



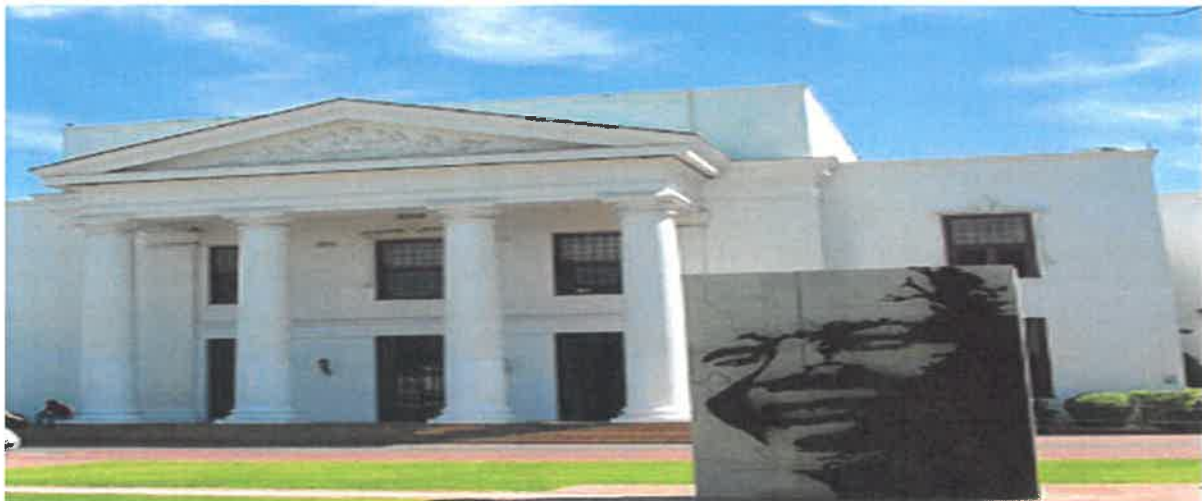
STELLENBOSCH

STELLENBOSCH • PNIEL • FRANSCHHOEK

MUNISIPALITEIT • UMASIPALA • MUNICIPALITY

MID YEAR BUDGET AND PERFORMANCE ASSESSMENT

DECEMBER 2022



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BUDGET & FINANCIAL PERFORMANCE OF STELLENBOSCH MUNICIPALITY AS AT 31 DECEMBER 2022

1. PURPOSE

The mid-year report is used as a management tool to assess the Municipality's performance and financial position against the approved budget by analyzing trends and patterns for the first six months of the 2022/2023 financial year, with a view of giving effect to the Mayor and Council's oversight role and to recommend the need for an adjustment budget as envisaged by the Municipal Finance Management Act.

2. LEGISLATIVE BACKGROUND

In terms of Section 72 (1) (a) of the Local Government Municipal Finance Management Act No. 56 of 2003 (MFMA) the Accounting Officer must by the 25th of January of each year assess the performance of the Municipality during the first half of the financial year. A report on such assessment must then be submitted to the Mayor, Provincial Treasury and National Treasury in terms of Section 72 (1) (b) of the Act. Once the Mayor has considered the report in terms of Section 54 (1) (f) of the MFMA, she must table the report with recommendations to Council by 31 January of each year.

3. BUDGET PERFORMANCE ANALYSIS

3.1 Overview of Operating Revenue and Expenditure performance for the period July to December 2022.

Description	Adjusted Budget	Year-to-date Budget	Year-to-date Actual	Year-to-date Variance
Revenue By Source				
Property rates	438 941 448	253 049 058	262 732 492	3,83%
Service charges - electricity revenue	846 763 143	438 989 720	401 463 487	-8,55%
Service charges - water revenue	176 782 707	73 216 160	84 187 076	14,98%
Service charges - sanitation revenue	109 133 951	56 223 646	54 469 159	-3,12%
Service charges - refuse revenue	94 971 363	52 831 867	50 205 594	-4,97%
Rental of facilities and equipment	15 537 894	7 768 956	4 567 420	-41,21%
Interest earned - external investments	20 397 326	10 198 662	18 941 943	85,73%
Interest earned - outstanding debtors	11 391 237	5 603 696	8 906 539	58,94%
Fines, penalties and forfeits	124 955 174	62 477 592	58 641 966	-6,14%
Licences and permits	5 934 010	2 967 012	3 990 269	34,49%
Agency services	4 281 368	2 140 686	1 474 433	-31,12%
Transfers and subsidies	216 504 534	107 594 360	136 524 298	26,89%
Other revenue	41 312 625	20 656 338	17 834 782	-13,66%
Gains on disposal of PPE	-	-	1 654	
Total Revenue (excluding capital transfers and contributions)	2 106 906 780	1 093 717 753	1 103 941 112	0,93%

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2022

Expenditure	Adjusted Budget	Year-to-date Budget	Year-to-date Actual	Year-to-date Variance
Employee costs	626 756 223	307 528 917	272 623 474	-11,35%
Remuneration of Councillors	21 062 270	10 531 134	11 340 994	7,69%
Depreciation & asset impairment	213 118 310	102 209 575	-	-100,00%
Finance charges	67 799 365	6 373 389	24 057 550	277,47%
Materials and bulk purchases	634 633 571	269 484 587	283 183 554	5,08%
Transfers and subsidies	17 837 921	14 257 698	13 062 340	-8,38%
Other expenditure	523 981 334	195 628 844	158 009 314	-19,23%
Total Expenditure	2 105 188 994	906 014 144	762 277 228	-15,86%

Below follows a synopsis of significant revenue and expenditure variances:

Operating Revenue

Property Rates and Service Charges

Property rates and service charges refuse are billed monthly. However, some consumers applied to have their property rates and service charges billed annually.

Property Rates

The municipality has billed R9 683 434 more property rates than initially anticipated. The over performance is due to the annual applications which did not form part of the monthly budgeted revenue projections.

Service charges - electricity revenue

The municipality has billed R37 526 233 less electricity charges than initially anticipated. The largest under performance relates to the low usage during peak times reflected for the time of use tariffs (R25 222 820) and Domestic High prepaid (R38 029 427). The under performance is due to prolonged load shedding outages and consumers finding alternative energy sources. Considering the consumption over the past 6 months of the current financial year, the average consumption (R66 909 106), a decreasing trend in collections over the past 3 months at an average of R10 160 377 as well as the tariff increase of 7.9%, the current budget of R837 368 479 is deemed unattainable. It is recommended that the budget be reduced with approximately R34 455 166 during the Mid-year adjustment budget process.

Service charges - water revenue

The municipality has billed R10 970 916 more water charges than initially anticipated. The largest over performance was noted for sale conventional (R29 765 307). This incline in billings is a result of the increase in consumption. Considering the monthly average increase in consumption over the past 5 months of the current financial year (R1 048 212), the monthly average billing (R14 031 157) as well as the tariff increase of 6.2%, the current budget of R176 782 707 is deemed attainable. It is recommended that the budget not be adjusted during the mid-year adjustment process.

Service charges - sanitation revenue

The municipality has billed R1 754 487 less sanitation charges than initially anticipated. The largest under performances were noted for general sanitation charges (R1 754 389).

Considering the consumption over the past 6 months of the current financial year, the average consumption over the last 6 months of the past 4 financial years (R7 497 544) as well as the tariff increase of 6%, the current budget of R114 485 332 is deemed attainable. It is recommended that the budget not be adjusted during the Mid-year adjustment budget process.

Service charges - Refuse revenue

The municipality has billed R2 626 273 less refuse charges than initially anticipated. Considering the average billings over the past 6 months of the current financial year (R8 367 599), as well as the tariff increase of 8%, the current budget of R94 971 363 is deemed attainable. It is recommended that the budget not be adjusted during the mid-year adjustment process.

Interest Earned- External Investments

An over performance was noted for interest earned – external investments to the amount of R8 743 281. The variance is mainly attributed to increases in the interest rates after the covid-19 pandemic where the interest rates had been significantly lower resulting in a reduced trend and budget. The municipality has also invested additional funds which has resulted in an increase in the earnings from investments. Considering the monthly average over the past 6 months R3 156 990 it is recommended that the budget be increased by R15 020 095 during the mid-year adjustment process.

Interest earned – outstanding debtors

An over performance was noted for the interest earned on outstanding debtors. This is due to the increases in the prime interest rate and the overall increase in debt. Considering the monthly average over the past 6 months (R1 484 423)), it renders the adjustment budget of R11 391 237 as insufficient and it is recommended that the budget be increased with R6 947 414 during the mid-year adjustment budget process.

Fines, penalties and forfeits

An underperformance was noted to the amount of R3 835 626. The recognition of traffic fines in terms of iGRAP 1 will be done monthly, including the journal processed on the financial system. It should be noted that no journal was processed during December 2022 and will reflect in the next reporting period. The budget is deemed to be attainable and no adjustment required during the Mid-year adjustment budget process.

Licences and permits

An over performance is noted for licences and permits to the amount of R1 023 257. The over performance is due to more licences and permit renewals as well as more accompanying applications being received than initially anticipated. Considering the actuals generated over the past 4 financial years (average: R5 620 661) and a monthly average over the past 6 months of the current financial year (R665 045), the current budget of R5 934 010 is deemed as attainable. No adjustment to the budget is recommended during the Mid-year adjustment budget process.

Rental of facilities and equipment

An under performance is noted for the Rental of facilities and equipment to the amount of R3 201 536. Considering the average of the actuals generated over the past three (3) financial years amounting to R11 150 870 and the average monthly revenue (R761 237), the current budget of R15 537 894 is deemed unattainable. It is recommended that the budget be reduced by R5 439 211 during the mid-year adjustment process.

Transfers and subsidies

The transfers and subsidies will be increased with R2 492 000 during the Mid-year Adjustment budget process. An increase of R300 000 relates to operating grants and an increase of R2 192 000 relates to capital grants. The following changes will be incorporated;

- An increase in the budget due to additional as well as new grant allocations in respect of the following;
 - Western Cape Financial Management Capability Grant to the amount of R300 000.
 - Human Settlements Development Grant to the amount of R3 208 000.
 - Maintenance and Construction of Transport infrastructure to the amount of R4 500 000.
(This amount pertains to funds gazetted and expensed in the previous financial year and will be utilised to clear the existing debtor)
- A decrease in the grant funding in respect of the following;
 - Informal Settlements Upgrading Partnership Grant: Provinces (Beneficiaries) to the amount of R10 350 000.
- A revised funding allocation letter has been approved by the transferring department indicating that an amount of R1 808 460 will be moved from the operating budget to the capital budget for the Library Services Conditional Grant.

Other revenue

An under performance is noted for other revenue to the amount of R2 821 556. The budget will be decreased during the Mid-year adjustment budget process. The adjustment has been necessitated due to the following;

- **Operational Revenue:Merchandising, Jobbing and Contracts (Electrical Services)**

An underperformance of R1 279 937 has been noted. However, the past three (3) financial years yielded an average income of R1 307 373 per year. This renders the adjustment budget of R4 994 321 as unattainable, and it is recommended that the budget be reduced during the Mid-year adjustment process.

- **Sales of Goods and Rendering of Services: Encroachment Fees (Property Management)**

An overperformance of R1 483 401 has been noted. The past three financial years yielded an average income of R2 325 862 per year, however, considering the monthly average for the past 6 months (R455 567) it is recommended that the budget be increased during the Mid-year adjustment process.

- **Sales of Goods and Rendering of Services: Parking Fees**

An under performance of R6 856 596 has been noted for Parking fees. The municipality has generated an average of R7 666 787 over the past 3 financial years and has generated R2 152 499 to date. Considering the monthly average over the past 6 months (R358 749), it renders the adjustment budget of R13 713 186 as unattainable, and it is recommended that the budget be reduced during the Mid-year adjustment process with approximately R9 316 000.

- **Sales of Goods and Rendering of Services: Cemetery and Burial.** An under performance was noted for the cemetery and burial. The municipality has generated an average of R738 267 over the past 3 financial years. Considering the monthly average (R102 029), the municipality has re-assessed the cemetery and burial revenue budget and anticipates that a downward adjustment of R2 257 334 will be necessitated during the Mid-year adjustment budget process.

Operating Expenditure

The expenditure to date reflects an under spending of R143 736 916 when comparing the financial performance of the first six months to the pro-rata budget.

It should be noted that the budget items reflected an under spending when compared to the year-to-date budget and are as follows:

- **Employee costs:** An underperformance of R34 905 443 is noted against the year-to-date budget projections. The employee related cost budget will be reduced based on the year to date actual amounts and historical trends with R35 870 257 during the mid-year adjustment budget process.
- **Remuneration of Councilors:** An overperformance of R809 860 is noted against the year-to-date budget projections. This is largely due to the increase in councilor remuneration. The expenditure budget for this line item will have to be adjusted downwards with approximately R216 503 during the Mid-year adjustment budget process.
- **Depreciation and asset impairment:** An underperformance of R102 209 575 is noted against the year-to-date budget projections. The underperformance is distorted as a result of the monthly projections which will be adjusted during the Mid-year adjustment budget process. The budget will be increased with approximately R1 874 487 during the Mid-year adjustment budget process.
- **Finance charges:** An overperformance of R17 684 161 is noted against the year-to-date budget projections. This is largely due to the monthly budget projections that will be amended during the Mid-year adjustment budget process.
- **Materials and Bulk purchases:** An over performance of R13 698 967 is noted for materials and bulk purchases. An increase of approximately R559 000 will be implemented during the Mid-year adjustment budget process for materials and supplies. The increase is necessitated to make provision for adequate funding needed for Sport Grounds (increase with R300 000) and fire services (increase with R200 000). The electricity purchases are the largest contributor to the over performance (R9 617 724). It is envisaged that the demand for electricity will decrease due to severe load shedding as there has been a decline in the past 3 months of the current financial year. Due to this decline, the budget will be reduced by approximately R7 486 902 during the Mid-year adjustment budget process.
- **Contracted Services:** An under performance of R9 444 276 is noted against the year-to-date budget projections. The underperformance is due to the following:
 - **Contracted Services: Outsourced Services: Refuse Removal:** The user department planned to spend R13 208 496 of the adjusted budget. The

year-to-date actual expenditure incurred amounted to R9 166 742. Orders to the amount of R13 124 171 have been loaded on the financial system. An improvement will be noted in the next reporting period.

