

ANNEXURE C

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STOPPING OF FUNDS DUE TO UNDER PERFORMANCE/ NON-COMPLIANCE ON THE INFORMAL SETTLEMENTS UPGRADING PARTERSHIP GRANT, URBAN SETTLEMENTS DEVELOPMENT GRANT AND THE PUBLIC TRANSPORT NETWORKS GRANT.

Your letter dated 15 February 2022 bears reference:

The City is appealing the decision to stop 2021/22 allocations for Informal Settlements Upgrading Partnership Grant (ISUPG), Urban Settlements Development Grant (USDG) and Public Transport Networks Grant (PTNG) as follows:

Informal Settlements Upgrading Partnership Grant (ISUPG)

❖ Why expenditure reported as at 31 December 2021 is below 45 per cent

The City acknowledges that the expenditure reported as at 31 December 2021 was at R196 million (28%) against the allocated R688 million however as at 17th February 2022 the expenditure is R276 million (40%) against the budget R688 million and 89% against R309 million received.

❖ Progress report against approved projects (provide list/names of approved projects)

Department	Project Name	Source of Funding	Adjusted Budget	Actual Expenditure Year to Date	Plus: Expenditure Commitments on Solar (Stores Orders, etc.)	Actual Expenditure Plus Commitments on Solar	% Spent (Actual vs Original Budget)	% Spent (Actual Expenditure Plus Commitments)	Unspent Balance 28 Feb 2022
Council General	Land Banking & Property Acquisition (For Human Settlements)(Corporate)	ISUPG	-	-	-	-	0,00%	0,00%	-
Energy	Clayville Electrification(Tembisa 2)	ISUPG	28 200 000	27 573 035	-	27 573 035	97,78%	97,78%	626 965
Energy	Electrification of Informal Settlements (Reblocking Areas)(Corporate)	ISUPG	197 500 000	38 098 992	-	38 098 992	19,29%	19,29%	159 401 008
Energy	INEP Electrification of Subsidized Housing (MOU with DOE)(Corporate)	ISUPG	45 600 000	41 412 780	-	41 412 780	90,82%	90,82%	4 187 220
Human Settlements	HOLGATFONTEIN/MCKENZIEVILLE EXT 2(NIGEL)	ISUPG	4 000 000	83 498	-	83 498	2,09%	2,09%	3 916 502
Human Settlements	Alliance Extension 9(Daveyton)	ISUPG	-	-	-	-	0,00%	0,00%	-
Human Settlements	Daveyton Extension 14(Daveyton)	ISUPG	6 000 000	2 730 911	-	2 730 911	45,52%	45,52%	3 269 089
Human Settlements	Apex Ext 12 (Benoni)	ISUPG	17 802 183	7 405 457	-	7 405 457	41,60%	41,60%	10 396 726
Human Settlements	Balmoral Extension 4(Boksburg)	ISUPG	10 350 000	4 712 441	-	4 712 441	45,53%	45,53%	5 637 559
Human Settlements	Comet Ext 17 (Comet Village)	ISUPG	98 909	98 909	-	98 909	100,00%	100,00%	0
Human Settlements	Clayville Ext 45 Social Housing (Kempston Park)	ISUPG	14 000 000	8 871 706	-	8 871 706	63,37%	63,37%	5 128 294
Human Settlements	Villa Lisa Extension 4	ISUPG	15 586 662	4 610 081	-	4 610 081	29,58%	29,58%	10 976 581
Human Settlements	Brakpan old location	ISUPG	25 000 000	8 856 899	-	8 856 899	35,43%	35,43%	16 143 101
Human Settlements	Leeuwpoot Development (Bulk Infrastructure)(Boksburg)	ISUPG	43 884 133	19 009 028	-	19 009 028	43,32%	43,32%	24 875 105
Human Settlements	Mega Project: Esselen Park - Witfontein (Mega - Tembisa Triangle) - Birchleigh North Ext 4(Ke)	ISUPG	20 000 000	7 176 018	-	7 176 018	35,88%	35,88%	12 823 983
Human Settlements	Mega Project: John Dube 2	ISUPG	20 000 000	6 378 924	-	6 378 924	31,89%	31,89%	13 621 076
Human Settlements	Mega Project: Tembisa Ext 25 (Old Mutual Land)(Tembisa 2)	ISUPG	30 684 220	16 701 653	-	16 701 653	54,43%	54,43%	13 982 567
Human Settlements	Mega Project: Van Dyk Park	ISUPG	25 000 000	14 455 786	-	14 455 786	57,82%	57,82%	10 544 214
Human Settlements	URBAN RENEWAL: WATTVILLE ERF 3130 WATVIL	ISUPG	10 000 000	6 569 957	-	6 569 957	65,70%	65,70%	3 430 043
Human Settlements	Mega Projects: Daggafontein	ISUPG	35 000 000	7 369 975	-	7 369 975	21,06%	21,06%	27 630 025
Human Settlements	Chief Albert Luthuli Ext 4(Benoni)	ISUPG	20 000 000	3 019 459	-	3 019 459	15,10%	15,10%	16 980 541
Human Settlements	CLAYVILLE EXT 71 & 80	ISUPG	17 000 000	16 768 266	-	16 768 266	98,64%	98,64%	231 734
Human Settlements	Langaville Ext 12	ISUPG	12 500 000	973 913	-	973 913	7,79%	7,79%	11 526 087
Human Settlements	WATER METERS	ISUPG	98 908	98 908	-	98 908	100,00%	100,00%	0
Human Settlements	C&PS: I&P TOWN PLANNER	ISUPG	30 516 985	-	-	-	0,00%	0,00%	30 516 985
Roads and Stormwater	K136 & Rd 1894 Link Road(Tsakane)	ISUPG	10 250 592	1 712 507	-	1 712 507	16,71%	16,71%	8 538 085
Roads and Stormwater	Roads East: Roads and SW at Mayfield Ext 5,7,8 (Mayfield ext 5 phase 1: Mvubu, Bejane, Shongol)	ISUPG	3 528 000	2 079 453	-	2 079 453	58,94%	58,94%	1 448 547
Roads and Stormwater	Roads East: Robin Island at Ext 8, Madunani 425 Area, Access road new Houses next to Pick n? P	ISUPG	3 840 000	2 564 786	-	2 564 786	66,79%	66,79%	1 275 214
Roads and Stormwater	Roads: Low Cost Housing: East: Mayekiso, (Masechaba)Maharaj Maja Ext 9, Di Wetse Ext 19, Imp	ISUPG	3 840 000	3 743 744	-	3 743 744	97,49%	97,49%	96 256
Roads and Stormwater	Roads: Low Cost Housing: East: All roads Chris Hani Ext 1 & 2 and upgrade SW Chris Hani Ext 2(ISUPG	3 840 000	3 839 848	-	3 839 848	100,00%	100,00%	152
Roads and Stormwater	Roads: Low Cost Housing: East: Comwell st in Ext 17, Thuthukani st in Ext 19, Sibongiseni st,	ISUPG	3 840 000	697 326	-	697 326	18,16%	18,16%	3 142 674
Roads and Stormwater	Roads: Low Cost Housing: East: Mkgopgo, Madiba, Ekuthuleni and Masondo st(Etswatwa)	ISUPG	840 000	-	-	-	0,00%	0,00%	840 000
Roads and Stormwater	Roads: Low Cost Housing: East: Sebata Rd and Roads in Chris Hani Ext 1 & 2(Daveyton)	ISUPG	2 608 000	2 107 603	-	2 107 603	80,81%	80,81%	500 397
Roads and Stormwater	Roads: Low Cost Housing: East: Tsavo Rd(Etswatwa)	ISUPG	5 760 000	5 759 619	-	5 759 619	99,99%	99,99%	381
Roads and Stormwater	SW East: SW: Thubelisha Extension 8 Rockville Thakado, and Modjardi St(Tsakane)	ISUPG	1 840 000	1 548 272	-	1 548 272	84,15%	84,15%	291 728
Roads and Stormwater	Tarring of Mermosa, Hanekom, Disa, Clivia and Wistania avenuein ward 97 and Krugerus ext 1	ISUPG	4 608 000	4 606 951	-	4 606 951	99,98%	99,98%	1 049
Roads and Stormwater	Roads: Low Cost Housing: North: Ehlanzeni(Tembisa 1)	ISUPG	1 500 000	1 195 869	-	1 195 869	79,72%	79,72%	304 131
Roads and Stormwater	Roads: Low Cost Housing South: - Empangeni(Katlehong 2)	ISUPG	2 800 000	2 332 408	-	2 332 408	83,30%	83,30%	467 592
Environmental Resources & Waste Management	Enhancing Waste Management Service Delivery in Informal Settlements	ISUPG	2 400 000	1 220 754	1 119 024	2 339 778	50,86%	97,49%	1 179 246
Water and Sanitation	W&S Emergency SVC to informal settlement(Corporate)	ISUPG	5 249 408	-	-	-	0,00%	0,00%	5 249 408
Water and Sanitation	WATER METERS	ISUPG	2 500 000	-	-	-	0,00%	0,00%	2 500 000
			688 066 000	276 385 737	1 119 024	277 504 761	40,17%	40,33%	411 680 263

