

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

2024.04.30

ITEM A-F (22-2024)

CITY OF EKURHULENI (CoE): UNAUDITED FINANCIAL AND PERFORMANCE RESULTS FOR THE THIRD QUARTER OF THE 2023/24 FINANCIAL YEAR

1. PURPOSE

To report to Council, the Unaudited Financial and Performance Results for the **Third Quarter** of the 2023/24 FY (financial year) as required in terms of Section 52(d) 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 performance of the City.

3. WARDS AFFECTED

All wards.

4. IDP LINKAGE

Good governance.

5. EXECUTIVE SUMMARY

5.1 Operating Budget Results

The table below shows the consolidated operating results (City and Entities) for the third quarter of the 2023/24 financial year.

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

2024.04.30

ITEM A-F (22-2024)

Description	Original Budget	Revised Budget	Budget Q3	Actual Q3	YearTD budget	YearTD actual	Quarterly variance	YTD variance
	R	R	R	R	R	R	%	%
Exchange Revenue								
Service charges - electricity revenue	22,877,694,293	22,881,906,663	4,635,942,269	4,311,590,840	17,801,667,080	14,976,633,057	-7%	-16%
Service charges - water revenue	6,728,439,176	6,552,633,456	1,611,787,495	1,756,279,324	4,976,007,061	5,105,004,921	9%	3%
Service charges - sanitation revenue	3,276,818,783	4,687,505,648	1,383,479,448	1,075,927,366	3,021,888,852	3,258,836,572	-22%	8%
Service charges - refuse revenue	1,810,354,875	1,810,348,336	453,912,852	384,193,441	1,356,436,692	1,190,788,571	-15%	-12%
Sale of Goods and Rendering of Services	1,524,594,956	187,434,915	(153,707,395)	71,456,932	608,111,232	248,650,253	-146%	-59%
Interest earned from Receivables	1,197,713,014	1,015,740,367	225,973,081	256,559,317	825,495,655	777,260,716	14%	-6%
Interest earned from Current and Non Current Assets	127,166,317	154,430,989	42,696,797	39,386,650	106,280,588	123,061,537	-8%	16%
Dividends received	-	-	-	-	-	25,429	0	0%
Rental from Fixed Assets	141,012,608	144,690,714	36,556,887	39,887,438	107,349,036	118,452,058	9%	10%
Operational Revenue	49,613,878	96,580,309	31,398,178	64,226,412	54,842,340	147,971,987	105%	170%
Non-Exchange Revenue								
Property rates	8,175,143,747	8,480,921,428	2,166,096,799	2,221,372,416	6,253,668,253	6,520,815,040	3%	4%
Fines, penalties and forfeits	818,992,673	814,746,803	202,594,185	39,670,422	612,116,973	203,271,477	-80%	-67%
Licences and permits	325,611,570	325,611,570	81,402,896	78,019,266	244,208,670	255,038,509	-4%	4%
Transfers and subsidies- Operational	6,296,597,657	6,291,698,745	1,724,656,553	1,655,102,284	6,051,449,909	5,781,112,692	-4%	-4%
Interest	137,772,894	275,880,610	89,686,302	67,104,919	158,572,734	205,212,635	-25%	29%
Fuel Levy	1,839,016,000	1,839,016,000	613,006,000	613,006,000	1,839,016,000	1,839,016,000	0%	0%
Other Gains	-	-	-	-	-	12,428,121	0%	0%
Total Revenue (excluding capital transfers and contributions)	55,326,542,441	55,559,146,553	13,145,482,348	12,673,783,027	44,017,111,076	40,763,579,576	-4%	-7%
Expenditure By Type								
Employee related costs	11,519,348,295	11,580,882,257	2,899,163,518	2,678,156,721	8,728,082,210	7,952,077,098	-8%	-9%
Remuneration of councillors	157,677,579	164,361,355	42,092,994	38,292,369	120,931,962	120,473,044	-9%	0%
Debt impairment	6,083,068,269	6,083,068,269	1,520,767,083	1,296,578,748	4,562,301,249	3,824,524,396	-15%	-16%
Depreciation & asset impairment	3,043,464,736	3,078,889,307	42,112,272	30,061,214	97,959,825	91,244,079	-29%	-7%
Finance charges	1,539,780,664	1,546,189,557	97,044,090	55,501,614	758,782,584	605,082,325	-43%	-20%
Bulk purchases - electricity	18,143,097,118	17,943,097,118	3,640,441,642	3,443,128,103	13,207,460,046	12,131,667,503	-5%	9%
Inventory consumed	6,507,738,559	6,277,570,728	1,535,574,654	1,009,775,430	4,788,105,024	4,904,876,543	-34%	2%
Contracted services	5,810,776,837	6,131,760,679	1,620,927,192	1,729,337,730	4,459,325,155	4,244,664,757	7%	-5%
Transfers and subsidies	726,771,298	685,601,275	190,531,417	194,081,933	499,212,232	394,396,273	2%	-21%
Irrecoverable debts written off	2,238,065	12,264,875	4,570,242	10,971,564	5,689,278	38,623,611	140%	579%
Other expenditure	1,391,477,612	1,584,157,724	402,379,885	381,845,606	1,157,336,817	1,193,944,294	-5%	3%
Loss on disposal of PPE	-	-	-	175	-	1,525,586	0%	0%
Other Losses	-	-	-	948,518	-	17,471,234	0%	0%
Total Expenditure	54,925,439,032	55,087,843,144	11,995,604,990	10,868,679,725	38,385,186,382	35,520,570,742	10%	8%
Surplus/(Deficit)	401,103,409	471,303,409	1,149,877,358	1,805,103,302	5,631,924,693	5,243,008,834	36%	7%

The **Operating Income** budgeted for the **3rd Quarter** ended 31st March 2024 is R13.146 billion. The actual income R12.674 billion which resulted in R472 million (4%) less than budgeted.

The **Operating Expenditure** budgeted for the **3rd Quarter** ended 31st March 2024 is R11.996 billion. The actual expenditure is R10.869 billion which resulted in R1.128 billion (10.0%) less than budgeted. The Analyses of Performance in section 6.1 below provides reasons for variances of 5% above or below the budget.

5.2 Capital Budget Results

The actual Capital Expenditure at the end of the 3rd quarter of the 2023/24 financial year is **R1.421 billion**, which represents a spending of 51.48% of the total capital budget of R2.760 billion. It is important to note that the outstanding commitments at the end of March 2024 amounted to R78.1 million. The actual expenditure plus commitments for the 3rd quarter amounts to **R1.499 billion**, which represents 54.32% of the capital budget.

Capital expenditure at the end of the third quarter for the past five (5) years is as follows:

FY	Budget as at 31 March	Actual Expenditure	% of Budget
19/20	6,807,681,008	2,728,399,475	40.08%
20/21	4,595,489,681	2,588,192,191	56.32%

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

2024.04.30

ITEM A-F (22-2024)

21/22	3,318,675,850	1,493,406,432	45.00%
22/23	3,280,248,878	1,784,130,938	54.39%
23/24	2,760,341,150	1,499,291,138	54.32%

Capital spending is discussed in detail in section 6.2 of this report.

5.3 Collection Rate

The Collection Rate for the **3rd quarter** ended 31st March 2024 is 84.92% which is below the quarterly target of 90%. The annual collection to date is 89.46%.

Quarter	Year	Period	Net Billed	Receipts	%	Target
Q1	2023-24	Sep-23	9 499 526 751	8 860 976 803	92.88%	90.00%
Q2	2023-24	Dec-23	9 865 156 413	8 939 112 717	90.58%	90.00%
Q3	2023-24	Mar-24	9 466 959 321	8 039 166 609	84.92%	90.00%
			29 272 406 450	24 744 555 303	89.46%	90.00%

5.4. Bank balance and Cash on hand

The City had a bank balance of R2.235.309.018 at the end of March 2024. The number of days cash on hand is 21 days. This is 4 days below the target of 25 days. This was impacted by continued loadshedding and lower collection in Eskom supply areas. The cash on hand for the past three quarters of the current year is as follows:

Quarter 1 - 12 days,
Quarter 2 – 15 days, and
Quarter 3 – 21 days.

This shows a significant improvement.

6. BACKGROUND AND DISCUSSION

In terms of Section 52 (d) read with Section 71 of the MFMA and Section 28 of the Government Notice 32141 dated 17 April 2009, regarding the “Local Government: Municipal Finance Management Act 2003: Municipal Budget and Reporting Regulations”, specific financial particulars are required to reported on and in the format prescribed, hence this report to meet legislative compliance.

“The mayor of a municipality-

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

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 –

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

2024.04.30

ITEM A-F (22-2024)

- (a) 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 [of Finance] in terms of section 168(1) of the Act; and
- (b) consistent with the monthly budget statement for September, December, March and June as applicable; and
- (c) Submitted to the National Treasury and the relevant Provincial Treasury within five days of tabling of the report in the council.”

The following Annexures are provided:

- Annexure A:** Departmental Operating Budget Reports for 3rd Quarter of 2023/24 Financial Year;
- Annexure B:** Detailed Capital Expenditure Reports for 3rd Quarter of 2023/24 Financial Year; and
- Annexure C:** Detailed Performance Report (Pre-Determined Measurable Performance Targets for 3rd Quarter of 2023/24).

6.1. Financial Performance of Operating Budget

The discussion below highlights the performance of the operating budget.

6.1.1 Revenue by Source

The revenue performance for the 3rd Quarter ended 31st March 2024 is reflected in the table below.