- Contracted Services:Consultants and Professional Services: Business and Advisory: Project Management: The user department planned to spend R1 744 669 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R301 575. Orders to the amount of R364 627 have been loaded on the financial system. An improvement will be noted in the next reporting period.
- Contracted Services:Outsourced Services: Litter Picking and Street Cleaning: The user department planned to spend R1 980 000 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R1 107 627. Orders to the amount of R2 315 574 have been loaded on the financial system.
- Contracted Services:Contractors: Transportation (Sewerage Network): The user department planned to spend R2 520 830 of the adjusted budget. No expenditure has been incurred to date.
- Contracted Services:Outsourced Services: Refuse Removal: The user department: The user department planned to spend R4 041 754 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R9 166 742. The user department indicated that additional funds would be required for the crushing of builders rubble, haulage and disposal. The budget will be increased with R6000 000 during the mid-year adjustment budget process.
- Inventory Consumed: Consumables:Zero Rated: The municipality planned to spend R5 898 313 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R11 126 246. Considering the monthly average spend over the past 6 months (R1 854 374), fuel price adjustments and the increase in consumption of fuel for generators as a result of increased loadshedding. The budget will be increased with approximately R12 380 000 during the mid-year adjustment budget process.
- Contracted Services:Outsourced Services: Security Services: The user department planned to spend R14 344 532 of the adjusted budget. The year-to-date expenditure incurred amounted to R14 439 549. Orders to the amount of R11 703 929 have been loaded onto the financial system. The user department indicated that due to an increase in the number of sites that require security services as well as armed security services as per requests from other user departments, the adjusted budget will not be sufficient for the remainder of the financial year. The budget will therefore be increased by R15 000 000 during the mid-year adjustment process.
- Contracted Services:Contractors: Maintenance of Buildings and Facilities (Municipal Buildings and Structures): The user department planned to

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spend R1 363 024 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R91 833. Orders to the amount of R725 990 have been loaded onto the financial system.

- Transfers and subsidies: An under performance of R1 195 358 is noted against the year-to-date budget projections. The under performance is distorted as a result of the monthly projections which will be adjusted during the Mid-year adjustment budget process. The major contributor to the over performance is as follows;
 - Transfers and Subsidies: Operational: Monetary Allocations :Households: Other Transfers (Cash): LED DIRECT SUPPORT: The user department planned to spend R499 920 of the adjusted budget. No expenditure has been incurred to date. The user department indicated that proposals for further Small; medium and Macro Enterprises training will be advertised for implementation.
 - Transfers and Subsidies: Operational: Monetary Allocations: Non-profit institutions: Sport Councils: The user department planned to spend R4 030 672 of the adjusted budget. The year-to-date actual expenditure incurred amounted to R3 444 176. The user department indicated that Grant in aid donations for organisations serving vulnerable groups and communities and additional donations outstanding will be paid on a monthly basis
- Other expenditure: An under performance of R37 619 530 against a year-to-date budget of R195 628 844 has been noted. The underspending is largely due to the following;
 - Operational Cost: Bargaining Council: The user department planned to spend R3 227 628 of the adjusted budget. No expenditure has been incurred to date. The user department indicated that the payment for the Bargaining council is a once-off payment, and it will be made as soon as an invoice has been received.
 - Debt impairment: The user department planned to spend R40 000 000 of the adjusted budget. No expenditure has been incurred to date. The monthly budget projections will be re-assessed during the Mid-year adjustment budget process.

Various other line items were also identified where additional funds are requested due to operational pressure. This will be addressed in the Mid-Year Adjustments Budget and will result in an envisaged budget increase with an amount of approximately R6 652 423 for other expenditure.

3.2 Overview of Capital Budget performance for the period July to December 2022

	Approved Adjustment Budget	Planned	Actuals	Variance (Planned vs Actuals)	Variance (Planned vs Actuals)%
Municipal Manager	40 000	30 000	38 203	8 203	27,34%
Planning & Development Services	20 976 380	3 695 505	5 017 699	1 322 194	35,78%
Infrastructure Services	361 886 171	158 587 321	96 511 150	-62 076 171	-39,14%
Corporate Services	47 889 209	14 764 004	17 931 334	3 167 330	21,45%
Community and Protection Services	33 441 313	8 371 202	1 975 972	-6 395 230	-76,40%
Financial Services	250 000	194 487	93 139	-101 348	-52,11%
Grand Total	464 483 073	185 642 519	121 567 496	-64 075 023	-34,52%

Expenditure on the Capital Budget for the six months ended 31 December 2022 is R121 567 496 representing 34.52% capital spending performance measured against the total capital budget of R464 483 073 which is higher than the spending performance of 25% for the same period in December 2021.

Period	Dec-18	Dec-19	Dec-20	Dec-21
Total Capital Budget	587 748 280	613 274 958	483 710 958	471 680 164
Actual Spending	147 499 939	202 978 608	147 011 293	115 587 333
Spending Performance	25.10%	33.10%	30.39%	24.51%

This spending only represents actual payments, whilst orders for work still in progress amount to R92 766 527. What is of concern is that R250 149 050 worth of capital projects have not yet been provisionally committed. The capital budget will have to be adjusted to make the necessary amendments to various projects in order to accelerate progress on the priorities identified.

An underspending amounting to R64 075 023 on the Capital expenditure has been noted. The budget will be decreased with approximately R84 167 932 during the Mid-year adjustment budget process. The adjustment has been necessitated due to the following:

3.2.1 Expansion of the landfill site (New cells)

The user department planned to spend R20 000 000 of the amended budget. The year-to-date expenditure incurred amounted to R75 853. Orders to the amount of R753 070 have been loaded onto the financial system. This is a multi-year project. The Department of Economic Affairs and Development Planning required a new Waste Management license process to be followed which has delayed the commencement of the project. The project is in the planning phase and will continue into the next financial year. The budget will be decreased with approximately R30 600 000 during the Mid-year adjustment budget process.

3.2.2 Laterra Substation

The user department planned to spend R11 281 618 of the amended budget. The year-to-date expenditure incurred amounted to R492 864. Orders to the amount of R1 414 078 have been loaded onto the financial system. The user department indicated that a service provider was appointed later than anticipated and after analysis, they do not

envisage that the project will be completed during the current financial year. Since this is a multi-year project, the amended budget will be reduced with the amount of R21 981 814 which will be moved to the 2023/2024 financial year during the mid-year adjustment budget process.

3.2.3 Kayamandi: Zone O (±711 services)

The project will be reduced with the full grant allocation to the amount of R13 350 000 during the mid-year adjustment process to be aligned with the latest funding allocation letter received from the Provincial Department of Human Settlements.

3.2.4 New Reservoir & Pipeline: Vlottenburg

The user department planned to spend R9 530 618 of the amended budget. The year-to-date expenditure incurred amounted to R20 648 860. Orders to the amount of R11 775 336 have been loaded onto the financial system. The user department indicated that the project has commenced, and construction is going according to plan. The funds available in the current approved budget are insufficient for 2022/2023 and 2023/2024 financial years and this is due to the contract period being spread over 14 months. However, this is a multi-year project and even though the total budget allocated over the 3-year MTREF is sufficient, the funds from the outer years need to be brought forward to fund the project and prevent delays and penalties being incurred. The budget will be increased with approximately R37 000 000 during the Mid-year adjustment budget process.

3.2.5 Landfill Gas to Energy

The user department planned to spend R1 839 587 of the amended budget. The year-to-date expenditure incurred amounted to R388 476. Orders to the amount of R599 656 have been loaded onto the financial system. The user department indicated that the project is currently in its planning phase and construction will commence in the 2023/2024 financial year. The budget will be decreased with approximately R5 939 587 during the Mid-year adjustment budget process.

3.2.6 Jan Marais Upgrade: Remove Existing Tx and replace with 20MVA

The user department planned to spend R4 103 871 of the amended budget. The year-to-date expenditure incurred amounted to R109 200. Orders to the amount of R3 506 707 have been loaded onto the financial system. The user department indicated that the contract for the current contractor will be terminated due to poor performance and therefore a new contractor will have to be appointed to commence in the 2023/2024 financial year. The current orders loaded onto the financial system will be utilised for consulting fees and the storage of equipment. The budget will be decreased with approximately R6 630 746 during the Mid-year adjustment budget process.

3.3 Financial performance analysis

3.3.1 Liquidity Analysis- Acid Test Ratio

The liquidity position of the municipality was 1.94:1 at 31 as at December 2021 and has regressed to 1.5:1 as at 31 December 2022. This indicates that funding could be made available immediately to cover short-term commitments. The municipality is operating within the ambit of the norm of 1.5:1.

3.3.2 Financial Performance – Net Operating Surplus Margin

The municipality's net operating surplus margin has improved from 27.88% as at 31 December 2021 to 30.95% as at 31 December 2022. The positive ratio indicates that the municipality is able to generate a surplus which will assist to contribute towards its capital funding requirements and ensure sustainable service delivery.

3.3.3 Cost Coverage Ratio

The municipality's cost coverage ratio has increased from 5 months at 31 December 2021 to 8 months at 31 December 2022. The ratio is above the norm of 1 to 3 months. This ratio indicates the municipality's ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month.

3.3.4 Debtors collection rate

The debtor's collection rate has decreased from 99% at 31 December 2021 to 97% at 31 December 2022. Cognisance should be taken that the percentages includes the collection of arrear debt. The municipality will continue to enforce strict credit control procedures to ensure an improvement is evident during the next 6 months of the current financial year.

3.3.5 Liability Management

3.3.5.1 Cost required to service borrowings

The municipality's cost required to service borrowings has increased marginally from 4.78% at 31 December 2021 to 6.09% at 31 December 2022. The ratio depicts the borrowing or payment obligation expressed as a percentage of total operating expenditure. The municipality is within the norm of 6% to 8%.

3.3.5.2 Affordability of total borrowings

The municipality's affordability of borrowings has increased from 20.32% at 31 December 2021 to 22.17% year to date. The municipality is well below the norm of 45% and has the capacity to increase funding from borrowings.

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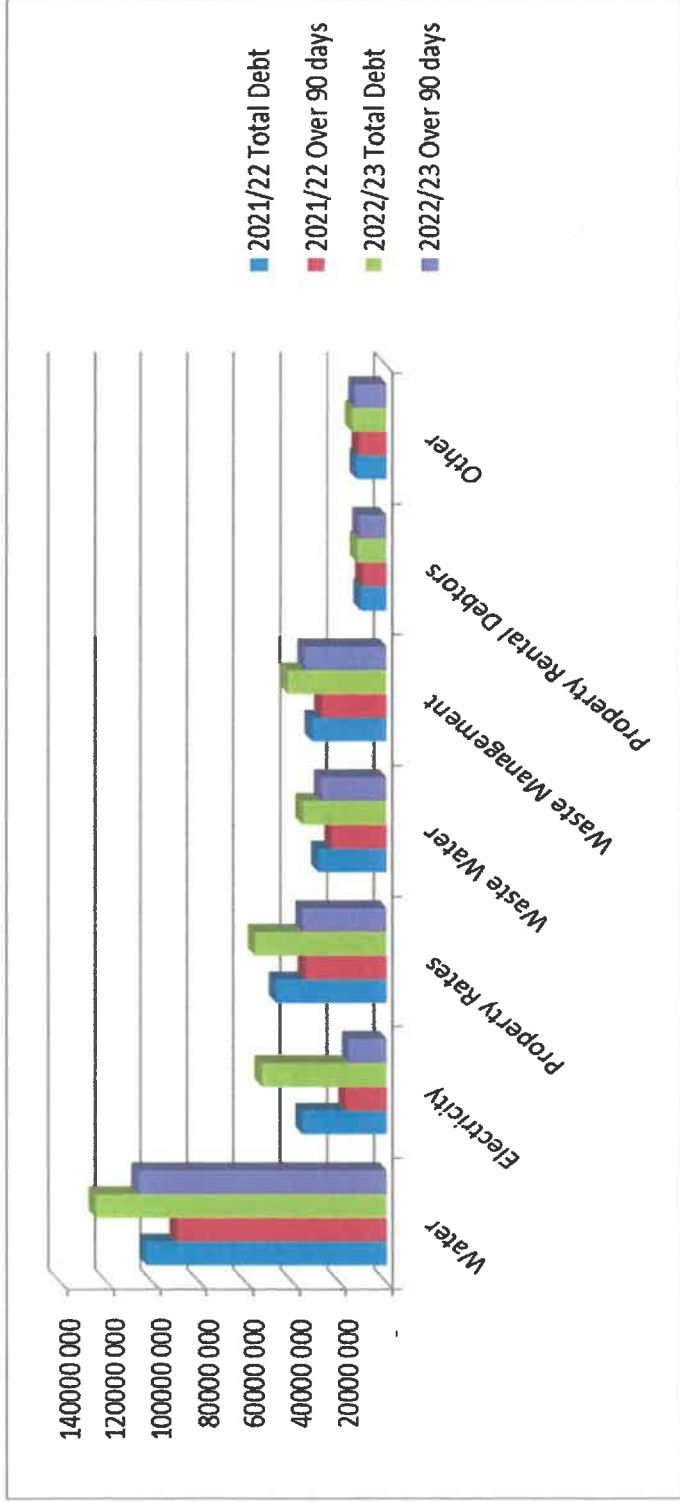
3.4 Outstanding Debtors

