

Witzenberg Municipality



2016/17

*Mid-year
Budget Statement
and
Performance Assessment
for the period
1 July to 31 December 2016*

Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2016

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GLOSSARY

Adjustments Budgets – Prescribed in Section 28 of the Municipal Finance Management Act. It is the formal means by which a municipality may revise its budget during a financial year.

Allocations – Money received from Provincial or National Government or other municipalities.

AFS – Annual Financial Statements

Budget – The financial plan of a municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget.

Capital Expenditure – Spending on municipal assets such as land, buildings, distribution networks, treatment plants and vehicles. Any capital expenditure must be reflected as an asset on a municipality's balance sheet.

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality, and the month end balances of cash and short term investments. Cash receipts and payments do not always coincide with budgeted income and expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month that the services or goods are received, even though it may not be paid in the same period.

CFO – Chief Financial Officer / Director: Finance

DORA – Division of Revenue Act. An annual piece of legislation indicating the allocations from National Government to Local Government.

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to assist with free basic services.



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Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GDFI - Gross Domestic Fixed Investment

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates comparisons between municipalities.

GRAP – Generally Recognized Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

IDP – Integrated Development Plan. The main strategic planning document of a municipality.

KPI's – Key Performance Indicators. Measures of service output and/or outcome.

MFMA – Municipal Finance Management Act (No 53 of 2003). The principle piece of legislation relating to municipal financial management.

MIG – Municipal Infrastructure Grant

MPRA – Municipal Property Rates Act (No 6 of 2004).

MTREF – Medium Term Revenue and Expenditure Framework as prescribed by the MFMA sets out indicative revenue and projected expenditure for the budget year plus two outer financial years to determine the affordability level. Also includes details of the previous three years and current years' financial position.

NT – National Treasury



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Net Assets – Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

Operating Expenditure – Spending on the day to day expenses of a municipality such as general expenses, salaries & wages and repairs & maintenance.

Rates – Local Government tax based on assessed valuation of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

RBIG – Regional Bulk Infrastructure Grant

R&M – Repairs and maintenance on property, plant and equipment.

SCM – Supply Chain Management.

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives – The main priorities of a municipality as set out in the IDP Budgeted spending must contribute towards achievement of these strategic objectives.

TMA – Total Municipal Account

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget.

Virement – A transfer of the budget.



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Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote – One of the main segments into which a budget is divided, usually at department level.

WM – Witzenberg Municipality



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LEGAL REQUIREMENTS

In terms of Section 72 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003):

(1) The accounting officer of a municipality must by 25 January of each year –

(a) assess the performance of the municipality during the first half of the financial year, taking into account –

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

(b) submit a report on such assessment to –

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

(2) The statement referred to in section 71(1) for the sixth month of a financial year may be incorporated into the report referred to in subsection (1)(b) of this section.

(3) The accounting officer must, as part of the review –

- (a) make recommendations as to whether an adjustments budget is necessary; and
- (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

Thereafter, the mayor must, in terms of Section 54(1) of the act:

- (a) Consider the report;
- (b) Check whether the municipality's approved budget is implemented in accordance with the service delivery and budget implementation plan;
- (c) Consider and, if necessary, make any revisions to the service delivery and budget implementation plan, provided that 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 adjustments budget;
- (d) Issue any appropriate instructions to the accounting officer to ensure-
 - (i) That the budget is implemented in accordance with the service delivery and budget implementation plan; and



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- (ii) That spending of funds and revenue collection proceed in accordance with the budget;
- (e) Identify any financial problems facing the municipality, including any emerging or impending financial problems; and
- (f) Submit the report to the council by 31 January of each year.

The following regulations of the Local Government: Municipal Finance Management Act Municipal Budget and Reporting Regulations are relevant:

33. Format of a mid-year budget and performance assessment.—A mid-year budget and performance assessment of a municipality referred to in section 72 of the Act must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168 (1) of the Act.¹⁹
34. Publication of mid-year budget and performance assessments.—
- (1) Within five working days of 25 January each year the municipal manager must make the mid-year budget and performance assessment public by placing it on the municipal website.
 - (2) The municipal manager must make public any other information that the municipal council considers appropriate to facilitate public awareness of the mid-year budget and performance assessment, including—
 - (a) summaries in alternate languages predominant in the community; and
 - (b) Information relevant to each ward in the municipality.
35. Submission of mid-year budget and performance assessments.—The municipal manager must submit to the National Treasury and the relevant provincial treasury, in both printed and electronic form—
- (a) the mid-year budget and performance assessment by 25 January of each year; and
 - (b) Any other information relating to the mid-year budget and performance assessment as may be required by the National Treasury.



Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2016

1. PART 1 - IN-YEAR REPORT

1.1 MAYORS REPORT

Speaker

Deputy Executive Mayor

Members of the Mayoral Committee

Councillors

Representatives of Provincial Government

Municipal Manager

Directors and officials

Distinguished guests

Members of the media it is my privilege to present to you Mid-Year Budget Statement and Performance Assessment Report for the six months 1 July 2016 to 31 December 2016.

The process of value for money spending is always a challenge for capital projects. The capital budget amounts R84.8 million of which R15.6 million was expended, bringing about an 18% expenditure of the projected 40% cash flow forecast. The main contributing factors to this is the R14 million of R24.4 million cash flow forecast expenditure which could not be utilised as the Department of Water affairs failed to transfer funding for the Tulbagh Dam after the allocation was published in the Division of Revenue Act. Invoices to the value of R 2 million were received during January 2017 in respect of services rendered before 31 December 2016. These amounts are not included in the year to date capital expenditure. Savings of R 1.5 million were affected on some capital projects. If all of the above are taken in consideration the capital expenditure as at 31 December 2016 will be much improved.

The credit control measures could not be implemented in certain areas due to the lives of contractors and municipal staff's being threaten.

An adjustment budget will be compiled and submitted to Council for consideration due to operational requirements and amendments to allocations to Witzenberg Municipality as per the Provincial and National Adjustment Budgets.

It is with great pleasure to announce that the financial viability and cashflow status of the municipality over the past period has been steadily increasing. It has reached a point where the municipality has sufficient funds available to cover operating expenditure for four months.



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The municipality for the last seven years received Unqualified Audits from the Auditor General of South Africa of which four is consecutive "Clean Audits".

The audit report put emphasis on the impairment of debtors and the restatement of prior year figures as per the following table.

Auditor-General Report on Financial Performance 2015/16	
Status of the audit report:	Unqualified
Issue raised	Corrective step implemented
<u>Emphasis of matter:</u>	
<u>Material impairments</u>	
As disclosed in note 3 to the financial statements, the municipality provided for an impairment of R106 million (2014/15: R122.1 million) on receivables from exchange transactions	Water management devices / Prepaid water meters to be implemented
As disclosed in note 4 to the financial statements, the municipality provided for the impairment of gross receivables from non-exchange transactions amounting to R38.9 million (2014/15: R30 million)	New service provider appointed for the collection of traffic fines
<u>Restatement of corresponding figures</u>	
As disclosed in note 36 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of errors discovered during 2015/16 in the financial statements of the municipality at, and for the year ended, 30 June 2015	None

COUNCILLOR BC KLAASEN

EXECUTIVE MAYOR



*Mid-Year Budget Statement and Performance Assessment for the period
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1.2 RESOLUTION

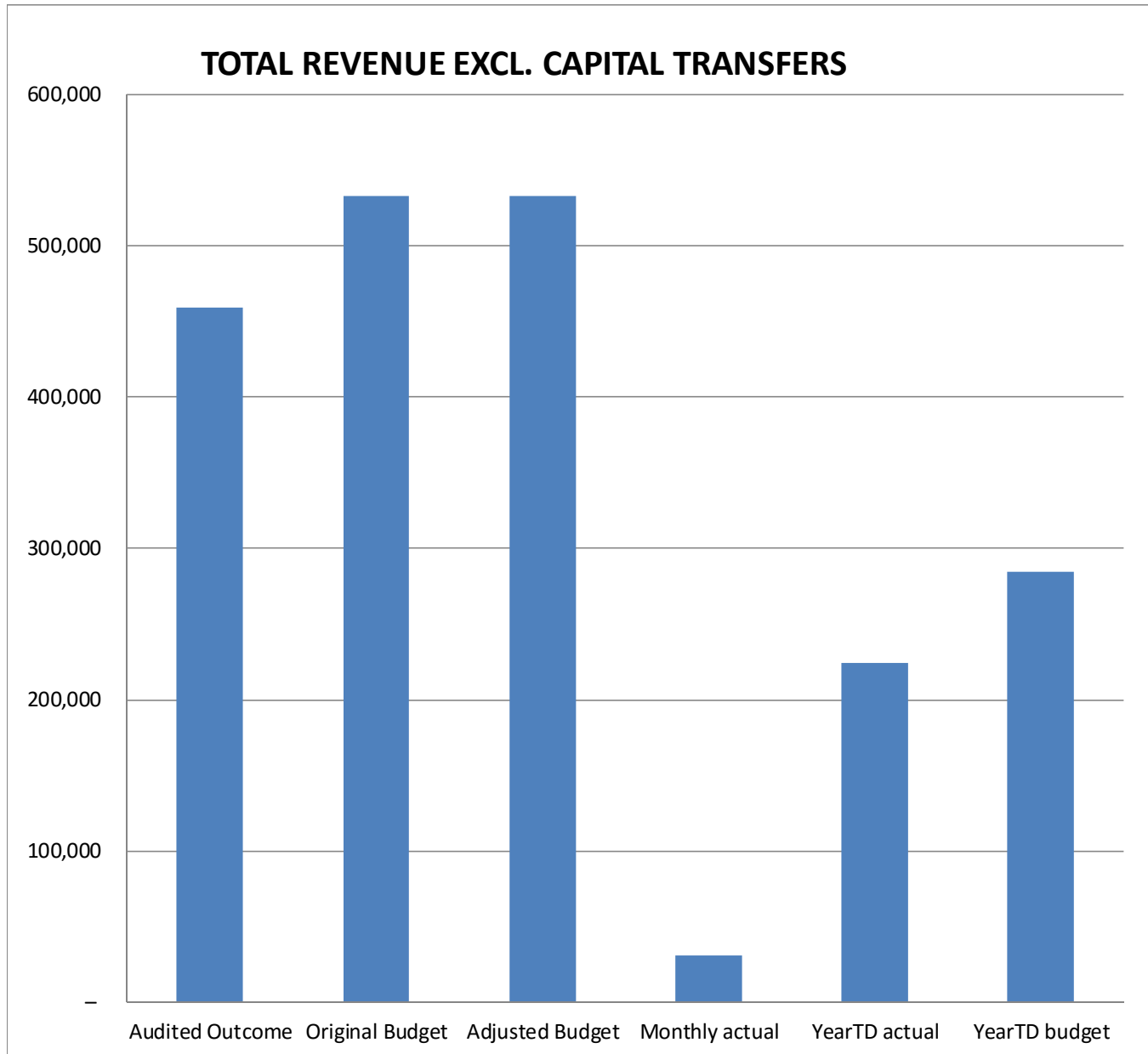
It is recommended that council take cognisance of the mid-year budget and performance assessment for the period 1 July to 31 December 2016.

It is further recommended that an adjustment budget be tabled in council during February 2017.



Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2016

1.3 EXECUTIVE SUMMARY



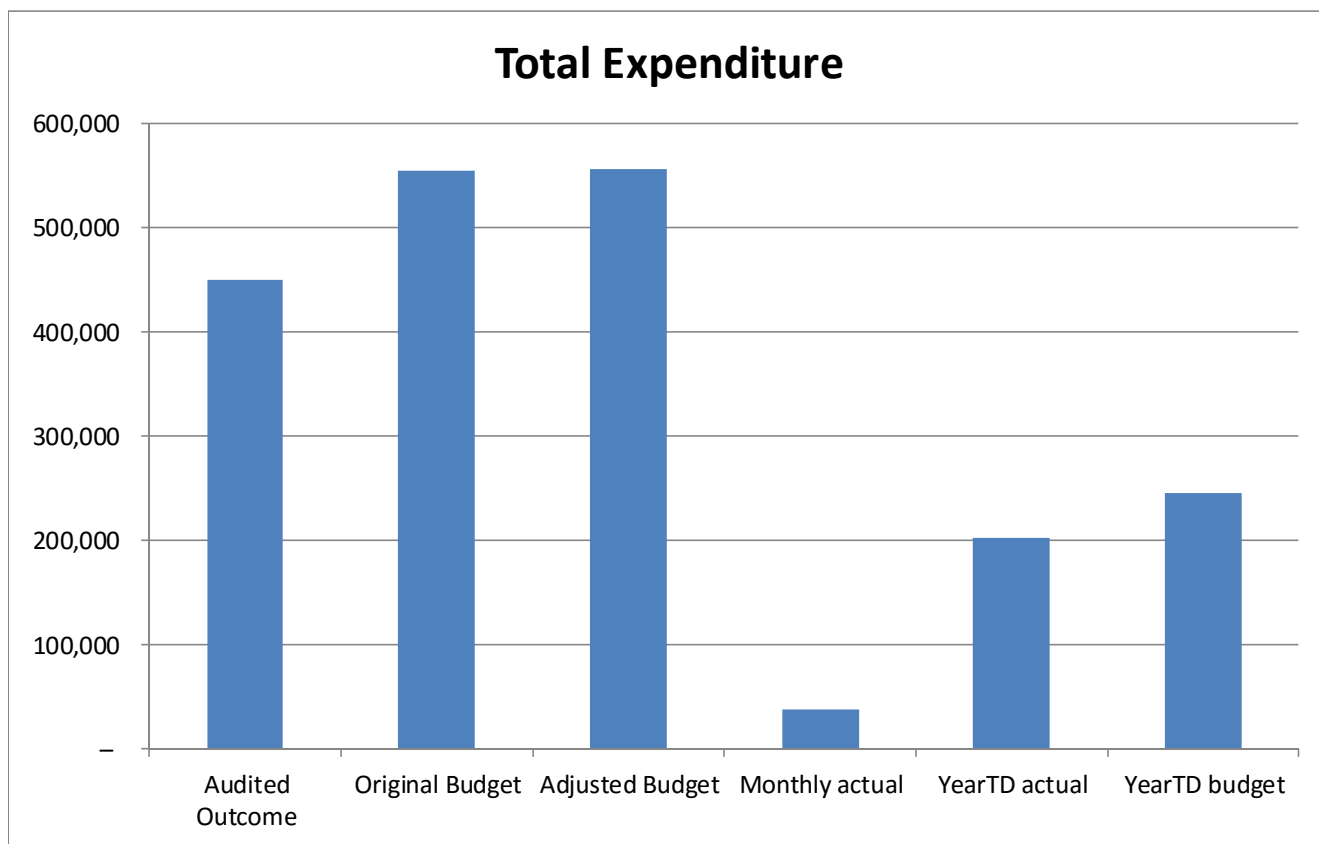
42% of the budgeted revenue excluding capital transfers was levied for the six months until

31 December 2016. The rates for the full financial year for property owners that prefer to pay their rates annually were levied during July 2016. The consumption of services such as water and electricity are expected to increase during the next months due to the agricultural season.

The revenue for grants is less than budgeted as the approval for the Bella Vista housing project was only received in November 2016.



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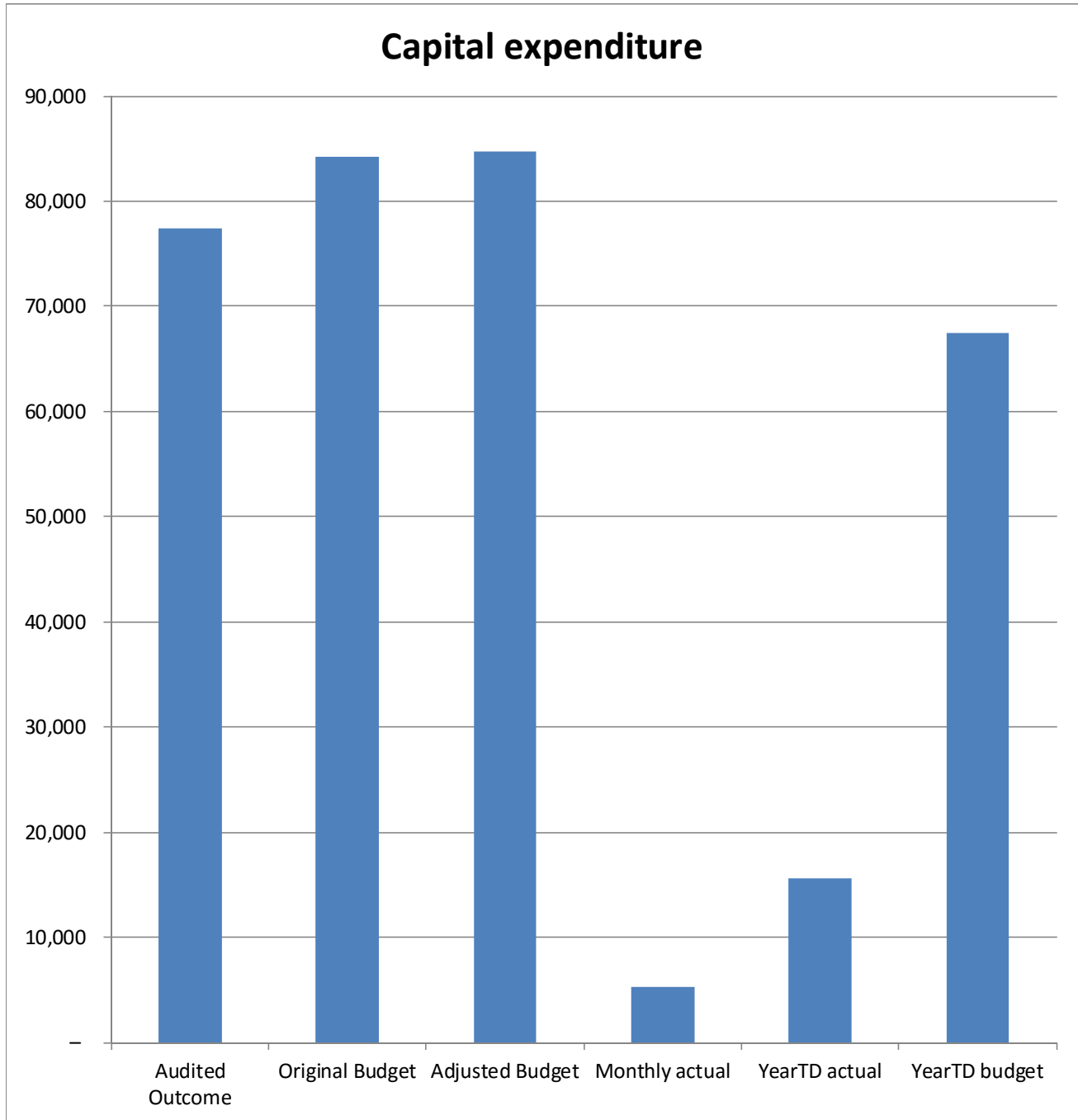
For the six months until 31 December 2016 36% of the budgeted expenditure for the financial year was incurred.

It is expected that the bulk purchases from Eskom will increase in the latter half of the financial year due to the agricultural season.



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The expenditure on housing is less than budgeted as the approval for the Bella Vista housing project was only received in November 2016.



For the six months until 31 December 2016 18% of the budgeted capital expenditure for the financial year was incurred.

The project that contributes the most to the low spending on the capital budget is the Tulbagh raw water dam. Although the project is included in the 2016 Division of Revenue Act the inclusion of the project is a mistake according to the relevant national department.



Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2016

1.4 IN-YEAR BUDGET STATEMENT TABLES

The following table provides a summary of the financial performance and financial position of the municipality as at 31 December 2016.

WC022 Witzenberg - Table C1 Monthly Budget Statement Summary - M06 December

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Financial Performance									
Property rates	57,621	61,405	61,405	3,147	43,222	44,580	(1,359)	-3%	47,108
Service charges	278,961	295,516	295,516	19,873	131,289	144,352	(13,062)	-9%	259,118
Investment revenue	6,772	4,480	4,480	291	3,156	2,107	1,048	50%	13,845
Transfers recognised - operational	74,141	134,609	134,609	5,607	33,105	75,160	(42,055)	-56%	115,578
Other own revenue	41,476	36,505	37,042	1,647	13,635	17,959	(4,324)	-24%	20,885
Total Revenue (excluding capital)	458,972	532,516	533,053	30,566	224,407	284,159	(59,752)	-21%	456,534
Employee costs	120,879	143,665	143,591	9,976	65,880	89,650	(23,770)	-27%	130,205
Remuneration of Councillors	8,662	9,465	9,465	715	4,253	4,442	(190)	-4%	9,061
Depreciation & asset impairment	26,979	39,480	39,480	1,759	10,405	9,870	535	5%	38,431
Finance charges	17,903	11,710	11,710	769	4,816	4,436	380	9%	13,232
Materials and bulk purchases	160,425	179,221	179,221	11,018	70,832	74,283	(3,451)	-5%	170,916
Transfers and grants	969	881	881	42	475	441	34		956
Other expenditure	113,668	170,277	170,811	12,992	44,929	61,497	(16,568)	-27%	164,045
Total Expenditure	449,485	554,700	555,160	37,271	201,589	244,618	(43,029)	-18%	526,846
Surplus/(Deficit)	9,487	(22,184)	(22,107)	(6,706)	22,818	39,540	(16,723)	-42%	(70,312)
Transfers recognised - capital	51,539	51,580	51,049	655	10,265	20,541	(10,276)	-50%	42,594
Contributions & Contributed assets	-	-	-	-	-	-	-		-
Surplus/(Deficit) after capital	61,026	29,396	28,942	(6,051)	33,083	60,081	(26,998)	-45%	(27,719)
Capital expenditure & funds sources									
Capital expenditure	77,435	84,186	84,766	5,264	15,602	67,453	(51,851)	-77%	101,436
Capital transfers recognised	52,790	44,792	36,892	666	10,265	26,479	(16,214)	-61%	47,248
Public contributions & donations	1,619	-	-	-	-	-	-		-
Borrowing	28,191	2,500	2,500	-	-	2,500	(2,500)	-100%	2,500
Internally generated funds	(5,165)	36,894	45,374	4,597	5,337	38,474	(33,137)	-86%	51,688
Total sources of capital funds	77,435	84,186	84,766	5,264	15,602	67,453	(51,851)	-77%	101,436
Financial position									
Total current assets	138,454	128,678	128,678		196,892				128,678
Total non current assets	824,177	868,750	868,750		796,821				868,750
Total current liabilities	46,982	46,691	46,691		82,121				46,691
Total non current liabilities	170,027	168,208	168,208		171,955				168,208
Community wealth/Equity	745,622	782,529	782,529		738,283				782,529
Cash flows									
Net cash from (used) operating	61,121	(12,076)	(12,076)	37,173	(10,180)	70,946	(81,126)	-114%	69,050
Net cash from (used) investing	(19,100)	(61,570)	(61,570)	(705)	(14,586)	(22,744)	8,158	-36%	(69,728)
Net cash from (used) financing	(7,368)	(8,908)	(8,908)	(83)	(3,981)	(4,808)	828	-17%	(9,736)
Cash at month end	97,036	14,487	14,487	-	68,294	140,433	(72,140)	-51%	86,626
Debtors & creditors analysis									
	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									
Total By Income Source	23,563	3,031	2,114	4,509	2,400	2,478	14,919	110,865	163,881
Creditors Age Analysis									
Total Creditors	1,033	43	-	-	-	-	-	22	1,097



Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2016

The following table provides detail of revenue and expenditure according to the international standard classification.

