Karoo Hoogland Municipality

Mid-Year Budget and Performance Report

2024/25

Prepared in terms of the Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations, Government Gazette 32141, 17 December 2009.

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PART 3 – SERVICE DELIVERY PERFORMANCE

3.1 Legislative overview

In terms of Section 72(1)(a) and 52(d) of the Local Government Municipal Finance Management Act No. 56 of 2003 (MFMA) the Accounting Officer must by 25 January of each year assess the performance of the municipality during the first half of the financial year. A report on such assessment must in terms of Section 72(1)(b) of the MFMA be submitted to the Mayor, Provincial Treasury and National Treasury.

Once the Mayor has considered the report, it must be submitted to Council by 31 January in terms of Section 54 of the MFMA.

The Mayor approved the Top Layer SDBIP for 2024/25 in terms of Section 53(1)(c)(ii) of the MFMA, MFMA Circular No. 13 and the Budgeting and Reporting Regulation which include the Municipality's key performance indicators for 2024/25.

3.2 Performance Overview

a) Performance Framework

Regulation 7(1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A Municipality's Performance Management System (PMS) entails a framework that describes and represents how the Municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role players." This framework, inter alia, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

b) Monitoring Performance

The Municipality utilizes an electronic web based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- The actual result in terms of the target set
- The output/outcome of achieving the KPI
- The calculation of the actual performance reported (If %)
- A performance comment
- Actions to improve the performance against the target set, if the target was not achieved
- It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated
- Quarterly reports on Top Layer SDBIP performance are submitted to Council

3.3 Link to the IDP and the budget

The Municipality identified the following strategic objectives based on the inputs from the community in the 5 year Integrated Development Plan (IDP):

SO1	Provide quality living human settlements with basic infrastructure for all residents
SO2	Create economic centres that provide an enabling environment for business growth job creation and SMME opportunities
SO3	Improve financial viability and sustainability through efficient budget processes financial systems and legislative requirements
SO4	Promote skilled labour force through education and training to improve employability
SO5	Promote employee wellness by implementing various programmes
SO6	Ensure responsive and accountable governance
SO7	Ensure an informed community through implementation of community strategies
SO8	Promote community participation through local government structure

Table 1: Strategic Objectives

(a) Performance indicators set in the approved Top Layer SDBIP for 2024/25 per strategic objective

Provide quality living human settlements with basic infrastructure for all residents

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Targets 2024/25				
					Q1	Q2	Q3	Q4	Annual
TL11	Spend 95% of the library operational conditional grant by 30 June 2025 {(Actual expenditure divided by the total grant received) x 100}	% of budget spent	All	100%	0%	40%	60%	95%	**95%**
TL17	Provide free basic water to indigent households in terms of the approved indigent policy as at 30 June 2025	Number of households receiving free basic water	All	No comparative from previous financial year	0	920	0	920	**920**
TL18	Provide free basic electricity to indigent households earning in terms of the approved indigent policy at 30 June 2025	Number of households receiving free basic electricity	All	No comparative from previous financial year	0	600	0	600	**600**
TL19	Provide free basic sanitation to indigent households in terms of the approved indigent policy at 30 June 2025	Number of households receiving free basic sanitation	All	No comparative from previous financial year	0	1 210	0	1 210	**1 210**

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Targets 2024/25				
					Q1	Q2	Q3	Q4	Annual
TL20	Provide free basic refuse removal to indigent households in terms of the approved indigent policy at 30 June 2025	Number of households receiving free basic refuse	All	No comparative from previous financial year	0	1 210	0	1 210	**1 210**
TL21	Number of residential properties that are billed for refuse removal as at 30 June 2025	Number of residential properties that are billed for refuse removal residential tariffs using the erf as a property	All	No comparative from previous financial year	0	2 198	0	2 198	**2 198**
TL22	Number of residential properties which are billed for electricity or have pre-paid meters as at 30 June 2025	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas)	All	No comparative from previous financial year	0	1 200	0	1 200	**1 200**
TL23	Number of residential properties that which are billed for water or have pre paid meters that is connected to the municipal water infrastructure network as at 30 June 2025	Number of residential properties which are billed for water or have pre paid meters	All	No comparative from previous financial year	0	1 882	0	1 882	**1 882**
TL24	Number of residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2025	Number of residential properties which are billed for sewerage	All	No comparative from previous financial year	0	2 383	0	2 383	**2 383**
TL28	Limit unaccounted for electricity to less than 12% by 30 June 2025 {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased)x 100}	% unaccounted for electricity	All	18.18%	0%	12%	0%	12%	**12%**
TL29	Limit unaccounted for water to less than 15% by 30 June 2025 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres	% unaccounted for water	All	21.12%	0%	15%	0%	15%	**15%**

