

1. REPORT: SECTION 72 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT 31 DECEMBER 2020 / VERSLAG: ARTIKEL 72 HALFJAARLIKSE BEGROTING EN PRESTASIE ASSESSERING: 31 DESEMBER 2020 / INGXELO: UMHLATHI 72 ULWABIWOMALI-LOMBINDI NYANKA KUNYE NOQWALASELO LOMSEBENZI 31 KWEYOMNGA 2020

(6/18/7)

13 January 2021

REPORT FROM THE EXECUTIVE MAYOR (M BOOYSEN)

2. PURPOSE OF THE REPORT

The report is tabled to Council in terms of section 72 as required in terms of the Municipal Finance Management Act 56 of 2003

3. DELEGATED AUTHORITY

Council

5. RECOMMENDATION

- 5.1.1 Council takes note of the mid-year budget and performance report in terms of Section 72 of the Municipal Finance Management Act;
- 5.1.2 Council takes note of the SDBIP performance report for the six months ending 31 December 2020.
- 5.1.3 Council takes note that an adjustment budget will be tabled in February 2021 for consideration.

AANBEVELING

- 5.2.1 *Die Raad kennis neem van die halfjaarlikse Prestasieverslag voorgelê in terme van Artikel 72 van die Munisipale Finansiële Bestuurswet, en*
- 5.2.2 *Die Raad kennis neem van die SDBIP Prestasieverslag vir die eerste ses maande van die jaar geëindig 31 Desember 2020.*
- 5.2.3 *Die Raad kennis neem dat 'n aangepaste begroting voorgelê gaan word vir oorweging in Februarie 2021.*

ISINDULULO

- 5.3.1 *iBhunga lithathele ingalelo ulwabiwo-mali lombindi nyaka kunye noqwalaselo lomsebenzi ngokwemithetho yoMhlathi 72 woMthetho woLawulo Lwemali zoMasipala;*
- 5.3.2 *iBhunga lithathele ingqalelo ingxelo yomsebenzi we SDBIP kwinyanga ezintandathu eziphela ngomhla 31 kweyoMnga 2019.*
- 5.3.3 *iBhunga lithathele ingqalelo ukuba kuzakuthiwa thaca ulungelelwaniso lolwabiwo-mali ukuze luqwalaselwe.*

6. DISCUSSION / CONTENTS

6.1 BACKGROUND

Municipal Finance Management Act 56 of 2003

Section 72 (1) *The accounting officer of a municipality must submit the report by the 25th of January each year –*

- (a)** *Assess the performance of the municipality during the first half of the financial year taking into account –*
 - i.** *The monthly financial statements referred to in section 71 for the first half of the financial year;*
 - ii.** *The municipal service delivery performance during the first half of the financial year and the service delivery targets as well as performance indicators set in the service delivery and budget implementation plan;*
 - iii.** *The previous year annual report and the progress on resolving problems identified in the annual report; and*

(b) *Submit a report on such assessment to*

- i. The mayor of the municipality*
- ii. The National Treasury*
- iii. The relevant provincial treasury*

(2) *The statement referred to in section 71(1) for the sixth month of a financial year must be incorporated into the report referred to in subsection 1(b) of the section.*

(3) *The accounting officer must, as part of the review –*

- a) Make recommendations as to whether an adjustment budget is necessary;
and*
- b) Recommend revised projections for revenue and expenditure to the extent
that this may be necessary.*

After my review performed, it is recommended that an adjustment budget is needed.

6.3 FINANCIAL IMPLICATIONS

To be addressed in 2020/21 Fourth Adjustment Budget report.

6.4 LEGAL IMPLICATIONS

None. The following legislation applies:

- Municipal Finance Management Act, No 56 of 2003, section 52
- Municipal Budget and Reporting Regulations, 17 April 2009

6.5 STAFF IMPLICATION

None

6.6 PREVIOUS / RELEVANT COUNCIL RESOLUTIONS:

There are no previous or relevant Council resolutions related to this matter.

6.7 RISK IMPLICATIONS

There are no foreseen risks

6.8 COMMENTS FROM EXECUTIVE MANAGEMENT:

6.8.1 EXECUTIVE MANAGER: ROADS AND TRANSPORT PLANNING SERVICES

None

6.8.2 EXECUTIVE MANAGER: PLANNING AND ECONOMIC DEVELOPMENT

None

6.8.3 EXECUTIVE MANAGER: COMMUNITY SERVICES

None

6.8.4 EXECUTIVE MANAGER: CORPORATE SERVICES

None

6.8.5 EXECUTIVE MANAGER: FINANCIAL SERVICES

None

6.8.6 MANAGER: LEGAL SERVICES

None

ANNEXURE

Section 72 Mid-year Budget and Performance Report for the period ending 31 December 2020



2020 / 2021
FINANCIAL YEAR



SECTION 72 Mid-Year Budget and Performance Report

Garden Route District Municipality
Head Office: 54 York Street, George, 6530
Tel: 044 803 1300, Fax: 086 555 6303
www.gardenroute.gov.za

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Glossary

Annual Budget – Prescribed in section 16 of the MFMA - the formal means by which a Municipality approve official budget for the next three years.

Adjustment Budget – Prescribed in section 28 of the MFMA – the formal means by which a Municipality may revise its annual budget during the year.

Allocations (Transfers – see DORA) – Money received from Provincial or National Government.

Budget Related Policy (ies) – Policies of a Municipality affecting or affected by the budget, examples include Tariff Policy, Rates Policy, Credit Control and Debt Collection Policies.

Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet and must be included in the asset register.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality. Payments do not always coincide with budgeted expenditure timings - for example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government (see Allocations / Transfers).

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services and to compensate for the loss of RSC levies.

Fruitless and Wasteful Expenditure – Expenditure that was made in vain and would/should have been avoided had reasonable care been exercised.

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations dated April 2009.

MFMA – The Municipal Finance Management Act – Act No. 56 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years' budget allocations. Also includes details of the previous and current years' financial position.

Operating Expenditure –The day to day expenses of the Municipality such as salaries and wages.

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the Rand.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budgeted estimates.

Strategic Objectives – The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

Unauthorised Expenditure – Generally, spending without, or in excess of, an Approved Budget.

Virement – A transfer of funds.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided. In Garden Route District this means the different GFS classification the budget is divided.

Legislative Framework

This report has been prepared in terms of the following enabling legislation:

The Municipal Finance Management Act – Act No. 56 of 2003

Section 71: Monthly budget statements

Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations

PART 1 – IN-YEAR REPORT

SECTION 1 – MAYORAL SPEECH

Honourable Speaker, leaders of the Opposition, honourable members of the Garden Route District Council on both sides of the house, The Municipal Manager and his Executive Management Team, the Members of the Media, interest groups and the citizens of the Garden Route District Municipality.

I would like to express a hearty warm welcome to you all and express my warm wishes to you and your families for 2021. 2020 was a testing year for all of us, our thoughts and deepest condolences go out to all the families in the District and country that has been affected by COVID-19.

It was not a normal festive season and certainly not business as usual, our beaches were closed and the tourism sector faced yet another blow. This was all to keep loved ones and family safe during these uncertain times. However, there is some light at the end of the tunnel, there are various vaccines against COVID-19 available in the market and South Africa are expected to receive its first batch of vaccines during 2021.

The matriculants, the class of 2020, was also affected by the COVID-19 pandemic and their results are expected to be released on 22 February 2021. We trust that the class of 2020 would have done extremely well in their Matric exams under the circumstances, and we also trust that the doors of Higher Learning will be opened to allow them to shape their destiny. Those that have not done well, we wish to encourage them to take on the year with more vigour and excitement; they must know that they still have an opportunity to learn and improve their lives and those of their communities.

Although this is a new year, 2021, feels like a new beginning, however, in terms of our fiscal year we are half way through the 2020/21 financial year already; therefore, like any house that has intentions to prosper we need to do some introspections on the 6 months gone to ensure that we can rectify the errors of the past and improve on the success we have achieved thus far.

The actual and budgeted figures reported, includes the Roads Budget.

Revenue by source

The total adjusted revenue budget for 2020/21 year totals **R400,944,011 (including Roads Agency)**. Performance for the mid-year ending 31 December 2020 totals **R209,540,103**.

This represents a total of **52%** of the budgeted revenue, this is in line with expected performance of 50% for the first 6 months.

The majority of revenue is from Transfers and subsidies received to date to the amount of **R130,149,000**, which is **62%** of the revenue received for the first 6 months and the majority relates to the roads agency income.

The revenue in respect of the roads agency function is integrated on a monthly basis in the financial records and this amount is included under 'Agency services'.

Operating expenditure

The total adjusted expenditure budget for 2020/21 totals **R410,004,313 (including Roads Agency)**. Performance for the mid-year ending 31 December 2020 totals **R179,978,724**.

This represents a **44%** spending based on the budgeted expenditure, this is lower than 50% mainly due to non-cash items (e.g. debt impairment and actuarial losses) that is only accounted for at year-end.

The majority of these expenditure totals include Employee and Councillors related cost of **R133,050,435**, Contracted services of **R11,472,990** and Other expenditure of **R21,612,302**.

The expenditure in respect of the roads agency function is integrated on a monthly basis in the financial records and this amount is included under 'Other expenditure'.

Capital Budget performance

The adjusted capital budget for the financial year amounts to **R8,135,000**. For the first 6 months, capital expenditure was **R4,579,800** representing **56%** of the budget, this is in line with expected performance of 50% for the first 6 months.

Refer to detailed capital expenditure performance on pages 34 – 37.