WC022 Witzenberg - Table C2 Monthly Budget Statement - Financial Performance (standard classification) - M06

Description	2015/16	Budget Year 2016/17							
	Audited Outcom	Original Budget	Adjuste d	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD varianc %	Full Year Forecast
R thousands									
Revenue - Standard									
Governance and administration	79,470	79,324	79,324	4,253	50,174	52,211	(2,037)	-4%	65,499
Executive and council	5,103	949	949	31	250	496	(247)	-50%	611
Budget and treasury office	72,550	76,831	76,831	4,159	49,509	50,443	(934)	-2%	63,818
Corporate services	1,816	1,544	1,544	63	416	1,272	(856)	-67%	1,070
Community and public safety	90,585	148,801	148,271	5,145	38,430	83,633	(45,203)	-54%	119,265
Community and social services	66,167	70,005	69,475	5,268	30,994	44,509	(13,514)	-30%	52,989
Sport and recreation	14,945	8,502	8,502	(384)	5,595	4,035	1,560	39%	6,398
Public safety	8,636	13,609	13,609	244	1,680	6,747	(5,068)	-75%	3,446
Housing	837	56,685	56,685	18	161	28,342	(28,180)	-99%	56,432
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	15,732	5,993	6,530	475	3,141	2,914	227	8%	7,741
Planning and development	958	1,504	1,504	53	776	587	189	32%	2,435
Road transport	14,253	4,490	4,490	245	2,150	2,201	(51)	-2%	4,390
Environmental protection	520	-	536	177	216	126	90	71%	917
Trading services	324,723	349,978	349,978	21,347	142,926	165,942	(23,015)	-14%	321,868
Electricity	202,461	221,046	221,046	13,747	96,447	108,740	(12,293)	-11%	190,200
Water	49,588	76,752	76,752	2,994	18,077	33,179	(15,102)	-46%	54,447
Waste water management	49,456	30,444	30,444	3,016	17,871	13,031	4,840	37%	41,365
Waste management	23,219	21,736	21,736	1,590	10,531	10,991	(460)	-4%	35,855
Other	-	-	-	-	-	-	-	-	-
Total Revenue - Standard	510,511	584,096	584,102	31,220	234,672	304,700	(70,028)	-23%	514,373
Expenditure - Standard									
Governance and administration	91,239	102,717	102,800	7,462	46,651	49,639	(2,988)	-6%	104,317
Executive and council	24,701	28,959	28,809	1,742	11,660	15,616	(3,956)	-25%	24,383
Budget and treasury office	36,902	43,443	43,562	4,129	18,792	19,027	(235)	-1%	46,152
Corporate services	29,636	30,315	30,429	1,591	16,199	14,995	1,204	8%	33,782
Community and public safety	61,612	132,666	132,530	5,383	28,815	65,476	(36,660)	-56%	102,087
Community and social services	18,163	21,300	21,296	1,842	10,074	8,818	1,256	14%	22,737
Sport and recreation	20,462	23,799	23,804	1,853	9,667	14,357	(4,690)	-33%	21,282
Public safety	20,081	27,707	27,570	1,438	7,495	12,618	(5,123)	-41%	26,877
Housing	2,907	59,860	59,860	250	1,579	29,682	(28,103)	-95%	31,191
Health	-	-	-	-	-	-	-	-	-
Economic and environmental services	29,611	29,044	29,563	2,404	11,092	13,733	(2,641)	-19%	27,221
Planning and development	4,731	5,667	5,667	381	2,364	5,895	(3,531)	-60%	5,521
Road transport	23,828	22,075	22,057	1,768	7,997	6,929	1,068	15%	18,503
Environmental protection	1,052	1,302	1,839	255	731	909	(178)	-20%	3,198
Trading services	266,234	289,545	289,540	22,021	114,634	123,679	(9,045)	-7%	292,454
Electricity	179,325	200,351	200,353	12,964	79,739	90,961	(11,222)	-12%	191,458
Water	21,522	25,030	24,880	2,559	9,571	18,243	(8,673)	-48%	22,711
Waste water management	26,908	28,050	28,194	3,341	12,804	(439)	13,243	-3014%	41,075
Waste management	38,478	36,113	36,113	3,157	12,520	14,914	(2,394)	-16%	37,209
Other	714	728	728	1	380	364	16	4%	768
Total Expenditure - Standard	449,409	554,700	555,160	37,271	201,573	252,890	(51,318)	-20%	526,846
Surplus/ (Deficit) for the year	61,101	29,396	28,942	(6,051)	33,099	51,809	(18,710)	-36%	(12,473)



Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2016

The table provides detail of revenue and expenditure according to municipal votes.

WC022 Witzenberg - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal

Vote Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue by Vote									
Vote 1 - Budget & Treasury Office	72,550	76,831	76,831	4,159	49,509	50,443	(934)	-2%	63,818
Vote 2 - Civil Services	132,166	129,063	129,063	7,600	46,603	57,267	(10,664)	-19%	116,673
Vote 3 - Community & Social Services	66,763	70,098	70,104	5,445	31,280	44,682	(13,401)	-30%	54,045
Vote 4 - Corporate Services	1,816	1,544	1,544	63	416	1,272	(856)	-67%	1,070
Vote 5 - Electricity	202,549	221,846	221,846	13,825	96,997	109,083	(12,086)	-11%	191,482
Vote 6 - Executive & Council	5,103	949	949	31	250	496	(247)	-50%	611
Vote 7 - Housing	837	56,685	56,685	18	161	28,342	(28,180)	-99%	56,432
Vote 8 - Planning	883	1,410	1,410	53	706	540	165	31%	2,295
Vote 9 - Public Safety	12,898	17,168	17,168	411	3,155	8,540	(5,385)	-63%	6,303
Vote 10 - Sport & Recreation	14,945	8,502	8,502	(384)	5,595	4,035	1,560	39%	6,398
Total Revenue by Vote	510,511	584,096	584,102	31,220	234,672	304,700	(70,028)	-23%	499,128
Expenditure by Vote									
Vote 1 - Budget & Treasury Office	30,779	36,916	36,936	3,578	15,556	14,841	715	5%	39,556
Vote 2 - Civil Services	107,755	107,823	107,823	10,578	41,353	37,430	3,924	10%	116,324
Vote 3 - Community & Social Services	21,595	24,724	25,257	2,240	11,790	14,358	(2,569)	-18%	27,889
Vote 4 - Corporate Services	28,769	28,789	28,903	1,456	15,688	14,167	1,521	11%	32,290
Vote 5 - Electricity	182,233	204,239	204,240	13,134	81,170	92,796	(11,626)	-13%	195,282
Vote 6 - Executive & Council	30,825	35,485	35,434	2,293	14,896	19,802	(4,906)	-25%	30,979
Vote 7 - Housing	2,907	59,860	59,860	250	1,579	29,682	(28,103)	-95%	31,191
Vote 8 - Planning	2,847	4,126	4,126	271	1,621	1,425	195	14%	4,059
Vote 9 - Public Safety	21,238	28,939	28,776	1,617	8,251	14,031	(5,779)	-41%	27,994
Vote 10 - Sport & Recreation	20,462	23,799	23,804	1,853	9,667	14,357	(4,690)	-33%	21,282
Total Expenditure by Vote	449,409	554,700	555,160	37,271	201,573	252,890	(51,318)	-20%	526,846
Surplus/ (Deficit) for the year	61,101	29,396	28,942	(6,051)	33,099	51,809	(18,710)	-36%	(27,719)



Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2016

The table provides detail of revenue according to source and expenditure according to type.

**WC022 Witzenberg - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M06
December**

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Revenue By Source									
Property rates	56,186	60,005	60,005	3,017	42,498	43,811	(1,313)	-3%	45,791
Property rates - penalties & collection	1,435	1,400	1,400	130	724	769	(45)	-6%	1,318
Service charges - electricity revenue	198,426	215,414	215,414	13,753	95,774	104,928	(9,153)	-9%	189,126
Service charges - water revenue	38,592	39,203	39,203	2,869	15,124	18,147	(3,023)	-17%	29,926
Service charges - sanitation revenue	20,990	19,968	19,968	1,646	10,643	10,689	(45)	0%	21,023
Service charges - refuse revenue	20,834	20,419	20,419	1,603	9,723	10,333	(610)	-6%	18,992
Service charges - other	118	511	511	3	25	256	(231)	-90%	51
Rental of facilities and equipment	8,169	9,339	9,339	603	4,585	4,511	73	2%	6,751
Interest earned - external investments	6,772	4,480	4,480	291	3,156	2,107	1,048	50%	6,875
Interest earned - outstanding debtors	9,828	5,474	5,474	(52)	3,469	2,780	688	25%	6,970
Dividends received	-	-	-	-	-	-	-	-	-
Fines	8,559	12,820	12,820	167	1,137	6,410	(5,273)	-82%	2,177
Licences and permits	179	168	168	4	103	85	18	21%	199
Agency services	4,237	4,274	4,274	242	1,985	2,089	(104)	-5%	4,067
Transfers recognised - operational	74,141	134,609	134,609	5,607	33,105	75,160	(42,055)	-56%	115,578
Other revenue	10,505	4,428	4,965	682	2,356	2,082	274	13%	7,691
Gains on disposal of PPE	-	2	2	-	-	1	(1)	-100%	1
Total Revenue (excluding capital transfers and contributions)	458,972	532,516	533,053	30,566	224,407	284,159	(59,752)	-21%	456,534
Expenditure By Type									
Employee related costs	120,879	143,665	143,591	9,976	65,880	89,650	(23,770)	-27%	130,205
Remuneration of councillors	8,662	9,465	9,465	715	4,253	4,442	(190)	-4%	9,061
Debt impairment	34,542	25,640	25,140	7,070	9,193	11,476	(2,283)	-20%	28,672
Depreciation & asset impairment	26,979	39,480	39,480	1,759	10,405	9,870	535	5%	38,431
Finance charges	17,903	11,710	11,710	769	4,816	4,436	380	9%	13,232
Bulk purchases	160,425	179,221	179,221	11,018	70,832	74,283	(3,451)	-5%	170,916
Other materials	-	-	-	-	-	-	-	-	-
Contracted services	15,877	71,370	72,467	1,153	7,858	18,117	(10,259)	-57%	51,400
Transfers and grants	969	881	881	42	475	441	34	8%	956
Other expenditure	63,249	73,268	73,205	4,769	27,878	31,903	(4,025)	-13%	83,973
Loss on disposal of PPE	-	-	-	-	-	-	-	-	-
Total Expenditure	449,485	554,700	555,160	37,271	201,589	244,618	(43,029)	-18%	526,846
Surplus/(Deficit)	9,487	(22,184)	(22,107)	(6,706)	22,818	39,540	(16,723)	-42%	(70,312)
Transfers recognised - capital	51,539	51,580	51,049	655	10,265	20,541	(10,276)	-50%	42,594
Contributions recognised - capital	-	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	61,026	29,396	28,942	(6,051)	33,083	60,081			(27,719)



Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2016

The table provides detail of capital expenditure according to municipal votes.