Below is an analysis of the outstanding consumer debtors as at 31 December 2022 compared to the position as at 31 December 2021:

Debtors' Age Analysis as at 31 December 2022:

Description		Budget Year 2022/23										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.Lo Council Policy			
		NT Code	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	14 410	2 425	2 029	106 453	-	-	-	-	-	-	-	125 316	106 453	-
	Trade and Other Receivables from Exchange Transactions - Electricity	1300	36 269	511	510	16 203	-	-	-	-	-	-	-	53 493	16 203	-
	Receivables from Non-exchange Transactions - Property Rates	1400	18 492	1 042	921	35 962	-	-	-	-	-	-	-	56 417	35 962	-
	Receivables from Exchange Transactions - Waste Water Management	1500	6 274	803	655	28 177	-	-	-	-	-	-	-	35 910	28 177	-
	Receivables from Exchange Transactions - Waste Management	1600	5 367	982	946	35 068	-	-	-	-	-	-	-	42 364	35 068	-
	Receivables from Exchange Transactions - Property Rental Debtors	1700	561	219	212	11 655	-	-	-	-	-	-	-	12 647	11 655	-
	Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Other	1900	958	200	277	13 419	-	-	-	-	-	-	-	14 854	13 419	-
	Total By Income Source	2000	82 331	6 182	5 550	246 938	-	-	-	-	-	-	-	341 001	246 938	-
2021/22 - totals only																
Debtors Age Analysis By Customer Group																
	Organs of State	2200	2 958	151	110	764	-	-	-	-	-	-	-	3 982	764	-
	Commercial	2300	14 564	285	155	19 726	-	-	-	-	-	-	-	34 730	19 726	-
	Households	2400	48 418	5 312	4 781	196 177	-	-	-	-	-	-	-	254 689	196 177	-
	Other	2500	16 391	434	503	30 271	-	-	-	-	-	-	-	47 600	30 271	-
	Total By Customer Group	2600	82 331	6 182	5 550	246 938	-	-	-	-	-	-	-	341 001	246 938	-

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Subsidies and Rebates:

Number of registered indigent families 31 December 2021: 16 930

Formal Indigents: 6 417
 Informal Indigents: 10 513

Number of registered indigent families 31 December 2022: 17 869

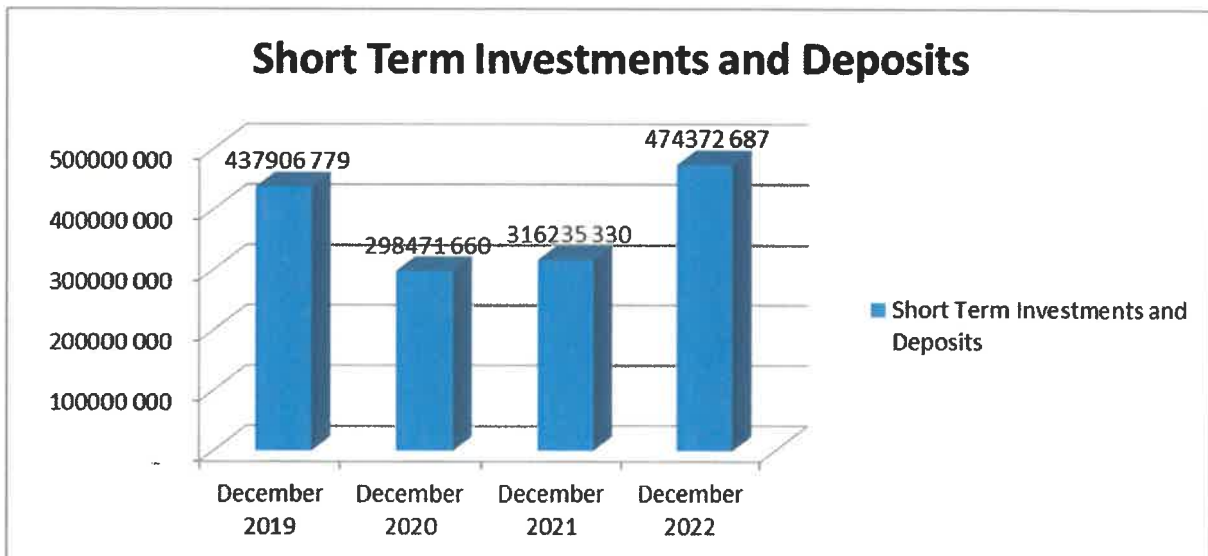
Formal Indigents: 5 789
 Informal Indigents: 12 080

The informal indigent households have increased by 1 567 households due to an incline in the number of applications received, whilst the number of formal indigents decreased by 628. The municipality continuously ensures that there is increased community awareness regarding indigent applications and rebates available. An overall increase of 939 indigent households has been noted from December 2021 to December 2022.

3.5 Investments

The investment portfolio increased from R316 235 330 as at 31 December 2021 to R474 372 687 at 31 December 2022.

Description	Dec-19	Dec-20	Dec-21	Dec-22	%Increase
Short Term Investments and Deposits	437 906 779	298 471 660	316 235 330	474 372 687	50,01%



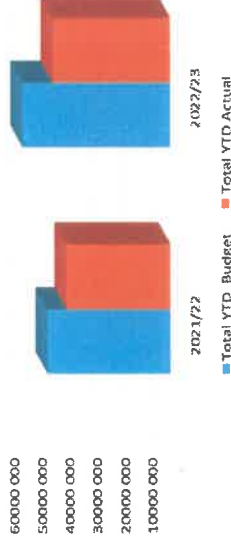
There is an incline in the investment’s portfolio. This variance is mainly attributed to increases in the interest rates after the covid-19 pandemic where the interest rates had been significantly lower resulting in a reduced trend and budget. Furthermore, with the increased revenue, the municipality has also managed to increase its investment portfolio in comparison to the previous financial years.

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2022

3.6 Cost Containment Reporting

Measures	COST CONTAINMENT REPORTING									
	31-Dec-22					31-Dec-21				
	Amended Budget	Total YTD Budget	Total YTD Actual	Saving/ (Over spending)	Amended Budget	Total YTD Budget	Total YTD Actual	Saving/ (Over spending)	Total YTD Budget	Total YTD Actual
Use of consultants	37 644 715	11 102 002	9 251 456	1 850 546	49 355 405	13 027 813	5 916 567	7 111 246		
Vehicles used for political office -beare	-	-	-	-	-	-	-	-		
Accommodation, Travel and incidental co.	12 783 370	5 250 288	5 213 130	37 158	18 649 493	7 749 303	6 110 225	1 639 078		
Sponsorships, events and catering	3 314 355	2 233 698	2 197 969	35 729	1 697 972	148 303	245 049	96 746		
Communication	17 121 276	7 254 061	4 939 326	2 314 735	14 639 134	5 933 902	5 402 198	531 704		
Other related expenditure items	55 539 005	27 872 678	21 097 436	6 775 242	41 622 591	17 854 740	20 146 744	2 292 004		
Grand Total	126 402 721	53 712 727	42 699 317	11 013 410	125 964 595	44 714 061	37 820 783	6 893 278		

Cost Containment Year-On-Year Comparison



Description	2021/22	2022/23
Total YTD Budget	44 714 061	53 712 727
Total YTD Actual	37 820 783	42 699 317

The municipality has implemented the Cost Containment policy as from 1 October 2019. The purpose of the policy is to regulate spending and to implement cost containment measures at Stellenbosch Local Municipality. As depicted above the municipality has achieved a saving of R11 013 410 when compared to the year-to-date budget projections at the end of December 2022. The year-on-year comparison however depicts a decrease of R4 878 533 when compared to December 2021. The largest decrease can be attributed to the use of consultants (R3 334 888 or 56%).

4. PAST YEAR'S ANNUAL REPORT AND PROGRESS ON RESOLVING PROBLEMS IDENTIFIED IN THE ANNUAL REPORT

The audit process for the 2021/22 financial year has been completed by the Auditor General of South Africa.

The municipality received a clean audit (financially unqualified with no other material findings) during the 2021/2022 financial year.

Areas for improvement as identified during the previous year's audit will be encapsulated in an Audit Action Plan which will address the areas of concern. This plan and the implementation thereof will be monitored by senior management as well as the Audit Committee. The GRAP disclosure checklist in addition to the findings raised in the previous audit will be used to mitigate the risk of recurring audit findings.

5. RECOMMENDATIONS FROM THE ACCOUNTING OFFICER

After having assessed the performance of the municipality for the first half of the year (ended 31 December 2022), the following is recommended:

- a) That the Executive Mayor tables this report to Council as the contents indicate the need to approve an adjustment budget.
- b) That the revised projections as contained in this report inform the adjustment budget.

6. RECOMMENDATIONS FROM THE EXECUTIVE MAYOR

- a) Council take note of the report and more specifically the assessment and forecasts contained in the report,
- b) Council take note that an Adjustments Budget will be compiled and tabled to Council as a result of the following:
 - Operational Budget detail to be adjusted to reflect realistically anticipated revenue and expenditure as envisaged by the detail contained in the report to accompany the adjustment budget.
 - Appropriate additional revenue that has become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programs already budgeted for.
 - Authorize the utilization of projected savings in one vote towards spending in another vote due to the reprioritization of projects in line with revised completion dates; and
 - To correct any errors in the annual budget.

QUALITY CERTIFICATE

I, Geraldine Mettler, the Municipal Manager of Stellenbosch Municipality, hereby **certify** that the mid-year budget and performance assessment for the period 1 July 2022 to December 2022 has been prepared in accordance with Section 72 of the Municipal Finance Management Act and Regulations made under the Act and accordingly submit the required report on the state of Stellenbosch Municipality's performance.

Name: Geraldine Mettler

Municipal Manager of Stellenbosch Municipality - WC024

Signature  _____

Date 16/1/2023

MID YEAR BUDGET AND PERFORMANCE ASSESSMENT PART A

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2022

Monthly Budget Statements

Table C1: Monthly Budget Statement Summary

WC024 Stellenbosch - Table C1 Monthly Budget Statement Summary - Mid-Year Assessment

Description	2021/22	Budget Year 2022/23							
	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	421 969	438 941	438 941	31 261	262 732	253 049	9 683	4%	438 941
Service charges	1 090 198	1 227 651	1 227 651	84 706	590 325	621 261	(30 936)	-5%	1 227 651
Investment revenue	18 770	20 397	20 397	3 590	18 942	10 199	8 743	86%	20 397
Transfers and subsidies	196 208	213 380	216 505	55 805	136 524	107 594	28 930	27%	216 505
Other own revenue	192 277	203 412	203 412	21 868	95 417	101 614	(6 197)	-6%	203 412
Total Revenue (excluding capital transfers and contributions)	1 919 424	2 103 783	2 106 907	197 231	1 103 941	1 093 718	10 223	1%	2 106 907
Employee costs	550 719	624 464	626 756	41 506	272 623	307 529	(34 905)	-11%	626 756
Remuneration of Councillors	19 815	21 062	21 062	2 286	11 341	10 531	810	8%	21 062
Depreciation & asset impairment	213 746	213 118	213 118	-	-	102 210	(102 210)	-100%	213 118
Finance charges	44 332	67 799	67 799	24 058	24 058	6 373	17 684	277%	67 799
Materials and bulk purchases	604 031	634 794	634 634	44 546	283 184	269 485	13 699	5%	634 634
Transfers and subsidies	13 364	14 355	17 838	334	13 062	14 258	(1 195)	-8%	17 838
Other expenditure	480 655	526 472	523 981	27 628	158 009	195 629	(37 620)	-19%	523 981
Total Expenditure	1 926 662	2 102 065	2 105 189	140 357	762 277	906 014	(143 737)	-16%	2 105 189
Surplus/(Deficit)	(7 239)	1 718	1 718	56 874	341 664	187 704	153 960	82%	1 718
Transfers and subsidies - capital (monetary allocation)	92 495	120 030	134 761	12 993	35 116	60 703	(25 587)	-42%	134 761
Contributions & Contributed assets	30 746	33 000	33 000	20	4 054	16 500	(12 446)	-75%	33 000
Surplus/(Deficit) after capital transfers & contributions	116 002	154 747	169 479	69 887	380 834	264 906	115 928	44%	169 479
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	116 002	154 747	169 479	69 887	380 834	264 906	115 928	44%	169 479
Capital expenditure & funds sources									
Capital expenditure	340 170	409 273	464 483	43 449	121 567	185 643	(64 075)	-35%	464 483
Capital transfers recognised	94 873	132 483	154 827	13 290	37 585	56 521	(18 936)	-34%	154 827
Public contributions & donations	-	-	-	-	-	-	-	-	-
Borrowing	128 766	140 000	165 124	20 201	43 400	83 457	(40 058)	-48%	165 124
Internally generated funds	116 481	136 790	144 532	9 958	40 583	45 664	(5 082)	-11%	144 532
Total sources of capital funds	340 120	409 273	464 483	43 449	121 567	185 643	(64 075)	-35%	464 483
Financial position									
Total current assets	1 522 415	644 346	610 164	-	30 469	-	-	-	610 164
Total non current assets	6 021 122	6 274 346	6 329 556	-	97 732	-	-	-	6 329 556
Total current liabilities	1 221 670	339 918	346 214	-	(256 975)	-	-	-	346 214
Total non current liabilities	790 133	877 341	877 341	-	-	-	-	-	877 341
Community wealth/Equity	5 517 696	5 701 434	5 716 165	-	-	-	-	-	5 716 165
Cash flows									
Net cash from (used) operating	1 271 617	(94 070)	(152 235)	192 624	796 203	(63 186)	(859 389)	1360%	(152 235)
Net cash from (used) investing	(45 347)	(785 546)	(885 519)	-	(1 742)	(394 816)	(393 075)	100%	(885 519)
Net cash from (used) financing	(121 845)	162 961	162 961	(23)	653	92 961	92 308	99%	162 961
Cash/cash equivalents at the month/year end	1 438 508	(498 960)	(639 357)	-	795 114	(129 606)	(924 720)	713%	(874 793)
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	82 331	6 182	5 550	246 938	-	-	-	-	341 001
Creditors Age Analysis									
Total Creditors	17 934	-	-	-	-	-	-	-	17 934

