal services. For projects that are funded by Grants, Directorates are encouraged to spend on capital projects in order to avoid applying for roll-over next financial year.

National Treasury has approved the 2018/2019 Conditional Grants Roll Over application and that will have to be incorporated into the budget through an Adjustment Budget.

5.2.3 DEBTORS AGING FOR DECEMBER 2019

Debtor's age analysis indicates the extent to which income accrued is not received in cash, the success or effectiveness of the credit control, rating, and tariffs policy, the possibility of viability problem being encountered when analyzing the imbalance between actual revenue received and actual expenditure.

Annexure "A" (Table SC3 Monthly Budget Statement – Aged Debtors) is debtor's age analysis as at the end of December 2019 for the 2019/2020 financial year. The outstanding consumer debtors as at 31st December 2019 is R5 249 billion.

As at the end of December 2019, Organ of States owed municipality R116 million, Households owed R4 billion, Business/Commercial owed R768 million while other is at R319 million.

NW373 Rustenburg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M08 December

| Description | NT Code | Budget Year 2019/20 | | | | | | | | Total over 90 days | 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 Dye | 151-180 Dye | 181 Dye-1 Yr | Over 1Yr | | | | Total |
| R thousands | | | | | | | | | | | | | |
| Debtors Age Analysis By Income Source | | | | | | | | | | | | | |
| Trade and Other Receivables from Exchange Transactions - Water | 1200 | 42 935 | 41 792 | 35 940 | 29 893 | 29 510 | 28 076 | 27 217 | 1 296 599 | 1 533 962 | 1 413 295 | | |
| Trade and Other Receivables from Exchange Transactions - Electricity | 1300 | 210 561 | 102 300 | 79 618 | 64 390 | 57 889 | 57 193 | 73 010 | 420 395 | 1 065 375 | 672 876 | | |
| Receivables from Non-exchange Transactions - Property Rates | 1400 | 25 753 | 15 699 | 11 014 | 8 897 | 8 004 | 7 289 | 6 681 | 257 325 | 340 663 | 288 196 | | |
| Receivables from Exchange Transactions - Waste Water Management | 1500 | 12 624 | 10 668 | 8 790 | 7 536 | 7 021 | 6 680 | 6 476 | 329 568 | 389 363 | 357 281 | | |
| Receivables from Exchange Transactions - Waste Management | 1600 | 12 343 | 10 334 | 8 788 | 7 716 | 7 182 | 6 867 | 6 502 | 357 422 | 417 155 | 385 689 | | |
| Receivables from Exchange Transactions - Property Rental Debtors | 1700 | 7 91 | 6 96 | 6 63 | 6 47 | 6 27 | 6 36 | 4 49 | 19 568 | 24 097 | 21 927 | | |
| Interest on Arrear Debtor Accounts | 1810 | 27 219 | 26 804 | 26 421 | 25 492 | 24 674 | 23 601 | 23 148 | 1 181 570 | 1 358 929 | 1 278 485 | | |
| Recoverable unauthorised, irregular, fruitless and wasteful expenditure | 1820 | | | | | | | | | | | | |
| Other | 1900 | (53 059) | 6 365 | (3 249) | (434) | 1 786 | (580) | (451) | 167 234 | 117 613 | 167 556 | | |
| Total By Income Source | 2000 | 279 186 | 214 660 | 168 006 | 144 138 | 136 694 | 129 761 | 143 031 | 4 031 680 | 5 247 155 | 4 585 304 | | |
| 2018/19 - totals only | | | | | | | | | | | | | |
| Debtors Age Analysis By Customer Group | | | | | | | | | | | | | |
| Organs of State | 2200 | 5 474 | 4 936 | 3 372 | 3 552 | 4 121 | 2 722 | 1 874 | 90 292 | 116 344 | 102 562 | | |
| Commercial | 2300 | 187 016 | 92 195 | 72 605 | 58 063 | 52 834 | 52 762 | 66 041 | 187 089 | 768 603 | 416 788 | | |
| Households | 2400 | 86 182 | 100 952 | 81 594 | 73 422 | 70 870 | 66 277 | 67 170 | 3 496 344 | 4 042 812 | 3 774 084 | | |
| Other | 2500 | 5 14 | 16 577 | 10 435 | 9 100 | 8 869 | 8 000 | 7 946 | 257 955 | 319 396 | 291 870 | | |
| Total By Customer Group | 2600 | 279 186 | 214 660 | 168 006 | 144 138 | 136 694 | 129 761 | 143 031 | 4 031 680 | 5 247 155 | 4 585 304 | | |

Debt collection and credit control measure need to be intensified to collect all collectable debt and all identified uncollectable debt should be submitted to council for write off consideration.

8. CREDITORS AGING FOR DECEMBER 2019

Annexure "A" (Table SC4 Monthly Budget Statement – Age Creditors) is a creditor's age analysis for the municipality as at the end of December 2019.