- ❖ **Representation on the cash coverage for grants transferred (Liquidity ratio)**
 - The cash coverage as at 30 June 2021 was 8:1
- ❖ **Representation on the initial cash flow projections against actual performance**

Department	Project Name	Source of Funding	Original Budget	July	August	September	October	March	April	May	June	Total	Actual Expenditure to date	Projections as at 31 January	Variance	%Variance
Council General	Land Banking & Property Acquisition (For Human Settlements)(Corporate)	ISUPG	87 000 000									87 000 000				0
Energy	Clayville Electrification(Tembisa 2)	ISUPG	28 200 000				26 790 000	1 410 000				28 200 000	27 573 035	26 790 000	- 783 035	-2,92%
Energy	Electrification of Informal Settlements (Reblocking Areas)(Corporate)	ISUPG	120 000 000					42 000 000	18 000 000	30 000 000		120 000 000	38 098 992	18 000 000	-20 098 992	-111,66%
Energy	INEP Electrification of Subsidized Housing (MOU with DOE)(Corporate)	ISUPG	45 600 000					3 420 000			1 140 000	45 600 000	41 412 780	41 040 000	- 372 780	-0,91%
Human Settlements	HOLGATFONTEIN/MCKENZIEVILL E EXT 2(NIGEL)	ISUPG	4 000 000					710 000	750 000	1 230 000		4 000 000	83 498	710 000	626 502	88,24%
Human Settlements	Alliance Extension 9(Daveyton)	ISUPG	7 234 133					3 500 000	2 000 000		1 500 133	7 234 133				0,00%
Human Settlements	Daveyton Extension 14(Daveyton)	ISUPG	6 000 000				554 610	334 699	514 699	18 625		6 000 000	2 730 911	4 497 279	1 766 368	39,28%
Human Settlements	Apex Ext 12 (Benoni)	ISUPG	20 000 000				1 834 500	2 476 528	1 078 000	4 999 000	3 590 520	20 000 000	7 405 457	5 719 000	1 686 457	-29,49%
Human Settlements	Balmoral Extension 4(Boksburg)	ISUPG	11 050 000				1 423 607	661 229	1 500 000	2 500 000	849 246	11 050 000	4 712 441	5 159 018	446 577	8,66%
Human Settlements	Comet Ext 17 (Comet Village)	ISUPG	7 950 000					1 987 500	1 987 500	1 987 500	1 987 500	7 950 000	98 909		- 98 909	0,00%
Human Settlements	Clayville Ext 45 Social Housing (Kempston Park)	ISUPG	10 000 000	2 368 091	7 450 000						53 615	10 000 000	6 871 706	9 946 385	1 074 679	10,80%
Human Settlements	Wilsa Lisa Extension 4	ISUPG	15 586 862			1 250 000	1 300 000	2 150 000		4 262 662		15 586 862	4 610 081	6 589 000	1 978 919	30,03%
Human Settlements	Brakpan old location	ISUPG	25 000 000				1 018 675	1 454 424	13 172 788			25 000 000	6 856 899	9 992 788	1 135 889	11,37%
Human Settlements	Leasopop Development (Bulk Infrastructure)(Boksburg)	ISUPG	30 000 000	2 368 090	2 800 000	3 150 000		5 600 000	1 700 000	2 500 000	2 051 920	30 000 000	19 009 028	17 648 080	1 360 948	-7,71%
Human Settlements	Mega Project: Esselen Park - Witfontein (Mega - Tembisa Triangle) - Birchleigh North Ext 4/Ke	ISUPG	20 000 000				2 850 000	2 850 500			3 309 540	20 000 000	7 179 018	10 989 460	3 813 443	34,70%
Human Settlements	Mega Project: John Dube 2	ISUPG	20 000 000				2 845 000	2 245 000		6 290 000		20 000 000	6 379 924	9 315 000	2 936 076	31,52%
Human Settlements	Mega Project: Tembisa Ext 25 (Old Mutual Land)(Tembisa 2)	ISUPG	25 684 220				3 780 000	2 850 440	1 684 220	1 500 000	3 601 160	25 684 220	16 701 653	13 198 000	3 503 653	-26,55%
Human Settlements	Mega Project: Van Dyk Park	ISUPG	25 000 000					4 700 000	5 783 900	2 349 000	1 488 100	25 000 000	14 456 786	6 814 500	7 641 286	-112,13%
Human Settlements	URBAN RENEWAL: WATTVILLE ERF 3130 WATVIL	ISUPG	10 000 000					2 000 000	1 500 000	1 500 000	5 000 000	10 000 000	6 569 957		- 6 569 957	0,00%
Human Settlements	Mega Projects: Daggafontein	ISUPG	35 000 000				4 980 000	3 490 500	5 700 000	4 883 300	765 700	35 000 000	7 369 976	16 660 050	9 290 075	55,76%
Human Settlements	Chief Albert Luthuli Ext 4(Benoni)	ISUPG	25 000 000				3 879 000	2 850 000	2 850 000	2 850 000	748 000	25 000 000	3 019 459	12 833 000	9 813 541	76,47%
Human Settlements	CLAYVILLE EXT 71 & 80	ISUPG	17 000 000					4 250 000	4 250 000	4 250 000	4 250 000	17 000 000	16 768 266		-16 768 266	0,00%
Human Settlements	Langaville Ext 12	ISUPG	12 500 000					1 834 158	1 900 000	2 000 000	1 068 349	12 500 000	973 913	4 623 621	3 649 708	78,94%
Human Settlements	WATER METERS	ISUPG	2 500 000								1 400 000	2 500 000	98 908		- 98 908	0,00%
Human Settlements	CAPS I&P TOWN PLANNER	ISUPG	30 516 985					7 629 246	7 629 246	7 629 246	7 629 246	30 516 985				0,00%
Roads and Stormwater	K136 & Rd 1894 Link Road(Tsakane)	ISUPG	4 000 000					2 287 493				4 000 000	1 712 507	1 712 507		0,00%
Roads and Stormwater	Roads East: Roads and SW at Mayfield Ext 5,7,8 (Mayfield ext 5 phase 1: Mvubu, Bajane, Shongol)	ISUPG	3 528 000					1 449 547				3 528 000	2 079 453	2 079 453		0,00%
Roads and Stormwater	Roads East: Robin Island at Ext 8, Madunani 425 Area. Access road new Houses next to Pick n Pay	ISUPG	3 840 000									3 840 000	2 564 786	2 564 786		0,00%
Roads and Stormwater	Roads: Low Cost Housing: East: Mayekiso, (Masechaba/Mahara, Maja Ext 9, Di Wetse Ext 19: Imp	ISUPG	3 840 000							840 000		3 840 000	3 743 744	3 000 000	- 743 744	-24,79%
Roads and Stormwater	Roads: Low Cost Housing: East: All roads Chris Hani Ext 1 & 2 and upgrade SW Chris Hani Ext 2	ISUPG	3 840 000						840 000			3 840 000	3 839 848	3 000 000	- 839 848	-27,99%
Roads and Stormwater	Roads: Low Cost Housing: East: Comwell st in Ext 17, Thuthukani st in Ext 19, Sibongeni st.	ISUPG	3 840 000				1 000 000			1 192 528		3 840 000	697 326	697 326		0,00%
Roads and Stormwater	Roads: Low Cost Housing: East: Mokgopo, Madiba, Ekuthuleni and Masendo st(Ehwalwa)	ISUPG	840 000							840 000		840 000				0,00%
Roads and Stormwater	Roads: Low Cost Housing: East: Sebata Rd and Roads in Chris Hani Ext 1 & 2(Daveyton)	ISUPG	2 608 000						500 397			2 608 000	2 107 603	2 107 603		0,00%
Roads and Stormwater	Roads: Low Cost Housing: East: Tsavo Rd(Ehwalwa)	ISUPG	5 760 000							104 449		5 760 000	5 759 619	5 655 551	- 104 068	-1,84%
Roads and Stormwater	SW East: SW: Thubelisha Extension 8 Rockville Thakado, and Modjadj S(Tsakane)	ISUPG	1 840 000					134 329				1 840 000	1 548 272	1 548 272		0,00%
Roads and Stormwater	Tarring of Merosa, Harekom, Dsa, Ohiva and Wistania avensuen ward 97 and Krugers ext 1	ISUPG	4 608 000							608 000		4 608 000	4 608 951	4 000 000	- 606 951	-15,17%
Roads and Stormwater	Roads: Low Cost Housing: North: Ehlazeni(Tembisa 1)	ISUPG	1 500 000					1 000 000		500 000		1 500 000	1 195 869		- 1 195 869	0,00%
Roads and Stormwater	Roads: Low Cost Housing: South: Empangeni(Kalshong 2)	ISUPG	2 800 000						500 000		500 000	2 800 000	2 332 408	1 200 000	1 132 408	-94,37%
Environmental Resources & Waste Management	Enhancing Waste Management Service Delivery in Informal Settlements	ISUPG	2 400 000					600 000	600 000	600 000	600 000	2 400 000	1 229 754		- 1 220 754	0,00%
Water and Sanitation	W&S Emergency SVC to informal settlement(Corporate)	ISUPG	2 000 000					1 000 000	1 000 000			2 000 000				0,00%
			686 066 000	4 766 172	10 250 000	4 400 000	51 255 392	107 874 594	75 440 750	88 807 465	125 169 874	686 066 000	276 385 737	248 090 680	28 295 057	-11,41%

STOPPING OF FUNDS DUE TO UNDER PERFORMANCE/ NON-COMPLIANCE ON THE INFORMAL SETTLEMENTS UPGRADING PARTERSHIP GRANT, URBAN SETTLEMENTS DEVELOPMENT GRANT AND THE PUBLIC TRANSPORT NETWORKS GRANT.

- ❖ **Progress report on any approved rolled over for 2020/21 financial year**
None.

- ❖ **Commitment that the allocated funds are committed and that they will be fully spent by the end of the financial year, 30 June 2022, i.e. Commitment that the municipality will not request rollover against the proposed stopped funds**

The entire remaining balance of R411 million against the main allocation has been committed in a form of contracts and Instruction to Perform Work (IPWs) issued to consultants and contractors. All procurement processes and appointment of consultants and contractors were concluded at the beginning of the 3rd quarter for projects with poor performance, hence the actual performance picked up since the beginning of the 3rd quarter.