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2022

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

WC024 Stellenbosch - Table C2 Monthly Budget Statement - Financial Performance (functional classification) - Mid-Year Assessment

Description	Ref	Budget Year 2022/23								
		2021/22 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>		517 935	546 657	547 227	57 514	337 829	306 886	30 943	10%	547 227
Executive and council		306	771	771	35	365	386	(20)	-5%	771
Finance and administration		517 629	545 886	545 906	57 479	337 445	306 500	30 944	10%	545 906
Internal audit		-	-	550	-	19	-	19	#DIV/0!	550
<i>Community and public safety</i>		186 577	180 572	186 957	18 655	75 958	91 383	(15 425)	-17%	186 957
Community and social services		16 503	18 285	22 273	1 346	5 059	10 047	(4 988)	-50%	22 273
Sport and recreation		3 923	1 564	1 564	-	41	672	(632)	-94%	1 564
Public safety		142 966	148 586	149 217	16 682	66 751	74 293	(7 542)	-10%	149 217
Housing		23 185	12 136	13 902	628	4 108	6 371	(2 264)	-36%	13 902
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		106 498	145 034	147 552	11 067	50 383	73 012	(22 629)	-31%	147 552
Planning and development		45 354	142 206	144 724	10 407	47 182	71 598	(24 416)	-34%	144 724
Road transport		60 826	1 503	1 503	660	3 014	752	2 262	301%	1 503
Environmental protection		318	1 325	1 325	1	187	662	(475)	-72%	1 325
<i>Trading services</i>		1 231 552	1 384 432	1 392 814	123 007	678 942	699 581	(20 639)	-3%	1 392 814
Energy sources		808 428	920 200	928 582	66 177	430 707	475 708	(45 001)	-9%	928 582
Water management		159 914	181 107	181 107	17 868	88 360	75 378	12 982	17%	181 107
Waste water management		143 732	149 836	149 836	20 487	82 805	76 575	6 231	8%	149 836
Waste management		119 478	133 289	133 289	18 475	77 069	71 920	5 149	7%	133 289
<i>Other</i>	4	103	118	118	-	-	59	(59)	-100%	118
Total Revenue - Functional	2	2 042 665	2 256 812	2 274 668	210 243	1 143 112	1 170 921	(27 809)	-2%	2 274 668
Expenditure - Functional										
<i>Governance and administration</i>		295 576	332 785	325 140	17 478	129 435	145 503	(16 068)	-11%	325 140
Executive and council		48 922	33 555	33 529	3 294	16 525	15 256	1 269	8%	33 529
Finance and administration		237 216	285 492	277 296	13 757	105 491	124 384	(18 893)	-15%	277 296
Internal audit		9 439	13 738	14 314	428	7 419	5 863	1 556	27%	14 314
<i>Community and public safety</i>		384 898	415 276	425 613	20 908	134 714	198 153	(63 439)	-32%	425 613
Community and social services		37 897	52 304	56 486	2 897	20 153	27 761	(7 608)	-27%	56 486
Sport and recreation		62 204	65 531	70 036	4 239	23 047	33 188	(10 141)	-31%	70 036
Public safety		261 734	264 286	264 334	10 994	76 690	124 081	(47 392)	-38%	264 334
Housing		23 063	33 155	34 757	2 779	14 823	13 123	1 701	13%	34 757
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		188 080	212 066	212 126	11 524	70 775	97 103	(26 328)	-27%	212 126
Planning and development		75 879	80 010	79 934	5 575	39 831	40 238	(407)	-1%	79 934
Road transport		96 342	107 911	107 911	4 486	24 131	46 539	(22 408)	-48%	107 911
Environmental protection		15 859	24 146	24 281	1 463	6 812	10 325	(3 513)	-34%	24 281
<i>Trading services</i>		1 058 109	1 141 937	1 142 311	90 446	427 353	465 255	(37 902)	-8%	1 142 311
Energy sources		636 451	678 534	678 584	46 325	285 228	293 110	(7 882)	-3%	678 584
Water management		136 100	132 424	132 394	16 922	45 499	48 301	(2 803)	-6%	132 394
Waste water management		154 847	199 471	199 471	21 588	59 825	69 750	(9 926)	-14%	199 471
Waste management		130 710	131 508	131 861	5 612	36 802	54 093	(17 291)	-32%	131 861
<i>Other</i>		-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	1 926 662	2 102 065	2 105 189	140 357	762 277	906 014	(143 737)	-16%	2 105 189
Surplus/ (Deficit) for the year		116 002	154 747	169 479	69 887	380 834	264 906	115 928	44%	169 479

Table C2: Monthly Budget Statement – Financial Performance, reflects the operating revenue and operating expenditure in the standard classifications which are the Government Finance Statistics Functions and Sub-functions. The main functions are Governance and Administration; Community and Public safety; Economic and Environmental services; and Trading Services.

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2022

Table C3: Monthly Budget Statement – Financial Performance (revenue & expenditure by municipal vote)

WC024 Stellenbosch - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - Mid-Year

Vote Description	Ref	2021/22	Budget Year 2022/23							
		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	-	-	550	-	19	-	19	#DIV/0!	550
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		21 461	22 399	25 165	977	8 351	11 998	(3 647)	-30,4%	25 165
Vote 3 - INFRASTRUCTURE SERVICES		1 243 025	1 517 037	1 526 938	133 722	724 037	765 884	(41 847)	-5,5%	1 526 938
Vote 4 - COMMUNITY AND PROTECTION SERVICES		172 077	170 719	175 338	18 031	72 895	86 154	(13 258)	-15,4%	175 338
Vote 5 - CORPORATE SERVICES		5 787	11 657	11 677	882	4 128	5 828	(1 700)	-29,2%	11 677
Vote 6 - FINANCIAL SERVICES		508 718	535 000	535 000	56 631	333 682	301 057	32 624	10,8%	535 000
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	1 951 068	2 256 812	2 274 668	210 243	1 143 112	1 170 921	(27 809)	-2,4%	2 274 668
Expenditure by Vote										
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER	1	21 519	27 432	27 982	1 275	12 890	11 329	1 561	13,8%	27 982
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		73 884	87 865	87 865	7 205	41 009	41 796	(787)	-1,9%	87 865
Vote 3 - INFRASTRUCTURE SERVICES		1 171 076	1 258 869	1 258 869	95 454	458 680	514 587	(55 907)	-10,9%	1 258 869
Vote 4 - COMMUNITY AND PROTECTION SERVICES		383 488	419 003	421 558	19 584	129 930	198 056	(68 126)	-34,4%	421 558
Vote 5 - CORPORATE SERVICES		183 253	210 683	210 703	9 999	71 910	94 615	(22 705)	-24,0%	210 703
Vote 6 - FINANCIAL SERVICES		93 432	98 213	98 213	6 841	47 858	45 631	2 227	4,9%	98 213
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	1 926 651	2 102 065	2 105 189	140 357	762 277	906 014	(143 737)	-15,9%	2 105 189
Surplus/ (Deficit) for the year	2	24 417	154 747	169 479	69 887	380 834	264 906	115 928	43,8%	169 479

Table C3: Monthly Budget Statement – Financial Performance, reflects the operating revenue and operating expenditure by municipal vote. The municipal directorates are Municipal Manager; Planning Development; Human Settlements; Engineering Services; Community and Protection Services; Corporate Services; and Financial Services. The operating expenditure budget is approved by Council on the municipal vote level.

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2022

Table C4: Monthly Budget Statement – Financial Performance (revenue & expenditure)

WC024 Stellenbosch - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - Mid-Year Assessment

Description	Ref	2021/22	Budget Year 2022/23							Full Year Forecast
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	
R thousands										
Revenue By Source										
Property rates		421 969	438 941	438 941	31 261	262 732	253 049	9 683	4%	438 941
Service charges - electricity revenue		756 431	846 763	846 763	52 495	401 463	438 990	(37 526)	-9%	846 763
Service charges - water revenue		146 830	176 783	176 783	16 967	84 187	73 216	10 971	15%	176 783
Service charges - sanitation revenue		102 285	109 134	109 134	8 355	54 469	56 224	(1 754)	-3%	109 134
Service charges - refuse revenue		84 652	94 971	94 971	6 890	50 206	52 832	(2 626)	-5%	94 971
Rental of facilities and equipment		12 173	15 538	15 538	745	4 567	7 769	(3 202)	-41%	15 538
Interest earned - external investments		18 770	20 397	20 397	3 590	18 942	10 199	8 743	86%	20 397
Interest earned - outstanding debtors		12 859	11 391	11 391	1 702	8 907	5 604	3 303	59%	11 391
Dividends received		-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		122 933	124 955	124 955	15 406	58 642	62 478	(3 836)	-6%	124 955
Licences and permits		7 809	5 934	5 934	378	3 990	2 967	1 023	34%	5 934
Agency services		3 020	4 281	4 281	175	1 474	2 141	(666)	-31%	4 281
Transfers and subsidies		196 208	213 380	216 505	55 805	136 524	107 594	28 930	27%	216 505
Other revenue		33 089	41 313	41 313	3 461	17 835	20 656	(2 822)	-14%	41 313
Gains		394	-	-	-	2	-	2	#DIV/0!	-
Total Revenue (excluding capital transfers and contributions)		1 919 424	2 103 783	2 106 907	197 231	1 103 941	1 093 718	10 223	1%	2 106 907
Expenditure By Type										
Employee related costs		550 719	624 464	626 756	41 506	272 623	307 529	(34 905)	-11%	626 756
Remuneration of councillors		19 815	21 062	21 062	2 286	11 341	10 531	810	8%	21 062
Debt impairment		84 985	97 842	97 842	6 279	6 648	48 950	(42 302)	-86%	97 842
Depreciation & asset impairment		213 746	213 118	213 118	-	-	102 210	(102 210)	-100%	213 118
Finance charges		44 332	67 799	67 799	24 058	24 058	6 373	17 684	277%	67 799
Bulk purchases - electricity		528 012	551 412	551 412	37 234	252 243	242 625	9 618	4%	551 412
Inventory consumed		76 020	83 382	83 221	7 312	30 940	26 859	4 081	15%	83 221
Contracted services		208 314	269 226	263 275	12 075	75 734	85 178	(9 444)	-11%	263 275
Transfers and subsidies		13 364	14 355	17 838	334	13 062	14 258	(1 195)	-8%	17 838
Other expenditure		186 769	159 403	162 865	9 274	75 630	61 501	14 129	23%	162 865
Losses		587	-	-	-	(2)	-	(2)	#DIV/0!	-
Total Expenditure		1 926 662	2 102 065	2 105 189	140 357	762 277	906 014	(143 737)	-16%	2 105 189
Surplus/(Deficit)										
(National / Provincial and District)		(7 239)	1 718	1 718	56 874	341 664	187 704	153 960	0	1 718
(National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		92 495	120 030	134 761	12 993	35 116	60 703	(25 587)	(0)	134 761
Transfers and subsidies - capital (in-kind - all)		30 696	33 000	33 000	20	4 054	16 500	(12 446)	(0)	33 000
50		50	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		116 002	154 747	169 479	69 887	380 834	264 906			169 479
Taxation		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		116 002	154 747	169 479	69 887	380 834	264 906			169 479
Attributable to minorities		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		116 002	154 747	169 479	69 887	380 834	264 906			169 479
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year		116 002	154 747	169 479	69 887	380 834	264 906			169 479

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2020

Table C5: Monthly Budget Statement – Capital Expenditure

Table C5: Monthly Budget Statement – Capital Expenditure consists of three sections: Appropriations by vote; Standard classification and funding portion.