The below table depicts creditors analysis for the period



NW373 Rustenburg - Supporting Table SC4 Monthly Budget Statement - aged creditors - M06 DECEMBER

| Description | NT Code | Budget Year 2019/20 | | | | | | | | |
|--|-------------|---------------------|--------------|--------------|---------------|----------------|----------------|-------------------|-------------|----------------|
| | | 0 - 30 Days | 31 - 60 Days | 61 - 90 Days | 91 - 120 Days | 121 - 150 Days | 151 - 180 Days | 181 Days - 1 Year | Over 1 Year | Total |
| R thousands | | | | | | | | | | |
| Creditors Age Analysis By Customer Type | | | | | | | | | | |
| Bulk Electricity | 0100 | 184 832 | | | | | | | | 184 832 |
| Bulk Water | 0200 | 35 009 | | | | | | | | 35 009 |
| PAYE deductions | 0300 | 10 478 | | | | | | | | 10 478 |
| VAT (output less input) | 0400 | - | | | | | | | | - |
| Pensions / Retirement deductions | 0500 | 20 720 | | | | | | | | 20 720 |
| Loan repayments | 0600 | 29 222 | | | | | | | | 29 222 |
| Trade Creditors | 0700 | 145 424 | | | | | | | | 145 424 |
| Auditor General | 0800 | 3 911 | | | | | | | | 3 911 |
| Other(Trust Dec 2019 invoices) | 0900 | 14 495 | | | | | | | | 14 495 |
| Total By Customer Type | 1000 | | | | | | | | | 444 091 |

Creditors should be paid within 30 days as stipulated by the MFMA except where there are disputes between the municipality and the creditor. Outstanding sundry creditors as at 30th December 2019 is at R444 million.

5.2.4. INVESTMENT REGISTER

Investment made with the various financial institutions are strictly in compliance with Municipal Finance Management Act and in terms of the Investment Framework Policy and Guidelines. The total value of investments for the Parent Municipality as at 31st December 2019 is approximately R22 083 904,73 million.

| Rustenburg Local Municipality | | RUSTENBURG LOCAL MUNICIPALITY | | | | | | | | | |
|--|---------------------|-------------------------------|--------|---------------|---------------|-----------------|---------------------------|--|---------------------------------|-----------------|--|
| INVESTMENT REGISTER AS AT 31 DECEMBER 2019 | | | | | | | | | | | |
| Name of Institution | Type of Investment | Account Number | Rate % | Invested Date | Maturity Date | Opening Balance | Invested During the month | Actual Interest Received / Capitalised / Accrued | Investment / Interest Withdrawn | Closing Balance | |
| SHORT - TERM INVESTMENTS | | | | | | | | | | | |
| ABSA: Call Account | Call Savings | 40-7850-3088 | | | Monthly | 100 480 331.66 | 98 036 600.53 | 334 911.76 | - 198 780 000.00 | 71 843.95 | |
| ABSA: Investment Acc | Flexible Deposit | 90-6393-0063 | 2.90 | | Monthly | 590 000.00 | - | 1 163.84 | - 1 163.84 | 590 000.00 | |
| ABSA: Investment Acc | Fixed Deposit | 20-7642-7525 | 7.65 | | | 4 747 886.10 | - | 173 466.94 | - 173 466.94 | 4 747 886.10 | |
| ABSA: Investment Acc | Fixed Deposit | 20-7293-1992 | 7.05 | | | - | - | - | - | - | |
| ABSA: Investment Acc | Fixed Deposit | 20-7676-3430 | 8.25 | | | 373 922.39 | 404 770.99 | 30 848.60 | - 404 770.99 | 404 770.99 | |
| Standard Bank | Call Deposit | 2288-18613-062 | 6.70 | | Monthly | 445 460.29 | - | 1 362.01 | | 446 822.30 | |
| Standard Bank | Call Deposit | 2288-18613-063 | 6.70 | | Monthly | 121 275.74 | - | 370.80 | | 121 646.54 | |
| Kagiso Asset Management | Money Market Assets | 550/ 827 | N/A | | Monthly | 6 303 651.00 | - | 30 856.71 | | 6 334 507.71 | |
| Sanlam | Money Market Fund | RUSTBN | N/A | | Monthly | 8 273 029.58 | - | 28 830.65 | | 8 301 860.23 | |
| | | | | | | 121 335 556.76 | 98 441 371.52 | 601 811.31 | - 199 359 401.77 | 21 019 337.82 | |
| LONG TERM INVESTMENTS | | | | | | | | | | | |
| Sanlam Shares | Ordinary - 12 948 | U0063386178 | 76.41 | 80.21 | Monthly | 989 356.68 | | 49 202.40 | | 1 038 559.08 | |
| Sanlam Shares | Ordinary - 323 | U0053871618 | 76.41 | 80.21 | Monthly | 24 680.43 | | 1 227.40 | | 25 907.83 | |
| | | | | | | 1 014 037.11 | - | 50 429.80 | - | 1 064 466.91 | |
| | | | | | | | | | | 22 083 804.73 | |

5.2.5. BORROWINGS

The municipality is currently servicing few existing loans with different institutions (DBSA, ABSA and INCA).

