

MAYORAL COMMITTEE

28 JANUARY 2025

COUNCIL

29 JANUARY 2025

1. **REPORT: SECTION 72 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT 31 DECEMBER 2024 / VERSLAG: ARTIKEL 72 HALFJAARLIKSE BEGROTING EN PRESTASIE ASSESSERING: 31 DESEMBER 2024 / INGXELO: UMHLATHI 72 ULWABIWOMALI- LOMBINDI NYANKA KUNYE NOQWALASELO LOMSEBENZI 31 KWEYOMNGA 2024**

(6/18/7)

16 January 2025

REPORT FROM THE EXECUTIVE MAYOR (A STROEBEL)

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

4. RECOMMENDATION

1. Council takes note of the mid-year budget and performance report in terms of Section 72 of the Municipal Finance Management Act;
2. Council takes note of the SDBIP performance report for the six months ending 31 December 2024; and
3. Council takes note that an adjustments budget will be tabled in February 2025 for consideration.

AANBEVELING

1. Die Raad kennis neem van die halfjaarlikse Prestasieverlag voorgelê in terme van Artikel 72 van die Munisipale Finansiële Bestuurswet;
2. Die Raad kennis neem van die SDBIP Prestasieverlag vir die eerste ses maande van die jaar geëindig 31 Desember 2024; en
3. Die Raad kennis neem dat 'n aangepaste begroting voorgelê gaan word vir oorweging in Februarie 2025.

ISINDULULO

iBhunga lithathele ingalelo ulwabiwo-mali lombindi nyaka kunye noqwalaselo lomsebenzi ngokwemithetho yoMhlathi 72 woMthetho woLawulo Lwemali zoMasipala;

iBhunga lithathele ingqalelo ingxelo yomsebenzi we SDBIP kwinyanga ezintandathu eziphela ngomhla 31 kweyoMnga 2023.

iBhunga lithathele ingqalelo ukuba kuzakuthiwa thaca ulungelelwaniso lolwabiwo-mali ukuze luqwalaselwe.

5. DISCUSSION / CONTENTS

5.1 BACKGROUND

Municipal Finance Management Act 56 of 2003

Section 72 (1) *The accounting officer of a municipality must by 25 January 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 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*

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

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

(2) *The statement referred to in section 71(1) for the sixth month of a financial year may 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 adjustments 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 adjustments budget is needed.

5.2 FINANCIAL IMPLICATIONS

To be addressed in the 2024/25 Mid-year Adjustments Budget report.

5.3 LEGAL IMPLICATIONS

None. The following legislation applies:

- Municipal Finance Management Act, No 56 of 2003, section 72
- Municipal Budget and Reporting Regulations, 17 April 2009

5.4 STAFF IMPLICATION

None

5.5 PREVIOUS / RELEVANT COUNCIL RESOLUTIONS:

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

5.6 RISK IMPLICATIONS

There are no foreseen risks

5.7 COMMENTS FROM EXECUTIVE MANAGEMENT:

5.7.1 EXECUTIVE MANAGER: ROADS AND TRANSPORT PLANNING SERVICES

None

5.7.2 EXECUTIVE MANAGER: PLANNING AND ECONOMIC DEVELOPMENT

None

5.7.3 EXECUTIVE MANAGER: COMMUNITY SERVICES

None

5.7.4 EXECUTIVE MANAGER: CORPORATE SERVICES

None

5.7.5 EXECUTIVE MANAGER: FINANCIAL SERVICES

None

5.7.6 MANAGER: LEGAL SERVICES

None

ANNEXURE

Section 72 Mid-year Budget and Performance Report for the period ending 31 December 2024.



2024 / 2025
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.

Adjustments 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.

MSCOA – Municipal Standard Chart of Accounts

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.

YTDA – Year to Date Actual

YTDB – Year to Date Budget

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 72: Mid-year assessment

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 2025. The 2024 year 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 lost family members and relatives.

Although this is a new year, 2025 feels like a new beginning, however, in terms of our fiscal year we are halfway through the 2024/25 financial year already; therefore, like any house that has intentions to prosper, we need to do some introspections on the 6 months 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 2024/25 totals **R480,872,199 (including Roads Agency)**. Performance for the mid-year ending 31 December 2024 totals **R263,714,631**. This represents a total of **55%** of the budgeted revenue.

Most of the revenue relates to transfers and subsidies received to date to the amount of **R142,760,326**, which is **54%** of the total revenue received for the first 6 months. Revenue from the Roads Agency services recorded for the first 6 months was **R93,889,013**, which is **36%** of the total revenue received during the first 6 months.

Operating expenditure

The total adjusted expenditure budget for 2024/25 totals **R476,408,898 (including Roads Agency)**. Performance for the mid-year ending 31 December 2024 totals **R226,668,857**.

This represents a **48%** spending based on the budgeted expenditure. Most of the expenditure for the first 6 months was spent on Employee related costs and Remuneration of councillors to the amount of **R160,056,810**, which is **71%** of the total expenditure for the first 6 months. The other expenditure items include Operational costs of **R30,895,944 (14%)**, Inventory consumed of **R20,407,013 (9%)** and Contracted services of **R11,119,395 (5%)**.

Capital Budget performance

The adjusted capital budget for the financial year amounts to **R225,039,114**. For the first 6 months, capital expenditure was **R23,815,948**, representing **11%** of the budget. Orders to the amount of R4,974,888 were issued as at 31 December 2024. The largest expenditure item on the capital budget (R220,575,909) is the construction of the regional landfill site (actual expenditure on the landfill site (including orders): R26,972,928). Construction commenced to the end of the 2022/2023 financial year.

SDBIP:

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 the 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-

I wish you a great 2025 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 2024; and
- iii. Council takes note that an adjustments budget will be tabled in February 2025 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 situation 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 2024; and
- iii. Council takes note that an adjustments budget will be tabled in February 2025 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 2024.

3.2 Consolidated Performance

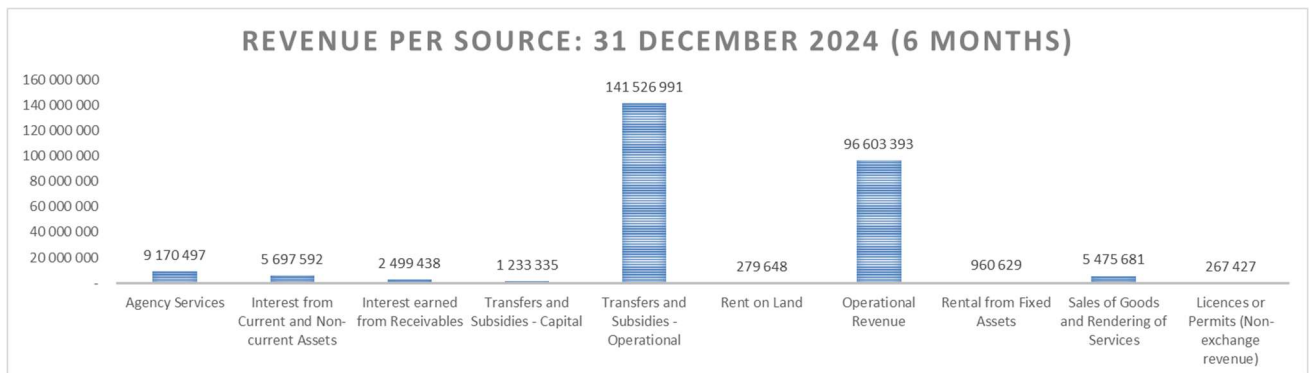
3.2.1 Against Annual Budget (original)

The actual and budgeted figures reported includes the Roads Budget.

Revenue by source

The total adjusted revenue budget for 2024/25 totals **R480,872,199 (including Roads Agency)**. Performance for the mid-year ending 31 December 2024 totals **R263,714,631**. This represents a total of **55%** of the budgeted revenue.

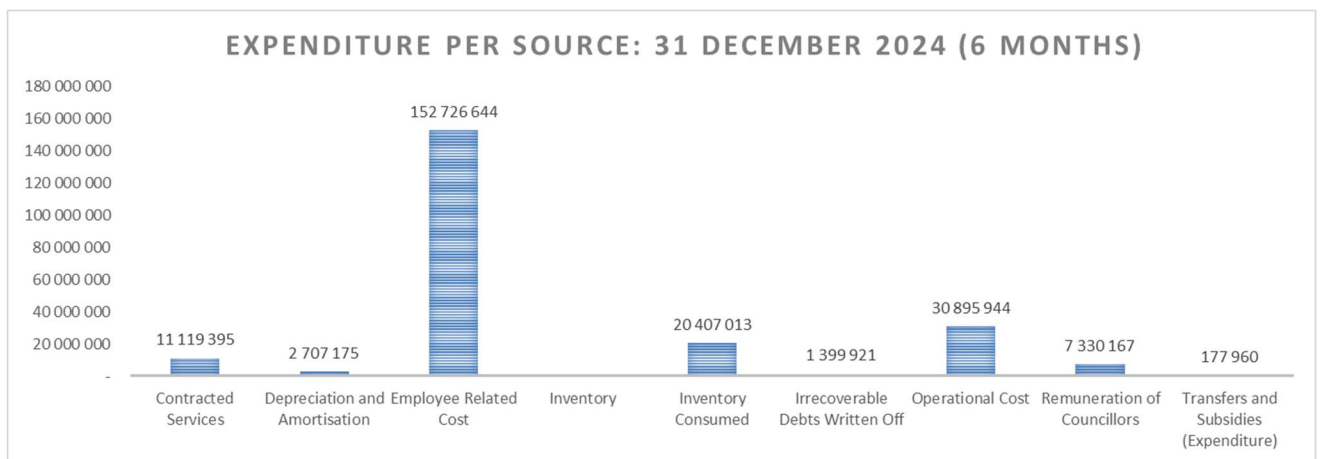
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CAPITAL BUDGET SPENDING - 31 DECEMBER 2024 (6 MONTHS)							
Number	Description	Funding source	Budget	Expenditure	Orders	Available	% Spent
1	Appliances (Hotsprings)	Insurance refunds	49 653	16 826	22 249	10 578	68%
2	Furniture / Equipment (Insurance Refunds)	Insurance refunds	94 347	-	-	94 347	0%
3	Water Truck 5'000 Liter	Grant	1 248 390	1 233 335	-	15 055	99%
4	Equipment	Grant	650 000	-	-	650 000	0%
5	Building of Disaster Management Store	Grant	750 000	-	-	750 000	0%
6	Hover Craft	Grant	1 100 000	-	-	1 100 000	0%
7	Equipment	Other	6 000	5 858	-	142	98%
8	Hazardous Materials Equipment	Grant	564 815	-	539 639	25 176	96%
9	Landfill Site: PPE	Borrowing	220 575 909	22 559 928	4 413 000	193 602 981	10%
	Total		225 039 114	23 815 948	4 974 888	196 248 278	13%

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 2024 to 31 December 2024.