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M06 December

Vote Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Multi-Year expenditure appropriation									
Vote 1 - Budget & Treasury Office	–	200	150	–	–	175	(175)	-100%	150
Vote 2 - Civil Services	–	28,905	32,195	705	–	16,645	(16,645)	-100%	32,195
Vote 3 - Community & Social Services	–	–	–	–	–	–	–		–
Vote 4 - Corporate Services	–	–	–	–	–	–	–		–
Vote 5 - Electricity	–	800	1,069	11	–	868	(868)	-100%	1,069
Vote 6 - Executive & Council	–	–	–	–	–	–	–		–
Vote 7 - Housing	–	–	–	–	–	–	–		–
Vote 8 - Planning	–	–	–	–	–	–	–		–
Vote 9 - Public Safety	–	–	–	–	–	–	–		–
Vote 10 - Sport & Recreation	–	–	–	–	–	–	–		–
Total Capital Multi-year expenditure	–	29,905	33,414	716	–	17,688	(17,688)	-100%	33,414
Single Year expenditure appropriation									
Vote 1 - Budget & Treasury Office	367	130	130	–	19	130	(111)	-86%	149
Vote 2 - Civil Services	64,567	39,814	35,086	1,976	11,784	35,245	(23,461)	-67%	47,942
Vote 3 - Community & Social Services	2,543	1,200	1,730	42	96	1,480	(1,385)	-94%	1,817
Vote 4 - Corporate Services	1,676	1,076	1,089	–	10	816	(806)	-99%	1,098
Vote 5 - Electricity	5,715	7,660	7,517	147	1,073	7,044	(5,971)	-85%	8,595
Vote 6 - Executive & Council	–	–	–	–	–	–	–		–
Vote 7 - Housing	–	–	–	–	–	–	–		–
Vote 8 - Planning	–	–	–	–	–	–	–		–
Vote 9 - Public Safety	1,906	3,100	4,500	2,236	2,300	3,750	(1,450)	-39%	6,800
Vote 10 - Sport & Recreation	663	1,300	1,300	147	322	1,300	(978)	-75%	1,622
Total Capital single-year expenditure	77,435	54,280	51,352	4,548	15,602	49,766	(34,163)	-69%	68,022
Total Capital Expenditure	77,435	84,186	84,766	5,264	15,602	67,453	(51,851)	-77%	101,436



Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2016

The table provides detail of capital expenditure according to the international standards.

WC022 Witzenberg - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, standard classification and funding) - M06 December

Vote Description	2015/16	Budget Year 2016/17							
	Audited Outcom	Original Budget	Adjusted	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
Capital Expenditure - Standard Classification									
Governance and administration	2,042	1,406	1,369	–	28	1,121	(1,093)	-97%	1,397
Executive and council	–	–	–	–	–	–	–	–	–
Budget and treasury office	367	330	280	–	19	305	(286)	-94%	299
Corporate services	1,676	1,076	1,089	–	10	816	(806)	-99%	1,098
Community and public safety	4,827	6,900	9,099	2,514	3,314	7,898	(4,584)	-58%	12,403
Community and social services	2,170	1,200	1,730	42	96	1,480	(1,385)	-94%	1,817
Sport and recreation	663	1,300	1,300	147	322	1,300	(978)	-75%	1,622
Public safety	1,994	4,400	6,069	2,325	2,896	5,118	(2,221)	-43%	8,965
Housing	–	–	–	–	–	–	–	–	–
Health	–	–	–	–	–	–	–	–	–
Economic and environmental services	31,389	4,020	2,320	323	597	2,457	(1,861)	-76%	2,917
Planning and development	–	–	–	–	–	–	–	–	–
Road transport	31,017	4,020	2,320	323	597	2,457	(1,861)	-76%	2,917
Environmental protection	372	–	–	–	–	–	–	–	–
Trading services	39,177	71,860	71,978	2,427	11,664	55,977	(44,313)	-79%	84,719
Electricity	5,607	7,160	7,017	69	477	6,544	(6,068)	-93%	7,498
Water	13,449	37,505	45,405	570	3,831	29,665	(25,834)	-87%	50,218
Waste water management	18,125	24,394	16,226	1,788	7,356	16,702	(9,346)	-56%	23,673
Waste management	1,996	2,800	3,330	–	–	3,065	(3,065)	-100%	3,330
Other	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Standard Classification	77,435	84,186	84,766	5,264	15,602	67,453	(51,851)	-77%	101,436
Funded by:									
National Government	23,446	39,169	31,269	(273)	7,318	20,856	(13,538)	-65%	38,678
Provincial Government	28,191	5,623	5,623	939	2,947	5,623	(2,676)	-48%	8,570
District Municipality	–	–	–	–	–	–	–	–	–
Other transfers and grants	1,153	–	–	(0)	–	–	–	–	(0)
Transfers recognised - capital	52,790	44,792	36,892	666	10,265	26,479	(16,214)	-61%	47,248
Public contributions & donations	1,619	–	–	–	–	–	–	–	–
Borrowing	28,191	2,500	2,500	–	–	2,500	(2,500)	-100%	2,500
Internally generated funds	(5,165)	36,894	45,374	4,597	5,337	38,474	(33,137)	-86%	51,688
Total Capital Funding	77,435	84,186	84,766	5,264	15,602	67,453	(51,851)	-77%	101,436



Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2016

The table provides detail of the municipality's financial position as at period end.

WC022 Witzenberg - Table C6 Monthly Budget Statement - Financial Position - M06 December

Description	2015/16	Budget Year 2016/17			
	Audited Outcome	Original Budget	Adjusted Budget	YearTD actual	Full Year Forecast
R thousands					
ASSETS					
Current assets					
Cash	63,113	52,699	52,699	68,294	52,699
Call investment deposits	–	–	–	50,000	–
Consumer debtors	62,536	62,536	62,536	73,460	62,536
Other debtors	5,481	5,753	5,753	–	5,753
Current portion of long-term receivables	–	–	–	–	–
Inventory	7,324	7,690	7,690	5,138	7,690
Total current assets	138,454	128,678	128,678	196,892	128,678
Non current assets					
Long-term receivables	5,621	5,621	5,621	–	5,621
Investments	105	105	105	105	105
Investment property	49,145	48,052	48,052	48,358	48,052
Investments in Associate	–	–	–	–	–
Property, plant and equipment	769,306	814,972	814,972	745,237	814,972
Agricultural	–	–	–	–	–
Biological assets	–	–	–	–	–
Intangible assets	–	–	–	2,558	–
Other non-current assets	–	–	–	562	–
Total non current assets	824,177	868,750	868,750	796,821	868,750
TOTAL ASSETS	962,631	997,428	997,428	993,713	997,428
LIABILITIES					
Current liabilities					
Bank overdraft	–	–	–	–	–
Borrowing	–	–	–	–	–
Consumer deposits	–	–	–	5,132	–
Trade and other payables	33,990	33,699	33,699	64,680	33,699
Provisions	12,992	12,992	12,992	12,309	12,992
Total current liabilities	46,982	46,691	46,691	82,121	46,691
Non current liabilities					
Borrowing	24,494	15,398	15,398	16,277	15,398
Provisions	145,533	152,809	152,809	155,678	152,809
Total non current liabilities	170,027	168,208	168,208	171,955	168,208
TOTAL LIABILITIES	217,009	214,899	214,899	254,076	214,899
NET ASSETS	745,622	782,529	782,529	739,637	782,529
COMMUNITY WEALTH/EQUITY					
Accumulated Surplus/(Deficit)	733,387	762,783	762,783	728,215	762,783
Reserves	12,235	19,746	19,746	10,068	19,746
TOTAL COMMUNITY WEALTH/EQUITY	745,622	782,529	782,529	738,283	782,529



Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2016

The cash flows for the year to date are as follows:

WC022 Witzenberg - Table C7 Monthly Budget Statement - Cash Flow - M06 December

Description	2015/16	Budget Year 2016/17							
	Audited Outcome	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
Property rates, penalties & collection charges	53,848	45,029	45,029	3,307	30,403	42,382	(11,979)	-28%	57,009
Service charges	298,755	296,197	296,197	16,768	150,654	138,730	11,924	9%	284,273
Other revenue	42,948	32,968	32,968	2,489	23,089	11,129	11,960	107%	21,009
Government - operating	70,946	112,280	112,280	19,502	52,165	74,695	(22,529)	-30%	134,809
Government - capital	65,603	53,386	53,386	11,869	25,877	24,071	1,806	8%	51,580
Interest	7,018	8,918	8,918	291	3,851	4,887	(1,037)	-21%	9,954
Dividends	-	-	-	-	-	-	-		-
Payments									
Suppliers and employees	(473,989)	(551,804)	(551,804)	(16,849)	(294,882)	(220,071)	(74,811)	34%	(476,993)
Finance charges	(2,807)	(7,978)	(7,978)	(84)	(704)	(4,436)	3,732		(11,710)
Transfers and Grants	(1,202)	(1,072)	(1,072)	(119)	(632)	(441)	(191)	43%	(881)
NET CASH FROM/(USED) OPERATING ACTIVITIES	61,121	(12,076)	(12,076)	37,173	(10,180)	70,946	(81,126)	-114%	69,050
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE	-	-	-	-	-	-	-		-
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-		-
Decrease (increase) other non-current receivables	-	-	-	-	-	-	-		-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-		-
Payments									
Capital assets	(19,100)	(61,570)	(61,570)	(705)	(14,586)	(22,744)	8,158	-36%	(69,728)
NET CASH FROM/(USED) INVESTING ACTIVITIES	(19,100)	(61,570)	(61,570)	(705)	(14,586)	(22,744)	(8,158)	36%	(69,728)
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans	-	-	-	-	-	-	-		-
Borrowing long term/refinancing	-	-	-	-	-	-	-		-
Increase (decrease) in consumer deposits	784	300	300	26	300	-	300		-
Payments									
Repayment of borrowing	(8,152)	(9,208)	(9,208)	(109)	(4,280)	(4,808)	528	-11%	(9,736)
NET CASH FROM/(USED) FINANCING ACTIVITIES	(7,368)	(8,908)	(8,908)	(83)	(3,981)	(4,808)	(828)	17%	(9,736)
NET INCREASE/ (DECREASE) IN CASH HELD	34,653	(82,553)	(82,553)	36,386	(28,746)	43,394			(10,414)
Cash/cash equivalents at beginning:	62,383	97,040	97,040		97,040	97,040			97,040
Cash/cash equivalents at month/year end:	97,036	14,487	14,487		68,294	140,433			86,626



Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2016

2. PART 2- SUPPORTING DOCUMENTATION

2.1 DEBTORS' ANALYSIS

WC022 Witzenberg - Supporting Table SC3 Monthly Budget Statement - aged debtors - M06 December

Description	Budget Year 2016/17									Total over 90 days	Actual Bad Debts Written	Impairment - Bad Debts	
	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				
R thousands													
Debtors Age Analysis By Income Source													
Water	4,545	1,040	637	772	932	921	6,156	33,730	48,733	42,511	-	628	
Electricity	13,116	525	326	271	251	229	1,458	3,681	19,856	5,889	-	286	
Property Rates	3,091	366	94	2,346	98	225	778	13,033	20,030	16,479	-	-	
Waste Water Management	2,494	540	486	488	527	427	2,393	15,458	22,812	19,292	-	628	
Waste Management	2,414	463	475	451	452	505	2,770	18,804	26,335	22,982	-	628	
Property Rental Debtors	47	18	18	18	17	17	94	854	1,081	998	-	-	
Interest on Arrear Accounts	63	52	52	134	100	130	1,085	24,319	25,936	25,769	-	685	
Recoverable expenditure	-	-	-	-	-	-	-	-	-	-	-	-	
Other	(2,207)	27	27	30	23	25	186	988	(902)	1,251	-	-	
Total By Income Source	23,563	3,031	2,114	4,509	2,400	2,478	14,919	110,865	163,881	135,172	-	2,856	
2015/16 - totals only									-	-			
Debtors Age Analysis By Customer Group													
Organs of State	853	321	89	460	60	38	395	2,352	4,569	3,305	-	-	
Commercial	11,654	345	281	995	278	265	1,668	9,557	25,044	12,764	-	-	
Households	9,858	2,150	1,585	2,424	1,896	1,991	11,853	93,819	125,576	111,983	-	-	
Other	1,199	215	159	630	166	184	1,003	5,138	8,692	7,120	-	-	
Total By Customer Group	23,563	3,031	2,114	4,509	2,400	2,478	14,919	110,865	163,881	135,172	-	-	