Description	Original Budget	Revised Budget	Budget Q3	Actual Q3	YearTD budget	YearTD actual	Quarterly variance	YTD variance
	R	R	R	R	R	R	%	%
Exchange Revenue								
Service charges - electricity revenue	22,877,694,293	22,881,906,663	4,635,942,269	4,311,590,840	17,801,667,080	14,976,633,057	-7%	-16%
Service charges - water revenue	6,728,439,176	6,552,633,456	1,611,787,495	1,756,279,324	4,976,007,061	5,105,004,921	9%	3%
Service charges - sanitation revenue	3,276,818,783	4,687,505,648	1,383,479,448	1,075,927,366	3,021,888,852	3,258,836,572	-22%	8%
Service charges - refuse revenue	1,810,354,875	1,810,348,336	453,912,852	384,193,441	1,356,436,692	1,190,788,571	-15%	-12%
Sale of Goods and Rendering of Services	1,524,594,956	187,434,915	(153,707,395)	71,456,932	608,111,232	248,650,253	-146%	-59%
Interest earned from Receivables	1,197,713,014	1,015,740,367	225,973,081	256,559,317	825,495,655	777,260,716	14%	-6%
Interest earned from Current and Non C	127,166,317	154,430,989	42,696,797	39,386,650	106,280,588	123,061,537	-8%	16%
Dividends received	-	-	-	-	-	25,429	0	0%
Rental from Fixed Assets	141,012,608	144,690,714	36,556,887	39,887,438	107,349,036	118,452,058	9%	10%
Operational Revenue	49,613,878	96,580,309	31,398,178	64,226,412	54,842,340	147,971,987	105%	170%
Non-Exchange Revenue								
Property rates	8,175,143,747	8,480,921,428	2,166,096,799	2,221,372,416	6,253,668,253	6,520,815,040	3%	4%
Fines, penalties and forfeits	818,992,673	814,746,803	202,594,185	39,670,422	612,116,973	203,271,477	-80%	-67%
Licences and permits	325,611,570	325,611,570	81,402,896	78,019,266	244,208,670	255,038,509	-4%	4%
Transfers and subsidies- Operational	6,296,597,657	6,291,698,745	1,724,656,553	1,655,102,284	6,051,449,909	5,781,112,692	-4%	-4%
Interest	137,772,894	275,880,610	89,686,302	67,104,919	158,572,734	205,212,635	-25%	29%
Fuel Levy	1,839,016,000	1,839,016,000	613,006,000	613,006,000	1,839,016,000	1,839,016,000	0%	0%
Other Gains	-	-	-	-	-	12,428,121	0%	0%
Total Revenue (excluding capital transfers and contributions)	55,326,542,441	55,559,146,553	13,145,482,348	12,673,783,027	44,017,111,076	40,763,579,576	-4%	-7%

Analysis of Performance

The **Operating Income** budgeted for the 3rd Quarter ended 31st March 2024 is R13.145 billion. The actual income R12.673 billion which resulted in R472 million (4%) 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.

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

2024.04.30

ITEM A-F (22-2024)

a. Service charges:

Service charges – electricity revenue

The actual income from sale of electricity is R324 million less than the budget of R4.635 billion for the 2023/24 Mid-year, which represent a negative deviation of 7%. The deviation is due to reduced consumption as a result of high stages of load shedding, and less reliance by residents on the Eskom supplier network.

Service charges – water revenue

The actual income from water services charges is R145 million more than the budget of R1.383 billion for the third quarter of 2023/24 financial year, which represent a positive deviation of 9%. The water increase is due to correction of estimates billings, and increased consumption by business industries.

Service charges – sanitation revenue and Sale of Goods and service

The actual income from sanitation revenue is R308 million below the budget of R1.638 billion, which represent a negative deviation of 22%. This negative deviation results from the reclassification of the Revenue from Erwat which was previously Reported in the Sale of Goods and Services category, which represent a positive deviation of R225 million as per mSCOA reporting requirements. Removing these variants within the groups, all the movement are within the budgets limits.

Service charges – refuse

The actual income from collection of waste is R69.7 million less than the budget of R453 million for the 2023/24 third quarter, which represent a negative deviation of 15%. The deviation is as a result of the increase in number of indigents receiving the free basic services from the beginning of the new financial year.

b. Interest Earned

This category of income refers mainly to the interest earned on the bank, investments accounts and interest charged on debtor accounts. Interest earned on receivables are 30 million above budget reflecting the challenges in the lower collections rate.

The positive deviation on the interest earned on investments accounts emanates from increased Invested cash balances at ERWAT.

c. Property rates

The quarterly variance on property rates revenue is R55m being 4% above budget income.

d. Fines, penalties and forfeits

The budget of Fines, Penalties and Forfeits for the third quarter of 2023/24 financial year amounted to R202 million whilst the actual revenue amounted to R39 million, thus a negative deviation of 80.9% less than budgeted. This category is inclusive of traffic fines issued but not

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

2024.04.30

ITEM A-F (22-2024)

yet paid as required by GRAP, and the non-cash fines will only be journalised at the end of the financial year.

e. Other revenue

Other revenue shows over performance of R35 million or 105% above budget. million as a results of approval of new development activities within the city and optimum utilisation of other city's facilities.

6.1.2 Expenditure by type

The expenditure performance for the 3rd Quarter ended 31 March 2024 is reflected in the table below.

Description	Original Budget	Revised Budget	Budget Q3	Actual Q3	YearTD budget	YearTD actual	Quarterly variance	YTD variance
	R	R	R	R	R	R	%	%
Expenditure By Type								
Employee related costs	11,519,348,295	11,580,882,257	2,899,163,518	2,678,156,721	8,728,082,210	7,952,077,098	-8%	-9%
Remuneration of councillors	157,677,579	164,361,355	42,092,994	38,292,369	120,931,962	120,473,044	-9%	0%
Debt impairment	6,083,068,269	6,083,068,269	1,520,767,083	1,296,578,748	4,562,301,249	3,824,524,396	-15%	-16%
Depreciation & asset impairment	3,043,464,736	3,078,889,307	42,112,272	30,061,214	97,959,825	91,244,079	-29%	-7%
Finance charges	1,539,780,664	1,546,189,557	97,044,090	55,501,614	758,782,584	605,082,325	-43%	-20%
Bulk purchases - electricity	18,143,097,118	17,943,097,118	3,640,441,642	3,443,128,103	13,207,460,046	12,131,667,503	-5%	9%
Inventory consumed	6,507,738,559	6,277,570,728	1,535,574,654	1,009,775,430	4,788,105,024	4,904,876,543	-34%	2%
Contracted services	5,810,776,837	6,131,760,679	1,620,927,192	1,729,337,730	4,459,325,155	4,244,664,757	7%	-5%
Transfers and subsidies	726,771,298	685,601,275	190,531,417	194,081,933	499,212,232	394,396,273	2%	-21%
Irrecoverable debts written off	2,238,065	12,264,875	4,570,242	10,971,564	5,689,278	38,623,611	140%	579%
Other expenditure	1,391,477,612	1,584,157,724	402,379,885	381,845,606	1,157,336,817	1,193,944,294	-5%	3%
Loss on disposal of PPE	-	-	-	175	-	1,525,586	0%	0%
Other Losses	-	-	-	948,518	-	17,471,234	0%	0%
Total Expenditure	54,925,439,032	55,087,843,144	11,995,604,990	10,868,679,725	38,385,186,382	35,520,570,742	10%	8%

The **Operating Expenditure** budgeted for the 3rd Quarter ended 31st March 2024 is R11.996 billion. The actual expenditure is R10.868 billion which resulted in R1.128 billion (10%) less than budgeted.

Analyses of significant items is highlighted below.

a. Overtime

The table below shows performance on actual overtime pay against the quarter 3 budget and year-to-date.

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

2024.04.30

ITEM A-F (22-2024)

Department	Budget Year 2023/24						Quarterly variance %	YTD variance %
	Original Budget	Revised Budget	Budget Q3	Actual Q3	YearTD budget	YearTD actual		
	R	R	R	R	R	R		
SERVICE DELIVERY CO-ORDINATION	6,685,369	6,941,289	1,773,716	1,716,267	5,116,412	5,186,708	97%	101%
CITY MANAGER	29,618	5,924	(2,071)	3,117	12,743	3,117	-151%	24%
CITY PLANNING	4,269	13,217	4,647	-	6,783	6,481	0%	96%
COMMUNICATION & BRANDING	104,762	20,952	(7,328)	-	45,064	-	0%	0%
CORPORATE LEGAL	163,599	222,024	64,272	52,701	146,076	158,130	82%	108%
DISASTER AND EMERGENCY MANAGEMENT SERVICE	20,483,527	11,511,140	1,531,934	2,111,786	11,773,712	6,745,808	138%	57%
ECONOMIC DEVELOPMENT	1,556,683	1,629,215	418,185	397,408	1,196,529	1,212,016	95%	101%
EHC	426,379	-	(63,956)	-	149,236	-	0%	0%
EKURHULENI METRO POLICE DEPARTMENT	374,715,374	437,928,443	118,964,080	132,886,740	306,321,784	351,808,279	112%	115%
ENERGY	127,408,693	104,383,464	22,642,105	25,705,560	86,346,499	73,333,946	114%	85%
ENVIRONMENTAL RESOURCE MANAGEMENT	96,755,994	73,732,804	14,979,730	36,518,030	63,357,742	77,889,322	244%	123%
ERWAT	32,670,497	33,212,979	6,163,015	8,314,298	18,121,525	19,807,587	135%	109%
EXECUTIVE OFFICE	109,936	21,987	(7,694)	-	47,278	-	0%	0%
FINANCE	23,836,282	23,305,798	5,746,892	4,969,023	17,665,064	16,196,017	86%	92%
HEALTH AND SOCIAL DEVELOPMENT	7,171,774	7,838,709	2,059,736	1,817,078	5,645,660	5,722,075	88%	101%
HUMAN RESOURCES	826,027	891,493	232,694	101,117	645,710	546,864	43%	85%
HUMAN SETTLEMENTS	613,832	525,389	118,082	128,164	425,000	379,803	109%	89%
INFORMATION COMMUNICATION TECHNOLOGY	1,413,651	395,008	(54,039)	85,911	652,797	156,084	-159%	24%
INTERNAL AUDIT	-	-	-	-	-	-		
LEGISLATURE	3,032,044	1,477,536	136,210	136,207	1,652,236	678,921	100%	41%
REAL ESTATE	3,811,732	3,507,050	831,065	345,141	2,736,941	825,683	42%	30%
RISK MANAGEMENT	-	-	-	-	-	-		
ROADS AND STORMWATER	7,538,743	12,610,160	3,913,278	2,216,167	7,682,700	8,485,549	57%	110%
SPORTS, RECREATION, ARTS AND CULTURE	10,004,047	9,037,462	2,114,388	970,909	7,116,432	1,700,256	46%	24%
STRATEGY & CORPORATE PLANNING	144,283	1,001,477	378,953	270,352	451,103	771,090	71%	171%
TRANSPORT	11,690,229	9,458,946	2,030,057	2,246,285	7,875,197	6,664,994	111%	85%
WATER AND SANITATION	87,184,404	88,964,664	22,508,226	21,845,822	66,100,470	60,609,286	97%	92%
Grand Total	818,399,997	828,640,780	208,696,586	242,854,936	617,897,132	638,918,885	116%	103%

