

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

2025.01.30

ITEM A-F (14-2025)

THE CITY OF EKURHULENI (CoE): ADJUSTED CAPITAL AND OPERATING BUDGET 2023/24 FINANCIAL YEAR AND ADJUSTED 2024/2025 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

1. PURPOSE

The purpose of this report is to recommend that Council **approves** adjustments made to the 2024/25 SDBIP, Capital and Operating Budgets as well as grants. This report is divided into two parts as follows:

- The first part deals with adjustments to the operating and capital budgets, including conditional grants; and
- The second part covers adjustments to the city-wide and departmental Service Delivery and Budget Implementation Plans (SDBIPs).

2. STRATEGIC PRIORITY

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

3. WARDS AFFECTED

All wards.

4. IDP LINKAGE

Good Governance.

5. EXECUTIVE SUMMARY

The main adjustment budget is required by section 28 of the Municipal Finance Management Act. The factors that contributed to this adjustment are:

- Actual performance of the budget for the past six months of the financial year and re-classification of items within revenue.
- Approved roll overs of operating grants (HSDG amounting to **R6.1 million**) which has to be appropriated.
- Approved roll overs of Capital grants (Provincial Grant (SRAC) amounting to **R1 million**) which has to be appropriated.
- Reallocation of PTNG (**R50m**) from Capex to Opex;
- Reallocations between projects – acceleration of performing projects with identified savings from non-performing projects.

CONSOLIDATED	2024/25 Original Budget	YTD Actuals as at 31 Dec 2024	% Actual	Proposed Adjustments	2024/25 Budget after adjustments
Total operating revenue (excluding capital transfers and contributions)	60 672 979 527	30 412 081 199	50,12%	838 817 119	61 511 796 646
Total operating expenditure	60 071 044 819	28 008 473 292	46,63%	828 817 119	60 909 861 938
<i>Surplus/(Deficit)</i>	<i>601 934 708</i>	<i>2 403 607 907</i>		<i>10 000 000</i>	<i>611 934 708</i>
Total Capital Budget	2 910 313 343	1 037 994 716	35.67%	(11 464 927)	2 898 848 416

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The table above shows that at a consolidated level, the total operating revenue **increases** by **R838.8 million**, whilst the operating expenditure **increases** by **R828.8 million**. The operating surplus after adjustments **increases by R10 million to 611.9 million**. The reasons for changes in revenue and expenditure are elaborated in section 6.2 below.

The consolidated capital budget is **adjusted downwards by R11.4 million** from R2.910 billion to R2.898 billion as a result of roll over of grants, entities additional Revenue and reallocation of PTNG from Capex to Opex.

6. BACKGROUND AND DISCUSSION

6.1. LEGISLATIVE BACKGROUND

Section 28 of the Municipal Finance Management Act (MFMA, 56 of 2003) deals with adjustments budgets. In terms of the Act, an adjustments budget is intended to do the following:

Sub-Section 2

- a) *Must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;*
- b) *May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes [already budgeted for];*
- c) *May, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;*
- d) *May authorise the utilisation of projected savings in one vote towards spending under another vote;*
- e) *May authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;*
- f) *May correct any errors in the annual budget; and*
- g) *May provide for any other expenditure within a prescribed framework.*

Cognisance should also be taken of the requirements as set out in Chapter 4 of the Municipal Budget and Reporting Regulations, which addresses the following:

- Section 21: Formats of adjustment budget;
- Section 22: Funding of adjustment budget;
- Section 23: Timeframes for tabling of adjustment budget;
- Section 24: Submission of tabled adjustment budget;
- Section 25: Approval of adjustment budget;
- Section 26: Publication of approved adjustment budget; and
- Section 27: Submission of approved adjustment budget.

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The following Annexures are provided:

- Adjustments of the Operating Budget (Annexure A)
- Adjustments of the Capital Budget (Annexure B)
- Adjustment of the SDBIP (City-wide) (Annexure C)
- Adjustment of the SDBIP (Departmental) (Annexure D)

6.2. ADJUSTMENTS TO THE OPERATING BUDGET

The adjustments to the operating revenue and expenditure are presented in the sections below.

6.2.1. Operating revenue

The table below shows the **upward adjustments** in the operating revenue by **R838.8** million to R61.511 billion.

2024/25 Adjusted operating revenue

Description	Budget year 2024/25				
	Annual Budget - 2024/25	YTD Actual - 2024/25	% Actuals	2024/25 Proposed Adjustments	2024/25 Proposed Adjusted Budget
	R	R		R	R
> CONSOLIDATED					
Exchange Revenue					
Service charges - electricity revenue	26,092,264,765	12,119,220,211	46.45%	20,324,216	26,112,588,981
Service charges - water revenue	7,219,869,737	3,292,170,318	45.60%	(364,941,239)	6,854,928,499
Service charges - sanitation revenue	5,216,532,796	2,174,309,223	41.68%	(359,142,566)	4,857,390,231
Service charges - refuse revenue	1,712,004,241	722,137,619	42.18%	(27,825,429)	1,684,178,812
Sale of Goods and Rendering of Services	158,953,233	76,409,178	48.07%	-	158,953,233
Agency services	-	-		348,280,865	348,280,865
Interest earned from Receivables	1,076,101,483	91,278,769	8.48%	17,039,206	1,093,140,689
Interest earned from current and Non Current Assets	154,478,656	53,915,228	34.90%	(17,504,200)	136,974,456
Rental from fixed Assets	157,138,846	82,911,428	52.76%	12,321,112	169,459,958
Operational Revenue	104,014,356	166,602,740	160.17%	79,162,986	183,177,342
Non-Exchange Revenue					
Property rates	8,921,125,193	4,581,180,329	51.35%	655,000,000	9,576,125,193
Fines, penalties and forfeits	819,031,023	129,525,180	15.81%	-	819,031,023
Licences and permits	325,611,570	185,474,939	56.96%	(325,611,570)	-
Transfers and subsidies- Operational	6,613,189,018	4,531,260,876	68.52%	57,971,609	6,671,160,627
Interest	275,880,610	611,349,896	221.60%	12,632,688	288,513,298
Fuel Levy	1,826,784,000	1,217,856,000	66.67%	-	1,826,784,000
Operational Revenue-	-	375,946,983	100.00%	731,109,440	731,109,440
Other Gains	-	532,282	100.00%	-	-
Total Revenue (excluding capital transfers and contributions)	60,672,979,527	30,412,081,199	50.12%	838,817,119	61,511,796,646

The operating revenue changes are due to the following factors:

- Reduction on services charges due to re-classification of fixed/availability charges to non-exchange revenue operational revenue in compliance with mSCOA,
- Agency services re-classified from licenses and permits,
- Interest from receivables re-classified to non-exchange revenue interest in compliance with mSCOA,

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- Increase on property rates is based on mid-year performance resulting from supplementary valuations,
- Increase on transfers and subsidies is due approved roll-over for HSDG, transfer of PTNG from Capex to Opex, and
- Adjustments to other revenue items such as interest earned from current assets, rental from fixed assets and operational revenue are based on mid-year performance.