WC024 Stellenbosch - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - Mid-Year Assessment

Vote Description	Ref	Budget Year 2021/22								
		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 - OFFICE OF THE MUNICIPAL MANAGER		34	44	44	-	-	18	(16)	-100%	44
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		134	2 685	6 985	-	495	9	486	5397%	6 985
Vote 3 - INFRASTRUCTURE SERVICES		67 268	73 879	236 066	6 165	19 885	39 724	(19 839)	-50%	92 657
Vote 4 - COMMUNITY AND PROTECTION SERVICES		19 165	8 850	17 416	847	2 974	3 877	(903)	-23%	11 687
Vote 5 - CORPORATE SERVICES		6 362	13 900	21 382	46	1 477	5 004	(3 527)	-70%	15 898
Vote 6 - FINANCIAL SERVICES		-	-	-	-	-	-	-	-	-
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital Multi-year expenditure	4,7	92 954	99 358	281 893	7 059	24 831	46 632	(23 801)	-49%	127 270
Single Year expenditure appropriation	2									
Vote 1 - OFFICE OF THE MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-
Vote 2 - PLANNING AND DEVELOPMENT SERVICES		8 755	8 829	10 487	74	661	3 600	(2 939)	-82%	10 287
Vote 3 - INFRASTRUCTURE SERVICES		212 956	268 636	151 947	13 591	72 201	118 505	(46 305)	-39%	295 356
Vote 4 - COMMUNITY AND PROTECTION SERVICES		12 454	15 174	16 561	1 877	10 298	4 746	5 552	117%	22 290
Vote 5 - CORPORATE SERVICES		62 471	13 857	10 591	2 131	7 728	6 048	1 680	28%	16 076
Vote 6 - FINANCIAL SERVICES		2 821	200	400	1	192	130	62	48%	400
Vote 7 - [NAME OF VOTE 7]		-	-	-	-	-	-	-	-	-
Vote 8 - [NAME OF VOTE 8]		-	-	-	-	-	-	-	-	-
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-
Total Capital single-year expenditure	4	299 458	306 696	189 987	17 674	91 080	133 029	(41 949)	-32%	344 410
Total Capital Expenditure	3	392 412	406 054	471 680	24 733	115 912	181 661	(65 750)	-36%	471 680
Capital Expenditure - Functional Classification										
Governance and administration		71 688	28 001	32 418	2 178	9 397	12 852	(3 465)	-27%	32 418
Executive and council		34	44	44	-	-	22	(22)	-100%	44
Finance and administration		71 654	27 957	32 374	2 178	9 397	12 840	(3 443)	-27%	32 374
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		34 853	25 844	36 536	2 358	12 953	18 608	(5 655)	-30%	36 536
Community and social services		2 298	2 155	2 228	-	66	920	(854)	-93%	2 228
Sport and recreation		13 333	4 900	8 797	520	3 652	5 673	(2 022)	-36%	8 797
Public safety		12 775	10 395	15 643	1 780	8 770	7 836	934	12%	15 643
Housing		6 446	8 394	9 868	58	485	4 179	(3 714)	-89%	9 868
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		93 728	105 037	119 540	6 089	22 613	51 773	(29 160)	-56%	119 540
Planning and development		25 651	45 863	51 183	3 508	11 536	20 981	(9 445)	-45%	51 183
Road transport		66 314	52 800	61 620	2 430	10 564	28 320	(17 756)	-63%	61 620
Environmental protection		1 764	6 374	6 737	153	513	2 472	(1 959)	-79%	6 737
Trading services		192 142	247 172	283 187	14 108	70 948	136 594	(66 646)	-48%	283 187
Energy sources		37 838	74 748	79 519	2 907	22 700	39 240	(16 540)	-42%	79 519
Water management		35 807	79 850	99 689	4 180	21 842	45 327	(24 486)	-53%	99 689
Waste water management		108 612	84 700	96 056	6 982	26 120	45 992	(19 872)	-43%	96 056
Waste management		10 085	7 674	7 923	36	287	5 036	(4 749)	-94%	7 923
Other		-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional Classification	3	392 412	406 054	471 680	24 733	115 912	219 838	(103 926)	-47%	471 680
Funded by:										
National Government		3 486	70 386	70 386	8 728	24 853	34 250	(9 397)	-27%	70 386
Provincial Government		7 447	35 168	39 208	3 221	8 681	15 246	(6 565)	-43%	39 208
District Municipality		-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	324	324	-	324	#DIV/0!	-
Transfers recognised - capital		10 933	105 554	109 594	12 273	33 859	49 496	(15 638)	-32%	109 594
Public contributions & donations		-	-	-	-	-	-	-	-	-
Borrowing	5	141 384	144 000	152 862	4 036	36 364	70 982	(34 618)	-49%	152 862
Internally generated funds	6	237 901	156 500	208 224	8 423	45 689	99 359	(53 671)	-54%	208 224
Total Capital Funding		390 219	406 054	471 680	24 733	115 912	219 838	(103 926)	-47%	471 680

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2020

Table C6: Monthly Budget Statement – Financial Position

Table C6: Monthly Budget Statement – Financial Position consists of three sections: Assets; Liabilities and Community wealth/equity.

WC024 Stellenbosch - Table C6 Monthly Budget Statement - Financial Position - Mid-Year Assessment

Description	Ref	2021/22	Budget Year 2022/23			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		96 353	60 819	20 394	21 778	20 394
Call investment deposits		347 047	188 689	188 689	499 013	188 689
Consumer debtors		182 063	248 872	248 872	200 211	248 872
Other debtors		868 130	103 499	109 571	1 007 104	109 571
Current portion of long-term receivables		–	–	–	–	–
Inventory		28 822	42 467	42 637	41 443	42 637
Total current assets		1 522 415	644 346	610 164	1 769 549	610 164
Non current assets						
Long-term receivables		6 721	–	–	6 721	–
Investments		–	–	–	–	–
Investment property		412 144	415 362	415 362	413 763	415 362
Investments in Associate		–	–	–	–	–
Property, plant and equipment		5 589 173	5 835 067	5 888 996	5 666 195	5 888 996
Agricultural		–	–	–	–	–
Biological assets		6 321	6 571	6 571	5 143	6 571
Intangible assets		5 726	6 480	6 480	7 067	6 480
Other non-current assets		1 037	10 865	12 146	1 037	12 146
Total non current assets		6 021 122	6 274 346	6 329 556	6 099 925	6 329 556
TOTAL ASSETS		7 543 537	6 918 692	6 939 720	7 869 474	6 939 720
LIABILITIES						
Current liabilities						
Bank overdraft		–	–	–	–	–
Borrowing		51 902	50 847	50 847	29 540	50 847
Consumer deposits		22 155	22 961	22 961	23 416	22 961
Trade and other payables		1 083 409	137 777	144 074	1 069 651	144 074
Provisions		64 204	128 332	128 332	57 447	128 332
Total current liabilities		1 221 670	339 918	346 214	1 180 054	346 214
Non current liabilities						
Borrowing		428 952	524 045	524 045	428 952	524 045
Provisions		361 181	353 295	353 295	360 606	353 295
Total non current liabilities		790 133	877 341	877 341	789 558	877 341
TOTAL LIABILITIES		2 011 803	1 217 259	1 223 555	1 969 612	1 223 555
NET ASSETS	2	5 531 734	5 701 434	5 716 165	5 899 862	5 716 165
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		5 355 205	5 676 719	5 691 450	5 332 484	5 691 450
Reserves		162 491	24 715	24 715	171 887	24 715
TOTAL COMMUNITY WEALTH/EQUITY	2	5 517 696	5 701 434	5 716 165	5 504 371	5 716 165

MID-YEAR BUDGET PERFORMANCE ASSESSMENT FOR DECEMBER 2020

Table C7: Monthly Budget Statement – Cash Flow

Table C7: Monthly Budget Statement – Cash Flow consists of four sections: cash flow from operating activities; cash flows from investing activities; cash flows from financing activities and net increase/ (decrease) in cash held.

WC024 Stellenbosch - Table C7 Monthly Budget Statement - Cash Flow - Mid-Year Assessment

Description	Ref	Budget Year 2022/23								
		2021/22 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		1 452 016	421 433	421 433	140 993	606 527	210 717	395 810	188%	421 433
Service charges		733 711	1 339 862	1 339 862	74 467	496 497	674 896	(178 399)	-26%	1 339 862
Other revenue		11 634	354 937	354 937	3 108	19 591	177 468	(157 878)	-89%	354 937
Transfers and Subsidies - Operational		4 199	241 730	241 845	0	1 232	120 865	(119 633)	-99%	241 845
Transfers and Subsidies - Capital		40 179	124 900	124 900	-	-	45 950	(45 950)	-100%	91 900
Interest		2 318	20 397	20 397	348	2 667	10 199	(7 532)	-74%	20 397
Dividends		-	-	-	-	-	-	-		-
Payments										
Suppliers and employees		(970 490)	(2 073 904)	(2 077 028)	(16 696)	(320 713)	(1 262 705)	(941 992)	75%	(2 541 458)
Finance charges		-	(66 796)	(66 796)	-	-	(33 398)	(33 398)	100%	(66 796)
Transfers and Grants		(1 950)	(14 355)	(14 355)	(9 597)	(9 597)	(7 178)	2 420	-34%	(14 355)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 271 617	348 204	345 194	192 624	796 203	(63 186)	(859 389)	1360%	(152 235)
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		-	-	-	-	-	-	-		33 000
Decrease (increase) in non-current receivables		(6 721)	-	-	-	-	-	-		-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-		-
Payments										
Capital assets		(38 626)	(409 273)	(464 483)	-	(1 694)	(411 316)	(409 622)	100%	(918 519)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(45 347)	(409 273)	(464 483)	-	(1 694)	(411 316)	(409 622)	100%	(885 519)
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		-	-	-	-	-	-	-		-
Borrowing long term/refinancing		(144 000)	140 000	140 000	-	-	70 000	(70 000)	-100%	140 000
Increase (decrease) in consumer deposits		22 155	-	-	-	-	22 961	(22 961)	-100%	22 961
Payments										
Repayment of borrowing		-	(47 117)	(47 117)	-	-	-	-		-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(121 845)	92 883	92 883	-	-	92 961	92 961	100%	162 961
NET INCREASE/ (DECREASE) IN CASH HELD		1 104 425	31 813	(26 406)	192 624	794 509	(381 541)			(874 793)
Cash/cash equivalents at beginning:		334 083	217 695	235 435			235 435			-
Cash/cash equivalents at month/year end:		1 438 508	249 508	209 029		794 509	(146 106)			(874 793)



STELLENBOSCH

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Mid-year Performance Assessment Report 2022/23

01 July – 31 December 2022

This report is compiled in terms of Section 72 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003 (MFMA), and is unaudited.

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1. INTRODUCTION

In terms of Section 72(1)(a) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), the Accounting Officer must by 25 January of each year assess the performance of the municipality during the first half of the financial year. A report on such an assessment must, in terms of Section 72(1)(b) of the MFMA, be submitted to the Mayor, Provincial and National Treasury.

Once the Mayor has considered the report, it must be submitted to Council by 31 January in terms of Section 54 of the MFMA.

The Mid-year Performance Assessment Report and supporting tables of Stellenbosch Municipality is prepared per MFMA Circular 13 and the Municipal Budget and Reporting Regulations.

2. FINANCIAL PERFORMANCE

A report assessing the municipality's financial performance for the period 01 July- 31 December 2022 will be submitted to Council together with this item.

3. SERVICE DELIVERY PERFORMANCE ANALYSIS

3.1 CREATING A CULTURE OF PERFORMANCE

3.1.1 Performance Framework

Performance management is prescribed by Chapter 6 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA), and the Local Government: Municipal Planning and Performance Management Regulations, 796 of August 2001. Section 7(1) of the aforementioned regulation states that "A Municipality's Performance Management System entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organised and managed, including determining the responsibilities of the different role players." This framework, *inter alia*, reflects the linkage between the Integrated Development Plan (IDP), Budget, Service Delivery and Budget Implementation Plan (SDBIP) and individual as well as service provider performance.

3.1.2 Implementation of Performance Management

The 5th Generation IDP 2022 – 2027 was approved by Council on 25 May 2023. Performance is evaluated using a municipal scorecard (the Top Layer (TL) Service Delivery and Budget Implementation Plan (SDBIP)) at organisational level and through the Departmental SDBIP at departmental level.

The SDBIP is a plan that converts the IDP and Budget into measurable criteria on how, where and when the strategies, objectives and normal business processes of the Municipality is implemented. It also allocates responsibilities to Directorates to deliver services in terms of the IDP and Budget.

The TL SDBIP was prepared and approved by the Executive Mayor on 22 June 2022.

3.1.3 Monitoring Performance

The SDBIP is loaded on an electronic web-based system (after approval). The web-based system sends automated e-mails to the users of the system as a reminder to all staff responsible for updating their actual performance against Key Performance Indicator (KPI) Targets for the previous month's performance. The actual results against monthly targets set are discussed at the Executive

Management level to determine early warning indicators as well as to discuss corrective measures if needed. The Quarter 1 Performance Assessment Report 2022/23 (01 July – 30 September 2022) was submitted to the Executive Mayoral Committee and Council for review in October 2022 and thereafter to the Internal Audit Section for auditing. The Quarter 2 (01 October – 31 December 2022) Performance Assessment Report will follow a similar process.

