

BITOU LOCAL MUNICIPALITY



**Budget Statement for the month
ended 30 November 2024**

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Glossary

Adjustments budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may adjust its annual budget during the year.

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

Budget – The financial plan of the Municipality.

Budget related policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy, credit control and debt collection policy.

Capital expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's balance sheet.

Cash flow statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timing. For example, when an invoice is received by the Municipality it is shown as expenditure in the Quarter it is received, even though it may not be paid in the same period.

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government.

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

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

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality

MBRR – Local Government: Municipal Finance Management Act (56/2003): Municipal budget and reporting regulations.

MFMA – Local Government: Municipal Finance Management Act (56/2003). The principle piece of legislation relating to municipal financial management. Sometimes referred to as the Act.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous and current years' financial position.

Operating expenditure – Spending on the day-to-day expenses of the Municipality such as salaries and wages.

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

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

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

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

Virement – A transfer of budget.

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 of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

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Legislative Framework

This report has been prepared in terms of the following enabling legislation. The Municipal Finance Management Act – No. 56 of 2003 Section 71 Monthly budget statements. Local Government: Municipal Finance Management Act (56/2003): Municipal Budget and Reporting Regulations (MBRR)

PART 1 – IN-YEAR REPORT

Section 1 – November Report

1.1 In-Year Report – Monthly Budget Statement

The report outlines the financial performance and position of the municipality for the month ended November 2024. The budget of the municipality is compiled with the objective that Bitou Municipality remains a financially viable and sustainable institution. The latter could be achieved if the municipality spends its budget prudently.

The financial viability is measured through the liquidity ratio, current ratio and quick ratio. These ratios are critical in terms of evaluating the ability of the municipality to meet its short-term obligations.

As can be seen on the C7 Cash flow statement, the current cash, and cash equivalents as at end of November 2024 amounts to R 148.8 million. The municipality on average requires an amount in excess of R65 million to cover its monthly operational expenditure, this includes the cost associated with the payment of employee cost and suppliers. It however excludes payments made to suppliers for capital assets.

Section 2 – Resolutions

IN-YEAR REPORTS 2024/2025

This is the resolution that will be presented to Council when the In-Year Report is tabled:

RECOMMENDATION:

- That Council notes the monthly budget statement and supporting documentation for the month ended 30 November 2024.

Section 3 – Executive Summary

3.1 Introduction

The Monthly budget statement has been prepared in terms of the Municipal Budget and Reporting Regulations and section 71 of the Municipal Finance Management Act 56 of 2003.

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Consolidated performance

WC047 Bitou - Table C4 Monthly Budget Statement - Financial Performance (revenue and expenditure) - M05 November										
Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance	Full Year Forecast
R thousands										
Revenue									%	
Exchange Revenue		477 681	531 266	531 266	41 928	210 514	221 361	(10 847)	-5%	531 266
Service charges - Electricity		230 904	262 129	262 129	20 858	106 590	109 221	(2 630)	-2%	262 129
Service charges - Water		87 795	90 492	90 492	7 816	36 312	37 705	(1 394)	-4%	90 492
Service charges - Waste Water Management		67 358	80 372	80 372	6 784	30 261	33 488	(3 227)	-10%	80 372
Service charges - Waste management		44 964	53 852	53 852	3 696	19 284	22 439	(3 154)	-14%	53 852
Sale of Goods and Rendering of Services		7 520	9 687	9 687	1 038	3 482	4 036	(555)	-14%	9 687
Agency services		2 498	2 840	2 840	209	912	1 183	(271)	-23%	2 840
Interest earned from Receivables		13 243	13 870	13 870	-	1 831	5 779	(3 948)	-68%	13 870
Interest earned from Current and Non Current Assets		13 203	12 448	12 448	1 063	4 451	5 187	(736)	-14%	12 448
Rental from Fixed Assets		1 354	2 210	2 210	143	694	921	(227)	-25%	2 210
Licence and permits		1 427	565	565	98	687	236	451	191%	565
Operational Revenue		7 415	2 800	2 800	223	6 011	1 167	4 844	415%	2 800
Non-Exchange Revenue		432 046	442 000	444 967	21 082	177 260	155 554	21 706	14%	444 967
Property rates		178 261	191 257	191 257	15 642	82 742	79 691	3 052	4%	191 257
Surcharges and Taxes		1 420	1 589	1 589	119	604	662	(58)	-9%	1 589
Fines, penalties and forfeits		60 451	50 836	50 836	4 149	16 367	21 182	(4 815)	-23%	50 836
Licence and permits		-	796	796	-	-	331	(331)	-100%	796
Transfer and subsidies - Operational		166 503	176 893	179 860	(1 071)	67 881	46 739	21 142	45%	179 860
Interest		2 292	1 844	1 844	1 130	3 874	768	3 106	404%	1 844
Operational Revenue		14 750	14 835	14 835	1 112	5 792	6 181	(389)	-6%	14 835
Gains on disposal of Assets		-	3 950	3 950	-	-	-	-	-	3 950
Other Gains		8 370	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and		909 728	973 266	976 233	63 010	387 774	376 915	10 859	3%	976 233
Expenditure By Type										
Employee related costs		312 820	370 938	370 938	46 869	129 334	156 967	(27 632)	-18%	370 938
Remuneration of councillors		7 376	7 879	7 879	863	3 219	3 283	(64)	-2%	7 879
Bulk purchases - electricity		197 628	231 959	226 959	15 692	89 102	94 566	(5 464)	-6%	226 959
Inventory consumed		16 652	18 699	18 997	1 178	5 652	7 915	(2 263)	-29%	18 997
Debt impairment		28 480	19 001	19 001	-	-	-	-	-	19 001
Depreciation and amortisation		48 851	40 002	40 002	3 334	16 668	16 667	1	0%	40 002
Interest		20 922	14 063	14 063	11	67	5 859	(5 792)	-99%	14 063
Contracted services		77 655	103 758	106 704	3 529	19 576	42 996	(23 420)	-54%	106 704
Transfers and subsidies		9 208	12 283	17 283	-	2 064	7 031	(4 967)	-71%	17 283
Irrecoverable debts written off		74 426	61 150	61 150	114	8 002	25 479	(17 478)	-69%	61 150
Operational costs		76 823	91 144	90 867	11 975	26 927	37 265	(10 338)	-28%	90 867
Losses on Disposal of Assets		3 217	-	-	-	-	-	-	-	-
Other Losses		111	-	-	-	-	-	-	-	-
Total Expenditure		874 170	970 877	973 844	83 563	300 610	398 028	(97 418)	-24%	973 844
Surplus/(Deficit)		35 558	2 389	2 389	(20 553)	87 164	(21 113)	108 276	(0)	2 389
Transfers and subsidies - capital (monetary allocations)		50 307	130 854	130 854	(4 113)	7 160	33 507	(26 347)	(0)	130 854
Transfers and subsidies - capital (in-kind)		33	-	-	-	-	-	-		-
Surplus/(Deficit) after capital transfers & contributions		85 897	133 243	133 243	(24 666)	94 324	12 394			133 243
Surplus/(Deficit) after income tax		85 897	133 243	133 243	(24 666)	94 324	12 394			133 243
Surplus/(Deficit) attributable to municipality		85 897	133 243	133 243	(24 666)	94 324	12 394			133 243
Surplus/ (Deficit) for the year		85 897	133 243	133 243	(24 666)	94 324	12 394			133 243

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Revenue by Source

Property Rates

Property rates for the month amounts to R15.6 million and when comparing the YTD actual to the YTD budget, the revenue source is over-performing at a percentage of 4%. This can mainly be ascribed to the removal of the remaining rebate amount to individuals whose property value is between R350 000 and R1 million, coupled with the annual rates levied.

