

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

2024.07.25

ITEM A-F (35-2024)

CITY OF EKURHULENI (CoE): UNAUDITED FINANCIAL AND PERFORMANCE RESULTS FOR THE FOURTH QUARTER OF THE 2023/24 FINANCIAL YEAR (PERIOD: APRIL – JUNE 2024)

1. PURPOSE

To report to Council, the Unaudited Financial and Performance Results of the City of Ekurhuleni (CoE), for the **Fourth Quarter** of the 2023/24 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. WARD/S AFFECTED

All wards are affected.

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 Fourth Quarter of the 2023/24 Financial Year.

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Description	Budget Year 2023/24			Reporting month of June 2024		Quarterly variance %	YTD variance %
	Annual Budget	Budget Quarter 4	Actual Quarter 4	Year to date budget	Year to date actuals		
	R	R	R	R	R		
Exchange Revenue							
Service charges - electricity revenue	22,881,906,663	5,080,239,583	4,761,264,348	22,881,906,663	19,737,897,405	-6%	-14%
Service charges - water revenue	6,552,633,456	1,576,626,395	1,782,780,550	6,552,633,456	6,887,785,471	13%	5%
Service charges - sanitation revenue	4,687,505,648	1,189,816,396	1,097,918,700	4,687,505,648	4,356,755,272	-8%	-7%
Service charges - refuse revenue	1,810,348,336	453,911,644	347,956,171	1,810,348,336	1,538,744,742	-23%	-15%
Sale of Goods and Rendering of Services	187,434,915	55,124,083	162,886,036	187,434,915	411,536,289	195%	120%
Interest earned from Receivables	1,015,740,367	190,244,712	269,069,901	1,015,740,367	1,046,330,617	41%	3%
Interest earned from Current and Non Current Assets	154,430,989	48,150,401	42,027,658	154,430,989	165,089,196	-13%	7%
Dividends received	-	-	62,440	-	87,869	0%	0%
Rental from Fixed Assets	144,690,714	37,341,678	39,856,580	144,690,714	158,308,637	7%	9%
Operational Revenue	96,580,309	41,737,969	37,097,036	96,580,309	185,069,023	-11%	92%
Non-Exchange Revenue							
Property rates	8,480,921,428	2,227,253,175	2,223,585,832	8,480,921,428	8,744,400,872	0%	3%
Fines, penalties and forfeits	814,746,803	202,629,830	367,411,994	814,746,803	570,683,472	81%	-30%
Licences and permits	325,611,570	81,402,900	74,671,711	325,611,570	329,710,220	-8%	1%
Transfers and subsidies- Operational	6,291,698,745	240,248,836	281,732,984	6,291,698,745	6,062,845,676	17%	-4%
Interest	275,880,610	117,307,876	75,476,700	275,880,610	280,689,335	-36%	2%
Fuel Levy	1,839,016,000	-	-	1,839,016,000	1,839,016,000	0%	0%
Other Gains	-	-	1,486,174	-	13,914,295	0%	0%
Total Revenue (excluding capital transfers and contributions)	55,559,146,553	11,542,035,478	11,565,284,814	55,559,146,553	52,328,864,391	0%	-6%
Expenditure By Type							
Employee related costs	11,579,882,257	2,851,800,047	2,665,695,362	11,579,882,257	10,617,772,459	-7%	-8%
Remuneration of councillors	164,361,355	43,429,393	37,903,526	164,361,355	158,376,570	-13%	-4%
Debt impairment	6,083,068,269	1,520,767,020	1,427,138,851	6,083,068,269	5,251,663,247	-6%	-14%
Depreciation & asset impairment	3,078,889,307	2,980,929,482	2,816,016,008	3,078,889,307	2,907,260,087	-6%	-6%
Finance charges	1,546,189,557	787,406,973	471,635,690	1,546,189,557	1,076,718,015	-40%	-30%
Bulk purchases - electricity	17,943,097,118	4,735,637,072	5,660,598,655	17,943,097,118	16,761,127,035	20%	-7%
Inventory consumed	6,276,259,415	1,488,154,391	1,153,799,290	6,276,259,415	6,058,675,833	-22%	-3%
Contracted services	6,145,199,759	1,685,874,604	1,865,014,189	6,145,199,759	6,109,678,946	11%	-1%
Transfers and subsidies	678,145,675	178,933,443	244,211,044	678,145,675	638,607,317	36%	-6%
Irrecoverable debts written off	12,264,875	6,575,597	21,469,934	12,264,875	60,093,545	227%	390%
Other expenditure	1,580,485,557	423,148,740	313,325,553	1,580,485,557	1,507,269,847	-26%	-5%
Loss on disposal of PPE	-	-	602,598	-	2,128,185	0%	0%
Other Losses	-	-	290,149,583	-	307,620,817	0%	0%
Total Expenditure	55,087,843,144	16,702,656,762	16,967,560,285	55,087,843,144	51,456,991,904	2%	-7%
Surplus/(Deficit)	471,303,409	(5,160,621,284)	(5,402,275,470)	471,303,409	871,872,487		

The **Operating Income** budgeted for the **4th Quarter** ended 30th June 2024 was R11.542 billion. The actual income is R23.2 million less than budgeted.

The **Operating Income** budgeted for the **2023/24 financial year** was R55.559 billion. The actual income is R52.328 billion. The actual income for the year is R3.230 billion (6%) less than budgeted.

The **Operating Expenditure** budgeted for the **4th Quarter** ended 30th June 2024 was R16.702 billion. The actual expenditure is R16.967 billion which resulted in a deviation of R264.9 million less than budgeted.

The **Operating Expenditure** budgeted for the **2023/24 financial year** was R55.087 billion. The actual expenditure is R51.456 billion, which is R3.630 billion (7%) 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 Fourth Quarter of the 2023/24 Financial Year is **R2.266 billion**, which represents a spending of 82.09% of the total capital budget of R2.760 billion. It is important to note that the outstanding commitments at the end of June 2024 amounted to R4.1 million. The actual

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expenditure plus commitments for the Fourth Quarter amounts to **R2.270 billion**, which represents 82.24% of the capital budget.

The last day for submission of invoices was on 12th July 2024 as per the Financial Year-end plan. Finance Department is currently accruing all the invoices submitted, and it is expected that by the time the Annual Financial Statements are completed, the final capex would have increased.

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

5.3 Collection Rate

The Collection Rate for the **Fourth Quarter** ended 30th June 2024 is 91.21% which is above the quarterly target of 90%. The annual collection to date is 90.01%.

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%
Q4	2023-24	Jun-24	9 268 052 754	8 453 642 922	91.21%	90.00%
			38 099 638 597	34 292 899 051	90.01%	90.00%

5.4. Bank balance and Cash on hand

The City had a bank balance of R569 446 914,92 at the end of June 2024. The Cash on hand balance declined to **11 days** against the 2023/24 SDBIP target of 25 days, due to the repayment of bullet loans of R880million on 30th June 2024. The cash on hand for the past Four Quarters of the current year is as follows:

Quarter 1 - 12 days,
Quarter 2 – 15 days,
Quarter 3 – 21 days; and
Quarter 4 – 11 days

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 –

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- (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 the Fourth Quarter of 2023/24 Financial Year;

Annexure B: Detailed Capital Expenditure Reports for the Fourth Quarter of 2023/24 Financial Year; and

Annexure C: Detailed Performance Report (Pre-Determined Measurable Performance Targets for the Fourth 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 Fourth Quarter ended 30th June 2024 is reflected in the table below.

Description	Budget Year 2023/24			Reporting month of June 2024		Quarterly variance %	YTD variance %
	Annual Budget R	Budget Quarter 4 R	Actual Quarter 4 R	Year to date budget R	Year to date actuals R		
Exchange Revenue							
Service charges - electricity revenue	22,881,906,663	5,080,239,583	4,761,264,348	22,881,906,663	19,737,897,405	-6%	-14%
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Interest earned from Receivables	1,015,740,367	190,244,712	269,069,901	1,015,740,367	1,046,330,617	41%	3%
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Operational Revenue	96,580,309	41,737,969	37,097,036	96,580,309	185,069,023	-11%	92%
Non-Exchange Revenue							
Property rates	8,480,921,428	2,227,253,175	2,223,585,832	8,480,921,428	8,744,400,872	0%	3%
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Other Gains	-	-	1,486,174	-	13,914,295	0%	0%
Total Revenue (excluding capital transfers and contributions)	55,559,146,553	11,542,035,478	11,565,284,814	55,559,146,553	52,328,864,391	0%	-6%

Analysis of Performance

The **Operating Income** budgeted for the **4th Quarter** ended 30th June 2024 was R11.542 billion. The actual income is R23.2 million less than budgeted.

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The **Operating Income** budgeted for the **2023/24 financial year** was R55.559 billion. The actual income is R52.328 billion. The actual income for the year is R3.230 billion (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.

a. Service charges:

Service charges – electricity revenue

The actual income for the Fourth Quarter is R318 million less than the budget, whilst the actual income for the **Year-to-date** is R3.144 billion less than the budget of R22.881 billion for the 2023/24 financial year, which represent a negative deviation of 14%. The deviation is due to reduced consumption resulting from high volume of cable theft, vandalism of infrastructure and less reliance by residents on the Eskom supplier network.

