

**CITY OF EKURHULENI METROPOLITAN MUNICIPALITY
ORDINARY COUNCIL MEETING**

2021.01.28

A-F (01-2021)

CITY OF EKURHULENI (CoE): UNAUDITED SECOND QUARTER AND MID-YEAR REVIEW OF FINANCIAL AND PERFORMANCE RESULTS – 2020/21 FINANCIAL YEAR

1. PURPOSE

To report to Council the City Of Ekurhuleni's (CoE) Unaudited **Second Quarter and Mid-year** Financial and Performance Results of the 2020/21 financial year as required by Section 52(d) **read with** Section 72 (sec 88 for entities) of the Municipal Finance Management Act and more detailed in the Municipal Budget and Reporting Regulations.

2. STRATEGIC PRIORITY

To promote good governance and report on the financial sustainability of the City.

3. WARDS AFFECTED

All wards

4. DP LINKAGE

Good governance

5. EXECUTIVE SUMMARY

The table below shows the consolidated operating statement for the 2020/21 second quarter and the Mid-Year results:

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Description	Budget Year 20/21						Quarterly variance %	YTD variance %
	Revised Budget	Budget Q2	Actual Q2	YearTD budget	YearTD actual			
	R	R	R	R	R			
Revenue By Source								
Property rates	6 140 478 219	1 535 119 563	1 483 732 016	3 070 239 126	2 963 447 943	-3.35%	-3.48%	
Service charges - electricity revenue	16 759 382 287	3 959 134 440	3 269 181 509	9 242 490 729	8 045 875 504	-17.43%	-12.95%	
Service charges - water revenue	5 697 863 429	1 424 665 848	1 199 600 297	2 848 531 696	2 276 377 066	-15.80%	-20.09%	
Service charges - sanitation revenue	1 966 130 136	491 532 528	434 744 262	983 065 056	886 475 649	-11.55%	-9.83%	
Service charges - refuse revenue	1 535 167 297	383 791 788	348 194 377	767 583 576	696 660 825	-9.28%	-9.24%	
Rental of facilities and equipment	126 584 561	31 530 872	36 828 252	63 252 069	101 518 370	16.80%	60.50%	
Interest earned - external investment	233 777 555	58 444 386	29 022 194	116 888 770	82 395 480	-50.34%	-29.51%	
Interest earned - outstanding debtors	392 757 946	98 189 487	90 067 879	196 378 974	159 026 831	-8.27%	-19.02%	
Fines, penalties and forfeits	579 684 671	144 738 969	34 233 382	289 758 229	61 901 350	-76.35%	-78.64%	
Licences and permits	250 023 261	62 505 842	86 551 497	125 011 623	181 418 318	38.47%	45.12%	
Transfers and subsidies	5 816 082 329	1 626 350 407	1 885 274 138	3 702 777 593	3 794 137 170	15.92%	2.47%	
Other revenue	3 202 651 392	947 879 649	814 690 899	1 895 642 302	1 825 869 985	-14.05%	-3.68%	
Total Revenue (excluding capital transfers and contributions)	42 700 583 083	10 763 883 779	9 712 120 703	23 301 619 743	21 075 104 492	-9.77%	-9.56%	
Expenditure By Type								
Employee related costs	10 387 521 292	2 630 324 552	2 261 615 863	5 132 295 285	4 531 448 666	-14.02%	-11.71%	
Remuneration of councillors	142 795 066	35 698 827	35 156 970	71 397 654	70 621 474	-1.52%	-1.09%	
Debt impairment	3 377 811 030	859 668 217	886 165 157	1 658 474 656	1 651 257 116	3.08%	-0.44%	
Depreciation & asset impairment	2 509 629 980	635 155 755	644 249 449	1 239 318 910	1 229 340 331	1.43%	-0.81%	
Finance charges	1 202 120 003	425 644 652	544 898 021	659 289 369	714 161 496	28.02%	8.32%	
Bulk purchases	16 850 921 749	4 255 123 366	2 038 219 946	8 833 826 960	7 816 107 785	-52.10%	-11.52%	
Other materials	1 857 369 219	417 696 338	458 156 635	973 601 058	790 381 147	9.69%	-18.82%	
Contracted services	4 590 750 820	1 100 414 290	1 370 412 715	2 179 908 610	2 124 094 434	24.54%	-2.56%	
Transfers and subsidies	648 576 890	161 538 790	163 458 949	320 540 307	231 922 932	1.19%	-27.65%	
Other expenditure	1 130 923 634	254 070 325	304 739 707	500 721 210	477 961 125	19.94%	-4.55%	
Loss on disposal of PPE	13 000 000	3 250 002	167 343	6 500 004	204 025	-94.85%	-96.86%	
Total Expenditure	42 711 419 683	10 778 585 114	8 707 240 755	21 575 874 022	19 637 500 529	-19.22%	-8.98%	
Surplus/(Deficit)	(10 836 600)	(14 701 335)	1 004 879 949	1 725 745 721	1 437 603 963			

5.1 Operating Budget Results

The **Operating Income** budgeted for the **2nd Quarter** ending 31 December 2020 was R10.763 billion. The actual income was R1.051 billion (or 9.8%) less than budgeted.

The budgeted **Operating Expenditure** for the **2nd Quarter** ending 31 December 2020 was R10.778 billion. The actual expenditure is R8.707 billion which is R2.071 billion (19.22%) less than budgeted.

The **Total Income** budgeted for the **2020/21 Mid-Year** was R23.301 billion. The actual income was R21.075 billion. The Actual Income for the Mid-Year was R2.226 billion (9.6%) less than budgeted.

The **Total Expenditure** budgeted for the **2020/21 Mid-Year** was R21.575 billion. The actual expenditure was R19.637 billion which is R1.938 billion (8.9%) less than budgeted.

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The deviation of the income and expenditure in the various categories below or above 5% of the budget is regarded as significant and is discussed in **section 6.1** of this report.

5.2 Capital Expenditure

The actual Capital Expenditure 2020/21 Mid-Year is **R1. 855 billion**, which represents a spending of **40.12%** of the total capital budget of **R4. 625 billion**. It is important to note that the outstanding commitments at the end of December 2020 amounted to **R196 million**. The actual expenditure plus commitments for the Mid-Year amounted to **R2. 052 billion**, which represents **44.38%** of the Capital Budget. The amount spent to date of **R1. 855 billion**, is the highest in rand value spent in the previous four (4) financial years.

The following table reflects the comparative spending, excluding commitments, for the Mid-Year period in previous years:

FY	Budget as at 31 December 2020	Actual Expenditure December 2020	% of Budget
17/18	6,361,952,326	1,530,496,140	24.06%
18/19	6,344,190,827	922,729,554	18.45%
19/20	5,000,624,398	1,760,816,443	35.21%
20/21	4,625,238,659	1,855,862,904	40.12%

The comparative results with the previous years as well as the capital spending per department is discussed in section 6.2 of the report.

5.3 Collection Rate

The Collection Rate for the **2nd Quarter** ended 31 December 2020 is **90.46%** which is less than the quarterly **target of 91.0%**. Year-to date collection rate is 89.81% against target of 90%. The 2020-21 mid-year collections per quarter were as follows;

Quarter	Year	Period	Net Billed	Receipts	%	Target
Q1	2020-21	Sep-20	7 657 724 616	6 825 920 410	89.14%	89.00%
Q2	2020-21	Dec-20	7 857 115 937	7 107 870 749	90.46%	91.00%
			15 514 840 554	13 933 791 158	89.81%	90.00%

5.4 Cash balances

The cash balances of the City as at end December 2020 was R1,05 billion. The **number of days cash on hand for the month of December 2020 was 13 days**. This is below the quarterly target of 30 days. The following measures are implemented to achieve the target:

- Credit control and debt collection measures are continuously implemented to increase the collection levels and cash flow;
- The tightened credit control measures will focus largely on large utility consumers where there is the greatest impact;
- The expenditure budget will be reduced and cost containment measures continuously implemented; and

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- Also as part of the main adjustment budget, the City has reviewed the adequacy of funding the non-cash items such as depreciation and debt impairment.

6. BACKGROUND AND DISCUSSION

In terms of Section 72(1) of the MFMA, the accounting officer of a municipality must by **25 January of each year-**

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

Section 72(1) (b) requires the accounting officer to submit a report on such assessment to-

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

Related to the above-mentioned reporting requirement, section 52(d) of the MFMA requires that specific financial particulars be reported on and in the format prescribed. That section reads as follows;

"The mayor of a municipality-

*52(d) **must, within 30 days of the end of each quarter, submit a report to the Council on the implementation of the budget and the financial state of affairs of the municipality;**"*

In compliance with section 52(d) relating to the quarterly reporting period ended 31 December 2020, the 30 days' limit expires on **30 January 2021**.

Further, Section 31(1) of the Government Gazette No 32141 of 17 April 2009 prescribes the following:

- "31.(1) The mayor's quarterly report on the implementation of the budget and financial state of affairs of the municipality as required by section 52(d) of the Act must be –*
 - 7. in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168(1) of the Act; and*
 - 8. consistent with the monthly budget statement for September, December, March and June as applicable; and*

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9. *Submitted to the National Treasury and the relevant Provincial Treasury within five days of tabling of the report in the council.*

Finally, section 54(1) of the MFMA stipulates that “***on receipt of a statement or report submitted by the accounting officer of the municipality in terms of section 71 or 72, the mayor must-***

- (a) consider the statement or report;
- (b) check whether the municipality’s approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that the revisions to the service delivery targets and performance indicators in the plan may only be made with the approval of the council following approval of the adjustment budget
- (d) issue any appropriate instructions to the accounting officer to ensure-
 - (i) that the budget is implemented in accordance with the service delivery and budget implementation plan; and
 - (ii) that spending of funds and revenue collection proceed in accordance with the budget.
- (e) identify any financial problems facing the municipality, including any emerging or impending financial problems; and
- (f) in the case of section 72 report, submit the report to the council by **31 January of each year**.

Given the above legislative framework, this report presents both the mid-year financial and performance assessment as well as the second quarter financial results for 2020/21.

The following Annexures are provided:

- Annexure A:** Departmental Operating Budget Reports for mid-year and 2nd Quarter of 2020/21 Financial Year;
- Annexure B:** Detailed Capital Expenditure Reports for mid-year and 2nd Quarter of 2020/21 Financial Year; and
- Annexure C:** Detailed Performance Report (Pre-Determined Measurable Performance Targets for mid-year and 2nd Quarter of 2020/21

6.1 Financial Performance of Operating Budget

The discussion below highlights the performance of the operating budget. The budget performance should be seen within the context that the country is still under lockdown during the second quarter, although at a lower level 1 for the most part of the quarter.

6.1.1 Revenue by Source

The revenue performance for the **2020/21 Mid-Year** as well as **Quarter 2** is reflected in the table below.

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Description	Budget Year 20/21						
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	R	R	R	R	R	%	%
Revenue By Source							
Property rates	6 140 478 219	1 535 119 563	1 483 732 016	3 070 239 126	2 963 447 943	-3.35%	-3.48%
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Service charges - sanitation revenue	1 966 130 136	491 532 528	434 744 262	983 065 056	886 475 649	-11.55%	-9.83%
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Rental of facilities and equipment	126 584 561	31 530 872	36 828 252	63 252 069	101 518 370	16.80%	60.50%
Interest earned - external investment	233 777 555	58 444 386	29 022 194	116 888 770	82 395 480	-50.34%	-29.51%
Interest earned - outstanding debtors	392 757 946	98 189 487	90 067 879	196 378 974	159 026 831	-8.27%	-19.02%
Fines, penalties and forfeits	579 684 671	144 738 969	34 233 382	289 758 229	61 901 350	-76.35%	-78.64%
Licences and permits	250 023 261	62 505 842	86 551 497	125 011 623	181 418 318	38.47%	45.12%
Transfers and subsidies	5 816 082 329	1 626 350 407	1 885 274 138	3 702 777 593	3 794 137 170	15.92%	2.47%
Other revenue	3 202 651 392	947 879 649	814 690 899	1 895 642 302	1 825 869 985	-14.05%	-3.68%
Total Revenue (excluding capital transfers and contributions)	42 700 583 083	10 763 883 779	9 712 120 703	23 301 619 743	21 075 104 492	-9.77%	-9.56%

Analysis of Performance

The **Operating Income** budgeted for the **2nd Quarter** ending 31 December 2020 was R10.763 billion. The actual income was R1.051 billion (or 9.8%) less than budgeted.

The **Total Income** budgeted for the **2020/21 Mid-Year** was R23.301 billion. The actual income was R21.075 billion. The Actual Income for the Mid-Year was R2.226 billion (9.6%) less than budgeted.

Management has deemed any variances of 5% or less to be immaterial and as such no reasons will be provided. The discussions of the significant deviations of 5% and more are elaborated below. Although the quarterly variances may be higher, the **focus is on the Year to Date variances** as they reflect a fair and smooth performance during the entire year.

a. Service charges:

Service charges – electricity revenue

The actual income from sale of electricity is R1.196 billion less than the budget of R9.242 billion for the 2020/21 Mid-Year, which represent a deviation 13%. The Department of Energy is currently implementing the revenue enhancement programmes and enforcing the credit controls, particularly on large High Voltage HV customers, to ensure that the budgeted revenue is achieved by the end of fourth quarter.

Service charges – water revenue

The actual income from water sales is R572 million less than the budget of R2.848 billion for the 2020/21 Mid-Year, which represent a deviation of 20%. The main contributing factor to the negative deviation is the reduction in water sales to industrial customers, as some of the large users are not at full capacity and trading hours are lesser than normal.