- SDBIP:

Highlights

- The Top Level SDBIP was approved by the Mayor within the legislative required timeframe. The Departmental SDBIP was approved by the Municipal Manager also within legislative required timeframe. Adhering to all legislative requirements as stipulated below: -
- Approval of the Top Level SDBIP –
- Publication of the Top Level - website –

- Approval of the Departmental SDBIP –
- All sec 56/57 contracts entered into and signed within the required timeframes –
- Submission of the Section 72 and the adjusted Top Level SDBIP - Started with the basis for the compilation of System Descriptions for the Top Level SDBIP –
- Individual Performance is due for full implementation by June 2021.

Challenges

- Personnel shortage in the Performance Unit

I wish you a great 2021 and trust that the second half of the fiscal year will be nothing short of success.

I would therefore like to recommend to council the following:

It is recommended that:

- i. Council takes note of the mid-year budget and performance report in terms of Section 72 of the Municipal Finance Management Act;
- ii. Council takes note of the SDBIP performance report for the six months ending 31 December 2020.
- iii. Council takes note that an adjustment budget will be tabled in February 2021 for consideration.

SECTION 2 – RESOLUTIONS

SECTION 72 – MID YEAR BUDGET & PERFORMANCE ASSESSMENT REPORT

These are the resolutions being presented to Council in the mid-year report on the implementation of the budget and the financial state of affairs of the municipality as required in terms of section 72 of the Municipal Finance Management Act, Act 56 of 2003.

RECOMMENDATION:

It is recommended that:

- i. Council takes note of the mid-year budget and performance report in terms of Section 72 of the Municipal Finance Management Act;
- ii. Council takes note of the SDBIP performance report for the six months ending 31 December 2020.
- iii. Council takes note that an adjustment budget will be tabled in February 2021 for consideration.

SECTION 3 – EXECUTIVE SUMMARY

3.1 Introduction

These figures are presented in terms of Section 72 of the MFMA. The information is presented for the mid-year ending 31 December 2020.

3.2 Consolidated Performance

3.2.1 Against Annual Budget (original)

The actual and budgeted figures reported, includes the Roads Budget.

Revenue by source

The total revenue received for the first 6 months ending 31 December 2020 amounts to **R209,540,103**, in comparison to an adjusted budgeted figure of **R400,944,011 (including Roads Agency)** representing **52%** of budgeted revenue, this is in line with expected performance of 50% for the first 6 months.

Operating Expenditure by type

Operating expenditure for the first 6 months ending 31 December 2020 amounts to **R179,978,724**, which is reported against an adjusted budget of **R410,004,313 (including Roads Agency)**, representing **44%** of budgeted expenditure, this is below 50% mainly due to non-cash items (e.g. debt impairment and actuarial losses) that is only accounted for at year-end.

Capital Expenditure

The adjusted capital budget for the financial year amounts to **R8,135,000**. For the first 6 months, capital expenditure was **R4,579,800** representing **56%** of the budget, this is in line with expected performance of 50% for the first 6 months.

See attached capital expenditure progress report on page 34-37.

3.3 Material variances from SDBIP (Service Delivery and Budget Implementation Plan)

Variances and deficiencies will be explained in terms of the SDBIP and will be reported on by the Performance Management Unit, situated in the Office of the Municipal Manager. The Service Delivery and Budget Implementation Plan (SDBIP) performance of the municipality is attached as Part 3 to this report. This report reflects the municipal performance on the non-financial information for the period 1 July 2020 to 31 December 2020.

3.5 Annual Report

The Annual Report 2019/20 is not finalised yet due to the extended deadlines due to the COVID-19 pandemic.

3.6 Long-term financial sustainability

A Service provider was appointed to develop a Long Term Financial Plan, funding was received from Provincial Treasury in the form of the Western Cape Financial Management Support Grant to fund this project. The municipality established a revenue enhancement committee to create a platform to discuss the way forward with the findings contained in the report.

3.7 Remedial or corrective steps

Remedial actions and corrections will be instituted and changes recommend by the Performance Management Unit.

This will be dealt with during the adjustment budget process in February 2021. Detailed explanations of the remedial or corrective steps will be provided as part of the budget report to Council.

A report will be tabled with the adjustments required to the Service Delivery and Budget Implementation Plan (SDBIP). As explained above, the adjustments to the Operational Revenue and Expenditure budgets will be dealt with in the budget report.

3.8 Conclusion

Detailed analysis of the municipal performance for the year to date ending 31 December 2020 will be presented under the different sections of the report.

SECTION 4 – IN-YEAR BUDGET STATEMENT TABLES

4.1 Monthly budget statements

4.1.1 Table C1: S71 Monthly Budget Statement Summary

DC4 Garden Route - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment

Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	–	–	–	–	–	–	–		–
Service charges	–	–	–	–	–	–	–		–
Investment revenue	12 945	14 091	14 091	47	1 582	7 046	(5 463)	-78%	14 091
Transfers and subsidies	73 348	174 269	34 252	932	5 062	17 126	(12 064)	-70%	34 252
Other own revenue	273 290	203 812	352 601	66 215	202 896	176 301	26 595	15%	352 601
Total Revenue (excluding capital transfers and contributions)	359 583	392 172	400 944	67 195	209 540	200 472	9 068	5%	400 944
Employee costs	149 735	239 508	241 480	21 496	128 404	120 740	7 664	6%	241 480
Remuneration of Councillors	10 097	13 360	13 360	707	4 647	6 680	(2 033)	-30%	13 360
Depreciation & asset impairment	4 543	3 930	3 930	389	2 334	1 965	369	19%	3 930
Finance charges	–	–	–	–	–	–	–		–
Materials and bulk purchases	3 387	51 197	51 197	2 301	10 912	25 599	(14 686)	-57%	51 197
Transfers and subsidies	1 161	1 230	1 230	140	567	615	(48)	-8%	1 230
Other expenditure	183 972	92 007	98 807	6 298	33 115	49 403	(16 288)	-33%	98 807
Total Expenditure	352 894	401 232	410 004	31 333	179 979	205 002	(25 023)	-12%	410 004
Surplus/(Deficit)	6 690	(9 060)	(9 060)	35 862	29 561	(4 530)	34 092	-753%	(9 060)
Transfers and subsidies - capital (monetary allocation)	–	–	–	–	–	–	–		–
Contributions & Contributed assets	424	–	–	–	–	–	–		–
Surplus/(Deficit) after capital transfers & contributions	7 114	(9 060)	(9 060)	35 862	29 561	(4 530)	34 092	-753%	(9 060)
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–		–
Surplus/ (Deficit) for the year	7 114	(9 060)	(9 060)	35 862	29 561	(4 530)	34 092	-753%	(9 060)
Capital expenditure & funds sources									
Capital expenditure	7 763	8 135	8 135	238	4 580	4 068	512	13%	8 135
Capital transfers recognised	3 435	–	–	–	–	–	–		–
Borrowing	–	–	–	–	–	–	–		–
Internally generated funds	4 328	8 135	8 135	238	4 580	4 068	512	13%	8 135
Total sources of capital funds	7 763	8 135	8 135	238	4 580	4 068	512	13%	8 135
Financial position									
Total current assets	158 711	173 685	173 685		249 175				173 685
Total non current assets	248 198	314 316	314 316		219 303				314 316
Total current liabilities	20 253	74 604	74 604		46 537				74 604
Total non current liabilities	90 666	144 852	144 852		78 557				144 852
Community wealth/Equity	295 989	268 545	268 545		343 384				268 545
Cash flows									
Net cash from (used) operating	(51 371)	(3 288)	(3 288)	35 862	29 561	(1 644)	(31 206)	1898%	(3 288)
Net cash from (used) investing	(7 763)	(8 135)	(8 135)	8 090	3 748	(2 712)	(6 460)	238%	(8 135)
Net cash from (used) financing	–	–	–	–	–	–	–		–
Cash/cash equivalents at the month/year end	110 634	143 131	143 131	–	203 131	150 199	(52 932)	-35%	158 398
Debtors & creditors analysis	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis									
Total By Income Source	1 400	824	746	406	980	1 576	6 276	25 132	37 340
Creditors Age Analysis									
Total Creditors	39	859	43	3	34	151	356	24	1 509

4.1.2 Table C2: Monthly Budget Statement - Financial Performance (standard classification)

DC4 Garden Route - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year Assessment