- ❖ **Representation on all projects awarded after the second quarter of the municipal financial year as at 31 December 2021**

No bids were awarded after the second quarter.

- ❖ **Representation on any commitments made against Supply Chain Management Regulation 32 projects in terms of the Supply Chain Management policy and chapter 11 of the MFMA and progress made against these projects**

No commitments made against regulation 32 projects.

- ❖ **Declaration by the municipality on the amount that should be stopped by National Treasury**

All contractors have taken site and the City reached an agreement with the appointed contractors to work seven days a week to accelerate the work, therefore the City does not support the stopping of the ISUPG for the 2021/22 financial year.

- ❖ **An acceleration plan against the 2021/22 approved implementation plan**

- Projects recovery plans were developed for each project to accelerate delivery.
- Intensified monitoring of projects including engaging the contractors and consultants' directly by HOD: Human Settlements and Senior Management.
- The Grants Intervention Task Team has been established to support the implementation of the projects funded through Grants, to ensure timely spending of the Grants.
- Citywide War room meetings are held on weekly basis to consider the overall performance of the Capital budget as well as Grants.
- Re-allocation of funds to performing projects during budget adjustment where projects' challenges could not be resolved on time.
- Court orders were obtained where business forums interrupted projects 'activities
- The HOD Human Settlements is also liaising with Department of Water & Sanitation and Department of Water Affairs for the approval of WULA

- The need for a social facilitator especially in human settlements' projects has been identified, as community unrest affects most planned delivery, and processes are underway to appoint a panel of social facilitators.

Urban Settlements Development Grant (USDG)

❖ Why expenditure reported as at 31 December 2021 is below 45 per cent

The City acknowledges the performance as highlighted for the second quarter of the financial year 2021/22 to be as reflected. The current USDG overall budget is R1.2 billion with expenditure currently at R 399 million this is translated to 31% against the allocation and 68% against the R581 million received, this does not include invoices in the system from all municipal departments funded by USDG.

Taking into consideration the invoices in the system this would mean that the municipality is currently performing within projected performance of the third quarter.

❖ Progress report against approved projects (provide list/names of approved projects)