6.2.2. Operating expenditure

The operating expenditure **increases by R828.8 million to R60.909 billion**. The table below shows the details of the increases in the various line items.

2024/25 Adjusted operating expenditure

Description	Budget year 2024/25				
	Annual Budget - 2024/25	YTD Actual - 2024/25	% Actuals	2024/25 Proposed Adjustments	2024/25 Proposed Adjusted Budget
	R	R		R	R
Expenditure By Type					
Employee related costs	12,234,764,470	5,513,072,661	45.06%	(502,633,390)	11,732,131,080
Remuneration of councillors	172,415,066	76,281,356	44.24%	-	172,415,066
Debt impairment	6,697,965,249	2,919,053,079	43.58%	-	6,697,965,249
Depreciation & asset impairment	3,230,027,974	1,388,357,774	42.98%	(13,201,198)	3,216,826,776
Finance charges	1,635,041,035	468,116,662	28.63%	(5,940,678)	1,629,100,357
Bulk purchases - electricity	20,265,459,072	10,493,413,452	51.78%	-	20,265,459,072
Inventory consumed	6,858,805,443	3,328,200,131	48.52%	(11,400,024)	6,847,405,419
Contracted services	6,458,705,521	2,719,189,378	42.10%	1,084,768,882	7,543,474,403
Transfers and subsidies	781,813,670	237,886,474	30.43%	250,338,466	1,032,152,136
Irrecoverable debts written off	1,742,850	31,599,160	1813.07%	18,009,780	19,752,630
Other expenditure	1,734,304,469	830,908,321	47.91%	8,875,281	1,743,179,750
Loss on disposal of PPE	-	1,989,365	100.00%	-	-
Other Losses	-	405,479	100.00%	-	-
Total Expenditure	60,071,044,819	28,008,473,292	46.63%	828,817,119	60,899,861,938

The changes in the various line items on operating expenditure is attributable to the following factors:

- Reduction on employee related costs based on mid-year performance,
- Increase on contracted services to appropriate grant funded expenditure and to address service delivery backlogs, and
- Re-allocation of funds within the expenditure items.

The details of the adjusted operating revenue and expenditure are contained in **Annexure A**.

6.3. ADJUSTMENTS TO THE CAPITAL BUDGET

The proposed adjustments to the **City and its entities** results in a **net decrease of R11,464 million**. The capital budget, therefore, **decreases** from R2.910 billion to R2.898 billion.

The proposed adjustment is a combination of:

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- Reallocations between projects – acceleration of performing projects with identified savings from non-performing projects.
- Reallocation of PTNG (**R50m**) from Capex to Opex;
- Approved roll over (**R1m**) related to the 2023/24 unspent funds for the Provincial Grant (SRAC)
- Additional Own Revenue for Entities (**R12.5m**);
- Additional Own Revenue for the City required for the procurement of ICT Equipment, vehicles, grass cutting equipment and waste bins.

Annexure B contains the original budget, adjustments and the new budget.

The proposed capital adjustment per department is summarised in the table below:

2024/25 PROPOSED CAPITAL ADJUSTMENT PER DEPARTMENT

2024/25 PROPOSED CAPITAL BUDGET ADJUSTMENTS							
Department	Budget as at 31 December 2024	Actual Year to Date Incl Commitments - 31 Dec 2024	Actual Spent %	Reductions (-)	Additional Requests (+)	Net Proposed Adjustments	Proposed Adjustment Budget 2024/25
Water and Sanitation	590 000 000	341 219 893	57,8%	(115 100 000)	115 100 000	-	590 000 000
Energy	552 214 824	309 050 593	56,0%	(47 000 000)	47 000 000	-	552 214 824
Human Settlements	492 511 321	257 629 008	52,3%	(52 884 483)	52 884 483	-	492 511 321
Transport Planning & Provision	367 369 500	11 900 933	3,2%	(111 034 168)	55 934 168	(55 100 000)	312 269 500
Roads and Stormwater	263 598 355	2 662 293	1,0%	(27 900 000)	27 900 000	-	263 598 355
Information and Communication Technology	196 000 000	108 705 591	55,5%	(2 004 983)	7 104 983	5 100 000	201 100 000
Environmental Resources & Waste Management	100 200 000	41 097 170	41,0%	(22 000 000)	27 000 000	5 000 000	105 200 000
ERWAT	95 000 000	44 407 132	46,7%	(50 368 375)	58 628 913	8 260 538	103 260 538
Service Delivery Coordination	91 000 000	10 092 690	11,1%			-	91 000 000
Real Estate	39 000 000	-	0,0%		10 000 000	10 000 000	49 000 000
Economic Development	35 253 940	7 087 746	20,1%	(2 500 000)	2 500 000	-	35 253 940
Disaster & Emergency Management Services	30 500 000	9 603 438	31,5%			-	30 500 000
Sport Recreation Arts and Culture	26 231 000	269 219	1,0%	(400 000)	1 431 977	1 031 977	27 262 977
Ekurhuleni Metro Police Department	30 000 000	14 550 610	48,5%		10 000 000	10 000 000	40 000 000
Health and Social Development	1 000 000	-	0,0%			-	1 000 000
Ekurhuleni Housing Company (EHC)	434 403	429 482	98,9%	(149 718)	4 392 276	4 242 558	4 676 961
Total	2 910 313 343	1 158 705 797	39,81%	(431 341 727)	419 876 800	(11 464 927)	2 898 848 416
Parent Municipality	2 814 878 940	1 113 869 183	39,57%	(380 823 634)	356 855 611	(23 968 023)	2 790 910 917
Entities	95 434 403	44 836 614	46,98%	(50 518 093)	63 021 189	12 503 096	107 937 499
Total	2 910 313 343	1 158 705 797	39,81%	(431 341 727)	419 876 800	(11 464 927)	2 898 848 416

The table shows, amongst others, that;

- Capital budget spending including commitments as at 31 December 2024 amounted to R1.158 billion, or 39.81% of the budget of R2.910 billion;
- Submitted reductions amounted to R431.34 million; and
- Additions submitted by departments amounted to R419.87 million;
- The net adjustments amount to a decrease of R11.46 million.