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
<i>Governance and administration</i>		208 430	217 258	226 030	55 878	145 824	113 015	32 809	29%	226 030
Executive and council		207 582	217 030	225 802	55 878	145 794	112 901	32 893	29%	225 802
Finance and administration		848	228	228	—	30	114	(84)	-74%	228
Internal audit		—	—	—	—	—	—	—	—	—
<i>Community and public safety</i>		6 415	9 330	9 330	433	1 234	4 665	(3 431)	-74%	9 330
Community and social services		—	—	—	—	—	—	—	—	—
Sport and recreation		6 021	8 656	8 656	411	1 084	4 328	(3 245)	-75%	8 656
Public safety		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		393	674	674	22	151	337	(186)	-55%	674
<i>Economic and environmental services</i>		144 927	165 584	165 584	10 884	62 482	82 792	(20 310)	-25%	165 584
Planning and development		—	—	—	—	—	—	—	—	—
Road transport		144 851	165 473	165 473	10 875	62 428	82 736	(20 308)	-25%	165 473
Environmental protection		76	111	111	9	54	56	(2)	-3%	111
<i>Trading services</i>		236	—	—	—	—	—	—	—	—
Energy sources		—	—	—	—	—	—	—	—	—
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		236	—	—	—	—	—	—	—	—
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	360 008	392 172	400 944	67 195	209 540	200 472	9 068	5%	400 944
Expenditure - Functional										
<i>Governance and administration</i>		113 858	129 355	132 185	9 284	60 780	66 093	(5 313)	-8%	132 185
Executive and council		37 979	49 165	51 495	2 140	18 169	25 748	(7 579)	-29%	51 495
Finance and administration		73 727	77 489	77 989	6 958	41 145	38 995	2 151	6%	77 989
Internal audit		2 152	2 702	2 701	186	1 465	1 351	115	8%	2 701
<i>Community and public safety</i>		77 975	85 264	86 536	7 162	38 690	43 268	(4 578)	-11%	86 536
Community and social services		11 334	12 914	12 994	1 239	5 892	6 497	(605)	-9%	12 994
Sport and recreation		11 470	13 494	13 494	909	4 707	6 747	(2 040)	-30%	13 494
Public safety		24 475	26 063	26 063	1 912	11 069	13 031	(1 962)	-15%	26 063
Housing		—	—	—	—	—	—	—	—	—
Health		30 696	32 793	33 985	3 102	17 022	16 992	29	0%	33 985
<i>Economic and environmental services</i>		156 692	179 235	181 404	14 272	76 628	90 702	(14 074)	-16%	181 404
Planning and development		7 393	7 087	7 087	733	4 042	3 543	499	14%	7 087
Road transport		146 151	168 818	170 987	13 318	71 182	85 493	(14 312)	-17%	170 987
Environmental protection		3 149	3 330	3 330	221	1 404	1 665	(261)	-16%	3 330
<i>Trading services</i>		3 565	4 606	7 106	496	3 033	3 553	(520)	-15%	7 106
Energy sources		—	—	—	—	—	—	—	—	—
Water management		—	—	—	—	—	—	—	—	—
Waste water management		—	—	—	—	—	—	—	—	—
Waste management		3 565	4 606	7 106	496	3 033	3 553	(520)	-15%	7 106
<i>Other</i>		2 104	2 773	2 773	119	847	1 386	(539)	-39%	2 773
Total Expenditure - Functional	3	354 194	401 233	410 004	31 333	179 978	205 002	(25 024)	-12%	410 004
Surplus/ (Deficit) for the year		5 814	(9 060)	(9 060)	35 862	29 562	(4 530)	34 092	-753%	(9 060)

This table reflects the operating budget (Financial Performance) in the standard classifications that is the Government Finance Statistics Functions and Sub-function. The main functions are Governance and Administration, Community and Public Safety, Economic and Environmental Services and Trading services.

Operating Revenue:

Table C2 reflects the financial performance per Standard Classification and shows that most of the municipal funds are received under the Executive and Council classification. This is because the municipality budgets most of its income under the Governance and administration function of the Government Financial Statistics (GFS) classification.

The municipality reported a **52%** performance for Revenue for the first 6 months ending 31 December 2020, this is in line with expected performance of 50% for the first 6 months. The majority of the revenue consist of grants and mainly the equitable share and roads agency function allocation.

Operating Expenditure

The municipality reported a **44%** performance for Expenditure for the first 6 months ending 31 December 2020, this is below 50% mainly due to non-cash items (e.g. debt impairment and actuarial losses) that is only accounted for at year-end.

Adjustments to the budget will be tabled to council during February 2021 in order to improve performance and enhance service delivery.

More details regarding the operational expenditure below.

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

DC4 Garden Route - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Executive and Council		207 582	217 030	225 802	55 878	145 794	112 901	32 893	29,1%	225 802
Vote 2 - Budget and Treasury Office		-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		848	228	228	-	30	114	(84)	-73,7%	228
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Health		393	674	674	22	151	337	(186)	-55,3%	674
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		6 021	8 656	8 656	411	1 084	4 328	(3 245)	-75,0%	8 656
Vote 9 - Waste Management		236	-	-	-	-	-	-	-	-
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		76	111	111	9	54	56	(2)	-3,2%	111
Vote 14 - Roads Agency Function		144 851	165 473	165 473	10 875	62 428	82 736	(20 308)	-24,5%	165 473
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	360 008	392 172	400 944	67 195	209 540	200 472	9 068	4,5%	400 944
Expenditure by Vote	1									
Vote 1 - Executive and Council		40 928	52 598	54 928	2 742	21 372	27 464	(6 092)	-22,2%	54 928
Vote 2 - Budget and Treasury Office		21 844	24 275	24 675	2 306	12 923	12 337	585	4,7%	24 675
Vote 3 - Corporate Services		40 538	42 386	42 486	3 427	21 823	21 243	580	2,7%	42 486
Vote 4 - Planning and Development		22 663	23 512	23 512	1 976	11 107	11 756	(649)	-5,5%	23 512
Vote 5 - Public Safety		30 670	33 222	33 302	2 610	14 235	16 651	(2 416)	-14,5%	33 302
Vote 6 - Health		33 216	34 993	36 185	3 326	18 193	18 092	100	0,6%	36 185
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		11 470	13 494	13 494	909	4 707	6 747	(2 040)	-30,2%	13 494
Vote 9 - Waste Management		3 565	4 606	7 106	496	3 033	3 553	(520)	-14,6%	7 106
Vote 10 - Roads Transport		-	3 345	5 514	-	1 300	2 757	(1 457)	-52,8%	5 514
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		3 149	3 330	3 330	221	1 404	1 665	(261)	-15,7%	3 330
Vote 14 - Roads Agency Function		144 851	165 473	165 473	13 318	69 882	82 736	(12 855)	-15,5%	165 473
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	352 894	401 233	410 004	31 333	179 978	205 002	(25 024)	-12,2%	410 004
Surplus/ (Deficit) for the year	2	7 114	(9 060)	(9 060)	35 862	29 562	(4 530)	34 092	-752,6%	(9 060)

Revenue and expenditure reflects the operating performance per municipal vote. This is in accordance with the Government Financial Statistics (GFS) classification of the National Treasury.

Most of the municipal income is budgeted under the Executive and Council functions. Sport and Recreation (Resorts) is the other main municipal function where income budgeting is recorded.

Expenditure per municipal vote is distributed to ensure that the municipal expenditure reflects the functions where expenditure is allocated. This is done to ensure implementation of the Integrated Development Plan (IDP) and for Annual Reporting.

4.1.4 Table C4: Monthly Budget Statement - Financial Performance (revenue and expenditure)

DC4 Garden Route - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

Description	Ref	2019/20	Budget Year 2020/21							
		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								-		
Service charges - electricity revenue								-		
Service charges - water revenue								-		
Service charges - sanitation revenue								-		
Service charges - refuse revenue								-		
Rental of facilities and equipment		1 142	1 614	1 614	82	134	807	(673)	-83%	1 614
Interest earned - external investments		12 945	14 091	14 091	47	1 582	7 046	(5 463)	-78%	14 091
Interest earned - outstanding debtors		3 234	3 710	3 710	231	1 356	1 855	(499)	-27%	3 710
Dividends received		-	-					-		-
Fines, penalties and forfeits		-						-		
Licences and permits		76	111	111	9	54	56	(2)	-3%	111
Agency services		163 461	184 673	184 673	12 086	69 558	92 336	(22 778)	-25%	184 673
Transfers and subsidies		73 348	174 269	34 252	932	5 062	17 126	(12 064)	-70%	34 252
Other revenue		105 378	13 704	162 493	53 807	131 793	81 246	50 547	62%	162 493
Gains on disposal of PPE								-		-
Total Revenue (excluding capital transfers and contributions)		359 583	392 172	400 944	67 195	209 540	200 472	9 068	5%	400 944
Expenditure By Type										
Employee related costs		149 735	239 508	241 480	21 496	128 404	120 740	7 664	6%	241 480
Remuneration of councillors		10 097	13 360	13 360	707	4 647	6 680	(2 033)	-30%	13 360
Debt impairment		1 198	1 841	1 841	-	17	921	(904)	-98%	1 841
Depreciation & asset impairment		4 543	3 930	3 930	389	2 334	1 965	369	19%	3 930
Finance charges		-	-	-	-	-	-	-		-
Bulk purchases		-	-					-		
Other materials		3 387	51 197	51 197	2 301	10 912	25 599	(14 686)	-57%	51 197
Contracted services		13 201	32 272	38 022	2 915	11 473	19 011	(7 538)	-40%	38 022
Transfers and subsidies		1 161	1 230	1 230	140	567	615	(48)	-8%	1 230
Other expenditure		169 573	57 894	58 944	3 383	21 625	29 472	(7 847)	-27%	58 944
Loss on disposal of PPE								-		
Total Expenditure		352 894	401 232	410 004	31 333	179 979	205 002	(25 023)	-12%	410 004
Surplus/(Deficit)		6 690	(9 060)	(9 060)	35 862	29 561	(4 530)	34 092	(0)	(9 060)
Transfers and subsidies - capital (financial assistance), (National / Provincial and District)								-		
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		424						-		
Transfers and subsidies - capital (in-kind - all)								-		
Surplus/(Deficit) after capital transfers & contributions		7 114	(9 060)	(9 060)	35 862	29 561	(4 530)			(9 060)
Taxation								-		
Surplus/(Deficit) after taxation		7 114	(9 060)	(9 060)	35 862	29 561	(4 530)			(9 060)
Attributable to minorities										
Surplus/(Deficit) attributable to municipality		7 114	(9 060)	(9 060)	35 862	29 561	(4 530)			(9 060)
Share of surplus/ (deficit) of associate										
Surplus/ (Deficit) for the year		7 114	(9 060)	(9 060)	35 862	29 561	(4 530)			(9 060)

Revenue by Source

Revenue by source explains the types of income budgeted for and the performance of these items individually.