Department	Project Name	Source of Funding	Adjusted Budget	Actual Expenditure Year to Date	Plus Expenditure Commitments on Solar Orders, etc.	Actual Expenditure Plus Commitments on Solar	% Spent (Actual vs Adjusted Budget)	% Spent (Expenditure Commitments)	Unspent Balance 30 Feb 2022
Energy	Crystal Park substation(Ebony)	USDC	17 000 000	-	-	-	0.00%	0.00%	17 000 000
Energy	Chimney substation(Ebony)	USDC	-	-	-	-	0.00%	0.00%	-
Energy	Phishing substation(Ebony)	USDC	7 000 000	-	-	-	0.00%	0.00%	7 000 000
Energy	Fairfax substation (Terria 1)	USDC	13 000 000	-	-	-	0.00%	0.00%	13 000 000
Human Settlements	Compton Park Social Housing	USDC	5 000 000	4 475 913	-	4 475 913	89.52%	89.52%	524 087
Human Settlements	Urban Renewal Katoona	USDC	7 000 000	3 204 684	-	3 204 684	45.78%	45.78%	3 795 316
Human Settlements	Mega Project - Eminentia	USDC	23 000 000	13 862 740	-	13 862 740	60.27%	60.27%	9 137 260
Human Settlements	Compton Urban Space Upgrade	USDC	-	9 899 367	-	9 899 367	36.81%	36.81%	16 003 643
Human Settlements	Mayfield Ext 40	USDC	773 016	0 999 510	-	0 999 510	100.00%	100.00%	773 016
Human Settlements	Patton Road	USDC	10 000 000	255 350	-	255 350	2.55%	2.55%	9 744 650
Human Settlements	Urban Renewal Katoona - EIP 10383	USDC	15 000 000	0 256 295	-	0 256 295	1.71%	1.71%	14 743 705
Human Settlements	Urban Renewal Katoona - EIP 10383	USDC	23 000 000	4 457 008	-	4 457 008	19.38%	19.38%	18 542 992
Human Settlements	Urban Renewal - Walkways Public Space Upgrade (Ebdon)	USDC	7 240 000	3 349 584	-	3 349 584	46.26%	46.26%	3 890 416
Human Settlements	ELLE (WAVV)	USDC	23 500 000	14 947 000	-	14 947 000	63.61%	63.61%	8 552 000
Human Settlements	Koon-Thoma Hostel - Bulk and Link Infrastructure	USDC	15 000 000	11 930 917	-	11 930 917	79.54%	79.54%	3 069 083
Human Settlements	Woolahoolie Hostel - Bulk and Link Infrastructure	USDC	22 000 000	15 000 000	-	15 000 000	68.18%	68.18%	7 000 000
Human Settlements	Mega Projects - Waste Water Treatment Plants	USDC	24 000 000	13 932 011	-	13 932 011	58.05%	58.05%	10 067 989
Human Settlements	Upgrade/Extensions	USDC	30 038 370	8 044 061	-	8 044 061	26.78%	26.78%	21 994 309
Human Settlements	Urban Renewal - Katoona - EIP 10383	USDC	20 028 530	11 447 019	-	11 447 019	57.15%	57.15%	8 581 511
Roads and Stormwater	Electrical Dawson CIBENT2	USDC	60 000 000	15 000 000	-	15 000 000	25.00%	25.00%	45 000 000
Roads and Stormwater	Ebdon Stormwater (Ebdon)	USDC	3 840 000	3 839 515	-	3 839 515	99.99%	99.99%	185
Roads and Stormwater	Koon-Thoma Stormwater (Koon-Thoma)	USDC	2 088 000	2 053 121	-	2 053 121	98.33%	98.33%	34 879
Roads and Stormwater	Foot Management (E) - Sidewalk	USDC	750 000	749 080	-	749 080	99.88%	99.88%	920
Roads and Stormwater	Recreation Fds (E) - Maida, Letitia, Katoona, Katoona, Havelock, Havelock, Anthony, Lupton, Havelock	USDC	2 088 000	2 077 047	-	2 077 047	99.50%	99.50%	10 953
Roads and Stormwater	Rehabilitation of CBD Sidewalks	USDC	948 004	948 028	-	948 028	99.99%	99.99%	76
Roads and Stormwater	Roads in Central Ebdon	USDC	2 840 000	2 834 667	-	2 834 667	99.81%	99.81%	5 333
Roads and Stormwater	Roads East - Walkways (e.g. Papp, Katoona, Katoona St, Katoona St (Ext 3), Katoona St (Ext 3))	USDC	3 840 000	1 792 431	-	1 792 431	46.68%	46.68%	2 047 569
Roads and Stormwater	SW East - Katoona SW and drainage of Ebdon SW residential zone, Letitia Primary School	USDC	7 080 000	5 987 822	-	5 987 822	84.58%	84.58%	1 092 178
Roads and Stormwater	SW East - SW in Ebdon, Sam Ntuli	USDC	4 008 000	2 026 838	-	2 026 838	50.59%	50.59%	1 981 162
Roads and Stormwater	SW East - SW system in Mairangi	USDC	3 072 000	1 427 730	-	1 427 730	46.48%	46.48%	1 644 270
Roads and Stormwater	SW East - SW in Mairangi	USDC	500 000	-	-	-	0.00%	0.00%	500 000
Roads and Stormwater	SW East - SW in Mairangi	USDC	2 008 000	1 200 974	-	1 200 974	59.81%	59.81%	1 547 026
Roads and Stormwater	Geometric Upgrade (N) Doubling Storm Mole (To EIP2023) (Compton Park)	USDC	400 000	122 211	-	122 211	30.55%	30.55%	277 789
Roads and Stormwater	Geometric Upgrade (N) Road	USDC	500 000	39 046	-	39 046	7.81%	7.81%	460 954
Roads and Stormwater	Kool Spirit Rehabilitation (Terria 2)	USDC	1 000 000	-	-	-	0.00%	0.00%	1 000 000
Roads and Stormwater	Land Acquisition Thero Myrtle Link	USDC	5 000 000	-	-	-	0.00%	0.00%	5 000 000
Roads and Stormwater	Foot Management (N) - Walkways	USDC	600 000	486 797	-	486 797	81.13%	81.13%	113 203
Roads and Stormwater	Foot Management (N) - Walkways	USDC	400 000	394 440	-	394 440	98.61%	98.61%	5 560
Roads and Stormwater	Foot Management (N) - Walkways	USDC	300 000	298 100	-	298 100	99.37%	99.37%	1 900
Roads and Stormwater	Foot Management (N) - Walkways	USDC	300 000	299 900	-	299 900	99.97%	99.97%	100
Roads and Stormwater	Foot Management (N) - Walkways	USDC	200 000	-	-	-	0.00%	0.00%	200 000
Roads and Stormwater	Foot Management (N) - Walkways	USDC	2 134 798	1 288 908	-	1 288 908	60.38%	60.38%	1 845 890
Roads and Stormwater	Foot Management (N) - Walkways	USDC	1 500 000	422 036	-	422 036	28.14%	28.14%	1 077 964
Roads and Stormwater	Foot Management (N) - Walkways	USDC	1 500 000	626 183	-	626 183	41.75%	41.75%	873 817
Roads and Stormwater	Foot Management (N) - Walkways	USDC	-	-	-	-	0.00%	0.00%	-
Roads and Stormwater	Foot Management (N) - Walkways	USDC	3 000 000	408 740	-	408 740	13.62%	13.62%	2 591 260
Roads and Stormwater	Foot Management (N) - Walkways	USDC	2 000 000	1 827 207	-	1 827 207	91.36%	91.36%	172 793
Roads and Stormwater	Foot Management (N) - Walkways	USDC	1 500 000	1 330 373	-	1 330 373	88.69%	88.69%	169 627
Roads and Stormwater	Foot Management (N) - Walkways	USDC	3 072 000	1 403 709	-	1 403 709	45.69%	45.69%	1 668 291