Electricity

Revenue from electricity for the month amounts to R20.9 million. The anticipated budgeted revenue amounted to R109.2 million, while actuals at month end has a balance of R106.6 million, translating to the Revenue source under-performing by 2%. Electricity revenue is influenced by fluctuating consumption during peak and off-peak periods and as we are in the peak season it is expected that a spike will occur in consumption. Focus has now shifted towards the effect of SSEG on our consumption patterns as various residents are now opting for solar installations.

Water Service

Water revenue as at end of November 2024 amounts to R36.3 million while YTD budget amounts to R37.7 million. This is an 4% under-performance consistent with the colder and wetter weather conditions and seasonal consumption patterns. As we are in the second quarter of the financial year, it is expected that the consumption will start to improve as the Holiday Season approaches.

Sanitation Service

Sanitation revenue amounts to R30.2 million while YTD budget amounts to R33.5 million. This translates to a 10% under-performance for this category of revenue, a month-on-month improvement from the start of the Financial Year. The revenue item will be monitored as it was performing adequately at the end of the previous financial year. This revenue source is still forming part of the revenue enhancement programme and it is anticipated that revenue gains from the revenue enhancement program will increase the revenue source over the remainder of the financial year.

Refuse Service

Refuse revenue as at the end of November 2024 amounts R19.3 million while the YTD budget amounts to R22.4 million. This is an under performance of 14%. This category of revenue also forms part of the revenue enhancement programme and a concerted effort will be made in the current financial year to ensure this revenue source is performing adequately.

Rental from Fixed Assets

The revenue for Rental from Fixed Assets for November 2024 amounts to R694 000. This source of revenue is underperforming by 25%. Revenue from this source is dependent on the community's need to make use of municipality's various facilities and it can be difficult to predict.

Interest earned on external investment and outstanding debtors

Interest earned on external investment and outstanding debtors' revenue at the end of November 2024 amounts to R4.5 million and R1.8 million respectively, which in turn equates to a 14% and 68% under-performance of the revenue source. Due to a debtor system parameter issue, interest for October and November could not be processed, this is expected to be corrected in our next budget report. Investment revenue, based on past trends, will start performing adequately as we start investing more of our surplus funds.

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Revenue for fines, penalties and forfeits

Revenue from Fines as at end of November 2024 amounts to R16.4 million compared to the anticipated budgeted revenue of R21.2 million. This is an under-performance of 23%, which can be ascribed to revenue recognition done for the month of October 2024. The revenue for the month of November 2024 will be recognised as part of the December 2024 monthly reporting, as the reports are sent to the Municipality on the 7th working day.

Transfers and Subsidies

Transfers have been recognised as at the end of November 2024 amounting to R67.9 million. It is anticipated that this result may come in-line with the budgetary predictions during the course of the financial year.

Sale of Goods and Rendering of Services

Revenue collected as at end of November 2024 amounts to R3.5 million compared to an anticipated R4 million. This revenue source includes items such as building plan approval fees, town planning, fire services, staff housing etc.

Operational revenue

Revenue collected as at the end of November 2024 amounts to R6 million compared to an anticipated R1.2 million. The major contributor for the sharp increase relates to revenue derived from development charges and as this revenue item is already over-performing it will be adjusted in the Mid-Term Adjustment budget.

Total revenue for the month of November 2024 amounts to R63 million with a YTD actual of R387.8 million, compared to the R376.9 million anticipated budgeted revenue for the year. This, however, exclude revenue from capital contributions.

Expenditure

Employee related cost

Employee related cost for the month of November 2024 amounts to R46.9 million, with an actual YTD figure of R129.3 million. When comparing this to the YTD budget, R156.9 million, it translates to an under performance of 18%. Failure by the HR section to encode the payday system in the previous month coupled with the Annual Bonusses paid out has led to transactions to the value of approximately R30 million being recognised at period end. The main factor contributing to the under-spending remains the vacant positions that have not been filled to date, coupled with employee benefits provisions that will be processed at year-end.

Remuneration of councillors

Remuneration of councillors as at end of November 2024 amounts to R3.2 million. This expenditure item is underperforming by 2% for the month.

Bulk Purchases

Eskom payments for the month ended November 2024, amounts to R89.1 million. All payments are in respect of October invoices. November 2024 accounts will be forming part of next month's reporting. Currently this expenditure item is underperforming by 6%.

Depreciation

Depreciation for November 2024 is performing according to the budgetary provision.

Inventory Consumed

Expenditure for this item, for November 2024, amounts to R5.7 million while the YTD budget amounts to R7.9 million. This expenditure item is under-performing by 29% when compared to the YTD budget. This expenditure type relates to the consumption of materials and

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supplies/inventory at the stores used in operational and maintenance activities and is dependent on the rate at which operational and maintenance activities proceed.

Contracted Services

Expenditure as at end of November 2024 amounts to R19.6 million and is under-performing by 54% when compared to the YTD budget of R42.9 million. It is expected that this category of expenditure will increase as we progress through the second quarter of the financial year.

Transfers and subsidies

Expenditure as at end of November 2024 amounts R2.1 million when compared to the YTD budget of R7.9 million. An underperformance is reported for the month and expenditure falling under this category include grant-in-aid, payment to the shark spotter programme and our contribution to the regional landfill site and to tourism. The regional landfill in Mosselbay is not yet operational which contribute largely to the underspending.

Operational Cost

Operational Cost as at end of November 2024 amounts to R26.9 million while the YTD budget amounts to R37.3 million, which translates to an under performance of 28%. This includes items such as the rental expenses for offices, accommodation, insurance, travel and subsistence and telephone accounts. Some of the major contributors to this expenditure category is postage cost, external audit fees, bank charges and commission on prepaid electricity.

Total expenditure as at end of November 2024 amounts to R300.6 million in comparison to an anticipated expenditure budget of R398 million.

Conclusion on Financial Position and performance

The municipality is reporting a deficit for the month of R24.7 million, however given the employee cost, it was anticipated that this reporting period will reflect a deficit. A year-to-date surplus of R94.3 million is reported. The current cash flow is sufficient to meet the short and medium-term operational requirements, and the focus now is to sustain operations in the long term. The current ratio is below the best practice norms. The liquidity position has improved from previous months; however, a concerted effort is still necessary for the municipality to achieve financial sustainability.

The implementation of the financial recovery plan, especially the revenue enhancement strategy, receives dedicated attention to aid in the financial turnaround and to ensure that financial viability and long-term sustainability will be attained.

Section 4 – In-year budget statement tables

4.1 Monthly budget statements

The tables included in section 4 to the end of this report are from the 'C Schedule monthly Budget Statement legislated as part of the MBRR.

Below tables analyse the income and expenditure by Function and the performance of each sub function. As mentioned above the performance will be increased with the implementation of the SDBIP.

Table below relates to the budget performance by municipal vote. Most of the departments has underspent on their expenditure budget and collection on their revenue budget is starting to improve as per below. Management to note that expenditure is more than revenue since the beginning of the year.

See tables below C1 and C3 for the month ended 30 November 2024.