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Service charges – sanitation revenue

The actual income from sewer purification is R96.5 million less than the budget of R983 million for the 2020/21 Mid-Year, which represent a deviation of 9.8%. The main contributing factor to the negative deviation is the reduction in sanitation consumption to industrial customers.

Service charges – refuse revenue

The actual income from waste management services is R70.9 million less than the budget of R767 million for the 2020/21 Mid-Year, which represent a deviation 9.2%.

Under performance was from business and industry sectors which reduced their demand for collection of waste due to the restrictions placed under level 2 and 1 lockdown. The Waste Department received requests for reduction as well as cancellation of the service from industries such as restaurants, casinos, entertainment and leisure. The lockdown restrictions on level two as well as level one are on capacity as well as trading hours.

b. Rental of facilities and equipment

The budget of **rental of facilities** for the 2020/21 Mid-Year amounted to R63.2 million whilst the actual revenue amounted to R101.5 million, thus a positive deviation of more than 60%. This category is inclusive of rentals from leasing of properties by Real Estate and Human Settlements. Over-performance by Real Estate was due to the erroneous accounting of opening balances when migrating from PASTEL to SOLAR. Human Settlements revenue budget will be adjusted upwards during the main adjustment budget.

c. Interest earned

This category of income refers mainly to the interest earned on the bank, investments accounts and interest charged on debtor accounts.

The deviation on the interest earned on the bank and investments accounts are as a result of reduced investments and reduced bank balances due to low collection rates.

The deviation on the interest on outstanding debtors is as a result of the City's resolution to suspend interest on outstanding debtors with the intension to provide relief to residents following negative impact of COVID-19.

d. Fines, penalties and forfeits

The budget of Fines, Penalties and Forfeits for the 2020/21 Mid-Year amounted to R289.7 million whilst the actual revenue amounted to R61.9 million, thus a deviation of 78.6% less than budgeted. This category is inclusive of traffic fines. Traffic fines budget includes the non-cash item amounting to R465.6 million for the year, being GRAP accrual for the purpose of compiling the Annual Financial Statements. This R465.6 million non-cash will be journalised at the end of the financial year.

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e. Licenses and permits

Revenue generated from licenses and permits was more than anticipated post the re-opening of the Licensing centres, as a result the 2020/21 Mid-Year is 45.1% more than budgeted. It is evident the lockdown had created a backlog in terms of customers who wanted to use licensing and permits services.

6.1.2 Expenditure by type

The expenditure performance for the **2020/21 Mid-Year** as well as **Quarter 2** is reflected in the table below.

Description	Budget Year 20/21						
	Revised Budget	Budget Q2	Actual Q2	YearTD budget	YearTD actual	Quarterly variance	YTD variance
	R	R	R	R	R	%	%
Expenditure By Type							
Employee related costs	10 387 521 292	2 630 324 552	2 261 615 863	5 132 295 285	4 531 448 666	-14.02%	-11.71%
Remuneration of councillors	142 795 066	35 698 827	35 156 970	71 397 654	70 621 474	-1.52%	-1.09%
Debt impairment	3 377 811 030	859 668 217	886 165 157	1 658 474 656	1 651 257 116	3.08%	-0.44%
Depreciation & asset impairment	2 509 629 980	635 155 755	644 249 449	1 239 318 910	1 229 340 331	1.43%	-0.81%
Finance charges	1 202 120 003	425 644 652	544 898 021	659 289 369	714 161 496	28.02%	8.32%
Bulk purchases	16 850 921 749	4 255 123 366	2 038 219 946	8 833 826 960	7 816 107 785	-52.10%	-11.52%
Other materials	1 857 369 219	417 696 338	458 156 635	973 601 058	790 381 147	9.69%	-18.82%
Contracted services	4 590 750 820	1 100 414 290	1 370 412 715	2 179 908 610	2 124 094 434	24.54%	-2.56%
Transfers and subsidies	648 576 890	161 538 790	163 458 949	320 540 307	231 922 932	1.19%	-27.65%
Other expenditure	1 130 923 634	254 070 325	304 739 707	500 721 210	477 961 125	19.94%	-4.55%
Loss on disposal of PPE	13 000 000	3 250 002	167 343	6 500 004	204 025	-94.85%	-96.86%
Total Expenditure	42 711 419 683	10 778 585 114	8 707 240 755	21 575 874 022	19 637 500 529	-19.22%	-8.98%

a. **Employee related costs**

The special adjusted budgeted amount for the salaries and contributions towards senior management and other municipal staff amounted to R10.387 billion for the 2020/21 financial year.

The actual expenditure for Employee related costs is R600 million less than the budgeted expenditure for the 2020/21 Mid-Year, which represents a deviation of 11.7%. This is mainly as a result of the additional provision approved by Council through Special Adjustment on the 30th September 2020 to fund the salary increment. The salary increment has not yet been implemented by the City.

The amount spent on **Overtime is a major concern**. It is a concern in that not all employees are back at work on full time basis; it is reported that some employees are still working from home, especially the office bound, back-office staff. The following table reflects the Overtime per department:

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Department	Budget Year 20/21					
	Revised Budget	Budget Q2	Actual Q2	YearTD budget	YearTD actual	YTD variance
	R	R	R	R	R	%
BBC	1 074 517	268 635	22 472	537 270	47 519	-91.2%
CHIEF OPERATING OFFICER: DELIVERY CO-ORDINATION	6 178 804	1 544 736	1 385 008	3 089 472	2 758 578	-10.7%
CITY MANAGER	302 884	75 726	2 543	151 452	41 945	-72.3%
CITY PLANNING	87 331	21 849	117 660	43 698	120 986	176.9%
COMMUNICATION & BRANDING	187 693	46 926	36 615	93 852	41 363	-55.9%
CORPORATE LEGAL	51 089	12 777	1 363	25 554	1 363	-94.7%
DISASTER AND EMERGENCY MANAGEMENT SERVICES	65 151 437	16 287 924	4 237 758	32 575 848	13 866 052	-57.4%
ECONOMIC DEVELOPMENT	1 007 744	251 943	740 413	503 886	1 689 229	235.2%
EHC	363 118	90 780	-	181 560	8 408	-95.4%
EKURHULENI METRO POLICE DEPARTMENT	170 216 317	42 554 121	95 023 119	85 108 242	191 127 858	124.6%
ENERGY	47 407 193	11 851 872	26 667 296	23 703 744	52 137 719	120.0%
ENVIRONMENTAL RESOURCE MANAGEMENT	47 325 677	11 831 496	12 485 488	23 662 992	26 414 796	11.6%
ERWAT	34 152 859	8 538 261	8 691 582	17 076 522	15 810 697	-7.4%
EXECUTIVE OFFICE	389 662	97 419	3 159	194 838	3 159	-98.4%
FINANCE	6 398 859	1 599 780	2 701 885	3 199 560	4 980 807	55.7%
HEALTH AND SOCIAL DEVELOPMENT	2 963 313	740 979	1 471 662	1 481 958	2 845 153	92.0%
HUMAN RESOURCES	447 842	111 972	-	223 944	8 435	-96.2%
HUMAN SETTLEMENTS	734 305	183 585	229 762	367 170	399 412	8.8%
INFORMATION COMMUNICATION TECHNOLOGY	642 553	160 641	311 963	321 282	648 702	101.9%
INTERNAL AUDIT	14 372	3 597	-	7 194	-	-100.0%
LEGISLATURE	1 138 585	284 649	(4 988)	569 298	7 218	-98.7%
REAL ESTATE	1 018 868	254 745	213 228	509 490	462 376	-9.2%
ROADS AND STORMWATER	5 719 039	1 429 785	1 875 370	2 859 570	2 907 631	1.7%
SPORTS, RECREATION, ARTS AND CULTURE	14 720 506	3 680 337	427 773	7 360 674	675 734	-90.8%
STRATEGY & CORPORATE PLANNING	40 425	10 113	-	20 226	-	-100.0%
TRANSPORT	7 462 752	1 865 703	2 292 346	3 731 406	5 231 557	40.2%
WATER AND SANITATION	31 519 736	7 879 959	17 282 814	15 759 918	33 275 826	111.1%
Grand Total	446 717 480	111 680 310	176 216 290	223 360 620	355 512 522	59.2%

It should be noted that some departments such as City Planning, Economic Development Ekurhuleni Metro Police and Water and Sanitation show actual overtime spent that is more than the budget. This is possible due to the fact that the overtime is compensated or consumed by the basic salary component of employee costs.

This means that the departments are utilising the savings in the basic salary component to pay the overtime component.

b. Finance charges

The deviation of R54.8 million on finance charges as at 2020/21 Mid-Year relates to interest on loan to finance the capital projects. The finance charges have been increased in the main adjustment budget in anticipation of an increase in this item of expenditure.

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c. Bulk purchases

The Mid-Year Bulk purchases of water and sanitation is 11.5% or R1.0 billion below budget and this is in line with the reduction in sales.

d. **Repairs and maintenance – inclusive of other materials**

The mSCOA Framework does not accommodate the Repair and Maintenance as a type of expenditure and category. This expenditure is embedded in the various categories and form part of the other materials and contracted services.

Due to the relative importance to monitor expenditure, **repairs and maintenance** per department is extracted from various categories and depicted in the table below:

Department	Budget Year 20/21					
	Revised Budget	Budget Q2	Actual Q2	YearTD budget	YearTD actual	YTD variance
	R	R	R	R	R	%
BBC	2 524 028	631 017	895 518	1 262 034	898 187	-28.8%
CHIEF OPERATING OFFICER: DELIVERY CO-ORDINATION	1 196 127	(41 211)	151 976	1 278 616	604 970	-52.7%
CITY MANAGER	58 149	14 538	17 103	29 076	40 898	40.7%
CITY PLANNING	22 767 961	6 122 238	8 190 374	12 278 174	11 926 729	-2.9%
COMMUNICATION & BRANDING	48 149	12 063	2 806	24 126	11 397	-52.8%
CORPORATE LEGAL	15 159	5 024	-	10 499	-	-100.0%
DISASTER AND EMERGENCY MANAGEMENT SERVICES	23 367 353	6 205 301	3 814 622	11 402 171	5 887 782	-48.4%
ECONOMIC DEVELOPMENT	1 524 990	337 376	595 157	1 224 553	1 014 548	-17.1%
EHC	4 771 797	1 192 986	1 292 466	2 385 972	2 317 216	-2.9%
EKURHULENI METRO POLICE DEPARTMENT	37 076 276	9 183 132	13 974 632	18 567 552	25 561 905	37.7%
ENERGY	1 008 942 724	190 663 147	335 162 987	492 259 346	530 633 223	7.8%
ENVIRONMENTAL RESOURCE MANAGEMENT	160 120 187	36 580 731	33 462 128	86 959 708	48 573 254	-44.1%
ERWAT	131 013 571	32 753 466	30 454 617	65 506 932	36 143 320	-44.8%
EXECUTIVE OFFICE	78 173	12 709	39 879	52 747	43 409	-17.7%
FINANCE	1 006 435	115 855	124 005	785 436	318 085	-59.5%
HEALTH AND SOCIAL DEVELOPMENT	5 087 814	1 353 265	1 618 144	3 037 913	2 864 129	-5.7%
HUMAN RESOURCES	257 948	61 115	39 334	81 672	70 971	-13.1%
HUMAN SETTLEMENTS	41 645 448	12 458 035	4 306 624	20 762 058	5 721 388	-72.4%
INFORMATION COMMUNICATION TECHNOLOGY	230 470 840	55 348 555	98 543 379	115 836 828	113 805 451	-1.8%
INTERNAL AUDIT	14 719	890	-	12 950	-	-100.0%
LEGISLATURE	31 530	7 712	8 935	16 124	8 935	-44.6%
REAL ESTATE	104 811 140	27 595 503	25 428 158	49 718 514	36 006 361	-27.6%
ROADS AND STORMWATER	508 954 409	124 543 591	195 714 622	259 872 878	338 319 764	30.2%
SPORTS, RECREATION, ARTS AND CULTURE	15 015 763	2 452 041	4 029 292	6 034 357	7 511 651	24.5%
STRATEGY & CORPORATE PLANNING	101 142	101 142	-	101 142	-	-100.0%
TRANSPORT	24 076 580	5 925 809	6 044 577	12 225 204	9 293 040	-24.0%
WATER AND SANITATION	359 487 965	86 373 080	89 255 974	186 741 769	133 973 056	-28.3%
Grand Total	2 684 466 377	600 009 108	853 167 308	1 348 468 352	1 311 549 670	-2.7%

e. Transfers and subsidies.

The category includes the provision of ablution facilities to informal settlements and grants to entities.

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Ablution facilities were budgeted at R213.6 million and amount spent was R189.9 million, resulting in a negative deviation of R23.7 million as at 2020/21 Mid-Year.

USGD grant to ERWAT was budgeted at R87.8 million at as 2020/21 Mid-Year and expenditure amounted to R22 million resulting in a negative deviation of R65.8 million. The City pays ERWAT's invoices on submission of valid invoices and statements.

f. Loss on disposal of PPE

The performance on this line item will be determined at the end of the financial year as part of year-end processes.

6.1.3 Impact of cost containment measures

Clause 15 of the Cost Containment Regulations require municipalities to disclosure measures applied by the municipality and municipal entity in the municipal in -year budget reports and annual costs savings disclosed in the annual report. The table below disclose the impact of cost containment on the budget of the City and its entities.