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Targets 2024/25				
					Q1	Q2	Q3	Q4	Annual
	Water Purchased or Purified x 100}								
TL30	95% of water samples comply with SANS 241 microbiological indicators on a quarterly basis	% compliance of samples tested	All	No comparative from previous financial year	95%	95%	95%	95%	**95%**
TL31	Spend 100% of the MIG grant allocation by 30 June 2025 [(Actual expenditure/total grant allocation received) x 100]	% of MIG grant spend	All	64%	10%	40%	60%	100%	**100%**
TL32	Spend 100% on the WSIG grant allocation by 30 June 2025 [(Actual expenditure/total grant allocation received) x 100]	% of WSIG grant spend	All	100%	10%	40%	60%	100%	**100%**
TL33	Spend 95% of the capital budget for Williston WWTW by 30 June 2025[(Actual amount spent on projects /Total amount budgeted for capital projects)X100]	% of budget spent	All	No comparative from previous financial year	10%	40%	60%	95%	**95%**
TL34	Spend 95% of the capital budget for the upgrade of the internal network in Frasenburg (INEP) by 30 June 2025[(Actual amount spent on projects /Total amount budgeted for capital projects)X100]	% of budget spent	All	No comparative from previous financial year	10%	40%	60%	95%	**95%**
TL35	Spend 95% of the capital budget for the upgrade of bulk water Sutherland (WSIG)by 30 June 2025[(Actual amount spent on projects /Total amount budgeted for capital projects)X100]	% of budget spent	All	No comparative from previous financial year	10%	40%	60%	95%	**95%**

Table 2: Provide quality living human settlements with basic infrastructure for all residents

Create economic centres that provide an enabling environment for business growth job creation and SMME opportunities

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Targets 2024/25				
					Q1	Q2	Q3	Q4	Annual
TL8	Create 50 job opportunities by 30 June 2025	Number of job opportunities created by 30 June	All	No comparative from previous financial year	0	20	0	30	**50**

Table 3: Create economic centres that provide an enabling environment for business growth job creation and SMME opportunities

Improve financial viability and sustainability through efficient budget processes financial systems and legislative requirements

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Targets 2024/25				
					Q1	Q2	Q3	Q4	Annual
TL12	Submit the 2024/25 Procurement Plan to the Municipal Manager for approval by 30 June 2025	Number of Procurement Plans submitted to Municipal Manager	All	No comparative from previous financial year	0	0	0	1	**1**
TL13	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2025 {(Short Term Borrowing + Long Term Borrowing) / (Total Operating Revenue - Operating Conditional Grant) x 100}	% of debt coverage	All	9.19%	0%	0%	0%	45%	**45%**
TL14	Financial viability measured in terms of the outstanding service debtors as at 30 June 2025 {(Total outstanding service debtors/ revenue received for services) X100}	% Of outstanding service debtors	All	22.85%	0%	0%	0%	90%	**90%**
TL15	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2025 {(Cash and Cash Equivalents - Unspent Conditional	Number of months it takes to cover fix operating expenditure with available cash	All	1.88	0	0	0	1	**1**

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Targets 2024/25				
					Q1	Q2	Q3	Q4	Annual
	Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets)}								
TL16	Achieve a debtor payment percentage of 90% by 30 June 2025 {(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue) x 100}	% Debtor payment achieved	All	67.64%	90%	90%	90%	90%	**90%**
TL25	Submit the adjustments budget for approval to Council by 28 February 2025	Number of adjustment budget reports submitted to Council	All	1	0	0	1	0	**1**
TL26	Submit the draft budget to Council by 31 March 2025	Number of draft budgets submitted to Council	All	1	0	0	1	0	**1**
TL27	Submit the Annual Financial Statements by 31 August 2024 to the Office of the Auditor General	Number of Annual Fin budget reports submitted of the AG	All	1	1	0	0	0	**1**

Table 4: Improve financial viability and sustainability through efficient budget processes financial systems and legislative requirements