3.4 Annual Report

The Annual Report 2023/2024 was not yet approved by Council, but will be tabled at today's (29 January) council meeting.

3.5 Long-term financial sustainability

A Service provider was appointed to develop a Long-Term Financial Plan and 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.

3.6 Remedial or corrective steps

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

This will be dealt with during the adjustments budget process in February 2025. 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 and Capital budgets will be dealt with in the budget report that will be presented to council in February 2025 for consideration.

3.7 Conclusion

Detailed analysis of the municipal performance for the year to date ending 31 December 2024 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: Monthly Budget Statement Summary

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

Description	2023/24	Budget Year 2024/25							
	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	12 400	12 017	12 017	932	5 698	5 197	501	10%	12 017
Transfers and subsidies - Operational	196 854	214 786	214 827	61 848	141 527	107 414	34 113	32%	214 827
Other own revenue	225 520	249 615	249 615	18 932	115 257	121 261	(6 004)	-5%	-
Total Revenue (excluding capital transfers and contributions)	434 774	476 418	476 459	81 711	262 481	233 871	28 610	12%	476 459
Employee costs	308 454	299 649	299 578	26 187	152 727	153 251	(525)	-0%	299 578
Remuneration of Councillors	11 983	14 054	14 054	1 286	7 330	7 276	54	1%	14 054
Depreciation and amortisation	6 435	5 960	5 960	902	2 707	2 980	(273)	-9%	5 960
Interest	4 664	75	75	-	-	38	(38)	-100%	75
Inventory consumed and bulk purchases	51 625	44 467	43 593	1 867	20 407	17 513	2 894	17%	43 593
Transfers and subsidies	5 805	1 211	1 232	2	178	799	(621)	-78%	1 232
Other expenditure	79 172	110 852	111 917	5 340	43 320	41 904	1 416	3%	111 917
Total Expenditure	468 139	476 268	476 409	35 584	226 669	223 761	2 908	1%	476 409
Surplus/(Deficit)	(33 365)	150	50	46 128	35 812	10 111	25 702	254%	50
Transfers and subsidies - capital (monetary allocations)	13 072	4 200	4 413	1 221	1 233	2 207	(973)	-44%	4 413
Transfers and subsidies - capital (in-kind)	13	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(20 280)	4 350	4 463	47 348	37 046	12 317	24 728	201%	4 463
Share of surplus/ (deficit) of associate	108	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(20 173)	4 350	4 463	47 348	37 046	12 317	24 728	201%	4 463
Capital expenditure & funds sources									
Capital expenditure	47 579	224 926	225 039	1 221	23 816	114 620	(90 804)	-79%	225 039
Capital transfers recognised	21 947	4 200	4 313	1 221	1 233	4 257	(3 023)	-71%	4 313
Borrowing	15 321	220 576	220 576	-	22 560	110 288	(87 728)	-80%	220 576
Internally generated funds	10 311	150	150	-	23	75	(52)	-70%	150
Total sources of capital funds	47 579	224 926	225 039	1 221	23 816	114 620	(90 804)	-79%	225 039
Financial position									
Total current assets	230 014	137 030	221 224	-	248 403	-	-	-	221 224
Total non current assets	355 895	581 792	574 730	-	377 004	-	-	-	574 730
Total current liabilities	85 416	75 516	72 512	-	67 912	-	-	-	72 512
Total non current liabilities	262 380	382 233	475 935	-	316 379	-	-	-	475 935
Community wealth/Equity	238 113	261 073	247 507	-	241 115	-	-	-	247 507
Cash flows									
Net cash from (used) operating	(30 492)	83 473	83 618	28 402	(5 137)	92 135	97 272	106%	83 618
Net cash from (used) investing	(46 303)	(224 897)	(225 011)	(1 597)	(33 093)	(114 620)	(81 527)	71%	(225 011)
Net cash from (used) financing	117 572	204 978	221 375	(1 755)	63 280	110 288	47 008	43%	221 375
Cash/cash equivalents at the month/year end	177 180	184 736	236 798	156 684	156 684	244 619	87 935	36%	211 617
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	13 269	22 081	16 572	14 320	497	535	5 998	45 191	118 462
Creditors Age Analysis									
Total Creditors	150	213	59	16	5	22	67	731	1 264

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	Budget Year 2024/25								
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Functional										
Governance and administration		246 905	261 026	261 280	66 004	160 403	128 318	32 085	25%	261 280
Executive and council		240 008	253 317	253 571	65 618	158 113	124 794	33 320	27%	253 571
Finance and administration		6 898	7 709	7 709	386	2 290	3 524	(1 234)	-35%	7 709
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		11 907	17 114	17 114	2 994	5 803	6 519	(716)	-11%	17 114
Community and social services		-	-	-	-	-	-	-	-	-
Sport and recreation		8 866	11 289	11 289	2 865	4 642	3 601	1 041	29%	11 289
Public safety		2 567	5 245	5 245	6	269	2 623	(2 353)	-90%	5 245
Housing		-	-	-	-	-	-	-	-	-
Health		474	580	580	124	891	295	596	202%	580
Economic and environmental services		189 154	202 478	202 478	13 934	97 509	101 242	(3 733)	-4%	202 478
Planning and development		4 856	5 119	5 119	407	2 499	2 560	(60)	-2%	5 119
Road transport		184 199	196 860	196 860	13 525	94 727	98 430	(3 703)	-4%	196 860
Environmental protection		99	499	499	2	283	252	31	12%	499
Trading services		-	-	-	-	-	-	-	-	-
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	447 966	480 618	480 872	82 932	263 715	236 078	27 637	12%	480 872
Expenditure - Functional										
Governance and administration		173 658	169 599	169 640	12 844	76 225	78 771	(2 546)	-3%	169 640
Executive and council		67 158	53 716	53 716	3 354	25 264	26 368	(1 104)	-4%	53 716
Finance and administration		103 404	112 572	112 613	9 205	48 989	50 628	(1 639)	-3%	112 613
Internal audit		3 096	3 310	3 310	285	1 972	1 775	197	11%	3 310
Community and public safety		83 666	82 291	82 405	6 873	40 445	41 715	(1 270)	-3%	82 405
Community and social services		8 591	6 871	6 985	694	3 779	3 641	138	4%	6 985
Sport and recreation		11 424	10 650	10 650	940	4 898	5 685	(786)	-14%	10 650
Public safety		26 904	27 406	27 406	2 072	13 038	12 575	462	4%	27 406
Housing		-	-	-	-	-	-	-	-	-
Health		36 746	37 363	37 363	3 167	18 730	19 814	(1 084)	-5%	37 363
Economic and environmental services		208 909	219 998	220 003	15 485	107 748	101 266	6 482	6%	220 003
Planning and development		16 324	15 208	15 228	1 497	9 668	8 044	1 624	20%	15 228
Road transport		188 663	200 520	200 520	13 687	95 837	90 990	4 847	5%	200 520
Environmental protection		3 922	4 270	4 255	301	2 244	2 233	11	0%	4 255
Trading services		3 300	2 726	2 726	223	1 436	1 251	184	15%	2 726
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		3 300	2 726	2 726	223	1 436	1 251	184	15%	2 726
Other		1 827	1 656	1 636	158	815	758	58	8%	1 636
Total Expenditure - Functional	3	471 360	476 268	476 409	35 584	226 669	223 761	2 908	1%	476 409
Surplus/ (Deficit) for the year		(23 394)	4 350	4 463	47 348	37 046	12 317	24 728	201%	4 463

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 and the Roads Transport classification for the roads function performed on behalf of Provincial Government. 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 **55%** performance for revenue received during the first 6 months ending 31 December 2024. Most of the revenue consist of grants, mainly the equitable share, and roads agency function allocation.

Operating Expenditure

The municipality reported a **48%** performance for expenditure for the first 6 months ending 31 December 2024. Most of the expenditure for the first 6 months was spent on Employee related costs and Remuneration of councillors to the amount of **R160,056,810**, which is **71%** of the total expenditure for the first 6 months. The other expenditure items include Operational costs of **R30,895,944 (14%)**, Inventory consumed of **R20,407,013 (9%)** and Contracted services of **R11,119,395 (5%)**.

Adjustments to the budget will be tabled to council during February 2025 to improve performance and enhance service delivery.

More details regarding the operational expenditures are included in the report below under expenditure by type.