Roads and Stormwater	Foot Management (N) - Walkways	USDC	2 088 000	2 030 158	-	2 030 158	97.23%	97.23%	57 842
Roads and Stormwater	Foot Management (N) - Walkways	USDC	3 840 000	3 839 659	-	3 839 659	99.99%	99.99%	341
Roads and Stormwater	Foot Management (N) - Walkways	USDC	3 840 000	484 797	-	484 797	12.36%	12.36%	3 355 203
Roads and Stormwater	Foot Management (N) - Walkways	USDC	1 500 000	343 306	-	343 306	22.89%	22.89%	1 156 694
Roads and Stormwater	Foot Management (N) - Walkways	USDC	1 500 000	-	-	-	0.00%	0.00%	1 500 000
Roads and Stormwater	Foot Management (N) - Walkways	USDC	2 088 000	2 088 000	-	2 088 000	100.00%	100.00%	0
Roads and Stormwater	Foot Management (N) - Walkways	USDC	2 000 000	1 110 564	-	1 110 564	55.53%	55.53%	889 436
Roads and Stormwater	Foot Management (N) - Walkways	USDC	1 500 000	1 264 458	-	1 264 458	84.30%	84.30%	235 542
Roads and Stormwater	Foot Management (N) - Walkways	USDC	2 000 000	1 880 768	-	1 880 768	94.04%	94.04%	119 232
Roads and Stormwater	Foot Management (N) - Walkways	USDC	5 260 000	1 792 082	-	1 792 082	34.07%	34.07%	3 467 918
Roads and Stormwater	Foot Management (N) - Walkways	USDC	5 000 000	451 880	-	451 880	9.04%	9.04%	4 548 120
Roads and Stormwater	Foot Management (N) - Walkways	USDC	250 000	-	-	-	0.00%	0.00%	250 000
Roads and Stormwater	Foot Management (N) - Walkways	USDC	500 000	296 883	-	296 883	59.38%	59.38%	203 117
Roads and Stormwater	Foot Management (N) - Walkways	USDC	15 000 000	6 556 364	-	6 556 364	43.71%	43.71%	10 443 636
Roads and Stormwater	Foot Management (N) - Walkways	USDC	750 000	750 000	-	750 000	100.00%	100.00%	-
Roads and Stormwater	Foot Management (N) - Walkways	USDC	4 000 000	-	-	-	0.00%	0.00%	4 000 000
Roads and Stormwater	Foot Management (N) - Walkways	USDC	2 072 000	2 072 700	-	2 072 700	100.03%	100.03%	700
Roads and Stormwater	Foot Management (N) - Walkways	USDC	750 000	684 023	-	684 023	91.20%	91.20%	65 977
Roads and Stormwater	Foot Management (N) - Walkways	USDC	754 544	-	-	-	0.00%	0.00%	754 544
Roads and Stormwater	Foot Management (N) - Walkways	USDC	1 800 000	1 365 249	-	1 365 249	75.85%	75.85%	434 751
Roads and Stormwater	Foot Management (N) - Walkways	USDC	1 600 000	1 490 080	-	1 490 080	93.13%	93.13%	109 920
Roads and Stormwater	Foot Management (N) - Walkways	USDC	1 600 000	1 490 607	-	1 490 607	93.16%	93.16%	109 393
Roads and Stormwater	Foot Management (N) - Walkways	USDC	1 600 000	1 499 797	-	1 499 797	93.74%	93.74%	100 203
Roads and Stormwater	Foot Management (N) - Walkways	USDC	5 000 000	-	-	-	0.00%	0.00%	5 000 000
Roads and Stormwater	Foot Management (N) - Walkways	USDC	11 520 000	2 407 320	-	2 407 320	20.90%	20.90%	9 112 680
Roads and Stormwater	Foot Management (N) - Walkways	USDC	5 000 000	-	-	-	0.00%	0.00%	5 000 000
Roads and Stormwater	Foot Management (N) - Walkways	USDC	2 000 000	600 000	-	600 000	30.00%	30.00%	1 400 000
Roads and Stormwater	Foot Management (N) - Walkways	USDC	100 000	99 112	-	99 112	99.11%	99.11%	888
Roads and Stormwater	Foot Management (N) - Walkways	USDC	3 000 000	-	-	-	0.00%	0.00%	3 000 000
Roads and Stormwater	Foot Management (N) - Walkways	USDC	5 000 000	2 867 226	-	2 867 226	57.34%	57.34%	2 132 774
Roads and Stormwater	Foot Management (N) - Walkways	USDC	3 072 000	958 036	-	958 036	31.21%	31.21%	2 113 964
Roads and Stormwater	Foot Management (N) - Walkways	USDC	4 600 000	4 371 313	-	4 371 313	95.03%	95.03%	228 687
Roads and Stormwater	Foot Management (N) - Walkways	USDC	2 304 000	1 083 470	-	1 083 470	47.03%	47.03%	1 220 530
Roads and Stormwater	Foot Management (N) - Walkways	USDC	3 000 000	1 000 000	-	1 000 000	33.33%	33.33%	2 000 000
Roads and Stormwater	Foot Management (N) - Walkways	USDC	2 800 000	631 065	-	631 065	22.54%	22.54%	2 168 935
Roads and Stormwater	Foot Management (N) - Walkways	USDC	5 028 120	746 000	-	746 000	14.84%	14.84%	4 282 120
Water and Sanitation	Replace, upgrade and extend water pipeline & construct new reservoirs & towers in Ebdon, ET	USDC	39 000 000	36 827	-	36 827	0.09%	0.09%	38 963 173
Water and Sanitation	Replace, upgrade and extend water pipeline & construct new reservoirs & towers in Ebdon, ET	USDC	2 259 802	-	-	-	0.00%	0.00%	2 259 802
Water and Sanitation	Upgrade of sewer network	USDC	600 000	-	-	-	0.00%	0.00%	600 000
Water and Sanitation	Upgrade of sewer network	USDC	600 000	-	-	-	0.00%	0.00%	600 000
Water and Sanitation	Upgrade of sewer network	USDC	42 000 000	12 713 510	-	12 713 510	30.27%	30.27%	29 286 490
Water and Sanitation	Upgrade of sewer network	USDC	44 000 000	25 107 319	-	25 107 319	57.06%	57.06%	18 892 681
Water and Sanitation	Upgrade of sewer network	USDC	24 000 000	21 304 160	-	21 304 160	88.77%	88.77%	2 695 840
Water and Sanitation	Upgrade of sewer network	USDC	32 000 000	13 105 784	-	13 105 784	40.96%	40.96%	18 894 216
Water and Sanitation	Upgrade of sewer network	USDC	40 000 000	12 268 809	-	12 268 809	30.67%	30.67%	27 731 191
Water and Sanitation	Upgrade of sewer network	USDC	5 016 075	3 016 575	-	3 016 575	60.16%	60.16%	1 999 500
Water and Sanitation	Upgrade of sewer network	USDC	60 000 000	32 480 047	-	32 480 047	54.00%	54.00%	27 519 953
Water and Sanitation	Upgrade of sewer network	USDC	9 879 960	3 274 202	-	3 274 202	33.14%	33.14%	6 605 758
Water and Sanitation	Upgrade of sewer network	USDC	5 499 898	3 108 898	-	3 108 898	56.55%	56.55%	2 390 999
Water and Sanitation	Upgrade of sewer network	USDC	41 442 102	12 242 102	-	12 242 102	29.54%	29.54%	29 200 000
Water and Sanitation	Upgrade of sewer network	USDC	3 236 717	1 236 717	-	1 236 717	38.23%	38.23%	