Consolidated cost containment measures for 2020/21 Mid-Year and Quarter 2

Description	Budget Year 20/21					
	Revised Budget	Budget Q2	Actual Q2	YearTD budget	YearTD actual	YTD variance
	R	R	R	R	R	%
Advertising Costs	10 634 051	2 611 815	2 302 769	4 873 937	3 030 292	-37.8%
Catering services	5 072 807	1 270 925	364 945	2 505 557	586 678	-76.6%
Entertainment	1 792 766	448 209	26 391	896 418	34 412	-96.2%
Printing & Stationery	27 470 791	6 947 123	7 238 977	13 727 977	13 683 899	-0.3%
Professional services/Consultants	203 483 354	51 827 540	38 823 671	85 338 973	54 683 631	-35.9%
Special Events(WAQ)	100 458 512	28 603 680	2 451 070	91 722 266	2 836 053	-96.9%
Staff study - Internal bursaries	2 493 654	24 000	24 000	1 320 585	2 517 654	90.6%
Travel & Accommodation - Domestic	8 935 001	2 233 809	96 826	4 467 618	140 276	-96.9%
Travel & Accommodation - Foreign	1 643 986	411 000	-	822 000	-	-100.0%
Workshops(WAD)	5 813 284	1 418 933	785 966	3 024 446	1 222 957	-59.6%
TOTAL	367 798 206	95 797 034	52 114 615	208 699 778	78 735 852	-62.3%

The table above shows the various items to which the cost containment regulations apply. The table shows that the **2020/21 Mid-Year** budget amounted to R208.6 million whilst YTD actual expenditure amounted to R78.7 million, which is R129.9 million or 62.3% less than budget.

With regards to **Quarter 2**, the budget on the items amounted to R95.7 while actual expenditure amounted R52.1 million, which is 45.6% below budget. The key driver of these reductions is that the City Manager approves the expenditures before they are incurred as required by the Regulations.

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6.2 Capital programme performance

The actual Capital Expenditure 2020/21 Mid-Year is **R1. 855 billion**, which represents a spending of **40.12%** of the total capital budget of **R4. 625 billion**. It is important to note that the outstanding commitments at the end of December 2020 amounted to **R196 million**. The actual expenditure plus commitments for the Mid-Year amounted to **R2. 052 billion**, which represents **44.38%** of the Capital Budget.

The following table reflects the comparative spending, excluding commitments, for the Mid-Year period in previous years:

FY	Budget as at 31 December	Actual Expenditure	% of Budget
17/18	6,361,952,326	1,530,496,140	24.06%
18/19	6,344,190,827	922,729,554	18.45%
19/20	5,000,624,398	1,760,816,443	35.21%
20/21	4,625,238,659	1,855,862,904	40.12%

The amount spent to date of **R1. 855 billion**, is the highest in rand value and percentage spent in the previous four (4) financial years, although the budget of R4.625 is the lowest.

The actual capital spending per department is indicated in the following table:

Department	Budget 2020/21 Adjusted	ACTUALS Quarter 2	Actual Expenditure Year to Date	% Spent (Actual vs Adjusted Budget)
Chief Operating Officer	70,140,000	18,780,745	22,178,443	31.62%
City Planning	300,000	300,000	300,000	100.00%
Communication and Brand Management	2,525,000	-	-	0.00%
Corporate Legal Services	55,000	11,500	11,500	20.91%
Council General	150,247,572	29,198,165	109,189,380	72.67%
Disaster & Emergency Management Services	106,700,000	17,835,121	28,352,622	26.57%
Economic Development	116,600,000	27,847,178	46,644,080	40.00%
Ekurhuleni Metro Police Department	77,038,500	22,108,871	24,032,993	31.20%
Energy	503,790,800	175,124,250	314,110,976	62.35%
Environmental Resources & Waste Management	274,300,000	47,497,947	95,910,418	34.97%
Executive Office	500,000	97,632	97,632	19.53%
Finance	170,000	112,677	169,527	99.72%
Health and Social Development	4,260,000	1,238,254	1,415,060	33.22%
Human Resources Management	75,000	-	17,710	23.61%
Human Settlements	675,604,000	242,964,997	293,536,619	43.45%
Information and Communication Technology	632,319,768	154,243,338	159,896,760	25.29%
Internal Audit	20,000	19,900	19,900	99.50%
Real Estate	238,362,914	21,153,371	73,385,279	30.79%
Risk Management	10,000	-	-	0.00%
Roads and Stormwater	452,248,075	159,607,108	165,780,528	36.66%
Sport Recreation Arts and Culture	76,109,044	16,849,686	33,281,432	43.73%
Strategy & Corporate Planning	10,000	9,950	9,950	99.50%
Transport Planning & Provision	364,482,300	94,444,238	114,570,615	31.43%
Water and Sanitation	668,941,764	238,063,784	349,064,244	52.18%
Brakpan Bus Company (BBC)	3,344,391	-	139,965	4.19%
Ekurhuleni Housing Company (EHC)	1,084,531	159,971	1,080,794	99.66%
ERWAT	206,000,000	15,739,357	22,666,477	11.00%
Grand Total	4,625,238,659	1,283,408,040	1,855,862,904	40.12%

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The actual Capital Expenditure of R1. 855 billion as indicated above is funded as follows:

	BUDGET 2020/21	TOTAL YEAR TO DATE	% spent of Budget
SOURCE OF FINANCE	R	R	
External Loans	1,976,039,247	777,165,735	39.33%
Integrated City Development Grant (ICDG)*	53,577,000	26,557,521	49.57%
Neighbourhood Development Partnership Grants (NDPG)*	75,000,000	18,041,248	24.05%
Provincial Library Grant	9,320,014	1,990,236	21.35%
Public Transport Network Grants (PTNG)*	244,276,000	85,038,260	34.81%
Revenue	513,273,159	121,245,038	23.62%
Urban Settlement Development Grants (USDG)*	1,753,753,239	825,824,866	47.09%
Grand Total	4,625,238,659	1,855,862,904	40.12%

* The amount spent on **grant funded** projects amounts to R957.4m which represents 51.59% of the total 2nd quarter spending of **R1. 855 billion**. However, the R957.4m represents **44.83%** spending from the total grant funded budget of **R2.136 billion**.

	BUDGET 2020/21	% of Total Budget	TOTAL YEAR TO DATE	% of Total Spending	% spent of Budget
SOURCE OF FINANCE	R		R		
Grants	2,135,926,253	46.18%	957,452,131	51.59%	20.70%
Borrowings	1,976,039,247	42.72%	777,165,735	39.33%	16.80%
Internally Generated Funding	513,273,159	11.10%	121,245,038	23.62%	2.62%
Grand Total	4,625,238,659		1,855,862,904		40.12%

6.3 Financial Performance

6.3.1 Debtors Analysis

The Collection Rate for the 2nd Quarter ended 31 December 2020 is 90.46% which is less than the quarterly target of 91%. Year-to date collection rate is 89.81% against target of 90%. The table below reflects the total consumer debtors age analysis at the end of the 2nd quarter of the 2020-21 Financial Year:

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<i>SUMMARY</i>	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
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	418 620	247 634	224 619	215 841	195 149	238 185	1 240 257	4 280 479	7 060 785	6 169 912
Trade and Other Receivables from Exchange Transactions - Electricity	999 961	179 123	86 895	126 609	97 886	73 971	234 143	616 968	2 415 555	1 149 577
Receivables from Non-exchange Transactions - Property Rates	393 991	127 881	90 355	119 689	76 249	74 330	427 756	1 563 725	2 873 975	2 261 748
Receivables from Exchange Transactions - Waste Water Management	136 935	68 523	58 288	76 978	53 815	69 559	316 653	1 116 744	1 897 496	1 633 749
Receivables from Exchange Transactions - Waste Management	110 014	59 440	50 626	49 908	44 863	52 618	277 422	1 188 311	1 833 202	1 613 123
Receivables from Exchange Transactions - Property Rental Debtors-BP866	2 146	3 481	3 339	142 635					151 601	142 635
Interest on Arrear Debtor Accounts	31 140	28 240	34 696	74 793	65 648	33 415	209 238	1 088 079	1 565 250	1 471 173
Recoverable unauthorised, irregular, fruitless and wasteful expenditure									-	-
Other	38 326	33 167	12 604	9 943	9 432	61 381	52 426	368 992	586 271	502 174
Total By Income Source	2 131 132	747 490	561 422	816 395	543 042	603 460	2 757 896	10 223 297	18 384 134	14 944 090
Debtors Age Analysis By Customer Group										
Organs of State	39 423	20 022	6 874	5 078	4 517	4 126	19 001	25 567	124 608	58 289
Commercial	1 194 008	237 109	121 349	214 479	129 492	143 802	393 231	1 153 908	3 587 378	2 034 912
Households	874 301	481 826	429 213	591 602	404 671	451 662	2 315 916	8 922 677	14 471 868	12 686 528
Other	23 401	8 532	3 986	5 237	4 363	3 870	29 747	121 145	200 281	164 361
Total By Customer Group	2 131 132	747 490	561 422	816 395	543 042	603 460	2 757 896	10 223 297	18 384 134	14 944 090

Total outstanding debtors as at 31st December 2020 amounted to R18,3 billion. The debt payable between 0-30 days is regarded as current debt and amounts to R2.1 billion whilst R14,9 billion in arrears for more than 90 days. Households debt over 90 days represent 84,9% of arrear debt. Below show some of the challenges and corrective measures:

- Increasing decline in economic climate and ability to pay for services due to Covid-19 and resultant loss of income in many sectors of the economy;
- **PRE-PAID METERS BLOCKING** - Blocking being done but customers continue to utilize electricity through illegal connections;
- **LEGAL DISPUTES** - Group of Companies disputing electricity tariffs and credit control actions on legal advice held in abeyance;
- **COURT ORDERS** against CoE not to terminate electricity supply and making partial payments to billed account;
- **High Voltage (HV) DISCONNECTIONS** - Significant accounts mainly for businesses remain not disconnected due to special expertise that is required. Finance and Energy Departments are working on mechanisms to address the matter; and
- **ESKOM SUPPLY AREAS** - City is unable to disconnect electricity to customers directly supplied by ESKOM. Reliance on debt collectors to collect outstanding CoE debt which has lengthy processes before customers respond. Moreover, the City pays Eskom the full subsidy to Eskom for registered and deemed indigents.

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Collection Rate per CCA for the 2nd Quarter (October – December 2020)

The collection rate per CCA for the 2nd quarter per CCA was as follows:

	2020-21 : Q2		
	Collection Target = 90%		
Customer Care Area	Billed	Receipts	%
Alberton	738 539 727.82	744 059 221.32	100.75%
Benoni	630 815 074.92	645 248 831.47	102.29%
Boksburg	715 661 120.43	706 029 012.72	98.65%
Brakpan	452 438 134.29	457 460 081.94	101.11%
Daveyton	118 363 730.11	67 727 944.47	57.22%
Duduza	39 087 459.39	15 161 726.47	38.79%
Edenvale	609 013 981.77	612 852 200.37	100.63%
Etwatwa	44 763 222.17	6 700 672.85	14.97%
Germiston	1 105 440 575.29	1 077 154 120.22	97.44%
Katlehong 1	214 349 678.21	101 579 775.74	47.39%
Katlehong 2	130 291 525.39	20 390 130.00	15.65%
Kempton Park	1 500 439 015.32	1 430 484 863.13	95.34%
Kwa-Thema	30 718 687.48	13 136 825.90	42.76%
Nigel	197 937 629.21	205 018 631.09	103.58%
Springs	311 144 010.83	305 859 503.38	98.30%
Sundries and Other	15 378 596.30	6 487 760.93	42.19%
Tembisa 1	52 321 527.87	50 062 204.04	95.68%
Tembisa 2	433 345 747.25	422 989 018.40	97.61%
Tokoza	97 835 625.91	31 830 808.68	32.53%
Tsakane	119 585 981.46	33 722 110.89	28.20%
Vosloorus	299 644 885.82	153 911 004.51	51.36%
	7 857 115 937.24	7 107 866 448.52	90.46%

The quarterly revenue collection performance is 90.46% in comparison with quarterly target of 91%. The quarterly target was not achieved and reflects under performance of 0.54%. Under performance mainly due to decline in economic climate and ability to pay for services. The reasons for low collection is amongst others due to Eskom supplied areas that registered a collection year to date rate of averaging 20.98% whilst City of Ekurhuleni (CoE) supplied areas registered an average of 95.63% which is above the required target.

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6.3.2 Creditors Analysis

The creditors' age analysis at the end of **December 2020** was as follows:

Detail	0 – 30 Days	31 – 60 Days	61 – 90 Days	91 – 120 Days	121 – 150 days	151- 180 Days	181 Days – 1 Year	Over 1 Year	Total
Bulk Electricity	1 373 364 888,19								1 373 364 888,19
Bulk Water	331 196 553,91								331 196 553,91
PAYE deductions	119 015 592,14								119 015 592,14
VAT (Output less input)	0								
Pensions/Retirement deductions	152 407 083,46								152 407 083,46
Trade creditors	65 498 985	56 538 305	9 047 441	87 011 373					218 096 109
Auditor General	0								0
Other	0								0
Total	2 041 483 102,70	56 538 305	9 047 441	87 011 373					2 194 080 221,70

The table above shows all outstanding creditors and some are longer than 30 days due to late response on queries. Invoice are paid only when they are valid. All invalid invoices are sent back to Departments and services providers for correction.

6.3.3 Cash Balances and Investment Portfolio Analysis

The cash balances of the City as at end December 2020 was R1,05 billion. The **number of days cash on hand for the month of December 2020 was 13 days**. This is below the quarterly target of 30 days. The following measures are implemented to achieve the target:

- Credit control and debt collection measures are continuously implemented to increase the collection levels and cash flow:
- The tightened credit control measures will focus largely on large utility consumers where there is the greatest impact;
- The expenditure budget will be reduced and cost containment measures continuously implemented; and
- Also as part of the main adjustment budget, the City has reviewed the adequacy of funding the non-cash items such as depreciation and debt impairment.