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 Assessment

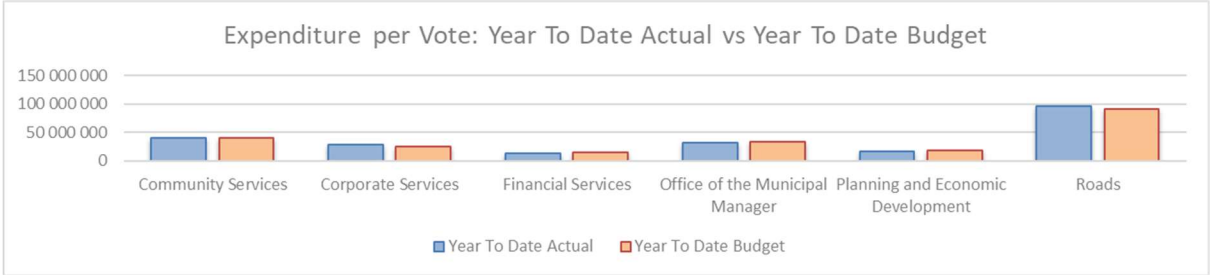
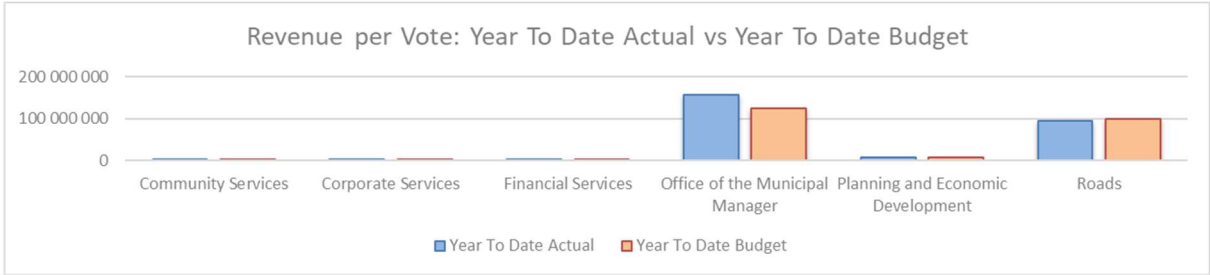
Vote Description	Ref	Budget Year 2024/25								
		2023/24 Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue by Vote										
Vote 1 - Office of the Municipal Manager	1	240 008	253 317	253 571	65 618	158 113	124 794	33 320	26,7%	253 571
Vote 2 - Office of the Municipal Manager (cont)		-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		4 386	4 359	4 359	354	2 063	2 072	(9)	-0,4%	4 359
Vote 4 - Financial Services (cont)		(14)	-	-	-	-	-	-	-	-
Vote 5 - Corporatℳ Services		1 590	2 299	2 299	32	191	931	(740)	-79,5%	2 299
Vote 6 - Corporatℳ Services (cont)		929	1 042	1 042	-	-	521	(521)	-100,0%	1 042
Vote 7 - Community Services		474	580	580	124	891	295	596	201,8%	580
Vote 8 - Community Services (cont)		2 635	5 717	5 717	6	537	2 861	(2 324)	-81,2%	5 717
Vote 9 - Planning and Economic Development		37	37	37	2	51	14	37	272,6%	37
Vote 10 - Planning and Economic Development (cont)		10 182	11 945	11 945	1 291	4 548	5 391	(843)	-15,6%	11 945
Vote 11 - Planning and Economic Development(cont2)		3 540	4 463	4 463	1 981	2 593	770	1 824	237,0%	4 463
Vote 12 - Roads		184 199	196 860	196 860	13 525	94 727	98 430	(3 703)	-3,8%	196 860
Vote 13 - Roads (cont)		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	447 966	480 618	480 872	82 932	263 715	236 078	27 637	11,7%	480 872
Expenditure by Vote										
Vote 1 - Office of the Municipal Manager	1	73 105	61 460	61 460	3 903	28 510	30 194	(1 683)	-5,6%	61 460
Vote 2 - Office of the Municipal Manager (cont)		6 884	6 893	6 893	550	3 823	3 653	170	4,7%	6 893
Vote 3 - Financial Services		20 675	19 983	19 983	1 435	9 623	11 108	(1 485)	-13,4%	19 983
Vote 4 - Financial Services (cont)		6 000	6 181	6 181	537	3 325	3 346	(21)	-0,6%	6 181
Vote 5 - Corporatℳ Services		24 086	34 127	34 168	1 820	10 166	9 045	1 121	12,4%	34 168
Vote 6 - Corporatℳ Services (cont)		27 761	30 412	30 412	2 068	14 627	15 674	(1 047)	-6,7%	30 412
Vote 7 - Community Services		48 500	47 948	48 048	4 098	23 882	25 381	(1 499)	-5,9%	48 048
Vote 8 - Community Services (cont)		32 894	33 161	33 161	2 513	16 097	15 436	661	4,3%	33 161
Vote 9 - Planning and Economic Development		16 175	14 726	14 706	1 281	7 522	7 696	(174)	-2,3%	14 706
Vote 10 - Planning and Economic Development (cont)		21 007	18 531	18 551	1 406	8 061	10 085	(2 024)	-20,1%	18 551
Vote 11 - Planning and Economic Development(cont2)		2 389	2 327	2 327	330	1 326	1 153	173	15,0%	2 327
Vote 12 - Roads		112 647	128 727	129 558	9 791	66 428	62 047	4 381	7,1%	129 558
Vote 13 - Roads (cont)		76 016	71 793	70 962	3 895	29 409	28 943	466	1,6%	70 962
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	468 139	476 268	476 409	33 626	222 798	223 761	(962)	-0,4%	476 409
Surplus/ (Deficit) for the year	2	(20 173)	4 350	4 463	49 306	40 916	12 317	28 599	232,2%	4 463

Reporting per municipal vote provides details on the spread of spending over the various functions of council.

Most of the municipal income is budgeted under the Office of the Municipal Manager vote and Roads vote. Planning and Economic Development (income from 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.

Refer to the charts below indicating the revenue and expenditure per vote (total budgeted amount vs year-to-date actual amount):



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	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
Revenue										
Exchange Revenue										
Service charges - Electricity								-	0%	
Service charges - Water								-	0%	
Service charges - Waste Water Management								-	0%	
Service charges - Waste management								-	0%	
Sale of Goods and Rendering of Services		11 727	16 875	16 875	3 027	5 476	6 740	(1 264)	-19%	16 875
Agency services		18 489	24 214	24 214	1 528	9 170	11 043	(1 872)	-17%	24 214
Interest								-	0%	
Interest earned from Receivables		5 222	6 224	6 224	407	2 499	2 930	(431)	-15%	6 224
Interest from Current and Non Current Assets		12 400	12 017	12 017	932	5 698	5 197	501	10%	12 017
Dividends								-	0%	
Rent on Land		495	495	495	46	280	185	95	51%	495
Rental from Fixed Assets		1 586	1 763	1 763	144	961	465	495	106%	1 763
Licence and permits								-	0%	
Operational Revenue		188 526	201 316	201 316	13 779	96 603	100 531	(3 928)	-4%	201 316
Non-Exchange Revenue										
Properly rates								-	0%	
Surcharges and Taxes								-	0%	
Fines, penalties and forfeits								-	0%	
Licence and permits		68	71	71	-	267	38	229	605%	71
Transfers and subsidies - Operational		196 854	214 786	214 827	61 848	141 527	107 414	34 113	32%	214 827
Interest								-	0%	
Fuel Levy								-	0%	
Operational Revenue								-	0%	
Gains on disposal of Assets		(618)	-	-	-	-	-	-	0%	-
Other Gains		26	(1 343)	(1 343)	-	-	(671)	671	-100%	(1 343)
Discontinued Operations								-	0%	
Total Revenue (excluding capital transfers and contributions)		434 774	476 418	476 459	81 711	262 481	233 871	28 610	12%	476 459
Expenditure By Type										
Employee related costs		308 454	299 649	299 578	26 187	152 727	153 251	(525)	0%	299 578
Remuneration of councillors		11 983	14 054	14 054	1 286	7 330	7 276	54	1%	14 054
Bulk purchases - electricity								-	0%	
Inventory consumed		51 625	44 467	43 593	1 867	20 407	17 513	2 894	17%	43 593
Debt impairment		3 874	-	-	-	-	-	-	0%	-
Depreciation and amortisation		6 435	5 960	5 960	902	2 707	2 980	(273)	-9%	5 960
Interest		4 664	75	75	-	-	38	(38)	-100%	75
Contracted services		24 036	45 667	45 879	1 068	11 119	11 918	(798)	-7%	45 879
Transfers and subsidies		5 805	1 211	1 232	2	178	799	(621)	-78%	1 232
Irrecoverable debts written off		1 602	1 000	1 000	-	1 400	500	900	180%	1 000
Operational costs		49 467	64 156	65 010	4 281	30 896	29 472	1 424	5%	65 010
Losses on Disposal of Assets		402	-	-	-	-	-	-	0%	-
Other Losses		(209)	28	28	(10)	(95)	14	(109)	-777%	28
Total Expenditure		468 139	476 268	476 409	35 584	226 669	223 761	2 908	1%	476 409
Surplus/(Deficit)		(33 365)	150	50	46 128	35 812	10 111	25 702	254%	50
Transfers and subsidies - capital (monetary allocations)		13 072	4 200	4 413	1 221	1 233	2 207	(973)	-44%	4 413
Transfers and subsidies - capital (in-kind)		13	-	-	-	-	-	-	0%	-
Surplus/(Deficit) after capital transfers & contributions		(20 280)	4 350	4 463	47 348	37 046	12 317	24 728	201%	4 463
Income Tax									0%	
Surplus/(Deficit) after income tax		(20 280)	4 350	4 463	47 348	37 046	12 317	24 728	201%	4 463
Share of Surplus/Deficit attributable to Joint Venture									0%	
Share of Surplus/Deficit attributable to Minorities									0%	
Surplus/(Deficit) attributable to municipality		(20 280)	4 350	4 463	47 348	37 046	12 317	24 728	201%	4 463
Share of Surplus/Deficit attributable to Associate									0%	
Intercompany/Parent subsidiary transactions		108	-	-	-	-	-	-	0%	-
Surplus/ (Deficit) for the year		(20 173)	4 350	4 463	47 348	37 046	12 317	24 728	201%	4 463