The discussion below covers the sources of funding the adjusted capital budget.

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2024/25 PROPOSED CAPITAL BUDGET ADJUSTMENTS							
Source Of Finance	Budget as at 31 December 2024	Actual Year to Date Incl Committments - 31 Dec 2024	Actual Spent %	Reductions (-)	Additional Requests (+)	Net Proposed Adjustments	Proposed Adjustment Budget 2024/25
Neighborhood Development Partnership Grant (NDPG)	41 804 940	16 406 897	39,25%			-	41 804 940
SRAC Provincial Grant	12 000 000	269 219	2,24%	(400 000)	1 431 977	1 031 977	13 031 977
Public Transport Network Grant (PTNG)	336 500 000	11 651 759	3,46%	(100 000 000)	50 000 000	(50 000 000)	286 500 000
Revenue	414 334 403	159 189 994	38,42%	(52 154 701)	89 657 797	37 503 096	451 837 499
Urban Settlement Development Grant (USDG)	1 376 246 000	617 142 522	44,84%	(226 602 543)	226 602 543	-	1 376 246 000
Informal Settlement Upgrading Partnership Grant (ISUPG)	729 428 000	354 045 406	48,54%	(52 184 483)	52 184 483	-	729 428 000
Total	2 910 313 343	1 158 705 797	39,81%	(431 341 727)	419 876 800	(11 464 927)	2 898 848 416

The table above shows the sources of funding the capital budget. It shows, amongst others, that;

- Revenue increased with R37.5m to accommodate projects which require funding. Inclusive in the R37.5m is the R8.2m and R4.4m self-funding of ERWAT and EHC respectively; R10m for Real Estate in respect of SAAME building; R10m EMPD for procurement of vehicles; R5m for grass cutting tools and waste bins; R4m for ICT equipment.
- PTNG is decreasing with R50m which will be transferred to Opex.
- SRAC Provincial grant increases with R1m which is an approved roll over from 2023/24 unspent funds:

Finally, the sources of funding the capital budget reduce by R11.46 million from R2.910 billion to R2.898 billion.

7. 2024/2025 CITY-WIDE AND DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS ADJUSTMENT

7.1 LEGISLATIVE BACKGROUND

The mayor is required in terms of section 54 (1) of the Local Government Municipal Finance Management Act, 56 of 2003 to upon receipt of the MFMA section 71 or section 72 statement or report submitted by the accounting officer of the municipality;

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

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Section 54 (2) If the municipality faces any serious financial problems, the mayor must –

- (a) promptly respond to and initiate any remedial or corrective steps proposed by the accounting officer to deal with such problems, which may include-
 - (i) steps to reduce spending when revenue is anticipated to be less than projected in the municipality's approved budget;
 - (ii) the tabling of an adjustment budget; or
 - (iii) steps in terms of Chapter 13; and
- (b) alert the council and the MEC for local government in the province to those problems.

Section 54 (3) The mayor must ensure that any revisions of the service delivery and budget implementation plan are made public promptly.

7.2 PROCESS FOLLOWED IN THE ADJUSTMENT 2024/2025 CITY-WIDE AND DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

The schedule of key deadlines for the 2025/2026 planning and budgeting process was approved by council on 29 August 2024, and further planning and budgeting guidelines and principles for adjustment were communicated to the COE departments in November 2024.

The diagram below summarises the key deadlines for the 2025/2026 IDP and 2025/2026 - 2027/2028 MTREF process that was approved by council on 29 August 2024.

Key deadlines for the 2025/2026 Planning and budgeting process as per council approved schedule of key deadlines.

PROCESS	ACTIVITY	TIMELINE
Planning	Prepare and table schedule key deadlines	July - August 2024
Strategising	Review IDP and budget, previous performance and current trends. Consult stakeholders.	October 2024
Preparing	Prepare draft IDP, budget and draft policies. Consider national and provincial priorities and planning guidelines.	October - December 2024
Tabling	Table Annual report Table mid-year assessment report Table adjustment budget and SDBIP Table draft IDP, budget and policies. Consult and consider formal inputs from relevant stakeholders on the tabled IDP and budget.	January - April 2025
Approving	Table IDP, Budget and budget related policies at council for consideration.	May 20205
Finalising	Approve and publish SDBIP and performance agreements	June 2025

7.2.1 GUIDELINES/PRINCIPLES FOR THE 2024/2025 BUDGET AND SDBIP ADJUSTMENT PROCESS.

1. Only quarter 3 and quarter 4 service delivery targets may be adjusted. Q1 and Q2 targets may not be adjusted since they have been implemented already and reported on the mid-year performance assessment.
2. In cases where the adjustment of the Q3 and Q4 targets affects the annual target, the annual target may be adjusted.
3. The adjustment must consider recent audit comments/reports from the AGSA and Internal Audit.
4. The adjustment budget must inform the adjustment of the quarter 3 and quarter 4 service delivery targets. There must be a correlation between the adjustment of the SDBIP targets and the budget.
5. The mid-year performance assessment report must be considered when adjusting the service delivery targets and indicators.

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6. Reasons and future remedial actions where applicable must be provided for the adjustment of service delivery indicators and targets.
7. The adjustment must consider the 2024/2025 funded IDP ward priorities.
8. Poor performance or inability to achieve targets in the first and second quarter of the financial year may not be used as reason for the adjustment of service delivery targets.
9. Departments/entities must adjust baselines to reflect the actual audited performance for the 2023/2024 financial year.
10. Technical Indicator Description Sheets (TIDS) must be adjusted in line with the adjustment of the service delivery indicators and targets.
11. The final adjusted 2024/2025 departmental SDBIPs must be approved and signed off by the HOD and MMC prior to submission to Strategy and Corporate Planning department/ a control sheet signed by the department's HOD and the MMC must accompany the adjusted service delivery indicators and targets.
12. Departments/entities that do not wish to adjust the 2024/2025 SDBIP must indicate in writing with HOD's signature.

7.2.2 TIMELINES FOR SUBMISSION OF 2024/2025 BUDGET AND SDBIP ADJUSTMENTS

Timelines for the submission of departmental 2024/2025 adjusted budget and SDBIP's.