Investments balances as at 31st December 2020 are as follows:

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INVESTMENTS REGISTER AS AT 31.12.2020										
CAPITAL										
COMMENTING DATE	MATURITY DATE	INVESTMENT MADE /WITHDRAWAL DATE	TYPE OF INVESTMENT	OPENING BALANCE 1.07.2015	INVESTMENT MADE	INVESTMENT WITHDRAWN	INTEREST ACCRUED / EARNED	BALANCE 31.12.2020	ENCUMBERED	En/Unencumbered
INVESTEC BANK										
13-Nov-98		Call deposit	ENCUMBERED DEP.	175,535,647.90				175,535,647.90		Unencumbered
			Interest: Jul - Aug				45,745,934.76	45,745,934.76		
				175,535,647.90	-	-	45,745,934.76	221,281,582.66		
INVESTEC BANK STRUCTURED DEPOSITSINKING FUND R800M TO PROVIDE FOR A BOND CAPITAL EMM 02										
29-Feb-12	1-Mar-21		OPENING BALANCE	733,555,800.71				733,555,800.71	733,555,800.71	Encumbered
29-Feb-12	1-Mar-21	1-Jul-20			11,631,606.01			11,631,606.01	11,631,606.01	Encumbered
29-Feb-12	1-Mar-21	1-Aug-20			11,631,606.01		11811579.95	23,443,185.96	23,443,185.96	Encumbered
29-Feb-12	1-Mar-21	1-Sep-20			11,631,606.01		-37287329.76	-25,655,723.75	-25,655,723.75	Encumbered
29-Feb-12	1-Mar-21	30-Oct-20			11,631,606.01		5,914,084.56	17,545,690.57	17,545,690.57	Encumbered
29-Feb-12	1-Mar-21	1-Dec-20			11,631,606.01		5,853,442.15	17,485,048.16	17,485,048.16	Encumbered
29-Feb-12	1-Mar-21	1-Dec-20			11,631,606.01			11,631,606.01	11,631,606.01	Encumbered
				733,555,800.71	69,789,636.06	-	(13,708,223.10)	789,637,213.67	789,637,213.67	
STANLIB										
10-Apr-00	ON CALL	Call deposit	MONEY MARKET FUND	5,858,522.41		0.00	126,085.70	5,984,608.11		Unencumbered
				5,858,522.41	0.00	0.00	126,085.70	5,984,608.11		
RAND MERCHANT BANK										
2-Aug-00			GUARANTEED TRUST	12,602,191.81				12,602,191.81		Unencumbered
1-Oct-98	Unit Trusts		MONEY MARKET FUND	44,336,223.84			800,156.54	45,136,380.38		Unencumbered
12-Nov-98			GUARANTEED TRUST	32,830,640.13			592,509.89	33,423,150.02		Unencumbered
				89,769,055.78	0.00		1,392,666.43	91,161,722.21	0.00	

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RAND MERCHANT BANK STRUCTURED DEPOSIT SINKING FUND R815M TO REPAY LOAN AND BOND CAPITAL EMM01										
1-Jul-16			OPENING BALANCE	851,863,980.76				851,863,980.76	851,863,980.76	Encumbered
28-Feb-11	28-Feb-20	29-Jul-19	STRUCTURED DEPOSIT			851,863,980.76		-851,863,980.76	-851,863,980.76	Encumbered
				851,863,980.76	0.00	851,863,980.76	0.00	0.00	0.00	
NEDBANK STRUCTURED DEPOSIT SINKING FUND R800M TO PROVIDE FOR A BOND CAPITAL EMM03										
1-Jul-16			OPENING BALANCE	612,146,743.54				612,146,743.54	612,146,743.54	Encumbered
18-Dec-12	1-May-24	1-Jul-19			7,227,480.07			7,227,480.07	7,227,480.07	Encumbered
18-Dec-12	1-May-24	1-Aug-19			7,227,480.07		8,790,965.68	16,018,445.75	16,018,445.75	Encumbered
18-Dec-12	1-May-24	1-Sep-19			7,227,480.07		4,159,820.06	11,387,300.13	11,387,300.13	Encumbered
18-Dec-12	1-May-24	30-Oct-19			7,227,480.07		4,380,383.80	11,607,863.87	11,607,863.87	Encumbered
18-Dec-12	1-May-24	30-Oct-19			7,227,480.07	40,200,000.00	4,756,265.86	-28,216,254.07	-28,216,254.07	Encumbered
18-Dec-12	1-May-24	30-Oct-19			6,504,732.07			6,504,732.07	6,504,732.07	Encumbered
				612,146,743.54	42,642,132.42	40,200,000.00	22,087,435.40	636,676,311.36	636,676,311.36	
NEDBANK SHORT TERM										
18-Aug-16	CALL		CALL	892,853.04				892,853.04		Unencumbered
							13,369.16	13,369.16		
				892,853.04	0.00	0.00	13,369.16	906,222.20		
RAND AIRPORT										
			SHAREHOLDING	4,000,000.00				4,000,000.00		Entities
MUNICIPAL ENTITIES										
10-Mar-99			G.G. INNER CITY HSNB	106.00				106.00		Entities
				106.00		0.00		106.00		
			TOTAL INVESTMENTS	2,473,622,710.14	112,431,768.48	892,063,980.76	55,657,268.35	1,749,647,766.21	1,426,313,525.03	

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6.3.4 Grant Receipts and Expenditure

A risk rating has been attached to all unspent grants and is indicated as follows:

- **No risk** – indicated with a “1” and upward arrows – these grants have been received recently and have no risk of being surrendered as it is expected that the grant will be spent in full as per the conditions of the grant.
- **Tolerable risk** – indicated with a “2” and sideways arrow – the unspent portion of the grant is less than the total of the outstanding amount at the beginning of the year plus the amount received during the year. There is a risk of surrender insofar as the unspent portion of the previous year is concerned. An intervention is required to ensure the grant is spent as per the conditions of the grant.
- **Significant risk** – indicated with a “3” and downward arrow – the outstanding portion is more than the total of the outstanding amount at the beginning of the year plus the amount received during the year, in other words, the outstanding grant is getting bigger and new allocations are not spent (in addition to old unspent allocations). There is a great risk of the grant being surrendered and urgent attention is required.

The status of grants as at the end of the Quarter 2 is reflected in the table below:

Vote balancing	Name of Grant	EMM Responsible Department	Unspent Funds - 19/20 Opening Balances 20/21	Surrenders to National / Provincial Treasury / Appropriation to revenue	Accumulated Receipts for the Financial year	Accumulated Expenditure for the Financial year	Balance Available	% Spent	Risk
NATIONAL / DORA GRANTS - OPERATING									
27547630490000000000	FMG	Finance	435 232,94	-	1 000 000,00	(286 230,00)	1 149 002,94	19,94%	3
	TOTAL		435 232,94	-	1 000 000,00	(286 230,00)	1 149 002,94	19,94%	
19501172010MBZZZZ16	Equitable Share - Electricity	Energy	-	-	582 629 110,00	(582 629 110,00)	-	100,00%	1
64581172010MBZZZZ16	Equitable Share - Solid Waste	Waste Management	-	-	557 412 702,00	(557 412 702,00)	-	100,00%	1
68581172010MBZZZZ16	Equitable Share -Water and Wastewater	Water & Sanitation	-	-	1 566 069 023,00	(1 566 069 023,00)	-	100,00%	1
23981172010MBZZZZ16	Equitable Share - Finance	Finance	-	-	697 802 165,00	(697 802 165,00)	-	100,00%	1
23981172000MDZZZZ16	Fuel Levy - Finance	Finance	-	-	1 187 610 000,00	(1 187 610 000,00)	-	100,00%	1
	TOTAL		-	-	4 591 523 000,00	(4 591 523 000,00)	-	100,00%	
NATIONAL / DORA GRANTS - CAPITAL									
27547610590000000000	USDG	Human Settlements	61 084 004,52	-	983 753 000,00	(834 840 781,72)	209 996 222,80	79,90%	2
27547610190000000000	INEP	Energy	-	-	-	-	-	0,00%	3
27547610790000000000	PTNG	Transport	-	-	379 116 000,00	(178 961 598,74)	200 154 401,26	47,20%	3
27547610390000000000	NDPG	Human Settlements	1 176 185,16	-	60 431 000,00	(18 041 248,46)	43 565 936,70	29,28%	3
27547630190000000000	Electricity Demand Side Management	Energy	-	-	7 000 000,00	-	7 000 000,00	0,00%	3
27547630290000000000	Expanded Public Works Programme	Economic Development	-	-	13 373 000,00	(13 048 630,28)	324 369,72	0,00%	3
27547610690000000000	Integrated City Development	Human Settlements	-	-	26 788 000,00	(26 557 520,68)	230 479,32	99,14%	1
	TOTAL		62 260 189,68	-	1 470 461 000,00	(1 071 449 779,88)	461 271 409,80	69,91%	
PROVINCIAL GRANTS - OPERATING									
27547630390000000000	SETA	Human Resources	6 997 895,79	-	2 443 957,04	(1 077 822,35)	8 364 030,48	11,42%	3
27547631190000000000	HIV/AIDS	Health & Social Development	95 224,13	(95 224,00)	15 230 000,00	(6 313 394,65)	8 916 605,48	41,45%	3
27547630990000000000	Township Initiatives	SRAC - Libraries	4 405 432,22	-	17 500 000,00	(3 821 964,04)	18 083 468,18	17,45%	3
27547631090000000000	HSDG Accreditation	Human Settlements	418 666 046,69	-	-	(33 939 591,25)	384 726 455,44	8,11%	3
	TOTAL		430 164 598,83	(95 224,00)	35 173 957,04	(45 152 772,29)	420 090 559,58	9,71%	
PROVINCIAL - SUBSIDIES									
29901162050RQZZZZ16	Health Subsidies	Health & Social Development	-	-	108 052 000,00	(108 052 000,00)	-	100,00%	1
14781162250RPZZZZ16	Emergency Subsidies	DEMS	-	-	74 920 000,00	(74 920 000,00)	-	100,00%	1
	TOTAL		-	-	182 972 000,00	(182 972 000,00)	-	100,00%	
	Total National / DORA Grants + Subsidies		62 695 422,62	-	6 062 984 000,00	(5 663 259 009,88)	462 420 412,74	92,45%	
	Total Provincial Grants + Subsidies		430 164 598,83	(95 224,00)	218 145 957,04	(228 124 772,29)	420 090 559,58	35,19%	
	GRAND TOTAL		492 860 021,45	(95 224,00)	6 281 129 957,04	(5 891 383 782,17)	882 510 972,32	86,97%	

The **unspent grants** at the beginning of the 2020/21 financial year amounted to R492,8 million and roll-over applications were submitted to Provincial Treasury on the 31 July 2020 and to National Treasury on the 31 August 2020. Of the R492,8 million unspent in 2019/20 , R490,3 million was approved and R 2,5 million was rejected. The receipts to date amounted to R6,2 billion whilst expenditure is at R5,9 billion. The total unspent funds as at 31 December 2020 including approved rollovers is R882,5 million.

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The 2019/20 unspent grants are further illustrated below:

Name Grant	of	CoE Responsible Department	Unspent Funds - 19/20	Roll-over approved	Roll-over rejected	Surrenders to National / Provincial Treasury	Comments
FMG		Finance	435 232,94	-	435 232,94	-	Funds will be offset against the next Equitable Share tranche payment
USDG		Human Settlements	61 084 004,52	61 084 004,52	-	-	N/A
NDPG		Human Settlements	1 176 185,16	-	1 176 185,16	-	Funds will be offset against the next Equitable Share tranche payment
SETA		Human Resources	6 997 895,79	6 997 895,79	-	-	These funds are rolled over automatically
HIV/AIDS		Health & Social Development	95 224,13	-	95 224,13	95 224,13	Paid already
Township Initiatives		SRAC Libraries	4 405 432,22	3 567 201,00	838 231,22	-	The agreement was that the funds will be offset against the next FY tranche payments to avoid administration issues between Gauteng Treasury and Provincial SRAC in terms of motivating for funds to be moved from Provincial Revenue Fund to the SRAC
HSDG Accreditation		Human Settlements	418 666 046,69	418 666 046,69	-	-	N/A
TOTAL			492 860 021,45	490 315 148,00	2 544 873,45	95 224,13	