Notes



Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2016

2.2 INVESTMENT PORTFOLIO ANALYSIS

WC022 Witzenberg - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M06 December

Investments by maturity Name of institution & investment ID R thousands	Period of Investment	Type of Investment	Expiry date of investment	Accrued interest for the month	Yield for the month 1 (%)	Market value at beginning of month	Change in market value	Market value at end of the month
	Yrs/Months							
Municipality								
Standard Bank	1 month	Fixed	-	157		20,000	20,000	-
ABSA	-	Fixed	-	-		-	-	-
Nedbank	3 months	Fixed	-	-		25,000	-	25,000
Investec	2 months	Fixed	-	328		25,000	25,000	-
	-	-	-	-		-	-	-
	-	-	-	-		-	-	-
Municipality sub-total	-	-	-	486		70,000	45,000	25,000
	-	-	-	-		-	-	-
Entities	-	-	-	-		-	-	-
	-	-	-	-		-	-	-
TOTAL INVESTMENTS AND INTEREST				486		70,000	45,000	25,000



Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2016

2.3 ALLOCATION AND GRANT RECEIPTS AND EXPENDITURE

WC022 Witzenberg - Supporting Table SC6 Monthly Budget Statement - transfers and grant receipts - M06 December

Description	Budget Year 2016/17							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
RECEIPTS:								
Operating Transfers and Grants								
National Government:	63,502	63,502	5,330	30,960	45,236	(14,276)	-31.6%	63,502
Local Government Equitable Share	59,734	59,734	4,978	29,867	43,556	(13,689)	-31.4%	59,734
MIG	-	-	14	69	-	69		-
MSIG	957	957	-	-	479	(479)	-100.0%	957
FMG	1,475	1,475	139	412	560	(148)	-26.4%	1,475
EPWP	1,336	1,336	199	612	642	(30)	-4.6%	1,336
	-	-	-	-	-	-		-
Provincial Government:	64,365	64,365	5	166	28,120	(27,954)	-99.4%	64,365
Library MRF	5,498	5,498	-	-	-	-		5,498
Library Conditional Grant	2,477	2,477	-	-	-	-		2,477
Housing	56,000	56,000	-	-	28,000	(28,000)	-100.0%	56,000
CDW	150	150	5	36	-	36		150
Tariffs	120	120	-	11	60	(49)	-82.5%	120
Department of Local Government	-	-	-	-	-	-		-
Thusong Centre	-	-	-	-	-	-		-
Maintenance of Transport Infrastructure	120	120	-	120	60	60	100.0%	120
Mandela Memorial	-	-	-	-	-	-		-
Long Term Financial Plan	-	-	-	-	-	-		-
Compliance Assist	-	-	-	-	-	-		-
Other grant providers:	200	736	224	382	140	243	173.9%	736
Belgium	200	736	224	382	140	243	173.9%	736
Total Operating Transfers and Grants	128,067	128,603	5,558	31,509	73,496	(41,987)	-57.1%	128,603
Capital Transfers and Grants								
National Government:	51,580	51,580	(284)	7,318	20,548	(13,230)	-64.4%	51,580
MIG	17,739	17,739	(284)	6,948	2,174	4,774	219.6%	17,739
MSIG	-	-	-	-	-	-		-
FMG	-	-	-	-	-	-		-
EPWP	-	-	-	-	-	-		-
INEP	5,000	5,000	-	371	3,453	(3,083)	-89.3%	5,000
RBIG	27,841	27,841	-	-	13,920	(13,920)	-100.0%	27,841
DWAF	-	-	-	-	-	-		-
ACIP	-	-	-	-	-	-		-
NDEV	-	-	-	-	-	-		-
Rural Development	1,000	1,000	-	-	1,000	(1,000)	-100.0%	1,000
Provincial Government:	-	(530)	939	2,947	(7)	2,954	-43503.6%	(530)
Library Conditional Grant	-	(530)	-	-	(7)	7	-100.0%	(530)
MRF	-	-	-	-	-	-		-
Housing	-	-	786	1,553	-	1,553		-
PTIP	-	-	-	-	-	-		-
Sport	-	-	-	-	-	-		-
Municipal Infrastructure Support Grant	-	-	-	-	-	-		-
Department of Local Government	-	-	153	1,394	-	1,394		-
Other grant providers:	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-		-
Public Contribution	-	-	-	-	-	-		-
Total Capital Transfers and Grants	51,580	51,049	655	10,265	20,541	(10,276)	-50.0%	51,049
TOTAL RECEIPTS OF TRANSFERS & GRANTS	179,647	179,653	6,213	41,774	94,037	(52,263)	-55.6%	179,653



Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2016

The following table is a summary of the expenditure financed from Government Transfers and Grants:

WC022 Witzenberg - Supporting Table SC7(1) Monthly Budget Statement - transfers and grant expenditure - M06 December

Description	Budget Year 2016/17							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands								
EXPENDITURE								
Operating expenditure of Transfers and Grants								
National Government:	63,502	63,502	5,330	30,960	45,236	(14,276)	-32%	63,502
Local Government Equitable Share	59,734	59,734	4,978	29,867	43,556	(13,689)	-31%	59,734
MIG	-	-	14	69	-	69	-	-
MSIG	957	957	-	-	479	(479)	-100%	957
FMG	1,475	1,475	139	412	560	(148)	-	1,475
EPWP	1,336	1,336	199	612	642	(30)	-	1,336
Provincial Government:	64,365	64,365	5	166	28,120	(27,954)	-99%	64,365
Library MRF	5,498	5,498	-	-	-	-	-	5,498
Library Conditional Grant	2,477	2,477	-	-	-	-	-	2,477
Housing	56,000	56,000	-	-	28,000	(28,000)	-100%	56,000
CDW	150	150	5	36	-	36	-	150
Thusong Centre	-	-	-	-	-	-	-	-
Maintenance of Transport Infrastructure	120	120	-	120	60	60	100%	120
Other grant providers:	200	736	224	382	140	243	174%	736
Belgium	200	736	224	382	140	243	174%	736
Total operating expenditure of Transfers and Grants:	128,067	128,603	5,558	31,509	73,496	(41,987)	-57%	128,603
Capital expenditure of Transfers and Grants								
National Government:	51,580	51,580	(284)	7,318	20,548	(13,230)	-64%	51,580
MIG	17,739	17,739	(284)	6,948	2,174	4,774	220%	17,739
INEP	5,000	5,000	-	371	3,453	(3,083)	-89%	5,000
Rural Development	1,000	1,000	-	-	1,000	(1,000)	-100%	1,000
Provincial Government:	-	(530)	786	1,553	(7)	1,559	-22967%	(530)
Library Conditional Grant	-	(530)	-	-	(7)	7	-100%	(530)
MRF	-	-	-	-	-	-	-	-
Housing	-	-	786	1,553	-	1,553	-	-
Municipal Infrastructure Support Grant	-	-	-	-	-	-	-	-
Other grant providers:	-	-	-	-	-	-	-	-
<i>Public Contribution</i>	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants	51,580	51,049	502	8,871	20,541	(11,670)	-57%	51,049
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS	179,647	179,653	6,060	40,380	94,037	(53,657)	-57%	179,653



Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2016

2.4 EXPENDITURE ON COUNCILLOR ALLOWANCES AND EMPLOYEE BENEFITS

WC022 Witzenberg - Supporting Table SC8 Monthly Budget Statement - councillor and staff benefits - M06 December

Summary of Employee and Councillor remuneration	Budget Year 2016/17							
	Original Budget	Adjusted Budget	Monthly actual	YearTD actual	YearTD budget	YTD variance	YTD variance %	Full Year Forecast
R thousands	B	C						D
Councillors								
Basic Salaries and Wages	8,445	8,445	644	3,852	4,222	(370)	-9%	7,704
Pension and UIF Contributions	-	-	-	-	-	-		-
Medical Aid Contributions	1,020	1,020	71	401	510	(109)	-21%	801
Motor Vehicle Allowance	-	-	-	-	-	-		-
Cellphone Allowance	-	-	-	-	-	-		-
Housing Allowances	-	-	-	-	-	-		-
Other benefits and allowances	-	-	-	-	-	-		-
Sub Total - Councillors	9,465	9,465	715	4,253	4,733	(480)	-10%	8,505
% increase								
Senior Managers of the Municipality								
Basic Salaries and Wages	4,062	4,062	346	2,078	2,031	47	2%	4,157
Pension and UIF Contributions	670	670	58	348	335	13	4%	696
Medical Aid Contributions	124	124	10	59	62	(3)	-5%	119
Overtime	-	-	-	-	-	-		-
Performance Bonus	767	767	-	-	383	(383)	-100%	-
Motor Vehicle Allowance	900	900	76	453	450	3	1%	906
Cellphone Allowance	-	-	-	-	-	-		-
Housing Allowances	66	66	-	-	33	(33)	-100%	-
Other benefits and allowances	145	145	6	37	72	(36)	-49%	74
Payments in lieu of leave	-	-	-	-	-	-		-
Long service awards	-	-	-	-	-	-		-
Post-retirement benefit obligations	-	-	-	-	-	-		-
Sub Total - Senior Managers of Municipality	6,734	6,734	496	2,975	3,367	(392)	-12%	5,950
% increase								
Other Municipal Staff								
Basic Salaries and Wages	81,532	81,532	6,381	37,115	40,766	(3,651)	-9%	74,229
Pension and UIF Contributions	14,540	14,540	1,122	6,615	7,270	(655)	-9%	13,230
Medical Aid Contributions	6,916	6,916	470	2,873	3,458	(585)	-17%	5,745
Overtime	10,152	10,168	956	5,986	5,084	902	18%	11,972
Performance Bonus	6,813	6,813	597	3,680	3,407	274	8%	7,361
Motor Vehicle Allowance	4,251	4,251	347	2,081	2,125	(45)	-2%	4,161
Cellphone Allowance	-	-	-	-	-	-		-
Housing Allowances	5,269	5,179	115	689	2,589	(1,901)	-73%	1,377
Other benefits and allowances	3,454	3,454	219	1,416	1,727	(310)	-18%	2,833
Payments in lieu of leave	750	750	(1,103)	209	375	(166)	-44%	417
Long service awards	367	367	37	224	184	40	22%	447
Post-retirement benefit obligations	2,887	2,887	336	2,016	1,444	572	40%	4,031
Sub Total - Other Municipal Staff	136,931	136,857	9,478	62,902	68,428	(5,526)	-8%	125,804
% increase								
TOTAL SALARY, ALLOWANCES & % increase	153,130	153,056	10,689	70,130	76,528	(6,398)	-8%	140,260
TOTAL MANAGERS AND STAFF	143,665	143,591	9,974	65,877	71,795	(5,918)	-8%	131,754



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3. SERVICE DELIVERY PERFORMANCE PLANNING

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 2015/16 in terms of Section 53(1)(c)(ii) of the Municipal Finance Management Act (MFMA), MFMA Circular No. 13 and the Budgeting and Reporting Regulation on **18 May 2016** which include the municipality's key performance indicators for 2015/16.

3.2 CREATING A CULTURE OF PERFORMANCE

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 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. The municipality adopted a performance management **policy framework** that was approved by Council on **13 December 2012**.