Main Activity	Responsible	Date
Communication on the 2024/2025 SDBIP/budget adjustment process and 2025/2026 planning and budgeting process to COE departments/Entities.	Strategy and Corporate Planning Department/Finance	25 November 2024
1st draft adjusted departmental SDBIP's/budget submissions to strategy and corporate Planning/Finance	COE Departments and Entities	13 December 2024
Assessment of departmental 2024/2025 adjusted SDBIP's/budget submissions, engagements with and feedback to departments on the submissions	Strategy and Corporate Planning Department/Finance/CoE Departments and Entities	17 December 2024 - 8 January 2025
2nd draft adjusted departmental SDBIP's/budget submissions to strategy and corporate Planning/Finance	COE Departments and Entities	13 January 2025
Assessment of departmental 2024/2025 adjusted SDBIP's/budget submissions, engagements with and feedback to departments on the submissions	Strategy and Corporate Planning Department/Finance/CoE Departments and Entities	14 -18 January 2025
3rd draft adjusted departmental SDBIP's/budget submissions to strategy and corporate Planning/Finance.	COE Departments and Entities	20 January 2025
Assessment of departmental 2024/2025 adjusted SDBIP's/budget submissions, engagements with and feedback to departments on the submissions	Strategy and Corporate Planning Department/Finance/CoE Departments and Entities	21 – 31 January 2025

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Main Activity	Responsible	Date
Final adjusted departmental SDBIP's/budget submission to strategy and corporate Planning/Finance signed off by HOD and MMC.	COE Departments and Entities	2 February 2025
Finalisation of the 2024/2025 COE adjusted SDBIP (City wide and departmental) and adjustment budget for council.	Strategy and Corporate Planning Department/Finance	2- 12 February 2025
Technical Cluster/SMT presentation of the 2024/2025 COE adjusted SDBIP and adjustment budget.	Strategy and Corporate Planning Department/Finance	17 February 2025
Mayoral Clusters presentation of the 2024/2025 COE adjusted SDBIP and adjustment budget.	Strategy and Corporate Planning Department/Finance	18 February 2025
MAYCO presentation of the 2024/2025 COE adjusted SDBIP and adjustment budget.	Strategy and Corporate Planning Department/Finance	19 February 2025
Council Meeting (tabling of adjustment budget and adjusted 2024/2025 SDBIP)	Council	27 February 2025
Submission/circulation of approved adjusted SDBIP and Budget to relevant stakeholders (National and provincial government) and publishing on COE Website	Strategy and Corporate Planning Department/Finance	31 March 2025

7.3 2024/2025 SDBIP CITY WIDE AND DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS ADJUSTMENT SUMMARY

This section provides a summary of the 2024/2025 SDBIP performance indicators and service delivery targets adjustment. The details are contained in the following Annexures:

- Adjusted SDBIP City Wide Performance Indicators and Service Delivery Targets (Annexure C)
- Adjusted SDBIP Departmental Performance Indicators and Service Delivery Targets (Annexure D)

7.3.1 High Level Summary of the 2024/2025 proposed adjustments

This section presents a high-level summary of the proposed adjustments on the 2024/2025 SDBIP Performance Indicators and Service Delivery Targets. The table below lists the departments which did not propose adjustments to the 2024/2025 SDBIP Performance Indicators and Service Delivery Targets.

DEPARTMENTS WITH NO ADJUSTMENTS TO THE 2024/2025 SDBIP PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS	
1.	Communications Marketing and Tourism
2.	Community Safety (Disaster and Emergency Management Services)
3.	Legislature
4.	Internal Audit
5.	Service Delivery Coordination

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6.	Risk and Legal Services (Risk Management)
7.	Information and Communications Technology ICT
8.	ERWAT

For departments with proposed adjustments in the City Wide scorecard, there have been several performance indicators where targets have been adjusted downwards (see table below) mainly due to amongst others; cash-flow challenges thus delaying payments to consultants and in some instances leading to contractors having to leave the sites; in-year budget cuts, price escalations on estimates provided in previous years, delays in the appointment of service providers and to some extent – project implementation readiness across the departments – see table below.

Area of Adjustment	Number of affected KPIs
KPIs with targets adjusted upwards	6
KPIs with targets adjusted downwards	16
New KPIs that have been introduced	0
KPIs transferred from one department to another	1
KPIs that have been removed from the scorecard (discontinued)	2

Notable service delivery related performance indicators with targets adjusted downwards include the downwards adjustment in the Number of subsidised housing units constructed using various Human Settlements Programmes from 500 to 115; the reduction in the number of serviced sites from 280 to 0 (zero); the increase of non-revenue water from 30% to 31%, the reduction in the Number of work opportunities created by the municipality through public employment programmes (incl. EPWP, CWP and other related employment programmes) from 16 000 to 12 000, as well as the Percentage Increase in road policing citations which has been adjusted from a 2% increase to a 25% decrease from the baseline.

The two (2) indicators that have been removed or discontinued for reporting from the Roads and Storm Water department: are TR6.11 and TR6.12. The previous two audits by the AGSA have revealed that the city is currently unable to accurately report on these indicators as required by the Circular 88 definition and formula. The department therefore undertook to review the Pavement Management System (PMS) to verify and establish the denominator to enable accurate reporting for these indicators, as also required by the AGSA. Once the PMS is in place these indicators will be brought back into the SDBIP. The percentage of AQ monitoring stations providing adequate data over a reporting year is adjusted from 75% to 0 in quarter 3 and quarter 4 due to the withdrawal of a national departmental appointed service provider and delays in finding a replacement service provider.

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7.3.2 2024-2025 SDBIP City Wide adjusted performance indicators and service delivery targets- summary

The summary of the adjustments to the City-Wide performance indicators and service delivery targets in terms of the actual indicators that have been adjusted and their reasons for adjustment is provided in the table below. Full adjustment details are presented in the City-Wide adjustment table (see Annexure C).

2024-2025 SDBIP CITY WIDE ADJUSTED PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS-SUMMARY			
Department	Performance Indicator Reference Number and Short Description	Adjustment Description	Reason for Adjustment
Community Safety (Ekurhuleni Metropolitan Police)	EMP 2 Number of interventions implemented to reduce crime and related incidents	The quarter 3 and quarter 4 targets are increased from 100 to 105 respectively resulting in an increase in the annual targets from 400 to 410.	Based on SAPS crime stats whereby Kempton Park is ranked amongst areas with the highest criminal activities. The increase in crime prevention jointly with SAPS and Gauteng Department of Community Safety MEC, has led to an increase in set targets to address criminal activities.
	EMP 3 Percentage Increase in road policing citations	The quarter 4 and annual targets are adjusted from a 2% increase in road policing citation to a decrease by 25% from Baseline to 1 282 227	The department currently does not have Section 341 notice, and 56 summonses books related to road policing citations; therefore, quarterly production has been lost. A mini tender for purchasing of books will be In January 2025.
Community Services (Health and Social Development)	ENV 1.12 Percentage of AQ monitoring stations providing adequate data over a reporting year	The quarter 3 and 4 targets are adjusted from 75% to 0.	The submission is for the indicator to be retired for Q3 and Q4 in view of lack of resources to provide adequate data for reporting purposes at the Air Quality Monitoring Stations. All efforts to secure a replacement service provider emanating from the withdrawal of a national departmental appointed service provider were unsuccessful
Community Services (Sports Recreation Arts and Culture)	SRAC 1 Number of SRAC school activities implemented	The quarter 3 target is adjusted downward from 152 to 151 resulting a reduction to the annual target from 308 to 307.	The reduction of the targets is as a result of lack of funding for Sports and Recreation programmes
Environmental Resource and	ENV4.11	The quarter 4 and annual targets are adjusted from 44.50 to 43.16 respectively	The adjustment of the quarter 4 and annual targets is line with the correct