Table 3:1: Explanation of colour codes

Colour	Category	Explanation
Grey	KPI Not Yet Measured	KPIs with no targets or actual results for the selected period
Red	KPI Not Met	Actual vs. target less than 75%
Orange	KPI Almost Met	Actual vs. target between 75% and 100%
Green	KPI Met	Actual vs. target 100% achieved
Dark Green	KPI Well Met	Actual vs. target more than 100% and less than 150% achieved
Blue	KPI Extremely Well Met	Actual vs. target of more than 150% achieved

3.2 OVERALL SERVICE DELIVERY PERFORMANCE

3.2.1 Performance against the National Key Performance Indicators

The following tables indicate the municipality's performance in terms of the National Key Performance Indicators (NKPIs) required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Areas (NKPAs).

a) Municipal Transformation and Institutional Development

Table 3:2: Municipal Transformation and Institutional Development

INDICATOR	ANNUAL TARGET	MUNICIPAL TARGET	MUNICIPAL ACHIEVEMENT
		01 July – 31 December 2022	01 July – 31 December 2022
The number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan <i>*The Stellenbosch Municipality use a % to measure this indicator.</i>	60%*	N/A	N/A
The percentage of a municipality's budget actually spent on implementing its workplace skills plan	0.20%	N/A	N/A

b) Basic Service Delivery

Table 3:3: Basic Service Delivery

INDICATOR	ANNUAL TARGET	MUNICIPAL TARGET	MUNICIPAL ACHIEVEMENT
		01 July – 31 December 2022	01 July – 31 December 2022
The percentage of households earning less than R 6 500 per month with access to free basic services <i>(In the case of Stellenbosch Municipality- percentage of registered Indigent households is being reported)</i>	100%	100%	100% (5 789 / 5 789 x 100 = 100%)
Percentage of formal households with access to basic level of water	100%	100%	100% (5 789 / 5 789 x 100 = 100%)
Percentage of formal households with access to basic level of sanitation	100%	100%	100% (5 789 / 5 789 x 100 = 100%)
Percentage of formal households with access to basic level of electricity	65%	65%	100% (5 789 / 5 789 x 100 = 100%)
Percentage of formal households with access to basic level solid waste removal	100%	100%	100% (5 789 / 5 789 x 100 = 100%)

c) Local Economic Development

Table 3:4: Local Economic Development

INDICATOR	ANNUAL TARGET	MUNICIPAL TARGET	MUNICIPAL ACHIEVEMENT
		01 July – 31 December 2022	01 July – 31 December 2022
The number of jobs created through municipality's local economic development initiatives including capital projects	1 400	900	891

d) Municipal Financial Viability and Management

Table 3:5: Municipal Financial Viability and Management

INDICATOR	ANNUAL TARGET	MUNICIPAL TARGET	MUNICIPAL ACHIEVEMENT
		01 July – 31 December 2022	01 July – 31 December 2022
Debt coverage (Total operating revenue-operating grants received)/ debt service payments due within the year)	15%	N/A	N/A
Service debtors to revenue – (Total outstanding service debtors/ revenue received for services)	27%	N/A	N/A
Cost coverage (Available cash+ investments)/ Monthly fixed operating expenditure	4	N/A	N/A

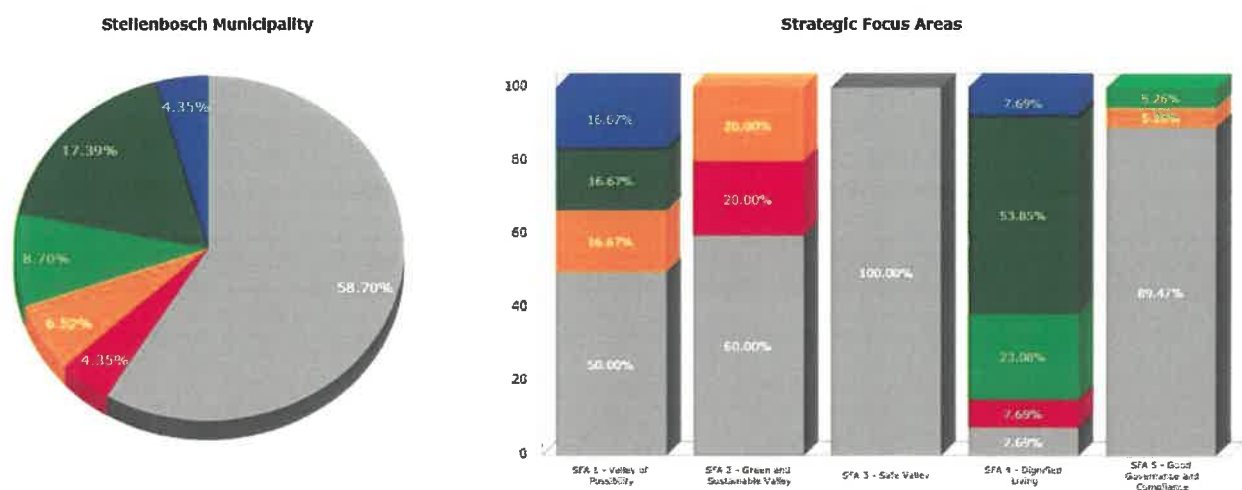
e) Good Governance and Public Participation

Table 3:6: Good Governance and Public Participation

INDICATOR	ANNUAL TARGET	MUNICIPAL TARGET	MUNICIPAL ACHIEVEMENT
		01 July – 31 December 2022	01 July – 31 December 2022
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	90%	30%	26.17% (R121 567 496 / R464 483 073 x 100 = 26.17%)

3.2.2 Summary performance against the Municipal Strategic Focus Areas

The graph below illustrates the performance of the Stellenbosch Municipality against the municipality's Strategic Focus Areas (SFAs), for the period 01 July – 31 December 2022, as derived from the municipality's Integrated Development Plan (IDP). The graph only indicates the KPIs measured during the first two quarters of the financial year. As at 31 December 2022, 19 KPIs out of the 46 were evaluated. 73.68% of the planned targets were achieved as at 31 December 2022. As noted in the report below, the necessary corrective measures will be implemented to attain the planned targets by 30 June 2023.

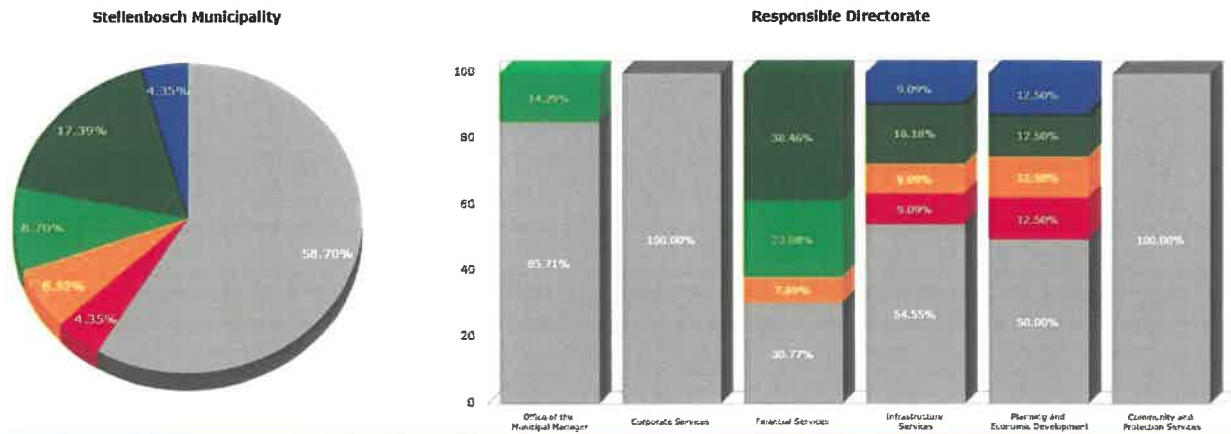


Stellenbosch Municipality	Municipal Strategic Focus Areas (SFAs)					
	SFA 1 - Valley of Possibility	SFA 2 - Green and Sustainable Valley	SFA 3 - Safe Valley	SFA 4 - Dignified Living	SFA 5 - Good Governance and Compliance	
KPI Not Yet Measured	27 (58.70%)	3 (50%)	3 (60%)	3 (100%)	1 (7.69%)	17 (89.47%)
KPI Not Met	2 (4.35%)	-	1 (20%)	-	1 (7.69%)	-
KPI Almost Met	3 (6.52%)	1 (16.67%)	1 (20%)	-	-	1 (5.26%)
KPI Met	4 (8.70%)	-	-	-	3 (23.08%)	1 (5.26%)
KPI Well Met	8 (17.39%)	1 (16.67%)	-	-	7 (53.85%)	-
KPI Extremely Well Met	2 (4.35%)	1 (16.67%)	-	-	1 (7.69%)	-
Total:	46	6	5	3	13	19
	100%	13.04%	10.87%	6.52%	28.26%	41.30%

Table 3:7: Summary Performance against the Municipal Strategic Focus Areas- 01 July – 31 December 2022

3.2.3 Summary Performance per Municipal Directorate

The graph below illustrates the performance of the Stellenbosch Municipality against each of the municipality's Directorates, for the period 01 July – 31 December 2022. The graph only indicates the KPIs measured during the first two quarters of the financial year. As at 31 December 2022, a total of 19 KPIs out of the 46 were evaluated. 73.68% of the planned targets were achieved as at 31 December 2022. As noted in the report below, the necessary corrective measures will be implemented to attain the planned targets by 30 June 2023.



Stellenbosch Municipality	Municipal Directorates						
	Office of the Municipal Manager	Corporate Services	Financial Services	Infrastructure Services	Planning and Economic Development	Community and Protection Services	
KPI Not Yet Measured 27 (58.70%)	6 (85.71%)	4 (100%)	4 (30.77%)	6 (54.55%)	4 (50%)	3 (100%)	
KPI Not Met 2 (4.35%)	-	-	-	1 (9.09%)	1 (12.50%)	-	
KPI Almost Met 3 (6.52%)	-	-	1 (7.69%)	1 (9.09%)	1 (12.50%)	-	
KPI Met 4 (8.70%)	1 (14.29%)	-	3 (23.08%)	-	-	-	
KPI Well Met 8 (17.39%)	-	-	5 (38.46%)	2 (18.18%)	1 (12.50%)	-	
KPI Extremely Well Met 2 (4.35%)	-	-	-	1 (9.09%)	1 (12.50%)	-	
Total:	46	7	13	11	8	3	
	100%	15.22%	28.26%	23.91%	17.39%	6.52%	

Table 3:8: Overall Performance per Municipal Directorate- 01 July – 31 December 2022

4. ADJUSTMENT BUDGET

Regulation 23 of the Local Government: Municipal Budget and Reporting Regulations provide, *inter alia*, for the following:

"An adjustment budget may be tabled in the Municipal Council at any time after the Mid-year Budget and Performance Assessment has been tabled in the Council, but not later than 28 February of each year. Furthermore, except under certain circumstances only one adjustment budget may be tabled in Council during a financial year."

A revised Top Layer SDBIP will be submitted with the Adjustments Budget to Council in January 2023 with the necessary motivation where key performance indicators require adjustment / amendment(s) as a result of the Adjustments Budget.

5. OUTSTANDING MATTERS ON THE PAST YEAR'S ANNUAL REPORT (2021/22)

As prescribed in section 72(1)(a)(iii) of the MFMA the Accounting Officer must assess the performance of the municipality in the first six months considering the past year's Annual Report, and progress on resolving the problems identified in the Annual Report. Please refer to [Annexure B](#) for detail regarding progress made with the implementation of corrective measures to address the KPIs which have not been met in the TL SDBIP 2021/22.

6. SUMMARY AND CHALLENGES

[Annexure A](#) is the unaudited Top Layer SDBIP report for the period 01 July – 31 December 2022 of the 2022/23 financial year, which measures the Stellenbosch Municipality's overall performance per SFA. The report, furthermore, includes the performance comments and corrective measures indicated for targets not achieved.