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



Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2016

results updated.

The organisational performance is monitored and evaluated via the SDBIP. An operating procedure for the management and implementation of the SDBIP has been developed. The operating procedure was workshopped with the relevant kpi owners and senior management. The procedures can be summarised as follows:

- The Performance Administrator informs the relevant kpi owners, senior management and departmental secretaries of the closure date to submit actuals achieved for the preceding month. The date varies, but is usually around the 10th of each month. By this date the managers must submit their actuals achieved on the performance web based system.
- Proof of evidence is saved on the system.
- A second date is indicated whereby senior management must verify the information submitted by the manager, as well as the proof of evidence that confirms the information submitted. Any interventions for under-performance and/or general comments should be included on the system. The second closure date is usually approximately 3 days after the first closure date.
- After the second closure date the Performance Administrator generate reports for the relevant portfolio committees, as well as for each directorate. The senior managers sign each of his/her directorate reports as an indication that the information submitted has been verified and that proof of evidence does exist for the actual performance.
- The relevant departmental secretary print the signed manager monthly report and save it on Trim, the municipal archive system.
- The monthly reports are then submitted for inclusion in the relevant Council Portfolio Committee.
- The Performance Administrator generates an overall municipal report and submits it as the monthly SDBIP report to the Municipal Manager for submission to the Mayoral Committee.

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 Intergrated Development Plan (IDP):

- Create an enabling environment to attract investment & support local economy
- Ensure financial viability
- Provide & maintain facilities that make citizens feel at home
- Provide for the needs of informal settlements through improved services
- Support institutional transformation & development
- Support the poor & vulnerable through programmes & policy
- Sustainable provision & maintenance of basic infrastructure
- To maintain & strengthen relations with international- & intergovernmental partners as well as the local community through the creation of participative structures



Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2016

a) Performance indicators set in the approved Top Layer SDBIP for 2016/17 per strategic objective

i) Create an enabling environment to attract investment & support local economy

Ref	KPI	Unit of Measurement	Wards	Target for 2015/16	Actual performance of 2015/16	Target for 2016/17				
						Q1	Q2	Q3	Q4	Annual
TL35	Revisit Municipal Land Audit and draw up an implementation plan. Phase implementation from 14/15 onwards.	Phased implementation	All	1	1	0	0	0	1	1
TL36	Compile & Implementation of LED Strategy	Phased implementation	All	1	1	0	0	0	1	1

ii) Ensure financial viability

Ref	KPI	Unit of Measurement	Wards	Target for 2015/16	Actual performance of 2015/16	Target for 2016/17				
						Q1	Q2	Q3	Q4	Annual
TL18	Financial viability expressed as Debt-Coverage ratio	Ratio	All	16	35.9	16	16	16	16	16
TL19	Financial viability expressed as Cost-Coverage ratio	Ratio	All	1.6	3.6	1.6	1.6	1.6	1.6	1.6
TL20	Financial viability expressed outstanding service debtors	Ratio	All	44%	55%	44%	44%	44%	44%	44%
TL21	Opinion of the Auditor-General on annual financial statements of the previous year.	Opinion of AG.	All	1 (Unqualified)	1 (Unqualified)	0	0	1	0	1
TL22	Increased revenue collection	Percentage revenue collected.	All	96%	94%	95%	95%	95%	95%	95%
TL23	Percentage of budget spent on maintenance.	Percentage of budget spent.	All	98%	98.53%	25%	50%	75%	98%	98%
TL24	Percentage spend of capital budget.	Percentage of budget spent.	All	95%	96.90%	10%	40%	60%	95%	95%

iii) Provide & maintain facilities that make citizens feel at home

Ref	KPI	Unit of Measurement	Wards	Target for 2015/16	Actual performance of 2015/16	Target for 2016/17				
						Q1	Q2	Q3	Q4	Annual
TL27	Customer satisfaction survey (Score 1-5) - community facilities.	Score of survey.	All	4	2.33	0	0	0	2.5	2.5
TL28	% Expenditure on Maintenance Budget by Community Directorate	Percentage of budget spent.	All	98%	99.91%	25%	50%	75%	98%	98%



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Ref	KPI	Unit of Measurement	Wards	Target for 2015/16	Actual performance of 2015/16	Target for 2016/17				
						Q1	Q2	Q3	Q4	Annual
TL29	% Expenditure on Capital Budget by Community Directorate	Percentage of budget spent.	All	95%	83.50%	10%	40%	60%	95%	95%

iv) Provide for the needs of informal settlements through improved services

Ref	KPI	Unit of Measurement	Wards	Target for 2015/16	Actual performance of 2015/16	Target for 2016/17				
						Q1	Q2	Q3	Q4	Annual
TL11	Number of subsidised serviced sites developed.	Number of serviced plots.	All	600	605	0	0	0	0	0
TL12	Provide basic services - number of informal areas with sufficient communal water services points (taps).	Number of informal areas.	All	3	3	3	3	3	3	3
TL13	Provide basic services - number of informal areas with sufficient communal sanitation services points (toilets).	Number of informal areas.	All	3	3	3	3	3	3	3
TL14	Improve basic services - number of informal settlements receiving a door-to-door refuse collection and area-cleaning service.	Number of informal areas.	All	3	3	3	3	3	3	3
TL15	Number of subsidised electricity connections installed.	Number of connections.	All	158	140	0	50	100	50	200

v) Support institutional transformation & development

Ref	KPI	Unit of Measurement	Wards	Target for 2015/16	Actual performance of 2015/16	Target for 2016/17				
						Q1	Q2	Q3	Q4	Annual
TL16	Percentage budget spent on implementation of Workplace Skills Plan.	Percentage of budget spent.	All	99%	100%	25%	50%	75%	95%	95%
TL17	Percentage of people from employment equity target groups employed in the three highest levels of management in	Percentage of equity groups	All	72%	74%	0%	75%	0%	75%	75%

vi) Support the poor & vulnerable through programmes & policy

Ref	KPI	Unit of Measurement	Wards	Target for 2015/16	Actual performance of 2015/16	Target for 2016/17				
						Q1	Q2	Q3	Q4	Annual
TL30	Number of account holders subsidised through the municipality's indigent Policy	Number of account holders.	All	2750	2673	2 750	2 750	2 750	2 750	2 750



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Ref	KPI	Unit of Measurement	Wards	Target for 2015/16	Actual performance of 2015/16	Target for 2016/17				
						Q1	Q2	Q3	Q4	Annual
TL31	The number of jobs created through municipality's local economic development initiatives including capital projects.	Number of jobs created.	All	380	427	100	100	100	90	390
TL32	Number of social development programmes implemented	Number of programmes.	All	19	23	4	4	6	6	20
TL33	Number of housing opportunities provided per year.	Number of top structures.	All	0	0	0	50	100	50	200
TL34	Number of Rental Stock transferred	Number of properties transferred.	All	55	45	10	20	10	20	60

vii) Sustainable provision and maintenance of basic infrastructure

Ref	KPI	Unit of Measurement	Wards	Target for 2015/16	Actual performance of 2015/16	Target for 2016/17				
						Q1	Q2	Q3	Q4	Annual
TL1	% Expenditure on Maintenance Budget by Technical Directorate	Percentage of budget spent.	All	98%	98.78%	25%	50%	75%	98%	98%
TL2	% Expenditure on Capital Budget by Technical Directorate	Percentage of budget spent.	All	95%	97.90%	10%	40%	60%	95%	95%
TL3	Percentage compliance with drinking water quality standards.	Percentage compliance.	All	97%	100%	97%	97%	97%	97%	97%
TL4	Number of outstanding valid applications for water services expressed as a % of total number of billings for the service.	Percentage of outstanding applications.	All	<1%	0%	1%	1%	1%	1%	<1%
TL5	Number of outstanding valid applications for sewerage services expressed as a % of total number of billings for the service.	Percentage of outstanding applications.	All	<1%	0%	1%	1%	1%	1%	<1%
TL6	Number of outstanding valid applications for electricity services expressed as a % of total number of billings for the service.	Percentage of outstanding applications.	All	<1%	0.04%	1%	1%	1%	1%	<1%
TL7	Number of outstanding valid applications for refuse collection services expressed as a % of total number of billings for the service.	Percentage of outstanding applications.	All	<1%	0%	1%	1%	1%	1%	<1%
TL8	Decrease unaccounted water losses.	Percentage water losses.	All	23%	16%	20%	20%	20%	20%	20%



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Ref	KPI	Unit of Measurement	Wards	Target for 2015/16	Actual performance of 2015/16	Target for 2016/17				
						Q1	Q2	Q3	Q4	Annual
TL9	Decrease unaccounted electricity losses.	Percentage electricity losses.	All	9%	8.19%	9%	9%	9%	9%	9%
TL10	Kilometres of roads upgraded & rehabilitated	Kilometres of roads	All	9.41 km	10.15 km	0	0.5	1	0.5	2

viii) To maintain & strengthen relations with international- & intergovernmental partners as well as the local community through the creation of participative structures

Ref	KPI	Unit of Measurement	Wards	Target for 2015/16	Actual performance of 2015/16	Target for 2016/17				
						Q1	Q2	Q3	Q4	Annual
TL25	Number of IDP community meetings held.	Number of meetings held.	All	14	14	0	7	0	7	14
TL26	Number of meetings with inter-governmental partners.	Number of meetings held.	All	10	10	3	3	3	3	12

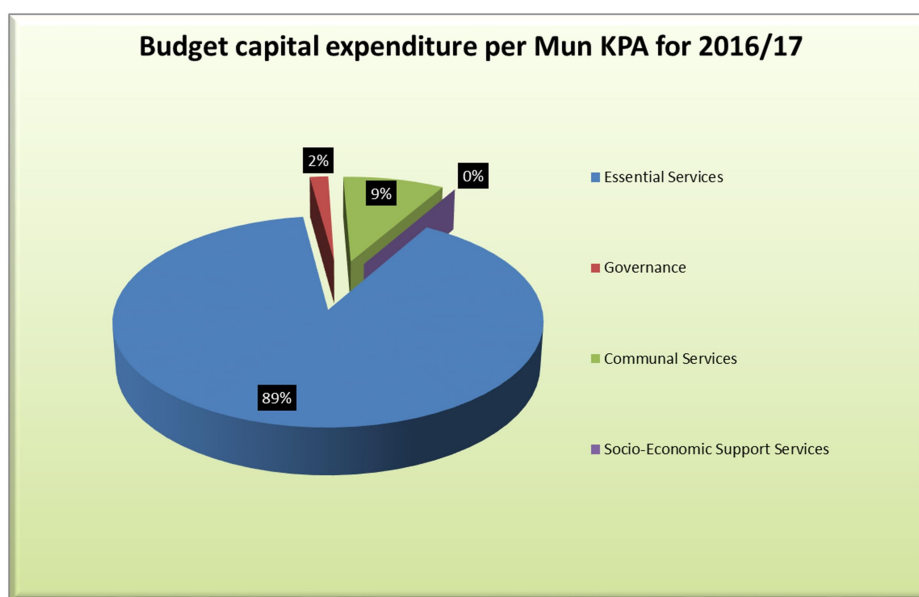
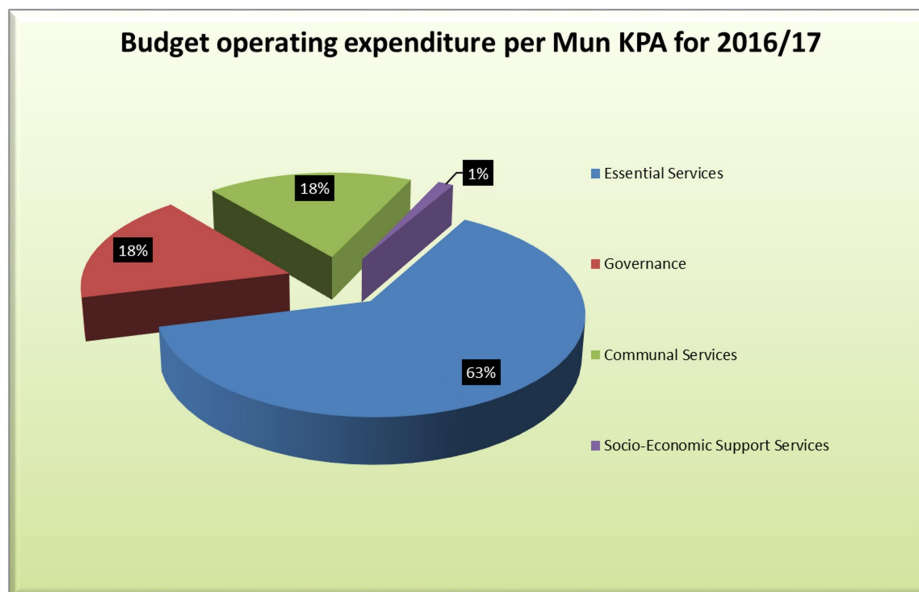
b) Budget spending per IDP key performance area