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7. IN-YEAR NT BUDGET TABLES

EKU Ekurhuleni Metro - Table C1 Monthly Budget Statement - Summary - M06 December									
Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	5 668 547	6 140 478	6 140 478	497 125	2 963 448	3 070 239	(385 216)	-13%	6 140 478
Service charges	22 385 905	25 954 543	25 958 543	1 630 350	11 905 389	13 841 671	(384 775)	-3%	23 728 239
Investment revenue	310 425	233 778	233 778	1 351	82 395	116 889	(65 722)	-30%	438 015
Transfers recognised - operational	4 745 699	4 864 637	5 816 082	1 735 024	3 794 137	3 702 778	(24 856)	-1%	5 907 502
Other own revenue	3 677 557	4 551 702	4 551 702	699 216	2 329 735	2 570 043	(76 390)	-6%	2 593 281
Total Revenue (excluding capital transfers and contributions)	36 788 132	41 745 137	42 700 583	4 563 066	21 075 104	23 301 620	(936 960)	-4%	38 807 515
Employee costs	9 206 451	9 754 168	10 387 521	756 306	4 531 449	5 132 295	(210 650)	-4%	9 628 450
Remuneration of Councillors	141 225	142 795	142 795	11 869	70 621	71 398	(1 891)	-3%	139 695
Depreciation & asset impairment	2 714 344	2 354 667	2 509 630	416 743	1 229 340	1 239 319	10 887	1%	2 202 789
Finance charges	1 232 555	1 128 805	1 202 120	333 922	714 161	659 289	(74 113)	-14%	1 096 076
Materials and bulk purchases	17 091 995	18 939 618	18 708 291	(855 218)	8 606 489	9 807 428	(345 917)	-4%	17 862 556
Transfers and grants	608 917	676 943	648 577	45 041	231 923	320 540	(100 598)	-33%	675 033
Other expenditure	9 259 460	8 758 978	9 112 485	886 463	4 253 517	4 345 604	(250 501)	-7%	7 201 431
Total Expenditure	40 254 945	41 755 974	42 711 420	1 595 125	19 637 501	21 575 874	(972 782)	-5%	38 806 031
Surplus/(Deficit)	(3 466 813)	(10 837)	(10 837)	2 967 940	1 437 604	1 725 746	35 822	2%	1 484
Transfers recognised - capital	2 004 625	2 440 665	2 135 926	287 502	954 181	876 283	(312 892)	-30%	2 783 460
Contributions & Contributed assets	1 388 834	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(73 354)	2 429 829	2 125 090	3 255 442	2 391 785	2 602 029	(277 070)	-10%	2 784 944
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	(73 354)	2 429 829	2 125 090	3 255 442	2 391 785	2 602 029	(277 070)	-10%	2 784 944
Capital expenditure & funds sources									
Capital expenditure	5 069 963	4 929 978	4 625 239	533 119	1 855 863	2 343 073	(1 947 789)	-53%	7 417 207
Capital transfers recognised	2 008 752	2 240 665	1 935 926	290 171	934 818	998 416	(475 894)	-40%	2 385 010
Public contributions & donations									
Borrowing	2 263 473	1 976 039	1 976 039	207 180	777 166	988 020	(1 103 595)	-55%	3 981 318
Internally generated funds	797 461	713 273	713 273	35 768	143 879	356 637	(368 300)	-70%	1 050 879
Total sources of capital funds	5 069 686	4 929 978	4 625 239	533 119	1 855 863	2 343 073	(1 947 789)	-53%	7 417 207

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EKU Ekurhuleni Metro - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M06 December										
Description	Ref	2019/20		Budget Year 2020/21						
		Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	1									
Revenue - Standard										
Governance and administration		8 903 163	9 343 216	9 311 397	1 449 390	5 124 878	5 119 716	5 162	0%	9 311 397
Executive and council		-	-	-	-	-	-	-	-	-
Budget and treasury office	8 903 163	9 343 216	9 311 397	1 449 390	5 124 878	5 119 716	5 162	0%	9 311 397	
Corporate services		-	-	-	-	-	-	-	-	-
Community and public safety		2 465 926	1 874 327	2 244 171	145 369	682 925	919 222	(236 297)	-26%	2 244 171
Community and social services	213 574	237 097	237 022	3 043	93 857	97 554	(3 697)	-4%	237 022	
Sport and recreation	23 238	12 717	13 537	1 264	2 578	6 630	(4 052)	-61%	13 537	
Public safety	664 917	578 247	578 247	9 852	62 426	288 741	(226 315)	-78%	578 247	
Housing	1 390 545	865 364	1 234 463	126 415	402 473	406 062	(3 589)	-1%	1 234 463	
Health	173 652	180 902	180 902	4 795	121 592	120 236	1 356	1%	180 902	
Economic and environmental services		845 617	1 114 878	1 001 154	110 410	326 669	469 355	(142 686)	-30%	1 001 154
Planning and development	48 065	56 542	56 542	4 278	31 967	30 088	1 879	6%	56 542	
Road transport	797 552	1 058 337	944 613	106 132	294 702	439 267	(144 565)	-33%	944 613	
Environmental protection	0	0	0	0	-	-	-	-	0	
Trading services		27 693 982	31 579 324	32 005 730	3 121 029	15 697 663	17 532 103	(1 834 439)	-10%	32 005 730
Electricity	15 812 353	17 725 288	17 815 448	1 318 415	8 828 186	9 908 839	(1 080 653)	-11%	17 815 448	
Water	6 550 924	8 369 514	8 618 546	1 239 149	4 184 105	4 689 547	(505 441)	-11%	8 618 546	
Waste water management	3 097 461	3 270 250	3 270 250	168 569	1 413 221	1 635 125	(221 904)	-14%	3 270 250	
Waste management	2 233 243	2 214 271	2 301 485	394 895	1 272 151	1 298 592	(26 441)	-2%	2 301 485	
Other	4	272 904	274 057	274 057	24 370	197 149	137 506	59 643	43%	274 057
Total Revenue - Standard	2	40 181 591	44 185 803	44 836 509	4 850 568	22 029 286	24 177 903	(2 148 617)	-9%	44 836 509
Expenditure - Standard										
Governance and administration		6 671 088	6 097 075	6 757 142	834 272	3 044 683	3 290 626	(245 943)	-7%	6 757 142
Executive and council		562 274	492 021	486 206	34 126	198 424	228 775	(30 351)	-13%	486 206
Budget and treasury office	6 041 622	5 533 886	6 201 513	792 926	2 814 569	3 026 955	(212 386)	-7%	6 201 513	
Corporate services	67 192	71 168	69 423	7 221	31 690	34 896	(3 207)	-9%	69 423	
Community and public safety		6 008 637	6 269 542	6 567 815	556 797	3 042 831	3 174 473	(131 642)	-4%	6 567 815
Community and social services	715 759	745 421	724 244	54 383	316 738	357 628	(40 889)	-11%	724 244	
Sport and recreation	887 270	1 094 240	1 044 821	84 517	415 815	526 019	(110 204)	-21%	1 044 821	
Public safety	2 492 146	2 393 560	2 349 575	230 329	1 311 219	1 173 492	137 726	12%	2 349 575	
Housing	536 650	420 649	840 583	57 905	229 216	310 853	(81 638)	-26%	840 583	
Health	1 376 812	1 615 672	1 608 592	129 663	769 844	806 481	(36 637)	-5%	1 608 592	
Economic and environmental services		3 017 725	3 219 564	3 167 569	338 881	1 411 837	1 620 804	(208 967)	-13%	3 167 569
Planning and development	582 473	682 346	656 453	39 197	208 995	347 170	(138 175)	-40%	656 453	
Road transport	2 365 513	2 432 264	2 375 665	284 540	1 159 372	1 208 960	(49 588)	-4%	2 375 665	
Environmental protection	69 739	104 953	135 450	15 143	43 470	64 674	(21 204)	-33%	135 450	
Trading services		24 290 691	25 897 435	25 950 781	(158 375)	12 003 315	13 355 630	(1 352 315)	-10%	25 950 781
Electricity	14 853 662	16 092 043	16 036 246	(928 533)	8 034 817	8 408 562	(373 745)	-4%	16 036 246	
Water	7 162 964	7 299 759	7 407 130	624 972	2 941 145	3 690 851	(749 707)	-20%	7 407 130	
Waste water management	1 179 142	1 161 903	1 157 718	20 098	464 461	579 280	(114 819)	-20%	1 157 718	
Waste management	1 094 923	1 343 729	1 349 688	125 088	562 892	676 936	(114 044)	-17%	1 349 688	
Other		271 574	272 358	268 112	23 551	134 834	134 340	494	0%	268 112
Total Expenditure - Standard	3	40 259 715	41 755 974	42 711 420	1 595 125	19 637 501	21 575 874	(1 938 373)	-9%	42 711 420
Surplus/ (Deficit) for the year		(78 123)	2 429 829	2 125 090	3 255 442	2 391 785	2 602 029	(210 243)	-8%	2 125 090

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EKU Ekurhuleni Metro - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) - M06 December									
Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 1 - Executive and Council	117 306	222 001	81 001	0	70 129	17 957	52 172	290,5%	81 001
Vote 2 - Finance and Corporate Services	8 735 108	9 083 049	9 192 229	1 445 947	4 979 375	5 082 674	(103 300)	-2,0%	9 192 229
Vote 3 - Energy	15 812 353	17 725 288	17 815 448	1 318 415	8 828 186	9 908 839	(1 080 653)	-10,9%	17 815 448
Vote 4 - Water and Sanitation	9 648 385	11 639 765	11 888 797	1 407 718	5 597 327	6 324 672	(727 345)	-11,5%	11 888 797
Vote 5 - Waste Management	2 234 317	2 215 343	2 302 558	395 012	1 272 885	1 299 128	(26 243)	-2,0%	2 302 558
Vote 6 - Human Settlements	1 440 222	902 459	1 271 558	129 741	477 113	424 610	52 503	12,4%	1 271 558
Vote 7 - City Planning	25 862	37 438	37 438	2 794	18 807	18 748	59	0,3%	37 438
Vote 8 - Economic Development	49 030	43 033	43 033	4 067	28 817	23 783	5 034	21,2%	43 033
Vote 9 - Disaster and Emergency Management Services	190 466	197 290	197 290	516	82 575	78 210	4 365	5,6%	197 290
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)	32 406	24 184	24 928	1 690	4 140	10 907	(6 766)	-62,0%	24 928
Vote 11 - Health and Social Development	168 461	176 993	176 993	4 783	121 447	118 796	2 651	2,2%	176 993
Vote 12 - Environmental Resource Management	21 989	34 235	34 235	2 272	14 327	17 118	(2 791)	-16,3%	34 235
Vote 13 - Ekurhuleni Metropolitan Police Department (EMPD)	662 059	576 261	576 261	9 692	57 964	288 131	(230 167)	-79,9%	576 261
Vote 14 - Transport Planning & Provisioning	969 637	1 049 288	935 564	93 040	376 944	479 155	(102 211)	-21,3%	935 564
Vote 15 - Roads and Stormwater	73 991	259 176	259 176	34 879	99 251	85 176	14 075	16,5%	259 176
Total Revenue by Vote	40 181 591	44 185 803	44 836 509	4 850 568	22 029 286	24 177 903	(2 148 617)	-8,9%	44 836 509
Expenditure by Vote									
Vote 1 - Executive and Council	1 748 192	1 478 942	2 098 199	198 300	637 348	966 656	(329 308)	-34,1%	2 098 199
Vote 2 - Finance and Corporate Services	4 361 073	3 996 170	4 014 230	569 985	2 102 567	2 000 041	102 526	5,1%	4 014 230
Vote 3 - Energy	14 853 662	16 092 043	16 036 246	(928 533)	8 034 817	8 408 562	(373 745)	-4,4%	16 036 246
Vote 4 - Water and Sanitation	8 329 597	8 449 609	8 555 345	643 409	3 398 376	4 265 125	(866 749)	-20,3%	8 555 345
Vote 5 - Waste Management	1 095 016	1 343 775	1 349 708	125 088	562 892	676 947	(114 055)	-16,8%	1 349 708
Vote 6 - Human Settlements	1 032 568	954 505	1 398 390	119 234	502 768	591 210	(88 442)	-15,0%	1 398 390
Vote 7 - City Planning	260 881	290 934	284 626	18 927	103 592	137 005	(33 413)	-24,4%	284 626
Vote 8 - Economic Development	267 426	343 221	321 298	15 171	75 217	185 343	(110 126)	-59,4%	321 298
Vote 9 - Disaster and Emergency Management Services	916 072	915 342	903 613	69 021	425 277	448 699	(23 422)	-5,2%	903 613
Vote 10 - Sports, Recreation, Arts & Culture (SRAC)	691 834	743 949	715 088	57 287	295 068	356 593	(61 525)	-17,3%	715 088
Vote 11 - Health and Social Development	851 218	1 119 834	1 114 339	91 460	523 506	558 386	(34 879)	-6,2%	1 114 339
Vote 12 - Environmental Resource Management	648 337	854 787	847 952	71 098	331 290	424 647	(93 357)	-22,0%	847 952
Vote 13 - Ekurhuleni Metropolitan Police Department (EMPD)	2 466 597	2 350 979	2 312 471	228 545	1 300 523	1 155 061	145 462	12,6%	2 312 471
Vote 14 - Transport Planning & Provisioning	924 785	998 477	995 094	82 927	385 595	500 668	(115 074)	-23,0%	995 094
Vote 15 - Roads and Stormwater	1 812 457	1 823 408	1 764 823	233 206	958 665	900 931	57 734	6,4%	1 764 823
Total Expenditure by Vote	40 259 715	41 755 974	42 711 420	1 595 125	19 637 501	21 575 874	(1 938 373)	-9,0%	42 711 420
Surplus/ (Deficit) for the year	(78 123)	2 429 829	2 125 090	3 255 442	2 391 785	2 602 029	(210 243)	-8,1%	2 125 090