The overtime paid for the 3rd Quarter and for year to date is reflected in the table below. The table shows, amongst others, that:

- Overall, quarter 3 overtime paid is R242.8 million against the budget of R208.7 million. This is 3% above budget amount;
- Year to date overtime paid is R21 million above budget of R617 million; and
- Although some departments have exceeded their overtime budgets to date (Service Delivery, Corporate Legal, Economic Development, EMPD, Erwat, Health & Social, Roads & Stormwater and Strategy), overtime forms part of the employee costs and is not unauthorised expenditure. Control of overtime is one of the focus areas for cost containment measures instituted by management.

b. Debt impairment and depreciation

These excludes the provision of on Traffic Fines issued but not paid, which will only be journalised at year-end, non-cash expenditure items are provided for monthly on a straightline bases per budget. The accurate actual provisions will only be made at the end of the financial year.

c. Finance charges

The deviation of R41 million on finance charges in the third quarter of 2023/24 financial year relates to interest on loans to finance the capital projects. The saving is due to optimum utilisation of the overdraft facility to reduce interest payment thereof.

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

2024.04.30

ITEM A-F (22-2024)

d. Repairs and maintenance – inclusive of inventory

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.

Budget Year 2324							
Department	Revised Budget	Budget Q3	Actual Q3	YearTD budget	YearTD actual	Quarterly variance	YTD variance
	R	R	R	R	R	%	%
CITY PLANNING Total	35,024,208	10,500,422	5,578,532	24,533,786	29,689,190	47%	-21%
DISASTER AND EMERGENCY MANAGEMENT SERVICES Total	1,175,909	269,617	87,775	935,374	87,775	67%	91%
ECONOMIC DEVELOPMENT Total	4,015,703	1,123,771	734,799	2,661,784	734,799	35%	72%
EHC Total	3,614,419	594,069	244,349	3,433,281	1,619,025	59%	53%
EKURHULENI METRO POLICE DEPARTMENT Total	2,022,993	505,748	-	1,517,244	-	100%	100%
ENERGY Total	1,019,467,534	254,866,814	165,593,834	756,105,028	831,720,583	35%	-10%
ENVIRONMENTAL RESOURCE AND WASTE MANAGEMENT Total	100,806,440	28,216,207	17,519,650	75,369,000	38,431,240	38%	49%
ERWAT Total	149,394,355	37,447,662	55,311,966	111,816,306	92,872,665	-48%	17%
HEALTH AND SOCIAL DEVELOPMENT Total	4,753,607	1,227,342	73,575	3,474,498	73,575	94%	98%
HUMAN SETTLEMENTS Total	8,954,829	2,842,822	1,753,323	5,730,947	3,259,784	38%	43%
INFORMATION COMMUNICATION TECHNOLOGY Total	424,759,486	128,689,872	134,441,445	266,069,616	212,355,963	-4%	20%
REAL ESTATE Total	77,775,085	20,193,801	5,232,388	57,581,403	29,566,880	74%	49%
ROADS AND STORMWATER Total	424,094,250	131,309,307	80,293,194	357,862,274	329,878,847	39%	8%
SPORTS, RECREATION, ARTS AND CULTURE Total	23,169,906	4,886,437	1,002,646	22,335,509	2,034,349	79%	91%
TRANSPORT Total	170,980,753	42,776,402	48,876,844	128,163,038	90,602,548	-14%	29%
WATER AND SANITATION Total	396,459,575	103,905,584	86,117,745	286,170,032	174,460,590	17%	39%
Grand Total	2,846,469,052	769,355,876	602,862,065	2,103,759,119	1,837,387,813		

Notable on the table above is that the Energy Department has exceeded its third quarter budget because of continuous load-shedding and its impacts on the electrical infrastructure.

e. Bulk purchases – electricity

The negative deviation of 5.0% on bulk purchases as a result loss of revenue not realised due to the impact of the continued higher stages of load shedding, and also consumers less reliant on the Eskom network. The year to date, reflect R1,076 billion saving of electricity directly correlates with the reduced electricity sales as a result of high stages of load shedding implemented in the third quarter of 2023/24 financial year.

f. Other expenditure

This category shows under expenditure of 5% or R20 million thereof. Included are discretionary expenditure items such as advertising, travel and accommodation and non-contracted services which are susceptible to cost containment.

6.2. Financial Performance of Capital Budget

The discussion below shows the budgeted capital expenditure as well as the expenditure according to the grants received. This is to ensure accurate reporting of the funds that were actually received as the City cannot spend what it does not have.

The actual Capital Expenditure at the end of the 3rd quarter of the 2023/24 financial year is **R1.421 billion**, which represents a spending of 51.48% of the total capital budget of R2.760 billion. It is important to note

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

2024.04.30

ITEM A-F (22-2024)

that the outstanding commitments at the end of March 2024 amounted to R78.1 million. The actual expenditure plus commitments for the 3rd quarter amounts to **R1.499 billion**, which represents 54.32% of the capital budget.

The actual **spending per department or municipal entity** is indicated in the following table.

Department	Budget 2023/24	Budget 2023/24	Actual Expenditure	Commitments	Actual Expenditure Incl Commitments	% Spent of Total Budget	% Spent (incl commitments) of Total Budget
	Original	Adjusted	Year to Date	Year to Date	Year to Date		
Council General	8 500 000	-	-	-	-	0,00%	0,00%
Disaster & Emergency Management Services	32 000 000	31 169 163	14 565 140	10 169 163	24 734 303	46,73%	79,36%
Economic Development	24 650 000	24 650 000	10 770 636	413 286	11 183 922	43,69%	45,37%
Ekurhuleni Housing Company (EHC)	1 379 162	413 717	63 487	-	63 487	15,35%	15,35%
Ekurhuleni Metro Police Department	10 000 000	24 210 552	8 004 275	-	8 004 275	33,06%	33,06%
Energy	555 439 499	632 631 643	436 893 575	1 730 803	438 624 378	69,06%	69,33%
Environmental Resources & Waste Management	54 100 000	76 502 040	43 058 363	12 176 686	55 235 050	56,28%	72,20%
ERWAT	127 646 091	135 616 091	64 092 288	-	64 092 288	47,26%	47,26%
Health and Social Development	4 248 000	3 500 000	-	1 998 598	1 998 598	0,00%	57,10%
Human Settlements	500 091 000	374 529 511	190 874 897	-	190 874 897	50,96%	50,96%
Information and Communication Technology	213 000 000	226 830 837	99 709 720	41 665 654	141 375 374	43,96%	62,33%
Real Estate	56 444 474	56 444 474	29 249 286	-	29 249 286	51,82%	51,82%
Roads and Stormwater	255 640 123	241 140 123	84 672 329	-	84 672 329	35,11%	35,11%
Service Delivery Coordination	25 000 000	25 000 000	16 638 499	-	16 638 499	66,55%	66,55%
Sport Recreation Arts and Culture	24 575 000	27 075 000	17 914 953	-	17 914 953	66,17%	66,17%
Transport Planning & Provision	287 956 831	303 627 999	103 437 037	-	103 437 037	34,07%	34,07%
Water and Sanitation	587 000 000	577 000 000	301 165 257	10 027 204	311 192 462	52,20%	53,93%
TOTAL CAPITAL EXPENDITURE	2 767 670 180	2 760 341 150	1 421 109 742	78 181 396	1 499 291 138	51,48%	54,32%

The actual Capital Expenditure plus commitments are funded as follows:

SOURCE OF FINANCE	Budget 2023/24	Budget 2023/24	Actual Expenditure	Commitments	Actual Expenditure Incl Commitments	% Spent of Total Budget	% Spent (incl commitments) of Total Budget
	Original	Adjusted	Year to Date	Year to Date	Year to Date		
Informal Settlement Upgrading Programme Grant (ISUPG)	733 197 000	736 030 000	464 614 054	1 142 839	465 756 892	63,12%	63,28%
Neighbourhood Development Partnership Grants (NDPG)	53 590 000	53 590 000	15 778 961	413 286	16 192 247	29,44%	30,22%
SRAC Provincial Grant	11 823 000	11 823 000	8 800 242	-	8 800 242	74,43%	74,43%
Public Transport Network Grants (PTNG)	277 956 831	296 127 999	102 878 814	-	102 878 814	34,74%	34,74%
Revenue	355 669 727	442 192 529	200 334 933	57 404 194	257 739 127	45,30%	58,29%
Urban Settlement Development Grants (USDG)	1 335 433 622	1 220 577 622	628 702 739	19 221 077	647 923 816	51,51%	53,08%
Grand Total	2 767 670 180	2 760 341 150	1 421 109 742	78 181 396	1 499 291 138	51,48%	54,32%

The amount spent on **grant funded** projects amounts to R1.241 billion which represents **82.81%** of the total 3rd quarter actual spending of R1.499 billion. As mentioned above, this is not an accurate reflection of the spending of the funds received. The table below shows spending of all grants.