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WC047 Bitou - Table C1 Monthly Budget Statement Summary - M05 November

Description	2023/24	Budget Year 2024/25							
	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	178 261	191 257	191 257	15 642	82 742	79 691	3 052	4%	191 257
Service charges	431 020	486 846	486 846	39 154	192 447	202 852	(10 405)	-5%	486 846
Investment revenue	13 203	12 448	12 448	1 063	4 451	5 187	(736)	-14%	12 448
Transfers and subsidies - Operational	166 503	176 893	179 860	(1 071)	67 881	46 739	21 142	45%	179 860
Other own revenue	120 740	105 822	105 822	8 222	40 253	42 446	(2 194)	-5%	105 822
Total Revenue (excluding capital transfers and	909 728	973 266	976 233	63 010	387 774	376 915	10 859	3%	976 233
Employee costs	312 820	370 938	370 938	46 869	129 334	156 967	(27 632)	-18%	370 938
Remuneration of Councillors	7 376	7 879	7 879	863	3 219	3 283	(64)	-2%	7 879
Depreciation and amortisation	48 851	40 002	40 002	3 334	16 668	16 667	1	0%	40 002
Interest	20 922	14 063	14 063	11	67	5 859	(5 792)	-99%	14 063
Inventory consumed and bulk purchases	214 280	250 658	245 956	16 870	94 754	102 481	(7 727)	-8%	245 956
Transfers and subsidies	9 208	12 283	17 283	-	2 064	7 031	(4 967)	-71%	17 283
Other expenditure	260 712	275 053	277 722	15 618	54 504	105 740	(51 236)	-48%	277 722
Total Expenditure	874 170	970 877	973 844	83 563	300 610	398 028	(97 418)	-24%	973 844
Surplus/(Deficit)	35 558	2 389	2 389	(20 553)	87 164	(21 113)	108 276	-513%	2 389
Transfers and subsidies - capital (monetary allocations)	50 307	130 854	130 854	(4 113)	7 160	33 507	(26 347)	-79%	130 854
Transfers and subsidies - capital (in-kind)	33	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	85 897	133 243	133 243	(24 666)	94 324	12 394	81 930	661%	133 243
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	85 897	133 243	133 243	(24 666)	94 324	12 394	81 930	661%	133 243
Capital expenditure & funds sources									
Capital expenditure	104 311	183 160	193 192	10 657	22 919	80 496	(57 577)	-72%	193 192
Capital transfers recognised	44 924	107 616	107 616	7 667	17 569	44 840	(27 271)	-61%	107 616
Borrowing	35 920	50 033	52 932	602	1 362	22 055	(20 693)	-94%	52 932
Internally generated funds	23 434	25 511	32 643	2 387	3 988	13 601	(9 613)	-71%	32 643
Total sources of capital funds	104 279	183 160	193 192	10 657	22 919	80 496	(57 577)	-72%	193 192
Financial position									
Total current assets	560 528	466 245	451 907		567 872				451 907
Total non current assets	1 333 926	1 415 909	1 425 940		1 340 178				1 425 940
Total current liabilities	442 316	439 810	409 796		360 241				409 796
Total non current liabilities	192 078	199 510	225 217		190 453				225 217
Community wealth/Equity	1 260 061	1 242 834	1 242 834		1 357 356				1 242 834
Cash flows									
Net cash from (used) operating	(775 382)	153 694	150 556	(23 895)	6 502	17 219	10 716	62%	863 246
Net cash from (used) investing	(114 140)	(179 210)	(190 337)	(10 657)	(22 919)	80 953	103 872	128%	198 237
Net cash from (used) financing	-	50 033	50 033	5	(205)	-	205		50 033
Cash/cash equivalents at the month/year end	(794 444)	84 258	69 993	-	148 810	157 912	9 102	6%	1 276 948
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	38 271	11 020	11 086	8 075	290 134	-	-	-	358 586
Creditors Age Analysis									
Total Creditors	0	-	-	-	-	-	-	-	0

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Financial Performance Expenditure by Municipal Vote

Revenue by vote

The performance of revenue by vote as at end November 2024 amounts to R58.9 million, this is an under-performance of 3.8%. The detailed explanation on the revenue per item can be found in executive summary.

Expenditure by vote

The expenditure by vote as at November 2024 amounts R83.6 million. The total expenditure budget is under performing by 24.5%.

WC047 Bitou - Table C3 Monthly Budget Statement - Financial Performance (revenue and expenditure by municipal vote) -										
Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands										
Revenue by Vote	1									
Vote 1 - Council		-	3 004	3 004	-	2 948	751	2 197	292,6%	3 004
Vote 2 - Office of the Municipal Manager		101 437	66 656	66 656	165	10 671	16 941	(6 270)	-37,0%	66 656
Vote 3 - Community Services		134 298	153 695	153 695	7 587	51 703	58 263	(6 560)	-11,3%	153 695
Vote 4 - Corporate Services		2 368	19	19	(101)	228	-	228		19
Vote 5 - Financial Services		209 749	224 929	224 929	18 067	102 349	92 251	10 098	10,9%	224 929
Vote 6 - Economic Development & Planning		29 638	111 335	114 302	(553)	6 211	30 052	(23 841)	-79,3%	114 302
Vote 7 - Engineering Services		482 449	544 481	544 481	33 733	220 824	212 163	8 661	4,1%	544 481
Total Revenue by Vote	2	959 939	1 104 120	1 107 087	58 897	394 934	410 422	(15 488)	-3,8%	1 107 087
Expenditure by Vote	1									
Vote 1 - Council		11 819	12 945	12 958	1 107	4 056	4 957	(901)	-18,2%	12 958
Vote 2 - Office of the Municipal Manager		31 787	32 114	32 114	3 801	10 795	13 797	(3 003)	-21,8%	32 114
Vote 3 - Community Services		249 539	252 128	257 128	23 904	73 979	106 157	(32 178)	-30,3%	257 128
Vote 4 - Corporate Services		66 195	89 641	89 641	8 479	27 222	37 350	(10 128)	-27,1%	89 641
Vote 5 - Financial Services		59 748	70 683	70 670	8 961	21 527	27 695	(6 168)	-22,3%	70 670
Vote 6 - Economic Development & Planning		43 038	52 018	54 985	4 271	17 684	22 248	(4 564)	-20,5%	54 985
Vote 7 - Engineering Services		412 044	461 348	456 348	33 040	145 347	185 823	(40 476)	-21,8%	456 348
Total Expenditure by Vote	2	874 170	970 877	973 844	83 563	300 610	398 028	(97 418)	-24,5%	973 844
Surplus/ (Deficit) for the year	2	85 769	133 243	133 243	(24 666)	94 324	12 394	81 930	661,0%	133 243

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Capital expenditure

WC047 Bitou - Table C5 Monthly Budget Statement - Capital Expenditure (municipal vote, functional classification and funding) - M05 November