GERALDINE METTLER
MUNICIPAL MANAGER

DATE:

7. ANNEXURES

Annexure A — Top Layer SDBIP 2022/23 per Municipal SFA and assessment of targets achieved (Mid-year Assessment)

Annexure B — Progress made with the implementation of corrective measures of KPIs not met in the Top Layer SDBIP for 2021/22

7.1 ANNEXURE A — TOP LAYER SDBIP 2022/23 PER MUNICIPAL SFA AND ASSESSMENT OF TARGETS ACHIEVED (MID-YEAR ASSESSMENT)

a) SFA 1 - Valley of Possibility

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	SFA 1 - Valley of Possibility												Overall performance comment	Overall corrective measure
						01 July – 30 September 2022			01 October – 31 December 2022			Overall Performance for the period 01 July – 31 December 2022							
						Target	Actual	R	Target	Actual	R	Target	Actual	R					
TL6	KPI001	Submission of the Economic Development Strategy to the MayCo	Number of Economic Development Strategies submitted to the MayCo by 31 March	1	1	0	0	0	N/A	0	0	0	0	0	0	0	N/A		
TL7	KPI003	The number of jobs created through the municipality's local economic development initiatives including capital projects (NKPI Proxy - MSA, Reg. S10(d))	Number of job opportunities created through the municipality's local economic development initiatives including capital projects by 30 June	1 400	1 400	400 (400)	599	900 (900)	G2	891	900	891	900	891	900	891	G2		The SOP will be reviewed with all the relevant stakeholders to improve internal liaison with user departments, specifically with the. The shortfall will be made up in quarters 3 and 4.
TL8	KPI004	Submission of Land-use applications to the Municipal Planning Tribunal (MPT) within 120 days from the conclusion of the administrative processing of the application	Percentage of land-use applications submitted to the MPT within 120 days from the conclusion of the administrative processing of the application	80%	80%	80%	100%	80%	G2	100%	80%	100%	80%	100%	80%	100%	G2		The performance target was just missed 5 / 5 x 100 = 100%

SFA 1 - Valley of Possibility

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022		01 October – 31 December 2022		Overall Performance for the period 01 July – 31 December 2022		Overall performance comment	Overall corrective measure			
						Target	Actual	R	Target	Actual	R			Target	Actual	R
TL9	KPI005	Provide training opportunities to entrepreneurs and Small, Medium and Micro Enterprises (SMMEs)	Number of quarterly training opportunities provided to entrepreneurs and SMMEs	4	4	1 (1)	5	B	1 (2)	4	B	2	9	B		
TL10	KPI006	Submission of the revised Spatial Development Framework (SDF) submitted to Council	Number of Revised SDFs submitted to Council by 30 June	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL11	KPI007	Submission of the revised Housing Pipeline (document) to the MayCo	Number of revised Housing Pipelines (document) submitted to the MayCo by 31 May	1	1	0	0	N/A	0	0	N/A	0	0	N/A		

Summary of Results: SFA 1 - Valley of Possibility



b) SFA 2 - Green and Sustainable Valley

SFA 2 - Green and Sustainable Valley														
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022		01 October – 31 December 2022		Overall Performance for the period 01 July – 31 December 2022		Overall performance comment	Overall corrective measure	
						Target	Actual	R	Target	Actual	R			Target
TL14	KPI020	Conduct an External Audit of the Stellenbosch Municipal Waste Disposal Facilities	Number of external audits of the Stellenbosch Municipal Waste Disposal Facilities conducted by 30 June	1	1	0	0	0	0	0	0	N/A		
TL15	KPI021	Implementation of identified waste minimisation projects	Number of identified waste minimisation projects implemented by 30 June	2	2	0	0	0	0	0	0	N/A		
TL16	KPI014	Process building plan applications of <500sqm within 30 days after the date of receipt	Percentage of building plan applications of <500sqm processed within 30 days after the date of receipt	75%	75%	63.75%	75%	33.10%	75%	75%	39.78%	R	<p>146 / 367 x 100 = 39.78%</p> <p>The Manager: BDM resigned from the employ of the Municipality on 31 July 2022 and a new Manager: BDM could only be appointed as of 01 November 2022 which impacted the smooth transition to BPAMS version 2 and on the day-to-day management of BDM applications. Furthermore, the BDM Section</p> <p>The capacity constraints of the Section: BDM have been addressed with the Municipal Manager having approved funding for additional capacity in terms of 1 additional Plans Examiner and 1 additional Chief Building Inspector. Recruitment of additional capacity will occur over the next 3-6 months.</p>	

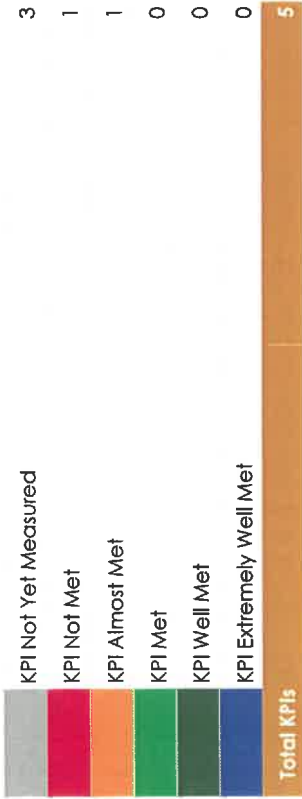
SFA 2 - Green and Sustainable Valley

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022		01 October – 31 December 2022		Overall Performance for the period 01 July – 31 December 2022		Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R		
TL17	KP022	Wastewater quality measured to the Department of Water and Sanitation's License Conditions for physical and micro parameters	Percentage of wastewater quality compliance as per the analysis certificate, measured quarterly	70%	70%	70%	50.33%	70%	64%	70%	57.17%	<p>physically moved offices over the period of the last week in October 2022 and the first week in November 2022. During this period there were various issues with the BPAMS system accessibility by internal staff due to the physical move which impacted heavily on the meeting of the 30-day performance target for building plans under 500 sqm.</p> <p>Klapmuts WWTW running close to capacity and maintenance issues are being resolved. Loadshedding impact's treatment ability when generator maintenance issues arise. Skills shortage / vacant posts. Wemmershoek WWTW running close to capacity and various maintenance issues are being resolved.</p> <p>The effluent discharge limits for Stellenbosch WWTW and Wemmershoek WWTW have been discussed with the Department of Water and Sanitation. Once DWS agree to the relaxation, Stellenbosch WWTW and Wemmershoek WWTW compliance should improve. The upgrade of the Priefel WWTW is currently under construction. Final</p>	

SFA 2 - Green and Sustainable Valley

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022		01 October – 31 December 2022		Overall Performance for the period 01 July – 31 December 2022		Overall performance comment	Overall corrective measure	
						Target	Actual	R	Target	Actual	R			Target
TL19	KPI016	Reduce organic waste	Percentage of organic waste reduced by 30 June	20%	20%	0%	0%	0%	0%	0%	0%	N/A	N/A	<p>Loadshedding impacts sludge removal at present. Stellenbosch WWTW is currently having various maintenance issues resolved. Electricity loadshedding has an additional effect on sludge removal.</p> <p>Mechanical installations are in progress and the new process is already resulting in improved effluent quality. The phase 1 upgrade BSM 28/21 of Wemmershoek WWTW is completed (minor snags remain). The sludge handling process will assist with carry-over and improved water quality. Phase 2 of the upgrade is to increase capacity and add filtration. The position of assistant superintendent needs to be filled. The 2 SPO posts (Stellenbosch and Rural SPOs) are critical posts that need to be filled. Contractors are busy with multiple maintenance activities to improve plant performance.</p>

Summary of Results: SFA 2 - Green and Sustainable Valley



d) SFA 4 - Dignified Living

SFA 4 - Dignified Living																
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022			01 October – 31 December 2022			Overall Performance for the period 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
TL23	KPI027	Installation of new standpipes	Number of new standpipes installed by 30 June	50	50	0	0	N/A	20	26	G2	20	26	G2		
TL24	KPI028	Provision of waterborne toilet facilities in informal settlements as identified by the Department: Integrated Human Settlements	Number of waterborne toilet facilities provided in informal settlements as identified by the Department: Integrated Human Settlements by 30 June	50	50	0	0	N/A	20	36	B	20	36	B		
TL25	KPI032	Registered indigent formal households with access to free basic water (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic water, measured quarterly	100%	100%	100%	100%	G	100%	100%	G	100%	100%	G	5 789 / 5 789 x 100 = 100%	
TL26	KPI029	Limit unaccounted electricity to less than 9% annually (Number of Electricity Units Purchased and / or Generated - Number of Electricity Units Sold (incl. Free basic electricity) / Number of Electricity Units	Percentage of average electricity losses, measured by 30 June	<9%	<9%	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A		

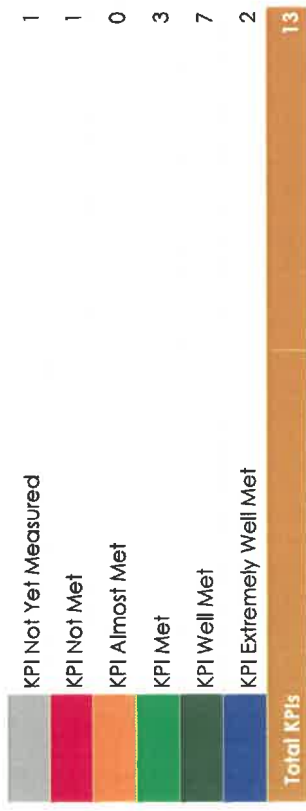
SFA 4 - Dignified Living

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022			01 October – 31 December 2022			Overall Performance for the period 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
TL27	KPI030	Purchased and/or Generated) x 100) Water quality measured quarterly to the SANS 241 physical and micro parameters	Percentage of water quality level as per the analysis certificate, measured quarterly	90%	90%	96%	90%	96.90%	G-2	90%	96.45%	G-2				
TL28	KPI031	Limit unaccounted water to less than 25%	Percentage of average water losses, measured by 30 June	<25%	<25%	18.80%	<25%	27.70%	B	<25%	27.70%	R	3 061 489kl / 11 051 435kl x 100 = 27.70%	A joint investigation between the Directorate: Infrastructure Services and the Department: Revenue and Expenditure revealed that non-paying customers are using excessive water	The municipality will install smart water meters for these customers, and limit their usage if the basic service is exceeded. As a result of the investigation, it was also revealed that there was a technical problem with some meters, and as a result, the municipality will replace these meters.	
TL29	KPI033	Registered indigent formal households with access to free basic electricity provided by the municipality (NKPI Proxy - MSA, Reg. S10(a), (b)	Percentage of registered indigent formal households with access to free basic electricity provided by the municipality, measured quarterly	65%	65%	91.18%	65%	100%	G-2	65%	95.59%	G-2	5 789 / 5 789 x 100 = 100%			
TL30	KPI034	Registered indigent formal households with access to free	Percentage of registered indigent formal households	100%	100%	100%	100%	100%	G	100%	100%	G	5 789 / 5 789 x 100 = 100%			

SFA 4 - Dignified Living

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022		01 October – 31 December 2022		Overall Performance for the period 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target		
TL31	KPI035	basic refuse removal (NKPI Proxy - MSA, Reg. S10(a), (b))	with access to free basic refuse removal, measured quarterly	100%	100%	100%	100%	100%	100%	G	100%	100%	5 789 / 5 789 x 100 = 100%	
TL32	KPI036	Registered indigent formal households with access to free basic sanitation (NKPI Proxy - MSA, Reg. S10(a), (b))	Percentage of registered indigent formal households with access to free basic sanitation, measured quarterly	26 000	26 000	26 988	26 000	26 891	26 000	G2	26 988	G2		
TL33	KPI037	Formal households with access to water (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to water, measured quarterly	26 000	26 000	26 988	26 000	26 891	26 000	G2	26 988	G2		
TL34	KPI038	Formal households with access to refuse removal (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to electricity, measured quarterly	26 000	26 000	26 988	26 000	26 891	26 000	G2	26 988	G2		
TL35	KPI039	Formal households with access to sanitation (NKPI Proxy - MSA, Reg. S10(a))	Number of formal households with access to sanitation, measured quarterly	26 000	26 000	26 988	26 000	26 891	26 000	G2	26 988	G2		

Summary of Results: SFA 4 - Dignified Living



e) SFA 5 - Good Governance and Compliance

SFA 5 - Good Governance and Compliance																
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022			01 October – 31 December 2022			Overall Performance for the period 01 July – 31 December 2022		Overall performance comment	Overall corrective measure	
						Target	Actual	R	Target	Actual	R	Target	Actual			R
TL1	KPI059	Submission of the revised Communication Policy to the MayCo	Number of revised Communication Policies submitted to the MayCo by 30 June	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL2	KPI044	Employment equity appointments made within the financial year in the three highest levels of management	Percentage of employment equity appointments made within the financial year in the three highest levels of management, measured by 30 June	50%	50%	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A		
TL3	KPI049	Submission of the Auditor General of South Africa (AGSA) Audit Action Plan (AAP) to the APAC	Number of AGSA Audit Action Plans submitted to the APAC by 28 February	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL4	KPI053	Submission of the draft Integrated Development Plan (IDP) to the Council	Number of draft IDPs submitted to the Council by 31 March	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL5	KPI041	Submission of the revised Integrated Zoning Scheme to the MayCo	Number of revised Integrated Zoning Schemes submitted to the MayCo by 30 June	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL12	KPI055	Submission of the revised Wastewater	Number of revised Wastewater Master Plans submitted to	1	1	0	0	N/A	0	0	N/A	0	0	N/A		

SFA 5 - Good Governance and Compliance

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022		01 October – 31 December 2022		Overall Performance for the period 01 July – 31 December 2022		Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R		
TL13	KPI060	Master Plan to the Municipal Manager	the Municipal Manager by 30 June	1	1	0	0	0	0	0	0		
		Submission of the Revised Roads Master Plan to the Municipal Manager	Number of revised Roads Master Plans submitted to the Municipal Manager by 30 June			N/A	0	0	N/A	0	0		N/A
TL18	KPI058	Submission of an Integrated Property Maintenance Plan to the Municipal Manager	Number of Integrated Property Maintenance Plans submitted to the Municipal Manager by 30 June	1	1	0	0	0	0	0	0		N/A
TL36	KPI042	Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MSA, Reg. S10(g)(iii))	Cost coverage as at 30 June annually [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation)	4	4	0	0	0	0	0	0		N/A
TL37	KPI043	Achieve an average payment percentage of 96% by 30 June (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	(Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off) / Billed Revenue x 100	96%	96%	0%	0%	0%	0%	0%	0%		N/A