Rental of facilities and equipment:

Rental of facilities and equipment for the first 6 months ending 31 December 2020 amounted to R134,389 against an adjusted budget of R1,614,000, representing 8,3% year to date received. The resorts were closed after the outbreak of the COVID 19 in South Africa and the declaration of a national disaster, and as a result the municipality presented COVID-relief to the lessees at the resorts. However, the correcting journals for this COVID-relief was only passed during the month of November 2020, which resulted in the net debit balance on the rental of facilities and equipment vote. The actual performance is -83% of the year-to-date budget, with the movement back to lockdown level three, it will be necessary to revise the rental of facilities and equipment revenue budget downwards in the February adjustment budget.

Interest earned – External Investments:

Reflects the interest earned in respect of surplus funds not immediately needed in the operations of the municipality over the short-term period. Interest on external investments received for the first 6 months ending 31 December 2020 amounted to R1,582,276, against an adjusted budget of R14,091,000, which represents 11,2% interest received year to date. The investment balance of the municipality amounted to R198m for the month ended 31 December 2020 and was invested for a period longer than 30 days to optimize interest received on investments. The actual performance is -78% off the year-to-date budget as a result of bulk of investments that have not matured yet, it is invested for more than 30 days, and the interest will only be realised on the date of maturity hence the reason for the under performance against budgeted amount versus actual year-to-date.

Interest raised – Outstanding debtors

Interest on outstanding debtors for the first 6 months ending 31 December 2020 amounted to R1,356,119, against an adjusted budget of R3,710,000, which represents 37% interest received year date. Majority of the debtors are firefighting debtors.

Agency services

The municipality performs an agency function on behalf of the Department of Transport – Roads department. Monthly agency fees are collected from the department. 12% Admin fee

is received on the original allocation and 3% on the cost of additional reseal projects. An amount of R69,558,151 was recorded for the first 6 months ending 31 December 2020, the amount includes the admin fee as well as the revenue recognised in relating to the actual expenditure.

Transferred recognised – operational

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenues Act's respectively. The first instalment of R73,116,000 for the Equitable Share was received during July 2020. The Local Government Finance Management grant of R1,000,000 and the first instalment of R518,000 for Expanded Public Works Programme was received during August 2020. The municipality received its first instalment of R1,712,000 for the Rural Roads Assets Management Grant during September 2020. The fuel levy share budgeted amount were moved to other revenue, the municipality received instalments as per agreement and the performance for the year to date is in line with the budgeted expected amounts. The municipality received R900,000 for Integrated Transport Planning from Provincial Treasury during October 2020. For the month ended 31 December 2020 the municipality have received the second instalment of the EPWP grant amounting to R932,000, as well as the Equitable share second instalment to the amount of R51,971,000.

Other revenue / Sundry income

Other revenue reflects an amount of R131,793,323, against an adjusted budget of R162,493,000, representing 81% for the first 6 months ending 31 December 2020. Other revenue consists of the following: Roads income (incorporated on a monthly basis by means of a journal), Interest on current account and resorts income.

Expenditure by Type

Expenditure by type reflects the operational budget per main type/category of expenditure.

Employee Related cost / Remuneration of councillors

Remuneration related expenditure for the first 6 months ending 31 December 2020 amounted to R133,050,435. The councillor remuneration expenditure for the first 6 months

amounted to R4,646,751 to an adjusted budget of R13,360,009, representing 35% of the budget. An annual increase has been budgeted for, but we are still awaiting the formal increase to be issued by National Treasury for processing

Debt Impairment / Depreciation and asset impairment

These items account for non-cash budgeted items. The fixed asset register module must still be implemented at Garden Route DM by the service provider of the financial system. The municipality are awaiting the service provider to implement the new fixed asset management system as the previous asset management system provider (Market Demand) terminated its services under the mSCOA contract. Phoenix had to develop a new asset register (at no additional cost to municipalities, as this was an mSCOA requirement when National Treasury awarded the transversal tender for financial systems). Garden Route DM must first test the new proposed asset register extensively to ensure it meets the requirements of mSCOA and GRAP and fully integrates seamlessly and correctly with the financial system before it can be implemented. R2,351,130 were recorded for the first 6 months ending 31 December 2020 for depreciation against an adjustment budget of R5,771,000, which represents 40% for the 6 months.

Finance charges

The municipality have no outstanding loans however a loan might be taken up for the construction of the regional landfill site.

Contracted services

Contracted services amounted to R11,472,990, against an adjusted budget of R38,022,000, which represents 30% for the first 6 months ending 31 December 2020.

Other expenditure

Other expenditure reflects all other expenses not specifically mentioned and amounted to R21,612,302, against an adjustment budget of R58,944,000, which represents 37% for the first 6 months ending 31 December 2020. The other expenditure consists of the following, Operating costs, Operating Projects (own funds) and Roads expenditure.

4.1.5 Table C5: Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding)

DC4 Garden Route - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment

Vote Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 1 - Executive and Council		-	5 000	5 000	-	4 012	2 500	1 512	60%	5 000
Vote 2 - Budget and Treasury Office		19	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		1 231	-	-	-	-	-	-	-	-
Vote 4 - Planning and Development		-	-	-	-	-	-	-	-	-
Vote 5 - Public Safety		-	-	-	-	-	-	-	-	-
Vote 6 - Health		-	-	-	-	-	-	-	-	-
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		-	1 500	1 500	-	-	750	(750)	-100%	1 500
Vote 9 - Waste Management		-	-	-	-	-	-	-	-	-
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		-	-	-	-	-	-	-	-	-
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	1 251	6 500	6 500	-	4 012	3 250	762	23%	6 500
Single Year expenditure appropriation	2									
Vote 1 - Executive and Council		70	30	30	-	-	15	(15)	-100%	30
Vote 2 - Budget and Treasury Office		1	-	-	-	-	-	-	-	-
Vote 3 - Corporate Services		97	1 575	1 575	238	544	788	(244)	-31%	1 575
Vote 4 - Planning and Development		14	30	30	-	24	15	9	61%	30
Vote 5 - Public Safety		3 775	-	-	-	-	-	-	-	-
Vote 6 - Health		2 255	-	-	-	-	-	-	-	-
Vote 7 - Community and Social Services		-	-	-	-	-	-	-	-	-
Vote 8 - Sport and Recreation		245	-	-	-	-	-	-	-	-
Vote 9 - Waste Management		27	-	-	-	-	-	-	-	-
Vote 10 - Roads Transport		-	-	-	-	-	-	-	-	-
Vote 11 - Waste Water Management		-	-	-	-	-	-	-	-	-
Vote 12 - Water		-	-	-	-	-	-	-	-	-
Vote 13 - Environment Protection		28	-	-	-	-	-	-	-	-
Vote 14 - Roads Agency Function		-	-	-	-	-	-	-	-	-
Vote 15 - Electricity		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	6 512	1 635	1 635	238	568	818	(250)	-31%	1 635
Total Capital Expenditure		7 763	8 135	8 135	238	4 580	4 068	512	13%	8 135

Variances explained in Supporting Table C5

For the first 6 months, capital expenditure was **R 4,579,800**, against an adjusted budget of R8,135,000 representing **56%** of the budget, this is in line with expected performance of 50% for the first 6 months.

4.1.6 Table C6: Monthly Budget Statement - Financial Position

DC4 Garden Route - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment

Description	Ref	2019/20	Budget Year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		144 849	143 131	143 131	21 131	143 131
Call investment deposits		–	–	–	182 000	–
Consumer debtors		10 863	–	–	44 190	–
Other debtors		269	23 956	23 956	(1 429)	23 956
Current portion of long-term receivables			3 867	3 867		3 867
Inventory		2 731	2 731	2 731	3 282	2 731
Total current assets		158 711	173 685	173 685	249 175	173 685
Non current assets						
Long-term receivables			59 705	59 705		59 705
Investments		27	27	27	26	27
Investment property		86 108	86 108	86 108	54 126	86 108
Investments in Associate						
Property, plant and equipment		159 923	166 336	166 336	164 352	166 336
Biological						
Intangible		2 139	2 139	2 139	798	2 139
Other non-current assets						
Total non current assets		248 198	314 316	314 316	219 303	314 316
TOTAL ASSETS		406 909	488 001	488 001	468 478	488 001
LIABILITIES						
Current liabilities						
Bank overdraft						
Borrowing		698			223	–
Consumer deposits		1 052			2 266	–
Trade and other payables		1 199	37 449	37 449	31 561	37 449
Provisions		17 304	37 155	37 155	12 488	37 155
Total current liabilities		20 253	74 604	74 604	46 537	74 604
Non current liabilities						
Borrowing		28	28	28	169	28
Provisions		90 638	144 823	144 823	78 388	144 823
Total non current liabilities		90 666	144 852	144 852	78 557	144 852
TOTAL LIABILITIES		110 920	219 456	219 456	125 094	219 456
NET ASSETS	2	295 989	268 545	268 545	343 384	268 545
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		264 663	249 572	249 572	245 048	249 572
Reserves		31 326	18 973	18 973	98 336	18 973
TOTAL COMMUNITY WEALTH/EQUITY	2	295 989	268 545	268 545	343 384	268 545

Table C6 reflects the effect of the combination of the capital and operating implementation of the budget on council's Financial Position.