Service charges – water revenue

The actual income for the Fourth Quarter is R206.1 million more than the budget, whilst the actual income for **Year-to-date** is R335.1 million more than the budget of R6.552 billion for the 2023/24 financial year, which represent a positive deviation of 5%. The positive deviation was due to the significant improvement of the actual meter readings, thus reducing the interims which were based on previous consumptions.

Service charges – sanitation revenue and Sale of Goods and service

The actual income for the Fourth Quarter is R91.8 million less than the budget, whilst the actual income from sewer purification for the **Year-to-date** is R330.7 million less than the budget of R4.687 billion for the 2023/24 financial year, which represent a negative deviation of 7%. This negative deviation results from under-performance of industrial effluent charges associated with the industrial waste water and associated penalties.

Furthermore, deviation results from the ERWAT's revenue which was previously reported in the Sale of Goods and Services category, resulting in a positive deviation of R224 million for the 2023/24 financial **Year-to-date**. Removing these variants within the groups, all the movement are within the budget's limits.

Service charges – Refuse

The actual income for the Fourth Quarter is R105.9 million less than the budget , whilst the actual income from refuse removal for **Year-to-date** is R271.6 million less than the budget of R1.810 billion for the 2023/24 financial year, which represent a negative deviation of 15%. The negative deviation was due to approved indigent policy which resulted in the increased number of deemed indigents previously billed.

b. Interest earned from current and non-current assets

The actual income for the Fourth Quarter is R6.1 million less than the budget, whilst the actual interest earned current and non-current assets for the Year-to-date is R10.6 million more than

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the budget of R154.4 million for the 2023/24 financial year. A positive deviation is due to increased cash on hand balance reported by ERWAT.

c. Rental from fixed assets

The actual income for the Fourth Quarter is R2.5 million more than the quarterly budget. The budget of rental of facilities for the financial year amounted to R144.6 million whilst the actual revenue amounted to R158.3 million, thus a positive **Year-to-date** deviation of 9%. This category is inclusive of rentals from leasing of properties by Real Estate, Human Settlements and Ekurhuleni Housing Company. Positive deviation is due to increased efforts on outdoor advertising and accelerated approvals for short-term leases between 9 to 12 months that do not require Council approval. The quarterly properly rates revenue indicates no variance.

d. Operational revenue

The actual income for the Fourth Quarter is R4.6 million less than the budget, whilst the **Year-to-date** actual income from operational revenue is R88.4 million more than the budget of R96.5 million for the 2023/24 financial year, which represent a positive deviation of 92%. Over-recovery results from miscellaneous revenue charged to residents as per the sundry tariff schedules.

e. Fines, Penalties and Forfeits

The actual income for the Fourth Quarter is R164.7 million more than the budget, the **Year-to-date** actual revenue is R244 million less than the budget of R814.7 million for the 2023/24 financial year. This category is inclusive of traffic fines. Traffic fines budget includes the non-cash item amounting to R697.5 million for the year, being GRAP accrual which has been partially journalised in preparation for the year end processes.

6.1.2 Expenditure by type

The expenditure performance for the Fourth Quarter ended 30 June 2024 is reflected in the table below.

Description	Budget Year 2023/24			Reporting month of June 2024		Quarterly variance %	YTD variance %
	Annual Budget	Budget Quarter 4	Actual Quarter 4	Year to date budget	Year to date actuals		
	R	R	R	R	R		
Expenditure By Type							
Employee related costs	11,579,882,257	2,851,800,047	2,665,695,362	11,579,882,257	10,617,772,459	-7%	-8%
Remuneration of councillors	164,361,355	43,429,393	37,903,526	164,361,355	158,376,570	-13%	-4%
Debt impairment	6,083,068,269	1,520,767,020	1,427,138,851	6,083,068,269	5,251,663,247	-6%	-14%
Depreciation & asset impairment	3,078,889,307	2,980,929,482	2,816,016,008	3,078,889,307	2,907,260,087	-6%	-6%
Finance charges	1,546,189,557	787,406,973	471,635,690	1,546,189,557	1,076,718,015	-40%	-30%
Bulk purchases - electricity	17,943,097,118	4,735,637,072	5,660,598,655	17,943,097,118	16,761,127,035	20%	-7%
Inventory consumed	6,276,259,415	1,488,154,391	1,153,799,290	6,276,259,415	6,058,675,833	-22%	-3%
Contracted services	6,145,199,759	1,685,874,604	1,865,014,189	6,145,199,759	6,109,678,946	11%	-1%
Transfers and subsidies	678,145,675	178,933,443	244,211,044	678,145,675	638,607,317	36%	-6%
Irrecoverable debts written off	12,264,875	6,575,597	21,469,934	12,264,875	60,093,545	227%	390%
Other expenditure	1,580,485,557	423,148,740	313,325,553	1,580,485,557	1,507,269,847	-26%	-5%
Loss on disposal of PPE	-	-	602,598	-	2,128,185	0%	0%
Other Losses	-	-	290,149,583	-	307,620,817	0%	0%
Total Expenditure	55,087,843,144	16,702,656,762	16,967,560,285	55,087,843,144	51,456,991,904	2%	-7%

The **Operating Expenditure** budgeted for the **4th Quarter** ended 30th June 2024 was R16.702 billion. The actual expenditure is R16.967 billion which resulted in a deviation of R264.9 million less than budgeted.

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The **Operating Expenditure** budgeted for the **2023/24 financial year** was R55.087 billion. The actual expenditure is R51.456 billion, which is R3.630 billion (7%) less than budgeted.

Analyses of expenditure performance

a. Employee related costs – inclusive of overtime expenditure

The actual expenditure for employee related costs is R186.1 million less than the budget of R2.851 billion for the Fourth Quarter, resulting in a negative deviation of 7%. The **Year-to-date** expenditure for 2023/24 financial is R962.1 million less than the budget of R11.579 billion for the 2023/24 financial year, resulting in a negative deviation of 8%. This is due to moratorium or cost cutting measures not to fill vacant positions due to the depressed liquidity limitations. The filling of vacant positions is informed by their criticality, and priority was given to positions based on revenue generation, service delivery and legal compliance.

Payment for overtime work forms part of employee related costs and the table below shows overtime payment per department/entity for the 4th quarter as well as for the 2023/24 financial year:

Description	Budget Year 2023/24			Reporting month of June 2024		Quarterly variance %	YTD variance %
	Annual Budget	Budget Quarter 4	Actual Quarter 4	Year to date budget	Year to date actuals		
	R	R	R	R	R		
SERVICE DELIVERY CO-ORDINATION	6,941,289	1,824,877	1,752,079	6,941,289	6,938,787	-4%	0%
CITY PLANNING	13,217	6,434	(6,481)	13,217	-	-100%	-100%
COMMUNICATION & BRANDING	20,952	-	-	20,952	-	-100%	-100%
CORPORATE LEGAL	222,024	75,948	53,391	222,024	211,521	-30%	-5%
DISASTER AND EMERGENCY MANAGEMENT SERV	11,511,140	2,849,338	2,839,338	11,511,140	9,585,146	0%	-17%
ECONOMIC DEVELOPMENT	1,629,215	432,686	455,039	1,629,215	1,667,055	5%	2%
EKURHULENI METRO POLICE DEPARTMENT	437,928,443	127,429,298	122,153,893	437,928,443	473,962,172	-4%	8%
ENERGY	104,383,464	18,036,965	27,807,731	104,383,464	101,141,677	54%	-3%
ENVIRONMENTAL RESOURCE MANAGEMENT	73,732,804	10,375,062	36,920,687	73,732,804	114,810,008	256%	56%
ERWAT	33,212,979	8,492,874	8,925,833	33,212,979	28,764,289	5%	-13%
EXECUTIVE OFFICE	21,987	-	-	21,987	-	-100%	-100%
FINANCE	23,312,722	5,632,761	6,018,239	23,312,722	22,217,373	7%	-5%
HEALTH AND SOCIAL DEVELOPMENT	7,838,709	2,193,049	1,928,890	7,838,709	7,650,965	-12%	-2%
HUMAN RESOURCES	891,493	245,783	87,333	891,493	634,197	-64%	-29%
HUMAN SETTLEMENTS	525,389	100,389	132,998	525,389	512,802	32%	-2%
INFORMATION COMMUNICATION TECHNOLOGY	397,658	169,164	169,164	397,658	325,248	0%	-18%
LEGISLATURE	1,477,536	262,103	262,103	1,477,536	941,024	0%	-36%
REAL ESTATE	3,507,050	770,109	291,271	3,507,050	1,116,955	-62%	-68%
ROADS AND STORMWATER	12,610,160	4,927,460	2,472,406	12,610,160	10,957,956	-50%	-13%
SPORTS, RECREATION, ARTS AND CULTURE	9,037,462	1,921,030	792,137	9,037,462	2,492,394	-59%	-72%
STRATEGY & CORPORATE PLANNING	1,001,477	550,374	239,508	1,001,477	1,010,598	-56%	1%
TRANSPORT	9,458,946	1,583,749	2,310,626	9,458,946	8,975,619	46%	-5%
WATER AND SANITATION	88,964,664	22,864,194	22,795,033	88,964,664	83,404,319	0%	-6%
Grand Total	828,640,780	210,743,648	238,401,219	828,640,780	877,320,104	13%	6%