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EKU Ekurhuleni Metro - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06 December								
Description	2019/20	Budget Year 2020/21						
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %
R thousands								
Revenue By Source								
Property rates	5 668 547	6 140 478	6 140 478	497 125	2 963 448	3 070 239	(106 791)	-3%
Service charges - electricity revenue	14 914 493	16 759 382	16 759 382	984 688	8 045 876	9 242 491	(1 196 615)	-13%
Service charges - water revenue	4 328 853	5 693 863	5 697 863	376 448	2 276 377	2 848 532	(572 155)	-20%
Service charges - sanitation revenue	1 786 173	1 966 130	1 966 130	152 884	886 476	983 065	(96 589)	-10%
Service charges - refuse revenue	1 356 385	1 535 167	1 535 167	116 329	696 661	767 584	(70 923)	-9%
Service charges - other								
Rental of facilities and equipment	126 248	126 585	126 585	10 964	101 518	63 252	38 266	60%
Interest earned - external investments	310 425	233 778	233 778	1 351	82 395	116 889	(34 493)	-30%
Interest earned - outstanding debtors	442 186	392 758	392 758	32 097	159 027	196 379	(37 352)	-19%
Dividends received	97	-	-	-	2	-	2	0%
Fines	572 547	579 685	579 685	10 398	61 901	289 758	(227 857)	-79%
Licences and permits	246 000	250 023	250 023	21 782	181 418	125 012	56 407	45%
Agency services								
Transfers recognised - operational	4 745 699	4 864 637	5 816 082	1 735 024	3 794 137	3 702 778	91 360	2%
Other revenue	2 116 590	3 202 651	3 202 651	623 973	1 825 868	1 895 642	(69 775)	-4%
Gains on disposal of PPE	173 888	-	-	-	-	-	-	
Total Revenue (excluding capital transfers and contributions)	36 788 132	41 745 137	42 700 583	4 563 066	21 075 104	23 301 620	(2 226 515)	
Expenditure By Type								
Employee related costs	9 206 451	9 754 168	10 387 521	756 306	4 531 449	5 132 295	(600 847)	-12%
Remuneration of councillors	141 225	142 795	142 795	11 869	70 621	71 398	(776)	-1%
Debt impairment	3 729 702	3 073 502	3 377 811	298 492	1 651 257	1 658 475	(7 218)	0%
Depreciation & asset impairment	2 714 344	2 354 667	2 509 630	416 743	1 229 340	1 239 319	(9 979)	-1%
Finance charges	1 232 555	1 128 805	1 202 120	333 922	714 161	659 289	54 872	8%
Bulk purchases	15 209 029	16 850 922	16 850 922	(999 350)	7 816 108	8 833 827	(1 017 719)	-12%
Other materials	1 882 966	2 088 696	1 857 369	144 132	790 381	973 601	(183 220)	-19%
Contracted services	4 299 051	4 482 180	4 590 751	523 740	2 124 094	2 179 909	(55 814)	-3%
Transfers and grants	608 917	676 943	648 577	45 041	231 923	320 540	(88 617)	-28%
Other expenditure	1 156 132	1 190 297	1 130 924	64 103	477 961	500 721	(22 760)	-5%
Loss on disposal of PPE	74 575	13 000	13 000	128	204	6 500	(6 296)	-97%
Total Expenditure	40 254 945	41 755 974	42 711 420	1 595 125	19 637 501	21 575 874	(1 938 373)	(0)
Surplus/(Deficit)	(3 466 813)	(10 837)	(10 837)	2 967 940	1 437 604	1 725 746	(288 142)	(0)
Transfers recognised - capital	2 004 625	2 440 665	2 135 926	287 502	954 181	876 283	77 898	0
Contributions recognised - capital	1 388 834	-	-	-	-	-	-	
Contributed assets	-	-	-	-	-	-	-	
Surplus/(Deficit) after capital transfers & Taxation	(73 354)	2 429 829	2 125 090	3 255 442	2 391 785	2 602 029	-	
Surplus/(Deficit) after taxation	(78 123)	2 429 829	2 125 090	3 255 442	2 391 785	2 602 029	-	
Attributable to minorities								
Surplus/(Deficit) attributable to municipality	(78 123)	2 429 829	2 125 090	3 255 442	2 391 785	2 602 029	-	
Share of surplus/ (deficit) of associate								
Surplus/ (Deficit) for the year	(78 123)	2 429 829	2 125 090	3 255 442	2 391 785	2 602 029	-	

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EKU City of Ekurhuleni - Table C5 Consolidated Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding - M06)									
December									
Vote Description	2019/20	Budget Year 2020/21							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 01 - Executive & Council	269 934	341 823	200 823	19 546	125 244	114 511	10 733	9%	159 764
Vote 02 - Finance And Corporate Services	644 754	655 240	655 240	46 282	166 337	327 620	(161 283)	-49%	655 239
Vote 03 - Energy	661 977	503 791	503 791	73 456	314 111	251 896	62 215	25%	314 111
Vote 04 - Water And Sanitation	904 014	874 942	874 942	112 890	371 731	437 471	(65 740)	-15%	542 866
Vote 05 - Waste Management	75 405	132 200	132 200	6 826	33 341	66 100	(32 759)	-50%	132 200
Vote 06 - Human Settlements	1 238 483	965 886	915 051	110 670	368 003	462 609	(94 607)	-20%	915 048
Vote 07 - City Planning	502	300	300	-	300	150	150	100%	300
Vote 08 - Economic Development	45 101	116 600	116 600	10 334	46 644	58 300	(11 656)	-20%	116 600
Vote 09 - Disaster And Emergency Management Services	66 541	106 700	106 700	5 739	28 353	53 350	(24 997)	-47%	106 700
Vote 10 - Sports, Recreation, Arts & Culture (Sracc)	40 285	75 299	76 119	10 126	33 291	37 956	(4 665)	-12%	76 119
Vote 11 - Health And Social Development	2 346	4 260	4 260	777	1 415	2 130	(715)	-34%	4 260
Vote 12 - Environmental Resource Management	154 587	142 100	142 100	13 775	62 570	71 050	(8 481)	-12%	98 096
Vote 13 - Ekurhuleni Metropolitan Police Department (E)	80 229	77 039	77 039	2 362	24 033	38 519	(14 486)	-38%	77 039
Vote 14 - Transport Planning & Provisioning	490 950	481 551	367 827	52 926	114 711	195 286	(80 575)	-41%	367 827
Vote 15 - Other	394 855	452 248	452 248	67 407	165 781	226 124	(60 344)	-27%	452 248
Total Capital Multi-year expenditure	5 069 963	4 929 978	4 625 239	533 119	1 855 863	2 343 073	(487 210)	-21%	4 018 416
Total Capital Expenditure	5 069 963	4 929 978	4 625 239	533 119	1 855 863	2 343 073	(487 210)	-21%	4 018 416
Capital Expenditure - Functional Classification									
Governance and administration	998 864	1 260 382	1 119 382	77 206	368 277	573 791	(205 514)	-36%	1 119 381
Executive and council	34 893	50 520	50 520	5 870	16 043	25 260	(9 217)	-36%	50 520
Finance and administration	963 945	1 209 842	1 068 842	71 336	352 214	548 521	(196 307)	-36%	1 068 842
Internal audit	26	20	20	-	20	10	10	99%	20
Community and public safety	1 487 951	1 093 511	1 043 496	133 237	440 395	526 728	(86 333)	-16%	956 664
Community and social services	66 541	106 700	106 700	5 739	28 353	53 350	(24 997)	-47%	106 700
Sport and recreation	175 392	177 989	178 809	21 775	91 977	89 301	2 676	3%	91 977
Public safety	80 229	77 039	77 039	2 362	24 033	38 519	(14 486)	-38%	77 039
Housing	1 163 442	727 524	676 689	102 583	294 617	343 428	(48 810)	-14%	676 689
Health	2 346	4 260	4 260	777	1 415	2 130	(715)	-34%	4 260
Economic and environmental services	941 753	1 065 152	951 428	129 503	328 008	487 087	(159 078)	-33%	951 428
Planning and development	45 728	116 910	116 910	10 334	46 954	58 455	(11 501)	-20%	116 910
Road transport	876 665	908 842	795 118	117 043	277 180	408 932	(131 751)	-32%	795 118
Environmental protection	19 360	39 400	39 400	2 126	3 874	19 700	(15 826)	-80%	39 400
Trading services	1 641 396	1 510 933	1 510 933	193 173	719 183	755 467	(36 284)	-5%	1 001 375
Energy sources	661 977	503 791	503 791	73 456	314 111	251 896	62 215	25%	314 111
Water management	673 127	668 942	668 942	109 047	349 064	334 471	14 593	4%	349 064
Waste water management	230 887	206 000	206 000	3 843	22 666	103 000	(80 334)	-78%	206 000
Waste management	75 405	132 200	132 200	6 826	33 341	66 100	(32 759)	-50%	132 200
Other							-		
Total Capital Expenditure - Functional Classification	5 069 963	4 929 978	4 625 239	533 119	1 855 863	2 343 073	(487 210)	-21%	4 028 849
Funded by:									
National Government	2 000 499	2 232 165	1 926 606	288 761	932 828	993 859	(61 032)	-6%	1 926 606
Provincial Government	8 253	8 500	9 320	1 410	1 990	4 557	(2 566)	-56%	9 320
District Municipality							-		
Transfers recognised - capital	2 008 752	2 240 665	1 935 926	290 171	934 818	998 416	(63 598)	-6%	1 935 926
Borrowing	2 263 473	1 976 039	1 976 039	207 180	777 166	988 020	(210 854)	-21%	1 976 039
Internally generated funds	797 461	713 273	713 273	35 768	143 879	356 637	(212 757)	-60%	713 273
Total Capital Funding	5 069 686	4 929 978	4 625 239	533 119	1 855 863	2 343 073	(487 210)	-21%	4 625 239

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EKU Ekurhuleni Metro - Table C6 Monthly Budget Statement - Financial Position - M06 December						
Description	Ref	2019/20	Budget year 2020/21			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands	1					
ASSETS						
Current assets						
Cash		1 655 765	11 527 036	11 527 036	1 694 272	11 527 036
Call investment deposits		13 906	4 592	4 592	1 812 526	14 110
Consumer debtors		5 632 757	(1 120 842)	(1 120 842)	5 747 501	6 508 176
Other debtors		1 661 084	832 273	832 273	593 173	2 500 643
Inventory		1 266 402	573 333	573 333	1 342 105	1 308 980
Total current assets		10 362 908	11 816 392	11 816 392	11 189 577	22 010 546
Non current assets						
Long-term receivables		2 124	(3 066 741)	(3 066 741)	3 377	2 140
Investments		2 476 016	2 107 700	2 107 700	(77 259)	2 107 700
Investment property		415 272	479 782	479 782	532 576	479 782
Property, plant and equipment		59 591 792	68 799 643	68 494 904	57 644 016	68 494 904
Intangible assets		1 342 293	1 808 031	1 808 031	985 734	1 808 031
Other non-current assets		66 117	76 224	76 224	69 034	76 224
Total non current assets		63 897 614	70 204 639	69 899 900	59 157 477	72 972 781
TOTAL ASSETS		74 260 522	82 021 031	81 716 292	70 347 054	94 983 327
LIABILITIES						
Current liabilities						
Borrowing		55 200	-	-	-	52 640
Consumer deposits		930 820	895 756	895 756	984 006	967 706
Trade and other payables		9 372 378	8 389 337	8 389 337	6 640 837	8 389 337
Provisions		3 579 390	3 591 585	3 591 585	637 267	3 828 942
Total current liabilities		13 937 788	12 876 678	12 876 678	8 262 110	13 238 624
Non current liabilities						
Borrowing		10 470 308	12 953 845	12 953 845	8 850 225	12 953 845
Provisions		115 552	109 703	109 703	2 934 200	109 703
Total non current liabilities		10 585 859	13 063 547	13 063 547	11 784 425	13 063 547
TOTAL LIABILITIES		24 523 648	25 940 225	25 940 225	20 046 535	26 302 172
NET ASSETS	2	49 736 874	56 080 806	55 776 067	50 300 519	68 681 155
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		49 211 388	56 080 806	56 080 806	50 300 519	56 080 806
Reserves		525 486	0	0	-	524 564
TOTAL COMMUNITY WEALTH/EQUITY	2	49 736 874	56 080 806	56 080 806	50 300 519	56 605 370

8. OTHER SUPPORTING DOCUMENTS

In terms of Council's Unauthorised, Fruitless, Wasteful and Irregular Expenditure policy, all known instances of Fruitless, Wasteful and Irregular Expenditure are reported to Council on a quarterly basis as part of the SDBIP report.

There were no reported instances of Unauthorised, Irregular, Fruitless and Wasteful expenditure in the second quarter ending 31 December 2020.