4.1.7 Table C7: Monthly Budget Statement - Cash Flow

DC4 Garden Route - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
CASH FLOW FROM OPERATING ACTIVITIES										
Receipts										
Property rates								-		
Service charges								-		
Other revenue		172 185	200 102	203 329	65 984	201 540	101 665	99 875	98%	203 329
Government - operating		170 090	174 269	179 813	932	5 062	89 907	(84 845)	-94%	179 813
Government - capital							-	-		-
Interest		16 264	17 801	17 801	279	2 938	8 901	(5 962)	-67%	17 801
Dividends							-	-		
Payments										
Suppliers and employees		(405 126)	(394 231)	(403 002)	(31 193)	(179 412)	(201 501)	(22 089)	11%	(403 002)
Finance charges		-	-			-	-	-		-
Transfers and Grants		(4 784)	(1 230)	(1 230)	(140)	(567)	(615)	(48)	8%	(1 230)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(51 371)	(3 288)	(3 288)	35 862	29 561	(1 644)	(31 206)	1898%	(3 288)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		-
Decrease (Increase) in non-current debtors		-						-		-
Decrease (increase) other non-current receivables			-				-	-		
Decrease (increase) in non-current investments		-	-		8 328	8 328		8 328	#DIV/0!	
Payments										
Capital assets		(7 763)	(8 135)	(8 135)	(238)	(4 580)	(2 712)	1 868	-69%	(8 135)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(7 763)	(8 135)	(8 135)	8 090	3 748	(2 712)	(6 460)	238%	(8 135)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing								-		
Increase (decrease) in consumer deposits								-		
Payments										
Repayment of borrowing								-		
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-		-
NET INCREASE/ (DECREASE) IN CASH HELD		(59 134)	(11 423)	(11 423)	43 952	33 310	(4 356)			(11 423)
Cash/cash equivalents at beginning:		169 768	154 555	154 555		169 821	154 555			169 821
Cash/cash equivalents at month/year end:		110 634	143 131	143 131		203 131	150 199			158 398

The municipal bank balance at 31 December 2020 totals R 5,131,020 and the short term deposits made amounts to R 198,000,000, therefore the total cash and cash equivalents amounts to R 203,131,020.

More detailed information regarding the cash position is tabled below that is giving a breakdown of the commitments against the cash of council:

REPORTING MONTH: 31 DECEMBER 2020		
Commitments against Cash & Cash Equivalents		
ITEM	Previous Month R'000	Current Month R'000
Bank balance as at 31 December 2020	31 821 427,06	5 131 020,17
Other Cash & Cash Equivalents: Short term deposits	138 000 000,00	198 000 000,00
Total Cash & Cash Equivalents:	169 821 427,06	203 131 020,17
LESS:	84 004 353,35	128 518 556,59
Unspent Conditional Grants	5 207 021,15	5 207 021,15
Provision for staff leave	13 904 229,27	13 904 229,27
Provision for bonus	3 924 018,00	3 924 018,00
Post Retirement Benefits	37 463 916,00	37 463 916,00
Performance Bonus	1 131 246,00	1 131 246,00
Grant received in advance	-	38 978 250,00
Trade Payables	2 487 682,68	2 886 444,00
YTD Unspent Capital budget	-	-
YTD Unspent Operational budget	19 886 240,25	25 023 432,17
Sub total	85 817 073,71	74 612 463,58
PLUS:	10 158 539,00	10 158 539,00
VAT Receivable	2 148 048,00	2 148 048,00
Receivable Exchange	8 010 491,00	8 010 491,00
	95 975 612,71	84 771 002,58
LESS OTHER MATTERS:		
Capital Replacement Reserve	31 856 144,00	31 856 144,00
Employee Benefits Reserves	33 429 212,00	33 429 212,00
Sub Total	30 690 256,71	19 485 646,58
LESS: CONTINGENT LIABILITIES	7 503 441,00	7 503 441,00
Barry Louis Rae Trust	4 500 000,00	4 500 000,00
Portion of Portion 2 of Farm 238, Hooggekraal	353 441,00	353 441,00
Labour disputes	2 650 000,00	2 650 000,00
Recalculated available cash balance	23 186 815,71	11 982 205,58

PART 2 – SUPPORTING DOCUMENTATION

Section 5 – Debtors' analysis

Supporting Table SC3

DC4 Garden Route - Supporting Table SC3 Monthly Budget Statement - aged debtors - Mid-Year Assessment

2024 Garden Route - Supporting Table 003 Monthly Budget Statement - aged debtors - mid-year Assessment														
Description	NT Code	Budget Year 2020/21										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 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total				
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Ex change Transactions - Water	1200	–	–	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Ex change Transactions - Electricity	1300	–	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Non-ex change Transactions - Property Rates	1400	–	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Ex change Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Ex change Transactions - Waste Management	1600	–	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Ex change Transactions - Property Rental Debtors	1700	–	–	–	–	0	60	–	(48)	12	12	–	–	–
Interest on Arrear Debtbr Accounts	1810	231	227	229	228	222	233	1 766	2 273	5 408	4 721	–	–	–
Recov erable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	1 169	597	517	178	758	1 283	4 509	22 907	31 919	29 636	–	–	–
Total By Income Source	2000	1 400	824	746	406	980	1 576	6 276	25 132	37 340	34 369	–	–	–
2019/20 - totals only										–	–	–	–	–
Debtors Age Analysis By Customer Group														
Organs of State	2200	(108)	200	32	103	57	254	476	1 267	2 279	2 156	–	–	–
Commercial	2300	–	–	–	–	–	–	–	–	–	–	–	–	–
Households	2400	(1)	–	–	0	–	–	–	–	(1)	0	–	–	–
Other	2500	1 510	624	715	303	923	1 323	5 800	23 865	35 062	32 214	–	–	–
Total By Customer Group	2600	1 400	824	746	406	980	1 576	6 276	25 132	37 340	34 369	–	–	–

Long outstanding debtors that mainly consist of old sundry debt and fire accounts, remains a concern for the municipality and management will continue to report in terms of progress made.

The majority of the firefighting accounts are disputed with regards to the origin of the fire and who is responsible for the payment of the account.

The municipality are required to submit debtors aged analysis data strings on a monthly basis.

Currently the debtor section initiated debt collection processes and will report quarterly to the financial services committee on the debt collection process.

Section 6 – Creditors' analysis

Supporting Table C4

DC4 Garden Route - Supporting Table SC4 Monthly Budget Statement - aged creditors - Mid-Year Assessment

Description R thousands	NT Code	Budget Year 2020/21									Prior year
		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	totals for chart (same period)
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	
Bulk Water	0200	-	-	-	-	-	-	-	-	-	
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	
Loan repayments	0600	-	-	-	-	-	-	-	-	-	
Trade Creditors	0700	39	859	31	3	34	151	356	24	1 497	
Auditor General	0800	-	-	-	-	-	-	-	-	-	
Other	0900	-	-	12	1	-	-	-	-	12	
Total By Customer Type	1000	39	859	43	3	34	151	356	24	1 509	-

The municipality are required to submit creditors aged analysis data strings on a monthly basis.

The reason for long outstanding creditors are due to invoices not submitted by either suppliers or user departments, other reasons also include disputes on certain invoices.

The municipality are continuously working towards resolving outstanding disputes on invoices and obtaining outstanding invoices.

Section 7 – Investment portfolio analysis

7.1 Investment monitoring information

	Balance as at 01 December 2020	Movements for the month			Balance as at 31 December 2020	Interest earned Month	Interest earned Year to date
		Investments matured	Investments made	Interest capitalised			
Garden Route District Municipality							
Interest Received YTD					-		
Standard Bank	46 000 000,00	-	20 000 000,00		66 000 000,00	-	383 480,81
Investec Bank	-	-	-		-	-	48 497,25
ABSA	40 000 000,00	-	-		40 000 000,00	-	309 759,24
Nedbank	46 000 000,00	-	20 000 000,00		66 000 000,00	-	312 833,42
FNB	6 000 000,00	-	20 000 000,00		26 000 000,00	-	15 623,00
Standard Bank - Bank Guarantee investment investment	-				-	-	-
BANK DEPOSITS	138 000 000,00	-	60 000 000,00	-	198 000 000,00	-	1 070 193,72

Total invested funds at the end of 31 December 2020 totals R198,000,000 as reflected above.

The municipality invest access funds on a 30 days' short-term investment period in order to maximise the interest received and to have cash readily available when needed and is done in line with the Cash Management and Investment Policy of council.