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

- Overall, Fourth Quarter overtime paid is R238.4 million against the budget of R210.7 million. This is 13% above budget amount;
- **Year-to-date** overtime paid is R48.6 million above budget of R828 million; and
- Although some Departments have exceeded their overtime budgets to date (Economic Development, EMPD, Environmental Resources & Waste Management and Strategy),

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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 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 straight-line bases per budget. The accurate actual provisions will only be made at the end of the financial year when all entries have been made.

c. Finance charges

The deviation of R315.7 million on finance charges in the Fourth Quarter of 2023/24 financial year relates to interest on loans to finance the capital projects. The **Year-to-date** expenditure for 2023/24 financial is 469.4 million less than the budget of R1.546 million for the 2023/24 financial year, resulting in a negative deviation of 30%. The interest on annual employee benefits has not yet been accounted for as they await actuarial valuations which will be done as part of year-end processes.

d. Bulk purchases – electricity

The actual expenditure for the Fourth Quarter is R924.9 million more than the budget, whilst the **Year-to-date** expenditure for 2023/24 financial is R1.181 billion less than the budget of R17.943 billion for the 2023/24 financial year, resulting in a negative deviation of 7%. The expenditure is expected to increase as the final invoices are being processed in preparation for financial year-end

e. Inventory consumed

The actual expenditure for the Fourth Quarter is R334.3 million less than the budget, whilst the **Year-to-date** expenditure for 2023/24 financial is R217.5 million less than the budget of R6.276 billion for the 2023/24 financial year, resulting in a negative deviation of 3%. The expenditure is expected to increase as the final invoices are being processed in preparation for financial year-end.

Repairs and maintenance – included in inventory consumed and contracted services

The mSCOA Framework does not accommodate for Repairs and Maintenance as a type of expenditure and category. These expenditure is embedded in the various categories and form part of the inventory consumed and contracted services.

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

Repairs and maintenance for 2023/24

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Description	Budget Year 2023/24			Reporting month of June 2024		Quarterly variance %	YTD variance %
	Annual Budget	Budget Quarter 4	Actual Quarter 4	Year to date budget	Year to date actuals		
	R	R	R	R	R		
CITY PLANNING	35,024,208	10,490,422	3,159,989	35,024,208	32,849,179	-70%	-6%
DISASTER AND EMERGENCY MANAGEMENT SERVICES	1,175,909	240,535	62,985	1,175,909	150,760	-74%	-87%
ECONOMIC DEVELOPMENT	6,416,098	3,754,314	195,558	6,416,098	930,357	-95%	-85%
EHC	3,614,419	181,138	421,354	3,614,419	2,040,379	133%	-44%
EKURHULENI METRO POLICE DEPARTMENT	522,993	-	26,522	522,993	26,522	-100%	-95%
ENERGY	1,019,467,534	263,362,506	220,618,004	1,019,467,534	1,052,338,587	-16%	3%
ENVIRONMENTAL RESOURCE AND WASTE MANAGEMENT	102,166,440	26,797,440	36,791,699	102,166,440	75,222,940	37%	-26%
ERWAT	149,394,355	37,578,049	69,098,679	149,394,355	161,971,344	84%	8%
HEALTH AND SOCIAL DEVELOPMENT	4,753,607	1,279,109	219,010	4,753,607	292,585	-83%	-94%
HUMAN SETTLEMENTS	8,954,829	3,223,882	3,177,704	8,954,829	6,437,488	-1%	-28%
INFORMATION COMMUNICATION TECHNOLOGY	424,759,486	158,689,870	179,927,926	424,759,486	392,283,889	13%	-8%
REAL ESTATE	77,731,085.00	20,149,682.00	35,933,771.00	77,731,085.00	65,500,650.50	78%	-16%
ROADS AND STORMWATER	424,094,250.00	66,231,976.06	65,041,206.52	424,094,250.00	394,920,053.59	-2%	-7%
SPORTS, RECREATION, ARTS AND CULTURE	24,169,906.00	1,834,397.40	4,955,795.64	24,169,906.00	6,990,144.68	170%	-71%
TRANSPORT	170,780,753.00	42,617,714.60	71,498,354.66	170,780,753.00	162,100,902.62	68%	-5%
WATER AND SANITATION	401,336,021.00	115,165,989.40	111,990,304.69	401,336,021.00	286,450,894.68	-3%	-29%
Grand Total	2,854,361,893	750,602,774	803,118,863	2,854,361,893	2,640,506,676	7%	-7%

f. Transfers and subsidies

The actual expenditure for the Fourth Quarter is R65.2 million more than the budget, whilst the **Year-to-date** expenditure for 2023/24 financial is R39.5 million less than the budget of R6278.1 million, resulting in a negative deviation of 6%. The deviation is as a result of under-expenditure on grant-in-aid for Community Development Enterprise Programme and ablution facilities for informal settlements. Expenditure is expected to increase as the final invoices are being processed in preparation for financial year-end.

g. Irrecoverable debt

The actual expenditure for the Fourth Quarter is R14.8 million more than the budget, whilst the **Year-to-date** expenditure for 2023/24 financial is R47.8 million more than the budget of R12.2 million. This was as a result of bad debts written off by entities.

h. Other expenditure

The actual expenditure for the Fourth Quarter is R109.8 million less than the budget, whilst the **Year-to-date** expenditure for 2023/24 financial is R73.2 million less than the budget of R1.580 billion, resulting in a negative deviation of 5%. 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 Fourth Quarter of the 2023/24 Financial Year is **R2.266 billion**, which represents a spending of 82.09% of the total capital budget of R2.760 billion. It is important

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to note that the outstanding commitments at the end of June 2024 amounted to R4.1 million. The actual expenditure plus commitments for the Fourth Quarter amounts to **R2.270 billion**, which represents 82.24% of the capital budget.

The last day for submission of invoices was on 12th July 2024 as per the Financial Year-end plan. Finance Department is currently accruing all the invoices submitted, and it is expected that by the time the Annual Financial Statements are completed, the final capex would have increased.

The actual **spending per Department or Municipal Entity** is indicated in the following table.

	Sum of Original Budget	Sum of Adjusted Budget	Sum of Actual: June 2024	Sum of Actual Expenditure Year to Date	Sum of Plus: Expenditure Commitments on Solar (Stores Orders, etc.)	Sum of Actual Expenditure Plus Commitments on Solar	% Spent (Actual vs Adjusted Budget)	% Spent (Actual Expenditure Plus Commitments)
Council General	8 500 000	-	-	-	-	-	0,00%	0,00%
Disaster & Emergency Management Services	32 000 000	31 169 163	11 980 531	27 904 071	-	27 904 071	89,52%	89,52%
Economic Development	24 650 000	24 650 000	1 306 662	14 695 332	-	14 695 332	59,62%	59,62%
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	11 087 762	19 092 037	-	19 092 037	78,86%	78,86%
Energy	555 439 499	632 631 643	136 718 497	601 396 012	547	601 396 558	95,06%	95,06%
Environmental Resources & Waste Management	54 100 000	76 502 040	4 659 960	65 984 028	1 094 569	67 078 597	86,25%	87,68%
ERWAT	127 646 091	135 616 091	25 968 393	134 742 781	-	134 742 781	99,36%	99,36%
Health and Social Development	4 248 000	3 500 000	2 398 598	2 997 698	-	2 997 698	85,65%	85,65%
Human Settlements	500 091 000	374 529 511	108 966 130	313 964 262	-	313 964 262	83,83%	83,83%
Information and Communication Technology	213 000 000	226 830 837	49 358 843	167 558 843	2 581 159	170 140 002	73,87%	75,01%
Real Estate	56 444 474	56 444 474	1 806 320	33 438 193	-	33 438 193	59,24%	59,24%
Roads and Stormwater	255 640 123	241 140 123	69 077 796	166 942 500	-	166 942 500	69,23%	69,23%
Service Delivery Coordination	25 000 000	25 000 000	-	17 665 579	-	17 665 579	70,66%	70,66%
Sport Recreation Arts and Culture	24 575 000	27 075 000	1 569 343	20 520 834	-	20 520 834	75,79%	75,79%
Transport Planning & Provision	287 956 831	303 627 999	20 513 894	171 795 287	-	171 795 287	56,58%	56,58%
Water and Sanitation	587 000 000	577 000 000	151 665 465	507 151 620	499 238	507 650 858	87,89%	87,98%
Grand Total	2 767 670 180	2 760 341 150	597 078 194	2 265 912 562	4 175 513	2 270 088 075	82,09%	82,24%

The actual Capital Expenditure plus commitments are funded as follows:

Source of Funding (Refinanced)	Sum of Original Budget	Sum of Adjusted Budget	Sum of Actual: June 2024	Sum of Actual Expenditure Year to Date	Sum of Plus: Expenditure Commitments on Solar (Stores Orders, etc.)	Sum of Actual Expenditure Plus Commitments on Solar	% Spent (Actual vs Adjusted Budget)	% Spent (Actual Expenditure Plus Commitments)
ISUPG	733 197 000	736 030 000	165 626 243	669 990 724	-	669 990 724	91,03%	91,03%
NDPG	53 590 000	53 590 000	13 592 382	29 949 748	-	29 949 748	55,89%	55,89%
Provincial Grant	11 823 000	11 823 000	55 200	9 891 980	-	9 891 980	83,67%	83,67%
PTNG	277 956 831	296 127 999	18 182 849	168 629 762	-	168 629 762	56,94%	56,94%
Revenue	355 669 727	442 192 529	118 516 410	344 384 183	4 174 966	348 559 150	77,88%	78,83%
USDG	1 335 433 622	1 220 577 622	281 105 109	1 043 066 165	547	1 043 066 712	85,46%	85,46%
Grand Total	2 767 670 180	2 760 341 150	597 078 194	2 265 912 562	4 175 513	2 270 088 075	82,09%	82,24%

The amount spent on **grant funded** projects amounts to R1.921 billion which represents **82.89%** of the total **Fourth Quarter** actual spending of R2.270 billion. As mentioned above, this is not an accurate reflection of the spending of the funds received. The table below shows accurate spending.

Spending of grants received and spent.

This section of the report deals with the unspent grants from the previous year, the grants received in the current year, the spent portion of these grants as well as the remaining balances.

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Name of Grant	EMM Responsible Department	Unspent Funds - 22/23 Opening Balances 23/24	Surrenders to National / Provincial Treasury / Appropriation to revenue	Accumulated Receipts for the Financial year	Expenditure for the Month JUN'24	Accumulated Expenditure for the Financial year	Balance Available	% Spent
NATIONAL / DORA GRANTS - OPERATING								
Finance Management Grant (FMG)	Finance	-	-	1 000 000,00	414 799,93	(972 836,84)	27 163,16	97,28%
TOTAL		-	-	1 000 000,00	414 799,93	(972 836,84)	27 163,16	97,28%
Equitable Share - Electricity	Energy	-	-	974 332 761,36	-	(974 332 761,36)	-	100,00%
Equitable Share - Solid Waste	Waste Management	-	-	806 660 771,46	-	(806 660 771,46)	-	100,00%
Equitable Share -Water and Wastewater	Water & Sanitation	-	-	2 389 951 506,04	-	(2 389 951 506,04)	-	100,00%
Equitable Share - Finance	Finance	-	-	984 734 860,85	-	(984 734 860,85)	-	100,00%
Fuel Levy - Finance	Finance	-	-	1 839 016 000,00	-	(1 839 016 000,00)	-	100,00%
TOTAL		-	-	6 994 695 899,71	-	(6 994 695 899,71)	-	100,00%
NATIONAL / DORA GRANTS - CAPITAL								
Urban Settlement Development Grant (USDG)	Human Settlements	-	-	1 225 757 000,00	271 838 735,52	(1 036 335 349,47)	189 421 650,53	84,55%
Public Transport Network Grant (PTNG)	Transport	-	-	683 213 000,00	27 208 329,92	(445 998 070,65)	237 214 929,35	65,28%
Neighborhood Development Partnership Grant (NDPG)	Human Settlements	-	-	51 940 000,00	6 514 091,34	(22 851 819,91)	29 088 180,09	44,00%
NDPG- Public Employment Programme (PEP)	Economic Development	58 447 899,72	(58 447 899,72)	144 630 000,00	36 197 258,95	(127 449 538,64)	17 180 461,36	88,12%
Energy efficiency and Demand-Side Management Grant	Energy	-	-	8 000 000,00	-	(6 382 960,03)	1 617 139,97	79,79%
Expanded Public Works Programme (EPWP)	Economic Development	-	-	31 646 000,00	6 137 150,77	(31 486 115,47)	159 884,53	99,49%
Informal Settlement Upgrading Partnership Grant (ISUPG)	Human Settlements	-	-	773 030 000,00	159 428 801,44	(670 801 671,38)	102 228 328,62	86,78%
Programme & Project Preparation Support Grant (PPPSG)	EPMO	-	-	107 731 000,00	15 912 537,68	(99 825 355,16)	7 905 644,84	92,66%
TOTAL		58 447 899,72	(58 447 899,72)	3 025 947 000,00	523 236 905,62	(2 441 130 780,71)	584 816 219,29	80,67%
PROVINCIAL GRANTS - OPERATING								
SETA	Human Resources	-	-	15 978 870,38	9 437 719,81	(9 818 918,05)	6 159 952,33	61,45%
HIV/AIDS Grant	Health & Social Development	3 676 576,73	(3 676 576,73)	19 751 000,00	2 324 084,76	(19 094 355,18)	656 644,82	96,68%
Recapitalisation of Community Libraries and Libraries Plan	SRAC - Libraries	-	-	22 346 000,00	3 478 602,71	(15 633 743,64)	6 712 256,36	69,96%
Human Settlement Development Grant (HSDG)	Human Settlements	91 279 698,54	-	-	20 448 203,97	(51 385 088,62)	39 894 609,92	56,29%
TOTAL		94 956 275,27	(3 676 576,73)	58 075 870,38	35 688 611,25	(95 932 105,49)	53 423 463,43	64,23%
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		58 447 899,72	(58 447 899,72)	10 021 642 899,71	523 651 705,6	(9 436 799 517,26)	584 843 382,45	94,16%
Total Provincial Grants + Subsidies		94 956 275,27	(3 676 576,73)	237 245 870,38	35 688 611,25	(275 102 105,49)	53 423 463,43	83,74%
GRAND TOTAL		153 404 174,99	(62 124 476,45)	10 258 888 770,09	559 340 316,80	(9 711 901 622,75)	638 266 845,88	93,83%

The final unspent grants at the beginning of the 2023/24 financial year amounted to R153.4 million. Of the R153.4 million of the roll-over applications submitted to both National and Provincial Treasury, R91.3 million was approved and R62.1 million was rejected. Of the R62.1 million rejected, R58.4 million was offset against equitable share and R3.7 million was returned to the Provincial Revenue Fund.

The YTD receipts for the reporting period amounted to R10.3 billion (including fuel levy). The preliminary expenditure as at the end of June 2024 is R9.7 billion which represents 93.83%. The total unspent funds (including final 2022/23 unspent grants) at the end of June 2024 is R638,7 billion.

Also, it should be noted that after the accrual process is concluded all unspent funds (excluding SETA grant) will be subjected to a roll-over process, the deadline for both Provincial Grants and for National Grants is the 31st August 2024.

6.3. Other Financial Performance Matters

6.3.1. Collection level

The combined (CoE and Eskom supply areas) Collection Rate for the **Fourth Quarter** ended 30th June 2024 is 91.21% which is above 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 25.64% (in 2022/23, was 20.88%). Moreover, the City pays Eskom the full subsidy to Eskom for registered

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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.
- **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 Fourth Quarter of 2023/24 Financial Year are follows:

Quarter	Year	Period	Net Billed	Receipts	%	Target
Q4	2023-24	Apr-24	3 157 705 034	2 653 838 689	84,04%	90.00%
Q4	2023-24	May-24	3 188 449 315	2 914 423 536	91,41%	90.00%
Q4	2023-24	Jun-24	2 921 898 405	2 885 380 697	98,75%	90.00%
			9 268 052 754	8 453 642 922	91,21%	90.00%

Collection Rate per CCA for the Fourth Quarter (April – June 2024)

Area	Total Levied (Including Adjustment)	Receipts	Achieved Quarter %	SDBIP Target	SUMMARY	
					Period	Jun-24
					Jun-24	Jun-24
		Q4			Jun-24	Jun-24
Alberton	1 010 333 803	885 489 863	87,64%	90%	-25 874 496	87,44%
Benoni	876 375 203	782 027 899	89,23%	90%	16 032 614	91,83%
Boksburg	1 299 046 850	1 154 231 480	88,85%	90%	-59 806 416	85,40%
Brakpan	425 778 705	349 497 138	82,08%	90%	-29 759 290	83,01%
Edenvale	514 126 486	517 011 716	100,56%	90%	33 963 690	96,61%
Germiston	2 089 715 943	1 711 998 712	81,92%	90%	-91 827 412	85,61%
Kempton Park	2 069 631 927	2 094 845 261	101,22%	90%	147 447 429	97,12%
Nigel	311 103 623	281 622 881	90,52%	90%	-4 391 313	88,59%
Springs	671 940 215	676 917 972	100,74%	90%	20 386 886	93,03%
Total	9 268 052 754	8 453 642 922	91,21%	90%	784 341	90,01%

The quarterly revenue collection performance is 91.21% in comparison with quarterly target of 90%. The quarterly target was achieved and reflects over performance of 1.21%. The city will continue to implement rigorous debts recovery process and implementation of revenue blitz and the removal of illegal connection within the city.

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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.