Revenue by Source

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

Refer to the below comparison of the year-to-date revenue compared to the year-to-date budget:

Revenue	Year To Date Actual (YTDA)	Year To Date Budget (YTDB)	YTDA/YTDB	Comment
Agency Services	9 170 496,90	11 042 541,00	83%	Agency fee as per MOA with the Department of Infrastructure for the Roads function. There has not been any additional allocations to date.
Interest from Current and Non-current Assets	5 697 591,73	5 197 056,00	110%	Interest as derived from the bank balance and investments/ call accounts at maturity date.
Interest earned from Receivables	2 499 437,78	2 930 097,00	85%	Overdue debtor accounts less than anticipated to date.
Rent on Land	279 647,96	184 766,00	151%	Based on lease agreements entered into for the rental of the municipality's land. Properties section is in process of reviewing all lease agreements and ensuring market-related rent is received.
Operational Revenue	96 603 393,18	100 531 373,00	96%	Majority relates to the Roads reimbursive revenue allocation as received from the Department of Infrastructure. The revenue is based on actual expenditure incurred for the month. The roads claim was less than anticipated to date.
Rental from Fixed Assets	960 629,29	465 237,00	206%	Based on lease agreements entered into for the rental of the municipality's land. Properties section is in process of reviewing all lease agreements and ensuring market-related rent is received.
Sales of Goods and Rendering of Services	5 475 680,88	6 740 031,00	81%	Camping fees and Fire services revenue was less than anticipated. There were no major fires that occurred to date. Calitzdorp Hotsprings was closed during the year due to flood damages and reopened in November 2024.
Licences or Permits (Non-exchange revenue)	267 426,76	37 936,00	705%	Increased revenue from health certificate licenses.
Transfers and Subsidies - Capital	1 233 335,49	2 206 602,00	56%	Recognition of grant revenue based on the expenditure incurred.
Transfers and Subsidies - Operational	141 526 990,77	107 413 723,00	132%	Recognition of grant revenue based on the expenditure incurred as well as the equitable share grant received to date. Majority relates to the receipt of the equitable share grant.
Grand Total	263 714 630,74	236 749 362,00	111%	

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Sales of Goods and Rendering of Services:

The income for Sales of Goods and Rendering of Services reported for the 6 months ending 31 December 2024 amounts to R5,475,681 (YTDB: R6,740,031). The shortfall in YTDA vs YTDB is due to a lower occupancy rate than anticipated on the revenue from camping fees, as well as Calitzdorp Hot springs which was closed during the year due to flood damages and reopened in November 2024. There have also not been any major fires to date.

Agency services:

The municipality performs an agency function on behalf of the Department of Infrastructure – Roads department. Monthly agency fees are collected from the department. 12% Admin fee is received on the original allocation and 6% on any additional allocations. Revenue from agency services was recorded for the 6 months ending 31 December 2024 to the amount of R9,170,497 (YTDB: R11,042,541).

Interest earned from Receivables / Outstanding debtors:

The interest on outstanding debtors for the 6 months ending 31 December 2024 amounts to R2,499,438 (YTDB: R2,930,097). Overdue debtor accounts were less than anticipated to date.

Interest earned from Current and Non-Current Assets / External Investments:

This reflects the interest earned in respect of surplus funds not immediately needed in the operations of the municipality over the short-term period. For the 6 months ending 31 December 2024, interest received was R5,697,592 (YTDB: R5,197,056).

Rent on Land:

The income received from rental on land for the 6 months ending ended 31 December 2024 amounts to R279,648 (YTDB: R184,766). The revenue is based on rental agreements entered; the property and legal section are in process of reviewing all lease agreements to ensure market related revenue is received from all rental land/ properties.

Rental from Fixed Assets of facilities and equipment:

The income for rental of facilities and equipment reported for the 6 months ending 31 December 2024 amounts to R960,629 (YTDB: R465,237). The revenue is based on rental agreements entered; the property and legal section are in process of reviewing all lease agreements to ensure market related revenue is received from all rental land/ properties.

Operational Revenue:

Operational revenue for the 6 months ending 31 December 2024 amounts to R96,603,393 (YTDB: R100,531,373). The major item included under Operational revenue consists of the Department of Infrastructure (Roads department) monthly income as per the signed MOA.

Transfers recognised:

The transfers recognised represents the allocations as promulgated in the National and Provincial Division of Revenue Act's respectively; as well as allocations received from National Departmental Agencies such as SETA funding.

For conditional grants, the revenue is recognised to the extent that expenditure is incurred in accordance with grant conditions. Unconditional grants such as the equitable share are immediately recognised as revenue on receipt.

The first tranche payment of the equitable share grant was received in July 2024 and amounts to R75,927,000. The second tranche payment was received in December 2024, amounting to R60,741,000.

The following conditional grant allocations have been received to date:

- Rural Roads Asset Management Grant (R1,905,000); Expanded Public Works Programme Grant (R387,000); Fire Services Capacity Building Grant (R3,000,000) and Safety Plan Implementation Grant (R1,000,000) during August 2024.
- Local Government Finance Management Grant (R1,000,000) and Municipal Water Resilience Grant (R1,200,000) during September 2024.
- Expanded Public Works Programme Grant (R695,000) and Human Settlements Grant (R2,179,392) during November 2024

Expenditure by Type

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

Refer to the below comparison of the year-to-date expenditure compared to the year-to-date budget:

Expenditure	Year To Date Actual (YTDA)	Year To Date Budget (YTDB)	YTDA/YTDB	Comment
Contracted Services	11 119 395,26	11 917 703,00	93%	YTDA vs YTDB percentage is aligned.
Depreciation and Amortisation	2 707 175,16	2 980 002,00	91%	YTDA vs YTDB percentage is aligned.
Employee Related Cost	152 726 643,54	153 251 457,00	100%	YTDA vs YTDB percentage is aligned.
Interest paid	0,00	37 598,00	0%	Relates to interest paid on the loan for the landfill site which is not yet operational as well as interest on finance leases.
Inventory	-95 361,35	14 082,00	-677%	Relates to movements in net realisable value for inventory fuel (dip reading variances due to external factors e.g. air pressure, temperature, etc).
Inventory Consumed	20 407 013,15	17 512 959,00	117%	Inventory Consumed: Consumables & Materials and Supplies higher than anticipated to date.
Irrecoverable Debts Written Off	1 399 921,07	499 998,00	280%	Based on reports submitted to council for approval of write-offs.
Operational Cost	30 895 943,98	29 471 750,00	105%	YTDA vs YTDB percentage is aligned.
Remuneration of Councillors	7 330 166,59	7 276 021,00	101%	YTDA vs YTDB percentage is aligned.
Transfers and Subsidies (Expenditure)	177 960,00	799 100,00	22%	Grants paid as per business plan.
Grand Total	226 668 857,40	223 760 670,00	101%	

Employee Related cost / Remuneration of councillors:

Remuneration related expenditure (councillors and staff) for the 6 months ending 31 December 2024 amounted to R160,056,810 (YTDB: R160,527,478) of an adjusted budget amount of R313,631,901.

Inventory Consumed:

Other materials consist of all inventories consumed, purchases for materials and supplies; and amounts to R20,407,013 (YTDB: R17,512,959) for the 6 months ending 31 December 2024 against an adjusted budgeted amount of R43,592,568. Inventory Consumed: Consumables & Materials and Supplies were higher than anticipated to date.

Depreciation and amortisation:

Depreciation and amortisation for the 6 months ending 31 December 2024 amounts to R2,707,175 (YTDB: R2,980,002).

These items account for non-cash budgeted items. The fixed asset register (FAR) is being implemented at Garden Route DM by the service provider (Phoenix) of the financial system. The Asset Verification module has been implemented – the GRAP implementation testing was performed and will be finalised in the 2024/2025 financial year. Templates were

populated for the import of the Excel FAR into the Collaborator FAR. Reconciliations were performed on the data and various set-ups done to movement accounts, etc.

Contracted services:

The contracted services for the 6 months ending 31 December 2024 amounts to R11,119,395 (YTDB: R11,917,703) against an adjusted total budget amount of R45,878,908. The YTDA vs YTDB percentage is aligned.

Transfers and subsidies:

The transfers and subsidies expenditure for the 6 months ending 31 December 2024 amounts to R177,960 (YTDB: R799,100) against an adjusted total budget amount of R1,231,804.

Operational costs:

Operational costs for the 6 months ending 31 December 2024 amounts to R30,895,944 (YTDB: R29,471,750) against an adjusted total budget amount of R65,010,358.