Spending of grants received and spent.

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

2024.04.30

ITEM A-F (22-2024)

Name of Grant	EMM Responsible Department	Receipts for the Month MAR'24	Accumulated Receipts for the Financial year	Accumulated Expenditure for the Financial year	Balance Available	% Spent
NATIONAL / DORA GRANTS - OPERATING						
Finance Management Grant (FMG)	Finance	-	1,000,000.00	(467,465.05)	532,534.95	46.75%
TOTAL		-	1,000,000.00	(467,465.05)	532,534.95	46.75%
Equitable Share - Electricity	Energy	243,583,195.00	974,332,761.36	(974,332,761.36)	-	100.00%
Equitable Share - Solid Waste	Waste Management	201,665,197.00	806,660,771.46	(806,660,771.46)	-	100.00%
Equitable Share -Water and Wastewater	Water & Sanitation	597,487,888.00	2,389,951,506.04	(2,389,951,506.04)	-	100.00%
Equitable Share - Finance	Finance	246,183,720.00	984,734,860.85	(984,734,860.85)	-	100.00%
Fuel Levy - Finance	Finance	613,006,000.00	1,839,016,000.00	(1,839,016,000.00)	-	100.00%
TOTAL		1,901,926,000.00	6,994,695,899.71	(6,994,695,899.71)	-	100.00%
NATIONAL / DORA GRANTS - CAPITAL						
Urban Settlement Development Grant (USDG)	Human Settlements	558,044,000.00	1,225,757,000.00	(597,613,674.98)	628,143,325.02	48.75%
Public Transport Network Grant (PTNG)	Transport	73,591,000.00	683,213,000.00	(280,301,855.68)	402,911,144.32	41.03%
Neighborhood Development Partnership Grant (NDPG)	Human Settlements	-	51,940,000.00	(15,144,598.92)	36,795,401.08	29.16%
NDPG- Public Employment Programme (PEP)	Economic Development	14,820,000.00	144,630,000.00	(70,974,335.57)	73,655,664.43	49.07%
Energy efficiency and Demand-Side Management Grant	Energy	-	8,000,000.00	(6,382,860.03)	1,617,139.97	79.79%
Expanded Public Works Programme (EPWP)	Economic Development	-	31,646,000.00	(19,632,420.12)	12,013,579.88	62.04%
Informal Settlement Upgrading Partnership Grant (ISUPG)	Human Settlements	61,621,000.00	773,030,000.00	(430,918,062.87)	342,111,937.13	55.74%
Programme & Project Preparation Support Grant (PPPSG)	EPMO	48,911,000.00	107,731,000.00	(59,465,891.08)	48,265,108.92	55.20%
TOTAL		756,987,000.00	3,025,947,000.00	(1,480,433,699.25)	1,545,513,300.75	48.92%
PROVINCIAL GRANTS - OPERATING						
SETA	Human Resources	2,731,244.21	11,827,641.85	(167,448.24)	11,660,193.61	1.42%
HIV/AIDS Grant	Health & Social Development	-	19,751,000.00	(13,862,379.04)	5,888,620.96	70.19%
Recapitalisation of Community Libraries and Libraries Pla	SRAC - Libraries	2,489,200.00	22,346,000.00	(11,447,013.93)	10,898,986.07	51.23%
Human Settlement Development Grant (HSDG)	Human Settlements	-	-	(15,550,844.98)	75,728,853.56	17.04%
TOTAL		5,220,444.21	53,924,641.85	(41,027,686.19)	104,176,654.20	28.26%
PROVINCIAL - SUBSIDIES						
Primary Health Care Subsidy (PHC)	Health & Social Development	-	179,170,000.00	(179,170,000.00)	-	100.00%
TOTAL		-	179,170,000.00	(179,170,000.00)	-	100.00%
Total National / DORA Grants + Subsidies		2,658,913,000.00	10,021,642,899.71	(8,475,597,064.01)	1,546,045,835.70	84.57%
Total Provincial Grants + Subsidies		5,220,444.21	233,094,641.85	(220,197,686.19)	104,176,654.20	67.88%
GRAND TOTAL		2,664,133,444.21	10,254,737,541.56	(8,695,794,750.20)	1,650,222,489.90	84.05%

The table below shows that as at 31st March 2024, grant receipts amounted to 1.49 billion while expenditure amounted to R1.40 billion, which is spending of 93.95%.

6.3. Other Financial Performance Matters

6.3.1. Collection level

The combined (CoE and Eskom supply areas) Collection Rate for the 3rd quarter ended 31 March 2024 is 84.92% which is below the quarterly target of 90%. The following matters continue to impact negatively on collection performance:

- General tariff increases with effect from 1 July 2023 which impacts on consumer ability to pay for services.
- **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. Eskom supply areas have a collection rate of 18.96% (in 2022/23, was 20.88%). Moreover, the City pays Eskom the full subsidy to Eskom for registered and deemed indigents. Credit control measures with focus on all customers implemented, but due to budget constrain, limited measures were applied on Eskom supply areas; Eskom supply area represents 35,65% of total debts book of the city.
- **Challenging areas:** No go areas and denied access to specific areas impacts on credit control actions and collection efforts; Special collection actions with assistance of departmental stakeholders and ward representatives to be initiated;

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

2024.04.30

ITEM A-F (22-2024)

- **Illegal connections, tampering and meter access** - Energy department to assist with supply disconnections.
- **Load shedding** – impacts on ability to process scheduled consumer billing, ability to accept payments and address enquiries from public.
- Extended interim water and electricity readings impacting the correctness of the customers billing accounts
- Receipting and networking challenges during the period of load shedding

The collection results of 3rd Quarter of 2023-24 financial year are follows:

Quarter	Year	Period	Net Billed	Receipts	%	Target
Q3	2023-24	Jan-24	3 177 314 951	2 716 301 767	85.49%	
Q3	2023-24	Feb-24	3 127 966 947	2 547 661 491	81.45%	
Q3	2023-24	Mar-24	3 161 620 782	2 775 203 351	87.78%	
			9 466 902 679	8 039 166 609	84.92%	90.00%

Collection Rate per CCA to date.

<u>SUMMARY</u>					
		Period :	Mar-24		
Area	Total Levied (Incl Adjustments)	Total Receipts	SDBIP Target	Collection Target Mar-24	Collection YTD Mar-24
Alberton	3,139,617,485	2,743,137,144	90%	82,518,593	87.37%
Benoni	2,355,270,776	2,185,573,974	90%	-65,830,276	92.80%
Boksburg	4,533,839,116	3,826,827,459	90%	253,627,746	84.41%
Brakpan	1,284,799,475	1,070,464,420	90%	85,855,108	83.32%
Edenvale	1,699,811,660	1,621,787,496	90%	-91,957,002	95.41%
Germiston	6,397,948,933	5,553,930,181	90%	204,223,859	86.81%
Kempton Park	6,407,256,758	6,138,276,162	90%	-371,745,080	95.80%
Nigel	1,037,928,120	913,463,734	90%	20,671,574	88.01%
Springs	1,975,170,160	1,785,795,559	90%	-8,142,415	90.41%
Total	28,831,642,485	25,839,256,129		109,222,107	89.62%

The quarterly revenue collection performance is 89.62% in comparison with quarterly target of 90%. The quarterly target was not achieved and reflects under performance of 0.38%. The underperformance could be as a results of relaxed credit control measures and the impact of the easter holidays. The city will continue to implement rigorous debts recovery process and implementation of revenue blitz and the removal of illegal connection within the city.

6.3.2. Trade and other receivables

The table below shows the extent of consumer debt that is owed to the City. The debt is separated between income source and customer group.

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

2024.04.30

ITEM A-F (22-2024)

Debtors age analysis

SUMMARY	NT Code	0-30 Days	31-60 Days	61-90 Days	91-120 Days	121-150 Dys	151-180 Dys	181 Dys-1 Yr	Over 1Yr	Total
Debtors Age Analysis By Income Source										
Trade and Other Receivables from Exchange Transactions - Water	1200	609,850	360,783	278,709	246,217	239,069	379,108	1,483,577	5,227,131	8,824,444
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1,351,751	204,778	118,410	101,014	152,549	54,735	253,101	928,157	3,164,495
Receivables from Non-exchange Transactions - Property Rates	1400	630,709	253,600	178,873	164,160	145,568	161,368	831,093	2,902,816	5,268,187
Receivables from Exchange Transactions - Waste Water Management	1500	222,916	113,119	87,145	77,196	77,665	119,875	491,345	1,401,084	2,590,344
Receivables from Exchange Transactions - Waste Management	1600	125,908	65,366	54,312	47,692	44,862	87,462	253,667	1,316,806	1,996,074
Receivables from Exchange Transactions - Property Rental Debtors-BP866	1700	3,474	5,034	4,936	286,838	-	-	-	-	300,282
Interest on Arrear Debtor Accounts	1810	110,728	107,539	103,253	99,164	94,709	94,200	492,028	1,629,135	2,730,756
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-
Other	1900	58,350	19,884	17,668	18,302	15,927	15,588	80,966	518,508	745,192
Total By Income Source	2000	3,113,684	1,130,103	843,305	1,040,583	770,349	912,335	3,885,776	13,923,639	25,619,774
Debtors Age Analysis By Customer Group										
Organs of State	2200	82,304	41,185	20,221	13,321	8,806	6,136	26,300	27,678	225,950
Municipal		276	300	598	5	4	2	24	56	1,265
Commercial	2300	1,667,400	310,860	191,186	165,364	213,786	116,195	625,360	2,355,350	5,645,500
Households	2400	1,313,253	756,832	617,826	854,039	538,849	781,921	3,168,686	11,212,827	19,244,232
Other	2500	50,452	20,926	13,475	7,854	8,905	8,082	65,406	327,728	502,826
Total By Customer Group	2600	3,113,684	1,130,103	843,305	1,040,583	770,349	912,335	3,885,776	13,923,639	25,619,774

As per above-mentioned consolidated debtors analysis per service and debtor group as at reporting date;

- Outstanding consumer debtors amounts to R25,6 billion (2023-03 R31,1 billion) with R 20,9 billion in arrears in excess of 90 days;
- Outstanding debtors in excess of 90 days represents 80,1% or R20,9 billion of total debtors;
- Water service debtors represent 36,0% of total 90 plus days debt. This is mainly due to the fact that water cannot be effectively disconnected for non-payment – especially within Eskom supply areas; and
- Household/ Residential debt represents 75.11% of total outstanding debtor balance, translating into 80.63% for the 90+ days arrear debt.