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	625 868	331 901	309 886	263 662	265 202	232 583	1 583 802	5 601 016	9 213 920
Trade and Other Receivables from Exchange Transactions - Electricity	1300	1 534 838	260 343	116 844	89 659	61 275	66 778	344 520	945 400	3 419 657
Receivables from Non-exchange Transactions - Property Rates	1400	619 600	242 276	189 030	154 502	159 046	133 519	860 769	3 052 458	5 411 200
Receivables from Exchange Transactions - Waste Water Management	1500	208 421	107 399	96 840	81 396	83 058	72 674	515 935	1 529 867	2 695 590
Receivables from Exchange Transactions - Waste Management	1600	147 523	66 306	55 956	49 552	47 782	44 309	309 829	1 366 979	2 088 235
Receivables from Exchange Transactions - Property Rental Debtors-BP866	1700	2 882	4 428	4 255	299 288	-	-	-	-	310 853
Interest on Arrear Debtor Accounts	1810	114 358	120 108	117 087	105 015	102 701	99 376	575 344	1 759 240	2 993 229
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-
Other	1900	56 124	43 995	25 884	26 842	13 695	13 632	83 470	544 094	807 734
Total By Income Source	2000	3 309 613	1 176 757	915 781	1 069 915	732 759	662 870	4 273 670	14 799 053	26 940 418
Debtors Age Analysis By Customer Group										
Organs of State	2200	88 491	54 311	28 578	9 875	7 332	6 042	31 204	53 606	279 439
Municipal		11	3	3	0	7	0	1	14	41
Commercial	2300	1 855 197	364 711	196 487	148 230	137 405	119 260	713 888	2 432 038	5 967 215
Households	2400	1 357 908	750 337	684 232	904 647	582 855	532 493	3 493 158	12 009 468	20 315 099
Other	2500	8 006	7 396	6 482	7 162	5 159	5 075	35 419	303 926	378 624
Total By Customer Group	2600	3 309 613	1 176 757	915 781	1 069 915	732 759	662 870	4 273 670	14 799 053	26 940 418

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

- Outstanding consumer debtors amounts to R26,9 billion with R 21,5 billion in arrears in excess of 90 days;
- Outstanding debtors in excess of 90 days represents 79,9% or R21,5 billion of total debtors;
- Water service debtors represent 36,9% 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 75.41% of total outstanding debtor balance, translating into 81.36% 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 30 June 2024.

- Unencumbered: 136 171 520.27
- Encumbered: 108 893 885.62
- In entities (Rand Airport) 4 000 100.00

Total investments as per register **249 065 505.89**

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COMMEN-CING DATE	MATURITY DATE	INVESTMENT MADE /WITHDRAWAL DATE	TYPE OF INVESTMENT	ACCOUNT / CERT NUMBER	OPENING BALANCE 1.07.2022	INVESTMENT MADE	INVESTMENT WITHDRAWN	INTEREST ACCRUED / EARNED	INTEREST RATE	REFERENC E IN LEDGER	BALANCE 30.06.2024	ENCUMBERED	En/Unencumbered
INVESTEC BANK													
13-Nov-98	ON CALL	Call deposit	ENCUMBERED DEP.	138799500	22 107 765,83			1 859 801,15	6,85%	GROWTH	23 967 566,98		Unencumbered
					22 107 765,83	-	-	1 859 801,15			23 967 566,98		
STANLIB													
10-Apr-00	ON CALL	Call deposit	MONEY MARKET FUND	53967019	6 825 924,68		0,00	615 223,51	Variable	700369888	7 441 148,19		Unencumbered
					6 825 924,68	0,00	0,00	615 223,51			7 441 148,19		
RAND MERCHANT BANK													
02-Aug-00	Unit Trusts		GUARANTEED TRUST	RU 502221102	7 491 946,16			645 477,74	13,25%	GROWTH	8 137 423,90		Unencumbered
01-Oct-98	Money Market		MONEY MARKET FUND	RU500456214	51 112 458,84			4 403 656,62	6,07%	GROWTH	55 516 115,46		Unencumbered
12-Nov-98	Unit Trusts		GUARANTEED TRUST	RU500433509	37 848 391,24			3 260 874,50	14,76%	GROWTH	41 109 265,74		Unencumbered
					96 452 796,24	0,00		8 310 008,86			104 762 805,10	0,00	
NEDBANK STRUCTURED DEPOSIT SINKING FUND R800M TO PROVIDE FOR A BOND CAPITAL EMM03													
			OPENING BALANCE	26536155	765 225 587,82				8,24%	GROWTH	765 225 587,82	765 225 587,82	Encumbered
18-Dec-12	02-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	02-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	02-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	02-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	02-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	02-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	02-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	02-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	02-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
18-Dec-12	02-May-24	29-Apr-24		26536155		4 741 949,68	835 458 050,32	11 537 994,74	8,24%		-819 178 105,90	-819 178 105,90	Encumbered
					765 225 587,82	44 785 080,28	870 389 217,35	60 378 549,25			0,00	0,00	

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COMMEN-CING DATE	MATURITY DATE	INVESTMENT MADE /WITHDRAWAL DATE	TYPE OF INVESTMENT	ACCOUNT / CERT NUMBER	OPENING BALANCE 1.07.2022	INVESTMENT MADE	INVESTMENT WITHDRAWN	INTEREST ACCRUED / EARNED	INTEREST RATE	REFERENC E IN LEDGER	BALANCE 30.06.2024	ENCUMBERED	En/Unencumbered
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
30-Jun-23	30-Jun-25	25-Apr-24		66294929		8 558 161,16		491 513,04			9 049 674,20	9 049 674,20	Encumbered
30-Jun-23	30-Jun-25	25-May-24		66294929		8 558 161,16	37 444 808,44	598 370,82			-28 288 276,46	-28 288 276,46	Encumbered
30-Jun-23	30-Jun-25	25-Jun-24		66294929		8 558 161,16		284 478,23			8 842 639,39	8 842 639,39	Encumbered
					8 558 161,16	94 139 772,76	66 331 455,72	3 692 394,42			40 058 872,62	40 058 872,62	
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
30-Jul-24	30-Jun-25	29-Apr-24		178286025		18 539 097,00	79 000 000,00	943 574,67	11,53%		-59 517 328,33	-59 517 328,33	Encumbered
30-Jul-24	30-Jun-25	29-May-24		178286025		18 539 097,00		293 716,70	11,53%		18 832 813,70	18 832 813,70	Encumbered
30-Jul-24	30-Jun-25	28-Jun-24		178286025		18 539 097,00		472 206,00	11,53%		19 011 303,00	19 011 303,00	Encumbered
					0,00	222 469 164,00	158 000 000,00	4 365 849,00			68 835 013,00	68 835 013,00	
RAND AIRPORT													
			SHAREHOLDING		4 000 000,00						4 000 000,00		Entities
MUNICIPAL ENTITIES													
10-Mar-99			G.G. INNER CITY HSN		106,00						100,00		Entities
					106,00		0,00				100,00		
TOTAL INVESTMENTS					903 170 341,73	361 394 017,04	1 094 720 673,07	79 221 826,19			249 065 505,89	108 893 885,62	

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6.3.4 Creditors

The outstanding creditors as at end 30 June 2024 are the following:

DETAILS	SUM
Eskom	2 728 928 188,00
Erwat	766 932 568,00
Randwater	493 014 865,00
GPT: Treasury	171 722 267,00
Other Suppliers	1 488 237 492,00
TOTAL	5 648 835 380,00

6.3.5 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 Fourth Quarter.

Description	Budget Year 2023/24			Reporting month of June 2024		YTD variance %
	Annual Budget	Budget Quarter 4	Actual Quarter 4	Year to date budget	Year to date actuals	
	R	R	R	R	R	
Advertising Costs	5,269,837	678,028	1,061,030	5,269,837	2,080,265	-60.5%
Catering services	5,812,045	1,164,789	1,051,804	5,812,045	3,169,620	-45.5%
Entertainment	566,048	104,843	5,145	566,048	126,297	-77.7%
Printing & Stationery	19,623,804	3,282,283	2,991,787	19,623,804	9,512,186	-51.5%
Professional services/Consultants	429,076,912	10,860,272	134,864,971	429,076,912	336,510,424	-21.6%
Special Events	11,654,651	2,694,551	2,224,924	11,654,651	8,022,239	-31.2%
Staff study - Internal bursaries	7,217	(449,704)	287,203	7,217	-	-100.0%
Travel & Accomodation - Domestic	1,944,891	65,573	155,189	1,944,891	1,024,542	-47.3%
Travel & Accomodation - Foreign	1,546,807	(320,806)	-	1,546,807	82,843	-94.6%
Workshops(WAD)	12,601,328	5,210,944	6,688,026	12,601,328	9,268,728	-26.4%
TOTAL	488,103,540	23,290,772	149,330,079	488,103,540	369,797,142	-24%

The table above shows that in the Fourth Quarter, the City overspent by R126 million on these expenditure items. However, the **Year-to-date** expenditure is 24% (R118.3 million) less than budgeted which indicates a positive effort towards cost containment.