SFA 5 - Good Governance and Compliance

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022		01 October – 31 December 2022		Overall Performance for the period 01 July – 31 December 2022		Overall performance comment	Overall corrective measure			
						Target	Actual	R	Target	Actual	R			Target	Actual	R
		Debts Written Off) / Billed Revenue x 100														
TL38	KPI040	Actual expenditure on the approved Capital Budget for the municipality by 30 June (NKPI - MSA, Reg. S10(c))	Percentage of the approved Capital Budget for the municipality actually spent by 30 June	90%	90%	10%	6.86%	R	30%	26.17%	○	30%	26.17%	○	R121 567 496 / R464 483 073 x 100 = 26.17% The advertisement of tenders was delayed due to the new Preferential Procurement Regulations that came into effect on 16 January 2023.	A detailed performance assessment was conducted during the Mid-year Adjustments Budget process and projects will be shifted to the outer financial years for which tenders are not in place.
TL39	KPI045	The percentage of the actual payroll budget spent on implementing the Municipal Workplace Skills Plan (NKPI Proxy-MSA, Reg. S10(f))	Percentage of the municipality's payroll budget actually spent on implementing its Workplace Skills Plan ((Total Actual Training Expenditure / Total Annual payroll Budget) x100), measured by 30 June	0.20%	0.20%	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A		
TL40	KPI046	Financial viability measured in terms of the municipality's ability to meet its service debt obligations (NKPI	Debt coverage ratio ((Total operating revenue - operating grants received) / (Debt service payments due within the	15%	15%	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A		

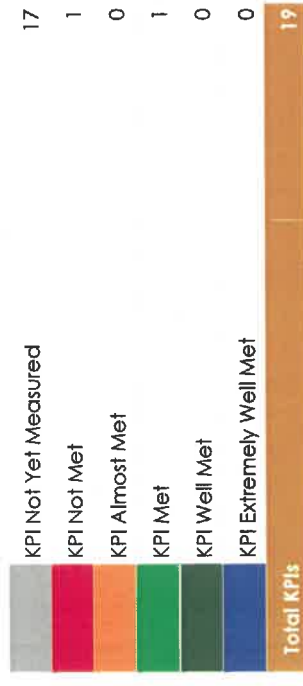
SFA 5 - Good Governance and Compliance

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022			01 October – 31 December 2022			Overall Performance for the period 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
		Proxy - MSA, Reg. S10(g)(f)	year) measured by 30 June													
TL41	KPI047	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(ii))	Service debtors to revenue ratio - (Total outstanding service debtors / revenue received for services) measured by 30 June	27%	27%	0%	0%	N/A	0%	0%	N/A	0%	0%	N/A		
TL42	KPI054	Submission of the IDP / Budget / SDF time schedule (process plan) to the Council	Number of IDP / Budget / SDF time schedules (process plan) submitted to the Council by 31 August	1	1	1	1	G	0	0	N/A	1	1	G		
TL43	KPI051	Submission of the revised Information and Communication Technology Backup Disaster Recovery Plan to the ICT Steering Committee	Number of Revised ICT Backup Disaster Recovery Plans submitted to the ICT Steering Committee by 31 March	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL44	KPI052	Submission of the revised Strategic ICT Plan to the ICT Steering Committee	Number of revised Strategic ICT Plans submitted to the ICT Steering Committee by 31 March	1	1	0	0	N/A	0	0	N/A	0	0	N/A		
TL45	KPI048	Submission of the revised Risk-Based Audit Plan (RBAP) to the Audit and	Number of revised RBAPs submitted to the APAC by 30 June	1	1	0	0	N/A	0	0	N/A	0	0	N/A		

SFA 5 - Good Governance and Compliance

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Original Annual Target	Revised Annual Target	01 July – 30 September 2022			01 October – 31 December 2022			Overall Performance for the period 01 July – 31 December 2022			Overall performance comment	Overall corrective measure
						Target	Actual	R	Target	Actual	R	Target	Actual	R		
TL46	KPI050	Performance Committee (APAC) Submission of the revised Strategic Risk Register (SRR) to the Risk Management Committee	Number of revised SRRs submitted to the Risk Management Committee by 30 June	1	1	0	0	N/A	0	0	N/A	0	0			

Summary of Results: Planning and Economic Development



7.2 ANNEXURE B — PROGRESS MADE WITH THE IMPLEMENTATION OF CORRECTIVE MEASURES OF KPIS NOT MET IN THE TOP LAYER SDBIP FOR 2021/22

a) SFA 1 - Valley of Possibility

SFA 1 - VALLEY OF POSSIBILITY											
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022		Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)	Progress as at 31 December 2022
							Target	Actual			
TL89	KPI008	Land-use applications considered by the Municipal Planning Tribunal (MPT) within 120 days from the date of a complete land-use application	Percentage of land-use applications considered by the MPT within 120 days from the date of a complete land-use application	58%	75%	75%	75%	66.66%	10 / 15 x 100 = 66.66%	Electronic Town Planning Application Management System (TPAMS) to be implemented as of 01 July 2022. Request for additional human resource capacity for the Land Use Management Section submitted for consideration.	TPAMS was implemented as of 01 July 2022. Implementation challenges with TPAMS have been encountered but are being dealt with as soon as they arise. The request for additional capacity has been addressed by the MM with the funding of an additional 1 Senior Town Planner post which is currently in the process of being filled, based on the HR recruitment schedule.

b) SFA 2 - Green and Sustainable Valley

SFA 2 - GREEN AND SUSTAINABLE VALLEY												
Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022			Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)	Progress as at 31 December 2022
							Target	Actual	R			
TL96	KPI018	Building plan applications of <500sqm decided on within 30 days	Percentage of building plan applications of <500sqm decided on within 30 days after date of receipt	64,30%	80%	70%	70%	62.35%	1 022 / 1 639 x 100 = 62,35%	Request for additional human resource capacity for the Building Development Management Section submitted for consideration. Version 2 of the electronic Building Plan Application Management System (BPAMS) is to be implemented as of 01 July 2022.	BPAMS version 2 has been implemented as of 01 July 2022. Implementation challenges with BPAMS version 2 have been encountered but are being dealt with as soon as they arise. The request for additional capacity has been addressed by the MM with 1 additional Chief Building Inspector and 1 Plans Examiner post funded and, is in the process to be filled, based on the HR recruitment schedule.	Progress as at 31 December 2022
TL97	KPI019	Waste water quality measured to the Department of Water and Sanitation's License Conditions for physical and micro parameters	Percentage waste water quality compliance as per analysis certificate, measured quarterly	51%	70%	70%	70%	51.75%		<p><u>Stellenbosch WWTW:</u> The treatment technology cannot reach the limits of all parameters. The process is due to complying with General Limits.</p> <p><u>Klapmuts WWTW:</u> Challenges with sludge handling cause high suspended solids</p>	<p>The effluent discharge limits for Stellenbosch WWTW & Wemmershoek WWTW have been discussed with the Department of Water and Sanitation. The upgrade of the Pniël WWTW is currently under construction. Final Mechanical installations are in progress and the new process is already resulting in improved effluent quality. The phase 1 upgrade BSM 28/21 of Wemmershoek WWTW is completed (minor snags remain). The sludge handling</p>	

SFA 2 - GREEN AND SUSTAINABLE VALLEY

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022		Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (Underperformance)	Progress as at 31 December 2022
							Target	Actual			
									and affect other parameters negatively. <u>Priël WWTW:</u> The plant is running in overload conditions. However, the upgrading of the plant has commenced and is starting to yield positive results as seen with an 88.89% compliance result for June 2022. <u>Wemmershoek WWTW:</u> This plant needs repair and upgrade. Phase 1 of this process is to improve sludge handling. This will reduce suspended solids and increase disinfection effectiveness. Phase 2 will improve the process by increasing capacity and shock handling ability. This should start at the beginning of 2023.	process is assisting with carry-over and improved water quality. Phase 2 of upgrade to increase capacity and add filtration. The position of an assistant superintendent needs to be filled urgently. The 2 x SPO posts (Stellenbosch and Rural SPOs) is critical posts that needs to be filled. Contractors busy with multiple maintenance activities to improve plant performance.	

SFA 2 - GREEN AND SUSTAINABLE VALLEY

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022		Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)	Progress as at 31 December 2022
							Target	Actual			
									improve the process by increasing capacity and shock handling ability. This should start at the beginning of 2023.		

c) SFA 4 – Dignified Living

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022		Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)	Progress as at 31 December 2022
							Target	Actual			
								R			
TL104	KPI037	Provision of waterborne toilet facilities in informal settlements as identified by the Department: Integrated Human Settlements	Number of waterborne toilet facilities provided in informal settlements as identified by the Department: Integrated Human Settlements by 30 June	0	50	50	0	R	<p>A contractor was appointed to construct the waterborne toilet facilities. However, delays were experienced due to the fact that the site were not made inaccessible by the residents. Consequently, site establishment could not be done by the contractor. Additional land invasions also occurred in the Kayamandi area, which further hampered site establishment and the construction of the waterborne toilet facilities.</p> <p>Community meetings were held with the assistance of the Ward Councillor. Consequently, a number of structures were relocated. However, the rest of the community refused to move their structures. The underground infrastructure was completed to connect 36 waterborne toilet facilities to the sewerage network of the municipality.</p> <p>The municipality will conduct an electricity losses audit on the municipal-owned electricity infrastructure by 30 September 2022. The electricity losses audit report will thereafter be</p>	Progress as at 31 December 2022	
TL106	KPI040	Limit unaccounted electricity to less than 9% annually (Number of Electricity Units Purchased and / or Generated - Number of Electricity Units Sold (incl. Free basic electricity)) / Number of Electricity Units Purchased and/or Generated) x 100}	Percentage average electricity losses measured by 30 June	8.86%	<9%	<9%	9.60%	R	<p>(393 194 417kWh – 355 429 150kWh) / 393 194 417kWh x 100 = 9.60%</p> <p>Electricity Audit to be undertaken. Loadshedding responsiveness and staff shortages took priority this quarter, however, electricity losses are within range at present.</p>	Progress as at 31 December 2022	

SFA 4 - DIGNIFIED LIVING

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022		Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)	Progress as at 31 December 2022
							Target	Actual			
										submitted to MayCo by 30 November 2022 to consider and implement identified measures to curb electricity losses.	

d) SFA 5 – Good Governance and Compliance

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022		Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)	Progress as at 31 December 2022
							Target	Actual			
TL116	KPI055	Financial viability measured in terms of the available cash to cover fixed operating expenditure (NKPI Proxy - MSA, Reg. S10(g)(iii))	Cost coverage as at 30 June annually [(Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation)	2.08	4	4	3	(R137 877 710 - R31 403 223) + R305 522 446 / (R1 925 045 253 / 12)	For the 2021/22 financial year the municipality implemented cost containment measures as well as operational efficiencies to limit the increase in operational expenditure. These measures will be continued to be implemented for the 2022/23 financial year.	The Cost Coverage ratio for the period 01 July – 31 December 2023 is 8 months ((R21 778 340 + R499 012 643 - R57 387 551) / (R724 690 / 12) = 8 months (rounded)) The increase is mainly attributed to increases in the interest rates after the Covid-19 pandemic where the interest rates had been significantly lower resulting in a reduced trend and budget.	
TL118	KPI057	Actual expenditure on the approved Capital Budget for the Municipality by 30 June (NKPI - MSA, Reg. S10(c))	Percentage of the approved Capital Budget for the Municipality actually spent by 30 June	86.54%	90%	90%	84.29%	R340 119 617 / R403 507 635 x 100 = 84.29%	Supply chain management indicators were developed and allocated to each Snr Manger in the Departmental SDBIP 2022/23. These indicators are also aligned to the Demand Management Plan.	A detailed performance assessment was conducted during the Mid-Year adjustment budget for the 2022/23 financial year, and projects will be shifted to the outer years for which tenders are not in place.	
TL119	KPI058	Employment equity appointments made within the financial year in the three	Percentage of employment equity appointments made within the financial year	50%	60%	60%	33.30%	2 / 6 x 100 = 33.33% At each shortlisting panel meeting, the statistics and	Critical vacancies had to be filled thereby appointing	In the first 6 months of 2022/23 financial year 8 positions became vacant in	

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022		Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)	Progress as at 31 December 2022
							Target	Actual			
		highest levels of management	in the three highest levels of management, measured by 30 June						<p>underrepresented target groups are indicated to the panel. In some instances, there are no qualifying candidates from the underrepresented groups.</p> <p>It also happens in some instances that candidates on the shortlist from underrepresented groups do not perform well enough in the interview to be appointed.</p>	<p>qualifying candidates. Measures are in place on the criteria to be followed when shortlisting is done on candidates within the EE target groups.</p>	<p>the three highest levels of the organisation. 5 of the posts were filled with candidates from underrepresented groups and 3 posts were filled with candidates from overrepresented groups. Some of them were given preference as internal candidates or no people from overrepresented groups reached the standard required of 60%</p>
TL122	KPI061	Financial viability measured in terms of the outstanding service debtors (NKPI Proxy - MSA, Reg. S10(g)(iii))	Service debtors to revenue ratio - (Total outstanding service debtors / revenue received for services) measured by 30 June	8.86%	27%	27%	27%	15.56%	<p>R169 165 030 / R1 086 839 110 x 100 = 15.56%</p>	<p>A Revenue Enhancement Strategy was developed as well as a Debt Review Committee was established to monitor the progress on outstanding debt and deliberating on acceptable and reasonable arrangements for the settlements of arrears debts by all affected municipal debtors. These initiatives will continue to be implemented</p>	<p>The Section: Revenue did an assessment relating to long outstanding debtors. Consequently, an item will be presented to the Council by 31 January 2023 for a debt write-off.</p>

SFA 5 - GOOD GOVERNANCE AND COMPLIANCE

Ref	IDP Ref	KPI Name	Description of Unit of Measurement	Past Year Performance	Original Annual Target	Revised Annual Target	Overall Performance 01 July 2021 to 30 June 2022		Performance comments / Reason(s) for deviation from target (under and over performance)	Improvement Plan(s) to correct deviation from target (underperformance)	Progress as at 31 December 2022
							Target	Actual			



during the 2022/23 financial year.