Section 8 – Allocation and grant receipts and expenditure

8.1 Supporting Table C6

DC4 Garden Route - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - Mid-Year Assessment

Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
RECEIPTS:	1,2									
Operating Transfers and Grants										
National Government:		157 166	168 297	172 793	52 903	129 249	86 397	42 234	48,9%	172 793
Local Government Equitable Share		151 237	162 480	165 707	51 971	125 087	82 854	42 234	51,0%	165 707
Finance Management		1 000	1 000	1 000	–	1 000	500			1 000
Municipal Systems Improvement		–	300	300			150			300
EPWP Incentive		1 021	2 072	2 072	932	1 450	1 036			2 072
NT - Rural Roads Asset Management Systems		2 425	2 445	3 714	–	1 712	1 857			3 714
Fire Service Capacity Building Grant	3	1 483						–		–
								–		
								–		
								–		
Other transfers and grants [insert description]								–		
Provincial Government:		14 810	3 400	7 676	–	900	3 838	(2 738)	-71,3%	7 676
PT - Integrated Transport Plan		1 800	900	1 800	–	900	900	–		1 800
PT - WC Support Grant		1 450	400	400			200			400
PT - Disaster Management Grant		10 000		80			40	(40)	-100,0%	80
PT - WC Support Grant	4	360		2 473			1 237	(1 237)	-100,0%	2 473
PT - Safety Plan Implementation (WOSA)		1 200	2 100	2 923	–		1 461	(1 461)	-100,0%	2 923
PT - WC Support Grant - Risk Management								–		
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
								–		
Total Operating Transfers and Grants	5	171 976	171 697	180 469	52 903	130 149	90 234	39 496	43,8%	180 469

8.2 Supporting Table C7

DC4 Garden Route - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - Mid-Year Assessment

Supporting Table 507(1) Monthly Budget Statement - Transfers and Grant Expenditure - and Year Assessment										
Description	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
<u>EXPENDITURE</u>										
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		161 684	168 297	172 793	364	2 735	86 397	(83 662)	-96,8%	172 793
Local Government Equitable Share		157 370	162 480	165 707			82 854	(82 854)	-100,0%	165 707
Finance Management		1 000	1 000	1 000	58	364	500	(136)	-27,1%	1 000
Municipal Systems Improvement		–	300	300	39	298	150	148	98,8%	300
EPWP Incentive		1 629	2 072	2 072	266	2 072	1 036	1 036	100,0%	2 072
NT - Rural Roads Asset Management Systems			2 445	3 714	–		1 857	(1 857)	-100,0%	3 714
Fire Service Capacity Building Grant		1 685						–		–
Other transfers and grants [insert description]								–		
Provincial Government:		14 810	3 400	7 676	324	324	3 838	(3 514)	-91,6%	7 676
PT - Integrated Transport Plan		1 800	900	1 800	–		900	(900)	-100,0%	1 800
PT - Disaster Management Grant		10 000		80	–		40	(40)	-100,0%	80
PT - WC Support Grant		1 450	400	400	73	73	200	(127)	-63,4%	400
PT - Safety Plan Implementation (WOSA)		1 200	2 100	2 923	–	–	1 461	(1 461)	-100,0%	2 923
PT - WC Support Grant - Risk Management		360		2 473	251	251	1 237	(986)	-79,7%	2 473
District Municipality:		–	–	–	–	–	–	–		–
[insert description]								–		
Other grant providers:		–	–	–	–	–	–	–		–
[insert description]								–		
Total operating expenditure of Transfers and Grants:		176 494	171 697	180 469	687	3 058	90 234	(87 176)	-96,6%	180 469

Performance reporting on grants will be enhanced to ensure compliance with the Division of Revenue Act.

Section 9 – Expenditure on councillor and board members allowances and employee benefits

Supporting Table C8

DC4 Garden Route - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - Mid-Year Assessment

Summary of Employee and Councillor remuneration	Ref	2019/20	Budget Year 2020/21							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
	1	A	B	C						D
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages		9 340	11 298	11 298	641	4 229	5 649	(1 420)	-25%	11 298
Pension and UIF Contributions		54	242	242	8	42	121	(79)	-65%	242
Medical Aid Contributions		49	78	78	8	39	39	(0)	0%	78
Motor Vehicle Allowance		86	776	776	–	26	388	(362)	-93%	776
Cellphone Allowance		568	515	515	51	311	258	54	21%	515
Housing Allowances		–	451	451	–	–	226	(226)	-100%	451
Other benefits and allowances		–								
Sub Total - Councillors		10 097	13 360	13 360	707	4 647	6 680	(2 033)	-30%	13 360
% increase	4		32,3%	32,3%						32,3%
Senior Managers of the Municipality	3									
Basic Salaries and Wages		4 442	4 390	4 390	487	2 833	2 195	638	29%	4 390
Pension and UIF Contributions		161	161	161	0	15	80	(66)	-82%	161
Medical Aid Contributions		124	105	105	4	24	53	(28)	-54%	105
Overtime		–	–	–	–	–	–	–		–
Performance Bonus		838	–	–	–	–	–	–		–
Motor Vehicle Allowance		805	804	804	41	285	402	(117)	-29%	804
Cellphone Allowance		111	142	142	9	54	71	(17)	-24%	142
Housing Allowances		194	–	–	–	–	–	–		–
Other benefits and allowances		(211)	770	770	0	1	385	(384)	-100%	770
Payments in lieu of leave		–	–	–	–	–	–	–		–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	–	–	–	–	–	–	–		–
Sub Total - Senior Managers of Municipality		6 464	6 371	6 371	542	3 212	3 185	27	1%	6 371
% increase	4		-1,4%	-1,4%						-1,4%
Other Municipal Staff										
Basic Salaries and Wages		86 899	147 256	147 721	13 026	78 833	73 861	4 972	7%	147 721
Pension and UIF Contributions		13 210	24 724	24 724	2 202	11 332	12 362	(1 030)	-8%	24 724
Medical Aid Contributions		10 314	19 854	19 854	1 384	7 544	9 927	(2 382)	-24%	19 854
Overtime		3 045	4 080	4 080	360	1 285	2 040	(755)	-37%	4 080
Performance Bonus		–	–	–	–	–	–	–		–
Motor Vehicle Allowance		6 906	9 079	9 079	794	5 714	4 539	1 174	26%	9 079
Cellphone Allowance		198	122	122	9	48	61	(13)	-21%	122
Housing Allowances		1 311	2 351	2 351	200	1 062	1 175	(113)	-10%	2 351
Other benefits and allowances		2 641	17 379	17 379	1 805	11 178	8 689	2 489	29%	17 379
Payments in lieu of leave		6 064	–	–	641	4 977	–	4 977	#DIV/0!	–
Long service awards		–	–	–	–	–	–	–		–
Post-retirement benefit obligations	2	2 866	8 292	8 292	532	3 217	4 146	(929)	-22%	8 292
Sub Total - Other Municipal Staff		133 454	233 137	233 602	20 955	125 192	116 801	8 391	7%	233 602
% increase	4		74,7%	75,0%						75,0%
Total Parent Municipality		150 014	252 868	253 333	22 204	133 050	126 666	6 384	5%	253 333

Salary and remuneration of councillors expenditure totals 52% of all operational expenditures for the period ending 31 December 2020.

Section 10 – Material variances to the service delivery and budget implementation plan

The measurement of the performance of the municipality in terms of the implementation of the Service Delivery and Budget Implementation plan are dealt with separately. A separate report will be tabled with regards to the SDBIP.

Information regarding this is not dealt with under this section of the report.

Section 11 – Capital programme performance

The adjusted capital budget for the financial year amounts to **R 8,135,000**. For the first 6 months, capital expenditure was **R 4,579,800** representing **56%** of the budget, this is in line with expected performance of 50% for the first 6 months.

SCOA config	Nr	Project description	Cost centre	Adjusted budget R	YTD Expenditure R	Year to date Budget	Status of the project	At what stage is each project currently	Any challenges identified that is resulting in delays?	What measures are in place to remedy the existing challenges.
71018109001	1	Land	1018	4 800 000,00	3 964 879,32	2 400 000,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.e. the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71110240001	2	Office Chair	1018	30 000,00		15 000,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.e. the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307102408	3	Upgrade outdated Disaster Recovery Hardware	1307	317 300,00		158 650,00	In Process	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.e. the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307102418	4	Replace Access Control and Time and Attendance devices to ha	1307	282 163,00	19 130,40	141 081,50	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.e. the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307102422	5	Additional Laptops (15)	1307	199 857,00	199 836,00	99 918,50	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.e. the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307104107	6	Replace outdated Access Points	1307	10 300,00	10 260,87	5 150,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.e. the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307104118	7	Printers	1307	29 700,00		14 850,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.e. the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71308102201	8	Pool Vehicle	1308	300 000,00	233 559,00	150 000,00	In Process	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.e. the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71314410001	9	Big Scanner Machine and Projector	1314	30 000,00		15 000,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.e. the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71316102401	10	Ergonomic Chairs for employees with special needs	1316	50 000,00	14 429,00	25 000,00	In Process	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.e. the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71316102401	11	Fire Alarm System (Mission street): OHS	1316	250 000,00		125 000,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.e. the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71316240001	12	Evacuation Chairs	1316	20 000,00	6 903,04	10 000,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.e. the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71402240001	13	Furniture: LED/Tourism	1402	30 000,00	24 154,85	15 000,00	In Process	In Process	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.e. the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
72205180001	14	Calitzdorp Spa Roofs	2205	1 500 000,00		750 000,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.e. the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307104119	15	24pt Gigabyte POE injectors	1307	11 970,00	11 965,22	5 985,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.e. the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307104120	16	QNAP 8-Bay NAS	1307	43 730,00	42 801,00	21 865,00	Completed	Completed	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.e. the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71307104121	17	Insurance / Uneconomical to repair	1307	30 000,00	4 940,00	15 000,00	In Process	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.e. the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71018104102	18	Upgrading of Multimedia Council Chambers	1018	80 000,00	46 940,00	40 000,00	In Process	Order issued to supplier	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.e. the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71018102405	19	Office Furniture: Bitou - Mayor Office	1018	50 000,00	0,00	25 000,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.e. the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71018104006	20	Laundry Machines	1018	65 000,00	0,00	32 500,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.e. the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
71018104007	21	Key Safe Boxes	1018	5 000,00	0,00	2 500,00	Not started yet	Not started yet	No expected challenges anticipated	Monthly all project managers will report to the BTO progress i.e. the progress on their projects. This report will be tabled to the Management committee and the Finance portfolio committee to ensure accountability is enforced.
Totals				8 135 000,00	4 579 798,70	4 067 500,00				
Project status: If the project is in the SCM process of being procured. Please state in which stage (planning, specification, advertising, etc)										
Commitments against capital for the month December 2020										
71307104121	17	Insurance / Uneconomical to repair	1307		10 758,00					
71307102418	4	Replace Access Control and Time and Attendance devices to ha	1307		262 337,47					
71307102408	3	Upgrade outdated Disaster Recovery Hardware	1307		315 693,76					
		Total Commitments			588 769,23					