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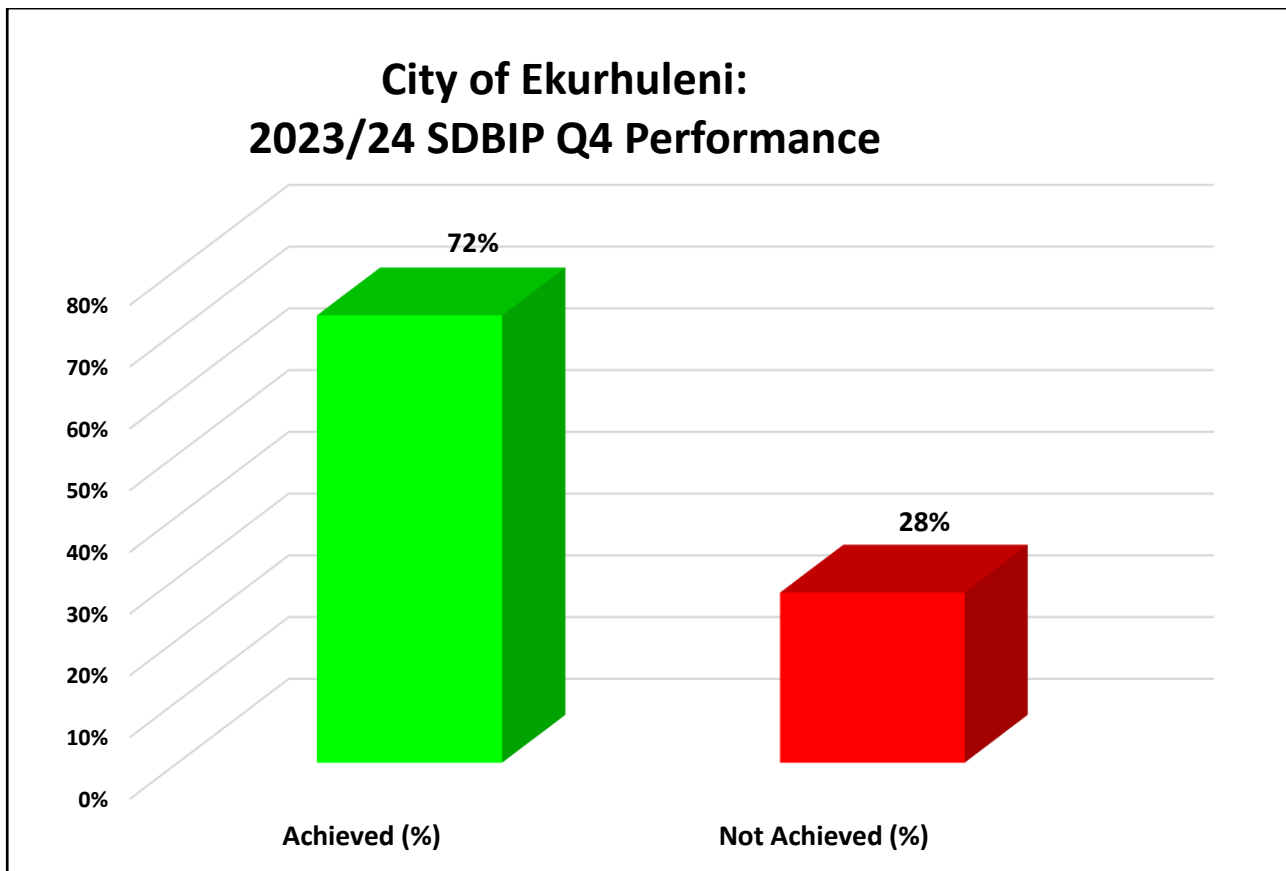
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7. SUMMARY OF THE UNAUDITED QUARTERLY SDBIP REPORT: QUARTER FOUR OF THE 2023/24 FINANCIAL YEAR

SUMMARY OF THE FOURTH QUARTER NON-FINANCIAL PERFORMANCE INFORMATION

CITY-WIDE PERFORMANCE

FIGURE 1: CITY-WIDE 2023/24 QUARTER 4 PERFORMANCE



The City committed to a total of 98 targets in the fourth quarter of the 2023/24 financial year against these commitments, 71 (72%) targets were achieved and 27 (28%) were not achieved. The committed targets were contributed by the twenty-two (22) departments and one entity for the metro wide SDBIP. Of the twenty-two (22) departments that committed to the targets, ten (10) departments achieved hundred per cent (100%) and two (2) achieved less than 50%. The entity that was due for reporting (ERWAT) achieved 100% of its targets. One (1) department, i.e., Service Delivery Coordination achieved nil per cent (0%) of its targets during the reporting quarter.

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FIGURE 2: CITY-WIDE 2023/24 QUARTER 4 PERFORMANCE PER CLUSTER

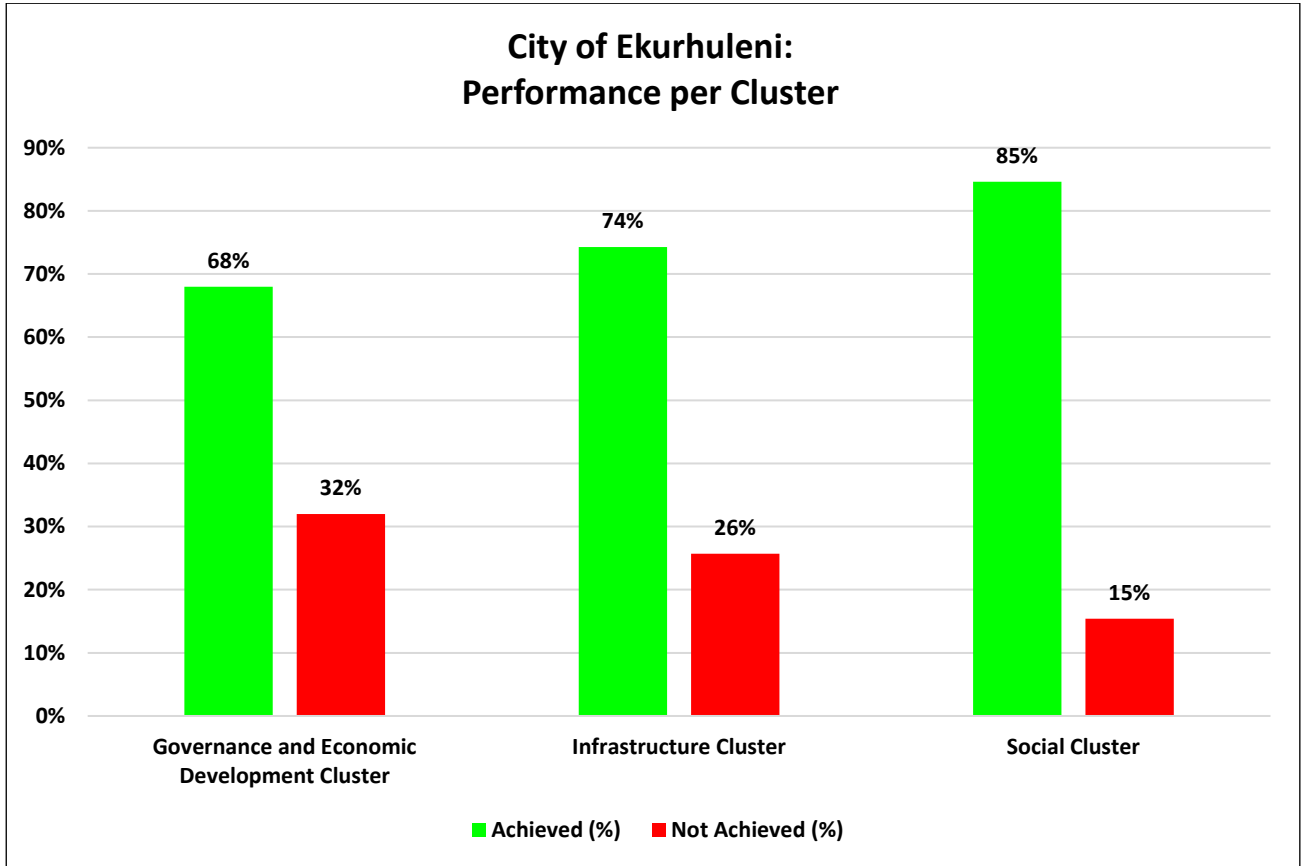


Figure 2. above presents the quarterly performance against the targets set for quarter 4 of the 2023/24 financial year per cluster. The figure shows that the Social Cluster recorded the highest performance of eighty-five per cent (85%) target achievement followed by the Infrastructure Cluster at seventy-four per cent (74%) target achievement. Governance and Economic Development Cluster recorded sixty-eight per cent (68%) achievement.