The table below provide an analysis of the budget allocation per Municipal Key Performance Area for 2016/17:

Municipal Key Performance Area	Capital Budget R'000	Operational Budget (Opex) R'000
Essential Services	75 902	360 146
Governance	1 369	102 369
Communal Services	7 530	103 351
Socio-Economic Support Services	0	7 886
Total	84 801	573 752



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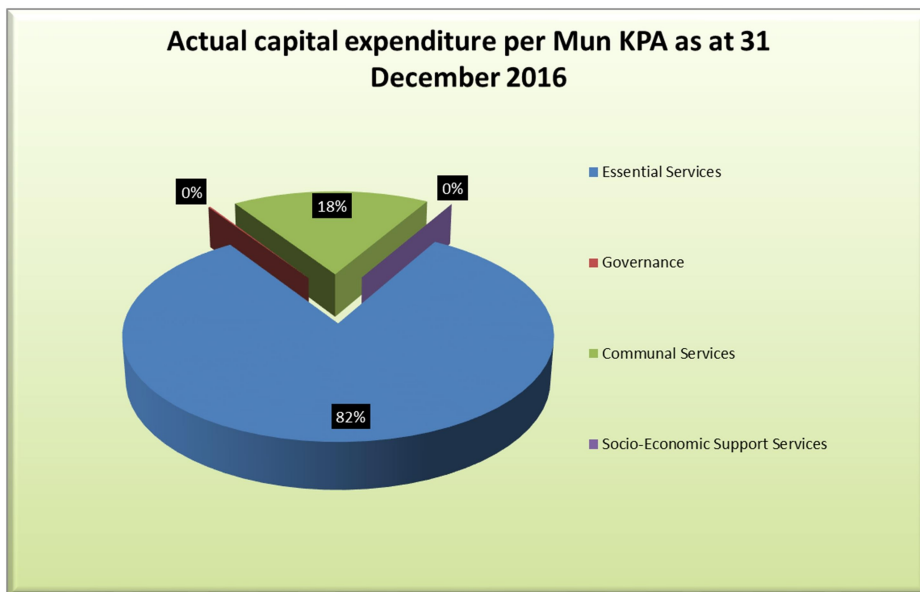
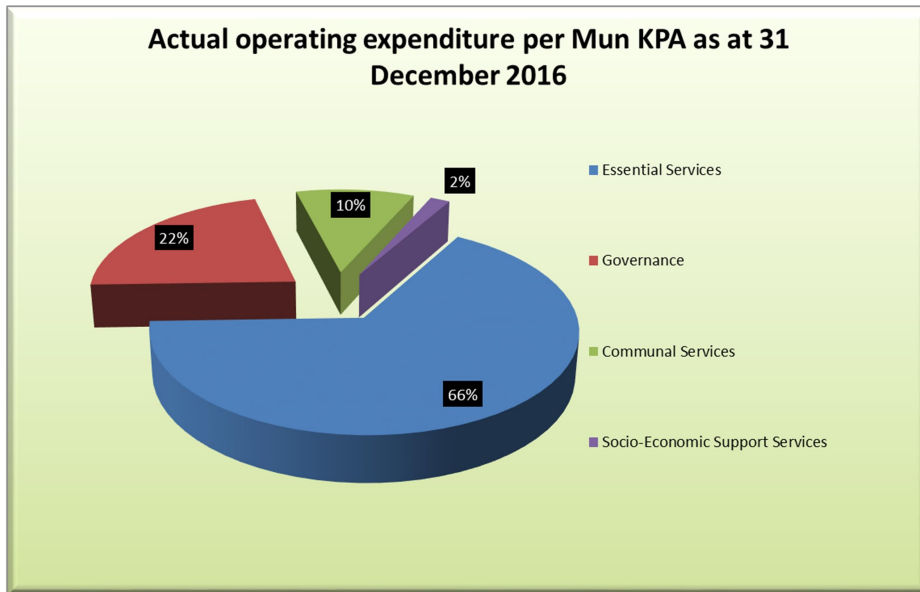


The table below provide an analysis of the actual spending per Municipal Key Performance Area for the mid-year ending 31 December 2016

Municipal Key Performance Area	Actual Capital Expenditure as at 31 December 2016 R'000	Actual Operating Expenditure as at 31 December 2016 R'000
Essential Services	12 831	133 824
Governance	28	43 640
Communal Services	2 726	21 220
Socio-Economic Support Services	0	3 550
Total	15 585	202 234



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3.4 MID-YEAR PERFORMANCE AGAINST THE PERFORMANCE INDICATORS SET IN THE APPROVED TOP LAYER SDBIP FOR 2015/16

a) Highlights and challenges for the mid-year ending 31 December 2016

i) *Highlights*

Witzenberg Municipality received a clean audit with no findings for the audit of the 2015/16 financial year. This is the third year that the municipality achieved this outstanding assessment from the Auditor-General. The municipality has also experienced a smooth transition between councils with the municipal elections in August 2016. A new all terrain firefighting vehicle was



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procured to the value of R 2,2m to address the critical need in fire fighting vehicles & equipment. The upgrading of Boerneefstreet in the Skoonvlei industrial area was completed to a value of R 19m with the majority of funds provided by the Department of Rural Development to accommodate the increasing transport needs of the growing agri-processing industries in the area. The municipality has further obtained funding approval from the Department of Human Settlements for the construction of 312 subsidised houses in Bella Vista with construction starting in November 2016.

ii) Challenges

Witzenberg has experienced a severe drought during 2015/16 and has been declared a disaster area by National- & Western Cape Government. Although the area was blessed with good rainfall during the winter season, the Tulbagh areas remain a concern and it is expected that water restrictions will be implemented for the town in the new future. The construction of a storage dam in Tulbagh remains critical. Although the Department of Water Affairs has approved funding for this financial year it was recently withdrawn after extensive work has been done on the design and engineering specifications to date. The municipality are however in process of consultation with Water Affairs as such a dam are critical for the sustainable provision of water to the residents of Tulbagh.

The implementation of the Agri-Park remains challenging as a lack of funding from participating departments remains a stumbling block although various stakeholder partnerships are eager to invest and support local- & PDI economic development.

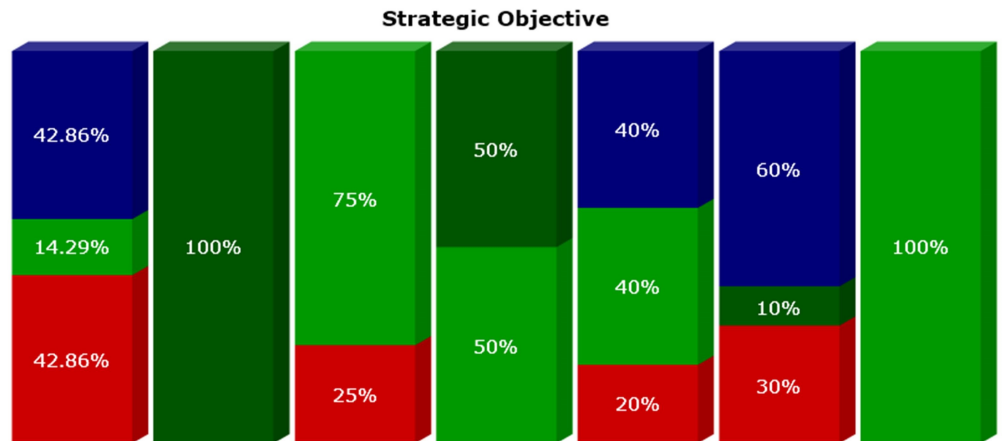
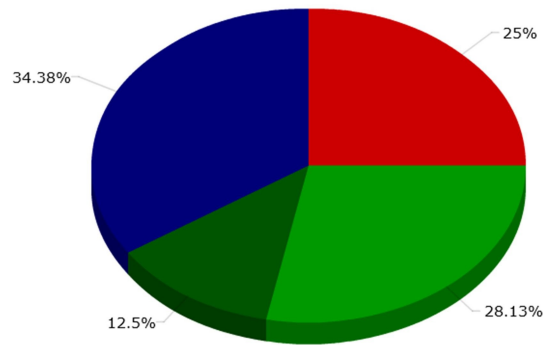
The recent growth in the local agro-economy has resulted in the expansion of agroprocessing industries in the rural and built environment. The implementation of notified maximum demand limits by Eskom due to the under-capacity of bulk supply infrastructure has restricted further expansion and it was indicated that sufficient infrastructure upgrade will only be completed by 2021. This will severely impact on the region's economic growth.

The outstanding debt has increased rapidly over the past couple of years in certain towns due to the inability to implement the debt collection policy. This is especially evident in towns where Eskom supply electricity and the policy can not be implemented. In certain areas, public hostility has reached such a point that officials are at risk when investigating illegal connections and meter tampering resulting in an increasing non-payment culture.



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b) Overall actual performance of indicators for the mid-year ending 31 December 2016



	Witzenberg Municipality	Strategic Objective						
		Ensure financial viability.	Provide and maintain facilities that make citizens feel at home.	Provide for the needs of informal settlements through improved services.	Support institutional transformation and development.	Support the poor and vulnerable through programmes and policy.	Sustainable provision and maintenance of basic infrastructure.	To maintain and strengthen relations with international- and intergovernmental partners as well as the local community through the creation of participative structures.
KPI Not Met	8 (25%)	3 (42.9%)	-	1 (25%)	-	1 (20%)	3 (30%)	-
KPI Almost Met	-	-	-	-	-	-	-	-
KPI Met	9 (28.1%)	1 (14.3%)	-	3 (75%)	1 (50%)	2 (40%)	-	2 (100%)
KPI Well Met	4 (12.5%)	-	2 (100%)	-	1 (50%)	-	1 (10%)	-
KPI Extremely Well Met	11 (34.4%)	3 (42.9%)	-	-	-	2 (40%)	6 (60%)	-
Total:	32	7	2	4	2	5	10	2

Category	Colour	Explanation
KPI's Not Met	Red	0% >= Actual/Target < 75%
KPI's Almost Met	Orange	75% >= Actual/Target < 100%
KPI's Met	Green	Actual/Target = 100%
KPI's Well Met	Dark Green	100% > Actual/Target < 150%
KPI's Extremely Well Met	Blue	Actual/Target >= 150%



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3.5 ACTUAL PERFORMANCE PER STRATEGIC OBJECTIVE OF INDICATORS FOR THE MID-YEAR ENDING 31 DECEMBER 2016

Detailed below is the unaudited Top Layer SDBIP for the first half of the financial year ending 31 December 2016 which measures the municipality's overall performance per strategic objective. The tables, furthermore, includes the performance comments and corrective measures indicated for targets not achieved.