Vote Description	Ref	2023/24	Budget Year 2024/25							
		Audited Outcome	Original Budget	Adjusted Budget	Monthly Actual	YearTD Actual	YearTD Budget	YTD Variance	YTD Variance %	Full Year Forecast
R thousands	1									
Multi-Year expenditure appropriation	2									
Vote 3 - Community Services		3 636	5 705	5 905	913	2 685	2 461	225	9%	5 905
Vote 4 - Corporate Services		1 070	1 518	1 518	311	528	632	(105)	-17%	1 518
Vote 7 - Engineering Services		42 557	141 206	145 454	8 447	17 256	60 606	(43 349)	-72%	145 454
Total Capital Multi-year expenditure	4,7	47 263	148 429	152 877	9 670	20 469	63 699	(43 229)	-68%	152 877
Single Year expenditure appropriation	2									
Vote 2 - Office of the Municipal Manager		149	-	731	-	-	304	(304)	-100%	731
Vote 3 - Community Services		1 021	3 496	3 698	255	255	1 541	(1 286)	-83%	3 698
Vote 4 - Corporate Services		699	642	642	-	251	267	(16)	-6%	642
Vote 5 - Financial Services		33	-	-	-	-	-	-		-
Vote 6 - Economic Development & Planning		301	-	-	-	-	-	-		-
Vote 7 - Engineering Services		54 846	30 593	35 244	732	1 944	14 685	(12 741)	-87%	35 244
Total Capital single-year expenditure	4	57 049	34 731	40 315	986	2 450	16 798	(14 348)	-85%	40 315
Total Capital Expenditure	3	104 311	183 160	193 192	10 657	22 919	80 496	(57 577)	-72%	193 192
Capital Expenditure - Functional Classification										
Governance and administration		17 223	9 350	10 966	566	1 834	4 569	(2 735)	-60%	10 966
Executive and council		149	-	731	-	-	304	(304)	-100%	731
Finance and administration		17 073	9 350	10 235	566	1 834	4 265	(2 430)	-57%	10 235
Community and public safety		4 207	6 302	6 653	913	2 685	2 772	(87)	-3%	6 653
Community and social services		3 909	304	656	-	-	273	(273)	-100%	656
Sport and recreation		-	4 455	4 455	913	2 685	1 856	829	45%	4 455
Public safety		298	1 542	1 542	-	-	642	(642)	-100%	1 542
Economic and environmental services		12 288	47 401	48 338	1 061	1 344	20 141	(18 797)	-93%	48 338
Planning and development		301	-	-	-	-	-	-		-
Road transport		11 987	47 401	48 338	1 061	1 344	20 141	(18 797)	-93%	48 338
Trading services		70 593	120 108	127 234	8 118	17 056	53 014	(35 959)	-68%	127 234
Energy sources		19 492	26 065	29 759	535	535	12 399	(11 865)	-96%	29 759
Water management		33 290	45 070	48 452	3 548	8 319	20 188	(11 870)	-59%	48 452
Waste water management		17 811	46 673	46 673	4 035	8 202	19 447	(11 245)	-58%	46 673
Waste management		-	2 300	2 350	-	-	979	(979)	-100%	2 350
Total Capital Expenditure - Functional Classification	3	104 311	183 160	193 192	10 657	22 919	80 496	(57 577)	-72%	193 192
Funded by:										
National Government		29 398	29 331	29 331	3 446	8 407	12 221	(3 814)	-31%	29 331
Provincial Government		15 527	78 285	78 285	4 221	9 162	32 619	(23 457)	-72%	78 285
Transfers recognised - capital		44 924	107 616	107 616	7 667	17 569	44 840	(27 271)	-61%	107 616
Borrowing	6	35 920	50 033	52 932	602	1 362	22 055	(20 693)	-94%	52 932
Internally generated funds		23 434	25 511	32 643	2 387	3 988	13 601	(9 613)	-71%	32 643
Total Capital Funding	7	104 279	183 160	193 192	10 657	22 919	80 496	(57 577)	-72%	193 192

BITOU LOCAL MUNICIPALITY

Capital Expenditure Analysis

Capital Expenditure for the month equals R10 656 871.53, which translates to a 12% spent when comparing it to the YTD budget.

It should be noted that majority of the approved capital projects currently reflect a 0% spending which could mean these projects are under-performing, however cognisance must be taken that various projects are underway and payment for work done will only reflect in subsequent months.

It is crucial to prioritise spending on grants as historic trends in slow spending has shown us that departments tend to go for rollover applications process as they did not fully spend on their projects and these applications, at times, get rejected.

Capital Grants Analysis

Grants	Original Budget	Amended Budget	Monthly Actual	Shadow Balance	YTD Expenditure
MIG	18 895 912,00	18 895 912,00	2 582 153,56	7 962 192,39	7 542 963,86
WATER SERVICE INFRASTRUCTURE GRANT	10 434 783,00	10 434 783,00	864 224,98	1 349 585,02	864 224,98
INFORMAL SETTLEMENT UPGRADING PARTNERSHIP GRANT	16 650 000,00	16 650 000,00	223 560,00	13 500,00	558 985,00
HUMAN SETTLEMENTS DEVELOPMENT PARTNERSHIP GRANT	60 351 000,00	60 351 000,00	3 997 417,08	32 379 577,33	8 602 664,94
FIRE SERVICES CAPACITY GRANT	980 000,00	980 000,00	-	-	-
LIBRARY CONDITIONAL GRANT	304 345,00	304 345,00	-	-	-
AFR	25 510 549,00	31 745 206,00	2 387 107,47	3 615 719,75	3 267 900,66
BORROWINGS	50 033 373,00	53 830 324,00	602 408,44	26 021 525,31	2 082 467,66
TOTAL	183 159 962,00	193 191 570,00	10 656 871,53	71 342 099,80	22 919 207,10