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FIGURE 3: CITY-WIDE QUARTER 4 PERFORMANCE BY GDS THEMATIC AREAS

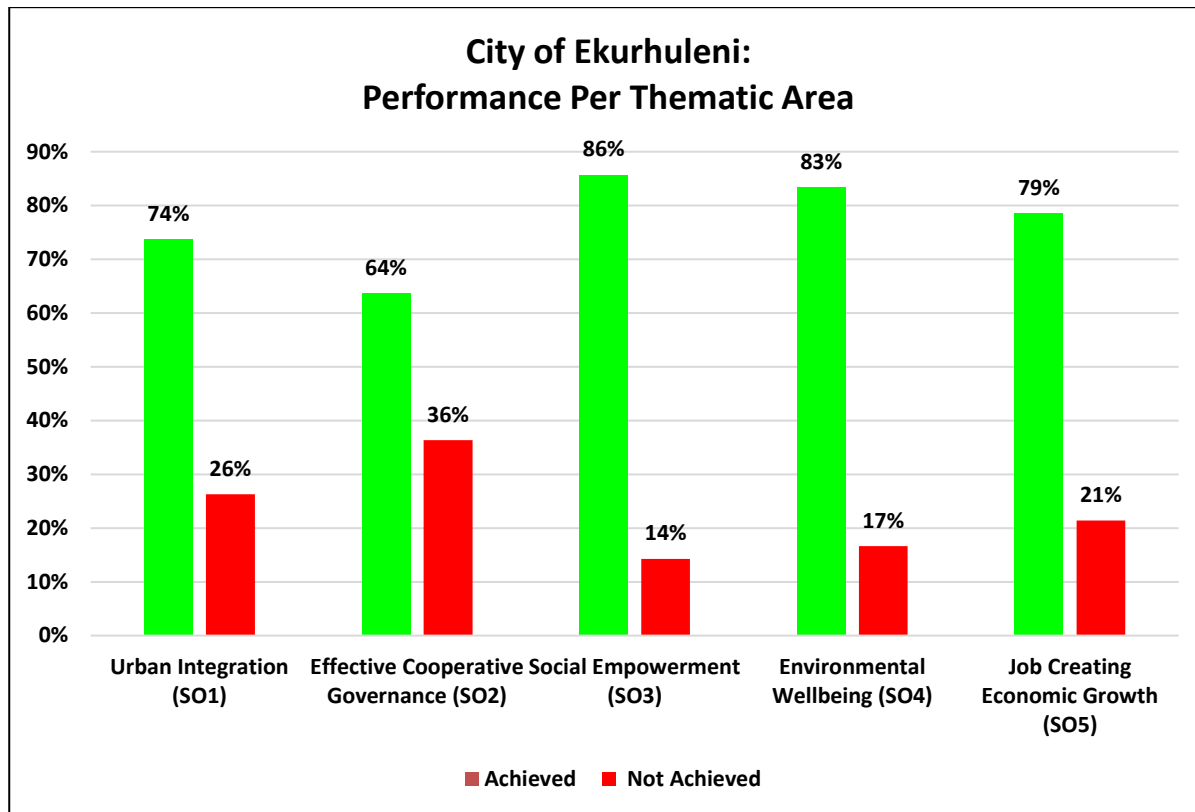


Figure 3. above presents the organisational performance against targets set within specific Thematic Areas of the Growth and Development Strategy (GDS) 2055. The performance on targets that were planned to be delivered over the period under review is summarised as follows:

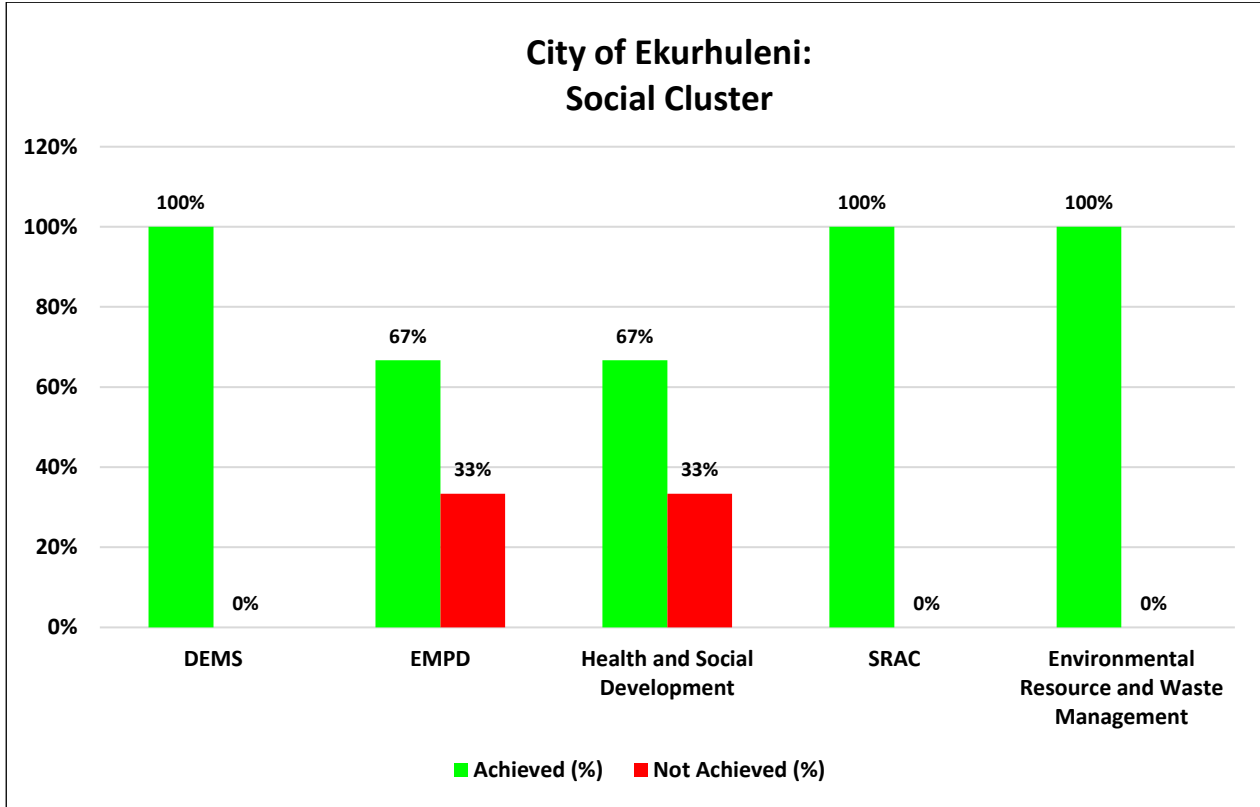
- The highest performance was recorded at eighty-six per cent (86%) target achievement for the Social Empowerment GDS Thematic Area
- The second highest performance was recorded for targets that were planned for Environmental Wellbeing Thematic Area at eighty-three per cent (83%) targets achievement.
- The third highest performance was recorded for Job Creating Economic Growth GDS Thematic Area at seventy-nine per cent (79%) achievement of their planned targets.
- The Urban Integration Thematic Area recorded a seventy-four per cent (74%) targets achievement.
- The Effective Cooperative Governance Thematic Area achieved sixty-four per cent (64%) of their targets.

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



Social Cluster

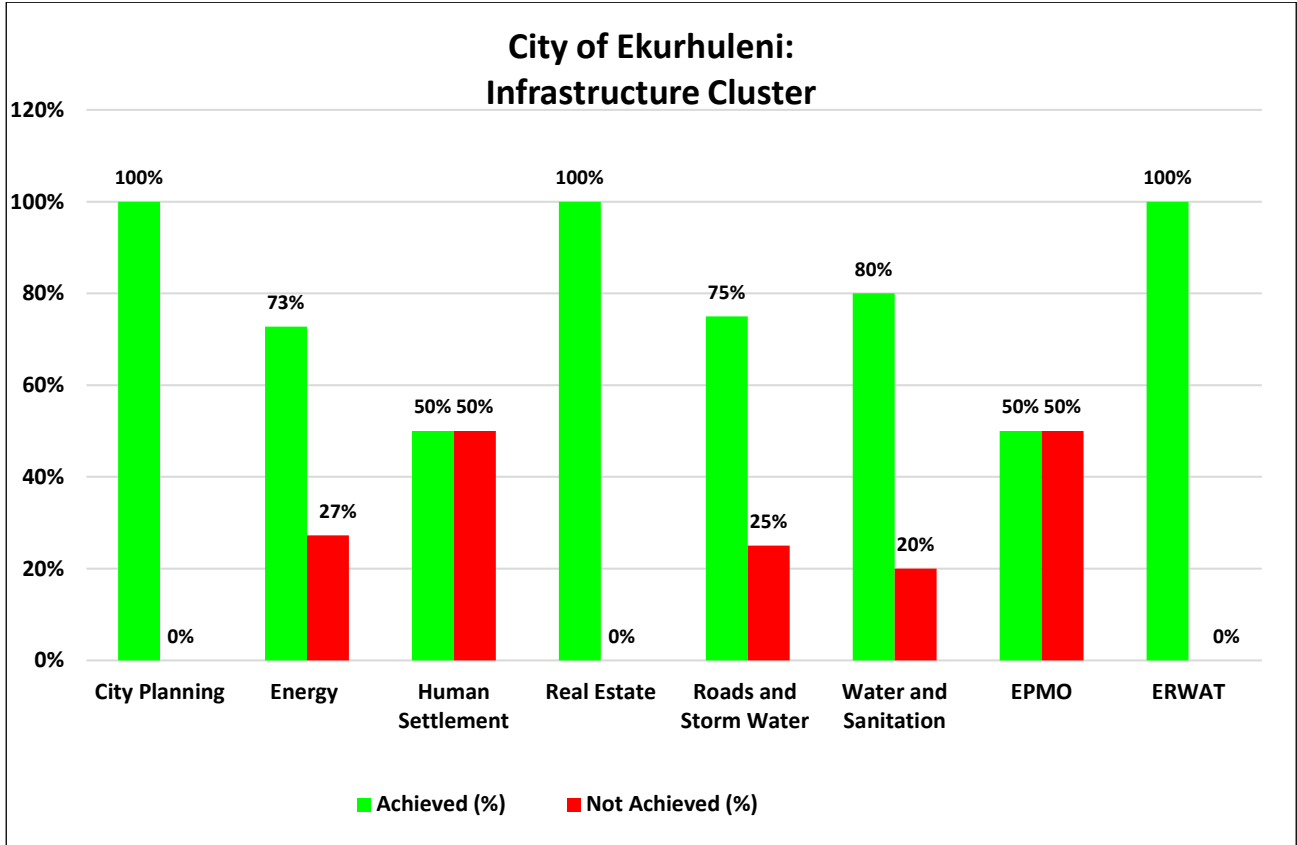
The Social Cluster committed to a total of thirteen (13) targets and eleven (11) targets were achieved which translate to eighty-five per cent (85%). Three (3) of the five departments in this cluster achieved hundred per cent (100%) of their planned targets for the quarter under review. These departments are Sports, Recreation, Arts and Culture, Environmental Resource and Waste Management, and Disaster and Emergency Management Services. Health and Social Development and Ekurhuleni Metro Police Department achieved sixty-seven per cent (67%) respectively.