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2024-2025 SDBIP CITY WIDE ADJUSTED PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS-SUMMARY			
Department	Performance Indicator Reference Number and Short Description	Adjustment Description	Reason for Adjustment
Waste Management	Percentage of biodiversity priority area within the municipality		figure and calculation based on the approved Bioregional plan.
	ENV4.21 Percentage of biodiversity priority areas protected	The quarter 4 and annual targets are adjusted from 1% to 1.34% respectively	The adjustment of the quarter 4 and annual targets is line with the correct figure and calculation based on the approved Bioregional plan.
Energy	EE1.11 Number of dwellings provided with connections to mains electricity supply by the municipality.	Upward adjustment with of the annual target from 2500 to 3500.	The cost per connection has been revised downwards from tenders received from appointed service providers. Therefore, this allows for an increased number of connections to be done.
Energy	EE2.11 Percentage of total residential electricity provision allocated as Free Basic Electricity (FBE)	Downward adjustment of the annual target from 3% to 1.75%, to be reported in quarter 4	When the target for 2024/2025 was set, the baseline of 2022/2023 was used. As it was a relatively new key performance indicator. The baseline for 2023/2024 was 1,72%. Therefore after the department's careful projection and taking into account that free basic electricity is granted to approved indigents, the department projects the target to be 1,75%.
Energy	EE3.11 Percentage of unplanned outages that are restored to supply within industry standard timeframes	Upward adjustment of the annual target from 75% to 95% as well as quarter 3 and 4 respectively.	The baseline for restoration time has improved with the absence of load shedding.
Energy	EE4.4 Percentage total electricity losses	Upward adjustment of the annual target as well as quarter 3 and 4 from 19% to 18%.	The department has introduced several projects to manage electricity losses and keep it to its minimum. The department is confident that these projects like removal of illegal connections, inspection of meter installations and reduction of interim billing will assist in the management of electricity losses.

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Department	Performance Indicator Reference Number and Short Description	Adjustment Description	Reason for Adjustment
Finance	FM7.12 Collection rate ratio	The quarter 3, 4 and annual targets are reduced to 90%	Collection challenges ESKOM supply area, increased tariffs and low economic growth.
Finance	FIN 1.1 Percentage of billed amounts collected	The quarter 3, 4 and annual targets are reduced to 90%	Collection challenges ESKOM supply area, increased tariffs and low economic growth.
Human Settlements	HS1.11 Number of subsidised housing units constructed using various Human Settlements Programmes	Downwards adjustment of the annual target from 500 to 115	The adjustment is based on the R6,1 million HSDG roll-over approval available budget and readiness assessment based on projects which will contribute to annual actual outputs.
Human Settlements	HS1.12 Number of serviced sites	Downwards adjustment of the annual target from 280 to 0. Was targeted for reporting in quarter 4	The contractor for Palm Ridge project have abandoned site because of cashflow problems due to, among others things, delays in payment by the City. In addition, the budget was allocated to the project was cut .
Roads and transport Management (Roads and Storm Water)	TR6.11 Percentage of unsurfaced roads graded	Downwards adjustment of the annual target from 20% to 15% affecting quarter 3 and 4 targets respectively	The escalation rate on the Plant Hire tender has increased substantially since the inception of the tender in 2021/22 Financial Year, thus affecting the budget for the negatively. The adjustment is effected to compensate for the shortfall that has been incurred due to appreciating Contract Price adjustment.
Water and Sanitation	WSD1.4 Number of reservoirs constructed	Downwards adjustment of the annual target from 3 to 2	The annual target has been adjusted to 2 reservoirs. This is due to budget limitations on the pipe work that would need to be completed prior to the practical completion of the third reservoir.
Water and Sanitation	WS1.11 Number of new sewer connections meeting minimum standards	The KPI is relocated to Human Settlements department to be reported in line with the number of subsidized human settlement houses to be delivered.	The KPI is implemented and accounted for within the Human Settlements Department – Projects, and it is within their scope. The Department does not have the budget to implement the KPI.

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Department	Performance Indicator Reference Number and Short Description	Adjustment Description	Reason for Adjustment
			This KPI is moved for reporting by Human settlement department
Water and Sanitation	WS5.1 Percentage non-revenue water	An increase in no-revenue water from 30% to 31%	The department is unlikely to achieve its set targets primarily because of delays in processing payments to consultants. These payment delays hinder the consultants' ability to deliver timely and effective outputs, directly impacting the progress and overall success of the department's initiatives
Real Estate and Development Planning	LED1.21 Number of work opportunities created by the municipality through public employment programmes (incl. EPWP, CWP and other related employment programmes)	Downward adjustment of the annual target from 16 000 to 12 000	<ul style="list-style-type: none"> •The adjustment of the EPEP annual target is influenced by a plethora of considerations, necessitating the program to amend the contractual timeframe of specific revenue-generating streams from a duration of 6-12 months. This revision was pivotal for the attainment of consistency and the establishment of appropriate vocational training within the respective streams of the City. •The pledge from COGTA to designate supplementary work opportunities to service provider remain an endeavour that is yet to be executed. This is however delaying the implementation of the work opportunities through private partners programme. •The reduction in the budget allocations, coupled with protracted delays in the overall execution of projects by municipal departments, mandated a review of the employment opportunities target within the Expanded Public Works Programme.

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7.3.3 2024-2025 SDBIP Departmental adjusted performance indicators and service delivery targets- summary

The table below outlines the summary of the adjustments to the departmental performance indicators and service delivery targets. Full adjustment details are presented in the Departmental adjustment table (see Annexure D).