Chart C1 2024/25 Capital Expenditure Monthly Trend: actual v target

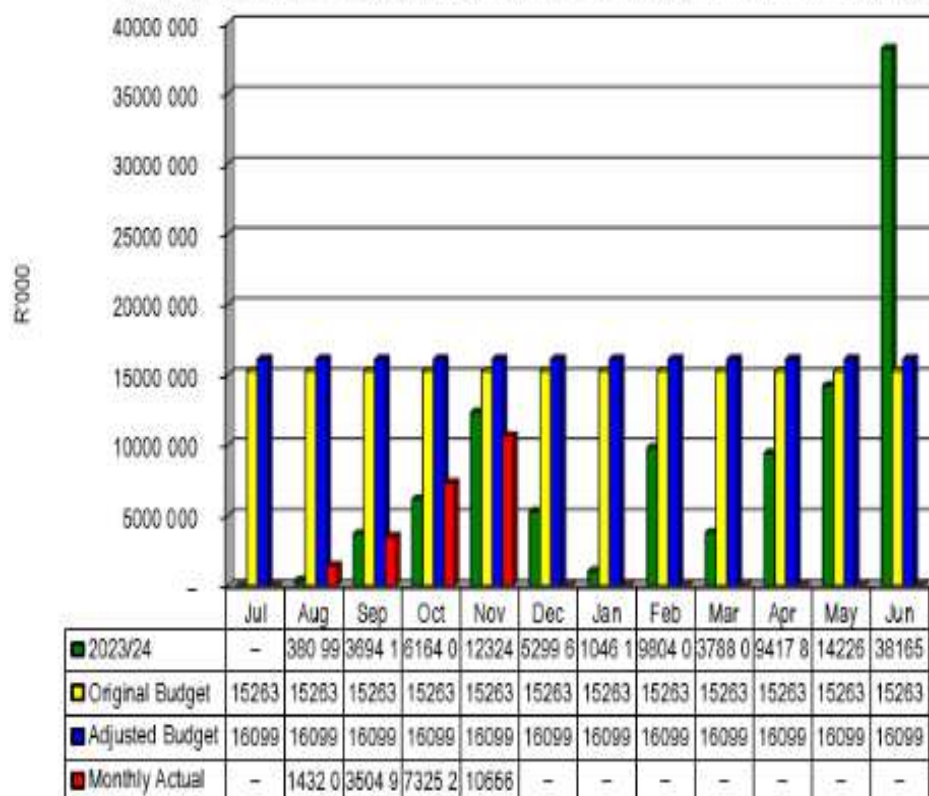
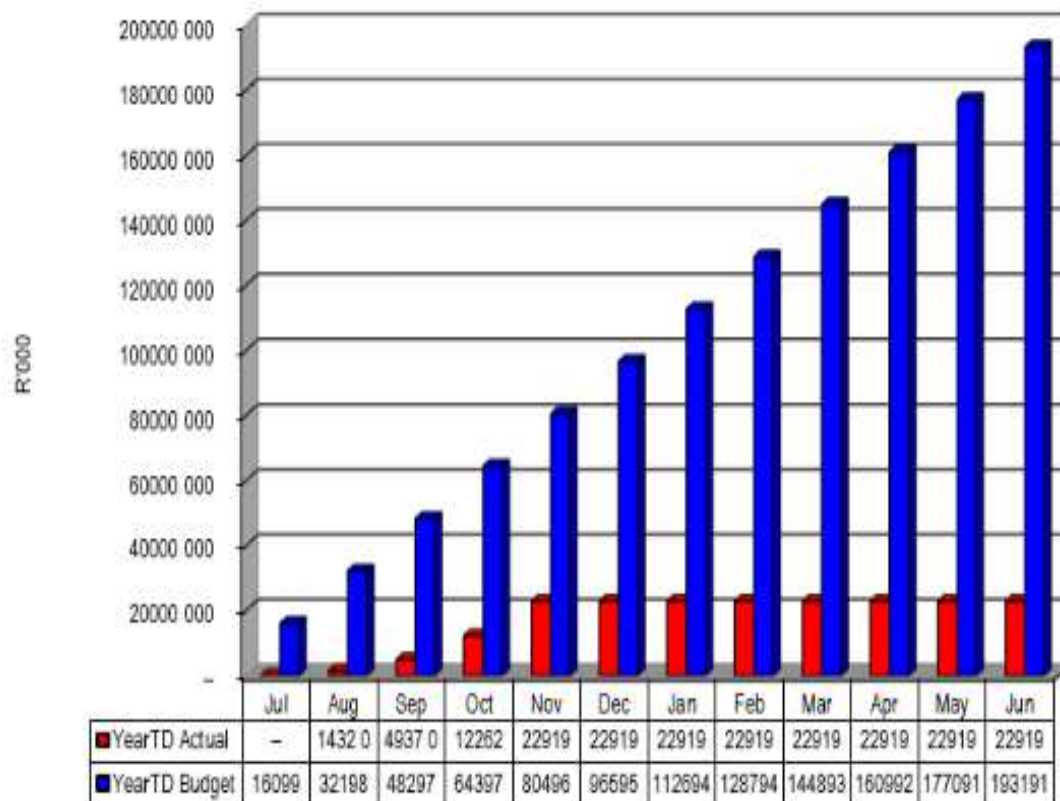


Chart C2 2024/25 Capital Expenditure: YTD actual v YTD target



BITOU LOCAL MUNICIPALITY

Statement of Financial Position

WC047 Bitou - Table C6 Monthly Budget Statement - Financial Position - M05 November

Description	Ref	2023/24	Budget Year 2024/25			
		Audited Outcome	Original Budget	Adjusted Budget	YearTD Actual	Full Year Forecast
R thousands						
ASSETS	1					
Current assets						
Cash and cash equivalents		165 432	60 220	45 882	148 810	45 882
Trade and other receivables from exchange transactions		54 528	75 841	75 841	63 143	75 841
Receivables from non-exchange transactions		40 213	97 230	97 230	54 319	97 230
Current portion of non-current receivables		9	11	11	9	11
Inventory		15 845	20 180	19 882	15 492	19 882
VAT		283 602	212 584	212 584	285 144	212 584
Other current assets		898	180	478	954	478
Total current assets		560 528	466 245	451 907	567 872	451 907
Non current assets						
Investment property		14 050	12 692	12 692	14 050	12 692
Property, plant and equipment		1 319 839	1 403 181	1 413 213	1 326 090	1 413 213
Heritage assets		38	35	35	38	35
Total non current assets		1 333 926	1 415 909	1 425 940	1 340 178	1 425 940
TOTAL ASSETS		1 894 455	1 882 153	1 877 847	1 908 050	1 877 847
LIABILITIES						
Current liabilities						
Financial liabilities		20 425	1 103	1 103	19 909	1 103
Consumer deposits		11 362	9 848	9 848	11 802	9 848
Trade and other payables from exchange transactions		125 575	86 278	84 939	20 564	84 939
Trade and other payables from non-exchange transactions		(31 403)	(13 526)	(16 493)	(5 345)	(16 493)
Provision		47 936	116 950	91 242	34 247	91 242
VAT		268 421	239 157	239 157	279 064	239 157
Total current liabilities		442 316	439 810	409 796	360 241	409 796
Non current liabilities						
Financial liabilities		107 718	130 734	130 734	107 718	130 734
Provision		13 801	10 320	10 320	12 567	10 320
Other non-current liabilities		70 559	58 456	84 163	70 168	84 163
Total non current liabilities		192 078	199 510	225 217	190 453	225 217
TOTAL LIABILITIES		634 394	639 320	635 013	550 694	635 013
NET ASSETS	2	1 260 061	1 242 834	1 242 834	1 357 356	1 242 834
COMMUNITY WEALTH/EQUITY						
Accumulated Surplus/(Deficit)		1 183 380	1 167 034	1 167 034	1 280 675	1 167 034
Reserves and funds		76 681	75 800	75 800	76 681	75 800
TOTAL COMMUNITY WEALTH/EQUITY	2	1 260 061	1 242 834	1 242 834	1 357 356	1 242 834

The table above reflects the statement of financial position of the municipality. The total current assets at the end of November 2024 amounts to R 567.9 million. The municipality reports total short-term investments at R153.8 million. The municipality reports a cashbook deficit of R5 million.

The current liabilities for the month amounts R360.2 million. The current ratio for the month equates 1.58:1, which is below best practice norms. The higher the current ratio, the more capable the municipality will be to pay its current or short-term obligations.