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FIGURE 5: CITY-WIDE QUARTER 4 PERFORMANCE ACROSS INFRASTRUCTURE CLUSTER



Infrastructure Cluster

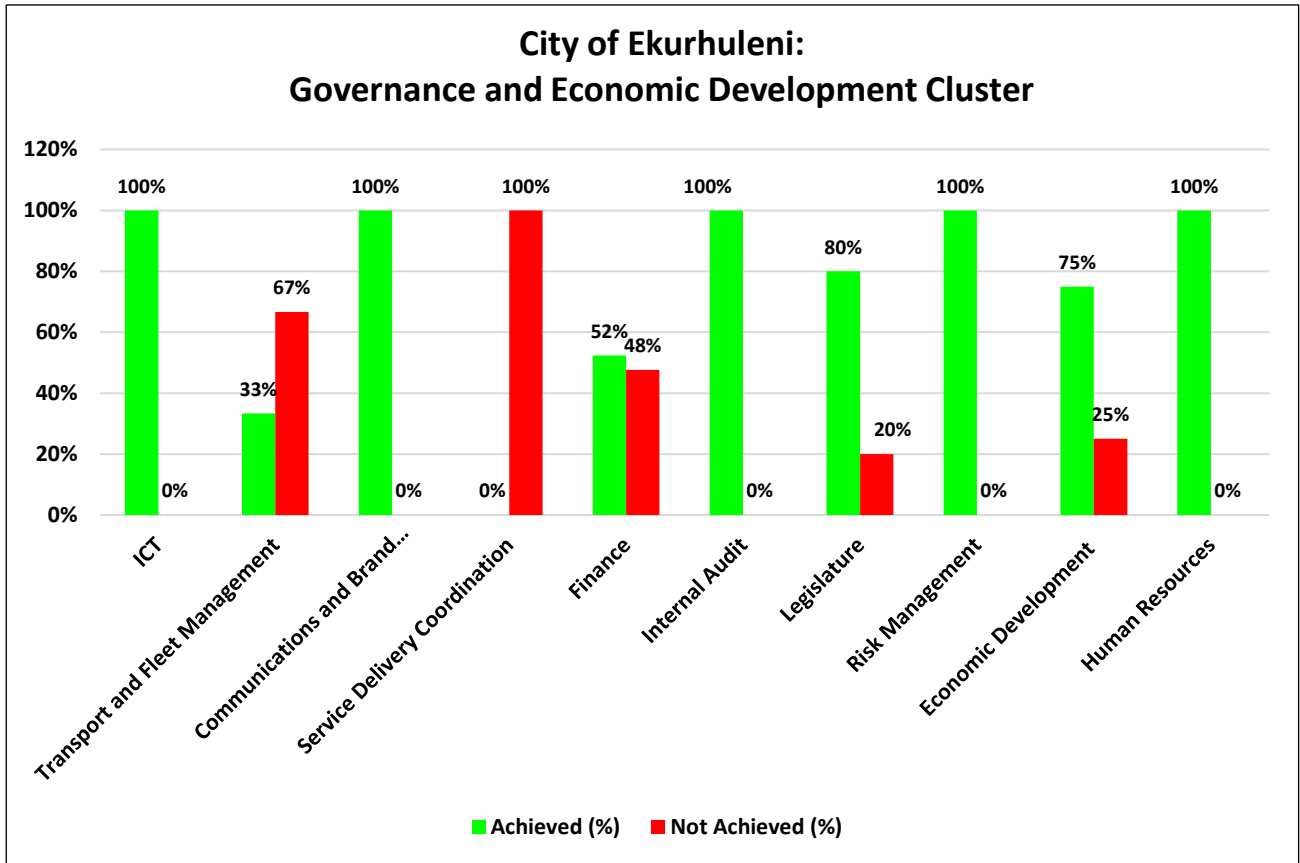
The cluster committed to a total of 35 targets and of those targets, 26 (74%) were achieved. City Planning, ERWAT and Real Estate achieved hundred per cent (100%) of their planned targets. The second highest performing department in this cluster is Water and Sanitation department which achieved eighty per cent (80%) of their planned targets. Roads and Storm Water achieved seventy-five per cent (75%), followed by Energy department at seventy-three per cent (73%). While both Human Settlement and EPMO departments achieved 50% of their planned targets.

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FIGURE 6: CITY-WIDE QUARTER 4 PERFORMANCE ACROSS GOVERNANCE AND ECONOMIC DEVELOPMENT CLUSTER



Governance and Economic Development Cluster

The performance of the cluster was measured against fifty (50) targets that were planned to be met during the quarter under review. A total of 34 (68%) targets were achieved and 16 (32%) were not achieved. Five (5) departments (Information Communication and Technology, Communications and Brand Management, Internal Audit, Risk Management, and Human Resources) achieved 100% of their set targets. The second highest performing department in this cluster Legislature which achieved eighty per cent (80%) of its targets, followed by Economic Development department at seventy-five per cent (75%). Finance and Transport and Fleet department achieved 52% and 33% respectively while Service Delivery Coordination department achieved nil per cent (0%) of its planned targets.

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HIGHLIGHTS FOR 2023/24 SDBIP QUARTER FOUR PERFORMANCE

During this period under review, the key focus was on the improvement of increased security of water supply, refuse removal services, electrification, gravelling and upgrading of roads in the informal settlements and maintenance of service levels in all areas of the City are some of the noteworthy key service delivery highlights.

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 supported 129 ECD Centres with 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 0.3% at Q4 which is well below the National Targets of 2%.
- In contributing towards the attainment of the City's developmental 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 Q4, a total of 2705 new indigent households were captured and verified as part of the process to get the finance final approval to receive the free basic services.

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 35 planned by-law enforcement policing operations were implemented in Q4 while 126 interventions to reduce crime and related incidents were implemented at this quarter.

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 3146 work opportunities through public employment programmes (incl. EPWP, CWP and other related employment programmes).

ORGANISATIONAL AND HUMAN RESOURCE IMPLICATIONS

None

FINANCIAL IMPLICATIONS

None

LEGAL IMPLICATIONS

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

COMMUNICATION IMPLICATION

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

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

8. COMMENTS FROM RELEVANT DEPARTMENTS

- 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.

9. LIST OF ANNEXURE/S

Annexure A: Departmental Operating Budget Reports for the Fourth Quarter of 2023/24 Financial Year.

Annexure B: Detailed Capital Expenditure Reports for the Fourth Quarter of 2023/24 Financial Year.

Annexure C: Detailed Performance Report (Pre-Determined Measurable Performance Targets for the Fourth Quarter of 2023/24).

10. RECOMMENDATION

1. **That** the report on the Unaudited Financial and Performance Results of the City of Ekurhuleni, for the Fourth Quarter of the 2023/24 Financial Year as required in terms of Section 52(d) of the Municipal Finance Management Act and more detailed in the Budget and Reporting Regulations, **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 Fourth Quarter of the 2023/24 Financial Year, and supporting documents as required by National Treasury (Schedule C) as at 30 June 2024, **IS SUBMITTED**.
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 Unaudited Financial and Performance Results of the City of Ekurhuleni, for the Fourth Quarter of the 2023/24 Financial Year as required in terms of Section 52(d) of the Municipal Finance Management Act and more detailed in the Budget and Reporting Regulations, **BE REFERRED** to the relevant Section 79 Oversight Committees.