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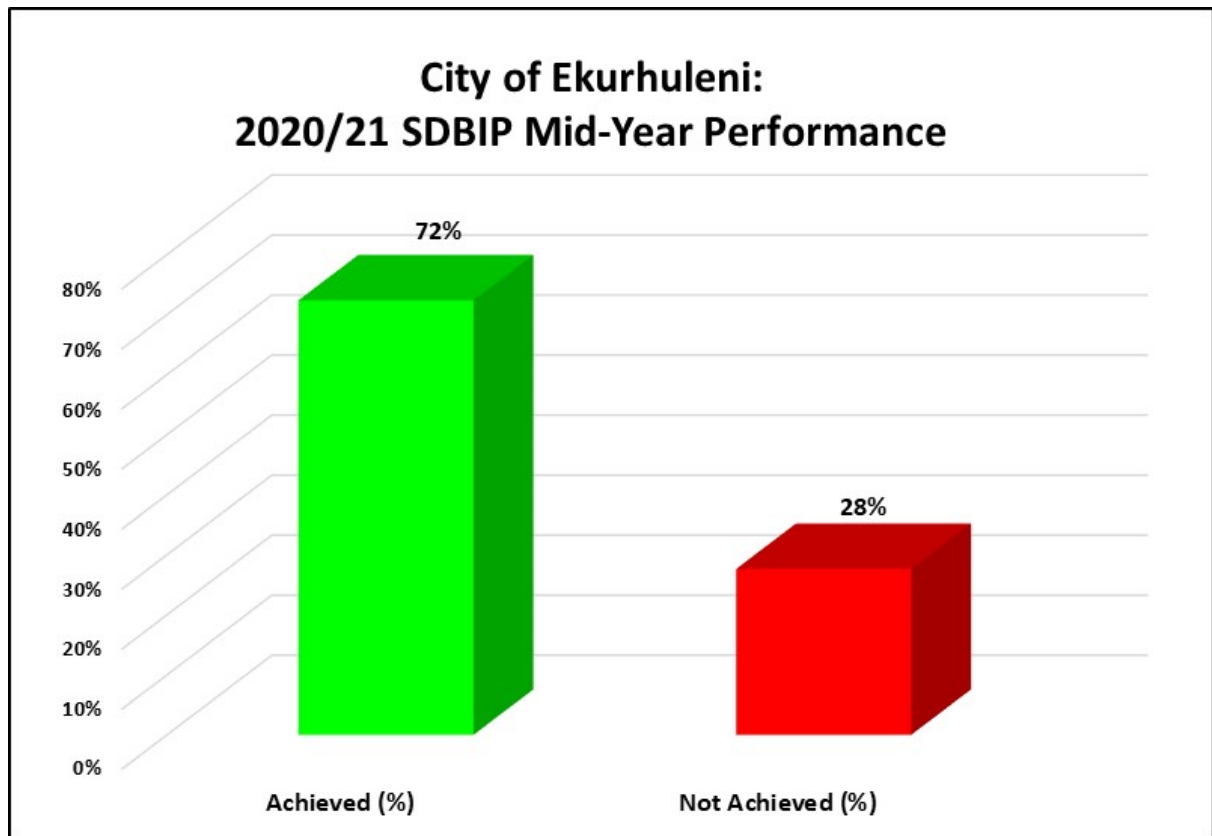
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9. SUMMARY OF THE UNAUDITED MID-YEAR SDBIP REPORT: MID-YEAR OF THE
2020/2021 FINANCIAL YEAR

SUMMARY OF THE MID-YEAR NON-FINANCIAL PERFORMANCE INFORMATION

CITY-WIDE PERFORMANCE

FIGURE 1: CITY-WIDE 2020/2021 MID-YEAR PERFORMANCE



The City committed to a total of 76 targets in the mid-year period of the 2020/2021 financial year. Against these commitments, 55 (72%) targets were achieved and 21 (28%) were not achieved. The committed targets were contributed by the twenty-seven (27) departments and entities for the metro-wide SDBIP. Of the twenty-seven (27) departments and entities that committed to the targets, twelve (12) departments achieved hundred per cent (100%) and seven (7) achieved 50% and less. All the three CoE entities achieved none (0%) of their targets at mid-year. The only department that received none (0%) of their targets is SRAC.

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FIGURE 2: CITY-WIDE 2020/2021 MID-YEAR PERFORMANCE PER CLUSTER

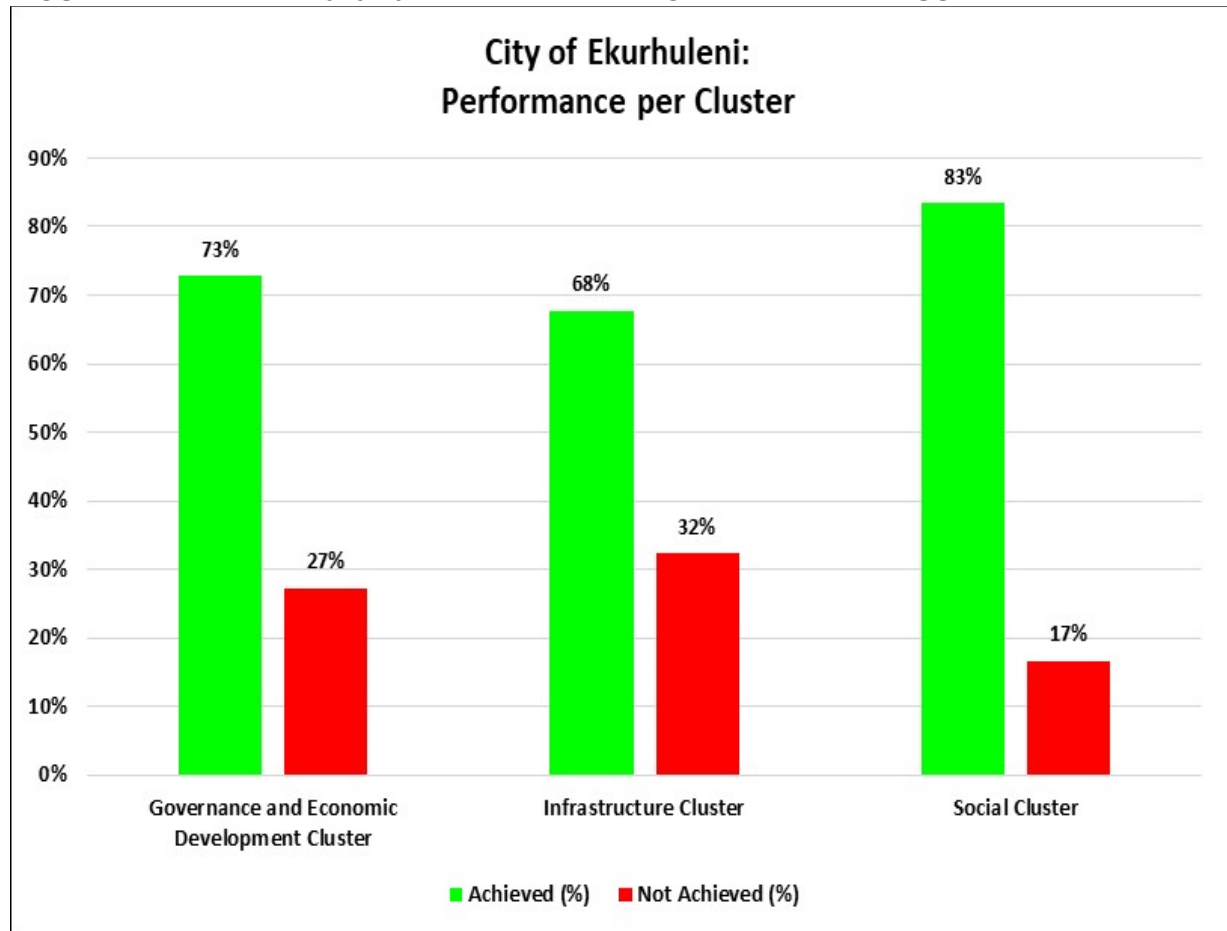


Figure 2. above presents the mid-year performance against the targets set for the mid-year period of the 2020/2021 financial year per cluster. The figure shows that the Social Cluster recorded the highest performance of eighty-three per cent (83%) target achievement followed by the Governance and Economic Cluster which recorded seventy-three per cent (73%) target achievement and Infrastructure Cluster with sixty-eight per cent (68%).

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FIGURE 3: CITY-WIDE MID-YEAR PERFORMANCE BY GDS THEMATIC AREAS

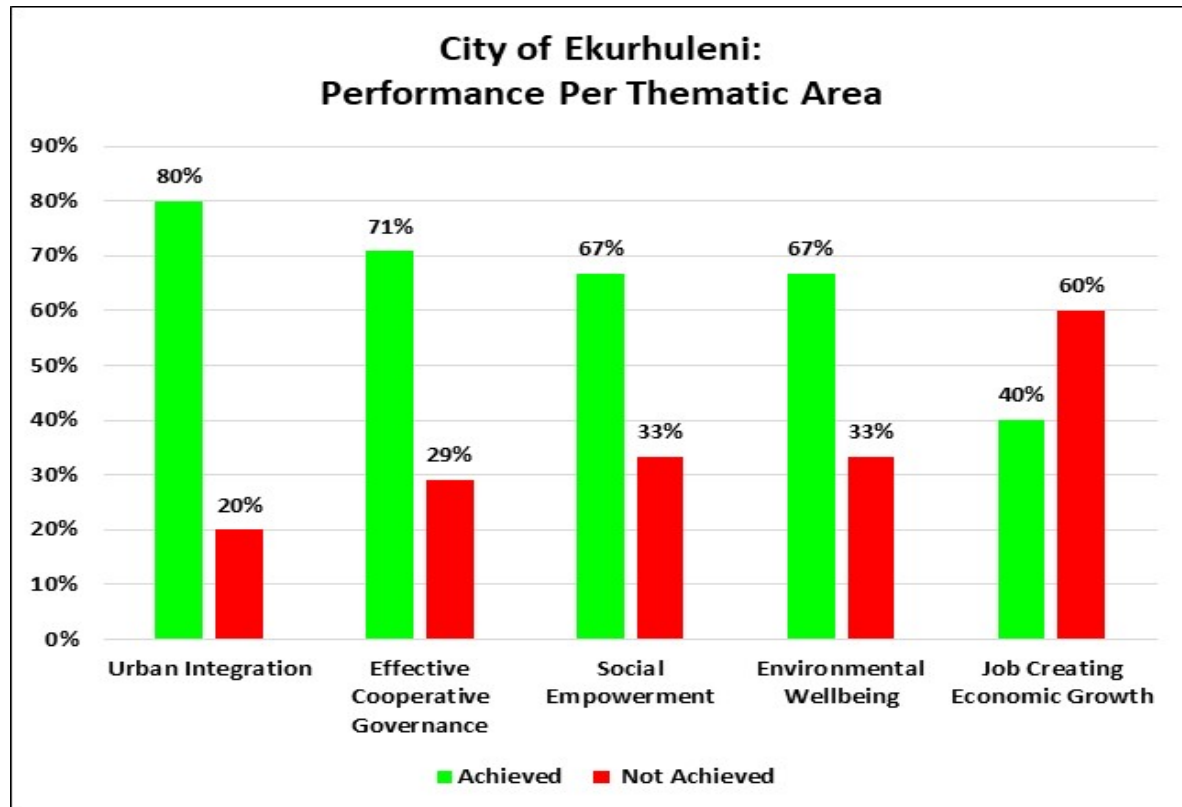


Figure 3. above presents the performance against targets set within specific Thematic Areas of the Growth and Development Strategy (GDS) 2055. The performance on targets that were planned to be delivered over the period under review is summarised as follows:

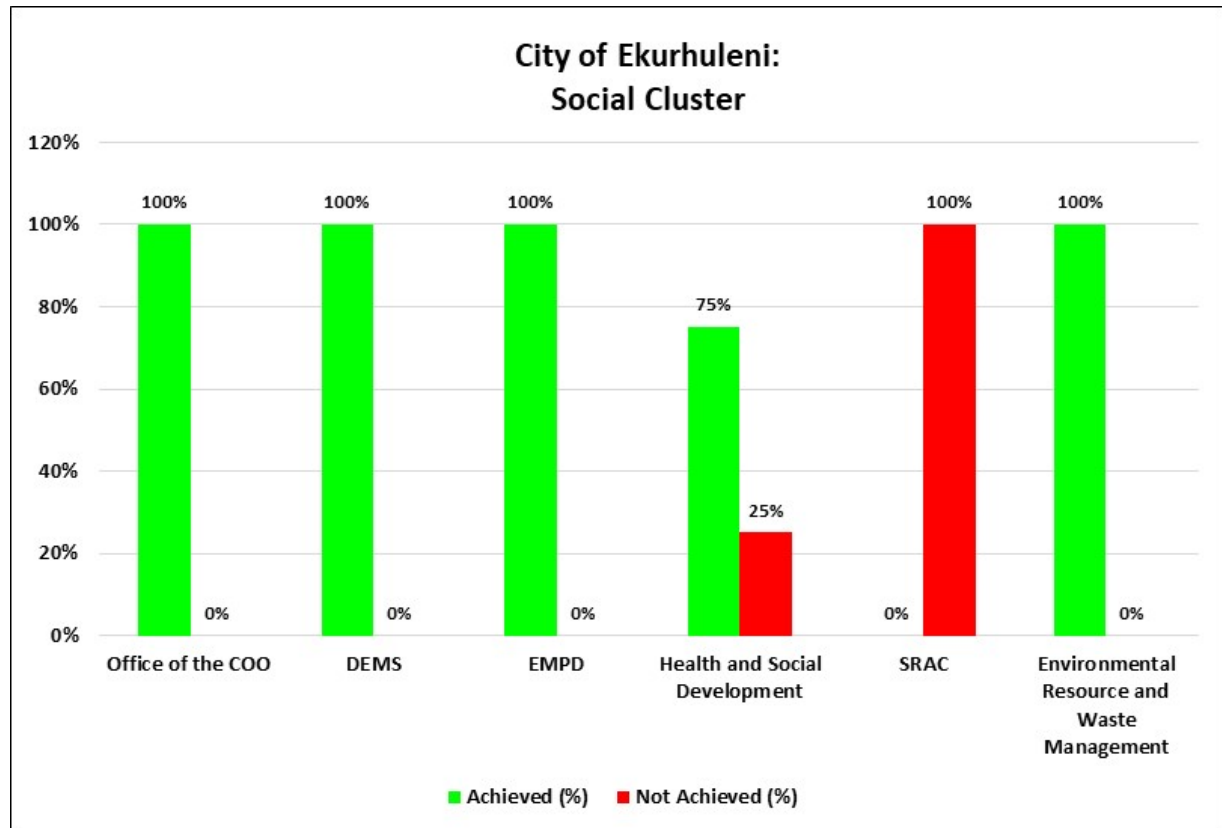
- The highest performance was recorded for targets that were planned for the Urban Integration GDS Thematic Area. Twenty-eight (28) of the thirty-five (35) targets that were planned were achieved and this translates to eighty per cent (80%) target achievement.
- The second highest performance was recorded for the Effective Cooperative Governance GDS Thematic Area in which seventy-one per cent (71%) of the twenty-four (24) targets that were planned during the mid-year period were achieved.
- The above figure also indicates that a total of six (6) targets were planned for the Environmental Wellbeing GDS Thematic Area, of which four (67%) were achieved and two (33%) were not achieved. The same performance was observed for Social Empowerment GDS Thematic Area whereby a total of six (6) targets were planned for the Social Empowerment GDS Thematic Area, of which four (67%) were achieved and two (33%) were not achieved.
- Only five (5) targets were planned for the Job Creation Economic Growth GDS Thematic Area out of which only 2 (40%) were achieved.