2024-2025 SDBIP DEPARTMENTAL ADJUSTED PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS-SUMMARY			
Department	Performance Indicator Reference Number and Short Description	Adjustment Description	Reason for Adjustment
Community Safety (Ekurhuleni Metropolitan Police)	3.H Number of fines issued for traffic violations	The annual target and quarter 4 targets are adjusted from an increase of 1 496 631 to a decrease of 1 282 227 respectively.	The department currently does not have Section 341 notice, and 56 summonses books related to road policing citations; therefore, quarterly production has been lost. A mini tender for purchasing of books will be In January 2025.
	5.H Rand value increase in revenue generated from all licensing services	The quarter 3 and 4 targets are adjusted from R73 047 284 to R81 402 893.00 respectively and the annual targets is adjusted from R292 189 136 to R308 900 354.	The quarter 3, quarter 4 and annual targets are adjusted to align with the council approved budget
	7.H Number of MVRA/DLTC constructed.	The quarter 4 and annual targets are adjusted from 1 to 0 respectively.	The project is in its second year, whereby a construction company must be appointed. The department did submit an SRO to the Real Estate department to appoint a construction company and a consultant and it was then discovered that the vote number for this project has not been included in the original tender. Therefore, the quarter 4 and annual targets are adjusted to 0 because the department will not be able to report progress and funds allocated have not been spent.
Community Services (Health and	4P Number of 15–35-year-olds reached with behaviour change programmes	The quarter 3 and 4 targets are increased to 2 450 thus increasing the annual target to 6500	The employment of an additional cohort of Social Workers through the Ekurhuleni Public Employment Programme (EPEP) during Q1 significantly contributed to the improved

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2024-2025 SDBIP DEPARTMENTAL ADJUSTED PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS-SUMMARY			
Department	Performance Indicator Reference Number and Short Description	Adjustment Description	Reason for Adjustment
Social Development)			performance of social development programmes
	5P Number of persons reached with gender-based violence awareness programmes implemented	There is an increase in the quarter 3 and 4 targets resulting in an increase in the annual target from 4000 to 6000.	The employment of an additional cohort of Social Workers through the Ekurhuleni Public Employment Programme (EPEP) during Q1 significantly contributed to the improved performance of social development programmes
	6P Number of People with Disabilities participating in integrated rights based workshops and skills development programmes	There is an increase in the quarter 3 and 4 targets resulting in an increase in the annual target from 1200 to 1300.	The employment of an additional cohort of Social Workers through the Ekurhuleni Public Employment Programme (EPEP) during Q1 significantly contributed to the improved performance of social development programmes
	14P Percentage of customer queries resolved in accordance with Ekurhuleni Service Standards	There is a decrease in the quarter 3 and 4 targets from 90% to 80% resulting in a decrease in the annual target from 90% to 85%.	The reason for the downward revision of the targets for Q3 and Q4 is to address most of the fault codes (complaint types) which have a 24-hour SLA turnaround time and adversely impact the KPI performance. The 90% target will be restored once the revised Fault Codes are approved.
Community Services (Sports Recreation Arts and Culture)	1Y. Number of ECD's supported with SRAC programmes	There is a reduction in the quarter 4 target from 130 to 90 resulting in a decrease to the annual target from 220 to 180.	The dilapidated state of equipment is affecting the department's ability to optimally implement some of our planned programmes in particular the kiddies games.
	2Y Number of beneficiaries participating in certified capacity building programmes	There is a reduction in the quarter 3 target from 50 to 30 resulting in a decrease to the annual target from 280 to 260.	The Volleyball program was implemented in Quarter 2.
	4Y Number of post support interventions offered to beneficiaries of SRAC programmes	There is a reduction in the quarter 4 target from 6 to 5 resulting in a decrease to the annual target from 10 to 9.	The MOU has expired and the Ekurhuleni Sports Council (ESC) is not functional

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Department	Performance Indicator Reference Number and Short Description	Adjustment Description	Reason for Adjustment
	10Y Number of informal settlements provided with SRAC interim basic services	There is a reduction in the quarter 3 and quarter 4 targets resulting in a decrease to the annual target from 61 informal settlements to 58.	Lack of funding and dilapidated equipment necessitates the reduction of the targets.
Environmental Resource and Waste Management	4K Percentage of burial services completed within the committed timeframe from receipt of burial request	The quarter 3 and 4 targets are increased from 97% and 98% to 100% respectively and the annual target is adjusted from 98% to 100%.	The adjustment of the targets is in line with the service level standard for burials within the region.
	10K Number of work opportunities created	The quarter 3 and 4 targets are increased from 1500 to 3800 respectively and the annual target is adjusted to 3800.	The targets are adjusted to conform with the newly awarded contracts in the department. The targets are cumulative and the annual target is the sustained jobs for the FY.
Human Resources	1Q. Percentage compliance with occupational health and safety ACT	Cemeteries will no longer form part of the Indicator Definition for Q3.	The reason for removing Cemeteries in the indicator definition in Quarter 3 from the Hygiene survey is because of the process that the department will embark on in the next financial year where HIRA on the manual digging of graves will be conducted as part of the activities that expose employees to hazardous biological agents in targeted departments (ER&WM, Energy and Roads & Storm Water).
Strategy and Corporate Planning	2Z Number of reviewed integrated development plans	The indicator description, definition and POE are adjusted to refer to amended IDP instead of reviewed IDP	The indicator short description, definition and POE are adjusted to align to legislative requirements
	15Z Percentage expenditure on departments capital budget	The quarter 4 target is adjusted from 95% to 0. The annual target remains unchanged at 0.	The quarter 4 target is adjusted from 95% to 0 since the department does not have CAPEX.

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Department	Performance Indicator Reference Number and Short Description	Adjustment Description	Reason for Adjustment
	16.Z Open data policy for the CoE developed and approved by council	The indicator definition is adjusted to rectify the approval date of the open data policy from June 2024 to June 2025.	The indicator definition is adjusted to rectify the approval date of the open data policy from June 2024 to June 2025.
Risk and Legal Services (Corporate Legal Services)	<p>1C Percentage of instructions issued to appoint contracted attorneys <u>OR</u> referral to ADR mechanisms of cases involving town planning and building regulation contraventions (civil proceedings) within 30 working days turn-around time from date of receipt.</p> <p>Adjusted</p> <p>1C *Percentage of town planning and/or building regulation contraventions referred to ADR mechanism within 30 working days from date of receipt <u>OR</u></p> <p>*In the event that ADR fails or cannot be done, percentage of legally compliant cases received from CoE departments and enrolled for prosecution to secure a conviction OR</p> <p>*Percentage of instructions issued to appoint contracted attorneys in respect of town planning and/or building regulation contraventions in the event where ADR and prosecution cannot be</p>	The outcome, indicator short description, definition and POE are adjusted.	<p>KPI 1C and KPI 2C have been merged as they all relate to By-law and statutory enforcement in respect of town planning and building regulation contraventions. As part of cost containment measures, all town planning and building regulation contraventions are now handled in the following sequence:</p> <p>We first implement ADR. If ADR fails or is impracticable, then we institute prosecution in the Municipal Courts. As a last resort, we appoint attorneys to institute civil litigation.</p> <p>The proposed adjustment will ensure that there is congruence between the KPI; planned targets per reporting quarter and the POE to be submitted. This is necessary because the POE will be precisely aligned to the planned quarterly targets in the Q3 & 4 reporting periods. This is also an endeavor to ensure alignment to the City's current financial constraints by, alternative to issuing instructions, contravention cases are referred to the ADR (alternate dispute resolution) mechanisms which will be invoked to reduce legal costs, cases are referred to prosecution in Municipal Courts. This is in keeping with current trends of dealing with litigation, to deal with contravention matters.</p>