Promote skilled labour force through education and training to improve employability

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Targets 2024/25				
					Q1	Q2	Q3	Q4	Annual
TL9	Number of people from employment equity target groups appointed in the three highest levels of management during the 2024/25 financial year in compliance with the municipality's approved	Number of people that will be appointed in the three highest levels of management in compliance with a municipality's approved employment equity plan	All	3	0	0	0	0	**0**

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Targets 2024/25				
					Q1	Q2	Q3	Q4	Annual
	employment equity plan								
TL10	Spend 0.003% of operational budget on training by 30 June 2025 {(Actual total training expenditure divided by total personnel budget) x100}	% Of the operational budget spent on training	All	0	0%	0%	0%	0%	**0%**

Table 5: Promote skilled labour force through education and training to improve employability

Ensure responsive and accountable governance

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Targets 2024/25				
					Q1	Q2	Q3	Q4	Annual
TL1	Submit the Risk-based Three-Year Strategic Plan and Annual Risk Based Audit Plan to the Audit Committee 30 June 2025	Number of plans submitted	All	1	0	0	0	1	**1**
TL2	Review the Risk Register and submit to Council for consideration by 30 June 2025	Reviewed Risk Register submitted	All	0	0	0	0	1	**1**
TL3	Sign the Municipal manager and the Senior Managers Performance Agreements by 31 July 2024	Number of Performance agreements signed by Senior managers	All	3	3	0	0	0	**3**
TL4	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2025 [(Actual amount spent on projects /Total amount budgeted for capital projects) X100]	% Of capital budget spent	All	51%	10%	40%	60%	95%	**95%**
TL5	Submit the Oversight Report together with the Annual Report to Council by 31 March 2025	Number of reports submitted	All	1	0	0	1	0	**1**
TL6	Submit IDP Process Plan annually to Council for approval by 31 August 2024	Annual IDP Process Plan submitted	All	1	1	0	0	0	**1**

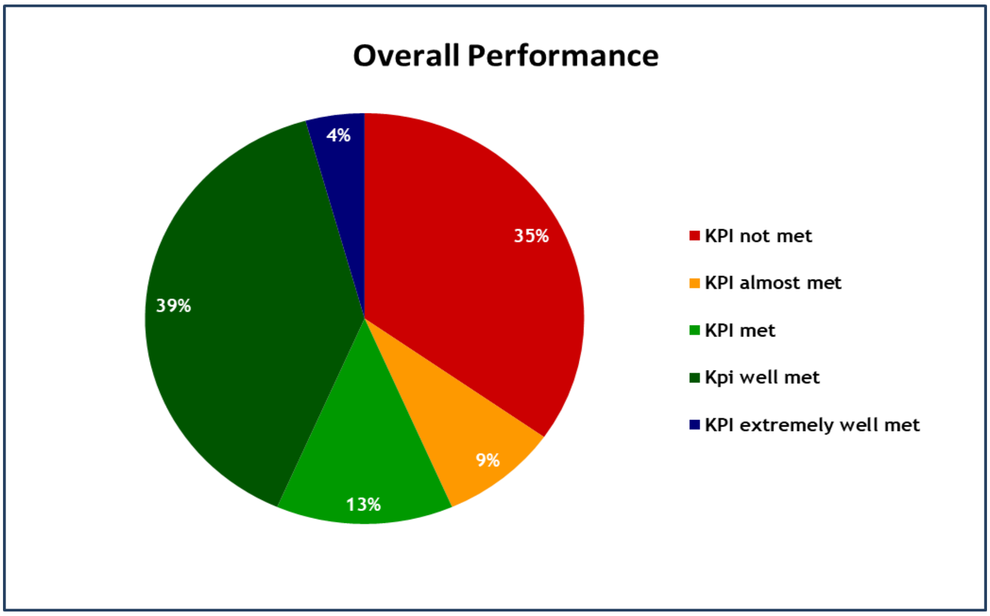
Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Targets 2024/25				
					Q1	Q2	Q3	Q4	Annual
TL7	Review and submit the 2025/26 IDP to Council by 31 May 2025	IDP submitted to Council	All	1	0	0	0	1	**1**