The City is continuously encouraging qualified indigent registration to ensure allocation of free basic relief.

6.3.3 Investments

The table below shows the investments held by the City with the various financial institutions as at 31 March 2024.

- Unencumbered: 133 377 800.58
- Encumbered: 960 141 166.02
- In entities (Rand Airport) 4 000 100.00

Total investments as per register **1 097 519 066.60**

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

2024.04.30

ITEM A-F (22-2024)

COMMEN-CING DATE	MATURITY DATE	INVESTMENT MADE /WITHDRAWAL DATE	ACCOUNT / CERT NUMBER	OPENING BALANCE 1.07.2022	INVESTMENT MADE	INVESTMENT WITHDRAWN	INTEREST ACCRUED / EARNED	INTEREST RATE	REFERENC E IN LEDGER	BALANCE 31.03.2024	ENCUMBERED	En/Unencumbered
INVESTEC BANK												
13-Nov-98	ON CALL	Call deposit	138799500	22,107,765.83			1,386,356.10	6.85%	GROWTH	23,494,121.93		Unencumbered
				22,107,765.83	-	-	1,386,356.10			23,494,121.93		
STANLIB												
10-Apr-00	ON CALL	Call deposit	53967019	6,825,924.68		0.00	455,428.08	Variable	700369888	7,281,352.76		Unencumbered
				6,825,924.68	0.00	0.00	455,428.08			7,281,352.76		
RAND MERCHANT BANK												
02-Aug-00	Unit Trusts		RU 502221102	7,491,946.16			477,663.13	13.25%	GROWTH	7,969,609.29		Unencumbered
01-Oct-98	Money Market		RU500456214	51,112,458.84			3,258,771.12	6.07%	GROWTH	54,371,229.96		Unencumbered
12-Nov-98	Unit Trusts		RU500433509	37,848,391.24			2,413,095.40	14.76%	GROWTH	40,261,486.64		Unencumbered
				96,452,796.24	0.00		6,149,529.65			102,602,325.89	0.00	
NEDBANK STRUCTURED DEPOSIT SINKING FUND R800M TO PROVIDE FOR A BOND CAPITAL EMM03												
			26536155	765,225,587.82				8.24%	GROWTH	765,225,587.82	765,225,587.82	Encumbered
18-Dec-12	01-May-24	29-Jul-23	26536155		5,268,832.97		5,528,073.51	8.24%		10,796,906.48	10,796,906.48	Encumbered
18-Dec-12	01-May-24	31-Aug-23	26536155		5,268,832.97		5,080,502.34	8.24%		10,349,335.31	10,349,335.31	Encumbered
18-Dec-12	01-May-24	29-Sep-23	26536155		5,268,832.97		5,503,310.14	8.24%		10,772,143.11	10,772,143.11	Encumbered
18-Dec-12	01-May-24	29-Oct-23	26536155		5,268,832.97		5,578,697.44	8.24%		10,847,530.41	10,847,530.41	Encumbered
18-Dec-12	01-May-24	01-Nov-23	26536155			34,931,167.03	5,472,205.47	8.24%		-29,458,961.56	-29,458,961.56	Encumbered
18-Dec-12	01-May-24	29-Dec-23	26536155		4,741,949.68		5,272,691.62	8.24%		10,014,641.30	10,014,641.30	Encumbered
18-Dec-12	01-May-24	29-Jan-24	26536155		4,741,949.68		5,696,551.26	8.24%		10,438,500.94	10,438,500.94	Encumbered
18-Dec-12	01-May-24	29-Feb-24	26536155		4,741,949.68		5,411,212.63	8.24%		10,153,162.31	10,153,162.31	Encumbered
18-Dec-12	01-May-24	29-Mar-24	26536155		4,741,949.68		5,297,310.10	8.24%		10,039,259.78	10,039,259.78	Encumbered
				765,225,587.82	40,043,130.60	34,931,167.03	48,840,554.51			819,178,105.90	819,178,105.90	

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

2024.04.30

ITEM A-F (22-2024)

NEDBANK STRUCTURED DEPOSIT SINKING FUND R2 BILLION DBSA												
30-Jun-23	30-Jun-25		66294929	8,558,161.16				11.74%		8,558,161.16	8,558,161.16	Encumbered
30-Jun-23	30-Jun-25	25-Jul-23	66294929		8,558,161.16		67,234.31			8,625,395.47	8,625,395.47	Encumbered
30-Jun-23	30-Jun-25	25-Aug-23	66294929		8,558,161.16		167,396.08			8,725,557.24	8,725,557.24	Encumbered
30-Jun-23	30-Jun-25	26-Sep-23	66294929		8,558,161.16		260,539.20			8,818,700.36	8,818,700.36	Encumbered
30-Jun-23	30-Jun-25	25-Oct-23	66294929		8,558,161.16		316,479.81			8,874,640.97	8,874,640.97	Encumbered
30-Jun-23	30-Jun-25	27-Nov-23	66294929			28,886,647.28	452,163.43			-28,434,483.85	-28,434,483.85	Encumbered
30-Jun-23	30-Jun-25	27-Dec-23	66294929		8,558,161.16		142,994.49			8,701,155.65	8,701,155.65	Encumbered
30-Jun-23	30-Jun-25	25-Jan-24	66294929		8,558,161.16		217,522.95			8,775,684.11	8,775,684.11	Encumbered
30-Jun-23	30-Jun-25	26-Feb-24	66294929		8,558,161.16		328,272.63			8,886,433.79	8,886,433.79	Encumbered
30-Jun-23	30-Jun-25	25-Mar-24	66294929		8,558,161.16		365,429.43			8,923,590.59	8,923,590.59	Encumbered
				8,558,161.16	68,465,289.28	28,886,647.28	2,318,032.33			50,454,835.49	50,454,835.49	
ABSA BANK STRUCTURED DEPOSIT SINKING FUND R2 BILLION DBSA												
30-Jul-24	30-Jun-25	30-Jul-23	178286025		18,539,097.00			11.53%		18,539,097.00	18,539,097.00	Encumbered
30-Jul-24	30-Jun-25	28-Aug-23	178286025		18,539,097.00		175,705.00	11.53%		18,714,802.00	18,714,802.00	Encumbered
30-Jul-24	30-Jun-25	28-Sep-23	178286025		18,539,097.00		341,306.23	11.53%		18,880,403.23	18,880,403.23	Encumbered
30-Jul-24	30-Jun-25	30-Oct-23	178286025		18,539,097.00	79,000,000.00	585,217.00	11.53%		-59,875,686.00	-59,875,686.00	Encumbered
30-Jul-24	30-Jun-25	28-Nov-23	178286025		18,539,097.00		(34,277.00)	11.53%		18,504,820.00	18,504,820.00	Encumbered
30-Jul-24	30-Jun-25	28-Dec-23	178286025		18,539,097.00		135,254.10	11.53%		18,674,351.10	18,674,351.10	Encumbered
30-Jul-24	30-Jun-25	29-Jan-24	178286025		18,539,097.00		359,165.05	11.53%		18,898,262.05	18,898,262.05	Encumbered
30-Jul-24	30-Jun-25	28-Feb-24	178286025		18,539,097.00		462,945.86	11.53%		19,002,042.86	19,002,042.86	Encumbered
30-Jul-24	30-Jun-25	28-Mar-24	178286025		18,539,097.00		631,035.39	11.53%		19,170,132.39	19,170,132.39	Encumbered
				0.00	166,851,873.00	79,000,000.00	2,656,351.63			90,508,224.63	90,508,224.63	
RAND AIRPORT												
				4,000,000.00						4,000,000.00		Entities
MUNICIPAL ENTITIES												
10-Mar-99				106.00						100.00		Entities
				106.00		0.00				100.00		
			TOTAL INVESTME	903,170,341.73	275,360,292.88	142,817,814.31	61,806,252.30			1,097,519,066.60	960,141,166.02	

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

2024.04.30

ITEM A-F (22-2024)

6.3.4 Creditors

The outstanding creditors as at end 31 March 2024 are the following;

DETAILS	Sum of Invoice Amt	Sum of Current	Sum of 30 Days +	Sum of 60 Days +
ESKOM	2,652,515,948	2,652,515,948		
RAND WATER	888,931,484	888,931,484		
EAST RAND WATER CARE COMPANY	258,125,664	123,979,456	134,091,251	54,957
GAUTENG PROVINCIAL GOVERNMENT - ECONC	98,317,640	98,317,640		
OTHER SUPPLIERS	816,712,458	508,438,551	257,480,607	50,793,300
Grand Total	4,714,603,193	4,272,183,078	391,571,858	50,848,257

The table above shows all the major creditors and 3rd party payments are within 30 days. The outstanding creditors that are longer than 30 days are due to late responses on invoice queries and low collection of revenue. Invoices are paid only when they are valid. All invalid invoices are sent back to Departments and services providers for correction.

6.3.6. Cost Containment

The Municipal Cost Containment Regulations, 2019 issued through Government Gazette number 42514, dated 7 June 2019 require regular disclosure of cost containment efforts. The table below shows the extent of cost containment during the 2023/24 third quarter.