❖ Representation on the initial cash flow projections against actual performance

Departments Funded Under USDG	Allocated Budget: 2021/22	Projections until July 21 - Mar 2022	Actuals Expenditure	Invoices received/in departments @ 18-Feb-2022	Invoices submitted to Finance @ 18-Feb-2022	Actuals Expenditure + Invoices in the System +Value of	% expenditure to date per Program Q3
Human Settlement	247 551 391,00	195 039 780,00	120 232 775,31	479 051,75	479 051,75	120 711 827,06	49%
						-	
Water and Sanitation	596 322 124,00	398 979 342,00	170 784 573,56	1 894 551,75	1 894 551,75	172 679 125,31	29%
						-	
Roads And storm water	226 441 611,00	168 705 129,00	96 882 359,40	15 299 051,54	15 299 051,54	112 181 410,94	50%
						-	
Energy Department	37 000 000,00	29 972,39	-	849 771,75	849 771,75	849 771,75	2%
ERWAT	167 100 000,00	123 187 791,00	-	5 899 051,75	5 899 051,75	5 899 051,75	4%
OPSCAP	20 028 539,00	0,00	11 447 818,54	0,00	0,00	11 447 818,54	67%
Total	1 294 443 665,00	885 942 014,39	399 347 526,81	24 421 478,54	24 421 478,54	423 769 005,35	33%

❖ Progress report on any approved rolled over for 2020/21 financial year

The City was granted R3,1 million roll-over approval in which departments were waiting for the adoption of the adjustment budget ,therefore no expenditure incurred as yet.

❖ Commitment that the allocated funds are committed and that they will be fully spent by the end of the financial year, 30 June 2022, i.e. Commitment that the municipality will not request rollover against the proposed stopped funds

The Departments have managed to fast track and engage its implementing contractors and professional service providers to develop and implement acceleration plans to increase productivity as well as expenditure to counter the underperformance experienced through the second quarter of the current financial year (FY). The City of Ekurhuleni Municipality's general project performance has since improved to date and the following has been realized since the implementation of the acceleration program since the beginning of the third quarter.