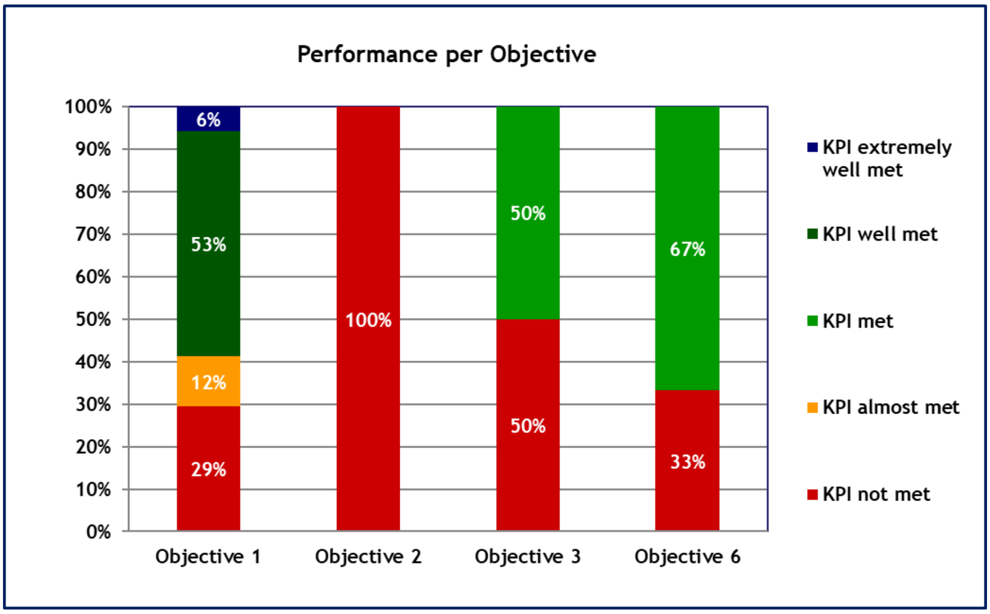
Table 6: Ensure responsive and accountable governance

3.4. Mid-Year Performance Against the Performance Indicators Set in the Approved Top Layer SDBIP for 2024/25

3.4.1 Overall actual performance of indicators for the mid-year ending 31 December 2024

Detailed below is the unaudited actual performance on Top Layer SDBIP KPI's that were due for the first half of the financial year ending 31 December 2024 which measures the Municipality's overall performance per strategic objective. Only KPI's relevant to this period are presented. KPI's that do not have targets for this period and will be reported on in future quarters when they are due.





Graph 1: Performance per strategic objective for the mid-year ending 31 December 2024

Category	Provide quality living human settlements with basic infrastructure for all residents	Create economic centres that provide an enabling environment for business growth job creation and SMME opportunities	Improve financial viability and sustainability through efficient budget processes financial systems and legislative requirements	Ensure responsive and accountable governance	**Total**
	Strategic Objective 1	**Strategic Objective 2**	**Strategic Objective 3**	**Strategic Objective 6**	
R	5	1	1	1	8
O	2	0	0	0	2
G	0	0	1	2	3
G2	9	0	0	0	9
B	1	0	0	0	1
Total	**17**	**1**	**2**	**3**	**23**

Graph 2: Overall actual performance of indicators for the mid-year ending 31 December 2022

Category	**Colour**	**Explanation**
KPI's Not Met	**R**	0% >= Actual/Target < 75%
KPI's Almost Met	**O**	75% >= Actual/Target < 100%
KPI's Met	**G**	Actual/Target = 100%
KPI's Well Met	**G2**	100% > Actual/Target < 150%
KPI's Extremely Well Met	**B**	Actual/Target >= 150%

Graph 3: SDBIP Measurement Criteria

3.4.2 Actual performance per strategic objective of indicators for the mid-year ending 31 December 2024

The Municipality met 56.52%% (13 of 23) of the applicable KPI's for the period as at 31 December 2024. The remainder of the KPI's (12) on the Top Layer SDBIP out of the total number of 54 KPI's do not have targets for this period and will be reported on in future quarters when they are due. Details of the performance against the targets set as at 31 December 2024 are indicated in the tables below. The tables, furthermore, includes the performance comments and corrective measures indicated for targets not achieved.