Description	Budget Year 2023/24						
	Original Budget	Revised Budget	Budget for Q	Actual for Q	YearTD budget	YearTD actual	% spent
	R	R			R	R	
Advertising Costs	4,365,043	4,236,683	1,062,907	308,474	3,130,698	717,190	23%
Catering services	4,876,058	4,344,693	1,346,016	608,557	3,574,373	1,700,633	48%
Entertainment	-	-	-	-	-	-	0%
Printing & Stationery	22,088,568	20,583,179	5,131,334	2,631,997	16,341,521	6,520,399	40%
Professional services/Consultants	286,228,838	388,305,402	106,915,326	132,439,143	235,563,292	194,109,207	82%
Special Events(WAQ)	10,253,698	12,076,778	3,061,322	1,342,596	8,960,100	5,797,315	65%
Staff study - Internal bursaries	609,217	609,217	152,307	(30,518)	456,921	(287,203)	-63%
Travel & Accomodation - Domestic	2,009,464	1,079,464	94,864	87,163	999,592	309,018	31%
Travel & Accomodation - Foreign	2,000,010	1,200,010	662,505	82,843	1,537,510	82,843	5%
Workshops(WAD)	7,131,757	11,961,148	3,849,873	918,344	7,390,384	2,580,702	35%
TOTAL	339,562,653	444,396,574	122,276,454	138,388,598	277,954,391	211,530,103	76%

The table above shows that the city overspent by 13.17% R16.1 million Of the budget on these expenditure items. The year-to-date costs contained amount to R66.4 million or 24% of the year-to-date budget. Efforts will be made to maintain this positive pattern.

CITY OF EKURHULENI METROPOLITAN MUNICIPALITY
ORDINARY COUNCIL MEETING

2024.04.30

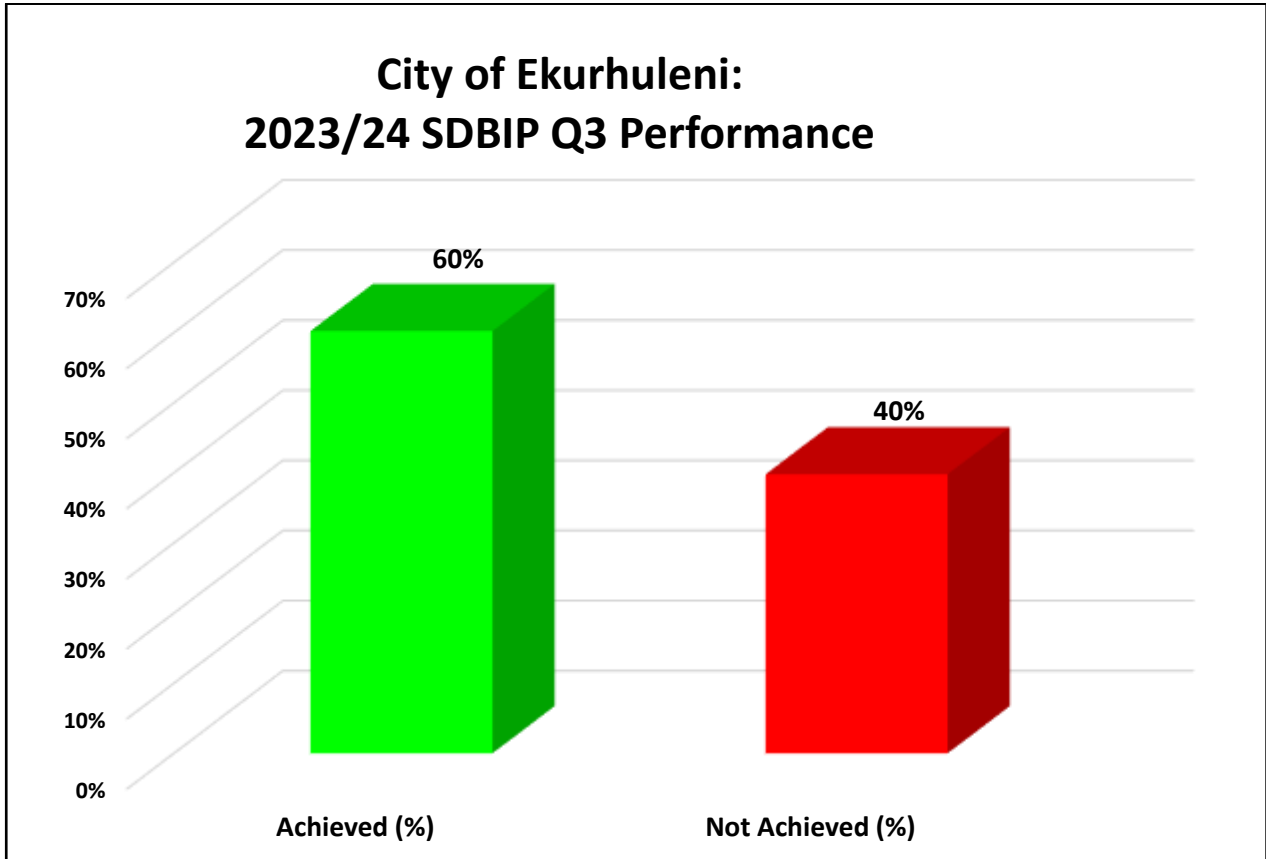
ITEM A-F (22-2024)

SUMMARY OF THE UNAUDITED QUARTERLY SDBIP REPORT: QUARTER THREE OF THE 2023/24 FINANCIAL YEAR

SUMMARY OF THE THIRD QUARTER NON-FINANCIAL PERFORMANCE INFORMATION

CITY-WIDE PERFORMANCE

FIGURE 1: CITY-WIDE 2023/24 QUARTER 3 PERFORMANCE



The City committed to a total of 93 targets in the third quarter of the 2023/24 financial year against these commitments, 56 (60%) targets were achieved and 37 (40%) were not achieved. The committed targets were contributed by the twenty-one (21) departments and one (1) entity for the metro wide SDBIP. Of the twenty-one (21) departments and one (1) entity that committed to the targets, eleven (11) departments achieved hundred per cent (100%) and seven (7) achieved less than 50%. The entity that was due for reporting, i.e., ERWAT and three (3) departments, i.e., Real Estate, Service Delivery Coordination and EP MO achieved nil per cent (0%) of their targets during the reporting quarter.

CITY OF EKURHULENI METROPOLITAN MUNICIPALITY
ORDINARY COUNCIL MEETING

2024.04.30

ITEM A-F (22-2024)

FIGURE 2: CITY-WIDE 2023/24 QUARTER 3 PERFORMANCE PER CLUSTER

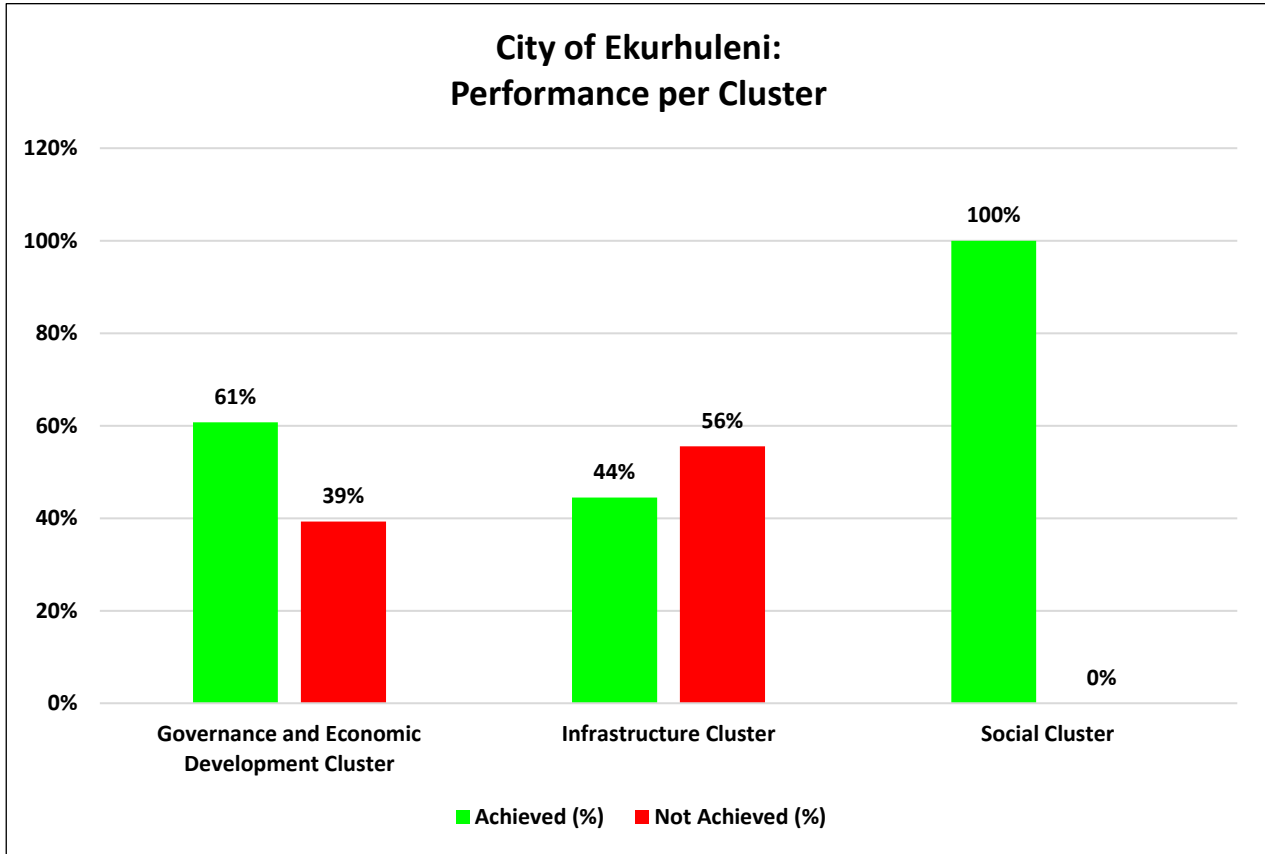


Figure 2. above presents the quarterly performance against the targets set for quarter 3 of the 2023/24 financial year per cluster. The figure shows that the Social Cluster recorded the highest performance of hundred per cent (100%) target achievement followed by the Governance and Economic Development Cluster at sixty-one per cent (61%) target achievement. Infrastructure Cluster recorded forty-four per cent (44%) achievement.