The municipality met **75%** (24 of 32) of the applicable 32 KPI's for the period as at **31 December 2016**. The remainder of the KPI's 3 on the Top Layer SDBIP out of the total number of 35 KPI's do not have targets for this period and will be reported on in future quarters when they are due. Only **25%** (8 of 32) kpi targets were not achieved as at **31 December 2016** of which the details are included in the tables below.

a) Create an enabling environment to attract investment & support local economy

Ref	KPI	Unit of Measurement	Annual Target	Year-To-Date As At December 2016				
				Target	Actual	R	Performance Comment	Corrective Measures
TL35	Revisit Municipal Land Audit and draw up an implementation plan. Phase implementation from 14/15 onwards.	Phased implementation	1	0	0	N/A	Target not yet applicable	n/a
TL36	Compile & Implementation of LED Strategy	Phased implementation	1	0	0	N/A	Target not yet applicable	n/a

b) Ensure financial viability

Ref	KPI	Unit of Measurement	Annual Target	Year-To-Date As At December 2016				
				Target	Actual	R	Performance Comment	Corrective Measures
TL18	Financial viability expressed as Debt-Coverage ratio	Ratio	16	16	39.9	B	Municipality can cover its debt service payments from operating revenue 40 times.	n/a
TL19	Financial viability expressed as Cost-Coverage ratio	Ratio	1.6	1.6	4.69	B	Cash available for 4 months to pay fixed operating expenditure	n/a
TL20	Financial viability expressed outstanding service debtors	Ratio	44%	44%	57.90%	R	At end of period, 58% of revenue was outstanding due to poor payment of services.	Increase debt recovery efforts & strict implementation of applicable policies. Ensure implementation of water demand management devices by end of financial year.
TL21	Opinion of the Auditor-General on annual financial statements of the previous year.	Opinion of AG.	1	0	1	B	Received Clean Audit as per Audit Report from Auditor-General dated 30 November 2016.	n/a



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Ref	KPI	Unit of Measurement	Annual Target	Year-To-Date As At December 2016				
				Target	Actual	R	Performance Comment	Corrective Measures
TL22	Increased revenue collection	Percentage revenue collected.	95%	95%	95%	G	Target achieved with 95% of revenue budgeted for collected over 6 month period.	n/a
TL23	Percentage of budget spent on maintenance.	Percentage of budget spent.	98%	50%	33.90%	R	Target was not achieved due to delays in the finalisation of specifications and the procurement processes	Finalise all outstanding tender processes to ensure that all awards are done by end of January 2017 to ensure achievement of year-end spending target.
TL24	Percentage spend of capital budget.	Percentage of budget spent.	95%	40%	18.60%	R	Expenditure target was not achieved due to the withdrawal by Water Affairs of an R 24m allocation as well as savings on the Bella Vista- & Vrdebes sewerage projects.	The cash flows must be readjusted with the adjustment budget in February 2017 to accommodate Water Affairs withdrawal as well as savings on projects.

c) Provide & maintain facilities that make citizens feel at home

Ref	KPI	Unit of Measurement	Annual Target	Year-To-Date As At December 2016				
				Target	Actual	R	Performance Comment	Corrective Measures
TL27	Customer satisfaction survey (Score 1-5) - community facilities.	Score of survey.	2.5	0	0	N/A	Target not yet applicable.	n/a
TL28	% Expenditure on Maintenance Budget by Community Directorate	Percentage of budget spent.	98%	50%	64.43%	G2	Target on maintenance expenditure achieved.	n/a
TL29	% Expenditure on Capital Budget by Community Directorate	Percentage of budget spent.	95%	40%	43.09%	G2	Target on capital expenditure achieved.	n/a

d) Provide for the needs of informal settlements through improved services

Ref	KPI	Unit of Measurement	Annual Target	Year-To-Date As At December 2016				
				Target	Actual	R	Performance Comment	Corrective Measures
TL11	Number of subsidised serviced sites developed.	Number of serviced plots.	0	0	0	N/A	No target for subsidised serviced sites in the financial year.	n/a
TL12	Provide basic services - number of informal areas with sufficient communal water services points (taps).	Number of informal areas.	3	3	3	G	Provision of water in Nduli, Chris Hani (Tulbagh) & Pine Valley (Wolseley) informal areas within legislative guidelines.	n/a
TL13	Provide basic services - number of informal areas with sufficient communal sanitation services points (toilets).	Number of informal areas.	3	3	3	G	Provision of sanitation in Nduli, Chris Hani (Tulbagh) & Pine Valley (Wolseley) informal areas within legislative guidelines.	n/a



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Ref	KPI	Unit of Measurement	Annual Target	Year-To-Date As At December 2016				
				Target	Actual	R	Performance Comment	Corrective Measures
TL14	Improve basic services - number of informal settlements receiving a door-to-door refuse collection and area-cleaning service.	Number of informal areas.	3	3	3	G	Informal settlements of Nduli, Chris Hanani (Tulbagh) & Pine Valley (Wolseley) received a refuse removal- & area cleaning service.	n/a
TL15	Number of subsidised electricity connections installed.	Number of connections.	200	50	0	R	The target could not be achieved as the construction of RDP houses in Bella Vista was delayed due to the late approval from Provincial Government.	The Implementing Agent has started with construction of houses and indicated that the target will be achieved by end of June 2017.

e) Support institutional transformation & development

Ref	KPI	Unit of Measurement	Annual Target	Year-To-Date As At December 2016				
				Target	Actual	R	Performance Comment	Corrective Measures
TL16	Percentage budget spent on implementation of Workplace Skills Plan.	Percentage of budget spent.	95%	50%	67.62%	G2	An amount of R 354 984 was spend on training as per the Workplace Skills Plan.	n/a
TL17	Percentage of people from employment equity target groups employed in the three highest levels of management in	Percentage of equity groups	75%	75%	75%	G		

f) Support the poor & vulnerable through programmes & policy

Ref	KPI	Unit of Measurement	Annual Target	Year-To-Date As At December 2016				
				Target	Actual	R	Performance Comment	Corrective Measures
TL30	Number of account holders subsidised through the municipality's indigent Policy	Number of account holders.	2,750	2,750	2,677	B	A total of 2677 account holders were subsidised as per the municipality's Indigent Policy.	n/a
TL31	The number of jobs created through municipality's local economic development initiatives including capital projects.	Number of jobs created.	390	200	200	G	A total of 200 temporary jobs was created over the 6 month period through various job creation initiatives & projects.	n/a
TL32	Number of social development programmes implemented	Number of programmes.	20	8	8	G	Over the period, 8 workshops were held with target groups with the focus on HIV/Aids, Youth Development, Substance Abuse, Early Childhood Development, Gender- & persons with disabilities.	n/a
TL33	Number of housing opportunities provided per year.	Number of top structures.	200	50	0	R	Construction of houses could not start because the approval from the DoHS were only received on 14 November 2016	Implementation Agent has started with top structures and indicated that the year-end target will still be achieved.



Mid-Year Budget Statement and Performance Assessment for the period 1 July to 31 December 2016

Ref	KPI	Unit of Measurement	Annual Target	Year-To-Date As At December 2016				
				Target	Actual	R	Performance Comment	Corrective Measures
TL34	Number of Rental Stock transferred	Number of properties transferred.	60	30	50	B	Total number of 50 properties of the municipal rental stock were transferred to beneficiaries over the period.	n/a

g) Sustainable provision & maintenance of basic infrastructure

Ref	KPI	Unit of Measurement	Annual Target	Year-To-Date As At December 2016				
				Target	Actual	R	Performance Comment	Corrective Measures
TL1	% Expenditure on Maintenance Budget by Technical Directorate	Percentage of budget spent.	98%	50%	33%	R	Target was not achieved due to delays in the finalisation of specifications and the procurement processes	Finalise all outstanding tender processes to ensure that all awards are done by end of January 2017 to ensure achievement of year-end spending target.
TL2	% Expenditure on Capital Budget by Technical Directorate	Percentage of budget spent.	95%	40%	17%	R	Expenditure target was not achieved due to the withdrawal by Water Affairs of an R 24m allocation as well as savings on the Bella Vista- & Vrdebes sewerage projects.	The cash flows must be readjusted with the adjustment budget in February 2017 to accommodate Water Affairs withdrawal as well as savings on projects.
TL3	Percentage compliance with drinking water quality standards.	Percentage compliance.	97%	97%	100%	G2	All drinking water supplied within legislative water quality standards.	n/a
TL4	Number of outstanding valid applications for water services expressed as a % of total number of billings for the service.	Percentage of outstanding applications.	1%	1%	0%	B	No outstanding connections by end of December 2016	n/a
TL5	Number of outstanding valid applications for sewerage services expressed as a % of total number of billings for the service.	Percentage of outstanding applications.	1%	1%	0%	B	No outstanding connections by end of December 2016	n/a
TL6	Number of outstanding valid applications for electricity services expressed as a % of total number of billings for the service.	Percentage of outstanding applications.	1%	1%	0.04%	B	There were 5 outstanding connections by end of December 2016	n/a
TL7	Number of outstanding valid applications for refuse collection services expressed as a % of total number of billings for the service.	Percentage of outstanding applications.	1%	1%	0%	B	No outstanding connections by end of December 2016	n/a
TL8	Decrease unaccounted water losses.	Percentage water losses.	20%	20%	25%	R	Target not achieved. Monthly losses however decreased from September 2016 (30%) to December 2016 (25%).	Ongoing maintenance and implement monthly meetings with Treasury to ensure correct data.



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Ref	KPI	Unit of Measurement	Annual Target	Year-To-Date As At December 2016				
				Target	Actual	R	Performance Comment	Corrective Measures
TL9	Decrease unaccounted electricity losses.	Percentage electricity losses.	9%	9%	8.95%	B	Electricity losses experienced over period well below target set.	n/a
TL10	Kilometres of roads upgraded & rehabilitated	Kilometres of roads	2	0.5	2.18	B	Upgrading of roads in Nduli (Chris Hani), Morrisdale (St.Thomas), Bella Vista (Magnolia, Friesland, Mimosa, Waboom) & Wolseley (Eeufees)	n/a

h) To maintain & strengthen relations with international- & intergovernmental partners as well as the local community through the creation of participative structures

Ref	KPI	Unit of Measurement	Annual Target	Year-To-Date As At December 2016				
				Target	Actual	R	Performance Comment	Corrective Measures
TL25	Number of IDP community meetings held.	Number of meetings held.	14	7	7	G	IDP Meetings held in November 2017 in Ceres, Bella Vista, Nduli, Op-Die-Berg, Hamlet, Tulbagh & Wolseley.	n/a
TL26	Number of meetings with inter-governmental partners.	Number of meetings held.	12	6	6	G	Meetings were held with various governmental partners on issues relating to socio- & economic developmental projects.	n/a

The Top Layer SDBIP will be revised and submitted with the Adjustments Budget to Council by the end of February 2017 with the necessary motivation where key performance indicator targets require amendment as a result of the Adjustments Budget and corrections as a result of the audit outcomes of 2015/16.



*Mid-Year Budget Statement and Performance Assessment for the period
1 July to 31 December 2016*

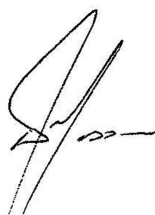
4 MUNICIPAL MANAGER'S QUALITY CERTIFICATION

I, Mr D Nasson, Municipal Manager of Witzenberg Municipality, hereby certify that the mid-year budget and performance assessment have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act.

Print name: Mr. D NASSON

Municipal Manager of WITZENBERG MUNICIPALITY

Signature:



Date:

18 January 2017