Provide quality living human settlements with basic infrastructure for all residents

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Overall performance for the mid-year ending 31 December 2024				
					Q1	Q2	Target	Actual	R
TL11	Spend 95% of the library operational conditional grant by 30 June 2025 {(Actual expenditure divided by the total grant received) x 100}	% of budget spent	All	100%	0	40	**40**	**31.8**	O
Corrective Action		Funding was received late but spending is closely monitored.							
TL17	Provide free basic water to indigent households in terms of the approved indigent policy as at 30 June 2025	Number of households receiving free basic water	All	No comparative from previous financial year	0	920	**920**	**1 215**	G2
TL18	Provide free basic electricity to indigent households earning in terms of the approved indigent policy at 30 June 2025	Number of households receiving free basic electricity	All	No comparative from previous financial year	0	600	**600**	**974**	B
TL19	Provide free basic sanitation to indigent households in terms of the approved indigent policy at 30 June 2025	Number of households receiving free basic sanitation	All	No comparative from previous financial year	0	1 210	**1 210**	**1 215**	G2
TL20	Provide free basic refuse removal to indigent households in terms of the approved indigent policy at 30 June 2025	Number of households receiving free basic refuse	All	No comparative from previous financial year	0	1 210	**1 210**	**1 215**	G2
TL21	Number of residential properties that are billed for refuse removal as at 30 June 2025	Number of residential properties that are billed for refuse removal residential	All	No comparative from previous financial year	0	2 198	**2 198**	**2 390**	G2

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Overall performance for the mid-year ending 31 December 2024				
					Q1	Q2	Target	Actual	R
		tariffs using the erf as a property							
TL22	Number of residential properties which are billed for electricity or have pre-paid meters as at 30 June 2025	Number of residential properties which are billed for electricity or have pre paid meters (Excluding Eskom areas)	All	No comparative from previous financial year	0	1 200	**1 200**	**1 240**	G2
TL23	Number of residential properties that which are billed for water or have pre paid meters that is connected to the municipal water infrastructure network as at 30 June 2025	Number of residential properties which are billed for water or have pre paid meters	All	No comparative from previous financial year	0	1 882	**1 882**	**2 743**	G2
TL24	Number of residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2025	Number of residential properties which are billed for sewerage	All	No comparative from previous financial year	0	2 383	**2 383**	**2 372**	O
Corrective Action		This KPI will be closely monitored to implement measure to achieve the annual target							
TL28	Limit unaccounted for electricity to less than 12% by 30 June 2025 {(Number of Electricity Units Purchased - Number of Electricity Units Sold) / Number of Electricity Units Purchased)x 100}	% unaccounted for electricity	All	18.18%	0.00%	12.00%	**12.00%**	**0.00%**	R
Corrective Action		This KPI will be closely monitored to implement measure to achieve the annual target.							
TL29	Limit unaccounted for water to less than 15% by 30 June 2025 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified x 100}	% unaccounted for water	All	21.12%	0.00%	15.00%	**15.00%**	**0.00%**	R
Corrective Action		This KPI will be closely monitored to implement measure to achieve the annual target.							

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Overall performance for the mid-year ending 31 December 2024				
					Q1	Q2	Target	Actual	R
TL30	95% of water samples comply with SANS 241 microbiological indicators on a quarterly basis	% compliance of samples tested	All	No comparative from previous financial year	95.00%	95.00%	**95.00%**	**100.00 %**	G2
TL31	Spend 100% of the MIG grant allocation by 30 June 2025 [(Actual expenditure/total grant allocation received) x 100]	% of MIG grant spend	All	64%	10.00%	40.00%	**40.00%**	**0.00%**	R
Corrective Action		Funding was received late but spending is closely monitored.							
TL32	Spend 100% on the WSIG grant allocation by 30 June 2025 [(Actual expenditure/total grant allocation received) x 100]	% of WSIG grant spend	All	100%	10.00%	40.00%	**40.00%**	**43.89%**	G2
TL33	Spend 95% of the capital budget for Williston WWTW by 30 June 2025[(Actual amount spent on projects /Total amount budgeted for capital projects)X100]	% of budget spent	All	No comparative from previous financial year	10.00%	40.00%	**40.00%**	**0.00%**	R
Corrective Action		Funding was received late but spending is closely monitored.							
TL34	Spend 95% of the capital budget for the upgrade of the internal network in Frasenburg (INEP) by 30 June 2025[(Actual amount spent on projects /Total amount budgeted for capital projects)X100]	% of budget spent	All	No comparative from previous financial year	10.00%	40.00%	**40.00%**	**7.00%**	R
Corrective Action		Funding was received late but spending is closely monitored.							
TL35	Spend 95% of the capital budget for the upgrade of bulk water Sutherland (WSIG)by 30 June 2025[(Actual amount spent on projects /Total amount budgeted for capital projects)X100]	% of budget spent	All	No comparative from previous financial year	10.00%	40.00%	**40.00%**	**43.89%**	G2