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FIGURE 4: CITY-WIDE MID-YEAR PERFORMANCE ACROSS SOCIAL CLUSTER



9.1 Social Cluster

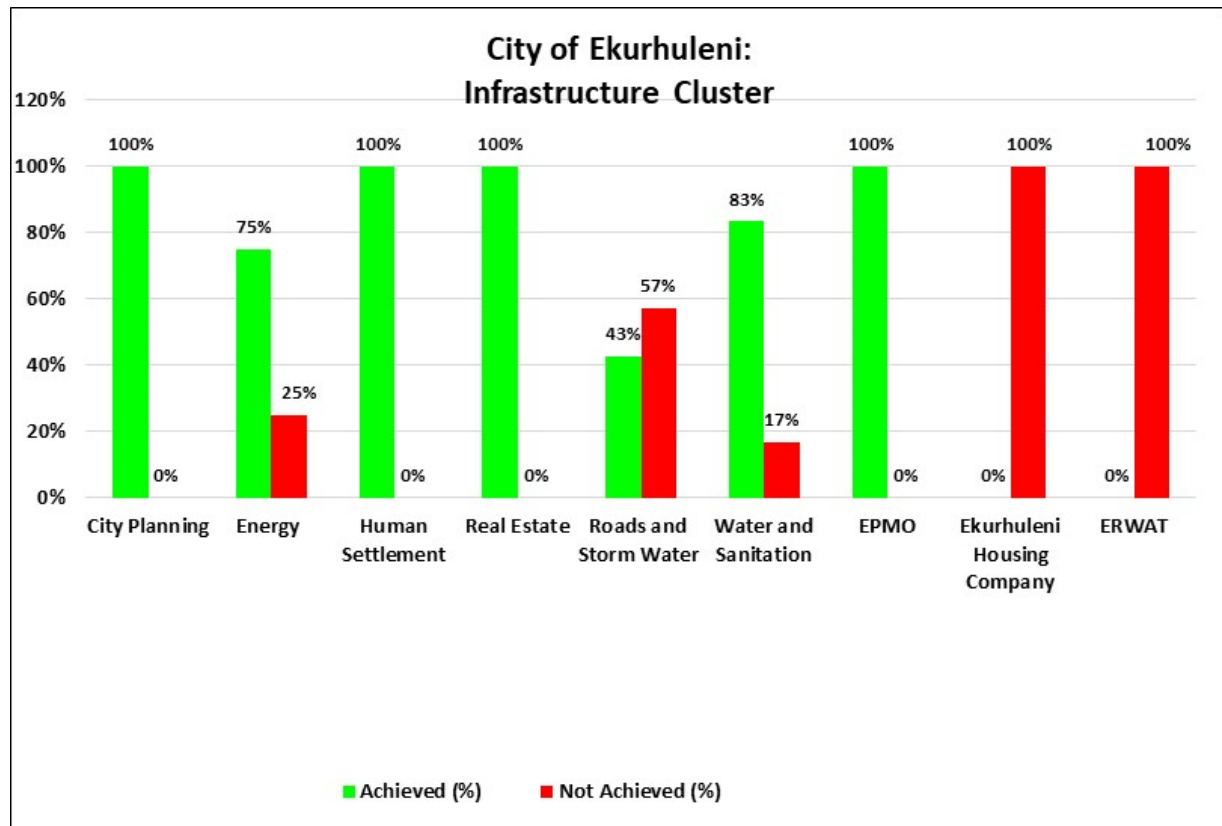
The Social Cluster committed to a total of twelve (12) targets which were contributed to by six (6) departments during the period under review. Four (4) of these departments achieved, all hundred per cent (100%) of their targets as presented in Figure 4 above. These departments are Environmental Resource Management, Disaster and Emergency Management Services, Ekurhuleni Metro Police Department, Office of the Chief Operations Officer. The second highest achievement was recorded for the Health and Social Development department with seventy-five per cent (75%) achievement of its targets followed by Sports, Recreation, Arts and Culture department which did not record an achievement on its one (1) target that was planned.

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FIGURE 5: CITY-WIDE MID-YEAR PERFORMANCE ACROSS INFRASTRUCTURE CLUSTER



9.2 Infrastructure Cluster

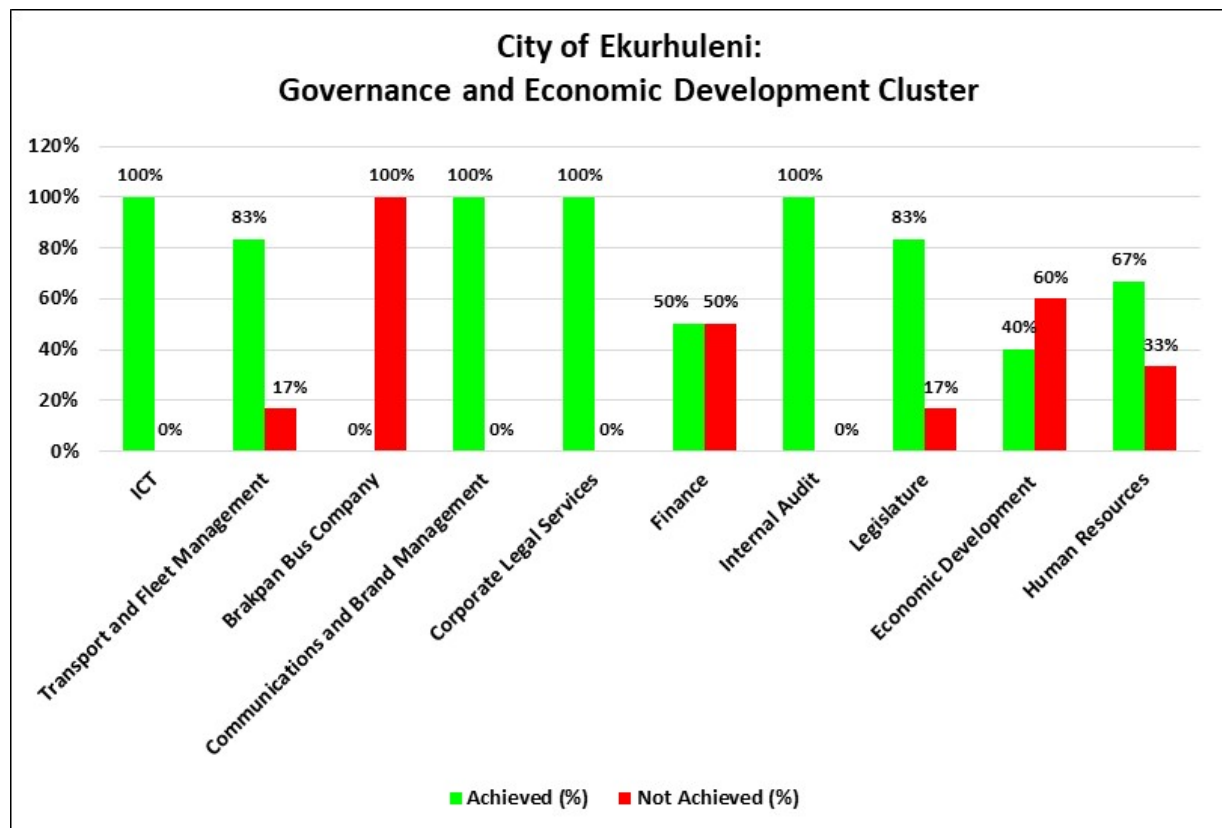
The cluster committed to a total of 31 targets and of those targets, 21 (68%) were achieved. A total of four (4) departments in this cluster achieved 100% of their planned targets during the period under review. These departments are City Planning, Real Estate, Enterprise Programme Management Office (EPMO) and Human Settlement. The second best performing department in this cluster was Water and Sanitation which achieved eighty-three per cent (83%) of their planned targets followed by Energy department at seventy-five per cent (75%) and Roads and Stormwater at forty-three per cent (43%) target achievement. East Rand Water Care Company (ERWAT) and Ekurhuleni Housing Company (EHC) each achieved none (0%) of their planned targets.

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FIGURE 6: CITY-WIDE MID-YEAR PERFORMANCE ACROSS GOVERNANCE AND ECONOMIC DEVELOPMENT CLUSTER



9.3 Governance and Economic Development Cluster

The performance of the cluster was measured against thirty-three (33) targets that were planned to be met during the period under review. A total of 24 (73%) targets were achieved and 9 (27%) were not achieved. Four (4) departments (ICT, Communications and Brand Management, Internal Audit, and Corporate Legal Services) achieved 100% of their set targets. The second highest performing department are Transport and Fleet Management and Legislature with 83% of their set targets achieved. These are followed by Human Resources which achieved sixty-seven per cent (67%) of its targets. Finance Department achieved 50% of its targets while Economic Development achieved only 40% of its planned targets. The Brakpan Bus Company (BBC), recorded nil per cent (0%) target achievement.

HIGHLIGHTS FOR 2020/2021 SDBIP MID-YEAR PERFORMANCE

The pro-poor agenda is still reaffirmed as the foremost developmental agenda of the City in its commitment to stimulate and improve economic growth for the benefit of poor by broadening its reach through service delivery to all informal settlements. Hence during this period under review, the key focus was on the improvement of the quality of targeted services to informal settlements. Electrification, gravelling and upgrading of roads in the informal settlements, promoting targeted service provision in informal settlements and maintenance of service levels in all areas of the City are some of the noteworthy key service delivery highlights.

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9.4 SOCIAL EMPOWERMENT

This thematic area aims at building a socially cohesive, healthy, active and engaged citizenry capable of working in partnership. The City embarked on a number of initiatives that yielded some commendable results. These included:

- SRAC implemented 4 school programmes in quarter 2 engaging children on leading active and positive lives for their own development. At mid-year, the department has implemented a total of 4 school programme.
- Commendable strides were made in the provision of health care services. Some of the notable achievements included the:
 - Reduction of HIV transmission from Mother-To-Child to a level of 0.7% at mid-year which is well below the National Targets of 2%.
- In contributing towards the attainment of the City's pro-poor agenda, the Department of Health and Social Development continued the implementation of its Indigent Support Programme aimed at improving the lives of the indigent households. During Q2, a total of 3 146 new indigent households were approved as part of the process to get the finance final approval to receive the free basic services. By mid-year, a total of 3 471 new indigent households were approved as part of the process to get the finance final approval to receive the free basic services.

Safety and security across the City continues to be a high priority especially during the lockdown period. The municipality focused on reducing accidents, fatalities and injuries and restore confidence and respect for road traffic management. This was done through heightened awareness of road traffic safety issues and by-law enforcement operations thereby inculcating good road user behaviour and voluntary compliance to by-laws and traffic laws. A total of 32 planned by-law enforcement policing operations were implemented in Q2 and at mid-year, 66 by-law enforcement policing operations were implemented.

9.5 SUSTAINABLE URBAN INTEGRATION

In its efforts to re-urbanise the City, focused on improving service delivery across all areas of service delivery. The results of these efforts included:

- Significant strides in the provision of quality of services in relation to water and sanitation. In this regard, a total of 94% of complaints/callouts for water were resolved within 48 hours and at total of 89% of complaints/callouts for sanitation/waste water were resolved within 48 hours by mid-year of 2020/21 financial year.

The City focused on the construction, upgrade and maintenance of the road and storm water infrastructure network. In this regard, 360.081 km of road networks were maintained in quarter 2. At mid-year point, a total of 484.091 km of road networks were maintained.

9.6 JOB CREATION

The City recognises that, unemployment, poverty, homelessness as fundamental challenges human development, restoration of human dignity which will be addressed as part of the pro-poor agenda. Unemployment has continued to grow and undermined expectations for increased employment opportunities. In pursuit of addressing this challenge at a local level, the City has during the quarter 2, created 773 work opportunities created through EPWP, CWP

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and other related infrastructure programmes, bring to a total of 1 608 work opportunities created by mid-year.

10. OTHER DEPARTMENTS/ BODIES CONSULTED

- The Finance Management Team was consulted and the recommendations are supported.
- The Strategy and Corporate Planning Department was responsible for the compilation of the Performance Report.
- The Municipal Entities compiled their own Performance Reports.

RECOMMENDATION

1. **That** the 2020/21 mid-year budget and performance assessment report as required by section 72 of the Municipal Finance Management Act **BE SUBMITTED** by the Accounting Officer to the Executive Mayor by the 25th January 2021.
2. **That**, in compliance with Section 52(d) and Section 71 of the MFMA and in terms of Government Notice 32141 dated 17 April 2009, regarding the “Local Government: Municipal Finance Management Act 2003 Municipal Budget and Reporting Regulations” the financial results regarding the operating and capital budgets for the 2nd quarter of the 2020/21 financial year, and supporting documents as required by National Treasury (Schedule C) as at 31 December 2020, **BE SUBMITTED** to Council.
3. **That**, in compliance with Section 54(1)(f) of the MFMA, the section 72 report **MUST BE SUBMITTED** by the Executive Mayor to Council by the **31 January 2021**.
4. **That**, based on the mid-year review, an adjustment budget **WILL BE SUBMITTED SEPARATELY** to council for consideration of approval.
5. **That** in order to comply with Section 31(1) of the Government Gazette No 32141 of 17 April 2009, these reports **BE SUBMITTED** to the National Treasury and the relevant Provincial Treasury within five days of tabling of the report in the council, in both a Council approved document and in electronic format.