Below summary Loan Register:



| RUSTENBURG LOCAL MUNICIPALITY | | | | | |
|-------------------------------------|-------------------------|---------------|-------------|----------------------------|-----------------------------|
| Schedule of External loans for 2019 | | | | | |
| Details | Original Loan Amount | Interest Rate | Loan Number | Redeemable | Balance at 31 December 2019 |
| INCA | R 50 000 000.00 | 13.82% | 50619016740 | Thursday, 29 February 2024 | R 26 166 650.99 |
| ABSA - Drawdown 1 | R 20 000 000.00 | 11.73% | 3017981971 | Monday, 01 June 2020 | R 1 964 040.59 |
| ABSA - Drawdown 2 | R 20 000 000.00 | 11.94% | 3017982317 | 31 May 2021 | R 6 799 762.86 |
| ABSA - Drawdown 3 | R 20 000 000.00 | 11.95% | 3022362516 | Tuesday, 31 May 2022 | R 6 322 267.70 |
| DBSA | R 308 000 000.00 | 9.903% | 61007193 | Monday, 02 July 2029 | R 237 316 978.29 |
| DBSA | R 150 000 000.00 | 10.007% | 61007264 | Friday, 28 June 2030 | R 123 761 468.79 |
| Total Other Loans | R 568 000 000.00 | | | | R 402 331 169.22 |
| TOTAL EXTERNAL LOANS | R 568 000 000.00 | | | Per AFS | R 402 331 169.22 |

The table below indicates the 2019/20 Loans Repayment Register for both Capital and Interest portion

| LOAN REPAYMENTS JULY 2019 TO JUNE 2020 | | | | |
|--|----------------|----------------------|----------------------|----------------------|
| LOAN DETAILS | REPAYMENT DATE | CAPITAL | INTEREST | TOTAL REPAYMENT |
| INCA(Rand Merchant Bank) (R50m) | 31/08/2019 | 2 047 153.68 | 1 954 915.21 | 4 002 068.89 |
| | | | | - |
| ABSA(3017982317) (R20m) | 30/11/2019 | 1 375 883.34 | 79 622.79 | 1 455 506.13 |
| ABSA(3017981971) (R20m) | 30/11/2019 | 1 415 199.56 | 32 392.71 | 1 447 592.27 |
| ABSA(3022362516) (R20m) | 30/11/2019 | 1 420 857.01 | 75 691.34 | 1 496 548.35 |
| | | | | |
| DBSA (R308m) | 30/12/2019 | 7 345 936.87 | 12 219 363.71 | 19 565 300.58 |
| | | | | |
| DBSA (R150m) | 30/12/2019 | 3 183 499.18 | 6 473 504.73 | 9 657 003.91 |
| | | | | |
| | | 16 788 529.64 | 20 835 490.49 | 37 624 020.13 |

DBSA - Structured secured 15-year loan for various purposes. Original loan capital of R308 000 000. Drawdown of R 200 million was transferred on April 2014. Another drawdown was transferred on October 2014. Interest is repayable semi-annually in at fixed rate interest.

Structured secured 15-year loan for various purposes. Original loan capital of R150 000 000. Drawdown of R 150 million was transferred on February 2015. Interest is repayable semi-annually in at fixed rate interest.

INCA - Original loan capital of R50 000 000. Bears interest at 13.82% per annum and repayable in equal instalments of R4 002 068 at the end of February and August every year, with the last instalment payable on 29 February 2024.

Absa Loan (1064) - Original loan amount was R 20 000 000 for the 3 drawdowns respectively. Bears interest from first draw down at 11.92%, 12.02% and 12.14% per annum respectively, with equal instalments of R 1 447 592, R 1 455 506 and R 1 465 020 payable at the end of November and May every year, with the last instalment payable 15 years from date of draw down.



5.2.6 CONCLUSION

In light of the above financial assessment and forecasting figures on the annual budget on the first six month ended 31st December 2019 of the 2019/2020 financial year, it is recommended that an adjustment budget for 2019/2020 is required to cater for the shift of funds between votes. The adjusted budget will be submitted to Council by the end of February 2019.

6. RECOMMENDATIONS

1. The Report on the submission of the Mid-Year Budget Assessment in compliance with Section 72 of the Municipal Finance Management Act No. 56 of 2003, as well as Section 23 of the Local Government: Municipal Budget and Reporting Regulations (MBRR) be noted.
2. That an adjustments budget is necessary to address all the mentioned issues in the report.
3. That the Mid-Year report be submitted to both National Treasury and Provincial Treasury.
4. That the Mid-Year report be made public in line with requirements of Section 21(A) of Municipal Systems Act of 2000 within five (5) days of approval by Council.