Table 7: Provide quality living human settlements with basic infrastructure for all residents

Create economic centres that provide an enabling environment for business growth job creation and SMME opportunities

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Overall performance for the mid-year ending 31 December 2023				
					Q1	Q2	Target	Actual	R
TL8	Create 50 job opportunities by 30 June 2025	Number of job opportunities created by 30 June	All	No comparative from previous financial year	0	20	**20**	**0**	R
Corrective Action		KPI will be closely monitored and reporting done for the full financial year							

Table 8: Create economic centres that provide an enabling environment for business growth job creation and SMME opportunities

Improve financial viability and sustainability through efficient budget processes financial systems and legislative requirements

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Overall performance for the mid-year ending 31 December 2023				
					Q1	Q2	Target	Actual	R
TL16	Achieve a debtor payment percentage of 90% by 30 June 2025 {(Gross Debtors Closing Balance + Billed Revenue - Gross Debtors Opening Balance - Bad Debts Written Off)/Billed Revenue) x 100}	% Debtor payment achieved	All	67.64%	90.00%	90.00%	**90.00%**	**64.50%**	R
Corrective Action		Debtor payment has improved since September 2024 and current controls will be executed to improve payment achieved. KPI will be closely monitored							
TL27	Submit the Annual Financial Statements by 31 August 2024 to the Office of the Auditor General	Number of Annual Fin budget reports submitted of the AG	All	1	1	0	**1**	**1**	G

Table 9: Improve financial viability and sustainability through efficient budget processes financial systems and legislative requirements

Ensure responsive and accountable governance

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Overall performance for the mid-year ending 31 December 2023				
					Q1	Q2	Target	Actual	R
TL3	Sign the Municipal manager and the Senior Managers Performance Agreements by 31 July 2024	Number of Performance agreements signed by Senior managers	All	3	3	0	**3**	**3**	G

Ref	KPI	Unit of Measurement	Wards	Actual performance of 2023/24	Overall performance for the mid-year ending 31 December 2023				
					Q1	Q2	Target	Actual	R
TL4	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2025 [(Actual amount spent on projects /Total amount budgeted for capital projects) X100]	% Of capital budget spent	All	51%	10.00%	40.00%	**40.00%**	**28.58%**	R
Corrective Action		MIG funds has not been received and funding will be spent once funding is received. The project is to commence on 15 January 2025 and spending will be closely monitored.							
TL6	Submit IDP Process Plan annually to Council for approval by 31 August 2024	Annual IDP Process Plan submitted	All	1	1	0	**1**	**1**	G

Table 10: Ensure responsive and accountable governance

3.5 Adjustment of the Top Layer SDBIP for 2024/25

In terms of Section 27(2)(b), when submitting an adjustments budget to the National Treasury and Provincial Treasury in terms of Section 28(7) of the MFMA read together with Section 24(3) of the MFMA, the municipal manager must also submit the amended SDBIP, within ten working days after the council has approved the amended plan in terms of Section 54(1)(c) of the MFMA.

The Top Layer SDBIP will be revised where needed and submitted with the Adjustments Budget to Council by the end of February 2025 with the necessary motivation where key performance indicator targets require amendment as a result of the Adjustments Budget and/or corrections as a result of the audit outcomes of 2023/24.

3.6 Annual Report for 2023/24

The draft Annual Report of the 2023/24 financial year will be tabled by 31 January 2024.

As prescribed in Section 72(1((a)(iii) of the MFMA the Accounting Officer must assess the performance of the Municipality in the first 6 months taking into account the past year's Annual Report, and progress on resolving the problems identified in the Annual Report. Council will appoint an Oversight Committee, who will compile an Oversight Report. This report will include a summary of comments and conclusions on the Annual Report of the Municipality for 2023/24.

However, to ensure the credibility of the 2023/24 Annual Report and that the information in the report is accurate, reliable and correct, it has been audited by the Auditor-General and the final draft will also be sent to them for verification. Thus the final report will be scrutinized for accuracy, reliability and correctness not only by the management team but by the Auditor-General as well.