Human Settlement Department: is projecting 76% expenditure by the end of Q3, the current trajectory shows an amplified performance extending from Q2.

The Water and Sanitation Department: shows consistent accelerated performance in note that, the department only finalized appointment of contractors mid Q2 and projecting to expedite 69% of the allocated budget by end of Q3.

Roads and Storm-Water Department: shows consistent accelerated performance in note that, the department only finalized appointment of contractors mid Q2 and in two (2) months expenditure has moved to 42% and projecting to expedite 77% of the allocated budget by end of Q3. Though challenges as shown below remain to have an impact to the continuing success of the projects:

Energy Department: this department only finalized appointment of contractor's just before the contractors' holiday in the Q2 December 2021 period, the grant will be mainly

for procuring cables and installation, this is envisaged to expedite the provided grant funding within the available period, thus projections show that 80% of the budget will be spent by end of Q3

ERWAT: is funded through the OPEX USDG fund, the department finalized its panel of contractors and currently appointments are active in all 12 projects thus will be driving expenditure and expediting the projects. The department envisage projections of 65% expenditure by the end of Q3, this shows an acceleration plan that will allow the department to complete its allocated budget by end of the financial period.

OPSCAP: this is an overachieving function that supports the functional operations (workforce) of the grant and it shows consistent performance, mainly measured on its actual performance that is currently at 57% to the allocated budget, in note of the current trajectory the function will complete its allocated funds.

❖ **Challenges experienced**

The projects encountered challenges which are outlined below, though not limited to as projects are dynamic.

- Local Business forums closing projects demanding sole rights of the 30% local content.
- Council Liaison Officer (CLO) in project overstepping their duties and subsequently being disruptive to project operations.
- EIA & WULA pending approvals affecting some of the projects (CAPEX Project across departments).
- Delayed procurement turnaround due to observing COVID regulatory requirements.
- Service providers presenting false financial statements and failing to start work on time and resulting cancellations and reappointments of capable contractors.

❖ **Representation on all projects awarded after the second quarter of the municipal financial year as at 31 December 2021**

No bids were awarded after the second quarter.

❖ **Representation on any commitments made against Supply Chain Management Regulation 32 projects in terms of the Supply Chain Management policy and chapter 11 of the MFMA and progress made against these projects**

No commitments made against regulation 32 projects.

❖ **Declaration by the municipality on the amount that should be stopped by National Treasury; and**

All contractors have taken site and the City reached an agreement with the appointed contractors to work seven days a week to accelerate the work, therefore the City does not support the stopping of the USDG for the 2021/22 financial year.

❖ **An acceleration plan against the 2021/22 approved implementation plan**

Departmental task team created and chaired by the HOD : Human Settlement

- Monthly meetings held with Service providers to maintain the acceleration plan chaired by HOD Human Settlement as the Committee Custodian for the Municipality.
- During budget adjustment, funds were moved from non-performing projects to performing projects to accelerate expenditure and implementation.
- Court interdicts secured to prevent interference from local business forums hindering project progress.

Public Transport Networks Grant (PTNG)

❖ Why expenditure reported as at 31 December 2021 is below 45 per cent

- The progress report reflects an expenditure of R152,5 million as at 31 December 2021. Invoices amounting to a total of R32,6 million were recorded in December 2021, however not yet paid, by the end of December 2021. The invoices are reflected under the commitments column in Table 5 below.

Table 1: Expenditure to Date

Work Stream Areas	Expenditure item R'000	PTNG Spending as at 31 Dec 2021						
		Original Grant Funds R'000	Expenditure To Date (December '21) R'000	Commitments	Balance of Budget	% Spending without commitments	% Spending with commitments	
Planning	Project Management	47 361	22 172	3 034	25 189	47%	53%	
	Detailed Operational Planning	3 000	-	-	3 000	0%	0%	
	Universal Access	2 000	843	170	1 157	42%	51%	
	Detailed Infrastructure Planning & design	10 282	-	-	10 282	0%	0%	
Infrastructure costs	ROW	-	-	-	-	0%	0%	
	Trunk Route Area 5, 6 & 7	22 000	-	-	22 000	0%	0%	
	Vosloorus Depot Upgrade	-	-	-	-	0%	0%	
	NMT(Sidewalk)	6 750	548	671	6 202	8%	18%	
	Stream Crossing 5	35 000	26 047	2 550	8 953	74%	82%	
	Roadworks along Andrew Mapheto (Stream Crossing 3, 4 and 5)	22 000	2 010	-	19 990	9%	9%	
	Southern Complimentary Routes (Bus Stops and Intersection Upgrades)	10 000	-	3 121	10 000	0%	31%	
	Feeder 4 and 5	10 000	609	1 569	9 391	6%	22%	
	Pedestrian Underpass between Station 8 and 10	12 000	476	619	11 524	4%	9%	
	Bus Shelters	800	-	-	800	0%	0%	
	Installation of Protective Barriers- Stations,7,11,16,19 and 20	12 000	-	115	12 000	0%	1%	
	Thembeisa Ticket Selling Point and Turn-around Facility	900	-	71	900	0%	8%	
	Infrastructure maintenance	3 716	1 720	-	1 996	46%	46%	
Transitional costs	Surveys and Registration Process	4 292	-	-	4 292	0%	0%	
	Compensation Plan	20 000	-	-	20 000	0%	0%	
	Industry Transitional Sitting Allowances	2 640	-	-	2 640	0%	0%	
	Independent Facilitator	2 100	-	-	2 100	0%	0%	
	Taxi Industry Technical Advisor	11 500	-	2 311	11 500	0%	20%	
Capital costs	Bus Procurement	75 000	-	-	75 000	0%	0%	
Operating Costs	Vehicle operations	189 364	50 930	-	138 434	27%	27%	
	Bus Funding Costs	31 500	16 241	-	15 259	52%	52%	
	Station services	3 600	1 135	-	2 465	32%	32%	
	Quality Management System	1 000	460	-	540	46%	46%	
	COVID 19	3 109	-	-	3 109	0%	0%	
	ITC,IFMS & TMC	60 215	13 487	15 618	46 728	22%	48%	
	System Marketing	4 000	1 187	309	2 813	30%	37%	
	Project Support	6 299	2 229	559	4 070	35%	44%	
	Safety & Security (Stations and/or Network)	22 440	11 225	1 870	11 215	50%	58%	
PTNG 2021/22 Allocation		628 569	151 319	32 587	477 250	24%	29,26%	

- As at 31 December 2021, total expenditure (R151,3m) and commitments (R32,6m) added up to R183.9 million, which represent 29,26% of the R 628,6 million PTNG allocation. It must be noted however that the expenditure as end of February 2022 including commitments amounts to R289,85 million which is 46,77% of the annual PTNG Grant allocation. The mitigation plan put in place to

curb the regressive effects of Covid 19 pandemic shall see the planned project milestones brought to fruition. Annexure B provides further details with timelines.