The operational costs consist of the following (among other):

- External Audit fees
- Travel and Subsistence
- Operating Projects (own funds)
- Bank Charges
- Advertisements
- Telephone costs
- Municipal Accounts
- Software licenses
- Internet fees

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	2023/24	Budget Year 2024/25							
		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 - Office of the Municipal Manager		-	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager (cont)		-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		-	150	150	-	17	75	(58)	-78%	150
Vote 4 - Financial Services (cont)		-	-	-	-	-	-	-	-	-
Vote 5 - Corporate Services		-	-	-	-	-	-	-	-	-
Vote 6 - Corporate Services (cont)		-	-	-	-	-	-	-	-	-
Vote 7 - Community Services		-	-	2 500	-	-	2 500	(2 500)	-100%	2 500
Vote 8 - Community Services (cont)		16 485	224 776	222 389	1 221	23 793	112 045	(88 251)	-79%	222 389
Vote 9 - Planning and Economic Development		-	-	-	-	-	-	-	-	-
Vote 10 - Planning and Economic Development (cont)		-	-	-	-	-	-	-	-	-
Vote 11 - Planning and Economic Development(cont2)		-	-	-	-	-	-	-	-	-
Vote 12 - Roads		-	-	-	-	-	-	-	-	-
Vote 13 - Roads (cont)		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	16 485	224 926	225 039	1 221	23 810	114 620	(90 809)	-79%	225 039
Single Year expenditure appropriation	2									
Vote 1 - Office of the Municipal Manager		281	-	-	-	-	-	-	-	-
Vote 2 - Office of the Municipal Manager (cont)		-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		2 530	-	-	-	-	-	-	-	-
Vote 4 - Financial Services (cont)		-	-	-	-	-	-	-	-	-
Vote 5 - Corporate Services		4	-	-	-	-	-	-	-	-
Vote 6 - Corporate Services (cont)		819	-	-	-	-	-	-	-	-
Vote 7 - Community Services		20 792	-	-	-	-	-	-	-	-
Vote 8 - Community Services (cont)		2 612	-	-	-	-	-	-	-	-
Vote 9 - Planning and Economic Development		-	-	-	-	-	-	-	-	-
Vote 10 - Planning and Economic Development (cont)		3 736	-	-	-	6	-	6	#DIV/0!	-
Vote 11 - Planning and Economic Development(cont2)		-	-	-	-	-	-	-	-	-
Vote 12 - Roads		-	-	-	-	-	-	-	-	-
Vote 13 - Roads (cont)		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		319	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	31 093	-	-	-	6	-	6	#DIV/0!	-
Total Capital Expenditure		47 579	224 926	225 039	1 221	23 816	114 620	(90 804)	-79%	225 039
Capital Expenditure - Functional Classification										
Governance and administration		13 452	150	150	-	17	75	(58)	-78%	150
Executive and council		2 872	-	-	-	-	-	-	-	-
Finance and administration		10 579	150	150	-	17	75	(58)	-78%	150
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		6 700	4 200	4 313	1 221	1 239	4 257	(3 017)	-71%	4 313
Community and social services		2 027	-	2 500	-	-	2 500	(2 500)	-100%	2 500
Sport and recreation		563	-	-	-	6	-	6	#DIV/0!	-
Public safety		4 110	4 200	1 813	1 221	1 233	1 757	(523)	-30%	1 813
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		12 094	-	-	-	-	-	-	-	-
Planning and development		12 094	-	-	-	-	-	-	-	-
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		15 334	220 576	220 576	-	22 560	110 288	(87 728)	-80%	220 576
Energy sources		-	-	-	-	-	-	-	-	-
Water management		-	-	-	-	-	-	-	-	-
Waste water management		-	-	-	-	-	-	-	-	-
Waste management		15 334	220 576	220 576	-	22 560	110 288	(87 728)	-80%	220 576
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	47 579	224 926	225 039	1 221	23 816	114 620	(90 804)	-79%	225 039
Funded by:										
National Government		12 094	-	-	-	-	-	-	-	-
Provincial Government		9 853	4 200	4 313	1 221	1 233	4 257	(3 023)	-71%	4 313
District Municipality		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		21 947	4 200	4 313	1 221	1 233	4 257	(3 023)	-71%	4 313
Borrowing	6	15 321	220 576	220 576	-	22 560	110 288	(87 728)	-80%	220 576
Internally generated funds		10 311	150	150	-	23	75	(52)	-70%	150
Total Capital Funding		47 579	224 926	225 039	1 221	23 816	114 620	(90 804)	-79%	225 039

The adjusted capital budget for the financial year amounts to **R225,039,114**. For the first 6 months, capital expenditure was **R23,815,948**, representing **11%** of the budget. Orders to the amount of R4,974,888 were issued as at 31 December 2024. The largest expenditure item on the capital budget (R220,575,909) is the construction of the regional landfill site (actual expenditure on the landfill site (including orders): R26,972,928). Construction commenced to the end of the 2022/2023 financial year.

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	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash and cash equivalents		156 816	105 505	157 006	156 684	157 006
Trade and other receivables from exchange transactions		56 775	11 179	46 293	72 465	46 293
Receivables from non-exchange transactions		46	46	46	46	46
Current portion of non-current receivables		4 293	4 293	4 293	4 293	4 293
Inventory		2 662	3 427	2 633	3 885	2 633
VAT		10 678	7 105	10 231	12 812	10 231
Other current assets		(1 256)	5 475	722	(1 782)	722
Total current assets		230 014	137 030	221 224	248 403	221 224
Non current assets						
Investments		16	28	28	16	28
Investment property		65 839	65 948	65 876	65 800	65 876
Property, plant and equipment		229 818	455 727	447 753	251 174	447 753
Biological assets						
Living and non-living resources						
Heritage assets						
Intangible assets		286	-	985	79	985
Trade and other receivables from exchange transactions						
Non-current receivables from non-exchange transactions		59 935	60 088	60 088	59 935	60 088
Other non-current assets						
Total non current assets		355 895	581 792	574 730	377 004	574 730
TOTAL ASSETS		585 908	718 821	795 954	625 407	795 954
LIABILITIES						
Current liabilities						
Bank overdraft						
Financial liabilities		3 503	663	503	3 503	503
Consumer deposits		660	637	799	940	799
Trade and other payables from exchange transactions		40 404	46 470	28 407	14 126	28 407
Trade and other payables from non-exchange transactions		640	2 649	1 443	6 552	1 443
Provision		31 226	24 134	32 287	31 226	32 287
VAT		8 983	963	9 073	11 566	9 073
Other current liabilities						
Total current liabilities		85 416	75 516	72 512	67 912	72 512
Non current liabilities						
Financial liabilities		114 063	239 923	334 884	168 053	334 884
Provision		13 048	12 085	12 085	13 058	12 085
Long term portion of trade payables						
Other non-current liabilities		135 268	130 224	128 966	135 268	128 966
Total non current liabilities		262 380	382 233	475 935	316 379	475 935
TOTAL LIABILITIES		347 795	457 749	548 447	384 292	548 447
NET ASSETS	2	238 113	261 073	247 507	241 115	247 507
COMMUNITY WEALTH/EQUITY						
Accumulated surplus/(deficit)		200 327	218 181	204 616	203 328	204 616
Reserves and funds		37 786	42 891	42 891	37 787	42 891
Other						
TOTAL COMMUNITY WEALTH/EQUITY	2	238 113	261 073	247 507	241 115	247 507

Financial ratios:

Current Ratio:	(Current Assets / Current Liabilities)	
	Norm: 1.5 - 2.1	
	31 December 2024	30 June 2024
Current Assets	248 403 204	223 892 027
Current Liabilities	67 912 214	84 027 857
Current ratio	3,66	2,66 times
Comment		
The purpose of the current ratio is to determine whether GRDM has the ability to pay its short term liabilities		
The norm is 1.5 - 2.1 times. As at 31 December 2024, GRDM's current ratio is 3,66 times, which is higher than the norm.		

Net debtor days:	((Gross Debtors - Bad debt Provision) / Actual Billed Revenue) x 365	
	Norm: 30 days	
	31 December 2024	30 June 2024
Debtors closing balance after bad debt prov	72 511 063	58 094 229
Billed revenue*	112 489 848	220 354 472
	235	96 days
<i>*Billed revenue includes the Roads reimbursive revenue. This was not included previously in the calculation and is included from the October 2024 FMR.</i>		
Comment		
This ratio indicates how quick (in days) the municipality is able to receive payment from bills sent out to the public on a monthly basis.		
The main reason for this relates to the complexities and legal challenges associated with billing and payment of fire fighting services in the district.		
GRDM sends out letters of demand and, as applicable, hands over non-paying debtors to the legal department. Proving however where a fire originated from remains a challenge and a protracted legal process.		
GRDM installed a new incident management system in the Disaster Management section, which will greatly strengthen GRDM's ability to prove fire origination, which is expected to result in an improvement regarding receiving payment from fire fighting services debtors.		

Debt to Revenue Ratio:	(Total debt / Total revenue) x 100	
	31 December 2024	
Total debt	173 912 000	
Total annual budgeted revenue	480 872 199	
	36,17%	
Comment		
The purpose of this ratio is to measure GRDM's ability to repay debt. For purposes of the loan agreement with Standard Bank, the Debt to Revenue Ratio must be maintained at a level that is less than or equal to 50% (fifty percent) of revenue.		
The municipality has sufficient revenue to cover its debt obligations, as total debt constitutes 36,17% of total annual budgeted revenue, which is within the norm of 50% or less as per the loan agreement.		

Interest Paid to Total Cost Ratio:	(Interest paid / Total expenditure) x 100	
	31 December 2024	
Interest paid	1 578 927	
Total expenditure	226 668 857	
	0,70%	
Comment		
The purpose of this ratio is to measure GRDM's interest expense compared to all expenses incurred. For purposes of the loan agreement with Standard Bank, the Interest paid to total costs must be maintained at a level that is less than or equal to 7,5% (seven-point five percent) of total expenditure.		
The interest expense only makes up 0,7% of all expenditure incurred, therefore it is not a significant expenditure item for GRDM and is well within the norm of 7,5% or less as per the loan agreement.		