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Department	Performance Indicator Reference Number and Short Description	Adjustment Description	Reason for Adjustment
	instituted or where circumstances dictate the immediate the appointment of attorneys, within 30 working days turn-around time from date of receipt.		
Risk and Legal Services (Corporate Legal Services)	2C Percentage of legally compliant cases received from CoE Depts. and enrolled for prosecution to obtain a conviction.	The indicator is merged with indicator 1C. The quarter 3 and quarter 4 targets are adjusted from 100% to 0.	<p>KPI 1C and KPI 2C have been merged as they all relate to By-law and statutory enforcement in respect of town planning and building regulation contraventions. The proposed adjustment will ensure that there is congruence between the KPI; planned targets per reporting quarter and the POE to be submitted.</p> <p>This is necessary because the POE will be precisely aligned to the planned quarterly targets in the Q3 & 4 reporting periods. This is also an endeavour to ensure alignment to the City's current financial constraints by alternatively to issuing instructions, referring contravention cases to the ADR (alternate dispute resolution) mechanisms which will be invoked to reduce legal costs. This is in keeping with current trends of dealing with litigation, to deal with contravention matters.</p>
Risk and Legal Services (Corporate Legal Services)	6C Percentage of Public Protector issues received and responded to in terms of the Response Protocol.	There is an adjustment to the indicator POE.	The proposed adjustment will ensure that there is congruence between the KPI; planned targets per reporting quarter and the POE to be submitted given the recently signed Response Protocol signed between the Public Protector's Office and the CoE. This is necessary because the POE will be precisely aligned to the planned quarterly targets in the Q3 & 4 reporting periods.

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Department	Performance Indicator Reference Number and Short Description	Adjustment Description	Reason for Adjustment
Risk and Legal Services (Corporate Legal Services)	9C. Number of Mayoral Committee meetings that take place as scheduled	There is an adjustment to the indicator POE.	<p>The proposed adjustment will ensure that the POE submitted will be precisely aligned to the planned quarterly targets in the Q3 & 4 reporting periods.</p> <p>Meeting the deadline of distributing the Agenda pack is subject to the pack being signed-off by the Executive Mayor (EM) before distribution. Lately, CLS has encountered difficulties with the EM's availability as CLS depends on the EM's availability to sign off the Agenda pack before distribution.</p> <p>Quarterly report The Resolution tracking and the submission of the quarterly report to Council is done by the Office of the City Manager.</p>
Risk and Legal Services (Risk Management)	No Adjustment	No adjustment	No Adjustment
Energy	2.J Number of Substations upgraded	Upwards adjustment of the annual target from 1 to 2	The department will complete the Phomolong substation and Russell Road substation by 30 June 2025. Long lead time materials were procured earlier which will result in the Russell Road substation being completed by 30 June 2025.
Energy	FM7.31 Net Surplus/Net Margins for Electricity	Downwards adjustment of the annual target from 20% to 2.5%	The sale of electricity has reduced. The effects of COVID 19 pandemic is evidenced in businesses closing or down scaling on production and a resultant reduction in electricity usage. There is also the effects of load shedding. Many businesses and residences have reduced their electricity usage by supplementing electricity with use of alternative energy.

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Department	Performance Indicator Reference Number and Short Description	Adjustment Description	Reason for Adjustment
			The city has fixed costs to pay to Eskom.
Ekurhuleni Housing Council	FM5.31 Repairs and Maintenance as a percentage of property, plant, equipment and investment property	Adjustment of the annual target from 2% to 0%. Removal of the KPI from the scorecard	Dis-continue the KPI The entity does not have repairs and maintenance for Property, plant, and equipment. All repairs and maintenance costs relate to rental buildings (investment property) This KPI in its current form is not applicable to the entity, reporting on it is discontinued for the rest of the financial year.
Ekurhuleni Housing Council	Total Capital Expenditure as a percentage of Total Capital Budget	Removal of the KPI from the scorecard	This is KPI is duplicated (captured two times)
Ekurhuleni Housing Council	Number of project applications submitted to SHRA for approval of grant funding	Downwards adjustment of the annual target from 2 to 1	The project delays at Airport Park was as a result of contractual challenges with the consultant appointed by the CoE. Funding proposals cannot be submitted to the SHRA for Airport Park until the issues are resolved.
Ekurhuleni Housing Council	15B Percentage of tenant profiles updated with renewed leases.	Downwards adjustment from 100 to 50%	Entity own complexes have been hijacked. Renewed leases for Q1 was 22 for Delville, 3 for Pharoeh Park zero (0) for Air Port Park and 56 been Chri Hani this total to 65 units achieved . The entity is working on the regularisation plan which includes evictions.in the current
Human Settlements	1.R Percentage of Customer Queries Resolved in Accordance with CoE Service Standards	Downwards adjustment of the annual target from 95% to 90%	The current target was mistakenly set at 95% instead of 90%. In addition, the Human Settlements queries are resolved at an average of 90% due to the nature of housing or