BITOU LOCAL MUNICIPALITY

Cash flow analysis

WC047 Bitou - Table C7 Monthly Budget Statement - Cash Flow - M05 November

Description	Ref	2023/24	Budget Year 2024/25							
		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	1								%	
Receipts										
Property rates		644	175 067	175 067	17 029	79 653	72 944	6 709	9%	175 067
Service charges		–	434 972	434 972	39 404	154 106	181 238	(27 132)	-15%	434 972
Other revenue		67	26 596	23 458	4 728	44 751	9 774	34 977	358%	23 458
Transfers and Subsidies - Operational		6 262	176 723	176 723	822	74 968	46 769	28 199	60%	176 723
Transfers and Subsidies - Capital		–	130 854	130 854	10 329	26 131	33 507	(7 375)	-22%	130 854
Interest		11 284	12 448	12 448	2 293	9 498	5 187	4 311	83%	12 448
Dividends		–	–	–	–	–	–	–		–
Payments										
Suppliers and employees		(793 639)	(776 920)	(776 920)	(98 490)	(380 474)	(322 692)	57 782	-18%	(64 231)
Interest		–	(14 063)	(14 063)	(11)	(67)	(5 859)	(5 792)	99%	(14 063)
Transfers and Subsidies		–	(11 983)	(11 983)	–	(2 064)	(3 650)	(1 586)	43%	(11 983)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(775 382)	153 694	150 556	(23 895)	6 502	17 219	10 716	62%	863 246
CASH FLOWS FROM INVESTING ACTIVITIES										
Receipts										
Proceeds on disposal of PPE		–	3 950	3 950	–	–	–	–		3 950
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–		–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–		–
Payments										
Capital assets		(114 140)	(183 160)	(194 287)	(10 657)	(22 919)	80 953	103 872	128%	194 287
NET CASH FROM/(USED) INVESTING ACTIVITIES		(114 140)	(179 210)	(190 337)	(10 657)	(22 919)	80 953	103 872	128%	198 237
CASH FLOWS FROM FINANCING ACTIVITIES										
Receipts										
Short term loans		–	–	–	–	–	–	–		–
Borrowing long term/refinancing		–	50 033	50 033	–	–	–	–		50 033
Increase (decrease) in consumer deposits		–	–	–	137	440	–	440	0%	–
Payments										
Repayment of borrowing		–	–	–	(132)	(646)	–	646	0%	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	50 033	50 033	5	(205)	–	205	0%	50 033
NET INCREASE/ (DECREASE) IN CASH HELD		(889 522)	24 518	10 253	(34 547)	(16 622)	98 171			1 111 516
Cash/cash equivalents at beginning:		95 078	59 740	59 740		165 432	59 740			165 432
Cash/cash equivalents at month/year end:		(794 444)	84 258	69 993		148 810	157 912			1 276 948

The municipality is reporting a deficit of R23.9 million on monthly actual net cash from operating activities. These are mostly month to month operating expenses and operating income. The major difference from last month is the expenditure on Employee related that was not recognised.

Monthly actual net cash **(used)** on investing activities is reported at R10.7 million which is mostly influenced by spending on capital projects.

The net cash **(used)** for financing activities are mostly influenced by the repayment of loans. The amount as at November 2024 amounts to R 5 000. The previous bi-annual redemption was done in June 2024. The next payment will occur in December 2024:

The municipality reports cash and cash equivalents amounting to R148.8 million, this includes cash at bank and short-term investment

BITOU LOCAL MUNICIPALITY

Section 5 – Debtors’ analysis

5.1 Supporting Table SC3

WC047 Bitou - Supporting Table SC3 Monthly Budget Statement - aged debtors - M05 November

Description	NT Code	Budget Year 2024/25										Actual Bad Debts Written Off against Debtors	Impairment - Bad Debts i.t.o Council Policy
		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	Total over 90 days		
R thousands													
Debtors Age Analysis By Income Source													
Trade and Other Receivables from Exchange Transactions - Water	1200	6 535	2 929	2 861	2 360	89 435	-	-	-	104 121	91 795	6	-
Trade and Other Receivables from Exchange Transactions - Electricity	1300	11 689	2 200	1 206	832	16 381	-	-	-	32 308	17 214	13	-
Receivables from Non-exchange Transactions - Property Rates	1400	10 057	2 054	1 922	1 286	42 965	-	-	-	58 284	44 251	92	-
Receivables from Exchange Transactions - Waste Water Management	1500	6 178	2 249	3 201	2 080	98 891	-	-	-	112 599	100 971	1	-
Receivables from Exchange Transactions - Waste Management	1600	3 654	1 485	1 760	1 354	59 324	-	-	-	67 577	60 678	2	-
Receivables from Exchange Transactions - Property Rental Debtors	1700	-	-	-	-	-	-	-	-	-	-	-	-
Interest on Arrear Debtor Accounts	1810	-	-	-	-	-	-	-	-	-	-	-	-
Recoverable unauthorised, irregular, fruitless and wasteful expenditure	1820	-	-	-	-	-	-	-	-	-	-	-	-
Other	1900	158	104	136	161	(16 862)	-	-	-	(16 303)	(16 701)	-	-
Total By Income Source	2000	38 271	11 020	11 086	8 075	290 134	-	-	-	358 586	298 209	114	-
2023/24 - totals only													
Debtors Age Analysis By Customer Group													
Organs of State	2200	462	225	237	106	1 230	-	-	-	2 261	1 336	-	-
Commercial	2300	4 897	1 114	419	326	367	-	-	-	7 122	693	-	-
Households	2400	32 912	9 681	10 429	7 643	288 537	-	-	-	349 202	296 180	-	-
Other	2500	-	-	-	-	-	-	-	-	-	-	-	-
Total By Customer Group	2600	38 271	11 020	11 086	8 075	290 134	-	-	-	358 586	298 209	-	-

Debtor’s age analysis

The debtors’ book of the municipality reflects R 290.1 million on outstanding debtors older than 121 days and a total outstanding amount of R 358.6 million.