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	2023/24	Budget Year 2024/25							
		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		38 473	44 883	44 883	5 397	17 575	19 077	(1 502)	-8%	44 883
Transfers and Subsidies - Operational		196 102	411 646	411 687	60 819	143 049	205 844	(62 795)	-31%	411 687
Transfers and Subsidies - Capital		8 264	4 200	4 413	-	5 147	2 207	2 941	133%	4 413
Interest		5 112	11 074	11 074	-	-	4 726	(4 726)	-100%	11 074
Dividends								-		
Payments										
Suppliers and employees		(275 084)	(388 254)	(388 364)	(37 814)	(166 829)	(139 680)	27 149	-19%	(388 364)
Interest		(3 358)	(75)	(75)	-	(4 079)	(38)	4 042	-10750%	(75)
Transfers and Subsidies								-		
NET CASH FROM/(USED) OPERATING ACTIVITIES		(30 492)	83 473	83 618	28 402	(5 137)	92 135	97 272	106%	83 618
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE								-		
Decrease (increase) in non-current receivables								-		
Decrease (increase) in non-current investments		16	28	28	-	-	-	-		28
Payments										
Capital assets		(46 318)	(224 926)	(225 039)	(1 597)	(33 093)	(114 620)	(81 527)	71%	(225 039)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(46 303)	(224 897)	(225 011)	(1 597)	(33 093)	(114 620)	(81 527)	71%	(225 011)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans								-		
Borrowing long term/refinancing		116 912	220 576	220 576	-	63 000	110 288	(47 288)	-43%	220 576
Increase (decrease) in consumer deposits		660	637	799	(1 755)	280	-	280	#DIV/0!	799
Payments										
Repayment of borrowing		-	(16 235)	-	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		117 572	204 978	221 375	(1 755)	63 280	110 288	47 008	43%	221 375
NET INCREASE/ (DECREASE) IN CASH HELD										
		40 777	63 553	79 983	25 050	25 050	87 803			79 983
Cash/cash equivalents at beginning:		136 403	121 183	156 816	131 634	131 634	156 816			131 634
Cash/cash equivalents at month/year end:		177 180	184 736	236 798	156 684	156 684	244 619			211 617

The municipal bank balance at 31 December 2024 totals R42,243,664 and an amount of R5,440,143 for the Skills Mecca bank account. Investments made amounts to R105,000,000 and call account deposits R4,000,000. Total cash available at month-end is therefore R156,683,809.

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

Description	NT Code	Budget Year 2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.L.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	Total over 90 days			
R thousands														
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	1200	–	–	–	–	–	–	–	–	–	–	–	–	–
Trade and Other Receivables from Exchange Transactions - Electricity	1300	–	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Non-exchange Transactions - Property Rates	1400	–	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Water Management	1500	–	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Waste Management	1600	–	–	–	–	–	–	–	–	–	–	–	–	–
Receivables from Exchange Transactions - Property Rental Debtors	1700	–	–	–	–	–	–	–	–	11	11	11	–	–
Interest on Arrear Debtor Accounts	1810	376	386	388	394	393	393	2 642	12 242	17 214	16 064	–	–	–
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	–	–	–	–	–	–	–	–	–	–	–	–	–
Other	1900	12 893	21 694	16 184	13 926	104	142	3 356	32 938	101 238	50 466	–	–	–
Total By Income Source	2000	13 269	22 081	16 572	14 320	497	535	5 998	45 191	118 462	66 541	–	–	–
2023/24 - totals only														
Debtors Age Analysis By Customer Group														
Organs of State	2200	20	236	42	43	42	67	791	4 005	5 247	4 949	–	–	–
Commercial	2300	13 220	21 804	16 452	14 124	420	420	3 729	40 535	110 705	59 228	–	–	–
Households	2400	–	–	–	–	–	–	–	–	–	–	–	–	–
Other	2500	28	41	78	153	34	48	1 478	651	2 511	2 363	–	–	–
Total By Customer Group	2600	13 269	22 081	16 572	14 320	497	535	5 998	45 191	118 462	66 541	–	–	–

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.

Most 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 fire section has implemented an electronic system which will assist in the future with disputes.

The municipality is required to submit debtors aged analysis data strings monthly.

Currently, the debtor section initiated debt collection processes and will report quarterly to the financial services committee on the debt collection process. An item will be tabled at today's (29 January) council meeting for the approval of write-off of debt.

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 2024/25									Prior year bials for chart (same period)	
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total		
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	150	213	59	16	5	22	67	731	1 264	-	
Auditor General	0800	-	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-	-
Medical Aid deductions	0910	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	150	213	59	16	5	22	67	731	1 264	-	

The municipality is required to submit creditors aged analysis data strings monthly.

The reasons for long outstanding creditors include invoices not submitted by suppliers or unresolved disputes on certain invoices.

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

SECTION 7 – INVESTMENT PORTFOLIO ANALYSIS

7.1 Investment monitoring information

The municipality invests surplus funds to maximise the interest and to have cash readily available when needed and is done in line with the Cash Management and Investment Policy of council. Monies were invested for longer periods to maximise investment revenue.

	Balance as at 1 December 2024	Movements for the month			Balance as at 31 December 2024	Interest earned Month	Interest earned Year to date
		Investments matured	Investments made	Interest capitalised			
Garden Route District Municipality							
Standard Bank	9 000 000,00	-	12 000 000,00	-	21 000 000,00	-	-
ABSA	22 500 000,00	-	18 000 000,00	-	40 500 000,00	-	-
Nedbank	13 500 000,00	-	-	-	13 500 000,00	-	-
African Bank	-	-	30 000 000,00	-	30 000 000,00	-	-
BANK DEPOSITS	45 000 000,00	-	60 000 000,00	-	105 000 000,00	-	-

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	Budget Year 2024/25								
		2023/24 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:		184 814	189 081	189 081	61 161	138 301	94 541	43 760	46,3%	189 081
Local Government Equitable Share		178 333	182 224	182 224	60 741	136 668	91 112	45 556	50,0%	182 224
Energy Efficiency and Demand Side Management Grant		329	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant		2 180	1 545	1 545	85	487	773	(286)	-37,0%	1 545
Local Government Financial Management Grant		1 000	1 000	1 000	48	239	500	(261)	-52,1%	1 000
Municipal Systems Improvement Grant		-	1 591	1 591	-	-	796	(796)	-100,0%	1 591
Public Transport Network Grant		218	-	-	-	-	-	-	-	-
Rural Road Asset Management Systems Grant		2 754	2 721	2 721	287	907	1 361	(453)	-33,3%	2 721
Provincial Government:		6 793	6 939	6 980	611	2 202	3 490	(1 288)	-36,9%	6 980
Capacity Building		6 793	6 939	6 980	611	2 202	3 490	(1 288)	-36,9%	6 980
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		5 247	18 766	18 766	76	1 024	9 383	(8 360)	-89,1%	18 766
Other Grants Received		5 247	18 766	18 766	76	1 024	9 383	(8 360)	-89,1%	18 766
Total Operating Transfers and Grants	5	196 854	214 786	214 827	61 848	141 527	107 414	34 113	31,8%	214 827
Capital Transfers and Grants										
National Government:		3 404	-	-	-	-	-	-	-	-
Energy Efficiency and Demand Side Management Grant		3 404	-	-	-	-	-	-	-	-
Provincial Government:		9 681	4 200	4 413	1 221	1 233	2 207	(973)	-44,1%	4 413
Infrastructure		4 429	-	-	-	-	-	-	-	-
Capacity Building		5 252	4 200	4 413	1 221	1 233	2 207	(973)	-44,1%	4 413
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]		-	-	-	-	-	-	-	-	-
Total Capital Transfers and Grants	5	13 085	4 200	4 413	1 221	1 233	2 207	(973)	-44,1%	4 413
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	209 939	218 986	219 241	63 069	142 760	109 620	33 140	30,2%	219 241

8.2 Supporting Table C7

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

Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands										
EXPENDITURE										
Operating expenditure of Transfers and Grants										
National Government:		183 655	188 582	189 427	14 992	93 667	99 166	(5 500)	-5,5%	189 427
Equitable Share		177 271	181 725	182 570	14 705	91 745	96 416	(4 671)	-4,8%	182 570
Energy Efficiency and Demand Side Management Grant		314	-	-	-	-	-	-	-	-
Expanded Public Works Programme Integrated Grant		2 179	1 545	1 545	78	564	757	(193)	-25,5%	1 545
Local Government Financial Management Grant		940	1 000	1 000	48	287	446	(159)	-35,6%	1 000
Municipal Systems Improvement Grant		-	1 591	1 591	-	-	796	(796)	-100,0%	1 591
Rural Road Asset Management Systems Grant		2 746	2 721	2 721	161	1 071	752	319	42,5%	2 721
Public Transport Network Grant		205	-	-	-	-	-	-	-	-
Provincial Government:		191 428	203 799	203 940	14 138	97 403	92 836	4 567	4,9%	203 940
Infrastructure		185 103	196 860	196 860	13 525	94 680	89 769	4 911	5,5%	196 860
Capacity Building		6 325	6 939	7 080	613	2 723	3 068	(344)	-11,2%	7 080
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		6 222	18 751	18 731	2 320	6 952	1 263	5 688	450,3%	18 731
Expenditure on Other Grants		6 222	18 751	18 731	2 320	6 952	1 263	5 688	450,3%	18 731
Total operating expenditure of Transfers and Grants:		381 304	411 132	412 098	31 449	198 022	193 266	4 756	2,5%	412 098
Capital expenditure of Transfers and Grants										
National Government:		12 094	-	-	-	-	-	-	-	-
Energy Efficiency and Demand Side Management Grant		12 094	-	-	-	-	-	-	-	-
Provincial Government:		9 853	4 200	4 313	1 221	1 233	4 257	(3 023)	-71,0%	4 313
Capacity Building		9 853	4 200	4 313	1 221	1 233	4 257	(3 023)	-71,0%	4 313
District Municipality:		-	-	-	-	-	-	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
Expenditure on Other Grants		-	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		21 947	4 200	4 313	1 221	1 233	4 257	(3 023)	-71,0%	4 313
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		403 251	415 332	416 411	32 670	199 255	197 522	1 733	0,9%	416 411