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Department	Performance Indicator Reference Number and Short Description	Adjustment Description	Reason for Adjustment
			human settlements related service delivery queries
Human Settlements	5.R Number of Job Opportunities Created	Downwards adjustment of the annual target from 600 to 400	Owing to budget cuts and non-payment of invoices by the City, most contractors have reduced their scope of work and that will result in less yields and reduced work opportunities.
Human Settlements	7.R Number of Informal Settlements Realigned (Re-blocked)	Upwards adjustment of the annual target from 5 to 10	There was additional budget allocation of R39 million for reblocking programme from Informal Settlement Upgrading Partnership Grant (ISUPG)
Human Settlements	8.R Number of Households in Informal Settlements Relocated	Downwards adjustment of the annual target from 500 to 337	The adjusted number is based on the readiness of housing projects which are earmarked for relocations and allocations
Water and Sanitation	7AB Km of water and sewer pipes replaced, upgraded and extended	Downwards adjustment of the annual target from 10m to 8km	The target has been adjusted in line with the budget availability for the current F.Y
EPMO	4.L Number of PMOs Functionality Assessments conducted with respect to the utilization of the Project Management System.	Downwards adjustment of the annual target from 13 to 4, this resulting in targets from quarter 3 and 4 reduced to zero (0) respectively	The KPI be removed from the scorecard: The Portfolio, Programme and Project Management System (PPPMS) which was initially projected to become available for utilization by project management end users is not yet fully operational. This makes it difficult to roll-out the activities inherent in these indicators which militates against doing justice to and achieving these indicators in the current financial year.
EPMO	5.L Number of Departmental Engagements Conducted on Project Management System	Downwards adjustment of the annual target from 26 to 13, this resulting in targets from quarter 3 and 4 reduced to zero (0) respectively	The KPI be removed from the scorecard:

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Department	Performance Indicator Reference Number and Short Description	Adjustment Description	Reason for Adjustment
			The Portfolio, Programme and Project Management System (PPPMS) which was initially projected to become available for utilization by project management end users is not yet fully operational. This makes it difficult to roll-out the activities inherent in these indicators which militates against doing justice to and achieving these indicators in the current financial year.
EPMO	4.V Number of properties refurbished	New KPI to the department	The function of facilities management has been reassigned from Real Estate to EPMO as a result of the organizational review This indicator is now reported by EPMO
EPMO	5.V Percentage of Repairs and Maintenance Budget Spent	New KPI to the department	The function of facilities management has been reassigned from Real Estate to EPMO as a result of the organizational review This indicator is now reported by EPMO
EPMO	10.V Number of building plans recommended by Plan Review Committee to Building Control	Downwards adjustment of the annual target from 4 to 2, this resulting in targets from quarter 3 and 4 reduced to zero (0) respectively	Two factors militates against rolling out activities that would culminate in the achievement of targets set for this indicator in the current financial year. (a) The department does not have control over this function which resides with client departments; (b) Budgetary constraints currently being experience by the City have resulted in these being no takers on this function in the past two quarters of t 2024/25, and this trend is expected to continue at least for the rest of the current financial year.
Real Estate and Development Planning	10.F Number of Tourism Recovery programme implemented	Relocatetion of the KPI to another department	The Institutional review resulted with the Tourism function being re-assigned to Communication, Marketing and

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Department	Performance Indicator Reference Number and Short Description	Adjustment Description	Reason for Adjustment
			Tourism Department where the indicator will be reported.
Real Estate and Development Planning	12.F Number of township based tuckshops developed Adjusted to: Number of Tuck Shops/Spaza Shops Registered	Repurposing of the KPI to focus on registration of Tuck shops/Spaza shop. 700 tuck shops are targeted for the remainder of the year	Tuck-shops and spaza shops are subjected to horrendous regulations that impose significant administrative burdens, thereby impeding their ability to comply with municipal regulations. The department emphasizes the importance of identification and registration of these businesses as they operate outside purview of municipal regulations, while navigating myriads of challenges necessitated by overall non-compliance thus dampening economic activity.
Real Estate and Development Planning	Number of Lettable facilities awarded to investors	Downward adjustment of the annual target from 4 to zero (0). The target was targeted to be delivered in quarter 4	The department is proposing removal of the Key Performance Indicator owing to the fiscal limitations encountered by the City, which render it unfeasible for the Department to undertake renovations and make the property accessible to prospective investors.
Roads and Transport Management (Roads and Storm Water)	1.X Number of Timing Plans Reviewed	The quarter 3 and 4 targets are adjusted as a result increasing the annual target to 10.	The department has entered into a collaboration with Transport Department to install the traffic signals on the BRT routes across the city and they provided the funding for this work.
Roads and Transport Management (Roads and Storm Water)	2.X Number of New Traffic Signals Installed	The quarter 3 and 4 targets are adjusted as a result increasing the annual target to 9	The department has entered into a collaboration with Transport Department to install the traffic signals on the BRT routes across the city and they provided the funding for this work.
Roads and Transport Management (Roads and Storm Water)	3.X Number of Routes Coordinated	The quarter 3 and 4 targets are adjusted as a result increasing the annual target to 8	The department has entered into a collaboration with Transport Department to install the traffic signals on the BRT routes across the city and they provided the funding for this work

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Department	Performance Indicator Reference Number and Short Description	Adjustment Description	Reason for Adjustment
Roads and Transport Management (Roads and Storm Water)	5.X Percentage of Department CAPEX Spent	Th quarter 3 and 4 targets have been adjusted.	The previous figures were capture erroneously and the adjustment window has provided an opportunity to correct.
Roads and Transport Management (Roads and Storm Water)	6.X Km of informal gravel roads graded	The quarter 3 and 4 targets are reduced, therefore reducing the annual target from 100 to 70.	The escalation rate on the Plant Hire tender has increased substantially since the inception of the tender in 2021/22 Financial Year, thus affecting the budget for the negatively. The adjustment is effected to compensate for the shortfall that has been incurred due to appreciating Contract Price adjustment.
Roads and Transport Management (Roads and Storm Water)	7.X Number of work Opportunities Created	There is an adjustment to the quarter 3 and 4 targets.	The adjustment is an alignment to the current circumstances as it relates to the state of project readiness for implementation
Roads and Transport Management (Transport and Fleet Management)	C66(TR) Number of weekday passenger trips on scheduled municipal bus services - EBS	The annual target is reduced from 700 000 to 600 000.	The newly implemented AFC system is not yet fully operational, challenges with system downloads result in incorrect figures being reported. The contractor is attending the issue.
Roads and Transport Management (Transport and Fleet Management)	C66(TR) Number of weekday passenger trips on scheduled municipal bus services - Harambee	The annual target is reduced from 1 650 000 to 1 700 000	Increased demand on the Harambee ridership
Roads and Transport Management (Transport and Fleet Management)	Number of IPTN Stations completed	New indicator	Re-allocation of funds between the IPTN projects following discussions with the National Department of Transport. Where the Department had previously requested that focus be placed on operational projects but subsequently authorised allocations for the implementation of capital projects.

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8. RECOMMENDATIONS

1. **That** the report on the adjusted SDBIP, Capital and Operating Budgets for 2024/25 **BE NOTED**;
2. **That** the report **BE REFERRED** to the Finance Oversight Committee.
3. **That** the finance oversight committee **REPORT BACK** to the February council meeting for the **approval** of the adjusted SDBIP, Capital and Operating Budgets for 2024/25.