CITY OF EKURHULENI METROPOLITAN MUNICIPALITY
ORDINARY COUNCIL MEETING

2024.04.30

ITEM A-F (22-2024)

FIGURE 3: CITY-WIDE QUARTER 3 PERFORMANCE BY GDS THEMATIC AREAS

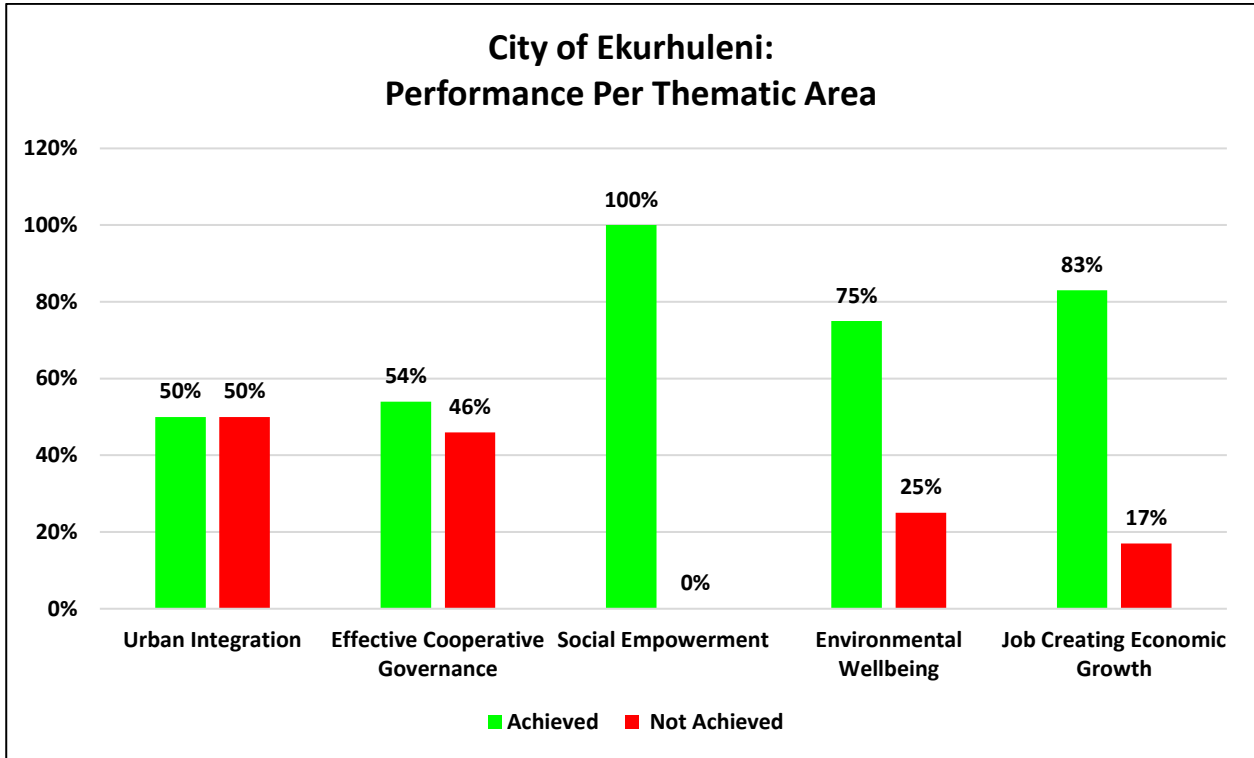


Figure 3. above presents the organisational performance against targets set within specific Thematic Areas of the Growth and Development Strategy (GDS) 2055. The performance on targets that were planned to be delivered over the period under review is summarised as follows:

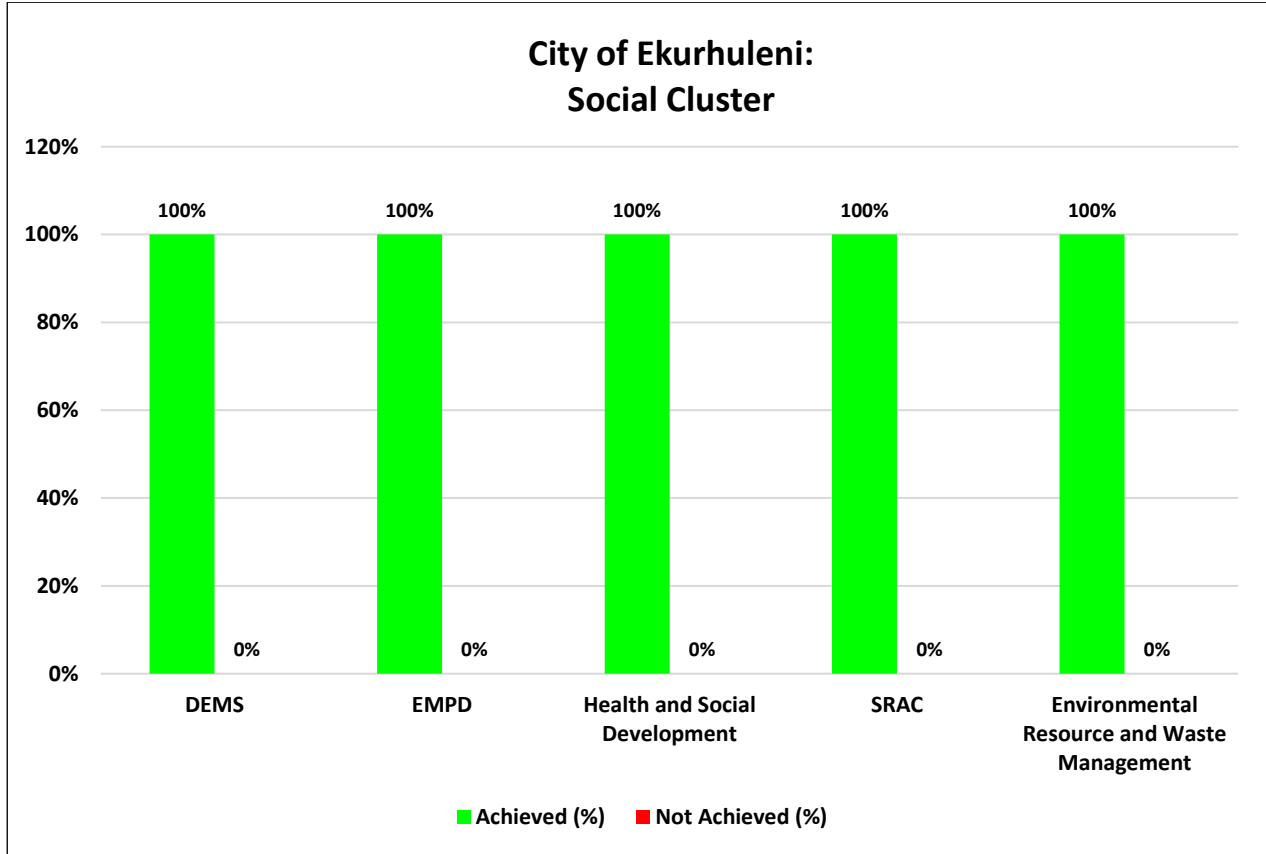
- The highest performance was recorded at hundred per cent (100%) target achievement for the Social Empowerment (10 targets) GDS Thematic Areas.
- The second highest performance was recorded for targets that were planned for the Job Creating Economic Growth GDS Thematic Area. Eighty-three per cent (83%) of their targets that were planned for the quarter were achieved.
- The third highest performance was recorded for Environmental Wellbeing GDS Thematic Area in which seventy-five per cent (75%) of their planned targets were achieved.
- The Effective Cooperative Governance, and Urban Integration GDS Thematic Areas both achieved fifty-four per cent (54%) and fifty per cent (50%) of their planned targets, respectively.

CITY OF EKURHULENI METROPOLITAN MUNICIPALITY
ORDINARY COUNCIL MEETING

2024.04.30

ITEM A-F (22-2024)