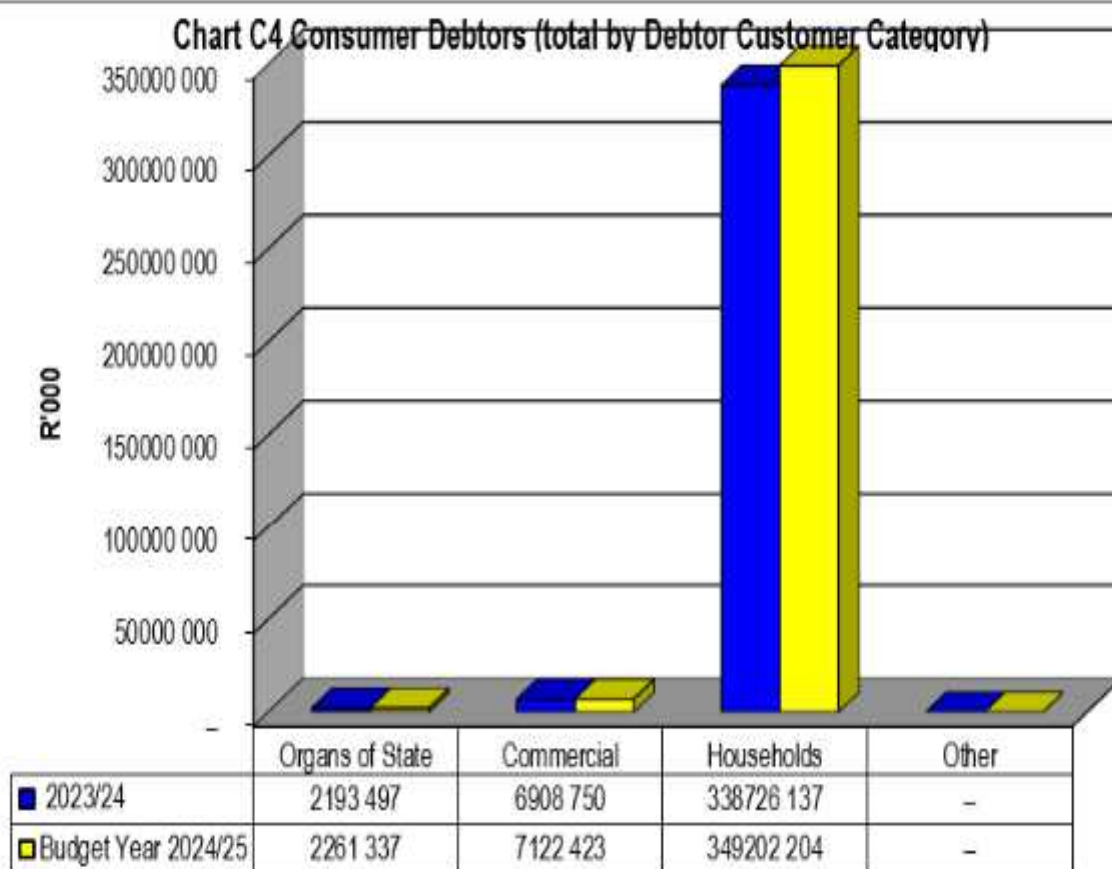
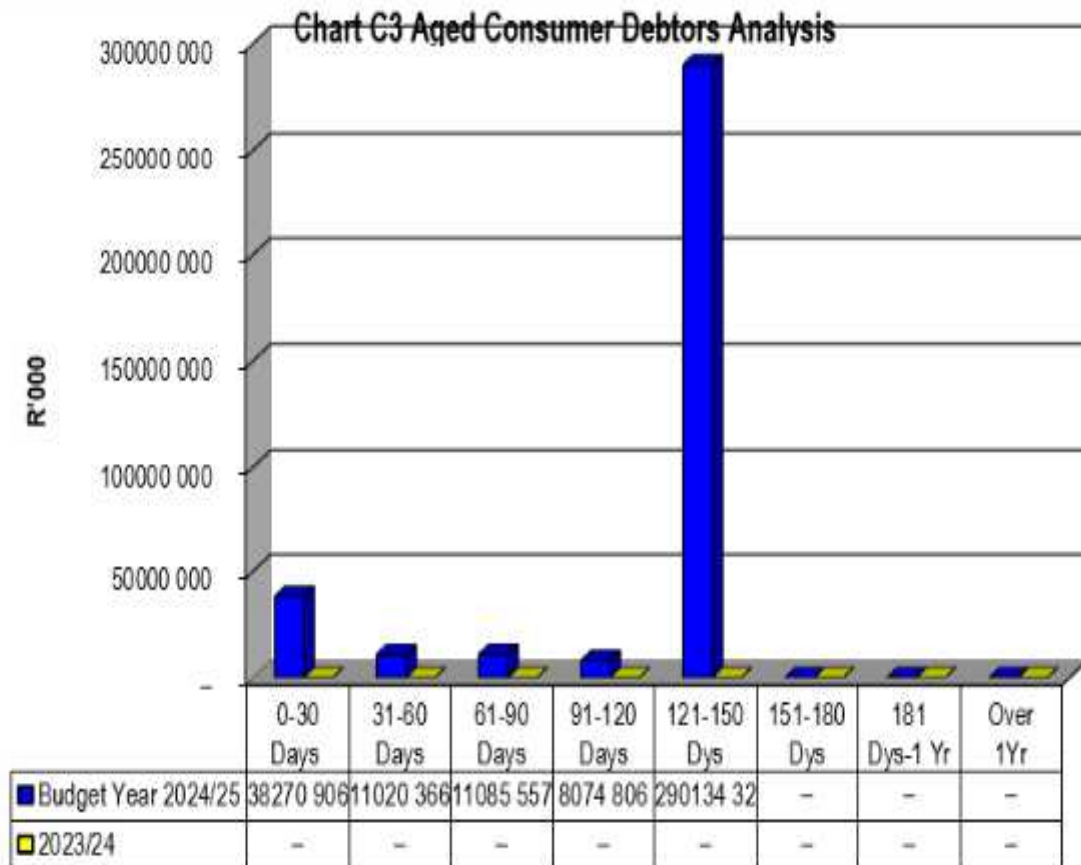
The contributors to the outstanding debt remain the household debt which represent 97.38% of total debt, followed by businesses with 1.99% and organs of state contributing 0.63%

The municipality has monthly debt collection strategies to help ensure that outstanding revenue is collected, which includes blocking prepaid electricity for users in arrears and applying water restrictions in arrears where Eskom is the electricity distributor. Customers are informed prior to these actions being implemented by way of a disconnection notice. Disconnection notices are sent monthly out to all customers with outstanding accounts after the due date which is 7th of every month.

The collection rate for the month of November 2024 is 110%. See below debtor payment percentage breakdown achieved for November 2024.

DEBTOR PAYMENT % ACHIEVED				
DETAILS	Sep-24	Oct-24	Nov-24	Annual
Gross Debtors Opening Balance	346 643 406,50	361 650 019,63	365 197 577,85	335 576 739,61
Billed Revenue	67 185 014,27	67 651 871,90	65 782 592,04	334 403 293,61
Gross Debtors Closing Balance	361 650 019,63	365 197 577,85	358 585 962,95	358 585 962,95
Bad Debt Written off	-	1 839 700,82	113 783,52	8 318 692,81
Payment received	54 178 401,14	62 264 612,86	72 280 423,42	303 075 377,46
Billed Revenue	67 185 014,27	67 651 871,90	65 782 592,04	334 403 293,61
% Debtor payment achieved	81%	92%	110%	91%