Section 12 – Municipal manager's quality certification



54 York Street,
George
Western Cape
6529

PO Box 12,
George,
Western Cape
6530

Tel: 044 803 1300
Fax: 086 555 6303
E-mail: info@gardenroute.gov.za
www.gardenroute.gov.za

OFFICE OF THE MUNICIPAL MANAGER

Enquiries: Louise Hoek
Reference: 6/1/1 – 19/20
Date: 6 January 2021

Provincial Treasury
Local Government Budget Analysis
Private Bag X9165
CAPE TOWN
8000

National Treasury
Local Government Budget Analysis
Private Bag X115
PRETORIA

Sir / Madam

QUALITY CERTIFICATE

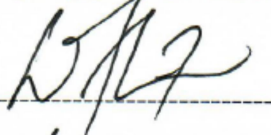
I, MG STRATU, the accounting officer of **GARDEN ROUTE DISTRICT MUNICIPALITY (DC4)**, hereby certify that the–

- ☐ The monthly budget statement
- ☐ Quarterly report on the implementation of the budget and financial state of affairs of the municipality
- ☐ **Mid- year budget and performance assessment**

for the period ended **31 DECEMBER 2020**, has been prepared in accordance with the Municipal Finance Management Act (Act 56 of 2003) and regulations made under the Act.

Print Name LUSANDA MEMZLE

Accounting Officer of **GARDEN ROUTE DISTRICT MUNICIPALITY (DC4).**

Signature 

Date 7/01/2021



Section 72

Non Financial Performance Report

2020/2021

MID-YEAR PERFORMANCE ASSESSMENT FOR GARDEN ROUTE DISTRICT MUNICIPALITY

General

Purpose of Report

To submit to the Executive Mayor an assessment report on the Municipality's Performance covering the period

1 July 2020 to 31 December 2020.

1. Summary

In terms of Section 72 (1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003), the accounting officer of a municipality must, by 25 January of each financial year, assess the performance of the municipality during the first half of the financial year and submit a report on such an assessment to the Mayor of the municipality, the National Treasury and the relevant provincial treasury. The Mayor must in turn, comply with the provisions of Section 54, which includes submitting the report to Council by 31 January of each year.

2. Constitutional and Policy Implications

The process is currently driven by legislation. A reviewed policy has been approved.

3. Legal Implications

3.1 Section 72 (1), Local Government: Municipal Finance Management Act, 2003 (Act 55 of 2003), **referred to as the MFMA**

3.2 Local Government: Municipal Systems Act, 2000 (Act 32 of 200) (Chapter 6 and sections 16 and 26 of Chapters 4 and 5, respectively), as read with the Local Government: Municipal Systems Amendment Act, 2003 (Act 44 of 2003)

4. Background

4.1 In terms of Section 72 (1) of the MFMA, the accounting officer of a Municipality must by 25 January of each year;

- (a) assess the performance of the municipality during the first half of the financial year, taking into account-
 - (i) the monthly statements referred to in section 71 for the first half of the financial year;
 - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and the performance indicators set in the service delivery and budget implementation plan;
 - (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
 - (iv) the performance of every municipal entity under the sole and shared control of the municipality, taking into account report in terms of section 88 from any such entity; and
- (b) submit a report on such assessment to-
 - (i) the Mayor of the municipality
 - (ii) the National Treasury; and
 - (iii) the relevant Provincial Treasury

4.2 Thereafter, the mayor must, in terms of Section 54 (1)-

- (a) consider the report
- (b) check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that the revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of an adjustment budget;
- (d) issue any appropriate instructions to the accounting officer to ensure-
 - (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and

(ii) that spending of funds and revenue collection proceed in accordance with the budget;

(e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and

(f) submit the report to the council by 31 January of each year

5. Top Level Service Delivery and Budget Implementation Plan (SDBIP)

6. Notification for Council

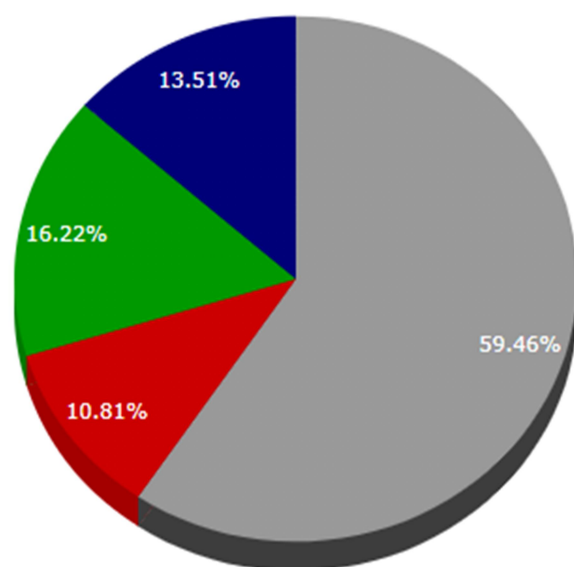
5. Top Level Service Delivery and Budget Implementation Plan (SDBIP)

Top Layer KPI Report

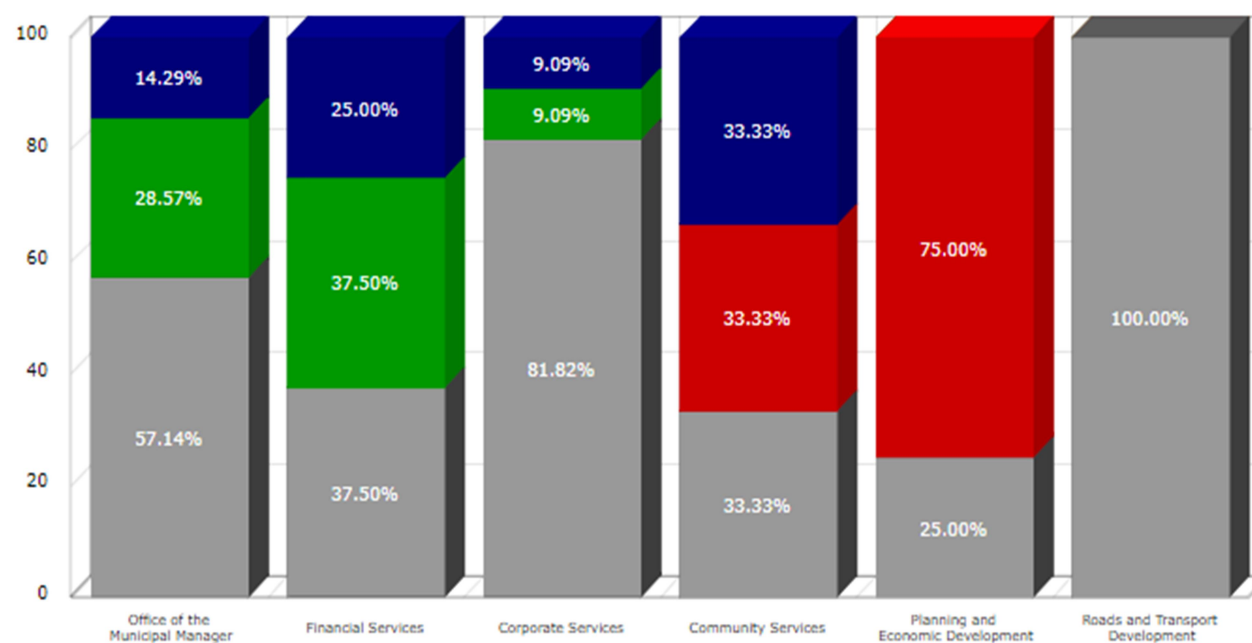
Report drawn on 10 January 2021 at 20:57

for the months of Quarter ending September 2020 to Quarter ending December 2020.

Garden Route District Municipality



Responsible Directorate



	Garden Route District Municipality	Responsible Directorate					
		Office of the Municipal Manager	Financial Services	Corporate Services	Community Services	Planning and Economic Development	Roads and Transport Development
■ Not Yet Applicable	22 (59.46%)	4 (57.14%)	3 (37.50%)	9 (81.82%)	1 (33.33%)	1 (25.00%)	4 (100.00%)
■ Not Met	4 (10.81%)	-	-	-	1 (33.33%)	3 (75.00%)	-
■ Almost Met	-	-	-	-	-	-	-
■ Met	6 (16.22%)	2 (28.57%)	3 (37.50%)	1 (9.09%)	-	-	-
■ Well Met	-	-	-	-	-	-	-
■ Extremely Well Met	5 (13.51%)	1 (14.29%)	2 (25.00%)	1 (9.09%)	1 (33.33%)	-	-
Total:	37	7	8	11	3	4	4
	100%	18.92%	21.62%	29.73%	8.11%	10.81%	10.81%

Explanation of Colour Coding;

- **Grey (N/A)** – KPI's with targets that are not set for the period under review
- **Red (R)** – KPI's which were not met for the period under review, $0\% < = \text{Actual/Target} < = 74.9\%$
- **Orange (O)** – KPI's that were almost met, $75\% < = \text{Actual/Target} < = 99\%$
- **Green (G)** – KPI's where targets are achieved, $\text{Actual/Target} = 100\%$
- **Dark Green (G2)** - KPI's that are well met,(over achievement) $100\% < = \text{Actual/Target} , = 149\%$
- **Dark Blue (B)** – KPI's that are extremely well met,(over achievement) $150\% < = \text{Actual /Target}$

6. Notification for Council

Council will note that some Departmental targets are only measured annually and this has been raised before. As part of this council agenda, we have submitted a report which seeks to rectify that.