- The outbreak of the COVID-19 pandemic has had a negative impact on the timeous delivery of the project plan. In line with the Covid-19 regulations and the country's alert levels, Municipal Official Staff worked on a rotational basis, thereby causing major delays in critical approvals needed to finalise planned projects up to payment stage. This also led to a delay in the appointment of contractors hence most of the appointments only occurred in the month of November 2021.
- Infrastructure projects under implementation were severely affected by national unrest that took place in Quarter 1 and the damage caused impacted on the completion of some projects that were already nearing completion. The projects were :
 - Stream Crossing 5
 - Installation of Protective Barriers- Stations,7,11,16,19 and 20
 - Materials required to complete these projects were not available on time due to the damage that the specific suppliers suffered during the national unrest.

❖ Progress report against approved projects

- For ease of reference, progress on approved projects is attached as *Annexure B*. The progress report includes expenditure as at end of December 2021 and interventions that may be required per project.
- Table 6 below provides a progress report to date (18 February 2022) incl. commitments. The Table will be used to analyse progress expenditure against the approved project plan.

Table 2: Progress report

No	DESCRIPTION OF PROJECTS	ORIGINAL BUDGET	Actual Expenditure	% Actual Exp	Invoice Received from PM	Expenditure plus Commitments	% Exp to Date
		2021/22 FY					
		R	R	%	R	R	%
1	IPTN-Infrastructure	266 618 000	58 494 307	21,94%	6 839 406	65 333 713	24,50%
2	IPTN-ITS	60 000 000	31 131 094	51,89%	12 498 854	43 629 948	72,72%
3	IPTN-OPEX	301 951 000	143 636 843	47,57%	37 254 768	180 891 611	59,91%
	IPTN	628 569 000	233 262 244	37,11%	56 593 028	289 855 272	46,11%

❖ Representation on the cash coverage for grants transferred

- The PTNG Allocation currently has a cash balance of R106,165 million. Two tranches of (1) R212,547 million and (2) R126,880 million respectively were received by the City. Total funds received to date equate to R 339,427 million. A total of R233,262 million of the funds received have been utilised leaving the CoE with a cash balance of R 106,165 million from PTNG allocation. Note must be taken that there are further commitments of R56,593 that need to be catered for with the remaining balance of R106,165.

❖ **Representation on the initial cash flow against actual performance**

- Table 2 Depict actual expenditure vs project expenditure. Actual expenditure is 60% of projected expenditure. Projected expenditure was set at R 251 million while actual expenditure amounted to R 151,3 million at 31 December 2021.

Table 3 : Cash Flow projections

Month	2021/22						Total
	Jul	Aug	Sep	Oct	Nov	Dec	
Actual	484	2 722	27 014	16 062	38 653	66 384	151 319
Projected	38 205	38 205	38 205	45 462	45 462	45 462	251 001
Variance	37 721	35 483	11 191	29 400	6 809	-20 922	99 682
Percentage	1%	7%	71%	35%	85%	146%	60%

❖ **PROGRESS REPORT ON APPROVED ROLL-OVER 2020/21**

None

❖ **COMMITMENTS ON THE ALLOCATED FUNDS**

- Opex Commitments (The commitments for Opex are attached as Annexure C for ease of reference)
- Capex commitments (The commitments for Capex are attached as Annexure D for ease of reference)

❖ **REGULATION 32 COMMITMENT**

None

❖ **AN ACCELERATION PLAN 2021/22**

- An acceleration plan has been put in place by the City and forecast of progress for expenditure is summarised below and detailed in Annexure E:
- Harambee service extension from Kempton Park to Boksburg (Phase 1B) will be rolled out in this financial year. Engagements have commenced to compensate for phase 1B route extension, which shall result in an increase in passenger numbers onto the system. An accelerated engagement plan is being implemented to ensure that the compensation payment is affected during the current financial year in order for operations to commence
- The roll out of Phase 1B is supported by procurement of additional buses. All the buses that have been ordered are scheduled to be delivered in April 2022. The budget allocated for bus procurement will be spent in full
- The system patronage is increasing monthly at an average of 10% since August 2021(90 193) to January 2022 (137 340). The month-to-month growth is expected to continue, as more passengers are attracted to the system. Additional trips have been introduced and operational hours extended in response to the growing demand for

- the ORTIA and Bartlett Super South services. An extension of service to weekends and public holidays is currently being looked into for the route to Bartlett Super South.
- The planned introduction of some feeder services in Thembisa is expected to contribute further to the system patronage, with patronage projected to above 200 000 passengers per month. The extension of the service to Boksburg Phase 1B and the introduction of additional buses, will further increase passenger numbers once implemented.
 - Above average seasonal rainfall was experienced in quarter 2, which led to some delays on site. The third quarter and fourth quarter of the municipal financial year fall in the winter months with minimal rain. The dry season shall enable already appointed contractors to realise immense progress in the stream crossings projects.

❖ CONCLUSION

- The City of Ekurhuleni has committed all PTNG funds and has put in place an effective plan to ensure progress in achieving all project milestones within the 2021/22 given financial year and does not foresee a need for a future request for roll over of funds as maximum expenditure shall be realised.
- The City of Ekurhuleni hereby pleads for a non-withdrawal of the earmarked funds of R99,4 million from the City's total Public Transport Network Grant ('PTNG') allocation of R628.6 million for the 2021/22 municipal financial year.
- The City acknowledges that the expenditure reported as at 31 December 2021 was at R151 million (24%) against the allocated R628 million however as at 18th February 2022 the expenditure is R 234 million (37%) against the budget R628 million and 46% against R 507 million received.

It is against the background presented above that the City does not support the stopping of ISUPG, USDG and PTNG for the 2021/22 financial year.

Kind Regards



KAGISO LERUTLA
GROUP CHIEF FINANCIAL OFFICER

23/02/2022

DATE



DR M I MASHAZI
CITY MANAGER

23/02/2022

DATE