BITOU LOCAL MUNICIPALITY



BITOU LOCAL MUNICIPALITY

Section 6 – Creditors' age analysis

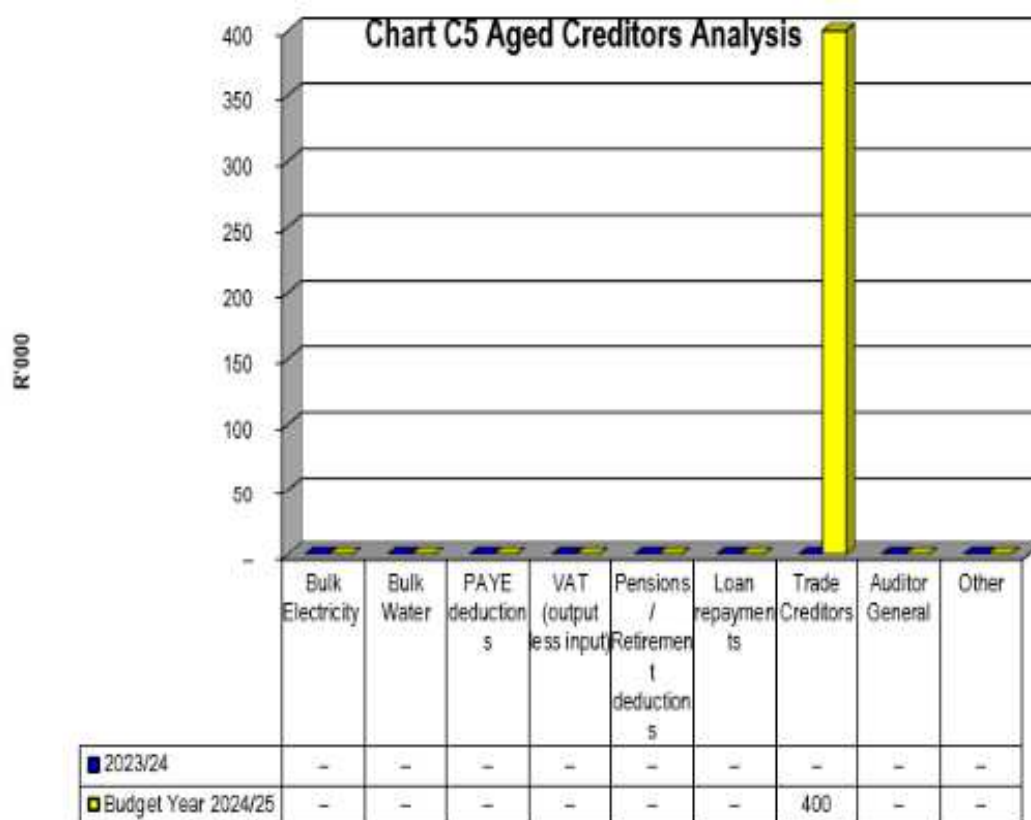
6.1 Supporting Table SC4

Table SC4 reflects the trade creditors

WC047 Bitou - Supporting Table SC4 Monthly Budget Statement - aged creditors - M05 November											
Description R thousands	NT Code	Budget Year 2024/25									Prior year totals for chart (same period)
		0 - 30 Days	31 - 60 Days	61 - 90 Days	91 - 120 Days	121 - 150 Days	151 - 180 Days	181 Days - 1 Year	Over 1 Year	Total	
Creditors Age Analysis By Customer Type											
Bulk Electricity	0100	-	-	-	-	-	-	-	-	-	-
Bulk Water	0200	-	-	-	-	-	-	-	-	-	-
PAYE deductions	0300	-	-	-	-	-	-	-	-	-	-
VAT (output less input)	0400	-	-	-	-	-	-	-	-	-	-
Pensions / Retirement deductions	0500	-	-	-	-	-	-	-	-	-	-
Loan repayments	0600	-	-	-	-	-	-	-	-	-	-
Trade Creditors	0700	0	-	-	-	-	-	-	-	0	-
Auditor General	0800	-	-	-	-	-	-	-	-	-	-
Other	0900	-	-	-	-	-	-	-	-	-	-
Total By Customer Type	1000	0	-	-	-	-	-	-	-	0	-

Creditors Age Analysis

The municipality reports no trade creditors in November 2024. It is confirmed that all creditors are paid strictly in accordance with the MFMA prescripts of 30 days from invoice.



BITOU LOCAL MUNICIPALITY

Section 7 – Investment portfolio analysis

7.1 Supporting Table SC5

WC047 Bitou - Supporting Table SC5 Monthly Budget Statement - investment portfolio - M05 November														
Investments by maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate *	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
R thousands		Yrs/Months												
Municipality														
Absa Bank:9380348553		Call Deposit	Call Deposit						Call Deposit	19 933	444		-	20 377
Standard Bank: 488607000-079		Call Deposit	Call Deposit						Call Deposit	5 453	73		-	5 525
Standard Bank: 488607000-078		Call Deposit	Call Deposit						Call Deposit	5 453	73		-	5 525
Absa Bank:9381946782		Call Deposit	Call Deposit						Call Deposit	11 987	267		-	12 254
Nedbank: 037881052406		365 Days	Fixed Deposit						11/09/2025	50 000	-		-	50 000
Standard bank: 488607000-087		360 Days	Fixed Deposit						06/09/2025	47 745	-		-	47 745
Standard bank: 488607000-088		150 Days	Fixed Deposit						08/02/2025	12 385	-		-	12 385
-		-								-	-		-	-
-		-								-	-		-	-
-		-								-	-		-	-
Municipality sub-total										152 956	857		-	153 813

Investment portfolio analysis

The municipality has investments with a total value of R153.8 million as at November 2024. Interest earned on fixed deposits will only be recognised upon maturity, but it will be accrued at year end.

BITOU LOCAL MUNICIPALITY

Section 8 – Grant Performance

8.1 Supporting Table SC6

Grant Description	Year- To-Date Actual Balance (M05)
WATER SERVICES INFRASTRUCTURE GRANT	-
LOCAL GOVERNMENT, WATER AND RELATED SERVICE SETA	228 040,18
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT	580 073,30
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT	220 640,90
EQUITABLE SHARE	64 228 000,00
HUMAN SETTLEMENT DEVELOPMENT - OPERATIONAL	-
COMMUNITY DEVELOPMENT WORKERS (CDW) - OPERATIONAL	-
COMMUNITY LIBRARY SERVICES - OPERATIONAL	74 680,49
LOCAL GOVERNMENT PUBLIC EMPLOYMENT SUPPORT - OPERATIONAL	-
LIBRARY SERVICES REPLACEMENT FUNDING FOR MOST VULNERABLE B3 MUNICIPALITIES -	2 549 526,57
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT	-
MUNICIPAL INFRASTRUCTURE GRANT	4 122 987,80
REGIONAL SOCIAL ECONOMIC PROJECTS (RSEP) - CAPITAL	-
THUSONG SERVICES CENTRES	-
TITLE DEEDS RESTORATION	-
LOCAL GOVERNMENT GRADUATE INTERNSHIP - OPERATIONAL	-
INFORMAL SETTLEMENT UPGRADING PARTNERSHIP: PROVINCES (BENEFICIARIES)	359 938,75
FINANCIAL MANAGEMENT CAPACITY BUILDING	-
FINANCIAL ASSISTANCE TO MUNICIPALITIES FOR MAINTENANCE AND CONSTRUCTION OF TRANSPORT INFRASTRUCTURE - OPERATIONAL	-

72 363 887,99

The table above reflects the income recognition done for the month of November 2024.

Grant Description	Year- To-Date Actual Balance (M05)
INTEGRATED NATIONAL ELECTRIFICATION PROGRAMME GRANT: RECEIPTS	-
MUNICIPAL INFRASTRUCTURE GRANT: RECEIPTS	11 802 000,00
WATER SERVICES INFRASTRUCTURE GRANT: RECEIPTS	4 000 000,00
LOCAL GOVERNMENT, WATER AND RELATED SETA: RECEIPTS	-
LIBRARY SERVICES REPLACEMENT FUNDING FOR MOST VULNERABLE B3 MUNICIPALITIES	6 606 000,00
SETA:RECEIPTS	-
LOCAL GOVERNMENT FINANCIAL MANAGEMENT GRANT: RECEIPTS	1 800 000,00
EXPANDED PUBLIC WORKS PROGRAMME INTEGRATED GRANT: RECEIPTS	320 869,57
THUSONG SERVICES CENTRES - OPERATIONAL: RECEIPTS	-
COMMUNITY LIBRARY SERVICES	1 994 000,00
COMMUNITY DEVELOPMENT WORKERS	19 000,00
WESTERN CAPE MUNICIPAL ENERGY RESILIENCE (WC MER)	-
EQUITABLE SHARE	64 228 000,00
FINANCIAL ASSISTANCE TO MUNICIPALITIES FOR MAINTENANCE AND CONSTRUCTION OF TRANSPORT INFRASTRUCTURE	-
FINANCIAL MANAGEMENT CAPACITY BUILDING	-

90 769 869,57

The table above reflects the grant receipts for November 2024.

BITOU LOCAL MUNICIPALITY

Municipal manager's quality certification

Municipal manager's quality certification

An in-year report must be covered by a quality certificate in the format described below:

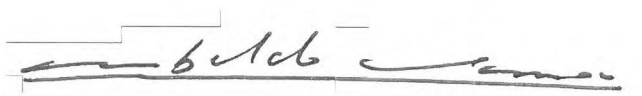
QUALITY CERTIFICATE

I, **Mbulelo Memani**, the Municipal Manager of Bitou Local Municipality, hereby certify that -
(mark as appropriate)

- ☒ The monthly budget statement
- ☐ Quarterly report on the implementation of the budget and financial state of affairs of the municipality
- ☐ Mid-year budget and performance assessment

For the month ended 30 November 2024 has been prepared in accordance with the Municipal Finance Management Act and regulations made under that Act.

Signature



Print Name: M Memani

Municipal Manager of Bitou Local Municipality – WC047

Date

11/12/2024