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	2023/24			Budget Year 2024/25					
		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		7 451	8 927	8 927	929	5 167	4 713	454	10%	8 927
Pension and UIF Contributions		418	346	346	49	254	178	76	43%	346
Medical Aid Contributions		158	184	184	10	62	90	(28)	-31%	184
Motor Vehicle Allowance		1 957	2 079	2 079	180	1 037	1 054	(17)	-2%	2 079
Cellphone Allowance		1 144	1 169	1 169	79	479	592	(113)	-19%	1 169
Housing Allowances		721	804	804	–	2	402	(400)	-99%	804
Other benefits and allowances		134	545	545	39	329	247	82	33%	545
Sub Total - Councillors		11 983	14 054	14 054	1 286	7 330	7 276	54	1%	14 054
% increase	4		17,3%	17,3%						17,3%
Senior Managers of the Municipality										
Basic Salaries and Wages		6 904	7 345	7 345	499	2 946	3 847	(902)	-23%	7 345
Pension and UIF Contributions		(1 774)	960	960	62	367	568	(202)	-35%	960
Medical Aid Contributions		227	301	301	19	116	166	(51)	-30%	301
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		579	1 130	1 130	–	582	884	(302)	-34%	1 130
Motor Vehicle Allowance		762	1 900	1 900	154	573	1 023	(450)	-44%	1 900
Cellphone Allowance		137	146	146	11	69	87	(18)	-21%	146
Housing Allowances		227	449	449	15	90	221	(131)	-59%	449
Other benefits and allowances		17	17	17	2	12	14	(2)	-16%	17
Payments in lieu of leave		176	–	–	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations		–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		(2)	5	5	–	–	3	(3)	-100%	5
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		7 254	12 252	12 252	764	4 754	6 814	(2 060)	-30%	12 252
% increase	4		68,9%	68,9%						68,9%
Other Municipal Staff										
Basic Salaries and Wages		178 052	179 894	179 824	16 576	90 588	86 220	4 368	5%	179 824
Pension and UIF Contributions		29 647	31 630	31 630	2 501	14 992	15 797	(805)	-5%	31 630
Medical Aid Contributions		36 590	27 205	27 205	2 180	13 181	13 166	15	0%	27 205
Overtime		7 186	2 365	2 365	328	1 875	963	912	95%	2 365
Performance Bonus		18 116	13 878	13 878	1 483	13 522	13 176	346	3%	13 878
Motor Vehicle Allowance		12 226	12 837	12 817	1 221	7 244	6 348	897	14%	12 817
Cellphone Allowance		135	133	133	11	72	68	4	5%	133
Housing Allowances		2 607	2 651	2 651	207	1 224	1 331	(107)	-8%	2 651
Other benefits and allowances		7 731	6 308	6 308	482	2 624	3 382	(758)	-22%	6 308
Payments in lieu of leave		3 192	3 723	3 723	400	2 304	2 557	(253)	-10%	3 723
Long service awards		–	1 402	1 402	–	–	701	(701)	-100%	1 402
Post-retirement benefit obligations		4 472	5 011	5 011	–	–	2 506	(2 506)	-100%	5 011
Entertainment		–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–
Acting and post related allowance		1 247	360	380	35	346	222	124	56%	380
In kind benefits		–	–	–	–	–	–	–	–	–
Sub Total - Other Municipal Staff		301 200	287 397	287 326	25 424	147 973	146 437	1 535	1%	287 326
% increase	4		-4,6%	-4,6%						-4,6%
Total Parent Municipality		320 437	313 703	313 632	27 473	160 057	160 527	(471)	0%	313 632

Remuneration related expenditure (councillors and staff) for the 6 months ending 31 December 2024 amounted to R160,056,810 (YTDB: R160,527,478) of an adjusted budget amount of R313,631,901.

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., refer to annexure.

SECTION 11 – CAPITAL PROGRAMME PERFORMANCE

The adjusted capital budget for the financial year amounts to **R225,039,114**. For the first 6 months, capital expenditure was **R23,815,948**, representing **11%** of the budget. Orders to the amount of R4,974,888 were issued as at 31 December 2024. The largest expenditure item on the capital budget (R220,575,909) is the construction of the regional landfill site (actual expenditure on the landfill site (including orders): R26,972,928). Construction commenced to the end of the 2022/2023 financial year.

SCOA config	No.	Project description	Original Budget R'	Adjusted budget R'	YTD Expenditure R'	Status of project	Any challenges identified that is resulting in delays?
71213102466	1	Furniture / Equipment (Insurance Refunds)	150 000,00	94 347,00	-	In process	No challenges anticipated
71801330004	2	Water Truck 5'000 Liter	1 200 000,00	1 248 390,00	1 233 335,49	In process	No challenges anticipated
71601102327	3	Equipment	-	650 000,00	-	In process	No challenges anticipated
71601103126	4	Building of Disaster Management Store	-	750 000,00	-	In process	No challenges anticipated
71601330025	5	Hover Craft	-	1 100 000,00	-	In process	No challenges anticipated
72305230005	6	Hazardous Materials Equipment	3 000 000,00	564 815,00	-	Orders issued to Supplier	No challenges anticipated
74402100901	7	Landfill Site: PPE	220 575 909,00	220 575 909,00	22 559 927,67	Orders issued to Supplier	Weekly progress provided to Management Committee and standing agenda item in Council meetings
72205102366	8	Equipment	-	6 000,00	5 858,46	Completed	Completed
71213102371	9	Appliances (Hotsprings)	-	49 653,00	16 826,10	Orders issued to Supplier	No challenges anticipated
Totals			224 925 909	225 039 114	23 815 948		

Commitments against capital for the month December 2024			
72305230005	6	Hazardous Materials Equipment	539 639
74402100901	7	Landfill Site: PPE	4 413 000
71213102371	9	Appliances (Hotsprings)	22 249
		Total Commitments	4 974 888

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: 044 555 6303
E-mail: info@gardenroute.gov.za
www.gardenroute.gov.za

OFFICE OF THE MUNICIPAL MANAGER

Enquiries: Louise Hoek
Reference: 6/1/1 – 24/25
Date: 21 January 2025

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 2024**, has been prepared in accordance with the Municipal Finance Management Act [Act 56 of 2003] and regulations made under the Act.

Print Name Mande Stratu

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

Signature 
Date 21/01/2025



PART 3: PERFORMANCE MANAGEMENT

Section 72 – Non-Financial Report

July 2024 - December 2024

2024/2025

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 2024 to 31 December 2024.

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;
- (b) identify any financial problems facing the municipality, including any emerging or impending financial problems; and
- (c) submit the report to the council by 31 January of each year

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

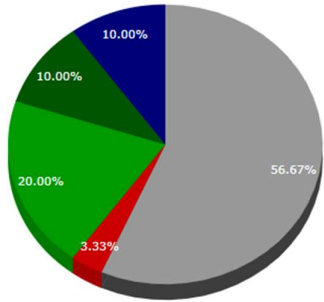
6. Notification for Council

Top Layer KPI Report

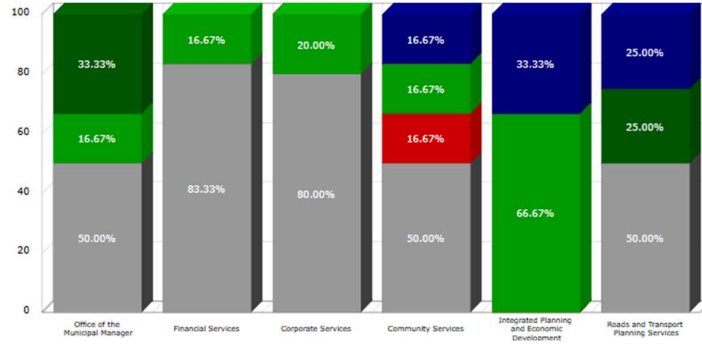
Report drawn on 21 January 2025 at 14:51

for the months of Quarter ending September 2024 to Quarter ending December 2024.

Garden Route District Municipality



Responsible Directorate



	Garden Route District Municipality	Responsible Directorate						
		Office of the Municipal Manager	Financial Services	Corporate Services	Community Services	Integrated Planning and Economic Development	Roads and Transport Planning Services	[Unspecified]
Not Yet Applicable	17 (56.67%)	3 (50.00%)	5 (83.33%)	4 (80.00%)	3 (50.00%)	-	2 (50.00%)	-
Not Met	1 (3.33%)	-	-	-	1 (16.67%)	-	-	-
Almost Met	-	-	-	-	-	-	-	-
Met	6 (20.00%)	1 (16.67%)	1 (16.67%)	1 (20.00%)	1 (16.67%)	2 (66.67%)	-	-
Well Met	3 (10.00%)	2 (33.33%)	-	-	-	-	1 (25.00%)	-
Extremely Well Met	3 (10.00%)	-	-	-	1 (16.67%)	1 (33.33%)	1 (25.00%)	-
Did Not Occur	-	-	-	-	-	-	-	-
Total:	30	6	6	5	6	3	4	-
	100%	20.00%	20.00%	16.67%	20.00%	10.00%	13.33%	-

Performance Key:

KPI not applicable = Target not set for the term under review

KPI not Met = 0 %< = Actual/Target< = 74.9%

Almost Met = 75 %< = Actual/Target < = 99.99%

Met = 100% Actual meets Target

KPI Well Met = 100.001% < = Actual/Target < = 149.9%

KPI Extremely Well Met = 150 000 %< = Actual/Target

Annexure A

OFFICE OF THE MUNICIPAL MANAGER										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	July - December 2024				Yearly Target	Year to date
					Target	Actual	R	Corrective Measure	Actual	Actual
TL1	Complete 90% of the Risk Based Audit Plan (RBAP) for the 2024/25 financial year by 30 June 2025 [(Number of audits and tasks completed for the period identified in the RBAP/ Number of audits and tasks identified in the RBAP) x 100]	% of the Risk Based Audit Plan completed by 30 June 2025	Good Governance	Determined after the completion of the audit on APR & AFS	25%	27%	G2	-	90%	27%
TL2	The percentage of the municipal capital budget spent on capital projects by 30 June 2025 [(Actual amount spent on capital projects /Total amount budgeted for capital projects) x 100]	% of capital budget spent by 30 June 2025	Financial Viability	Determined after the completion of the audit on APR & AFS	15%	16%	G2	-	95%	16%
TL3	Award 8 external bursaries to qualifying candidates by 30 June 2025	Number of external bursaries awarded by June 2025	Skilled Workforce and Community	Determined after the completion of the audit on APR & AFS	0	0	N/A	-	8	N/A
TL4	Strategic Risk register of the Organization submitted to Council by 30 June 2025	Submit the Strategic Risk register to Council by 30 June 2025	Good Governance	Determined after the completion of the audit on APR & AFS	0	0	N/A	-	1	N/A
TL5	Facilitate the Mid-Year Performance Review of the Municipal Manager and Senior Managers reporting Directly to the Municipal Manager by 31 March 2025	Number of reviews facilitated	Skilled Workforce and Community	New KPI	0	0	N/A	-	1	N/A

OFFICE OF THE MUNICIPAL MANAGER										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	July - December 2024				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/ Comment	Target	Actual
TL6	Facilitate the Annual Performance Review of the Municipal Manager and Senior Managers reporting Directly to the Municipal Manager by 31 October 2024	Number of reviews facilitated	Skilled Workforce and Community	New KPI	1	1	G	-	1	1

FINANCIAL SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	July - December 2024				Yearly Target	Year to Date
					Target	Actual	R	Corrective Measures/ Comment	Target	Actual
TL7	Review the budget, cash and cash reserve policies in preparation for the final budget of 2024/25 and submit to Council by 31 March 2025	Reviewed policies submitted to Council for approval by 31 March 2025	Financial Viability	Determined after the completion of the audit on APR & AFS	0	0	N/A	-	1	N/A
TL8	Achieve cash coverage ratio of 3 months. Financial viability measured in terms of the available cash to cover fixed operating expenditure by 30 June 2024[(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	Financial Viability	Determined after the completion of the audit on APR & AFS	0	0	N/A	-	3	N/A
TL9	Achieve a current ratio of 1.5 (Current assets: Current liabilities) by 30 June 2025	Number of times the Municipality can pay back its short term-liabilities with its short-term assets by 30 June 2025	Financial Viability	Determined after the completion of the audit on APR & AFS	0	0	N/A	-	1.5	N/A
TL10	Financial viability measured in terms of the municipality's ability to meet its service debt obligations by 30 June 2024 [(Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / (Total Operating Revenue - Operating Conditional Grant) x 100]	% of debt coverage	Financial Viability	Determined after the completion of the audit on APR & AFS	0	0	N/A	-	45%	N/A

FINANCIAL SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	July - December 2024				Yearly Target	Year to Date
					Target	Actual	R	Corrective Measures/ Comment	Target	Actual
TL11	Compilation of the Annual Financial Statements (AFS) for the 2023/24 financial year and submit to the Auditor- General (AG) by 31 August 2024	Compilation and submission of the AFS to the AG by 31 August 2024	Financial Viability	Determined after the completion of the audit on APR & AFS	1	1	G	-	1	1
TL12	Compile the Mid-year Financial Statements for the 2024/25 financial year and submit to Audit Performance and Audit Committee (APAC) by 28 February 2025	Compilation and submission of the Mid-year Financial Statements to APAC by 28 February 2025	Financial Viability	1	0	0	N/A	-	1	N/A

CORPORATE SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	July - December 2024				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/Comment	Target	Actual
TL13	Develop an Organisational Skills Development Plan for 2025/26 and submit to Council by 30 June 2025	Organisational Skills Development Plan for 2025/26 submitted by 30 June 2025	Skilled Workforce and Community	Determined after the completion of the audit on APR & AFS	0	0	N/A	-	1	N/A
TL14	Number of people from employment equity target groups that will be appointed in the three highest levels of management during the 2024/25 financial year in compliance with the municipality's approved employment equity plan (senior officials & managers, professionals, technicians and associate professionals)	Number of people appointed in the three highest levels of management in compliance with the municipality's approved employment equity plan (senior officials & managers, professionals, technicians and associate professionals)	Skilled Workforce and Community	Determined after the completion of the audit on APR & AFS	0	0	N/A	-	1	N/A
TL15	Spend 1% of personnel budget on training by 30 June 2025 [(Actual total training expenditure/total personnel budget) x 100]	% of the personnel budget spent on training by 30 June 2025	Skilled Workforce and Community	Determined after the completion of the audit on APR & AFS	0	0	N/A	-	1%	N/A
TL16	Limit vacancy rate to 10% of budgeted post by 30 June 2025[(Number of funded posts vacant/number of funded posts) x 100]	% vacancy rate	Skilled Workforce and Community	Determined after the completion of the audit on APR & AFS	0	0	N/A	-	10%	N/A
TL17	Submit the GRSM Skills Mecca Progress reports linking to the Growth and Development Strategy to Council on a quarterly basis	Number of reports submitted	Skilled Workforce and Community	Determined after the completion of the audit on APR & AFS	1	1	G	-	4	2

INTEGRATED PLANNING AND ECONOMIC DEVELOPMENT

KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	July - December 2024				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/Comment	Target	Actual
TL18	Report bi-annually to Council on the progress in terms of the Growth and Development Strategy initiatives within the District	Number of reports submitted	Growing an Inclusive District Economy	Determined after the completion of the audit on APR & AFS	1	1	G	-	2	1
TL19	Create job opportunities through the Expanded Public Works Programme (EPWP) for the organisation by 30 June 2025	Number of job opportunities created through the Expanded Public Works Programme (EPWP) by 30 June 2025	Growing an Inclusive District Economy	Determined after the completion of the audit on APR & AFS	100	218	B	-	246	218
TL20	Develop the terms of reference for the proposals for operating and managing Calitzdorp Hot Springs, De Hoek Mountain Resort and Victoria Bay Restaurant by 30 September 2024	% of project budget spent	Growing an Inclusive District Economy	New KPI	1	1	G	-	1	1

ROADS AND TRANSPORT SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	July - December 2024				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/ Comment	Target	Actual
TL21	Create 60 job opportunities through the Roads Services by 30 June 2025	Number of Jobs created by 30 June 2025	Skilled Workforce and Community	136	45	16	R	The Gwaing project that facilitates the creation of more than 30 job opportunities were stopped due to flood damage. This project will commence in April of 2025 and the target will be adjusted accordingly.	60	16
TL22	Spent 95% of the roads budget allocation by 31 March 2025 (Actual expenditure divided by approved allocation received)	% of the roads spent by 31 March 2025	Financial Viability and Sustainability	98.8%	50%	73.24%	G2	-	95%	73.24
TL23	Reseal 41.09 km of roads by 30 June 2025	Number of km's of roads resealed	Bulk Infrastructure Co-ordination	28.09	0	0	N/A	-	41.09	N/A
TL24	Regravel 29.52 km of roads by 30 June 2025	Number of km's of roads regravelled by 30 June 2025	Bulk Infrastructure Co-ordination	15.41	0	0	N/A	-	29.52	N/A

COMMUNITY SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	July - December 2024				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/Comment	Target	Actual
TL25	Spend 95% of the project budget for new transport assets by 30 June 2025 [(Actual amount spent on project /Total amount budgeted for project) x 100]	% of project budget spent	Healthy and Socially Stable Communities	New KPI	40%	98.79%	B	-	95%	G2 98.79%
TL26	Conduct a Garden Route Clean Fires Air Quality Awareness Campaign at Primary Schools by 30 June 2025	Number of awareness campaigns conducted	Sustainable Environmental Management and Public Safety	Determined after the completion of the audit on APR & AFS	0	0	N/A		1	N/A
TL27	Submit quarterly RWMF Project progress reports to Council	Number of reports submitted	Sustainable Environmental Management and Public Safety	Determined after the completion of the audit on APR & AFS	1	0	R	It was decided by Council, and instruction given by the MM, that no further progress reports or reports for noting must be submitted to Council, and that only reports where resolutions are to be made are to be submitted. Adjustments will be made to the KPI during February 2025	4	G 4
TL28	Spend 95% of the project budget for the Regional Waste Management Facility by 30 June 2025 [(Actual amount spent on project /Total amount budgeted for project) x 100]	% of project budget spent	Sustainable Environmental Management and Public Safety	Determined after the completion of the audit on APR & AFS	40%	12.23%	R	1. GRDM assisting with cession payments directly to supplier of materials and expediting payment of invoices to contractor and to assist with cash flow. 2. Weekly site meetings. 3.	95%	R 12.23%

COMMUNITY SERVICES										
KPI Ref	KPI	Unit of Measurement	Strategic Objective	Baseline	July - December 2024				Yearly Target	Year to date
					Target	Actual	R	Corrective Measures/Comment	Target	Actual
								Implementation of penalties from 13 December 2024.		
TL29	Compile the Garden Route District Air Quality Management Plan and submit to Council by 30 June 2025	Plan submitted to Council by 30 June 2025	Healthy and Socially Stable Communities	Determined after the completion of the audit on APR & AFS	0	0	N/A	-	1	N/A
TL30	Compile the Garden Route District Veld and Forest Master Plan and submit to Council by 30 June 2025	Master Plan submitted to Council by 30 June 2025	Healthy and Socially Stable Communities	New Performance Indicator for 2024/2025	0	0	N/A		1	N/A