Annexure A

OFFICE OF THE MUNICIPAL MANAGER							
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Overall Performance for Quarter ending September 2020 to Quarter ending December 2020		
					Target	Actual	R
TL1	Submit an OPCAR progress report to the MANCOM on a quarterly basis	Number of progress reports submitted to MANCOM quarterly	Good Governance	4	2	2	G
TL2	Submit the Top layer SDBIP for 2020/21 for approval by the Mayor within 14 days after the budget has been approved	Top Layer SDBIP for 2020/21 submitted to the Mayor within 14 days after the budget has been approved	Good Governance	1	0	0	N/A
TL3	Draft the annual performance report for 2019/20 and submit to the Auditor General by 31 August 2020	Annual performance report for 2019/20 drafted and submitted to the Auditor General by 31 August 2020	Good Governance	1	1	1	G
TL4	Develop Individual Performance Management Score cards for the three levels of the Employment Equity Categories by June 2021	Number of Individual Performance Management Scorecards developed by June 2021	Good Governance	0	120	220	B
TL5	Review the organizational strategic risk register(top 10) and submit to Council by 31 May 2021	Reviewed organizational strategic risk register submitted to Council by 31 May 2021	Good Governance	0	0	0	N/A
TL6	Review the Risk based audit plan (RBAP) for 2021/22 and submit to the Audit Committee for consideration by 30 June 2021	RBAP for 2021/22 reviewed and submitted to the Audit Committee by 30 June 2021	Good Governance	1	0	0	N/A
TL7	The percentage of the municipal capital budget spent on capital projects by 30 June 2021 (Actual amount spent on capital projects /Total amount budgeted for capital projects)	% of capital budget spent by 30 June 2021	Financial Viability	95.00%	0.00%	0.00%	N/A

CORPORATE SERVICES							
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Overall Performance for Quarter ending September 2020 to Quarter ending December 2020		
					Target	Actual	R
TL8	Report quarterly to Council on the revision of the Human Resource Policies of the Organization	Number of reports submitted to Council	Good Governance	4	2	5	B
TL9	Number of people from employment equity target groups that will be appointed in the three highest levels of management during the 2020/21 financial year in compliance with the municipality's approved employment equity plan(senior officials & managers	Number of people that will be appointed in the three highest levels of management in compliance with a municipality's approved employment equity plan(senior officials & managers,professionals,technicians and associate professionals)	A Skilled workforce and Community	1	0	0	N/A
TL10	Spent 0.5% of personnel budget on training by 30 June 2021 (Actual total training expenditure divided by total personnel budget)	% of the personnel budget spent on training by June 2021	A Skilled workforce and Community	0.5%	0.00%	0.00%	N/A
TL11	Limit vacancy rate to 10% of budgeted post by 30 June 2021 (Number of funded posts vacant divided by number of budgeted funded posts)	% vacancy rate	A Skilled workforce and Community	10%	0.00%	0.00%	N/A
TL12	Review the organizational structure and submit to Council by 30 June 2021	Organizational structure reviewed and submitted to Council by 30 June 2021	A Skilled workforce and Community	1	0	0	N/A
TL13	Compile a Fleet Management Policy for the Organization and submit to Council for approval by March 2021	Fleet Management Policy developed and submitted to Council by March 2021	Good Governance	1	0	0	N/A
TL14	Award 16 external bursaries to qualifying candidates by 31 March 2021	Number of external bursaries awarded by March 2021	A Skilled workforce and Community	16	0	0	N/A

CORPORATE SERVICES							
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Overall Performance for Quarter ending September 2020 to Quarter ending December 2020		
					Target	Actual	R
TL15	Create training opportunities for EPWP employees(hard labour) by June 2021	Number of training opportunities created for EPWP appointees by June 2021	A Skilled workforce and Community	50	0	0	N/A
TL16	Develop a security policy for the municipality and submit to Council for adoption by 30 March 2021	Developed security policy submitted to Council by 30 March 2021	Good Governance	1	0	0	N/A
TL17	Report to Council on the execution of Council resolutions quarterly	Number of reports submitted to Council on a quarterly basis	Good Governance	4	2	2	G
TL18	Develop a implementation plan for the Skills Mecca concept and submit to Mancom by 30 June 2021	Implementation Plan Developed and submitted to Mancom by 30 June 2021	A Skilled workforce and Community	1	0	0	N/A

PLANNING AND ECONOMIC DEVELOPMENT							
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Overall Performance for Quarter ending September 2020 to Quarter ending December 2020		
					Target	Actual	R
TL19	Development of a Growth and Development Strategy and submit to Council by December 2020	Growth and Development Strategy developed and submitted to Council by December 2020	Local Economic Development	0	1	0	R
TL20	Create job opportunities through the Expanded Public Works Programme (EPWP) for the organization (GRDM) by 30 June 2021	Number of Job opportunities created through the Expanded Public Works Programme (EPWP) by 30 June 2021	Grow an Inclusive District Economy	325	0	0	N/A
TL21	Development of an Investment Prospectus and submit to Council by December 2020	An Investment Prospectus developed and submitted to Council by December 2020	Grow an Inclusive District Economy	New KPI	1	0	R
TL22	Compile and submit the final annual report and oversight report for 2019/2020 to Council by 31 December 2020	Final annual report and oversight report for 2019/2020 submitted to Council by 31 December 2020	Good Governance	1	1	0	R

COMMUNITY SERVICES							
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Overall Performance for Quarter ending September 2020 to Quarter ending December 2020		
					Target	Actual	R
TL23	Job creation through the construction and operation of the Regional Landfill facility	Number of Jobs created by 30 June 2021	A Skilled workforce and Community	New KPI	50	0	R
TL24	Compile a strategy to address the inadequate emergency equipment and submit to MANCOM by 31 March 2021	Strategy submitted to MANCOM by March 2021	Promote sustainable environmental management and public safety	New KPI	0	0	N/A
TL25	Raise Public Health Covid 19 awareness through 8 sessions with the communities by 30 June 2021	Number of sessions held by 30 June 2021	Healthy and Socially Stable Communities	New KPI	4	9	B

ROADS AND TRANSPORT SERVICES							
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Overall Performance for Quarter ending September 2020 to Quarter ending December 2020		
					Target	Actual	R
TL26	Job creation through the Roads Services by June 2021	Number of Jobs created by 30 June 2021	A Skilled workforce and Community	New KPI	0	0	N/A
TL27	Spent 95% of the roads budget allocation by 30 June 2021(Actual expenditure divided by approved allocation received)	% of the roads spent by 30 June 2021	Financial Viability	94%	0%	0%	N/A
TL28	Reseal 31.24 km of roads by 30 June 2021	Number of km's of roads resealed	Bulk Infrastructure and Co-ordination	26.31	0	0	N/A
TL29	Regravel 32.73 km of roads by 30 June 2021	Number of km's of roads regavelled by 30 June 2021	Bulk Infrastructure and Co-ordination	33.06	0	0	N/A

FINANCIAL SERVICES							
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Overall Performance for Quarter ending September 2020 to Quarter ending December 2020		
					Target	Actual	R
TL30	Financial viability measured in terms of the available cash to cover fixed operating expenditure by 30 June 2021 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)	Number of months that available cash is sufficient to cover the monthly operating expenditure(Audit AFS)	Financial Viability	5.20	3	6.60	B
TL31	Submit the review of the Long Term Financial Plan to Council to address the financial sustainability of Garden Route District Municipality by December 2020	Long Term Financial Plan submitted to Council by December 2020	Financial Viability	0	1	1	G
TL32	Achieve a current ratio of 1 (Current assets : Current liabilities)	Number of times the municipality can pay back its short term-liabilities with its short-term assets	Financial Viability	1	1	5	B
TL33	Develop a Strategic Plan to address the minimization of the use of Consultants within the Department and submit to MANCOM by December 2020	Strategic Plan submitted to MANCOM by December 2020	Good Governance	0	1	1	G
TL34	Financial viability measured in terms of the municipality's ability to meet its service debt obligations by 30 June 2021((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Op	% of debt coverage	Financial Viability	30.00%	0.00%	0.00%	N/A
TL35	Compilation of mid-term(first six months of the financial year)Financial Statements(AFS) for the 2020/2021 financial year and submit to	Compilation and submission of the AFS by 28 February 2021	Financial Viability/Good	1	0	0	N/A

FINANCIAL SERVICES							
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	Overall Performance for Quarter ending September 2020 to Quarter ending December 2020		
					Target	Actual	R
	Mancom by 28 February 2021		Governance				
TL36	Compilation of the Annual Financial Statements(AFS) for the 2019/2020 financial year and submit to the Auditor General(AG) by 31 August 2020	Compilation and submission of the AFS to the AG by 31 August 2020	Financial Viability/Good Governance	1	0	1	G
TL37	Annual review of the SCM policy to consider appropriate amendments to support the EPWP mandate(report submitted to Council in May)	Annual review of the SCM policy and report submitted to Council by May 2021	A Skilled workforce and Community	0	0	0	N/A