FIGURE 4: CITY-WIDE QUARTER 3 PERFORMANCE ACROSS SOCIAL CLUSTER



Social Cluster

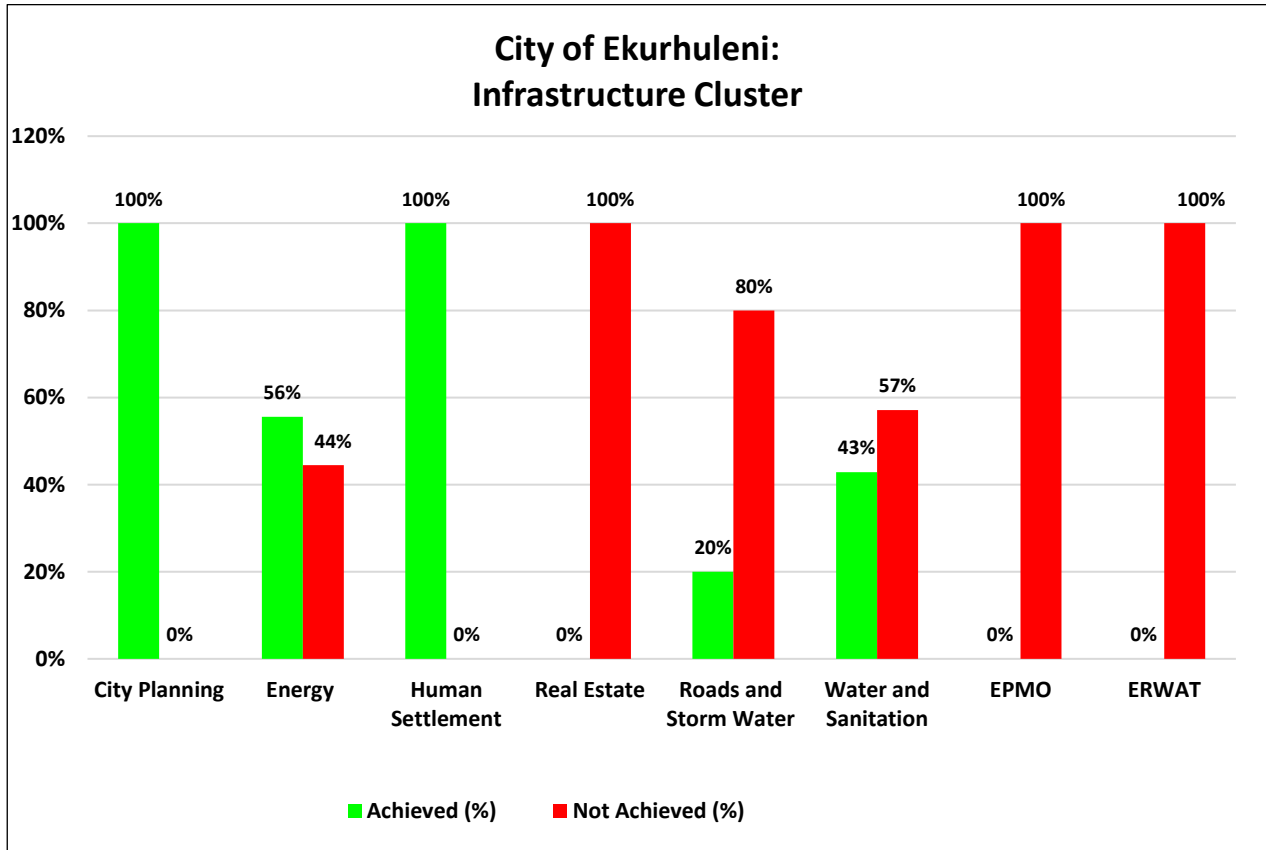
The Social Cluster committed to a total of ten (10) targets and all ten (10) targets were achieved which translate to 100%. All departments achieved 100% of their planned targets. These departments are Disaster and Emergency Management Services, Health and Social Development, Ekurhuleni Metro Police Department, Sports, Recreation, Arts and Culture and Environmental Resource and Waste Management.

CITY OF EKURHULENI METROPOLITAN MUNICIPALITY
ORDINARY COUNCIL MEETING

2024.04.30

ITEM A-F (22-2024)

FIGURE 5: CITY-WIDE QUARTER 3 PERFORMANCE ACROSS INFRASTRUCTURE CLUSTER



Infrastructure Cluster

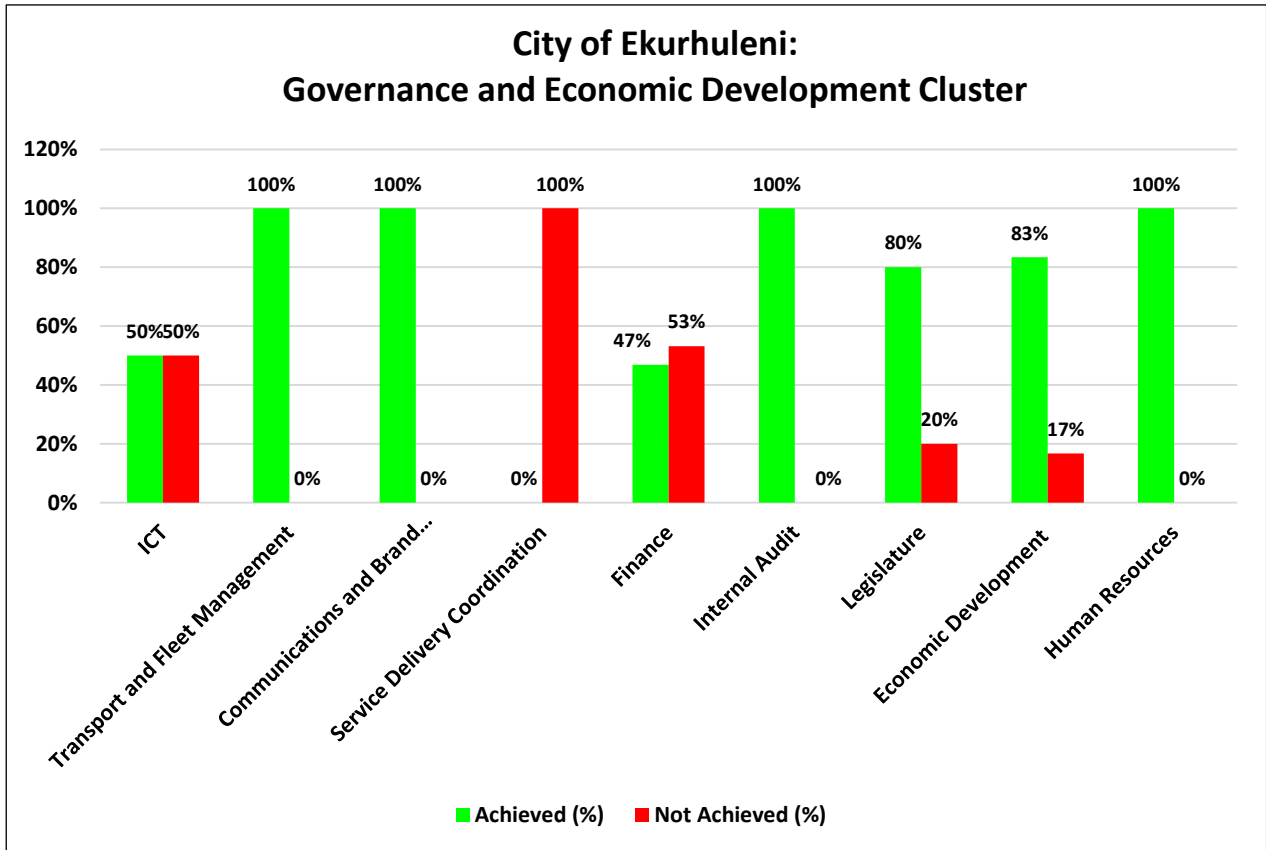
The cluster committed to a total of 27 targets and of those targets, 12 (44%) were achieved. City Planning and Human Settlement departments achieved 100% of their planned targets. The second highest performing department in this cluster is Energy department which achieved 56% of their planned targets, followed by Water and Sanitation at 43% and Roads and Storm Water department achieved 20% of their planned targets. Real Estate, EPMO, and ERWAT achieved 0% of their planned targets.

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

2024.04.30

ITEM A-F (22-2024)

FIGURE 6: CITY-WIDE QUARTER 3 PERFORMANCE ACROSS GOVERNANCE AND ECONOMIC DEVELOPMENT CLUSTER



Governance and Economic Development Cluster

The performance of the cluster was measured against fifty-six (56) targets that were planned to be met during the quarter under review. A total of 34 (61%) targets were achieved and 22 (39%) were not achieved. Four (4) departments (Transport and Fleet Management, Communications and Brand Management, Internal Audit and Human Resources) achieved 100% of their set targets. The second highest performing department in this cluster is Economic Development which achieved eighty-three per cent (83%) of its targets, followed by Legislature with eighty per cent (80%). ICT and Finance departments achieved fifty per cent (50%) and forty-seven per cent (47%) of their planned targets, respectively. While Service Delivery Coordination department achieved nil per cent (0%) of its planned targets.

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

2024.04.30

ITEM A-F (22-2024)

HIGHLIGHTS FOR 2023/24 SDBIP QUARTER THREE PERFORMANCE

During the current period under review, the key focus included the improvement of the quality of targeted services to informal settlements. 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.

7.1 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 189 school programmes during the reporting period engaging with children on leading active and positive lives for their own development.
- 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 0.2% at Q3 which is well below the National Indicators of 2%.

Safety and security across the City continue to be a high priority. 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 44 planned by-law enforcement policing operations were implemented in Q3 while 130 interventions to reduce crime and related incidents were implemented at this quarter.

7.2 JOB CREATION

The City recognises unemployment, poverty, homelessness as fundamental challenges human development, restoration of human dignity which are being addressed as part of people's government. Unemployment has continued to be a challenge, and this undermines expectations for increased employment opportunities. In pursuit of addressing this challenge at a local level, the City has created 344 work opportunities through public employment programmes (incl. EPWP, CWP and other related employment programmes).

8. ORGANISATIONAL AND HUMAN RESOURCE IMPLICATIONS

None

9. FINANCIAL IMPLICATIONS

None

10. LEGAL IMPLICATIONS

The report is compiled in accordance with the requirements of the MFMA and Municipal Budget and Reporting Regulations.

11. COMMUNICATION IMPLICATION

The contents of the report must be communicated to National and Provincial Treasuries.

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

2024.04.30

ITEM A-F (22-2024)

The Marketing and Brand Management Department will ensure that the report is placed on the official website of Council.

12. 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.

13. RECOMMENDATIONS

1. **That** the report on the Unaudited Financial and Performance Results of the City of Ekurhuleni for the Third Quarter of the 2023/24 financial year as required in terms of Section 52(d) of the Municipal Finance Management Act **BE NOTED**.
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 third quarter of the 2023/24 financial year, and supporting documents as required by National Treasury (Schedule C) as at 31 March 2024, **IS SUBMITTED** to Council.
3. **That** in order to comply with Section 31(1) of the Government Gazette No 32141 of 17 April 2009, this report **BE SUBMITTED** to the National Treasury and the Gauteng Provincial Treasury within five days of tabling of the report in the Council, in both a Council approved document and in electronic format.
4. **That** the report on the Financial and Performance Results for quarter three of the 2023/24 financial year **BE REFERRED** to the relevant Section 79 Oversight Committees.